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Advancing Economic Mobility and Innovation

Building Economic Prosperity: A Conversation with US Senator Angela Alsobrooks

Announcer 00:01

Please welcome Angela Alsobrooks, U.S. senator, Maryland, and Rachel Reilly, senior director, finance, Milken Institute.

Rachel Reilly 00:14

Hi, welcome everyone. Hope everyone's having a great time so far in our beautiful new space. My name is Rachel Reilly. I'm the senior director at the Milken Institute. I lead a portfolio of programs that we call Pathways to Capital, and really that work is about ensuring that our financial systems are actually expanding opportunity for individuals and communities, as opposed to concentrating it within certain geographies and networks. And I am so thrilled today to be joined by Senator Alsobrooks. As a proud University of Maryland alum, I have my red on today. I am very excited to be able to share the stage with the great senator from Maryland. To say that you are a trailblazer is an understatement. Throughout—you're a lifelong Marylander, and throughout your career in public service, from prosecutor to county executive at Prince George's to now U.S. senator, your career has been marked by a series of historic firsts. And so you took office as a new U.S. senator in January 2025 and quickly gained a reputation for being a leading advocate for economic mobility and kitchen table issues, but also for leading in a bipartisan manner and working across the aisle to really advance policies that support economic mobility and economic prosperity, which is increasingly important in this moment. You serve on four key Senate committees, including Banking—or Banking, Housing, and Urban Affairs—and one of the big landmark legislations of last year, the GENIUS Act, which was really the nation's first effort to put a regulatory framework around digital assets and stablecoins. You were a co-sponsor of that, and it was a huge bipartisan effort. And so my first question to you, especially in this moment, is just given your co-sponsorship of the GENIUS Act—all the work that you did to advance that—what is the importance of working across the aisle in this moment to advance policies that promote economic prosperity? But also in your work with the GENIUS Act, why did you think it was important to move forward some of the measures in that bill that you did?

Angela Alsobrooks 02:28

Well, first of all, thank you so much to you, Rachel, for having me today, and the Milken Institute for—for having me as a part of this discussion. You know, you mentioned the fact that I've had so many opportunities to serve—that I started as an elected prosecutor, that I was able to be county executive in Prince George's County, and now a senator. In fact, it's interesting that I'm the only Democrat and the only freshman Democrat who didn't come from the House of Representatives. I'm the only executive as a part of my class, and I think it's been really important, because I've had a career that has allowed me to really understand the things that cause families to suffer, whether it was as a prosecutor in a courtroom where I reached the conclusion at some point that many of the people who were in that courtroom seeking second chances, in my estimation, had never truly had the first chance. And by that I mean I saw what happened when we didn't have policies that promoted a sound education or investment in education—what happened when there were no true economic opportunities and a path to the middle class, what happens when you couldn't access mental health care and addictions care. And I have decided that I would take all of the experiences that I've been so fortunate to have. And you mentioned Maryland—Maryland is a great state, you guys. I mean, it has been really amazing the opportunities I've had. Well, I've decided in coming to the Senate that I would really center as my top priority growing economic opportunity—that I would not be distracted away from that one goal that I heard from constituents from one side of Maryland to the next. I don't care whether it was the reddest part of the state or the bluest part. The thing that came clear to me is that at their kitchen tables, every single family desired the same thing for their children. It was the opportunity to develop wealth, to grow generational wealth and opportunity. And I've decided that I didn't care who—I would work with anyone at any time to make that particular goal come true. And that's the reason why, when I was approached very early on regarding the GENIUS Act, it was my good friend, Kirsten Gillibrand, who actually approached me and said, you know what, this is something that I think you might be interested in. Well, I was the first Democrat on the Banking Committee to lead that as a lead sponsor—the GENIUS Act. And the reason that I did it is I have a 20-year-old daughter who's a junior in college, and I have to tell you, I didn't come to the Senate thinking a lot about blockchain technology or stablecoin, but her generation really does care a lot about innovation and technology. And the other thing I can tell you is it was that same daughter who gave me very sage advice on my way to orientation for the Senate. She called me—she was in college—and she said, you know, you're used to operating in spaces with people who largely see the world the way that you do. And she said you are now going to a place where they don't see it quite the same. And she said, you know, this is good for you. I said thank you so much. She went on to say, you know, you are now a lucky person, because you not only get to hear how they see it, but you get to hear why. And she said, you know, go down there and take up some space. Also, you know, discuss the idea that my father long said to me—is how you see something depends on where you sit. So I have decided that I would build relationships across the aisle in order to be effective for my constituents. And let me tell you, the GENIUS Act table was a wild experience. You know, we were there. We didn't all see it the same way, but at the end of the day we were able to get the legislation passed and signed into law. And very significantly, I have developed relationships as a result of that experience that helped us not only to be successful in setting up the first regulatory framework for a digital asset, but I now have legislation, for example, with Tim Scott that we were able to pass and get signed into law to have tax breaks for small business owners—hairstylists and barbers. I'm working with Senator McCormick of Ohio on legislation around business development corporations. It's—Hagerty and I have legislation to raise the amount of FDIC coverage on business accounts. So I have been able to—to segue what the relationships I developed at the GENIUS Act. Now we're market structure, which is 100 times more

complicated than GENIUS, but those relationships matter to being successful, and I've decided I would build them and work with them just to benefit my constituents.

Rachel Reilly 07:02

That's amazing. You mentioned the work that you've done with Chairman Tim Scott on the small business legislation. One of the programs that my team at the Milken Institute runs is the Initiative for Inclusive Entrepreneurship, where we're working across the country to ensure the effective implementation of the State Small Business Credit Initiative, but also to ensure that businesses and entrepreneurs that have historically been overlooked have access to the advisory services and capital they need to grow. Because we see it as an economic mobility moment—a wealth creation moment. Can you talk a little bit more about the legislation that you authored with Chairman Scott? I think it was around tax benefits for solopreneurs.

Angela Alsobrooks 07:42

So 45B tax benefits for—for again—for small business owners, particularly hairstylists and barbers, which would give them a tax credit. And again, it's those kinds of small, incremental pieces of legislation that provides a benefit to businesses. And we all recognize that small businesses are the crux of our economy, especially in a place like Maryland, where about 80 percent of all of our businesses are small businesses. And so we're looking for more and more opportunities not only to have tax benefits, but to build capital for businesses. So these are some of the issues we're working on. But you mentioned Tim Scott, which helps me to also mention—can you all believe that on our Banking Committee we have Tim Scott and Elizabeth Warren, who don't see the world the same way in most instances, but helped us to get the ROAD to Housing Act out of our committee for the first time in 10 years—plus some housing legislation.

Rachel Reilly 08:37

That's amazing. Another you mentioned Maryland, and I there's four HBCUs in Maryland, and I think the stat is annually, they deliver over 1 billion in economic impact, 9,000 jobs. We actually have an HBCU Fellows and Strategic Initiatives Program at the Institute, because we recognize the important role that those institutions play in community, but also for the students and families that they serve. And so, you know, our efforts are really around ensuring that students have access to explore the financial services industry and hopefully get job placements if that's the career that they choose to pursue. So and we've had 25 HBCUs that have participated, including Morgan State. And so can you just talk a little bit more about how you view the role of HBCUs in the Maryland economy and communities and the importance of that?

Angela Alsobrooks 09:31

Yeah, you know, there's no way of overstating how important our HBCUs are to the success of our state, and also, as we create pathways again for every single person in our state, whether they are at an HBCU or at a place like the University of Maryland, College Park, where, by the way, I've been really thrilled to teach a leadership class for the first time—I'm there this semester. But we—you're right—we have four HBCUs: Morgan State University. We're so, really, so proud of what they have contributed. They are now really in line to be one of our top research institutions in our state. We think about a place like Coppin State University that is producing top flight nurses. It is Bowie State University that has a business incubator that is helping us to really build small businesses and support innovation. And we have Eastern Shore the University of Maryland, Eastern Shore, which has a really amazing aviation program. And so they are contributing to the economy of our state, but again developing the human capital that will make our families successful, which again is at the end of the day the goal, I think, for all of us—is as many pathways to the middle class as possible, creating economic opportunity and wealth. And our HBCUs are doing that especially well for students who very often would be overlooked, who would not have an opportunity. And so we're going to have to continue to work to make sure that the funding flows there and beyond, so that all of our students and children have opportunities.

Rachel Reilly 10:59

That's excellent. So talking about job creation, talking about wealth creation, how do you reconcile certain federal policies, like the current interest rate environment, with your goal of helping historically excluded communities build that generational wealth?

Angela Alsobrooks 11:16

You know, it goes back to the point I mentioned a moment ago—you know, jokingly about Tim Scott and Elizabeth Warren. I think it's amazing that on that committee, on our Banking Committee, we have the ROAD to Housing, because, in fact, housing is one of the tools that we know—home ownership contributes to generational wealth. I think about my own parents. My mom was a receptionist her entire career. My dad retired as a car salesman. They married at 21 and 22 years old. I have to tell our family secret here—my mom's the cougar in that relationship. You know, the parents have been married 56 years, but you know what? Within five years of their marriage, they were able to buy a modest home. That is no longer the case. We know that the age of the average first-time home buyer in our country now is closer to 40 years old. So really, when you talk about federal policies, policies that encourage and inspire home ownership, like the ROAD to Housing, which deals with appraisal bias, is a part of the bill that I helped to contribute to, the part of the bill that allows for small amounts of money to make repairs on homes that keep people in their homes, the ones that encourage investment in affordable housing, allows banks to invest in it. So those are some of the provisions in the ROAD to Housing. But housing policy is especially important to wealth creation. It's just one—yet another example—of some of the policies that we look at to help us create that pathway.

Rachel Reilly 12:42

Yeah, the proposal around ensuring that folks have access to capital to make those improvements—we talk a lot about increasing the housing supply in order to ensure affordability, but we have this huge stock of housing that just needs small improvements, and folks that don't have access to the capital that they need to make those improvements. And so it's like, what is our deteriorating housing stock doing? And how is that contributing to issues of affordability, especially when you think about utilities and repair costs?

Angela Alsobrooks 13:10

Oh, absolutely. So it's both. It's making sure that the people who are in homes are not pushed out of those homes, that they are not either pushed out and can't afford the mortgage or to keep the homes up or pushed out of other houses. And again, you're right—the housing stock is really a big issue. Is increasing housing stock. These are issues I worked on as County Executive, and it's been really great to—to not only work on the policy, but to understand the practical impact of the policy on people. And so this has been a really great perch, to be honest, to really continue those policies.

Rachel Reilly 13:42

Yeah, and we're going to have HUD Secretary Scott Turner join us later today, so he can talk more about housing policy through his lens as secretary. So that's great. You mentioned your former role as County Executive in Prince George's County. One of another program that we run is to help develop community infrastructure by limiting some of the transactional friction between deals and capital allocators. So how are we, you know, leveraging public-private partnership and making that process easier. When you were county executive, you leveraged public private partnerships, I think, to develop six new schools—a national model that everyone talks about. So can you, now that you're no longer county executive, but I assume that public private partnership still remains important and you've seen the power of it—can you talk a little bit about why we should be focused on leveraging public private partnership to expand upon federal and local investment?

Angela Alsobrooks 14:42

So you're right. As county executive, one of the things that I learned—and this was a very disturbing realization for me—is that we had over—it was over 60 percent of our schools in our county were over 60 years old. So we had students who were learning in buildings that, in my estimation, were not befitting of their dignity. I thought we were sending a really important message to our kids about what we believe the value of their education was if you're in dilapidated buildings. But we knew there was no way that we could replace the schools that were needed in a short period of time, and so we developed a public-private partnership to leverage private capital against what we were able to do with public funds. And we actually did break ground. We had 18 schools in a six-year period. We were also able to do so much more quickly and at a tremendous cost savings. And so those relationships—public, private relationships—leveraging it really did, and we were able to create tremendous amounts of opportunities for businesses inside the county, as well as serve, of course, the important goal of getting schools built more quickly so that our

students could learn in facilities where they could actually be warm in the winter and be cool enough when the weather got warm outside.

Rachel Reilly 16:02

As an executive, how did you find those trusted partners? I don't know if you can maybe talk a little bit about like, what sort of qualities you look for on the private side of it that made it important for you to select those folks.

Angela Alsobrooks 16:14

Well, there was a whole process that we used, and we did so in collaboration with our school system, and actually formed a committee that helped us to vet some of the—helped us to vet the businesses that would participate. So it wasn't something I did alone, but we did it together collaboratively—the County Council, the school system—and put together a committee that helped us to vet the the contractors and businesses that work with us.

Rachel Reilly 16:38

That's excellent. As you think about Maryland families, and you think about economic mobility, we've talked about housing. We haven't really touched on wages so much, but assuming that wages is another factor, what other hidden costs are currently killing economic mobility for the families that you serve?

Angela Alsobrooks 16:58

Well, you know, I say in Maryland, and this is true all across the country, tariffs have been so damaging to our economy and our state. I'm sure this is true again across the country. I've had a chance to meet with businesses. We were we had a recessive a little over a week ago, traveled across the state and met with businesses—everything from dairy farmers to chicken farmers to other businesses. And what we know is that the cost associated with tariffs has really—it's really created tremendous hardship within our businesses, but we know it's also those costs are passed on to consumers, so that the cost of living overall has really been impacted. But one of the first pieces of legislation I introduced was the Tariffs Transparency Act, because I had the real sense that we had no idea what the true impact of those tariffs would be on our businesses, but we predicted that it would be true, and very sadly it has been that those tariffs have been disastrous for the businesses and for our economy.

Rachel Reilly 18:01

And we've also heard just the uncertainty, really, is tough for the small businesses, right? Especially those that are operating on such thin profit margins, being able to absorb just the uncertainty. Leave tariffs alone, but just the uncertainty—it's tough for folks.

Angela Alsobrooks 18:15

That's exactly what I've heard—the up and down of it. I mean, it's just the uncertainty. You know, businesses need certainty. That is what they you know what they thrive on. And you're right. It is. The inconsistency has really been really difficult.

Rachel Reilly 18:31

And going back to small business capitalization, that uncertainty then ultimately means that they're not taking out the capital they need to grow, because they don't know what their fiscal environment is going to look like in the next year or two. So we've seen a little bit of the cooling of the market for small businesses that are sort of operating on thin margins, just because the level of uncertainty.

Angela Alsobrooks 18:51

And we heard it even in some of the larger businesses during the holiday season. I had a chance to meet with some of the larger businesses that said they didn't know how much to order, even in preparation for the holiday season, because of the uncertainty and you know the effect that it had on their businesses as well.

Rachel Reilly 19:08

What other—we mentioned a few pieces of legislation that you've been working on. What other priorities do you have going into this year? Would you think it would be important to share with the audience today?

Angela Alsobrooks 19:20

You know, the Banking Committee, I've mentioned some of the priorities there. We were continuing to work on market structure, making sure that we are protecting consumers within that legislation, making sure as well we're protecting community banks who have an obligation to lend to underserved communities, making sure we are protective of them. I guess one other area I would mention—I am, of course, on the Health, Education, Labor and Pensions Committee, so I've been extremely concerned about some of what we've seen in terms of not only health-care costs, which I think have you know affected Americans all across the country, but you know as a mother I'm concerned also about what we're seeing

about some of the resurgence of things like measles and and other illnesses that we thought we'd eliminated. So we have just a good number of issues, because the truth of the matter is if you're not healthy, none of what we discuss economically matters. And so the two kind of go hand in hand—working on economic opportunity, but I'm also just very concerned about our children and concerned about about health. I'll say this, I'm probably like a lot of people in this room—I'm in the sandwich generation. So I have the mother and father who are aging and who both have very serious health challenges, and a 20-year old daughter who I want to inherit a country that is befitting of her. So you know it means that we have to be concerned about a range of issues.

Rachel Reilly 20:39

I will tell you, I'm a mother of a two-year old, and I just had that realization a few weeks ago that I will never not be taking care of someone for the rest of my life—whether it's either my parents or her. And so it's a very real you know problem that I think societally we have to solve. Like, how do we ensure that these costs aren't taking down folks that are in the sandwich generation.

Angela Alsobrooks 21:01

This is absolutely true. You know, my parents, as I've mentioned—it is a really difficult thing to watch what happens as you age. Aging in place, having housing—the housing costs become even more stark, and those things are much more of concern as you age. The cost of medications, the cost of, you know, it's just difficult. So you're right, the range of issues continue to grow.

Rachel Reilly 21:25

You know you mentioned your daughter. I just mentioned my daughter, and I wonder, as a parent, do you think about what economic prosperity looks like for the next generation? Are you concerned that we're not going to be able to deliver on what our parents delivered to us for our for our kids?

Angela Alsobrooks 21:43

Well, believe it or not, that's their concern for sure. You know, I've had a chance to talk to a number of college students who have said, you know, I am concerned that I won't even be able to live as well as my parents, and most especially where housing is concerned. I've heard from a number of college students who said I don't think I'll be able to afford the basic necessities of life, which is why again embracing innovation and technology, making sure that we're prepared where artificial intelligence is concerned. In Maryland, we're doing things like focusing on quantum computing and in some of the other technologies. But it is, you know, making sure that we are both doing things that help grow innovation while also tending to the concerns we have around consumer protections, around making sure that we are discouraging the actions of bad actors, protecting people. So that's why it's really important. But I you

know what—we always find a way. The United States, I'm convinced, deserves to continue to be the leader of the world where innovation and technology is concerned. And, you know, the challenges that we see are great, but that's the reason I'm so grateful for all the people in this room. I still have high hope. I'm very, very optimistic about the ability of all of our kids to continue to be nimble enough to embrace the challenges of tomorrow. I know that they will be not only leaders in our country, but we expect that they will continue to lead the world in the places that make us exceptional—science and technology and medicine and innovation. These are the things that really form America's exceptionalism. And I am quite optimistic that this next generation, they are watching us, and I believe that they're going to be prepared to take the mantle and move us forward. We're going to do our work here—all of us in this room—to make sure they are prepared and that the opportunities exist for them, and I believe they're going to be prepared to embrace those opportunities.

Rachel Reilly 22:29

That's amazing. The last thing I'll say—and we're about at time here—but you often quote your great grandmother, and I don't want to get this wrong, her advice to say, get off the sidelines, go farther, and do better. My grandma, one of the last things she said to me before she passed, was to stay in the game and do the right thing. And so I just love thinking about looking to you know our ancestors, our older generations for that wisdom, but then also looking to the next generation, because we're we're their caretakers as well.

Angela Alsobrooks 22:52

Oh, absolutely. You know, my great grandmother would have been so proud. She was—I was very close to her, believe it or not. She had been born in 1897. Wow. She lived until I was a first-year law student. She was a very sharp woman, and her advice, similar to your grandmother's, is that if you don't like what you're seeing, you don't have the right to complain. Maybe you should go further and you should do better. And I think that's the charge for all of us. For whatever concerns us is we do not have the right to sit on the sidelines. We get out there and we do the best we can to improve life for other people. And I think contained in that is so much joy. So, thank you so much for having me as part of this conversation. And thank you to everyone in the room for what you're doing to help build our economy, build our states and country and make sure we have a better world to pass on to your two-year old.

Rachel Reilly 24:33

Thank you, Senator Alsobrooks.

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