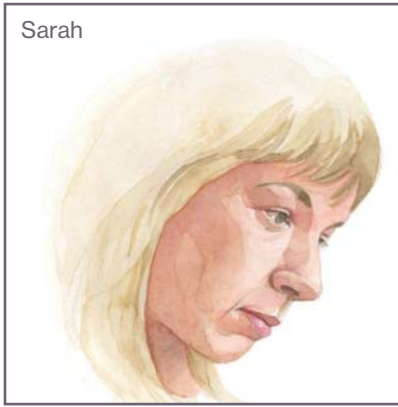


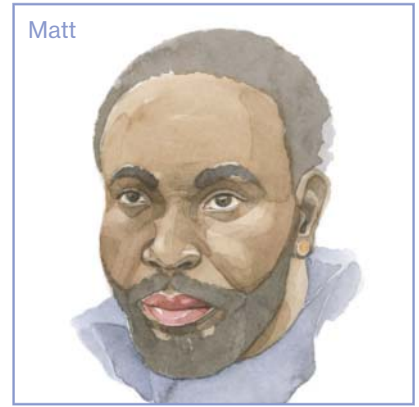
Dan and Julie



Sarah



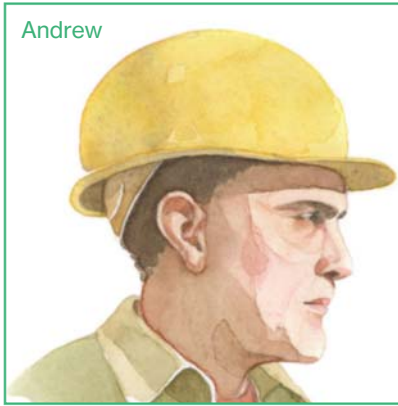
Matt



Derek



Andrew



Linda



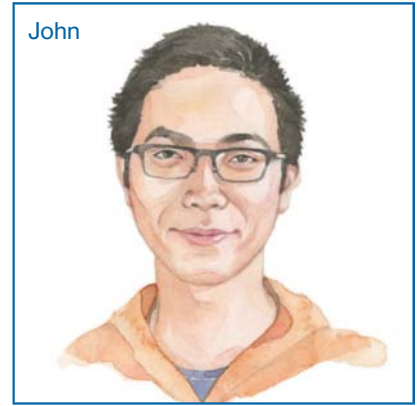
Amy



Ida



John



Kira



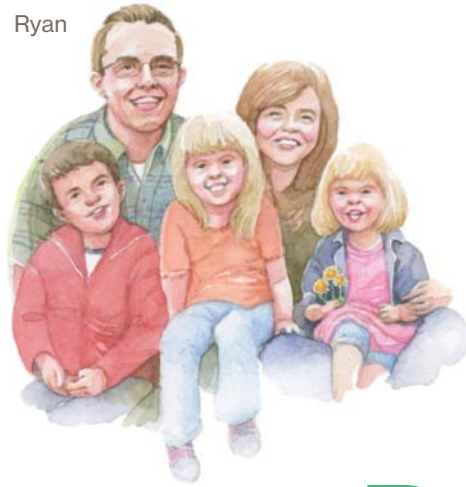
Brett



Greg



Ryan



The Persona Project and the Future of Democratic Capitalism

A deep understanding of peoples' values, their daily 'pain points' and their unmet needs is key to shaping the future of democratic capitalism.

by Jennifer Riel and Stefanie Schram

GREG IS A 28-YEAR OLD HR MANAGER living in Phoenix, Arizona. He's got a Master's degree in Labour Relations, a salary in excess of \$100,000 a year and a lot of ambition. In fact, he's got a list of 22 goals — personal and professional — that he regularly updates and modifies as he ticks things off; getting a girlfriend is at the top of the personal list right now. In many ways, he's a prototypical knowledge worker — an urban professional who draws upon diverse bodies of knowledge to solve complex problems. In his work, he has a lot of scope for independent decision-making and the freedom to do his work largely on his own terms.

He is also a devout Christian, a staunch Republican and fierce patriot. Asked to share a moment in which he was particularly proud to be an American, Greg doesn't hesitate: "I think of **George W. Bush** throwing out the first pitch after 9/11. It was in the World Series at Yankee Stadium, and he went out there and threw a strike. I watched that **YouTube** video over and over. I get goose bumps thinking about it. It's hard not to cry at a moment like that."

There is pride then, but anger too. Asked about former President **Obama**, he says, "I completely disagreed with his fiscal and social policies. To me, he was trying to make this country the opposite of what it was. That type of leadership makes me not proud to live in this country. I take that back. I'm always proud to live in this country. [I was] not proud to have him as our leader. People on welfare are given up to two years without any requirement of looking for a job, without any drug testing. That really makes me mad. It builds a culture of entitlement."

As indicated, Greg is a complex and sometimes contradictory guy. But grappling with that complexity and understanding him, we believe, is essential to understanding the challenges facing democratic capitalism today — and to generating prescriptions to help remedy those problems.

Democratic capitalism isn't a perfect system; but it is the best one we've got right now. Even before Brexit and **Trump**, the system was under threat from a variety of sources, including rising income inequality, sniping political partisanship and deeply



People with routine-intensive jobs, who earn below-average wages, make up the majority of the U.S. workforce.

self-interested corporate behaviour. As we began to delve into this area of study at the **Martin Prosperity Institute** we used public data, quantitative analysis and economic theory to help us understand the nature of our problem. But, we soon saw that the traditional approach to this analysis would only get us so far.

MPI Director [and former Rotman School Dean] **Roger Martin**, in particular, pushed hard on this point. If we used all the same tools and approaches that have been tried before, he argued, we would be all too likely to come to the same abstract and unactionable policy prescriptions that have failed to generate meaningful change up until now. Roger wanted us to shift our perspective, from thinking about theoretical, idealized people to designing for real, actual people.

The first step, then, was to find out more about the core ‘customers’ of democratic capitalism — the citizens of its largest and, up until now, most powerful exemplar: The United States. We were primarily interested in the self-defined ‘middle class’, for whom the real median income has remained unchanged since 1990, because they are the heart of America’s electorate. They are also in the midst of a profound shift, when it comes to their work.

We already knew that disruptive change was underway, as argued in a 2015 working paper by the MPI’s Roger Martin, **Richard Florida**, **Melissa Pogue** and **Charlotta Mellandar** [which was excerpted in our Fall 2016 issue: “Creativity, Clusters and Why Your Barista Has Mixed Feelings About You”]. The paper looked at the structure of the U.S. economy using a combination of two well-established lenses: **Michael Porter**’s industry clusters work and Prof. Florida’s Creative Class occupational perspective.

To summarize, per Porter, industries can be understood as dividing into two large groups: *traded clusters* and *local industries*. Traded clusters, as the name suggests, consist of industries that sell beyond local markets. These industries tend to cluster together in select regions and countries, providing those jurisdictions with higher wages, increased innovation, higher productivity and a stronger economy. Examples of traded clusters include oil and gas production and biotechnology. Local industries, by contrast, are broadly distributed across jurisdictions and serve only their local markets, and these industries — for example, retail and social services — have lower wages and productivity.

Prof. Florida also divides the economy into two parts, but he focuses on two categories of occupations: creativity-intensive jobs (which have a high-degree of independent judgement and decision-making) and routine-intensive jobs (which do not). Creative Class jobs tend to be higher paid and also cluster in specific cities and regions.

In their working paper, Martin, Florida et al. demonstrated that the most well-paid jobs are creative occupations in traded industries. No surprise. Just think of product developer in Palo Alto or a research scientist in Boston. This group — which makes up just 14 per cent of the economy — earns almost 80 per cent higher wages than the national average. Creative workers in local industries do okay, too: Accounting for almost 25 per cent of jobs, these workers earn 36 per cent more than the average worker. The news is less good for those with routine-intensive jobs, who earn below-average wages, despite making up the majority of the U.S. workforce.

Moreover, the authors noted a troubling shift: While creative-intensive jobs had grown as a percentage of the overall economy in the years between 2000 and 2012 (from just over 36.3 to 38 per cent), they were not growing nearly fast enough to make up a majority of jobs any time soon. Worse, there was a shift in routine-intensive work, from traded industries (which included traditional well-paid manufacturing jobs) to local industries—the mainly service-sector jobs that pay about 35 per cent less than the average (see **Figure One**).

We knew we needed to understand these workers more deeply, as something other than a number in a spreadsheet. So, we used tools from Design Thinking, paired with the Martin-Florida framework to help structure the task. In the fall of 2015, we set out to conduct lengthy, ethnographic interviews with two dozen or so Americans working in jobs that were well-represented in each of the four quadrants. For instance, food preparation and serving related occupations make up a sizable portion of routine-intensive local industry jobs, as do protective service occupations. So, we interviewed a casino server in St. Louis and a firefighter in Miami. Routine jobs in traded industries are often in transport and production, so we spoke to a truck driver for a multinational logistics company and a production supervisor at a large manufacturing firm. On the creativity-intensive job side, local industry workers we spoke with included a nurse and

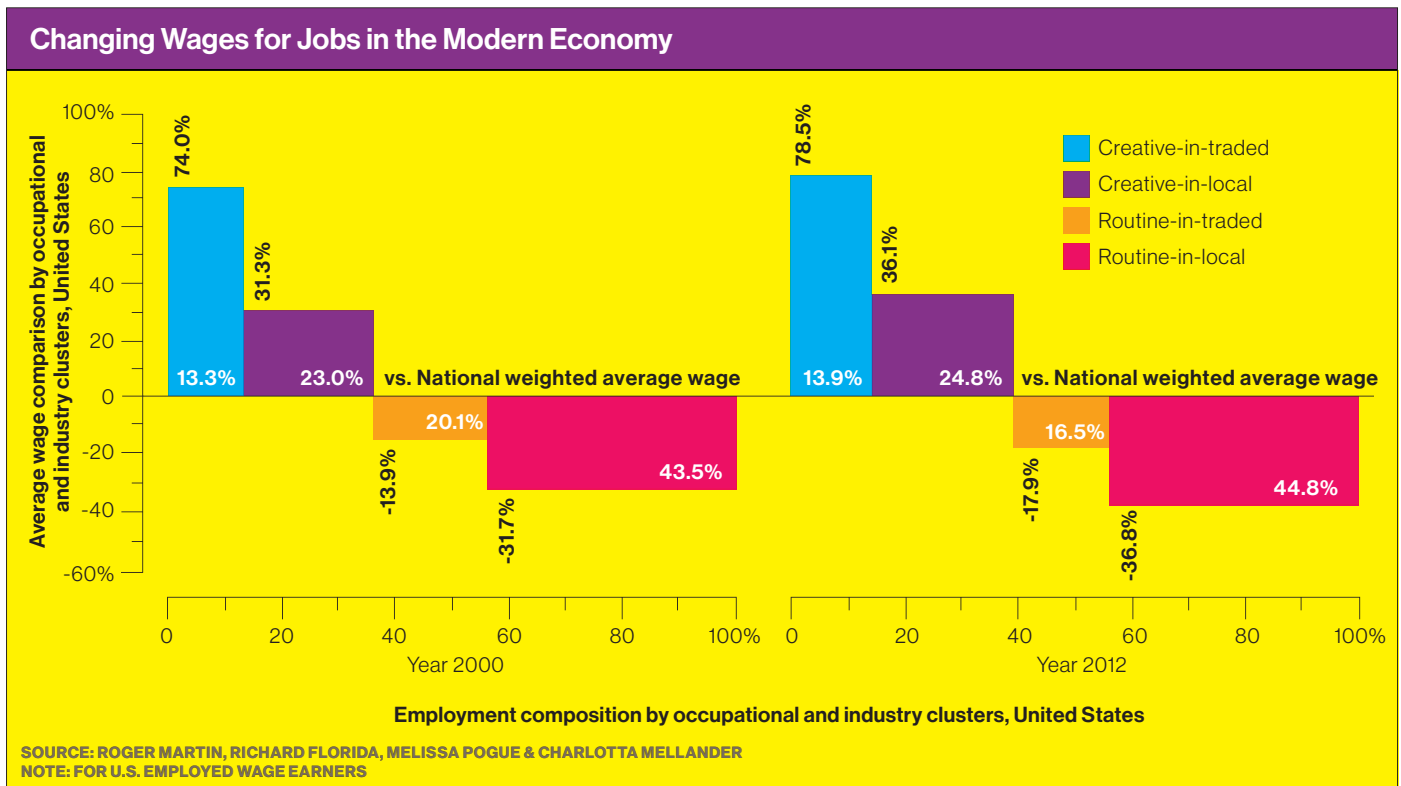


FIGURE ONE

a teacher, while traded- industry representatives were management workers at multinational firms.

In each group, we attempted to match typical characteristics (age, gender, race) against the most common demographics of that industry and occupation group. Our youngest interviewee was 23; our oldest, just over 50. Their salaries ranged from under \$30,000 per year to over \$120,000. They were progressive and conservative, white, black, Hispanic, Christian, Muslim, gay and straight; and all of them told us they were part of the middle class.

The State of the American Dream

Over the course of wide-ranging interviews, we asked these individuals about their families, their work, the impact of the economy and government on their lives, their hopes and fears, and the state of the American Dream. What did we hear?

Pride, first of all. Like Greg, these Americans are proud to live in what they still consider to be the greatest country in the world. One interviewee — a young hairdresser from Milwaukee — started out her interview with clear instructions for us: Before we start, she said, you must promise that you will not miscon-

strue anything I say to be negative about America.

We also heard cautious optimism about the future, and a sense of satisfaction with life. When we asked about the American Dream, we heard over and over again that it was still possible, if a little harder to achieve than it used to be. Brett, a production supervisor from Washington, had been laid off in 2009 and eventually moved cross-country in search of a job. Yet, he remained hopeful. “The American Dream is the pursuit of happiness,” he said. “It’s the pursuit of being your own person and basically anything you want to do. I do still believe in it. It takes a little bit more work than it used to. But I think I’m living the American Dream.” Perhaps he’s a little more cautious than he used to be when it comes to spending money, but “all in all, I’m pretty happy.”

Even those struggling to get by tended to blame themselves, rather than the system overall. Like Sarah, a Kindergarten teacher in South Carolina: “I live paycheck to paycheck,” she says, with a sigh. “I just don’t get it. I have a Master’s degree. I thought I did everything right. How did I get here?”

When we asked people about their experiences with the



Almost half of eligible voters chose *not* to cast a ballot in the November 2016 Presidential election.

economy, many struggled to connect their own lives to the broader economy. Amy, a yoga instructor, said, “I don’t think my contributions to the community have a strong economic effect. As for the global economy — I can probably tell you more about what’s happening spiritually in places like China and India than I can tell you about the U.S. economy, because my life is super focused in that direction. Although I know it affects everything, I also know that I’m just this really, really small piece of the puzzle. I don’t like to get too caught up in it and stress out about it because, again, it doesn’t affect my day-to-day.”

Overall, when it came to the economy, we heard little about international trade, GDP or globalization. Instead, we heard about people’s families, about keeping food on the table and making ends meet. Andrew, a Massachusetts production supervisor and unionist summed it up: “To me, it’s about owning a house, being able to come home and feed your family a decent dinner. I’m not saying you’re having prime rib every night; but, your kids don’t want for a whole lot. You’re able to clothe them without looking for financial help or support from anyone else.”

Again and again, folks like firefighter Matt told us: “I don’t think I play a role in the economy; I just pay my bills.” One outlier in this respect was Dan, a truck driver from Illinois, who had a very clear idea of how the economy shows up in his life. “I see the economy in my truck every week. When things are good, I see 75 to 100 TVs in my truck. I’d rather see people buying things, keeping me busy, and keeping the economy going.” But he, too, minimized his own role: “We live basic, simple lives. We have fun and go on vacations, but we try to be real careful. Our son and daughter are both in college and we’re so proud of them, because neither of us went. That’s one of the things we want for our kids, to be more educated — it’s what’s going to help them be successful in life. We just don’t want to be one of them statistics, you know, as far as just being the ones that always need help.”

Another clear theme from our interviews was a sense of disconnection from the political apparatus. As we asked about the role of government in their lives and their feelings about politics, most folks were sheepish to admit that, frankly, they just didn’t engage. “I’m not really into politics,” said Julie, a hairdresser from outside Chicago with two grown kids. “I should be more interested, I know. I don’t feel very knowledgeable about politics. I’m kind of embarrassed to say that I don’t get more involved, be-

cause I think people should be involved.”

Again and again, we heard that while people felt some obligation to get involved, it wasn’t enough to make them actually do it. Ryan, a learning and development professional from Utah, explains: “I have to admit that I’m not a fan of politics... debates seem to go on between individuals and nothing gets done. There are important things that happen, but most of the time it’s about politicking and the changes are of no benefit to the average citizen.” Brett, dislocated by the financial crisis but now back on his feet, agrees: “I think we’ve lost trust in politicians. It doesn’t really matter who you vote for, it’s just going to be the same.”

And Miami firefighter Matt, a Haitian émigré with a young family? He said: “I don’t think voting makes much of a difference, either. I voted for Obama the first time because he’s black; who wouldn’t want a black president?! But I don’t like anybody this time around, so I’m not going to vote. It’ll be a waste of my time. I think local politicians are the worst. They’re corrupt as hell. I think all politicians, mayors, governors — they’re all thieves. I think there’s just a bunch of empty promises.” As he explained this view, Matt seemed not so much angry as resigned.

We were particularly struck by the way in which these citizens struggled to make any connection between what happens in Washington and their own lives. Although choices in Washington demonstrably impact healthcare, education, public safety, civil rights, infrastructure and so much more, most of the people we spoke to could not name a single way in which government policy affected their daily lives; and those who could framed government services almost solely in terms of entitlement programs like social security.

Derek, a young and ambitious corporate communications director said: “Government doesn’t really touch me directly. Obviously, I’m not on Social Security because I’m not 65-plus. There are certain people who are more affected by government, whether they’re poor or they’re veterans or they come from a different country and need help getting set up. So, government touches their lives directly. I suppose it affects me in the sense that my taxes can go up or down a little bit. But if you are more self-sufficient in society, government won’t really touch your life until you hit a certain age. Honestly, I don’t think our democracy works. I’m a big believer that if people don’t understand the issues, they won’t participate.”

Given that almost half of eligible voters chose not to cast a ballot in the November 2016 Presidential election, this sense of disaffection seems to be having real, tangible results. Take Kira. A graduate of UT Austin, she's working as a server at a casino and floating through her 20s. As she explains, "My interest in politics is very limited." She continues that her disinterest is "more because I feel like there's so much to the game that I'm just not aware of... I don't want to know the ups and downs. I don't need to get that anxious about it. The only political campaign that I've ever actually felt interested in was **Planned Parenthood**. It really irked me [that Congress was seeking to de-fund the organization] and I started donating to them. I set up an automatic debit from my account for \$10 a month and I didn't really think about it after that. I changed my **Facebook** profile to show [my support]; I don't really know what else to do."

From our interviews, we selected 13 real people to be our MPI Personas. Typically, in Design Thinking, a persona is meant to be a representative description of a key customer. Often, personas are created by combining qualitative and quantitative data from a variety of people to create a single, representative consumer. In our case, each persona is a real person — anonymized for privacy — but based entirely on a single individual, in all their complex, contradictory glory.

Creating personas is not a new concept. Typically, the goal is to get a clearer picture of your customers — the life they live every day, their points of pain or hassle, their values, attitudes and ultimately, their unmet needs. This tool can help organizations view their customers and stakeholders as real people, rather than faceless segments described in vague demographic terms such as age, disposable income or sales targets.

In closing

For MPI, the translation of real stories into personas has helped us think more deeply about stakeholders, their needs and how they might be better met. Now that the personas have been created, we anticipate two important uses for them, one internal and one external.

First, we want to ground our internal discussions in real human beings, with real experiences, stories, emotions, motivations and behaviours. By embracing the complexity of these people, we believe we will be in a better position to create policy

solutions that meaningfully add value to people's lives. As we proceed with our work, we will return to these personas and ask: What are the implications for Matt? How will Kira be affected?

Second, we want to use these personas as a way of structuring external conversations in a new way. As we meet with key stakeholders and thought leaders, we are using the personas as a starting point for those discussions, grounding the conversation in the challenges and opportunities facing real people across the U.S.

At the first of these discussions, friends from the design community dwelt on the implications of disengagement and the potential reasons for it, positing that 'a desire for greater simplicity' and 'a sense of control over things I can understand' might be at the heart of it. We'll be exploring these themes in the months ahead.

More such discussions are scheduled, and our hope is to continue to learn more and more about these real people and to find new solutions to meet their needs. We will report back as solutions for the future of democratic capitalism take shape. **RM**



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(Rotman MBA '10) is Director of Intervention Design at MPI. To learn more about this project: <http://personaproject.martinprosperity.org/>