



SUSTAINING CAPITALISM

A series focused on nonpartisan reasoned solutions in the nation's interest to the central challenges we face in order to provide prosperity for all Americans.

America in Perspective: Policy Priorities for 2025

Since 1942, business leader Trustees of the Committee for Economic Development (CED), the public policy center of The Conference Board, have proposed reasoned solutions in the Nation's interest on a nonpartisan basis for major public policy issues, from postwar planning after World War II and the origins of the Marshall Plan to the fiscal, workforce, and technology issues the US confronts today.

At a time of uncertainty for the world and significant challenges at home, we believe it also to be a time of opportunity – if political and business leaders can work together to prioritize the critical initiatives to drive economic growth and reverse the decline in economic equality. As in previous years, this Solutions Brief highlights a number of those issues selected by our Trustees, mostly CEOs and C-level executives, who give their time to strengthen US public policy.

2025 Public Policy Priorities

1 US Fiscal Health and Healthcare Programs

- National debt exceeds \$36 trillion; the cost of servicing it is greater than spending on defense. The national debt-to-GDP ratio, now at 100% and growing, is unsustainable.
- The Social Security and Medicare Trust Funds face depletion and need reform.
- Innovative solutions in healthcare include value-based care and alternative payment models, investments in the healthcare workforce, and expanding telehealth.

2 Challenges in Domestic Policy

- The Infrastructure Investment and Jobs Act (IIJA) and the CHIPS and Science Act are designed to boost the US industrial base, maintain leadership in basic science, and drive economic growth. These investments require collaboration between public and private stakeholders and better oversight. Energy transmission, grid modernization, and broadband are key priorities.
- Long-term labor shortages threaten growth and impact fiscal policy. Increase the participation rate through training and other incentives, promote investments in child care, and attract new workers by enacting comprehensive immigration reform, beginning by securing the border.
- New pathways in postsecondary education, including skills-based credentials, greater transparency and accountability, and business-led partnerships are necessary to meet the demands of tomorrow's workforce and society.
- Congress should develop a comprehensive national policy framework that ensures responsible AI development and use, working to promote safety, security, and innovation simultaneously. CED has developed a [series of guardrails](#) to inform this work and business' continued adoption of AI.
- Only greater reliance on and sensitivity to market mechanisms, with private sector innovation, will shift the energy mix and make progress towards net zero.
- Congress should speak more clearly in delegating authority to agencies, and agencies should follow the Administrative Procedure Act in letter and spirit. The DOGE initiative will provide opportunities for significant regulatory reform.

3 The Geopolitical Context

- In 2024, an already dangerous world became even more dangerous. This demands not only robust defenses but resolute and equally robust engagement with the world. We cannot shirk or shy away from these responsibilities of global leadership.
- Continued support for Ukraine against Russia's unprovoked aggression while supporting the pursuit of a sustainable peaceful resolution is a vital US national interest.
- Russia and China are increasingly working together, posing renewed dangers as global conflicts become increasingly intertwined, threatening both security and the global economy.
- In the Middle East, US global leadership remains indispensable to reducing conflict, preventing conflict from expanding, and working for peace in the region.
- In the Indo-Pacific, a robust posture includes closer economic and trade links as well as security ties with allies as the US competes with China for influence. A comprehensive plan for trade and investment with China will help manage our strategic competition and bolster supply chains in key industries for resilience, even as the US should continue its support for Taiwan.
- US exporters in all industries can compete well in global markets. Open trade benefits the US; high tariffs could spur inflation that threatens the US economy.

4 Business Leadership in Public Policy

- Business formation, capital formation, and innovation are long-term fundamentals of success. Transparent regulation and oversight, along with encouraging responsible innovation in financial services, will benefit US and global investors.
- A healthy democracy is vital for business and our country. Policymakers and private sector leaders should take lessons learned from the 2024 elections to continue to restore confidence.

US Fiscal Health

Let us address upfront perhaps the most important issue: US fiscal health and our national debt that continues to grow unchecked, now exceeding \$36 trillion. The cost of servicing this debt, now more than the US spends on defense, cripples our ability to adapt government spending to current needs. A national debt-to-GDP ratio of 100%, estimated to reach 180% by 2050, is already unsustainable and will inevitably crush any future ambitions we hold for our nation's potential.

CED believes it is essential for economic growth and national security that the new Administration and Congress take measures to [halt and eventually reverse the growth of the national debt-to-GDP ratio](#). This can only be achieved through policies that promote productivity and through difficult choices in budgeting, including tax reforms and expense reductions.

Without action, the principal Social Security Trust Fund will become depleted in a decade. Medicare faces the reality of needed modernization. Healthcare, the costs of which outpace those in other countries, [must embrace the promise of innovative solutions](#) including value-based care and alternative payment models to replace an antiquated fee-for-service system. Policymakers have the tools to tackle Medicare's negative financial trajectory, including reforms to Medicare Advantage risk-based contracts and benchmarks to affirm that the plans are both generating savings for Medicare and delivering high-quality care to enrollees; adjustments to premiums, cost-sharing, and prescription drug payments; emphasizing primary care and care coordination; streamlining regulations; and tackling fraud. Investments in the healthcare workforce, alignment between payors, and better data infrastructure are crucial to realizing the benefits of value-based care. The expanded use of telehealth services has been greatly beneficial for the Medicare population over the past five years, and Congress and the new Administration should strongly support making permanent the flexibilities originally put in place in response to the pandemic.

Challenges in Domestic Policy

At the same time, we have important work to do in other areas of domestic policy.

The \$1.2 trillion Infrastructure Investment and Jobs Act (IIJA) along with the CHIPS and Science Act (CHIPS) represents a [historic investment in the Nation's infrastructure and manufacturing capabilities](#) designed to repair infrastructure, boost the US industrial base, reinforce supply chain sovereignty, maintain US leadership in basic science, and drive economic growth. But there are real challenges in implementing these laws as well.

This array of investments requires an unprecedented level of collaboration between public and private stakeholders responsible for implementing project regulations and funding. Accurate, accessible information on infrastructure spending is necessary for collecting best practices and assessing costs, preventing abuse of funds, and increasing public awareness of investment benefits. The Federal government should ensure better oversight to speed project implementation including energy transmission, grid modernization, and broadband. Where appropriate, public-private partnerships can leverage private enterprise and available funding, delivering projects for a lower cost. All stakeholders should collaborate on education and training the workforce for these projects, as well as the reskilling of the current workforce, to fill high-demand jobs.

More broadly, long-term labor shortages threaten economic growth and impact fiscal policy negatively as fewer aging workers pay taxes. The demands of eldercare can also be a barrier to workforce participation. We support a two-pronged approach: first, increasing American workers' participation rate through training and other incentives and promoting investments in [child care to raise labor force participation](#), including from the private sector, and long-term economic mobility, especially for mothers with young children, and second, attracting new workers by enacting comprehensive immigration reform to support innovation, productivity, and growth (while ensuring safeguards are in place to prevent fraud and abuse). Immigration reform begins by securing the border and paving a pathway for permanent citizenship as well as a plan for lawful pathways to permanent legal residency and raising employment-based visas to retain productive workers.

For the healthcare workforce, facing serious shortages, solutions include a focus on primary care physicians to improve outcomes and lower systemic costs, greater training opportunities to encourage retention, teaching team-based care, expanded use of telehealth, and broad support for significantly increasing the size and reach of the mental health workforce. International students graduating from US universities possess in-demand skills.

In line with this emphasis on training and the workforce, [postsecondary education is experiencing a historic transformation](#) in response to a changing economy and the demands of students and employers. New thinking and new pathways, including skills-based credentials, greater transparency and accountability, and business-led partnerships are necessary to meet the demands of tomorrow's workforce and society. Expanding STEM offerings at all levels, including a growing pipeline of well-trained STEM educators, will prepare students and strengthen their awareness of additional post-secondary and career pathways.

Artificial intelligence (AI) presents both opportunities and challenges that policymakers and business leaders should address together to navigate successfully through this technological transformation. It can increase productivity growth and help address labor shortages, but this relies on the foundation of [preparing the US workforce with the necessary skills and flexibility](#) to adapt, targeting in-demand skills to build local workforces, including those displaced by AI disruptions. The oncoming advances in quantum computing and the need to prepare to implement post-quantum cryptology present significant ramifications for our economy.

The [rapid development of AI](#) has the potential to reshape society, the economy, and national security profoundly. Yet the integration of these technologies into a growing number of

applications also has the potential to introduce novel risks ranging from bias and inaccuracy to misuse, disinformation, and weaponization. American companies lead in AI today. At the same time, to strengthen US technological leadership and national security, lawmakers should develop a comprehensive national policy framework that ensures responsible AI development and use, working to promote safety, security, and innovation simultaneously. Central to this is securing AI by design – ensuring that the models, weights, training data, and supply chains that underpin AI infrastructure have the highest levels of data integrity.

CED has developed a [series of guardrails](#) to inform this work and businesses' continued adoption of AI. These guardrails – that the US should aim to lead in AI, promote innovation, prioritize transparency, apply a risk-based approach to setting standards, protect data privacy, clarify AI intellectual property rights and liability, collaborate with international allies, mitigate environmental impact, and invest in workforce and literacy – can form the basis of bipartisan, bicameral legislation.

Cybersecurity also remains an urgent national priority for both government and business. The scourge of ransomware and the recent Salt Typhoon cyber campaign also reinforced for business leaders that cybersecurity, economic security, and infrastructure resilience are now inexorably linked. [Cybersecurity is no longer seen as simply an IT issue](#), but rather a key pillar of organizational resilience that all leaders must prioritize. Strong federal leadership – and effective public/private partnership – is critical to advancing shared cybersecurity interests.

Climate change is another growing challenge. Only greater reliance on and sensitivity to market mechanisms, with private sector innovation, will [shift the energy mix and make progress towards net zero](#) while also ensuring reliable, affordable access to the energy needed to spur economic growth, innovation, and US competitiveness. The best use of the producer tax credits in the Inflation Reduction Act (IRA), which cannot and should not remain part of the tax code forever, is to incentivize companies to make further innovations to bring new technologies to scale and thereby to determine whether technologies are truly economically sustainable. Regulation should be as technology-neutral as possible to avoid skewing market incentives. Natural gas is a US strength and an ideal fuel for the energy transition. The US should be at the forefront of the global nuclear renaissance, promoting nuclear power through permitting reforms and finding solutions for the long-term storage of waste.

Finally, recent decisions of the Supreme Court have [dramatically changed the contours of administrative law](#), sharply restricting the scope of agencies' permissible powers. Congress and agencies can adapt to this new paradigm in the spirit of CED's book [Smart Regulation](#). Regulatory certainty is important; so is fair adjudication and a fair process. Congress should speak more clearly in delegating authority to agencies, and agencies should keep their regulations within the bounds Congress has delegated and follow the Administrative Procedure Act in letter and spirit. Merit-based appointment of administrative law judges best ensures their impartiality. The DOGE initiative will provide opportunities for significant regulatory reform.

The Geopolitical Context: A World on the Brink

In 2024, an already dangerous world became even more dangerous. This demands not only robust defenses but resolute and equally robust engagement with the world. We cannot shirk or shy away from these responsibilities of global leadership.

Continued support for Ukraine against Russia's unprovoked aggression while supporting the pursuit of a sustainable peaceful resolution is a vital US national interest, supporting the preservation of the postwar rules-based and US-led international order, and the unity of NATO and the West against external threats. The precedent that a successful seizure of territory would set, rewarding aggression, equally call for our engagement. Furthermore, Russia and China are increasingly working together, including military drills near US territory, posing renewed dangers to the US and the West as global conflicts become increasingly intertwined, drawing in multiple nations and threatening both security and the global economy.

In the Middle East, US global leadership remains indispensable to reducing conflict, preventing conflict from expanding, and working for peace in the region, as recent events have shown. These efforts should be amplified to defuse the conflict and achieve security and regional and global economic stability. In the Indo-Pacific, a robust posture includes closer economic and trade links as well as security ties with allies as the US competes with China for influence in the region. A [comprehensive plan for trade and investment with China](#) will help manage our strategic competition and bolster supply chains in key industries for resilience, even as the US should continue its support for Taiwan.

Business formation, capital formation, and innovation are long-term fundamentals of success. The US has increased its strength and position as the world's marketplace for capital markets of all types. Transparent regulation and oversight for the benefit of US and global investors, along with encouraging responsible innovation in financial services, will continue this trend.

We and other business leaders continue to believe that US exporters in all industries can compete well on global markets provided all players stick to fair rules of trade. Open trade thus benefits the US, while dividing the world into geoeconomics blocs will harm US economic growth; high tariffs could spur inflation that threatens the US economy and materially raise costs for consumers and businesses.

Business Leadership in Public Policy

A healthy democracy is vital for business and our country. The US held secure, credible, and generally accessible elections in 2024. This is essential not only to ensure public trust in elections but also to the US' position as a global beacon of democracy. Yet more work remains. Policymakers and private sector leaders should take lessons learned from the 2024 elections to continue to [restore confidence in the nation's most fundamental process](#). Generative AI permits bad actors to develop deepfakes – realistic yet fabricated media – to spread disinformation in a hyperpolarized environment. Guardrails for the use of AI in campaigns should include how to educate the public about deepfakes and other forms of disinformation. Election administrators should conduct rigorous testing of voting infrastructure for security risks and publish results to build public trust. To build confidence, ballots received

before Election Day should, to the extent possible, be counted before Election Day, with pre-counted results confidential until Election Day, to speed the announcement of results. States should provide at least 10 days of early voting, including weekend and evening hours. States should encourage the option to vote by mail to increase access and reduce crowding at the polls.

Conclusion

It is our conviction that solving these and other challenges will require determined leadership; equally, so many of these pressing issues in both domestic and foreign policy involve close partnership between business and policymakers. As we have done for more than 80 years, CED stands ready to assist throughout a year that will undoubtedly bring new challenges and opportunities for developing solutions in the Nation's interest.

SUSTAINING CAPITALISM

Achieving prosperity for all Americans could not be more urgent. Although the United States remains the most prosperous nation on earth, millions of our citizens are losing faith in the American dream of upward mobility, and in American-style capitalism itself. This crisis of confidence calls for reasoned solutions in the nation's interest to provide prosperity for all Americans and make capitalism sustainable for generations to come. In 1942, the founders of the Committee for Economic Development (CED), our nation's leading CEOs, took on the immense challenge of creating a rules-based postwar economic order. Their leadership and selfless efforts helped give the United States and the world the Marshall Plan, the Bretton Woods Agreement, and the Employment Act of 1946. The challenges to our economic principles and democratic institutions now are equally important. So, in the spirit of its founding, CED, the public policy center of The Conference Board, releases a series of CED Solutions Briefs throughout the year. These briefs address today's critical issues, including health care, the future of work, education, technology and innovation, regulation, US global competitiveness, geo-economics, infrastructure, inequality, climate, energy and nature, and fiscal health.



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