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NEWS RELEASE

***Is the American Dream becoming a mirage?***

***Inaugural IRPP Policy Horizons Essay looks at economic future of the US***

**Montreal** – Social inequality in the United States is turning the once-ubiquitous American Dream into a mirage, according to IRPP Senior Scholar Thomas J. Courchene, author of the first IRPP Policy Horizons Essay. The position of the US as the uncontested superpower in the post-Second-World World-War era seemed unassailable just a decade ago, but a wave of angst has swept the country in the wake of the financial crisis, high unemployment and trillion-dollar deficits.

Courchene traces the rise and potential decline of the American Dream and US dominance on the world stage. He contends that the American ethos of “individualist capitalism” that contributed to the rise of the US middle class in the decades immediately following the Second World War was carried too far toward “winner-take-all capitalism,” bringing with it greater income inequality and less social mobility. This, combined with the advent of the informatics era, which privileges skills and education over physical capital, has resulted in the offshoring of many low-skilled jobs. As a consequence, the American Dream itself is in jeopardy.

The author examines America’s flagging economic and fiscal fortunes: its ballooning federal debt, the heavy reliance on foreign holdings of US government debt by China, and China’s decreasing reliance on US markets for its exports.

He makes a number of suggestions for shoring up US global economic leadership, including improving the skills of its citizens, levelling the playing field for international trade, and eliminating the deficit by a combination of spending cuts and tax increases. “Americans must come to recognize that equality of opportunity for all Americans, like macroeconomic sustainability, is an international economic imperative in the informatics era,” writes Courchene.

The 2011 IRPP Policy Horizons Essay, *Rekindling the American Dream: A Northern Perspective*, can be downloaded from the Institute's Web site ([www.irpp.org](http://www.irpp.org)). The purpose of the essay is to look well beyond day-to-day challenges and consider the larger economic, social and cultural shifts on the horizon that will shape Canadian policy and decision-making in the years to come.

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