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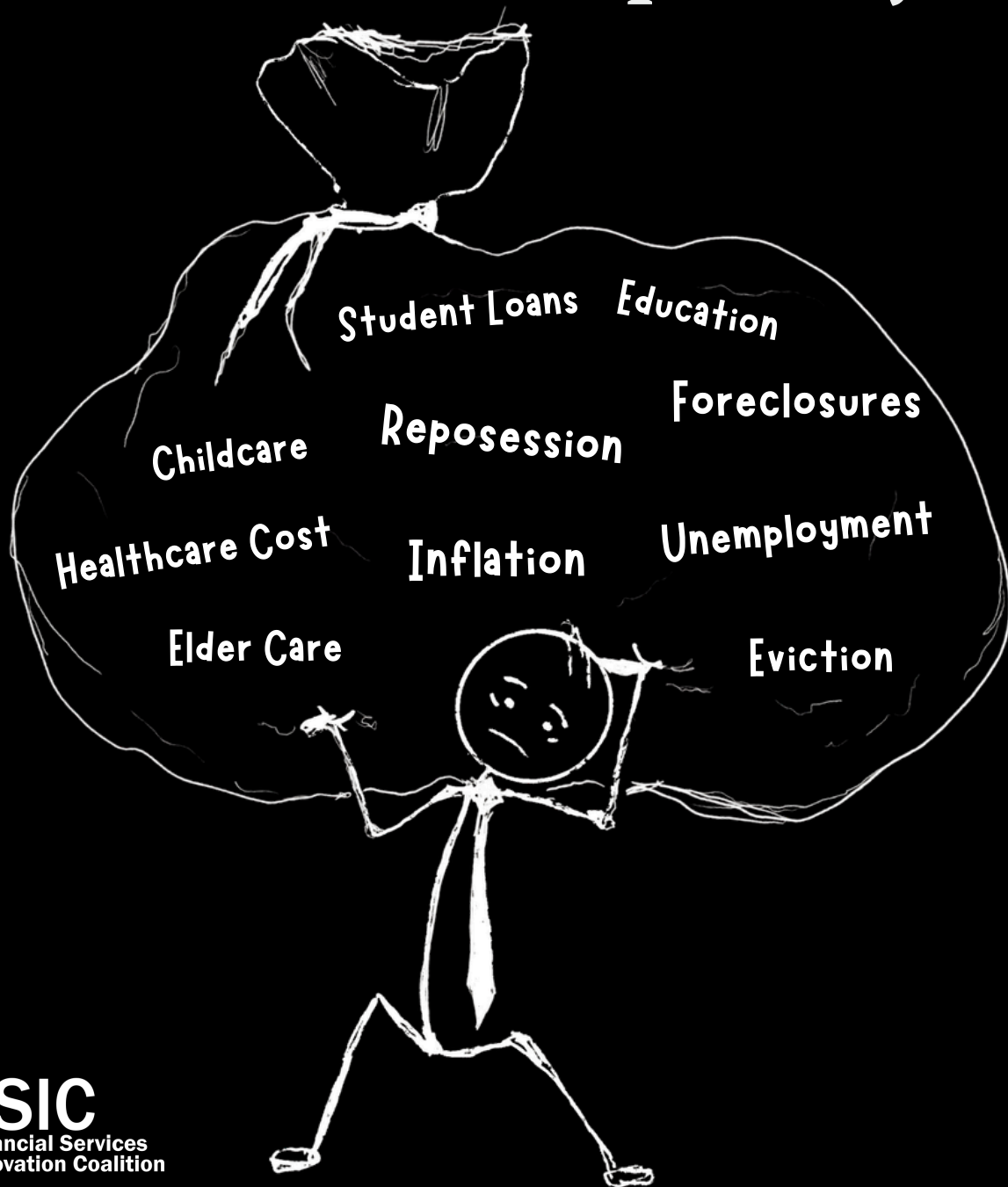
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# MODERN ECONOMIC JOURNAL

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## Reconstructing Modern Economics: The Cost of Inequality



**FSIC**  
Financial Services  
Innovation Coalition

**Letter from the editor: Kevin B. Kimble, Esq.**

We begin this Black History Month not defending what exists but reimagining what must be built. The house is burning, and the bills are coming due.

The federal government now spends over \$1 trillion annually just servicing the national debt. The exploding deficit continues to balloon this debt, creating a fiscal crisis that constrains every future policy choice. Recent months have seen layoffs reach levels not witnessed since the depths of the 2009 recession. More than a million Americans lost their jobs last year, while job growth has slowed to its weakest pace outside of recessions in over two decades. We don't necessarily trust the current administrations numbers but even accepting them at face value reveals a labor market in significant distress.

For too long, economic policy has protected the wealth of the few while leaving Black Americans, small businesses, and working families outside the structures that generate opportunity. Healthcare remains inaccessible. Pathways to capital are deliberately narrowed. Education is stripped of accessibility and historical context. These are design choices, and they can be redesigned.

Reconstruction requires directing resources toward those systematically excluded from prosperity. It means financial infrastructure that serves communities rather than extracts from them. It means teaching the full truth of American history—redlining, citizenship exclusion, wealth extraction—so future generations understand how we got here and refuse to repeat it.

The fight for economic justice is the foundation to preserve Black history. You cannot build equitable and fair systems without confronting who was denied homeownership, business loans, and generational wealth. History is the blueprint for what not to build again.

Every dollar of public investment is a choice about whose lives we value. The current system has made its priorities and values clear. The next system must be constructed with intention, equity, and accountability at its core. History will measure whether those with power chose to construct a solid foundation or simply watched the house burn.

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**TOWN HALL**

February 27, 2026  
10:30am - 1:00pm

Rayburn House Bldg.  
Room #2044  
Washington, D.C

**FSICoalition.org**

# The Next Five Years of AI Growth and Its Implications for Low- to Moderate-Income Americans (2026–2031)

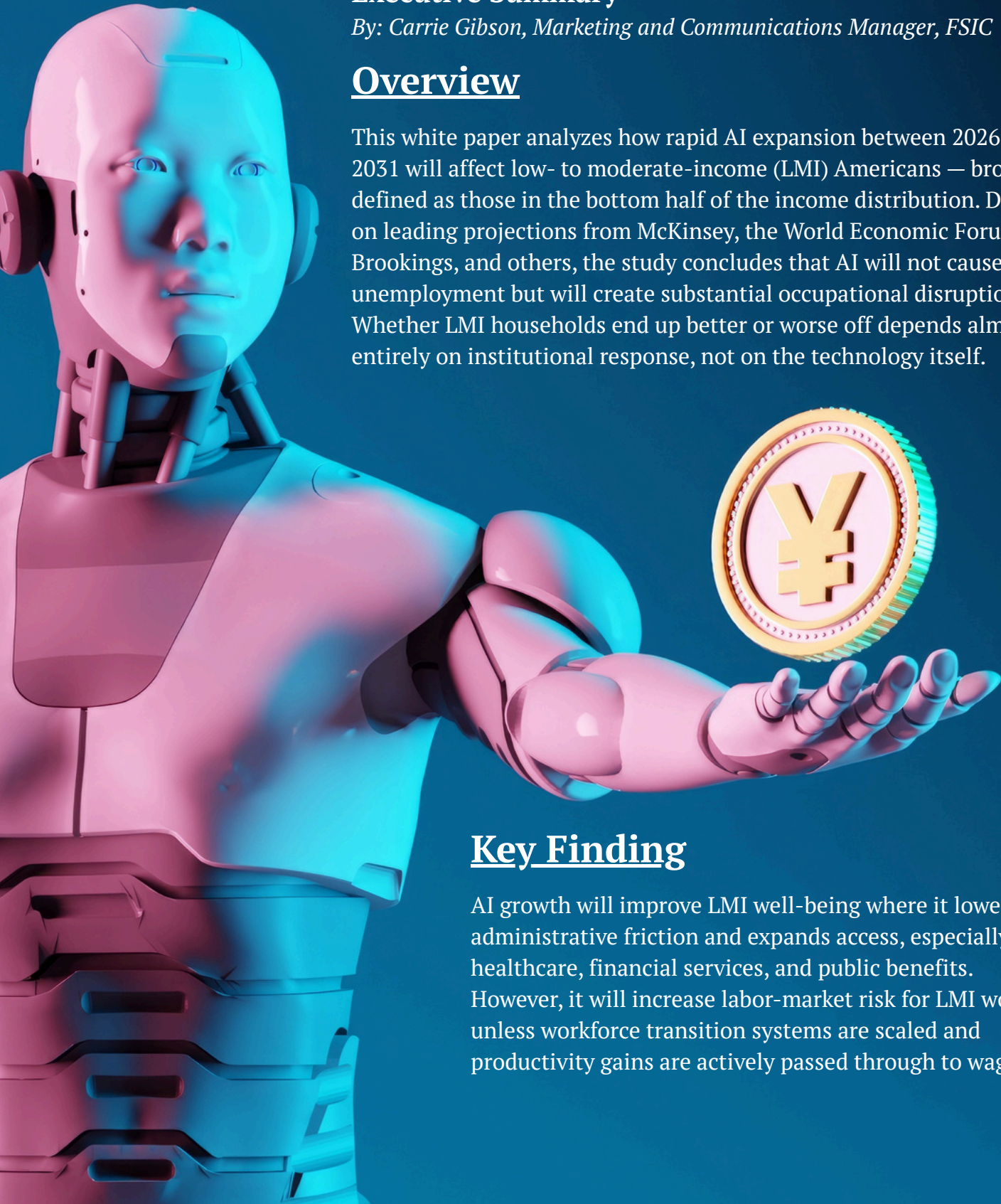
By: G. Michael Flores, CEO, Bretton Woods Inc.

## Executive Summary

By: Carrie Gibson, Marketing and Communications Manager, FSIC

## Overview

This white paper analyzes how rapid AI expansion between 2026 and 2031 will affect low- to moderate-income (LMI) Americans — broadly defined as those in the bottom half of the income distribution. Drawing on leading projections from McKinsey, the World Economic Forum, Brookings, and others, the study concludes that AI will not cause mass unemployment but will create substantial occupational disruption. Whether LMI households end up better or worse off depends almost entirely on institutional response, not on the technology itself.



## Key Finding

AI growth will improve LMI well-being where it lowers administrative friction and expands access, especially in healthcare, financial services, and public benefits. However, it will increase labor-market risk for LMI workers unless workforce transition systems are scaled and productivity gains are actively passed through to wages.

## **How AI Will Reshape Work for LMI Americans**

The dominant near-term pattern is task automation, not job elimination. Activities representing roughly 30% of U.S. work hours could be automated by 2030, concentrated in routine cognitive work — scheduling, data entry, billing, claims processing, and customer service triage. These task bundles sit squarely in LMI-concentrated occupations. The result will be significant occupational churn: roles redesigned, headcounts reduced in some functions, and escalating demand for workers who can supervise AI systems and handle human-facing complexity. LMI workers face disproportionate transition pressure because their jobs contain more routine, standardizable tasks — not because their contributions are less valuable, but because those are the tasks that AI tools are most immediately optimized to perform.

### **Wage and Income Risks**

Three forces could widen inequality under AI growth: high-skill workers gaining disproportionate productivity boosts; profits rising faster than wages if capital captures AI gains; and an emerging "AI divide" between firms and regions that can adopt AI effectively and those that cannot. A counterforce exists — AI tools can narrow within-occupation productivity gaps, potentially compressing pay dispersion — but only if labor market institutions are strong enough to translate productivity into wages. Without robust bargaining power and policy support, gains will flow to capital rather than workers.

### **Sectors That Matter Most for LMI Households**

Healthcare is the highest-stakes sector. AI-driven administrative efficiency could reduce

U.S. healthcare spending by 5–10% (\$200–360 billion annually) — a meaningful gain for LMI households if savings translate to lower out-of-pocket costs and improved access, particularly through better triage and patient navigation in underserved communities. In financial services, AI-powered credit underwriting using broader repayment histories (rent, utilities) can expand access for "credit thin" LMI borrowers — but requires strong bias auditing and transparency standards to avoid entrenching discrimination. In education, the most urgent opportunity for LMI adults is not K–12 transformation but scalable reskilling pathways, as workforce transitions are already underway. AI can also meaningfully reduce the administrative burden of applying for public benefits — a regressive cost that falls hardest on the households who need those benefits most.

### **Policy Priorities**

The paper identifies four priority interventions. First, wage insurance and rapid retraining programs to absorb displacement shocks. Second, strengthened labor bargaining power and anti-monopsony enforcement to ensure productivity gains reach workers. Third, governance standards — bias audits, explainability requirements, appeals processes — for AI used in high-stakes decisions about hiring, credit, and benefits. Fourth, public sector modernization to reduce the transaction costs LMI households face when accessing government services. No single lever is sufficient; the evidence points to a hybrid policy stack that combines transition support, pass-through mechanisms, and targeted redistribution.

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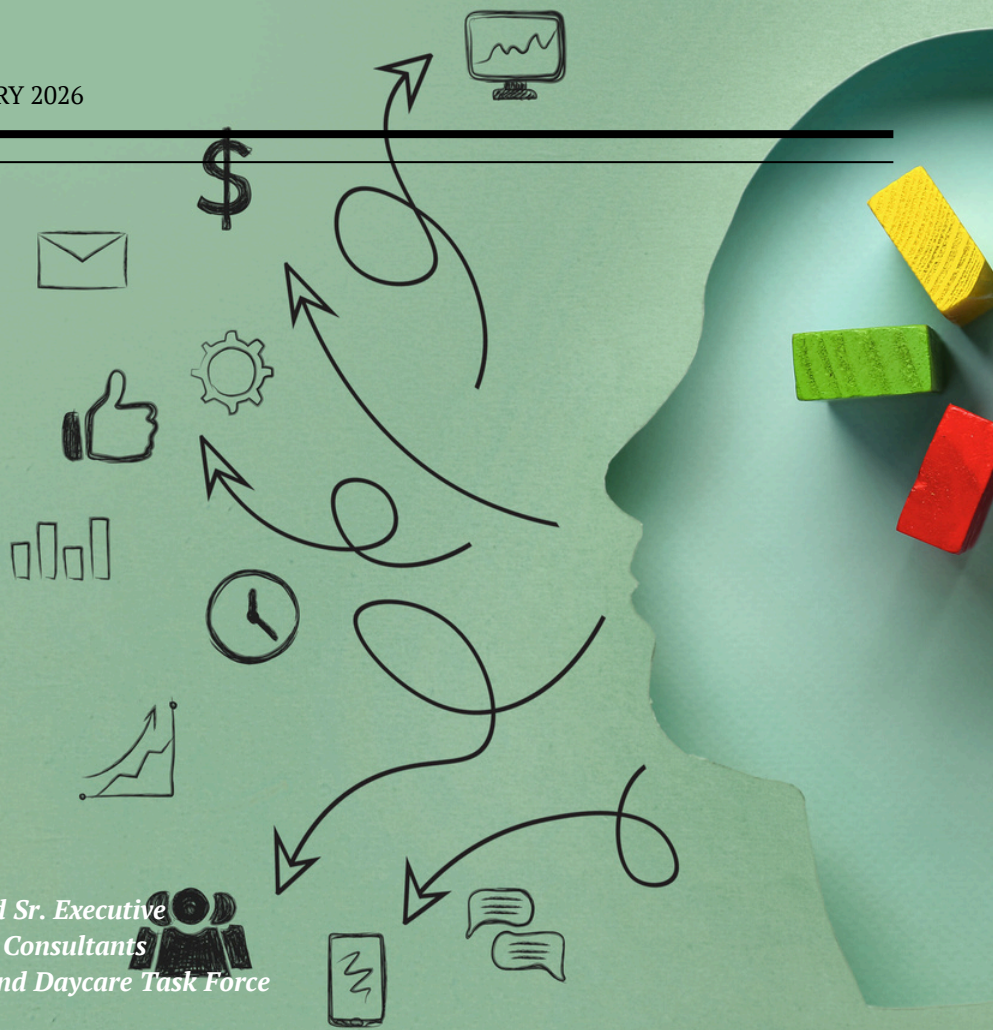
### **Bottom Line**

AI is not inherently pro- or anti-low income. It is a force multiplier for existing economic structures. In a low-intervention environment, AI growth will likely raise aggregate productivity while deepening inequality. With deliberate institutional design, it can materially improve LMI household welfare within the current business cycle. The window to build that infrastructure is now — the transition is already underway, and the gap between adaptation and disruption will be measured in years, not decades.



# A Meeting of the Minds

By: Dr. Searetha Smith-Collins, President and Sr. Executive Education Strategist Thought Leader, SEA-S Consultants  
Co-Chair, FSIC Early Childhood Education and Daycare Task Force



Abraham Lincoln once said, “If we can first know where we are and whither, we are tending, we could better judge what to do and how to do it.” Also, an unknown source stated, “When you lose your core, that is when bad things happen.” Further, it has been said by many people today that we have been here before, but how is this time of systematic devastation of core foundations, norms, beliefs, and principles that were built in the evolution and fight for cultural and human rights different? Current attacks and bold reversals of civil and equal rights are profoundly different for many reasons, mainly because they directly target freedoms that have been established to protect, support, and advance the cultural, social, emotional, academic, physical, and mental progress of a well-prepared free society. This, along with racial and social unrest, uncertainty, and struggles with arbitrary executive orders and military takeovers in cities, political divisions and reversals of hard-fought human rights gains, and efforts to deliver some semblance of education that addresses the needs of everyone, has become even more complicated. To that end, there are certain areas of concern that must be monitored with a laser focus and a prompt response on behalf of our children and youth.

## **Paths to Opportunity: Access to Higher and Post-Secondary Education**

Opportunity matters. As colleges and universities and other institutions are required to report data disaggregated by race and sex for applicants at the undergraduate and graduate levels, there is an obvious affront to the mission to reduce the pursuit of higher education opportunities for Black, Brown, low-income, and other disenfranchised people. The 2023 Supreme Court decision ruling in

Students for Fair Admissions v. Harvard, found that racial preferencing in college and university admissions is illegal under Title VI of the Civil Rights Act of 1964 and the Equal Protection Clause of

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### **Path to Opportunity: Educational Policy and Funding**

Programs, reforms, and equity matter. As the U.S. Department of Education (USDOE) is disassembled in scope, a keen eye must be kept on grant funding of more than \$6 billion that was appropriated by Congress to supplement public education. To that end, offices of government oversight must follow the money to states to ensure equitable use for supplemental academic services, special education, Medicaid health-related educational costs, before and after school, and summer programs, adult education, English as a Second Language programs, adult literacy, college admissions and funding assistance, and other critical costs and expenses that relate to under-achievement, poverty, civil rights laws, and opportunity and access.

Accountability measures must be developed to ensure that equitable policies and distribution are practiced across different states, districts, and school and community types, including the neediest in terms of social class, income, race, gender, region, and specific eligibility, including learning and family support needs.

### **Path to Opportunity: National Historical & Cultural Preservation and Funding**

Beware of Diversity, Equity, and Inclusion (DEI) claims that are made without consideration of the truth and value of long-standing historical experiences, but rather dismiss and provide

voids, omissions, and uneven accounts of the stories of America and its diverse society. Again, a keen eye must be kept on initiatives and policies couched as anti-Diversity, Equity, and Inclusion that do not ensure fairness and acknowledge the presence of everyone in a true cultural and historical context. For example, African Americans, in particular, must remain cognizant of attacks on libraries and museums, such as the Smithsonian National African American Museum of History and Culture in Washington, D.C., as well as on school curricula and resources.

As a collective, we must remain prepared to fight for the right to include all matters related to truth in knowledge, information, education, research, data, and history, that contradict the experiences, contributions, and roles that have been and continue to be played by varied citizens, in the rich, and sometimes difficult history and culture of the United States.

### **Path to Family Engagement and Home/Community Partnerships.**

Engagement is critical. Community action and parental development and power must be reinstated, with the understanding that our foundations and structures of support are either broken or in the process of being destroyed. Moreover, in the new national order, we must obtain the tools, will, and sheer power to organize parents/guardians and communities to ensure that every state provides an equitable education and distribution of local, state, and federal education funds in support of all students, no matter the ideology or political or personal views. This will not just happen because it is right, so there is a need to organize parents and local community groups to demand interventions.

### **Overall Recommendations: For leaders, policymakers, administrators, business, community, organizations, families, youth, and advocates:**

1. In matters of education, provide support for teacher development and resources that enable classroom teachers to focus on preparation and instruction aligned to their defined roles, limited instructional time, and the cultural contexts that they must navigate for the education of their students.
2. Focus on resources and support that supplement academic instruction and literacy support, such as one-to-one tutoring programs, development of competencies in Science of Reading for literacy, reading specialists, smaller class size, etc.
3. Support out-of-school learning programs, such as before, during, after school, and summer programs, and out-of-school tutoring and parent/caregiver support for homework assistance, and support extended and enriched learning experiences, such as field trips, extra-curricular activities, clubs, library, internships, career, and community-based enrichment programs.
4. Support family development, early childhood and post-secondary education, and workforce development, which lay the foundation for lifelong learning, from childhood, to preschool, to formal schooling, to post-secondary preparation, to family and lifelong learning, and opportunities for happiness and success.
5. Shore up health and wellness, including mental health of children and youth, including providing funding and services to eligible students in schools, such as school

nurses, school psychologists, behavior interventionist, adequate transportation, and evidenced instructional practices, such as Social-Emotional Learning (SEL) and Cultural Awareness Programs, which lay foundations for addressing cultural context and varied needs for increasing academic performance, wellness, and wellbeing.

Since we cannot “eat the entire elephant at once,” let’s consider the most pertinent issues regardless of rhetoric, and focus our attention on collective positive action involving:

1. Act against national and local policies that tie budgets and funding to politics and inequities. Remain informed about state and local control of K-12 education priorities, limitations, omissions, preferences, and organized efforts to replace public schools, such as vouchers, private schools, and efforts that are intended to destroy public education.
2. Be aware of orders banning “DEI” concepts from federal funding, procurement, programs, and initiatives, including companies and organizations that support initiatives that do not encourage cultural responsiveness and bias mitigation.
3. Remain aware of continuous shifts in public thought from the Center to the Far Right and beyond, and demand balance in information sources and policymaking.
4. Remain focused on decision-making and impacts on people of color, single female headed of households, families, students, the economic workforce, and opportunity programs, including education, human services, childcare, healthcare, housing, law and justice, entrepreneurship, literacy, child, youth, and adult development, and mental health and wellbeing.

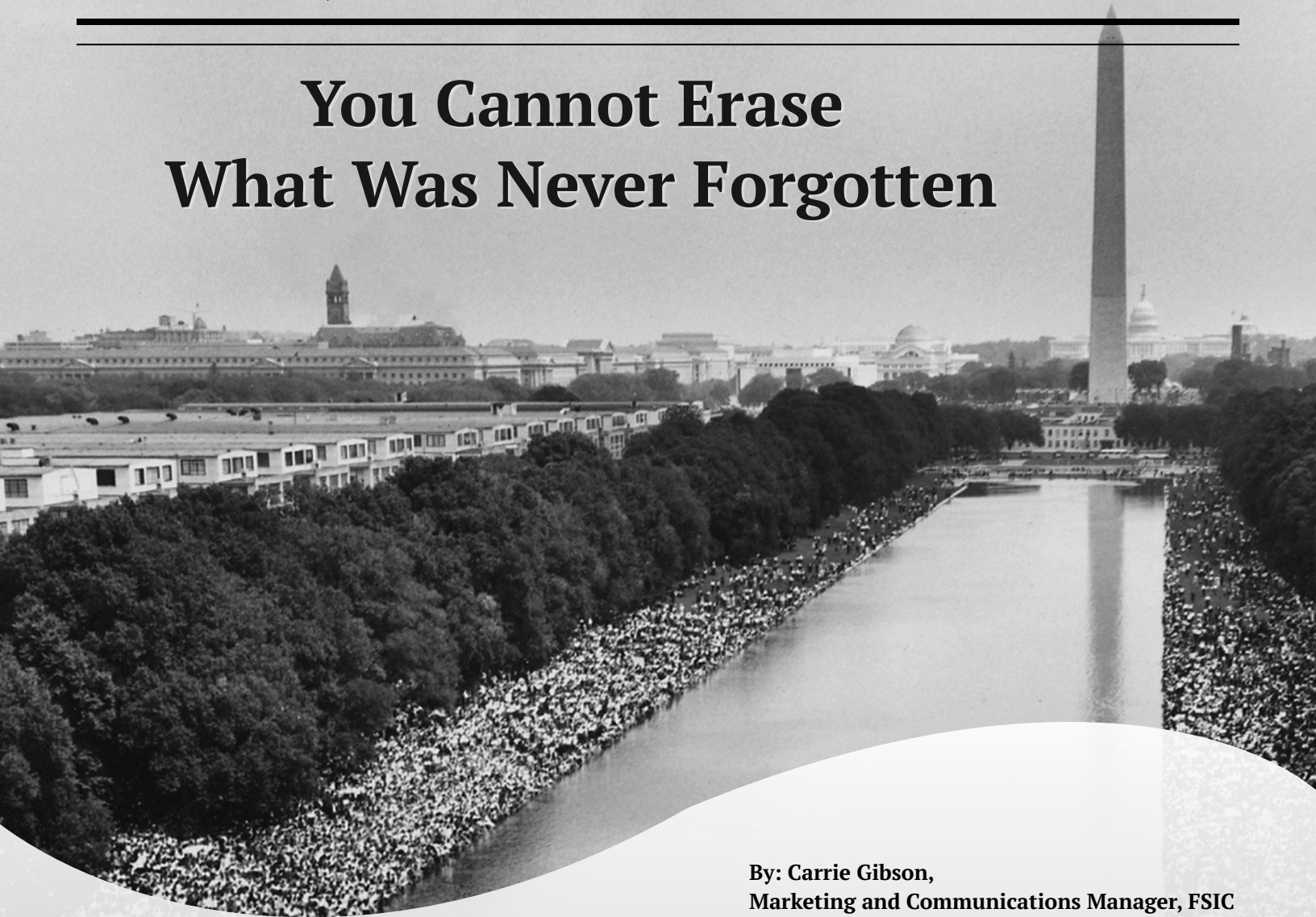
Taken holistically, we must zoom a lens on influencing decision-making, policies, practices, and resources that enhance the development of “whole child” and “whole adult” opportunities. Then, we can begin recreating a meeting of the minds for personal and collective unity and development, and to a commitment for the opportunities for educational, mental, physical, economic, social, and emotional care and wellbeing that we deserve.

Sources:

DataUSA. Deloitte and Datawheel. Cambridge, MA. USA. <https://datausa.io/profile/university/harvard-university>;  
 Smith-Collins, S. *An Agenda for Equity* (2012). Rowman and Littlefield. New York.



# You Cannot Erase What Was Never Forgotten



By: Carrie Gibson,  
Marketing and Communications Manager, FSIC

## ***The fight over America's history is also a fight for its future.***

In January 2026, workers acting on federal orders dismantled the plaques at Philadelphia's President's House. This open-air memorial honoring the nine enslaved men, women, and children owned by George Washington on the very ground where he governed a nation built on the promise of liberty, removed as if it never happened. This memorial being the only federal historic site in America dedicated to commemorating the history of slavery. Poof... gone.

This erasure didn't happen in isolation. The Trump administration's March 2025 executive order, titled "Restoring Truth and Sanity to American History," directed agencies to strip out any content deemed to "disparage Americans past or living." In reality, that meant erasing the names of enslaved people. It meant pulling funding and recognition from DEI programs across federal agencies, universities, and contractors. It meant ordering reviews of Smithsonian exhibits to eliminate what the White House called "anti-American propaganda." The Stonewall National Monument had its Pride flag removed. The pattern is clear: a systematic effort to scrub the struggles of minorities from the public record.

A federal judge, evoking the world of George Orwell's 1984 pushed back hard, ordering the Trump administration to restore the Philadelphia slavery exhibit and noting that the government appeared to be dismantling historical truths it found inconvenient. Although this was a victory, why was this even necessary? The fact that it took a lawsuit, a judge's order, and hundreds of protesters standing in the cold to restore plaques honoring and speaking truth about nine historical human beings tells us exactly where the administration sits and what side of history they perceive as truth.

This egregious erasure is not just about Black History, but the disappearance of the hard-won acknowledgment that Black Americans suffered, resisted, built this country, and have yet to receive their equal place in America, and continue to bear the largest amount of suffering. These DEI initiatives were imperfect, often bureaucratic, sometimes shallow and often missed the mark entirely. But they represented a social contract, an agreement that America would at least try to open its doors wider. Instead of building fairness, it barred the doors and nailed the windows shut. Eliminating Black History only restores the old default system of oppression and inequity.

But here's the thing about erasure: it tends to backfire.

The same Black activists who originally fought for decades to get those Philadelphia panels installed came back. They organized again and rallied across political and ethnic lines. That kind of stubborn, community-rooted resistance is not new, but the entire history of civil rights in America, and sheds a crucial light on a historical moment and opportunity.

The systems of oppression that have long insulated and protected the privileged are fracturing. Economic anxiety is no longer just confined to communities of color. Institutional trust is collapsing across the board. This mythology of meritocracy, that hard work alone guarantees a share of the American dream, is now being questioned by people of every color and background. That shared distrust and disillusionment creates rare political opportunity.

This is the opening. Let us not simply restore what was but reconstruct a system that should have always been. Real investment in under-resourced schools, not just diversity training. Genuine small business access in Black and Brown communities, not just corporate DEI checkboxes. Criminal justice reform that addresses root causes. Affordable housing. Access to affordable Healthcare. Political representation that genuinely reflects America's face.

The American dream has always been an aspirational promise made but inconsistently kept. It was real enough to pull generations of immigrants to these shores, and real enough that Black Americans fought and died to be included in it even when every institution not only said no but actively blocked the way to inclusion. This determination came from people who refused to disappear and demanded to be part of the American dream.

This administration can take down the plaques and statues, remove access to equity and try to change the history books, but they cannot take down the memory. Now is the time. These memories and values held by our communities, activists, and a growing number of Americans recognize the stakes. This historic opportunity is exactly the fuel needed to drive the kind of structural change that a monuments and DEI never could. This moment of disruption is also a moment of possibility. The question is, are we willing to use it?

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## WHAT WE DO

### Research & Policy

"Finding Solutions"

FSIC researches issues related to economic empowerment in underserved communities and develops solutions based on this research.

### Programs

"Solutions in Action"

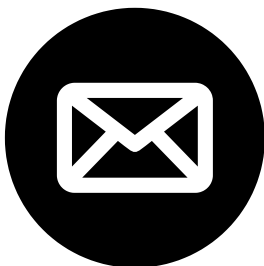
AIOF has created award winning programs in many rural and underserved communities and has successfully impacted many individuals and families.

### Advocacy

"Educating Policy Makers"

FSIC forms coalitions to advocate for legislation at the federal, state, and local levels, with the aim of reducing barriers and improving access to wealth building opportunities

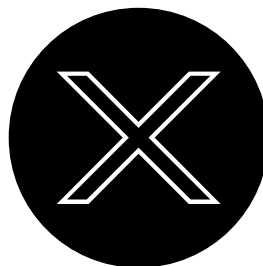
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