



# INVESTING IN AMERICA'S FUTURE

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## *2021 Policy Priorities and Solutions*

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MILKEN INSTITUTE

For the past three decades, the Milken Institute has served as a catalyst for practical, scalable solutions to global challenges by connecting human, financial, and educational resources to those who need them. Guided by a conviction that the best ideas, under-resourced, cannot succeed, we conduct research and analysis and convene top experts, innovators, and influencers from different backgrounds and competing viewpoints.

We leverage this expertise and insight to construct programs and policy initiatives. These activities are designed to help people build meaningful lives in which they can experience health and well-being, pursue effective education and gainful employment, and access the resources required to create ever-expanding opportunities for themselves and their broader communities.



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## ABOUT THE MILKEN INSTITUTE

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### **Convene**

Each year, the Milken Institute brings together renowned thought leaders through its conferences, summits, dialogues, roundtables, and other events to discuss challenges and opportunities facing the world. These public and private gatherings connect individuals with the capital, power, and influence to change the world with those whose expertise and creativity are reinventing health, technology, finance, philanthropy, and industry. The Milken Institute leverages the expertise and insight gained through these convenings to construct programs and policy initiatives.

### **Research**

The Milken Institute conducts research to provide the analytical foundation and data to support the programs and policy initiatives that we pursue to help people build meaningful lives. We use data-driven and economic analysis to influence global policy issues related to Health Economics with a focus on Public Health Risks, Health Disparity, and Health Policy Evaluation; International Finance with a focus on Financial Stability and Systemic Risk, Capital Flows, and Investment and Global Financial Regulatory Policy; and Regional Economics with a focus on Regional Competitiveness, Building Human Capital, and Innovation and Entrepreneurship.

### **Policy Focus**

Across the Milken Institute, programs and policy initiatives are developed through our Centers and practice areas: [FasterCures](#) clears roadblocks that prevent medical breakthroughs from reaching patients sooner; [Financial Markets](#) conducts research and constructs programs designed to facilitate smooth and efficient operation of financial markets; [Future of Aging](#) elevates awareness, advances solutions, and catalyzes action to promote healthy longevity and financial wellness; [Public Health](#) advocates for sustainable solutions that lead to better health for individuals and communities; [Regional Economics](#) analyzes the dynamics that drive job creation and promote industry expansion; [Strategic Philanthropy](#) empowers philanthropists to effectively address some of the world's most urgent problems; [Global Market Development](#) works with government partners in developing and emerging markets to build and strengthen domestic financial markets to promote private-sector-led growth; and [Asia](#) extends the reach and impact of the Milken Institute to the Asia-Pacific region.



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## HEALTH AND ACCELERATING EFFECTIVE TREATMENTS AND CURES

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Even before the onset of the COVID-19 pandemic, the United States was confronted with a number of significant policy concerns; today, working together to solve those challenges is more imperative than ever. The Milken Institute is committed to advancing policy solutions supported by both sides of the aisle that not only address our current circumstances but also ensure that all Americans can participate equitably in the post-COVID recovery. To that end, the Milken Institute is focused on *Investing in America's Future* and advancing the following health, finance, and economic policy priorities.

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***Accelerate Biomedical Innovation.*** We have seen remarkable innovation born of necessity during the COVID-19 crisis; however, many fault lines also have been exposed that slow progress in biomedical R&D. As the Institute wants to ensure that the [lessons of this crisis](#) are not lost when the current urgency subsides, we have identified the following areas to accelerate biomedical innovation: Research Collaboration; Product Development; Clinical Trial Design and Execution; Collection and Use of Real-World Data and Evidence; and Racial and Ethnic Disparities in Health Care and Research. In addition, we will continue our work to [advance progress in the area of cell and gene therapy](#), which holds promise for curing, and not just treating, a range of diseases.

***Place Patients at the Center of the Biomedical Research System.*** [Patient experiences, data, and insights should inform the R&D process](#) from beginning to end. This includes greater standardization and transparency to empower patient donation of health data, as well as a data donation framework that facilitates patients' connection to clinical trials and research. We support increasing capacity among patient organizations, developing and supporting the adoption of a standardized framework to house all relevant disease-specific data, and reducing disease-specific data burdens for all stakeholders across the health continuum.

***Create Pathways to Innovation.*** Many therapies that could potentially benefit patients go undeveloped. Although companies could make deprioritized drugs available for study by entities with the capital and development expertise to take them forward, there are few incentives for companies to do so. Even when companies are willing to externalize their deprioritized assets, the processes for preparing assets for transfer and identifying strategic partners with the appropriate level of capital and capabilities can be prohibitively resource-intensive. Our objective is to [connect companies who own deprioritized drugs](#) to those who can potentially develop these therapies further and pursue policies that incentivize this transfer.



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## FINANCE AND STRENGTHENING ACCESS TO CAPITAL

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***Increase Diversity and Representation in Clinical Trials.*** We are embarking on a critically important effort to drive understanding, engagement, and urgency around increasing diversity in clinical trials—how they are designed, recruited, and executed. If we are going to develop the next generation of treatments for patients, we must ensure that the R&D process reflects all patients' needs, insights, and experiences.

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***Utilize Existing Financial Infrastructure to Help Underserved Communities.*** In lower- and middle-income communities, there is limited access to funding for small businesses and for the financial institutions designed to provide that capital. These local financial institutions, Community Development Financial Institutions and Minority-owned Depository Institutions, [should be further scaled](#) to increase their lending purpose and qualify for Opportunity Zone benefits.

***Leverage Financial Technology.*** As technology innovations continue to evolve the financial services landscape rapidly, financial technology (FinTech) provides the opportunity to accelerate access to capital, financial inclusion, and transparency and compliance to protect the financial system. With 7.1 million unbanked households in the United States, [FinTech can help to bridge this gap](#) by offering more affordable and efficient financial services to the communities most underserved by legacy institutions. The Institute supports fair access and consumer protections through policy solutions that target algorithmic biases, bolster data-privacy controls, and foster responsible innovation.

***Provide Predevelopment Investment for Strengthening and Sustaining US Infrastructure.*** Even before the COVID-19 pandemic, the nation faced a multitrillion-dollar infrastructure-funding gap, which will undoubtedly grow in the wake of state and local fiscal strains from the COVID-19 economic downturn. To date, traditional models for funding and financing projects have failed to meet the demand. By creating a [Federal Predevelopment Fund](#) and providing predevelopment capital, states and local communities should be able to jumpstart a pipeline of shovel-worthy and investment-grade projects and leverage public dollars to more effectively engage private capital to co-invest in resilient infrastructure projects at scale.

***Improve Public Finance.*** The \$4 trillion state-local-municipal finance space faces an uphill battle to recover and finance essential government services, much less new investments in equitable community development. The Institute is working to shore up a fragmented municipal securities market, lift public-sector capacity for financial innovation, and develop policies, partnerships, and best practices to [support essential and equitable public services](#).



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## ECONOMY AND BUILDING RESILIENT COMMUNITIES AND BUSINESSES

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### ***Ensure a More Effective and Sustainable US Housing Finance Ecosystem.***

For many Americans, owning a home is a defining aspect of the American Dream. The health and sustainability of the US housing finance ecosystem and access to affordable housing—both ownership and rental—are critical to a vibrant economy and stability for individuals and families across the socioeconomic spectrum. The Institute is focused on [improving the structural flaws that challenge our country's housing finance system](#).

***Promote Diversity in Financial Markets.*** Diversity, equity, and inclusion (DEI) remain at the forefront of issues facing the financial services industry. The desire for change and greater representation of women and racial minorities in the industry has only accelerated within the past year. The Institute has long emphasized the importance of DEI principles across the business community and maintains continued efforts to seek greater diversity in financial markets through policies that promote the next generation of diverse leaders.

***Increase Investments in Sustainable Development.*** The United Nations Sustainable Development Goals (SDGs) provide a universal framework for capital providers to consider the social impact of their investments. Unfortunately, many SDGs are centered in nascent and developing markets, where investment opportunity can be limited and risks are not compatible with traditional market appetite. The Institute is working to address international challenges by promoting public-private blended financing standards, risk-sharing, and impact investments to [unlock more capital for global impact](#). We are also working with philanthropic and governmental organizations to apply best practices learned abroad to accelerate sustainability deployment outcomes in underserved urban and rural communities.

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***Develop a Skilled Workforce.*** Our work focuses on cultivating a 21st-century workforce that can adapt its skills for both short-term economic recovery and long-term employment in an evolving job market. Fundamentally, this undertaking begins by enhancing access to education and employment opportunities through targeted education and work-based training programs. The Institute strives to [highlight relevant areas for improvement while recommending policies](#) to address existing gaps, bridge deficiencies in access to economic opportunity, and scale effective workforce development programs for immediate recovery efforts and beyond.

***Build More Efficient Communities.*** Regional economies succeed or fail based on their adaptability and response to change. A more efficient built environment—including infrastructure and housing solutions—can sustain diverse labor markets, economic mobility, job opportunities, and the movement of goods and services. The Institute promotes best practices for sustained economic development and creates the governance



frameworks necessary to overcome funding gaps and [promote a more equitable built environment](#).

**Catalyze Knowledge-Based Economic Development.** Knowledge-based economic development is tied not only to educational systems—primary and secondary schools, colleges, and universities—but also to private-sector activity. Important activities range from designing and marketing new ideas, products, and processes to providing venture capital and seed funding to grow new firms. The link between innovation on one hand and job and wage growth on the other remains a vital component of the US' competitive advantage in the global knowledge economy. The Institute focuses on [policies that encourage sustainable economic growth](#), including fostering pathways from new ideas to their commercialization.

**Strengthen Fair and Free Trade.** Our trade initiative aims to strengthen global trade by conducting research for businesses and governments around the globe. The Institute creates resources and tools that [prepare and equip domestic companies to begin or expand their exporting ventures](#). We pursue policies needed for small businesses to remain competitive in the global economy, including those designed to increase access to trade financing options, such as working capital and loan guarantees for investing in fixed assets.

**Support Small Businesses.** Small businesses are the core of the US economy and local communities, as well as the key to expanding economic opportunity. The Institute works to [identify and remove specific barriers to increased prosperity for small businesses](#), particularly for minority- and women-owned firms. This includes promoting policies that enhance access to credit, loan modification programs, and capacity-building technical assistance.

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## HEALTH AND IMPROVING PREVENTION AND WELLNESS

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**Develop an Early Warning System for Pandemics.** Recognizing that our current early warning system for pandemics suffers from fragmentation, a lack of coordination and collaboration, and a lack of sustained governmental and organizational commitment, the [Institute launched an initiative of esteemed global experts](#) from government; nonprofits; academia; finance; drug, diagnostic, and tech industries; and policy. We aim to identify and help implement recommendations to build an active, coordinated, sustainable global early warning system for emerging pathogens.

**Combat Chronic Disease.** Chronic disease, including heart disease, cancer, diabetes, and obesity, are the leading drivers of death, disability, and health-care costs in the United States. The CDC reported early in the COVID-19 pandemic that the majority of hospitalized COVID-19 patients had at least one underlying condition; nearly half had hypertension and obesity. Solving this challenge requires a [coordinated and comprehensive](#)



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## AGING AND ADVANCING HEALTHY LONGEVITY AND FINANCIAL WELLNESS

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[approach](#). To do so, we promote policies that further chronic disease treatment, address stigma, and connect Americans with the prevention and treatment services they need.

***Increase Investment in Mental Health Services.*** The United States faces a mounting mental health crisis, which includes widespread symptoms of anxiety, depression, psychological trauma, [substance use disorders](#), and increased suicidality. This crisis is taxing a broken mental health care ecosystem that has struggled with insufficient funding, inadequate access to care, and ineffective treatment for years. Our work is focused on [advancing evidence-based scalable interventions](#) and policy solutions to the national mental health crisis.

***Expand Telehealth Services Permanently.*** The use of telehealth services has expanded dramatically since the onset of COVID-19, driven by necessity and enabled by emergency changes to the policy landscape. To scale access to services, foster health equity, and support innovation in the months and years ahead, the Institute identified [opportunities to continue the progress in telehealth](#).

***Address Antimicrobial Resistance.*** It is critical to address, globally, the challenges posed by antimicrobial resistance, which has given rise to “superbugs” and other pathogens. In 2021, the Institute will examine the role innovative financing models and patient community-building can play in creating better market incentives for developing new, cutting-edge antibiotics. The project will also engage health and finance experts to explore existing and potential funding models, which are critical.

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***Improve Dementia Care.*** The number of people living with Alzheimer’s disease and related dementias in the US is projected to double by 2040, and there is a growing shortage of health- and long-term care providers with specialized training in geriatrics and dementia care. In 2020, the Institute launched the [Alliance to Improve Dementia Care](#), a multi-sectoral stakeholder effort to transform and improve the complex health- and long-term care systems that people at risk for and living with dementia must navigate. We advance policies that build a dementia-capable system and workforce, implement comprehensive dementia-care models to effectively identify people living with dementia, tailor services to meet their needs and those of their caregivers, ensure they get the right care at the right time, and [reduce disparities in prevalence and access to services for populations](#) at the highest risk for dementia.

***Strengthen Long-Term Care Financing and Delivery.*** Long-term care (LTC) is a pressing issue—the American population is aging rapidly, and 70 percent of adults aged 65 and older will require LTC at some point in their lives. Unfortunately, Medicare provides little coverage, Medicaid is limited to lower-income individuals, and the private LTC insurance market



is insufficient in scale. With [persistent gaps in long-term care financing and delivery](#), we promote policies that scale up integrated care delivery models, develop better approaches to measure the effectiveness of technology solutions and home-based care, and support complementary and affordable public and private LTC insurance solutions.

**Enhance Retirement Security.** Even before the COVID-19 pandemic, most Americans faced significant barriers to retirement security. Only half of adults over 50 had more than \$100,000 saved for retirement, and nearly 30 percent had no retirement savings or pension. Technology enabling more personalized planning and broader access to services, incentives for individuals to contribute and employers to offer plans, and enhancement of public systems and options are promising areas of focus. To address the expanding retirement gap for retirees and pre-retirees, along with eroding employer support of traditional retirement and pension plans, the Institute works to [identify and advance strategies that enhance retirement security](#).

**Support Older Workers.** Among older adults, 69 percent expect to be or are already working past 65 or do not plan to retire. Continued employment is linked to physical and mental health benefits, and intergenerational workforces offer significant benefits to employers. But older adults face barriers in the workplace, including age discrimination that impacts hiring, promotion, and upskilling opportunities. The Institute encourages employers to [think differently about older workers](#) and policies that support longer, more flexible work lives to meet the needs of older workers.

**Develop Innovative Housing Solutions.** As middle-income Baby Boomers age and require more assistance with daily living and health needs, fewer than half will be financially prepared to pay for senior housing. Given financial realities and shifting preferences, demand for affordable housing that accommodates the varied needs of older adults, including at home and in institutional settings, will be especially pressing in the coming years. This requires new ideas—from housing and neighborhood design to financial tools. To [address the future housing needs of older Americans](#), the Institute supports policies and innovations that scale up affordable housing options, integrate health-care services, and develop cross-sector partnerships to finance and deliver solutions.

**Promote the Longevity Economy.** Older Americans accounted for \$8.3 trillion in direct consumer spending and related economic activity in 2018. With the number of people over 60 projected to double by 2050, older adults are poised to shape consumer and capital markets in the years ahead. The Institute promotes the design and development of products and services to serve America's fast-growing aging population as an engine of [intergenerational economic opportunity and innovation](#).



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## TOWARDS A FUTURE OF GREATER PROSPERITY FOR ALL

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Through our programmatic and policy work, research, and ability to convene, the Milken Institute is committed to *Investing in America's Future*. Advancing these health, finance, and economic policies will help ensure everyone in this nation and around the world can realize their American Dream. In 2023, the [Milken Center for Advancing the American Dream](#) will open its doors on Pennsylvania Avenue in the heart of Washington, DC to visitors from around the world. We believe opportunity should be real and attainable for everyone. Through interactive exhibits and state-of-the-art technology, research, thought leadership, online exhibits, inspirational and educational programming, and global competitions, the Center will tell the dynamic story of the American Dream.