The Business Case for Better Elections and Expanded Voting

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This low turnout is largely the result of rules that raise the costs of voting– the time, money and information—rather than apathy. Low voter turnout translates into unequal opportunities that carry significant risks for business. They shrink the middle class and contribute to problems such as weaker economic growth, polarization and political instability, declining trust in capitalism and financial institutions, fewer public goods, and inefficient redistributive policies. Business support for voting, civic participation, and policies that increase opportunity, mobility and growth can help address these problems. As such, the business community should lend public support to same day registration, independent redistricting commissions, voter education efforts, expanded weekend or early voting, election security efforts and civics teachings at the K-12 and college levels. The business community can also provide direct corporate support by offering expanded paid time off to vote, establishing year-round civic engagement programs, emailing reminders for local, state and federal elections, and providing links for employees to determine registration status.

The U.S. has a serious - low and uneven - voter turnout problem

The U.S. trails most developed countries in voter turnout – with only 50-60% of the voting age population turning out in presidential elections, 35-50% in midterms, and fewer still in local elections. That means 40-60% of the eligible population stays home in almost every election, regardless of the candidates.

Voter turnout rates are even lower for young people. Data shows voter turnout for young people is typically 20% lower than the national average. Lower voter turnout patterns are equally evident in low income and minority communities.

Local elections experience some of the most severe problems of low and uneven turnout (by race, income, education and age).

Institutional rules and organizations - not voter apathy - are key to low U.S. voting turnout

Examples of these institutional rules and organizations include:

- Off-cycle elections: Local elections and run-offs often occur at different times than federal contests. Extra elections impose obvious costs on local government. Less obvious are the costs on citizens who need to plug in and learn about elections yearly, or even more frequently, if they wish to vote in every election. As a result, it is no surprise that fewer people vote in each election.

- Onerous voter ID requirements based on unjustified claims of voter fraud;

- The complexity of election administration and voting rules, including elections regulated by federal and state laws but executed by state and local officials, poor coordination among election administrators, and high information barriers — such as determining registration status, how to register to vote, where to register, and which documents are required —that increase voter confusion;

- Redistricting and gerrymandering that lead to unequal representation; and

- Mass incarceration and the disenfranchisement of convicted felons has reduced the voting population by at least 4 million. Even in states where people who have served their sentence can be re-enfranchised, re-enfranchisement is not always automatic, and can cost money and/or take years. Further, the experience of having a negative interaction with police and/or the criminal justice system, regardless of whether the state takes away the right to vote, reduces the likelihood of the person involved ever voting, and also impacts and reduces the likelihood of other people in the person's family and community from voting (even people who had nothing to do with the incident). Some research concludes that the close relatives of a person who is incarcerated are much less likely to vote than other people when they grow up, even compared to people with similar income, race, wealth, education, etc.

The result: high cost of voting and civic participation in terms of time, money, and information

Those with lower resources have less access to voter ID, are less able to take time off from work, are less likely to have transportation to polling places etc. People with lower incomes are also much more likely to have moved recently, which usually requires having the time and knowledge to register to vote, to learn where to vote (and when to vote in the case of off-cycle local elections), to learn who and what are on the ballot, etc.

Younger people are far less likely to be registered and more likely to have moved recently, which requires them to regain, after each move, all the information listed in above.

Minorities traditionally face deliberate disenfranchisement, e.g. purging of voter rolls, reduced numbers of polling sites, limited early voting and voting day voting hours. Also, because minorities on average have fewer financial resources, they are more likely to move frequently, again imposing the costs above.

Why should business care about low and unequal voting turnout?

Unequal voting means unequal opportunities and a smaller middle class. Low voting by young people and by low-income and minority citizens discourages policies that provide opportunities to all citizens, leading to a gap between rich and poor that has not been seen in the United States in the last 100 years. This gap is reflected in:

- Income inequality. The top 10% of earners earn more than 9 times the bottom 90%, and the top 1% on average earn almost 40% more income than bottom 90%. The top 0.1% of earners take in more than 188 times bottom 90%. Over the past 50 years, the top 1% of U.S. earners nearly doubled their share of national income. According to Pew Research, "for most U.S. workers, real wages have barely kept up with productivity in decades."

- Wealth inequality. The wealthiest 0.1% of Americans possess more wealth than the bottom 80%.

- Employment insecurity and precariousness. 78% of Americans working full time live paycheck to paycheck. Almost 50% do not have $400 for an emergency.

- Social mobility. While 90% of people born in the 1940s earned more than their parents, the percentage drops to 50% for those born in the 1980s. This American dream is 2x more likely to be fulfilled in Canada.

- Political influence. "Super-donors" make up 0.01% of US adult population (one out of every 100,000 people) – in 1980, they made up 15% of all contributions with average contribution of $14,795 in 2016 dollars. In 2016, they made 40% of all contributions with average of $108,459 in 2016 dollars. The power of these donors contributes to polarization and, most critically, makes the federal government less responsive to the needs of the average citizen.

Smaller middle class presents significant risks for business. Several business leaders, such as Ray Dalio, who labeled inequality "a national emergency," have raised concerns about the impact of a dwindling middle class and inequality more generally. A smaller middle class:

- Reduces market demand and capacity of citizens to contribute to economic growth. As Tom Manning, former Chairman and CEO of Dunn and Bradstreet argues, "Increasing the earnings potential of each American will expand the wealth potential for all Americans as more breadwinners and contributors are brought into the economy and not simply relegated to the side of the road, watching as others stream past."

- Undermines citizen confidence in capitalism and overall trust. Reflecting stagnant wages and growing inequality, studies by researchers at Harvard and Pew found that over half of 18- 29 years old Americans say they do not support capitalism.

- Increases risks of political polarization and instability. Research by political scientists has demonstrated the association between inequality and civil strife (e.g. Boix). A number of prominent U.S. business leaders, such as Ray Dalio, as well as scholars (e.g. Hacker and Pierson) have expressed deep concern about the political polarization resulting from inequality.

- Increases tendencies to populism and growth instability. Whether on the left or right, a growing group of citizens lacking economic security will tend to push for populist policies that redistribute wealth, rather than build it through measures such as long-term investments in infrastructure workforce development. Populism has been associated with unstable growth spurts.

- Reduces support for public goods critical to business. A smaller middle class translates into a smaller tax base on which to finance key public goods, whether hard infrastructure such as roads and bridges, or "soft" infrastructure such as schools and research institutions.

- Increases the financial sector (Wall Street) and discourages innovation in the "real" economy (Main Street). Research has shown that societies with a smaller middle class generate demand for financial innovation, whereas more equal societies generate more demand for goods and services; this in turn encourages entrepreneurs to generate real innovation that raises society's ability to produce new goods and services.

- Stunts growth and competition. Political scientists Steven Teles and Brink Lindsey argue in their book, The Captured Economy, that both the rise in economic inequality and the slowdown in US economic growth over the past 4 decades, compared to the 1945-1975 period, have the same cause: the increasing power of special interest lobbies to win carve-out special policies from federal, state, and local policymakers. As voters and ordinary Americans have had less voice in decision-making, Teles and Lindsey argue, lobbyists have had more. This set up a situation, where, as Lee Drutman argues in The Business of America is Lobbying, it may be less important for a company to have a great product, and more important for it to have a great lobbying team. This is deeply anti-competitive, and makes it hard for new firms and small, mid-size, and even large businesses to compete with the giants.

What can business do to support voting for all citizens?

Firms and their associations can lend public support to many policies that increase voter engagement by:

- Promoting on-cycle elections, which reduces the time required to vote in multiple elections and cuts costs;

- Making voter ID requirements contingent on ease of access to required IDs;

- Ending restrictions on early voting;

- Requiring vote verification through paper trail;

- Ending political control of election administration by supporting independent, bipartisan Elections Commissions;

- Supporting same-day registration;

- Supporting independent redistricting commissions with proportionality requirements to end gerrymandering;

- Supporting voter outreach and education efforts; and

- Supporting weekend voting and election day holiday initiatives.

Businesses can also provide direct corporate support for voting by employees and consumers. A Harvard study found that in 2019, over 400 US firms encouraged their employees and/or consumers to vote in midterm elections. Such firms include, among others, Levi's, Tyson Foods, Walmart, Starbucks, Blue CrossBlue Shield of Minnesota, Target, Gap. Why and how did they do this? Motivating factors for this strategy include meeting consumer expectations for social and political engagement, raising brand awareness with new audiences, and raising employee satisfaction.

The strategies and approaches employed by these firms include:

- **Employee-focused initiatives**: paid time off to vote; close for business on Election Day; encourage voter participation through year-round "citizen" program; establish bipartisan candidate forums; provide information about roles of state officials; email voting reminders; provide links to voter registration initiatives, such as TurboVote; host in-person voter registration drives;

- **Encouraging consumers and users**: establish pop-up message reminders about voting on web sites; build civic product, such as voter registration tools; and

- **Raising employee and consumer awareness of candidates and legislation supporting growth with equity.** For example, Tom Manning has argued that supporting skills development programs is a key way in which CEOs can tackle income inequality.