



## FAIR SHOT 2020

### What is Fair Shot 2020?

Our tax code is threatening the financial stability of working class families like never before, and families of color are threatened further still by the ever-growing racial wealth divide. Fair Shot 2020 is a \$1.5 million campaign to create a fair and stable U.S. economy—by providing families and children of color with a fair shot at creating and protecting their financial well-being. Together, we can advance equitable federal and state policies that benefit *all* Americans.

### Why Does It Matter?

**Working families are historically disadvantaged by the tax code. The new Tax Cuts and Jobs Act passed in January 2017 takes this historical disadvantage to new heights and further jeopardizes the stability of low- and middle-income families.**

Our tax code is at the heart of growing economic inequality in the United States. It is the single largest tool the federal government uses to boost economic outcomes and build lifelong wealth for families. In 2016 alone, the federal government spent \$677 billion through the tax code to help families purchase a home, attend college, and save and invest for the future. Together, this amount surpasses the budgets of all federal agencies combined, except for the Department of Defense.

Instead of using our resources to build economic growth, the Tax Cuts and Jobs Act will provide subsidies almost exclusively to those with incomes of \$730,000 or above, most of whom are White. It will use government funding to reduce the corporate federal tax rate, double the amount of inherited tax-free assets (like real estate or stocks), create tax-free shelters for private school through 529s and provide a lower tax rate on investment profits for hedge fund investors. Conversely, low- to middle-income homes will lose affordable health care, social security and tax breaks that made buying a home or pursuing education an attainable goal.

In short, this “tax reform” law puts the American middle class in jeopardy.

Moreover, by 2040, people of color will be the majority in the United States. Given the rapidly changing demographics of our country, the economic problems facing communities of color will have an economic impact on all Americans, including White households. Currently, about 60% of White households have middle-class wealth (\$68,000-204,000 in net worth) or higher, while less than 30% of Black and Latino households can say the same. While we acknowledge that the issue of economic inequality today is not unique to any one group, ignoring the opportunity gap facing communities of color is not something we can afford to do. Without change, Black and Latino households will be at a steadily growing disadvantage for the foreseeable future, jeopardizing the economic stability of our country.

### What Will Fair Shot 2020 Do?

Our goal is to mobilize state-level advocates to influence state and federal policymakers’ decisions on issues that exacerbate economic inequality. This will result in more positive state policies and help move the national conversation about what is possible at the federal level.

Your investment in this fund can help us increase our efforts to protect and defend the federal and state policies that are critical to low-wealth communities of color. We will continue to focus on policies that enable homeownership, preserve consumer protections, protect entitlement programs and create a more equitable tax code. Specifically, we will:

1. Mobilize and train coalitions of advocates (especially coalitions reaching people of color) and advocate for new federal and state policy solutions that can be advanced starting in 2018. We will provide these coalitions with advocacy trainings and data and organize legislative visits and other events both locally in the states and in Washington, DC. These coalitions will enhance the voice of our base of 24,000 advocates across the US and focus their efforts in strategic states, such as California, Georgia, Indiana, Maryland, Nevada, North Carolina, Oregon and Washington.
2. Develop new research and messaging on how current wealth-building policies impact the racial wealth divide, as well as new policy proposals at the state and federal levels in areas related to tax, homeownership, higher education, and emergency and long-term savings.
3. Provide useful tools for other organizations and invite our allies in state and federal governments to join us, both in 2018 and as we look forward to advancing equitable legislation in 2020, including:
  - Analysis of the impact of the Tax Cuts and Jobs Act on communities of color.
  - A new policy proposal for reforming the Mortgage Interest Deduction to truly promote homeownership for Black and Latino households.
  - A new policy proposal for a first-generation higher education tax credit.
  - New legislation for leveraging the Earned Income Tax Credit to help working families build emergency savings.

With your support, we will have built a strong, mobilized and engaged network of advocates by 2020 that will work to limit the damage done by current federal policies and advance new reforms. We will also have established stronger relationships on Capitol Hill to help us advance new legislation based on the policy proposals created with input from our network of advocates.

### About Prosperity Now

Prosperity Now believes that everyone deserves a chance to prosper. Since 1979, we have helped make it possible for millions of people, especially people of color and those of limited incomes, to achieve financial security, stability, and prosperity. We offer a unique combination of scalable and practical solutions, in-depth research, and proven policy solutions, all aimed at building wealth for those who need it most.

Our mission is to ensure that *everyone* in our country has a clear path to financial stability, wealth and prosperity.

### How Can You Help?

Contribute to this important work! To learn more about Fair Shot 2020, please contact Ana Maria Argudo-Lord, Senior Manager of Donor Experience and Engagement, at [aargudolord@prosperitynow.org](mailto:aargudolord@prosperitynow.org) or 202.601.1011.