



Building an Inclusive Economy in the Age of Adoption

By: Theresa Vallejo





The Age of Adoption has arrived.

BOLD ACTION FOR A NET ZERO FUTURE

This age is characterized by the transition from an era of climate tech research and innovation – an “Age of Innovation” – to the world today in which companies representing every economic sector are furiously adopting those solutions - the “Age of Adoption”.

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Building an Inclusive Economy in the Age of Adoption

For much of recorded history, decisions around economic outcomes have seldom been grounded in a desire to be inclusive across race, gender, geography, ability, or social and financial standing, perpetuating an unequal playing field in the growing U.S. economy. Although with the deepening threat of climate change and the need to reshape our economy to curb its worst impacts upon us, we are at the crest of arguably the most significant time of transformation and adoption of life-changing innovation in human history—should we rise to the challenge. Exclusion and division have stifled progress in the past, and we must be vigilant and committed to economic inclusion during the Age of Adoption to ensure a timely net-zero transition and a sustainable future for all individuals.

In 1973, when Harvard College first allowed women to take entrance exams for admission, they were administered in a lecture hall that had no female restrooms. This meant that women had an average of 15 minutes less than their male counterparts to take the exam because of the distance to the nearest restroom. While they were included in the exam, systematic barriers prioritizing the success of male exam takers over female exam takers—that had no association with their exam preparedness or intellectual ability—made their inclusion in higher education, and the socioeconomic opportunities it creates, further out of reach.




While many private institutions have allowed financial growth and wealth accumulation for white male elites, this has not extended to others and has resulted in equity barriers, so too has the public sector. Millions of veterans of color were **denied** their right to partake in the benefits of the federal G.I. Bill, also known as the Serviceman's Readjustment Act of 1944, which helped millions of returning World War II veterans, largely white, build intergenerational wealth and opportunity. It wasn't until 1974 with the passage of the Equal Credit Opportunity Act that women were able to build credit. Until then, women were unable to open a line of credit under their own name. Same-sex marriage was illegal in every state up until 2003, and it wasn't until 2015 that the federal government legalized its status. This barred same-sex couples from enjoying the legal and financial benefits of government-sanctioned marriage, including Social Security, spousal and survival benefits, lower insurance premiums, higher retirement deductions, and parental rights to their own children that are established through the **marital presumption of paternity** for heterosexual couples. A 2021 **study** found that 66% of developed countries offer free college or an annual tuition of fewer than two thousand dollars. In the U.S., the barrier to higher education is exceptional with the **average** annual public college and university tuition being \$25,750 and the **average** federal loan debt balance from education exceeding \$37,000.

As much as we need to build an inclusive, fair, and just economy in the Age of Adoption, we must shed and acknowledge the rigged, fixed, and preferential order in effect today and the legacy of past discriminatory – and oftentimes predatory – practices. Our economy chooses favorites; it has since its inception. It has favored men over women, white communities over Black, Indigenous and communities of color, citizens over migrants, intergenerational wealth over the working class, heteronormative over gender expression, marriages over individuals, politics over effective governance, and the status quo over progress. The adverse consequences of climate change that must be addressed during the Age of Adoption are countless, but the ability to reshape our economy during this transformational time into a more equitable, inclusive, and effective system is not one of them.

WHEN OPPORTUNITY STRIKES, TAKE THE BAIT

Climate change is a unique inflection point with economic risks and rewards rarely available to one generation, especially in such a global capacity. Global leaders, governments, and corporations can make economic decisions that are both inclusive and fiscally responsible, while also salvaging our planet from human-caused climate change—all within a few decades. They have been granted the opportunity to prove that inclusivity does not come at the expense of business growth—with ample evidence throughout history on their backs. This is not to say, however, that inclusive policies and decisions throughout history don't have their share of critics.

At the time of the New Deal, its **critics** came from across the political spectrum given then-President Franklin D. Roosevelt's affinity for big government and dedication to capitalism, with wealthy opponents **regarding** Roosevelt as "a traitor to his class." Nearly 100 years later, the legacy of the New Deal lies in programs like Social Security and in our country's infrastructure. One example, the **Hoover Dam**, made the cities of Los Angeles, Phoenix, and Las Vegas hospitable for their booming populations, powering over one million homes and saving cities from drought and flooding. This, and other New Deal outputs, not only supported economic growth at the time and with an impact still palpable today, but also provided economic relief when it was most needed and societal necessities like infrastructure. The modern (near) equivalent, the **Inflation Reduction Act (IRA)**, is slated to do the same. Democrats leveraged their Senate and House majorities to pass the Biden Administration's historic bill to bring sustainable manufacturing and energy production to the U.S., reduce carbon emissions, and create a projected 9 million U.S. jobs.

An aerial photograph of the Hoover Dam, a massive concrete structure spanning a deep, narrow canyon. The dam is surrounded by rugged, reddish-brown rock formations. A large reservoir of water is visible behind the dam, and a long concrete spillway extends from the base of the dam into the canyon below. The surrounding landscape is arid and rocky.

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UPSTREAM INVESTMENT SAVES DOWNSTREAM COSTS

During World War II (WWII), the United States **funded** Universal Childcare for families, costing 50 to 75 cents per day for families, so that women could join the workforce to help with war efforts. The funding quickly ended within a few years. Now, the United States stands as an “**outlier**” amongst wealthy countries for its paltry investment in the country’s youth. The average cost for childcare in the U.S. is \$41/day, a roughly 245% premium from the government-subsidized option when adjusted for inflation. The U.S. government invests \$500 per year on toddler care; on average, other wealthy countries contribute \$14,000 annually. This disparity has a rippling effect across the American economy—and it’s not positive. A **report** from NEF and the Berlin-based Hot or Cool Institute released in early 2023 found that universal basic services like childcare are critical to building the public support needed to transform our economy in the Age of Adoption.


Investment in human capital from corporations is also essential in this new age. Even though the U.S. is currently experiencing low unemployment, inflation-adjusted wages have **fallen** over the last 3 years, and purchasing power has remained largely **stagnant** over the last 40 years. The U.S. has been left in a perilous position due to inequitable corporate wage distribution and a lack of universal basic services. This is compounded by the residual impact from when **1.8 million** women had to leave the workforce over the course of the COVID-19 pandemic—largely due to the challenges outlined above. Just how perilous? Women are nearly 48% of all medical school graduates, 35% of environmental engineering students, 86% of nurses, 77% of teachers, and 75% of elderly caregivers.

Caring for a country’s youth and their mothers is an investment in a country’s future and present, a small upstream investment saving considerable downstream costs. We can take a lesson from WWII policy: as we fight the battle against climate change, women and mothers, are indispensable in the fight.

COMMUNITY ENGAGEMENT CAN IMPACT YOUR BOTTOM LINE

Whether in a boardroom or on a city street, engaging with community stakeholders is imperative to success in the Age of Adoption. In the past and present, environments and the communities within them have been sacrificed at the expense of industry. The Ironbound, a four-mile section of the city of Newark, New Jersey, with over 55,000 residents, has hundreds of **toxic sites** and a **Superfund site**. The flood dangers brought on by climate change make the potential risks of these sites extremely hazardous to the people who live around them. And, as climate change goes unresolved, those risks increase. The **chance** of the average New Jersey home (off the coast) being affected by a hurricane four decades ago was 1 in 200, that number is now between 1 in 30 and 1 in 100. Aside from the incredible health implications of ignoring community stakeholders, the financial implications are tremendous. In 2021, four sites in Newark were **designated** as Superfund sites for their risks and toxicity, receiving funding from the U.S. Environmental Protection Agency (EPA) for a clean-up totaling more than one billion dollars.

Communities like the Ironbound in Newark, largely comprised of immigrants and first-generation Americans, have been enduring the negative effects of industry in their communities for generations. A study that inspired EPA intervention in the community in 2015, found that one in four children in the Ironbound had asthma. It's difficult to deny that the physical, mental, and financial burdens that are shouldered by industrial and energy communities have been unjustly put on people of lower socioeconomic status with their welfare and quality of life often an afterthought. Within approximately one mile of Superfund sites across the U.S., **1 in 5** were under the poverty line with an education level less than a high school education.



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New regulations fueled by the Age of Adoption, like the Inflation Reduction Act (IRA), the U.S. CHIPS for America and FABs Act (CHIPS) and the Federal Infrastructure Investment and Jobs Act (IIJA) put an emphasis on bringing manufacturing and production back to the United States. This can have positive financial implications across income brackets, as the IRA alone is set to bring over **9 million domestic green jobs** within the next decade and improve **health outcomes** for Americans. To achieve these lofty goals, governments and corporations will need to take lessons from the communities that endured the greatest burdens from previous industrial growth.

Some companies have already “understood the assignment”, like Dimensional Energy, a sustainable fuel company building climate justice into their business plan and engaging with communities designated for plants and manufacturing. BlocPower, a sustainable heating, cooling, and hot water systems provider, has also gained attention for its green jobs and community engagement efforts, recently **partnering** with New York City to bring its **Civilian Climate Corps** to train and employ three thousand New Yorkers in communities impacted by high rates of gun violence with steady and good-paying jobs. We need many more examples of corporate investment like this should our economy become more equitable.

Community engagement abroad is also of vital importance. Countries and communities with natural assets that will power the Age of Adoption now have more diplomatic and economic power to ensure their people and land are protected and not exploited. A current **example** is the diplomatic tug-of-war between the U.S., China, and Russia for African relations. Whether it is by choice or by necessity, global power dynamics may shift as different natural resources and assets draw the attention of the global community in this new age. For this reason, building relationships with international stakeholders and ensuring relations stay positive and equitable, is essential no matter the size of the community.



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This is also a practice the U.S. must adopt at home. Indigenous communities and First Nations have been vocal about the exploitation of the natural environment and their calls for climate protection have largely been ignored for generations, even though Indigenous practices of caring for the natural environment have proven in many cases to be the most sustainable approaches. **The Nature Conservancy** has begun nurturing relationships with Indigenous populations across the U.S. to build trust and partnership through conservation. Indigenous communities across the globe manage a quarter of the world's lands, and their contributions and leadership in the Age of Adoption should not be underestimated.

If the previous relationship between industry and community was exploitative, the relationship in the Age of Adoption must be collaborative. Luckily, many of the challenges that must be addressed to fix climate change are those that are harming communities the most (i.e., air quality, water pollution, deforestation). If public and private leaders take one critical lesson from climate change, it is that the Earth is interconnected and climate disasters do not see property nor wealth lines. While differences clearly lie in who has the funds to rebuild and resist, the financial implications and costs are astronomical—and avoidable—across the board with climate justice and environmental action.

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HUMAN NEEDS ARE CLIMATE NEEDS, AND CLIMATE NEEDS ARE ECONOMIC NEEDS

American companies are set to **import** about 46 million metric tons of palm oil from Indonesia this year. In recent years, the Indonesian government set out to stop the rapid and dangerous deforestation of the Indonesian rainforest, one of the most ecologically diverse places on Earth. This crackdown came after **slash-and-burn** agriculture unleashed toxic smoke across the country and neighboring countries affecting over 40 million people and organizations like **Greenpeace** got involved.

Local law enforcement officials and high-profile plantation owners were held accountable for the ecological damage and risk to human life that was at stake if this method of destroying the rainforest for palm oil continued. Corporations followed suit to avoid negative publicity, taking extreme measures to be disassociated with the destruction. One purchaser of Indonesian palm oil, **Nestlé**, began using satellites to monitor their palm oil supply chain to ensure that it was being sustainably sourced. The collaborative effort of non-governmental organizations (NGOs), governments, and corporations inspired by public pressure is the most effective collective action against climate change and community destruction.

The collaborative efforts of these groups will also be needed to address the problematic informal economy within the U.S. As trickle-down economics seldom, if ever, trickles, neither does the promise that an informal economy is socially beneficial—according to **MGI research**. While these jobs are informal, they are hiding in plain sight, with the government and companies leveraging the workforce to power 7.3% of the U.S. GDP. Yet, workers within the informal economy are not protected under labor laws nor are their employers required to contribute to government programs like other employers are required to. (The Urban Institute **outlined** multiple recommendations to improve the economic well-being of informal workers accessible, **here**.) The environment also suffers because of the informal economy, as environmental protection laws can be more easily ignored if unrecorded work is being conducted.

The Age of Adoption will require a considerable labor force, and, as it stands, the American economy is already dependent upon informally employed workers. Therefore, it is rightfully time for these workers to be protected and for companies to be contributing equally to ensure success in this new age.

CONCLUSION

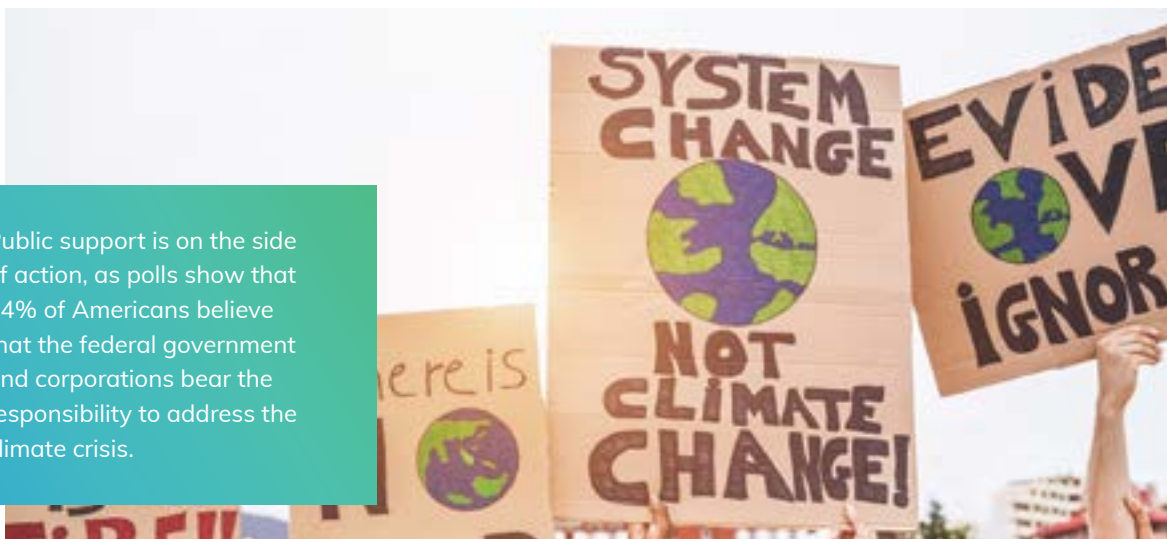
The challenges ahead are daunting; we have not been presented with an opportunity for a drastic, mass global transition for arguably over a century, if ever. Luckily, we do not have a choice to remain in our current order without facing an ecological collapse, making the decision to do something - versus keeping with the status quo - inescapable.

Engaging local communities, considering the value of human lives and capital in the business, and leveling the playing field for all workers that fuel the U.S. economy are all paramount to the success of the Age of Adoption in combating and reversing the worst effects of climate change. Public support is on the side of action, as polls show that **64%** of Americans believe that the federal government and corporations bear the responsibility to address the climate crisis and **65%** of Americans believe the government is doing too little today.

The recent **IPCC report** indicated that there is still hope to address the climate crisis if we properly and quickly fund decarbonization. The United States has the primary responsibility to lead the world into a sustainable and economically inclusive future, if not to take responsibility for being one of the countries that have driven climate change and its detrimental effects across the globe the most, to practice the democratic principles it preaches and ensure that this new age is not plagued by the same socio-economic barriers that restrict stability, equity and prosperity today.

**In the Age of Adoption, every company has a climate story;
let Antenna Group's experts define and amplify yours.**

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