Department of Economic Liberty

Comprehensive Proposal

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1. Proposed Name

Department of Economic Liberty (DOEL)

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2. Problem Statement

America's founding principles establish liberty and the pursuit of happiness as fundamental ideals. The federal government has created numerous departments and agencies to protect and advance different aspects of these principles, including the Department of Justice, Department of Labor, Department of Health and Human Services, and Department of Education.

While these institutions address important components of American liberty and well-being, there remains a potential gap concerning **economic liberty**: the practical ability of an individual to exercise personal freedom without being forced by basic economic necessity into circumstances that prevent them from pursuing their own goals, aspirations, and happiness.

The problem DOEL would seek to address is therefore not simply poverty or unemployment. It is the degree to which the necessity of securing fundamental needs such as food, shelter, transportation, and basic communication can consume an individual's limited time and economic resources, thereby restricting the practical exercise of liberty and the pursuit of happiness.

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3. Constitutional & Public Justification

The Department of Economic Liberty (DOEL) would be established not on the premise that the United States Constitution currently guarantees every American a specific level of income or material support, but on the principle that the federal government possesses both the

constitutional authority and the public interest necessary to pursue policies that strengthen liberty and promote the general welfare.

The founding principles of the United States provide the philosophical foundation for this objective. The Declaration of Independence identifies Life, Liberty, and the pursuit of Happiness among the unalienable rights of the American people. The Constitution subsequently establishes a federal government entrusted with, among other purposes, promoting the general Welfare and securing the blessings of Liberty.

The federal government has historically pursued these objectives through the creation of departments and agencies responsible for particular aspects of American life. The Department of Justice protects the rule of law and civil rights; the Department of Labor addresses the conditions and interests of workers; the Department of Health and Human Services addresses public health and human welfare; and the Department of Education advances access to education and educational opportunity. Each addresses conditions that can materially affect an individual's ability to live freely and pursue a fulfilling life.

However, economic liberty represents a distinct area of public policy. An individual may possess legal freedom while nevertheless having substantially limited practical freedom when the necessities of food, shelter, transportation, communication, and other fundamental expenses require the majority of their available economic resources and working time.

DOEL would therefore address a policy question that differs from the question of whether the government owes compensation to any particular individual.

If an individual were permitted to assert a personal claim that the government had failed to provide sufficient economic liberty, the resulting issue could potentially extend to millions of Americans facing similar economic circumstances. Such a matter would therefore be more appropriately considered as a question of public policy than as an individual claim for compensation.

The proposed department would provide a legislative mechanism through which the American people, acting through their elected representatives, could collectively address that question.

The constitutional foundation for such an institution would primarily arise from Congress's authority to tax and spend for the general Welfare, together with its authority to enact legislation necessary and proper for carrying its enumerated powers into execution. These powers provide Congress with broad authority to establish federal institutions and programs designed to address matters of national concern, provided that such legislation remains within constitutional limits.

Accordingly, DOEL would not be established on the assertion that the phrase "pursuit of Happiness" creates an independently enforceable entitlement to government assistance. Instead, the Declaration of Independence would serve as a statement of the nation's founding philosophy, while the Constitution would provide the legal framework through which Congress could choose to pursue that philosophy through legislation.

The distinction is important:

> **The founding principles establish the purpose. The Constitution establishes the authority. Congress establishes the institution.**

DOEL would therefore represent a voluntary exercise of federal legislative authority intended to advance a recognized national objective: increasing the practical economic liberty available to the American people.

Its purpose would not be to guarantee happiness, eliminate personal responsibility, or provide compensation for the ordinary hardships of life. Rather, its purpose would be to reduce the degree to which basic economic necessity restricts an individual's ability to determine how they use their time, abilities, and resources.

Under this framework, economic liberty would be treated as a public policy objective rather than an individual constitutional entitlement. The proposed department would allow the federal government to pursue that objective on behalf of the American people as a whole, rather than attempting to resolve the issue through individual claims against the government.

DOEL would therefore complement, rather than replace, the existing federal institutions responsible for justice, labor, education, health, and other aspects of public welfare. Its distinguishing purpose would be to address the economic conditions that influence an individual's practical ability to exercise liberty and pursue their own conception of happiness.

The creation of DOEL would ultimately ask Congress to consider a fundamental question:

> **If the United States government has long pursued policies intended to protect liberty and promote the general welfare, should it also establish an institution specifically dedicated to increasing the economic freedom necessary for Americans to meaningfully exercise those liberties and pursue their own hopes, ambitions, and happiness?**

DOEL proposes that the answer is yes.

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4. Core Mission

DOEL will develop and implement strategies designed to achieve a perpetual increase in nationwide economic independence.

To continually advance this objective, DOEL will focus on the following key areas:

1. **Establish a National Economic Liberty Fund**
2. **Reduce the economic burden of basic necessities**

3. **Increase individual economic freedom**
4. **Build long-term financial sustainability**
5. **Protect individual freedom of choice**
6. **Measure and monitor economic liberty**
7. **Coordinate existing federal resources**
8. **Preserve the Fund for future generations**

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5. Proposed Solution

The Department of Economic Liberty (DOEL) proposes the creation of a permanent national economic institution designed to continually increase the economic independence of the American people.

At the center of this proposal will be the establishment of a **National Economic Liberty Fund (NELF)**. The Fund will serve as the primary financial instrument through which DOEL pursues its mission.

Rather than relying primarily upon continual annual expenditures or direct cash payments, DOEL will seek to establish and grow a substantial pool of national assets capable of generating long-term economic value, recurring revenue, and direct reductions in the cost of essential necessities.

The fundamental strategy will be to **invest in the economic independence of the American people while preserving and expanding the underlying national wealth used to provide that independence.**

5.1 Establishment of the National Economic Liberty Fund

Congress would authorize DOEL to establish and administer the National Economic Liberty Fund as a permanent federal fund.

The Fund would be designed to accumulate capital and productive assets over time. These assets could include diversified financial investments, real estate, infrastructure, corporate investments, and other productive assets capable of generating income or reducing recurring costs.

The Fund would be managed according to a long-term investment strategy rather than a short-term spending objective. Its principal purpose would be to create an expanding national asset base whose **sustainable returns, revenues, and economic value** can eventually support DOEL's economic-liberty objectives.

5.2 Investment in Basic Economic Necessities

DOEL would identify the expenses that most significantly restrict the economic independence of American households.

Initial areas of consideration would include:

- Housing
- Food
- Transportation
- Basic communication
- Utilities and other essential household expenses

Rather than assuming that every problem must be addressed through direct cash payments, DOEL would evaluate whether the most efficient solution is to reduce the underlying cost of the necessity itself.

For example, if housing represents a significant portion of household income, DOEL could evaluate the acquisition, construction, financing, or development of housing assets capable of reducing long-term housing costs.

This approach is intended to create a **lasting reduction in household expenses while simultaneously building or preserving national productive assets**, rather than simply transferring money to households while leaving the underlying cost structure unchanged.

5.3 Reinvestment and Growth

A central principle of DOEL would be that national economic assets should, whenever practical, produce additional economic assets.

Returns generated by the National Economic Liberty Fund would therefore be evaluated according to a hierarchy that prioritizes:

1. Maintaining the Fund's long-term purchasing power;
2. Maintaining adequate reserves;
3. Reinvesting a portion of sustainable returns to expand the Fund;
4. Funding programs that reduce Americans' basic economic burdens; and
5. Expanding successful productive assets and programs.

The objective would be to create a compounding system in which the nation's economic capacity grows over time.

5.4 Increasing Individual Economic Freedom

The ultimate purpose of reducing basic economic burdens would be to increase the choices available to individual Americans.

As the cost of necessities becomes less restrictive, individuals could have greater flexibility to:

- Pursue education or training;
- Change careers;
- Start businesses;
- Work fewer hours when financially practical;
- Care for children or family members;
- Pursue creative or entrepreneurial endeavors;
- Volunteer or participate in their communities; and
- Pursue personal goals that would otherwise be postponed by financial necessity.

DOEL would not determine what constitutes a meaningful or successful life for an individual. Its role would be to increase the economic room available for individuals to make those decisions themselves.

5.5 Preservation of Individual Choice

Economic assistance administered by DOEL should not become a mechanism for controlling personal behavior.

Accordingly, DOEL would be designed around the principle that increasing economic independence should increase individual choice rather than replace it with government-directed choices.

Where practical, the department would favor **cost-reducing assets and benefits that allow individuals to retain control over their economic decisions** while maintaining appropriate safeguards against fraud, abuse, and exploitation.

5.6 Measurement of Economic Independence

DOEL would establish measurable indicators of nationwide economic independence and periodically evaluate whether its programs are actually accomplishing their intended purpose.

Potential measurements could include:

- Household spending on essential necessities;
- Disposable and discretionary income;
- Hours of labor required to meet basic living expenses;
- Housing-cost burden;
- Transportation costs;
- Household financial resilience;

- Rates of entrepreneurship and business formation;
- Ability to pursue education or retraining;
- Household savings and investment;
- Reliance on government assistance; and
- Other indicators of practical economic freedom.

The department would use these measurements to determine which programs are effective, which should be modified, and which should be discontinued.

5.7 Long-Term Objective

DOEL's proposed solution is therefore not intended to create permanent dependence upon a new federal benefit.

Its objective is to create a **self-reinforcing system of national asset growth and individual economic independence.**

The desired progression would be:

> **Federal investment → National assets → Sustainable returns and reduced costs → Greater household economic independence → Greater individual freedom → Continued reinvestment → Increased national economic capacity.**

The long-term measure of DOEL's success would not simply be the amount of money distributed to the American people. It would be the extent to which Americans increasingly possess the economic freedom to determine how they use their time, labor, resources, and abilities without being unnecessarily constrained by the cost of basic necessities.

Ultimately, DOEL would seek to build a system in which each generation inherits not merely a government program, but a **growing national economic foundation capable of providing greater opportunity and independence to the generations that follow.**

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6. Beneficiary Eligibility

The Department of Economic Liberty (DOEL) is intended to serve the American people as a whole. As a general rule, benefits administered by DOEL will be available to United States citizens who complete and receive approval through the department's established application and eligibility process.

Eligibility will be determined according to criteria **authorized by Congress and implemented through DOEL regulations and program requirements.** The purpose of the eligibility system

will be to ensure that DOEL resources are directed toward individuals and households for whom economic assistance meaningfully advances economic independence.

6.1 United States Citizens

United States citizens who satisfy the applicable eligibility requirements will be eligible to apply for DOEL benefits.

Eligibility may consider factors including:

- Household income;
- Household assets;
- Number of dependents;
- Cost of essential living expenses;
- Employment and financial circumstances;
- Existing government benefits;
- Sudden changes in financial condition; and
- Other circumstances established by federal law.

Approval will not necessarily entitle an applicant to every benefit administered by DOEL. Different programs may establish different eligibility requirements based upon their purpose and available resources.

6.2 Higher-Income Households

DOEL resources are intended primarily to increase economic independence where financial necessity materially restricts an individual's ability to meet basic needs.

Accordingly, individuals and households within the highest income and asset classifications would generally not qualify for ordinary DOEL assistance.

However, income alone would not necessarily determine eligibility in every circumstance. DOEL may establish hardship provisions, **as authorized by Congress**, for individuals experiencing circumstances such as:

- Bankruptcy;
- Sudden and substantial loss of income;
- Significant loss of household financial support;
- Other extraordinary financial circumstances; or
- Other conditions specifically recognized under federal law.

These provisions would allow the department to respond to genuine changes in economic circumstances without creating an unnecessarily rigid system.

6.3 Individuals With Pending Citizenship

Individuals who are lawfully present in the United States and are currently undergoing an approved process toward United States citizenship may be eligible for temporary DOEL benefits, subject to requirements established by Congress.

Such benefits would be temporary and would remain subject to the individual's continued eligibility and the outcome of the applicable citizenship process.

Permanent eligibility for standard DOEL benefits would generally be reserved for United States citizens unless Congress establishes otherwise.

6.4 Non-Citizens and Humanitarian Circumstances

As a general rule, individuals who are not United States citizens and are not within an approved citizenship process would not be eligible for standard DOEL benefits.

However, Congress may authorize DOEL to provide temporary emergency or humanitarian assistance to non-citizens under extraordinary circumstances.

Such circumstances could include:

- Refugee emergencies;
- Major humanitarian crises;
- Natural disasters affecting displaced populations;
- Other circumstances in which temporary assistance is determined to serve a significant humanitarian or national interest.

Any such assistance would be subject to the limits, duration, and conditions established by federal law.

6.5 Principle of Universal Opportunity With Targeted Assistance

DOEL's long-term objective is to increase economic independence throughout the United States. However, the existence of a universal national mission does not require every individual to receive the same level or type of assistance.

The department will therefore seek to maintain a balance between broad access and responsible allocation of public resources.

The general principle will be:

> **DOEL exists for the benefit of the American people as a whole, while its resources are directed according to demonstrated economic need, eligibility, and the department's ability to advance individual economic independence.**

Eligibility standards may be adjusted over time **through congressional authorization and applicable DOEL regulations** as the National Economic Liberty Fund grows, economic conditions change, and sufficient resources become available to expand the scope of programs.

The ultimate objective is for increasing national economic capacity to allow progressively more Americans to achieve economic independence without requiring increasingly extensive government assistance.

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7. Financing the National Economic Liberty Fund

The National Economic Liberty Fund (NELF) will serve as the financial foundation of the Department of Economic Liberty.

Its purpose will be to establish a permanent and growing pool of national assets capable of generating **sustainable economic returns, recurring revenue, and direct economic value** that can be used to advance the department's mission.

The fundamental principle of the Fund will be to **convert temporary public expenditure into permanent national productive capacity whenever economically practical**, rather than relying exclusively upon annual federal expenditures.

7.1 Initial Federal Funding

Congress may provide the initial capital necessary to establish the National Economic Liberty Fund.

Initial funding would be treated as an investment in the long-term economic capacity of the United States rather than solely as an annual operating expense.

The initial capitalization of the Fund could be established through congressional appropriations, authorized transfers of federal resources, proceeds from authorized asset transactions, or other funding mechanisms approved by Congress.

Where debt financing is considered, the associated borrowing costs would be incorporated into the feasibility analysis. Debt-financed capitalization would not be

presumed to be self-financing solely because projected NELF investment returns may equal or exceed the borrowing rate.

The amount, source, financing structure, and timing of initial capitalization would be determined through federal budgetary, economic, actuarial, and investment analysis and would require congressional authorization. Such analysis should consider, as applicable, borrowing costs, expected risk-adjusted investment returns, inflation, Fund expenses, reserve requirements, projected program expenditures, and anticipated economic and fiscal effects.

7.2 Market Investments

A significant portion of the National Economic Liberty Fund may be invested in diversified financial markets.

Subject to congressional authorization and investment restrictions established by law, DOEL may invest Fund assets in instruments capable of generating long-term returns, including:

- Broad-market equity funds;
- Government securities;
- Corporate bonds;
- Qualified preferred equity;
- Real estate investment vehicles;
- Infrastructure investments;
- Other diversified investment instruments; and
- Other productive assets determined appropriate under federal law.

The Fund would be managed according to a long-term, diversified investment strategy designed to balance growth, income generation, preservation of capital, and protection against excessive risk.

Investment performance would not be treated as guaranteed.

For financial modeling purposes, DOEL may evaluate multiple sustainable-return scenarios, including:

- **3% — Conservative**
- **4% — Moderate**
- **5% — Optimistic**
- **7% — High-performance**

These figures would represent modeling assumptions rather than guaranteed annual returns.

DOEL would not attempt to use the Fund as a vehicle for short-term market speculation.

7.3 Strategic Corporate Investment

Congress may authorize DOEL to establish a qualifying **Economic Liberty Investment Program** through which eligible companies may issue a designated class of equity or preferred securities to the National Economic Liberty Fund.

Any associated tax incentive would be established by Congress through statute or other lawful federal authority and would not be created solely through an agreement between DOEL and an individual company.

Subject to statutory requirements, qualifying companies could receive specified tax incentives in exchange for providing the Fund with defined investment and dividend terms.

Participation could be limited to companies meeting objective requirements established by Congress, potentially including financial stability, domestic economic activity, employment, investment, governance, or other public-interest criteria.

The intended structure would be:

> **Qualifying company receives authorized investment capital and statutory incentives → NELF receives equity/dividend income → Fund grows → increased Fund capacity supports economic-liberty objectives.**

Such a program would require strict safeguards against political favoritism, conflicts of interest, preferential treatment, and investment decisions unrelated to the economic objectives established by Congress.

7.4 Strategic International Investment

NELF may evaluate investments in foreign assets when authorized by Congress and determined to be consistent with the economic interests and national-security interests of the United States.

Potential investments could include qualifying foreign companies, infrastructure, real estate, resource interests, or other productive assets.

Foreign investment would remain subject to applicable national-security review and other federal requirements.

Strategically significant investments may provide secondary national-security or geopolitical value in addition to financial value. DOEL would therefore coordinate with appropriate federal agencies where an investment possesses substantial national-security implications.

DOEL would not independently possess military authority as a result of its ownership or investment activities.

7.5 Diversification and Risk Management

Because the National Economic Liberty Fund would represent a public national asset, investment decisions would be subject to substantially greater oversight than ordinary private investment accounts.

The Fund would establish limits on:

- Individual securities;
- Individual companies;
- High-risk investments;
- Sector concentration;
- Foreign investments;
- Leverage;
- Speculative trading; and
- Other activities that could expose the Fund to unreasonable levels of risk.

The objective would be to prevent the failure of an individual investment, company, industry, or market from materially threatening the long-term purpose of the Fund.

7.6 Reinvestment of Returns

Investment returns would not automatically be distributed in their entirety.

A portion of Fund earnings would generally be reinvested to increase the principal of the Fund.

This would create a compounding effect:

> **Initial Capital → Investment Returns → Reinvestment → Larger Asset Base → Greater Returns → Expanded Economic Liberty Capacity**

The percentage of returns available for reinvestment versus program expenditures would be established according to the Fund's financial condition, economic circumstances, inflation, reserves, and long-term sustainability requirements.

7.7 Preservation of Principal

The long-term objective of the National Economic Liberty Fund will be to establish a permanent national asset rather than a temporary source of government revenue.

Accordingly, DOEL will seek to preserve the Fund's **real purchasing power** and prevent short-term political or economic pressures from unnecessarily reducing its long-term productive capacity.

Withdrawals from principal would therefore require substantially greater justification and authorization than ordinary program expenditures.

Whenever practical, DOEL programs should be funded from sustainable investment income, realized gains, operating revenue, or economic value produced by Fund assets rather than by consuming the underlying principal.

7.8 Additional Sources of Capital

As authorized by Congress, the National Economic Liberty Fund may receive additional capital through:

- Future congressional appropriations;
- Returns generated by existing Fund investments;
- Revenue generated by Fund-owned assets;
- Proceeds from authorized federal asset transactions;
- Partnerships or investments authorized under federal law;
- Other lawful sources approved by Congress.

The department would continually evaluate opportunities to increase the productive capacity of the Fund without creating unnecessary financial liabilities for the federal government.

7.9 Long-Term Financial Objective

The ultimate financial objective of the National Economic Liberty Fund will be to transition DOEL from a department primarily dependent upon annual congressional appropriations toward a department increasingly supported by the productive capacity of its accumulated national assets.

This does not mean that congressional funding would necessarily disappear. Rather, the objective would be to reduce the proportion of DOEL's long-term economic-liberty activities that must be financed through new annual expenditures.

As NELF approaches greater financial independence, the need for continued federal capitalization would be evaluated against the Fund's demonstrated investment performance, real purchasing-power requirements, reserve requirements, program obligations, population changes, and the federal government's cost of providing additional capital.

The desired progression would be:

> **Federal Capital → National Investment → Sustainable Economic Returns & Reduced Costs → Reinvestment → Larger National Asset Base → Increased Economic Liberty Capacity → Continued Reinvestment**

Through this structure, each generation would have the opportunity to contribute to and benefit from a growing national economic foundation.

The National Economic Liberty Fund would therefore function not merely as a government account, but as a permanent national investment mechanism intended to transform present resources into future economic independence.

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8. Transition to Financial Sustainability

The Department of Economic Liberty is expected to require substantial initial capital in order to establish the National Economic Liberty Fund and acquire the financial and productive assets necessary to support its long-term mission.

The initial investment represents the primary financial challenge of establishing DOEL.

During the early stages of the program, the Fund's economic capacity would be insufficient to independently support the department's long-term objectives. Consequently, significant federal investment would be required during the Fund's development period.

8.1 Declining Reliance on Federal Capital

As the National Economic Liberty Fund accumulates assets and generates sustainable returns, revenues, and economic value, the Fund's ability to finance DOEL programs would increase.

A portion of the Fund's returns would be reinvested into the Fund, allowing the underlying asset base to grow.

As the asset base increases, the potential annual economic capacity generated by the Fund would also increase.

This would create a gradual transition:

> **Large Initial Federal Investment → Growing National Asset Base → Increasing Economic Capacity → Reduced Reliance on New Federal Capital**

Federal investment would therefore progressively transition from being the primary source of DOEL's financial capacity to serving primarily as a supplement to the economic capacity already generated by the National Economic Liberty Fund.

8.2 Federal Contribution Crossover

Before reaching full Economic Liberty Equilibrium, DOEL may reach an intermediate milestone referred to as the **Federal Contribution Crossover**.

The Federal Contribution Crossover would occur when:

> **NELF's sustainable annual economic capacity exceeds the annual federal contribution required to maintain or expand the Fund.**

This would indicate that the Fund has begun generating more annual economic capacity than the federal government is contributing in new capital.

The crossover would **not** mean that DOEL has become fully self-sustaining. It would instead demonstrate that the Fund's accumulated productive capacity has become a larger source of economic capacity than continuing federal capitalization.

8.3 Full Economic Liberty Equilibrium

The long-term objective would be to reach what DOEL will refer to as the **Full Economic Liberty Equilibrium Point**.

Full Economic Liberty Equilibrium would occur when:

> **Sustainable financial returns + net economic value generated by DOEL assets ≥ sustainable cost of authorized core economic-liberty programs**

while maintaining:

- The Fund's long-term purchasing power;
- Required reserves;
- Appropriate reinvestment;
- Necessary administrative capacity; and
- Sufficient capacity to respond to reasonable changes in population and economic conditions.

This replaces the previous simplified assumption that:

> **Annual Fund Returns ≥ Annual Cost of Authorized DOEL Benefits**

because DOEL's economic value will not necessarily come exclusively from financial-market returns.

For example, a DOEL-owned housing asset may simultaneously:

- Reduce housing costs;
- Generate operating revenue;
- Retain underlying asset value;

- Appreciate over time; and
- Create additional economic value for the Fund.

The contribution of such an asset should therefore be evaluated according to its **net economic value**, not simply its annual cash return.

8.4 Sustainable Return Assumptions

DOEL will not assume that financial markets produce a fixed annual return.

Financial models should evaluate multiple scenarios, including:

- **3% conservative scenario**
- **4% moderate scenario**
- **5% optimistic scenario**
- **7% high-performance scenario**

These figures are modeling assumptions rather than guarantees.

Final projections should account for:

- Inflation;
- Fees;
- Taxes where applicable;
- Market downturns;
- Reserve requirements;
- Reinvestment;
- Population growth;
- Program participation;
- Asset maintenance;
- Administrative costs; and
- Other factors affecting sustainable economic capacity.

8.5 Declining Federal Contribution Model

As NELF grows, federal contributions may be reduced in stages if the Fund's economic performance allows.

An illustrative model currently being evaluated is:

Period	Illustrative Annual Federal Contribution
Initial capitalization	**$1 trillion**

Years 1–10	**$250 billion/year**
Years 11–20	**$200 billion/year**
Years 21–30	**$100 billion/year**

This model is **illustrative only** and does not represent a proposed statutory funding schedule.

Its purpose is to test whether the Fund can progressively assume a greater share of its own growth as its productive capacity increases.

8.6 Post-Equilibrium Funding

Reaching Full Economic Liberty Equilibrium would not mean that federal investment would necessarily cease.

Following equilibrium, additional federal resources could still be required for:

- Population growth;
- Changes in the cost of essential goods and services;
- Expansion of DOEL programs;
- Emergency expenditures;
- Major economic disruptions;
- New infrastructure requirements; and
- Other expenditures authorized by Congress.

However, these expenditures would represent additional requirements beyond the Fund's existing sustainable economic capacity rather than continual capitalization necessary to establish that capacity.

As the United States population increases, additional capital may also be required to maintain an equivalent level of economic liberty per eligible citizen.

8.7 Per-Citizen Economic Capacity

DOEL will measure the Fund's performance not only by its total value, but also by the economic capacity available relative to the eligible population.

This will allow the department to determine whether the Fund's growth is keeping pace with population growth.

The department should track:

Economic capacity per eligible citizen

If Fund growth exceeds population growth, economic capacity per citizen may increase.

Conversely, if population growth or program costs exceed the growth of the Fund, additional capitalization or adjustments to program expenditures may become necessary.

8.8 Long-Term Objective

The ultimate objective is for DOEL to become increasingly capable of financing its mission through the productive capacity of the National Economic Liberty Fund rather than through continual increases in federal taxation or annual appropriations.

The model is therefore intended to function as a transition from government-funded economic assistance toward nationally funded economic independence.

The desired long-term progression is:

Initial Federal Capitalization
↓
Acquisition of Productive Assets
↓
Investment & Asset Growth
↓
Increasing Sustainable Economic Capacity
↓
Federal Contribution Crossover
↓
Reduced Required New Capitalization
↓
Full Economic Liberty Equilibrium
↓
Fund Capacity Primarily Sustains Core DOEL Programs
↓
Additional Federal Investment Primarily Addresses Population Growth, Extraordinary Costs, and Program Expansion

The achievement of these milestones would represent some of the department's most significant measures of success.

DOEL would therefore not measure success solely by how much assistance it provides. It would also measure success by how effectively it transforms initial public investment into a permanent and growing national asset capable of supporting greater economic independence for future generations.

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9. Delivery of Economic Liberty Benefits

The Department of Economic Liberty (DOEL) will pursue economic independence through a combination of direct and indirect methods designed to **reduce the financial burden of essential needs while preserving individual choice.**

DOEL will not assume that direct cash payments are always the most efficient method of providing economic assistance.

Instead, the department will evaluate each major category of basic necessity according to its cost, availability, market conditions, and potential for long-term reduction.

Potential methods may include:

- Direct financial assistance;
- Housing acquisition, construction, and development;
- Housing-cost reductions;
- Food assistance or strategic food partnerships;
- Transportation assistance;
- Basic communication assistance;
- Utility assistance;
- Subsidized access to essential services;
- Public-private partnerships; and
- Other methods authorized by Congress.

The department will prioritize solutions capable of producing **lasting reductions in household expenses and sustainable economic value.**

Where a government-owned asset can provide a continuing benefit at a lower long-term cost than repeatedly providing direct payments, DOEL may consider investment in the asset itself.

The preferred approach will therefore be determined by which method produces the greatest sustainable increase in economic independence while preserving individual choice and responsible use of public resources.

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10. National Economic Liberty Fund Investment Strategy

The National Economic Liberty Fund (NELF) will be managed as a long-term national investment portfolio.

The Fund's investment strategy will prioritize:

1. Preservation of real purchasing power;
2. Long-term growth;
3. Sustainable income generation;
4. Diversification;
5. Inflation protection;
6. Liquidity sufficient to meet authorized obligations;
7. Adequate reserves; and
8. Risk management.

Potential investments may include diversified public-market securities, government securities, corporate debt, qualified preferred equity, real estate, infrastructure, and other productive assets authorized by Congress.

The Fund will not be designed for short-term speculation or political investment decisions.

Investment decisions should instead be based upon established fiduciary standards and long-term financial objectives.

Expected investment return should not automatically be treated as sustainable spending capacity.

DOEL should establish appropriate limits concerning concentration, leverage, speculative assets, conflicts of interest, and other activities capable of placing the Fund at unnecessary risk.

A professional investment management structure should be established to separate investment decisions from political administration whenever practical.

The department should also maintain sufficient reserves to prevent the forced liquidation of long-term assets during temporary market downturns.

The central principle will remain:

> **The National Economic Liberty Fund exists to create long-term national wealth, not to maximize short-term government revenue.**

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11. Governance and Oversight

Because DOEL would control substantial public assets, strong governance and oversight will be essential to its legitimacy.

The department would be headed by a Secretary of Economic Liberty appointed through the process established by federal law.

Congress would establish the department's statutory authorities, responsibilities, funding limitations, and reporting requirements.

DOEL should maintain independent oversight mechanisms capable of reviewing:

- Investment decisions;
- Financial statements;
- Benefit distribution;
- Administrative expenditures;
- Conflicts of interest;
- Fraud prevention;
- Program effectiveness;
- Compliance with federal law; and
- Long-term Fund sustainability.

The department should be subject to regular congressional reporting and independent financial audits.

Investment officials and senior administrators should be subject to strict conflict-of-interest requirements.

DOEL should also publish appropriate information regarding the performance of the National Economic Liberty Fund so that the American people can evaluate whether the department is accomplishing its mission.

No individual administrator should possess unilateral authority to substantially alter the Fund's long-term investment strategy, withdraw significant amounts of principal, or materially expand the department's obligations without appropriate statutory or oversight procedures.

The purpose of this structure is to ensure that the economic resources entrusted to DOEL remain public assets rather than political assets.

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12. Measurement of Economic Liberty

DOEL will establish a national system for measuring economic independence.

The department's effectiveness will not be measured solely by the amount of money distributed or the number of people enrolled in programs.

Instead, DOEL will evaluate whether Americans are increasingly capable of meeting their essential needs while retaining greater freedom over how they use their income, labor, and time.

Potential indicators include:

- Percentage of household income required for essential expenses;
- Housing-cost burden;
- Food expenditure burden;
- Transportation costs;
- Communication costs;
- Disposable income;
- Household savings;
- Household debt;
- Financial emergency preparedness;
- Hours of labor required to meet essential expenses;
- Business formation;
- Educational participation;
- Career mobility;
- Homeownership and housing stability;
- Reliance on government assistance; and
- Other indicators of economic independence.

DOEL should establish a composite **National Economic Liberty Index** capable of tracking changes over time.

The department would use this information to determine which programs increase economic independence and which programs fail to produce sufficient results.

Programs that consistently fail to achieve their intended objectives should be modified, reduced, or discontinued, subject to applicable statutory requirements.

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13. Relationship With Existing Federal Programs

DOEL will not be intended to automatically replace existing federal departments or programs.

The department will instead identify areas in which existing federal resources and DOEL's economic-liberty mission overlap.

Potential areas of coordination may include:

- Housing;
- Labor and employment;
- Education and workforce development;
- Health;
- Transportation;
- Nutrition;
- Social services;
- Economic development; and
- Financial assistance.

DOEL should seek to prevent unnecessary duplication of services.

Where an existing federal program already provides an effective mechanism for addressing a specific economic burden, DOEL may coordinate with that program rather than establish a parallel system.

Congress may also determine that certain existing programs should eventually be consolidated, modified, transferred, or reduced if DOEL demonstrates that its approach can accomplish the same objective more effectively.

However, DOEL's establishment would not automatically eliminate existing federal benefits.

Any consolidation or replacement should be based upon demonstrated effectiveness, fiscal sustainability, and the effect on the economic independence of affected citizens.

The fundamental question should be:

> **Does the existing program and proposed DOEL program together produce greater economic independence than either system could produce alone?**

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14. Cost and Economic Impact

The initial cost of establishing DOEL will be substantial.

The primary financial requirement will be the capitalization of the National Economic Liberty Fund and the acquisition or development of assets capable of producing long-term economic returns or reducing essential household expenses.

The total initial capitalization should not be determined by arbitrary political targets.

Instead, Congress should establish the initial funding level following comprehensive economic modeling that considers:

- United States population;
- Eligible population;
- Average household size;
- Cost of essential goods and services;
- Expected investment returns;
- Sustainable distribution assumptions;
- Inflation;
- Fund management costs;
- Expected population growth;
- Program participation;
- Market volatility;
- Federal borrowing costs;
- Existing federal expenditures; and
- Other relevant economic variables.

DOEL should establish multiple financial scenarios, including:

- **3% conservative**
- **4% moderate**
- **5% optimistic**
- **7% high-performance**

The department should calculate the amount of capital required to reach both the **Federal Contribution Crossover** and the **Full Economic Liberty Equilibrium Point** under each scenario.

The economic impact should be evaluated beyond the direct cost to the federal government.

Potential economic effects include:

- Changes in consumer spending;
- Labor-force participation;
- Entrepreneurship;
- Household savings;
- Housing demand;
- Productivity;
- Economic mobility;
- Tax revenue;
- Federal assistance expenditures;
- Investment markets; and
- Long-term national wealth.

A successful DOEL system should therefore be evaluated as an **investment in national economic capacity**, rather than solely as a government expenditure.

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15. Risk Analysis and Safeguards

The establishment of a large permanent national investment fund would create significant risks that must be addressed before implementation.

Market Risk

Investment markets can decline substantially.

DOEL must therefore maintain diversified investments, adequate reserves, and withdrawal policies capable of allowing the Fund to survive major market downturns without unnecessarily liquidating long-term assets.

Inflation Risk

Inflation can reduce the purchasing power of Fund assets and investment returns.

The Fund should therefore maintain investments capable of preserving long-term purchasing power.

Political Risk

Political pressure could encourage excessive withdrawals or investment decisions designed to achieve short-term political objectives.

Strong statutory restrictions, independent oversight, and transparent reporting should limit such interference.

Administrative Risk

A department controlling substantial assets and distributing benefits creates opportunities for fraud, waste, and abuse.

DOEL should therefore maintain rigorous application verification, financial controls, audits, fraud detection, and penalties for abuse.

Population Risk

The number of eligible citizens may increase over time.

DOEL must therefore measure economic capacity on both a total and per-citizen basis.

Program Expansion Risk

The department may face pressure to continually expand the definition of benefits.

Congress should therefore establish clear statutory boundaries and require financial analysis before significant new obligations are created.

Concentration Risk

The Fund should avoid excessive dependence upon any single company, industry, geographic region, asset class, or source of revenue.

Sustainable Return Risk

Investment returns will fluctuate and cannot be guaranteed.

DOEL must therefore avoid establishing permanent benefit obligations based upon optimistic market assumptions.

Benefits should be designed according to **sustainable economic capacity rather than peak investment performance.**

The department should maintain multiple financial scenarios and establish automatic review mechanisms when Fund performance falls substantially below projected levels.

Temporary market gains should not automatically become permanent increases in benefit obligations.

Likewise, temporary market declines should not automatically eliminate essential programs if adequate reserves and sustainable distribution policies are in place.

Sustainability Risk

Perhaps the greatest risk is establishing benefits that exceed the sustainable economic capacity of the Fund.

DOEL should therefore establish a rule that long-term benefit obligations must remain consistent with the Fund's sustainable financial capacity unless Congress explicitly authorizes additional funding.

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16. Implementation Timeline

DOEL should be implemented in phases rather than attempting to immediately provide the full scope of its eventual mission.

Phase I — Establishment

Congress establishes DOEL, defines its statutory authority, establishes the National Economic Liberty Fund, appoints leadership, and creates the department's administrative and investment infrastructure.

Phase II — Capitalization

The federal government provides the initial capitalization authorized by Congress.

DOEL begins acquiring diversified assets while establishing appropriate reserves, investment controls, and reporting systems.

Phase III — Asset Development

DOEL expands the Fund through investment returns, reinvestment, additional authorized capitalization, and acquisition or development of productive assets.

During this phase, the department begins implementing targeted programs designed to reduce essential household expenses.

Phase IV — Expansion

As the Fund's sustainable economic capacity increases, DOEL expands successful programs and increases the number of citizens able to benefit.

Programs are continually evaluated according to their effect on economic independence.

Phase V — Federal Contribution Crossover

DOEL reaches the **Federal Contribution Crossover** when the sustainable annual economic capacity of NELF exceeds the annual federal contribution required to maintain or expand the Fund.

This milestone indicates that NELF's productive capacity has become greater than the government's ongoing capitalization contribution.

Phase VI — Full Economic Liberty Equilibrium

DOEL reaches **Full Economic Liberty Equilibrium** when the sustainable economic capacity of NELF is sufficient to support the department's authorized core economic-liberty programs while preserving long-term Fund purchasing power, reserves, and necessary reinvestment.

Phase VII — Perpetual Growth

Following Full Economic Liberty Equilibrium, the department focuses primarily on maintaining and expanding the Fund's productive capacity while adapting benefits to population growth, inflation, economic conditions, and technological development.

The ultimate objective is a self-reinforcing cycle of national asset growth and increasing economic independence.

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17. Legislative Requirements

The creation of DOEL would require federal legislation establishing the department and defining its authority.

The legislation should address, at minimum:

- Creation of the Department of Economic Liberty;
- Appointment and authority of the Secretary;
- Creation of the National Economic Liberty Fund;
- Initial capitalization;
- Permitted investments;
- Investment oversight;
- Benefit eligibility;
- Benefit categories;
- Administrative authority;
- Congressional reporting;
- Auditing requirements;
- Restrictions on the use of Fund principal;
- Rules governing reinvestment;
- Emergency authorities;
- Fraud prevention;
- Coordination with existing federal departments;
- Procedures for modifying or terminating individual programs;
- **Rules governing qualifying corporate investments and associated tax incentives;**
- **Rules governing authorized foreign investments and national-security review;**
- **Standards for sustainable benefit obligations; and**
- **Definitions and measurement standards for Federal Contribution Crossover and Full Economic Liberty Equilibrium.**

The legislation should also establish clear boundaries around DOEL's authority.

The department should not possess unlimited authority to create new benefits, acquire assets, incur liabilities, or withdraw Fund principal without appropriate congressional authorization.

Congress should retain ultimate legislative authority over the department while providing DOEL sufficient administrative independence to manage its day-to-day operations effectively.

Prior to legislative introduction, the proposal should undergo constitutional review, budgetary analysis, economic modeling, and legal review.

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18. Long-Term Vision

The long-term vision of the Department of Economic Liberty is to create a permanent national institution dedicated to expanding the practical economic freedom of the American people.

The department's success would ultimately be reflected not by the size of its bureaucracy or the amount of assistance it distributes, but by the degree to which Americans become increasingly capable of meeting their basic needs without surrendering an unnecessary portion of their time, labor, or personal choices to economic necessity.

The National Economic Liberty Fund would serve as the financial foundation of this vision.

Through disciplined investment, reinvestment, acquisition of productive assets, strategic corporate investment, and responsible development of cost-reducing assets, the Fund would seek to transform present national resources into an expanding source of future economic independence.

The intended cycle is:

> **Investment → Asset Growth → Sustainable Returns & Reduced Costs → Greater Individual Freedom → Increased Economic Independence → Continued Investment**

The ultimate objective is not to create a population permanently dependent upon the government.

It is the opposite.

DOEL would seek to create conditions under which Americans require **less government assistance over time because their own economic independence has increased.**

A successful department would therefore work toward a future in which an American's ability to pursue education, entrepreneurship, family, creativity, community, career advancement, or other personal ambitions is increasingly determined by their own choices and abilities rather than by whether they can afford the basic necessities of life.

In this sense, DOEL would pursue an interpretation of economic liberty consistent with the nation's founding ideals:

> **The government cannot guarantee happiness. It cannot determine what happiness means for an individual. But the government can pursue policies that reduce unnecessary economic barriers standing between individuals and their ability to pursue it.**

The Department of Economic Liberty would exist to pursue that objective on behalf of the American people and for the benefit of generations yet to come.

EXHIBIT A — 3% Sustainable Return Model

Purpose

This exhibit illustrates the annual gross investment capacity that could theoretically be generated by the National Economic Liberty Fund (NELF) at a sustained 3% annual return.

NELF Asset Value	Illustrative Annual Gross Return
$1T	**$30B**
$5T	**$150B**
$10T	**$300B**
$20T	**$600B**
$50T	**$1.5T**
$100T	**$3T**

Interpretation

At a sustained 3% annual return, every $1 trillion in NELF assets would generate approximately **$30 billion in gross annual investment returns** before taxes, fees, administrative expenses, losses, reserves, reinvestment, or program distributions.

These figures represent illustrative financial capacity and do not constitute guaranteed investment results.

EXHIBIT B — 4% Sustainable Return Model

Purpose

This exhibit illustrates the annual gross investment capacity that could theoretically be generated by NELF at a sustained 4% annual return.

NELF Asset Value	Illustrative Annual Gross Return
$1T	**$40B**
$5T	**$200B**
$10T	**$400B**
$20T	**$800B**
$50T	**$2T**
$100T	**$4T**

Interpretation

At a sustained 4% annual return, every $1 trillion in NELF assets would generate approximately **$40 billion in gross annual investment returns** before taxes, fees, administrative expenses, losses, reserves, reinvestment, or program distributions.

These figures represent illustrative financial capacity and do not constitute guaranteed investment results.

EXHIBIT C — 5% Illustrative Return Scenario

Purpose

This exhibit illustrates the potential annual gross investment capacity of NELF under a 5% annual return scenario.

NELF Asset Value	Illustrative Annual Gross Return
$1T	**$50B**
$5T	**$250B**
$10T	**$500B**
$20T	**$1T**
$50T	**$2.5T**
$100T	**$5T**

Interpretation

At a 5% annual return, every $1 trillion in NELF assets would generate approximately **$50 billion in gross annual investment returns**.

The 5% scenario is presented as an illustrative modeling assumption and **is not a guaranteed or proposed investment return**.

Actual investment performance would fluctuate and could be substantially higher or lower in individual years.

EXHIBIT D — 7% Illustrative High-Performance Scenario

Purpose

This exhibit illustrates the potential annual gross investment capacity of NELF under a 7% annual return scenario.

NELF Asset Value	Illustrative Annual Gross Return
$1T	**$70B**
$5T	**$350B**

$10T	**$700B**
$20T	**$1.4T**
$50T	**$3.5T**
$100T	**$7T**

Interpretation

At a 7% annual return, every $1 trillion in NELF assets would generate approximately **$70 billion in gross annual investment returns**.

The 7% scenario is provided solely as a high-performance illustrative scenario.

It is not an expected, guaranteed, or proposed permanent rate of return. Actual market returns will fluctuate and periods of negative returns are possible.

EXHIBIT E — ECONOMIC LIBERTY EQUILIBRIUM

Purpose

Exhibit E establishes the long-term economic objective of the **National Economic Liberty Fund (NELF)** and the **Department of Economic Liberty (DOEL)**.

The objective of NELF is not merely to accumulate financial assets. Its purpose is to establish a sufficiently large and productive economic base that can support the authorized core functions of DOEL while preserving the Fund's long-term purchasing power and allowing its productive capacity to continue expanding.

Economic Liberty Equilibrium represents the point at which the productive capacity of NELF and the economic value generated through DOEL's authorized assets and activities can sustainably support the recurring costs of the system.

Stage 1 — Federal Capitalization

The Federal Government provides substantial initial capitalization to establish the National Economic Liberty Fund.

The initial capitalization creates the economic foundation from which NELF can acquire productive assets and generate long-term returns.

Federal Capitalization
↓
Initial NELF Asset Base

Stage 2 — Asset Accumulation

NELF acquires a diversified portfolio of financial and productive assets.

The Fund's investment strategy is intended to emphasize long-term sustainability, diversification, preservation of purchasing power, and the generation of recurring economic returns.

As additional capital is invested and returns are generated, the Fund's total productive asset base increases.

Initial Asset Base
↓
Additional Capital + Investment Returns
↓
Growing NELF Asset Base

Stage 3 — Compounding and Reinvestment

Investment returns and other eligible revenues are reinvested into NELF according to the Fund's governing requirements.

Reinvestment increases the asset base, which in turn increases the potential future economic capacity of the Fund.

This creates a compounding mechanism:

Larger Asset Base
↓
Greater Potential Economic Returns
↓

Reinvestment
↓
Larger Asset Base

The purpose of this mechanism is to prevent current expenditures from unnecessarily reducing the long-term productive capacity of NELF.

Stage 4 — Federal Contribution Crossover

A significant milestone occurs when NELF's sustainable annual economic capacity becomes greater than the routine annual Federal contribution.

In simplified terms:

> **NELF Sustainable Annual Economic Capacity > Routine Annual Federal Capitalization**

This does not necessarily mean that Federal contributions immediately cease.

Rather, it establishes a transition point at which the Fund's internally generated economic capacity has become greater than the recurring amount being added through Federal capitalization.

At this stage, the Fund increasingly functions as a self-expanding economic institution rather than solely as a federally capitalized program.

Stage 5 — Full Economic Liberty Equilibrium

The principal long-term objective is reached when the sustainable economic capacity of the system is sufficient to support the authorized recurring functions of DOEL without requiring routine dependence upon Federal capitalization for those functions.

For conceptual purposes:

> **Sustainable Financial Returns + Net Economic Value Generated by Authorized DOEL Assets ≥ Sustainable Cost of Authorized Core DOEL Programs**

This condition shall be referred to as **Economic Liberty Equilibrium**.

Economic Liberty Equilibrium does not require the liquidation or consumption of NELF's principal asset base.

Instead, the objective is for the Fund to generate sufficient recurring economic capacity to support authorized expenditures while maintaining adequate reinvestment to preserve and expand the Fund's long-term productive capacity.

Stage 6 — Perpetual Growth

Following the achievement of Economic Liberty Equilibrium, Federal resources may increasingly be directed toward purposes that expand or stabilize the system rather than routinely financing its core operations.

Such purposes may include:

- Population growth;
- Extraordinary or emergency expenditures;
- Newly authorized programs;
- Major economic disruptions;
- Strategic investments;
- Expansion of productive infrastructure;
- Temporary stabilization measures; and
- Other requirements authorized by Congress.

Meanwhile, NELF's productive assets would continue to generate economic returns, with a portion of those returns being reinvested to preserve purchasing power and expand future economic capacity.

The intended long-term cycle is therefore:

Federal Capitalization
↓
Asset Acquisition
↓
Compounding and Reinvestment
↓
Federal Contribution Crossover
↓
Economic Liberty Equilibrium
↓
Continued Reinvestment
↓
Perpetual Productive Capacity Growth

Reinvestment Principle

Achievement of Economic Liberty Equilibrium does not mean that all available investment returns should be distributed.

NELF must maintain sufficient reinvestment to account for inflation, preserve the real value of the Fund's assets, offset withdrawals and expenditures, and maintain long-term productive capacity.

Accordingly, the appropriate reinvestment rate may vary according to economic conditions.

During periods of elevated inflation or reduced real investment performance, a greater portion of economic returns may need to be reinvested to preserve the Fund's real purchasing power.

During periods of stronger real economic performance, a lower reinvestment rate may potentially be sufficient while still maintaining long-term sustainability.

For modeling purposes, reinvestment requirements may therefore be evaluated dynamically rather than established as one permanently fixed percentage.

Sustainable Spending Capacity and Crossover Analysis

Gross investment return shall not be treated as equivalent to sustainable spending capacity.

For example, a NELF asset base of $2.50 trillion earning a 4 percent gross annual return would generate approximately $100 billion in gross annual economic return. This figure does not, by itself, establish that $100 billion may be distributed to authorized DOEL programs.

Before determining sustainable spending capacity, NELF must account for the preservation of the Fund's real purchasing power, operating and investment expenses, appropriate reserves, and continued reinvestment.

Accordingly, the conceptual calculation is:

> **Gross Economic Return − Purchasing-Power Protection − Operating Expenses − Reserve Funding = Residual Economic Return**

The residual economic return may then be divided between authorized program spending and additional reinvestment.

Residual Economic Return = Sustainable Program Spending + Additional Reinvestment

This framework prevents NELF from treating temporary or nominal investment gains as permanently available spending capacity.

Illustrative Sensitivity Model

For analytical purposes, the following model evaluates a hypothetical $2.50 trillion NELF under 4 percent and 5 percent gross annual return assumptions and inflation rates of 2 percent, 2.5 percent, and 3 percent.

The model additionally assumes 0.25 percent of assets for operating and investment expenses and 0.25 percent for reserve funding.

Gross Return	Inflation	Residual Economic Return	50% Reinvestment / 50% Spending	25% Reinvestment / 75% Spending
4%	2.0%	1.50%	$18.75B	$28.13B
4%	2.5%	1.00%	$12.50B	$18.75B
4%	3.0%	0.50%	$6.25B	$9.38B
5%	2.0%	2.50%	$31.25B	$46.88B
5%	2.5%	2.00%	$25.00B	$37.50B
5%	3.0%	1.50%	$18.75B	$28.13B

These figures are illustrative rather than predictive. They demonstrate the effect that changes in investment returns, inflation, and reinvestment policy can have on sustainable program capacity.

Conservative Reinvestment Baseline

For long-term planning purposes, the 50 percent reinvestment scenario may serve as a conservative baseline model.

Under this framework, one-half of the residual economic return remaining after purchasing-power protection, expenses, and reserve funding is reinvested into NELF.

The remaining one-half constitutes potential sustainable spending capacity for authorized DOEL programs, subject to statutory requirements and annual financial review.

A lower reinvestment allocation may be considered when NELF's real economic performance substantially exceeds the level necessary to preserve purchasing power and maintain required reserves.

Conversely, a higher reinvestment allocation may be required during periods of elevated inflation, weak real investment performance, significant market declines, or other conditions that threaten the Fund's long-term purchasing power.

Economic Liberty Equilibrium Threshold

The ultimate crossover threshold should therefore not be defined solely by the nominal size of NELF or its gross annual investment return.

Instead, Economic Liberty Equilibrium is approached when:

> **Sustainable Spending Capacity ≥ Sustainable Cost of Authorized Core DOEL Programs**

The corresponding asset threshold can be expressed conceptually as:

> **Required NELF Asset Base = Sustainable Annual DOEL Requirement ÷ Sustainable Spending Rate**

Because the sustainable spending rate depends upon investment performance, inflation, expenses, reserves, and reinvestment requirements, the equilibrium threshold will necessarily vary according to economic conditions.

For example, under the modeled assumptions, a $50 billion annual sustainable program requirement would require approximately:

- $10.0 trillion under a 4 percent return, 2.5 percent inflation, and 50 percent reinvestment scenario;

- $5.0 trillion under a 5 percent return, 2.5 percent inflation, and 50 percent reinvestment scenario;
- $6.67 trillion under a 4 percent return, 2.5 percent inflation, and 25 percent reinvestment scenario; or
- $3.33 trillion under a 5 percent return, 2.5 percent inflation, and 25 percent reinvestment scenario.

These examples demonstrate why Economic Liberty Equilibrium should be treated as a dynamic financial condition rather than a predetermined dollar amount or date.

Policy Principle

The governing objective of NELF shall be to maximize sustainable economic capacity rather than maximize short-term distributions.

Accordingly, when economic conditions permit greater distributions without impairing the Fund's real purchasing power, reserve adequacy, or long-term productive capacity, additional spending may be considered.

When economic conditions threaten those objectives, distributions should be reduced or additional returns retained until the Fund's financial position is restored.

This creates a countercyclical principle:

> **Stronger sustainable economic performance may permit greater program capacity; weaker economic performance should increase retention and reduce pressure on the Fund's productive principal.**

The result is a funding structure designed to distinguish between what NELF earns in a particular year and what NELF can sustainably provide over generations.

Sustainability Condition

Economic Liberty Equilibrium should be evaluated according to **real, sustainable economic capacity**, rather than nominal asset values alone.

A Fund that increases from $1 trillion to $1.5 trillion in nominal value has not necessarily increased its economic capacity by 50% if inflation, withdrawals, administrative expenses, or other obligations have increased substantially during the same period.

Accordingly, long-term evaluation should consider:

- Inflation;
- Real investment returns;
- Investment volatility;
- Administrative expenses;
- Program expenditures;
- Population growth;
- Changes in program utilization;
- Federal contributions;
- Withdrawals from NELF;
- Asset valuation;
- Reinvestment requirements; and
- Other material economic conditions.

The relevant question is therefore not simply:

> **How large is NELF?**

It is:

> **How much sustainable economic capacity can NELF provide without impairing its future productive capacity?**

Important Qualification

Economic Liberty Equilibrium is a **conceptual long-term objective and not a guaranteed outcome or predetermined date**.

The point at which equilibrium may occur would depend upon actual investment performance, the amount and timing of Federal capitalization, program costs, population growth, inflation, administrative expenses, withdrawals, economic conditions, legislative changes, and other factors.

Nothing in this exhibit should be interpreted as establishing a guaranteed investment return, guaranteed date of self-sufficiency, or automatic termination of Federal funding.

Rather, the equilibrium framework establishes a measurable long-term objective:

> **Build sufficient productive economic capacity that the authorized core functions of DOEL can ultimately be supported primarily by the sustainable economic capacity of NELF and its associated productive assets, while preserving the Fund's long-term real value.**

This establishes Economic Liberty Equilibrium as a **target condition for fiscal sustainability**, rather than merely a target dollar amount.

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30 Year Distribution Models

Distribution results at 4% Returns

Policy	Year-10 annual benefit capacity	Year-20	Year-30	30-year cumulative distributions
25% distribution	**$38B**	**$80B**	**$137B**	**$1.94T**
37.5% distribution	**$56B**	**$114B**	**$188B**	**$2.74T**
50% distribution	**$73B**	**$143B**	**$229B**	**$3.45T**

Distribution results at 5% Returns

Policy	Year-10 annual benefit capacity	Year-20	Year-30	30-year cumulative distributions
25% distribution	**$50B**	**$110B**	**$195B**	**$2.66T**
37.5% distribution	**$73B**	**$153B**	**$262B**	**$3.69T**
50% distribution	**$93B**	**$190B**	**$313B**	**$4.57T**

EXHIBIT F — Twenty-Year Projection

Purpose

This exhibit demonstrates the potential long-term accumulation of NELF under the initial illustrative capitalization model.

Model Assumptions

- **Initial capitalization:** $1 trillion
- **Annual federal contribution:** $250 billion
- **Contribution timing:** End of each year
- **Investment returns:** Reinvested
- **Projection period:** 20 years
- **Inflation:** Not modeled
- **Taxes and fees:** Not modeled
- **Program withdrawals:** Not modeled

Projected NELF Value at Year 20

Investment Scenario	Year-20 NELF
3%	**~$8.5T**
4%	**~$9.6T**
5%	**~$10.9T**
7%	**~$14.1T**

Federal Capital Contribution

The federal government would contribute:

$1T initial capitalization + $250B × 20 years = $6T total federal capital

The difference between total federal capital contributed and projected NELF asset value represents the modeled effect of investment returns and compounding.

Important Qualification

These figures are illustrative mathematical projections and should not be interpreted as guaranteed investment results or guaranteed future Fund values.

Actual NELF performance would depend upon investment returns, fees, taxes, losses, withdrawals, inflation, and other economic factors.

EXHIBIT G — Declining Federal Contribution

Purpose

Exhibit G demonstrates a potential transition from substantial federal capitalization toward declining federal dependence as NELF's asset base grows.

Unlike Exhibit F, which maintains a constant annual federal contribution, this model assumes that federal contributions progressively decline over time.

Federal Contribution Schedule

Period	Federal Contribution
Initial Capitalization	**$1T**
Years 1–10	**$250B/year**
Years 11–20	**$200B/year**
Years 21–30	**$100B/year**
Total Federal Capital Through Year 30	**$6.5T**

Projected Year-30 NELF

Investment Scenario	Year-30 NELF
3%	**~$11.8T**
4%	**~$14.6T**
5%	**~$18.0T**
7%	**~$27.8T**

Interpretation

Under this illustrative model, federal capitalization decreases from **$250 billion annually during Years 1–10**, to **$200 billion annually during Years 11–20**, and then to **$100 billion annually during Years 21–30**.

The purpose of the declining contribution model is to demonstrate that federal capitalization does not necessarily need to remain constant as NELF's asset base and investment capacity increase.

This model does not establish that federal contributions should or must reach zero.

Rather, it establishes a potential pathway through which Congress could progressively reduce routine capitalization if NELF demonstrates sufficient financial capacity and program sustainability.

Important Qualification

These are illustrative financial models, not proposed guaranteed outcomes.

Actual results would depend upon investment performance, inflation, fees, taxes, program withdrawals, population growth, economic conditions, and other factors.

Congress would retain the authority to increase, decrease, suspend, or modify future federal contributions based upon actual Fund performance and national requirements.

EXHIBIT H — Federal Fiscal Burden & Break-Even Analysis

Purpose

This exhibit evaluates the potential federal fiscal burden associated with establishing and capitalizing the National Economic Liberty Fund (NELF).

The purpose of this analysis is to determine how the proposed federal contributions compare with federal finances and how the Fund's increasing economic capacity could progressively reduce the government's need to provide additional capitalization.

The figures presented in this exhibit are illustrative financial models and are not proposed guaranteed returns or mandatory funding levels.

H-1. Initial Federal Capitalization

The current illustrative model assumes an initial capitalization of:

$1 Trillion

For scale, the proposed $1 trillion initial capitalization should be compared with the most recent Congressional Budget Office federal budget baseline available when the proposal is formally submitted.

The precise federal-finance comparison should be updated immediately before submission rather than treated as a permanent figure in this proposal.

H-2. Illustrative Annual Federal Contributions

Under the current Exhibit G model, federal contributions would decline as the National Economic Liberty Fund develops.

Period	Annual Federal Contribution
Initial Capitalization	**$1.0T**
Years 1–10	**$250B/year**
Years 11–20	**$200B/year**
Years 21–30	**$100B/year**

Total Illustrative Federal Capitalization Over 30 Years: $6.5 Trillion

This schedule is an illustrative modeling assumption and should not be interpreted as a required congressional appropriation schedule.

H-3. Federal Contribution as a Percentage of Current Federal Finances

Federal contribution percentages should be calculated using the most recent official federal revenue, outlay, and deficit estimates available at the time of legislative submission.

The purpose of this comparison is to show Congress the scale of each capitalization phase relative to the federal government's overall fiscal position.

H-4. National Economic Liberty Fund Capacity

As NELF grows, its sustainable economic capacity may eventually exceed the amount of new federal capital being contributed.

For illustration:

NELF Size	3%	4%	5%	7%
$1T	$30B	$40B	$50B	$70B
$2T	$60B	$80B	$100B	$140B
$5T	$150B	$200B	$250B	$350B
$10T	$300B	$400B	$500B	$700B
$20T	$600B	$800B	$1.0T	$1.4T

Note: These figures represent simple gross-return scenarios. They do not represent sustainable spending capacity after inflation, fees, reserves, reinvestment, losses, or program costs.

H-5. Federal Contribution Crossover

The **Federal Contribution Crossover** occurs when the sustainable economic capacity of the National Economic Liberty Fund exceeds the amount of new federal capital being contributed.

For example, if the annual federal contribution were **$100 billion**, the approximate Fund size required to generate $100 billion in gross annual return would be:

Assumed Return	Approximate NELF Required
3%	**~$3.33T**
4%	**~$2.50T**
5%	**~$2.00T**
7%	**~$1.43T**

This calculation represents a **gross-return threshold only** and does not establish that the Fund could safely distribute the entire amount generated.

H-6. Thirty-Year Illustrative Capitalization Outcome

Under the current Exhibit G contribution schedule, total federal capitalization would equal approximately **$6.5 trillion**.

Illustrative modeled NELF values at Year 30 are:

Scenario	Illustrative Year-30 NELF	Difference From Cumulative Federal Capital
3%	**~$11.8T**	**+$5.3T**
4%	**~$14.6T**	**+$8.1T**
5%	**~$18.0T**	**+$11.5T**
7%	**~$27.8T**	**+$21.3T**

Important Interpretation

The difference between the modeled Fund value and cumulative federal contributions **should not be interpreted as federal profit or money available for withdrawal.**

The National Economic Liberty Fund is intended to remain a permanent national asset.

The purpose of the accumulated value is to provide an expanding economic foundation capable of supporting future generations.

H-7. Fiscal Safeguard

DOEL should not assume that federal capitalization will continue indefinitely at any predetermined level.

Future federal contributions should be contingent upon:

- The financial condition of the National Economic Liberty Fund;
- Demonstrated program effectiveness;
- Sustainable investment performance;
- Federal fiscal conditions;
- Population growth;
- Changes in the cost of essential goods and services; and
- Congressional authorization.

Federal contributions should decrease when the Fund's sustainable economic capacity allows them to decrease.

H-8. Phased Capitalization Principle

To limit federal fiscal exposure, Congress may authorize DOEL through a phased capitalization structure rather than requiring the full projected capitalization at the outset.

Under such a structure:

Initial Capitalization

↓

Performance Evaluation

↓

Additional Capitalization

↓

Performance Evaluation

↓

Expanded Capitalization

This approach would allow Congress to evaluate DOEL's actual performance before committing additional federal resources.

Performance evaluations could consider:

- Fund growth;
- Investment performance;
- Administrative costs;
- Asset acquisition;
- Reduction in household economic burdens;
- Program effectiveness;
- Fraud and waste;
- Economic Liberty Index performance; and
- Progress toward Federal Contribution Crossover.

H-9. Fiscal Objective

The ultimate fiscal objective of DOEL is to transition from a system primarily dependent upon federal capitalization toward a system increasingly supported by the productive capacity of the National Economic Liberty Fund.

Desired Progression

Federal Capitalization

↓

National Asset Acquisition

↓

Asset Growth & Reinvestment

↓

Increasing Sustainable Economic Capacity

↓

Federal Contribution Crossover

↓

Declining Federal Capital Requirement

↓

Full Economic Liberty Equilibrium

↓

Perpetual National Asset Growth

H-10. Congressional Consideration

The proposed capitalization of DOEL represents a substantial federal financial commitment and should therefore be evaluated against competing federal priorities, the government's cost of capital, investment risk, and the potential economic value generated by the National Economic Liberty Fund.

DOEL should not be justified solely on the assumption that investment returns will exceed federal expenditures.

Instead, Congress should evaluate whether:

> **The long-term economic capacity created by the National Economic Liberty Fund justifies the fiscal cost and risk required to establish it.**

The proposal therefore recommends **measured, performance-based capitalization** rather than assuming that the maximum modeled funding level must be provided immediately.

Sources & Modeling Note

Federal budget comparisons should be updated to the most recent Congressional Budget Office baseline available at the time the proposal is submitted.

The 3%, 4%, 5%, and 7% scenarios are **illustrative assumptions**, not guaranteed investment returns.

All NELF projections should be recalculated during formal legislative review to account for inflation, investment fees, taxes where applicable, market volatility, reserves, reinvestment requirements, administrative costs, population growth, and actual program expenditures.

EXHIBIT I — Additional Initial Funding Options

Purpose

Provide Congress with additional initial funding options other than the primary illustrative $1 trillion capitalization model displayed throughout Exhibits A–H.

Exhibit I provides rough estimates for four different levels of initial investment and runs each capitalization level through the constant-contribution accumulation framework used in Exhibit F and the investment scenarios presented in Exhibits A–D.

The figures presented in this exhibit are illustrative financial models and are not proposed guaranteed returns or mandatory funding levels.

I-1. Model Assumptions

Variable	Assumption
Model A initial capitalization	**$100B**
Model B initial capitalization	**$250B**
Model C initial capitalization	**$500B**

Model D initial capitalization	**$1T**
Annual federal contribution	**$250B annually throughout the modeled period**
Contribution timing	End of each year
Investment scenarios	**3%, 4%, 5%, 7%**
Projection periods	**10, 20, 30, 50 years**
Inflation	Not yet modeled
Taxes/fees	Not yet modeled
Withdrawals/benefits	Not yet modeled

All figures below are nominal dollars and illustrative projections, not guaranteed investment results.

I-2. Conservative Scenario

NELF Fund Value at a 3% Annual Return

Initial Capital	Year 10	Year 20	Year 30	Year 50
$100B	$3.00T	$6.90T	$12.14T	$28.64T
$250B	$3.20T	$7.17T	$12.50T	$29.30T
$500B	$3.54T	$7.62T	$13.11T	$30.39T
$1T	$4.21T	$8.52T	$14.32T	$32.58T

I-3. Moderate Scenario

NELF Fund Value at a 4% Annual Return

Initial Capital	Year 10	Year 20	Year 30	Year 50
$100B	$3.15T	$7.66T	$14.35T	$38.88T
$250B	$3.37T	$7.99T	$14.83T	$39.94T
$500B	$3.74T	$8.54T	$15.64T	$41.72T

$1T	$4.48T	$9.64T	$17.26T	$45.27T

I-4. Optimistic Scenario

NELF Fund Value at a 5% Annual Return

Initial Capital	Year 10	Year 20	Year 30	Year 50
$100B	$3.31T	$8.53T	$17.04T	$53.48T
$250B	$3.55T	$8.93T	$17.69T	$55.20T
$500B	$3.96T	$9.59T	$18.77T	$58.07T
$1T	$4.77T	$10.92T	$20.93T	$63.80T

I-5. High-Performance Scenario

NELF Fund Value at a 7% Annual Return

Initial Capital	Year 10	Year 20	Year 30	Year 50
$100B	$3.65T	$10.64T	$24.38T	$104.58T
$250B	$3.95T	$11.22T	$25.52T	$109.00T
$500B	$4.44T	$12.18T	$27.42T	$116.36T
$1T	$5.42T	$14.12T	$31.23T	$131.09T

Models assume constant yearly returns for mathematical illustration. Actual market returns will fluctuate.

I-6. Proposed Congressional Safeguard

> **Congressional capitalization of the National Economic Liberty Fund should be structured as a phased investment rather than an unconditional long-term commitment. Subsequent capitalization should be subject to periodic review of Fund performance, program effectiveness, fiscal conditions, and progress toward the Federal Contribution Crossover.**

EXHIBIT J — Declining Federal Contribution Model

Purpose

Exhibit J evaluates the potential transition of the National Economic Liberty Fund (NELF) from a system dependent upon substantial federal capitalization toward a system increasingly supported by the growth and productive capacity of its accumulated assets.

Unlike Exhibit I, which maintains a constant annual federal contribution for comparison purposes, Exhibit J models a deliberate reduction in federal contributions as NELF develops.

The figures presented in this exhibit are illustrative financial models and are not proposed guaranteed returns or mandatory funding levels.

J-1. Model Assumptions

Variable	Assumption
Model A initial capitalization	**$100B**
Model B initial capitalization	**$250B**
Model C initial capitalization	**$500B**
Model D initial capitalization	**$1T**
Years 1–10 federal contribution	**$250B annually**
Years 11–20 federal contribution	**$200B annually**
Years 21–30 federal contribution	**$100B annually**
Years 31–50 federal contribution	**$0 annually***
Contribution timing	End of each year
Investment scenarios	**3%, 4%, 5%, 7%**
Projection periods	**10, 20, 30, 40, 50 years**
Inflation	Not yet modeled
Taxes/fees	Not yet modeled

Withdrawals/benefits	Not yet modeled

*Additional federal contributions may be authorized when necessary due to population growth, extraordinary circumstances, program expansion, insufficient Fund capacity, or other circumstances determined by Congress.

All figures below are nominal dollars and illustrative projections, not guaranteed investment results.

J-2. Federal Capitalization Schedule

The modeled federal contribution declines as follows:

Period	Annual Federal Contribution	Purpose of Phase
Initial	$100B / $250B / $500B / $1T	Establish NELF
Years 1–10	$250B	Accelerated asset accumulation
Years 11–20	$200B	Continued growth with reduced federal dependence
Years 21–30	$100B	Transition toward Fund-generated growth
Years 31+	$0*	Potential self-sustaining growth phase

Under this schedule, total federal capitalization through Year 30 would be:

Initial Capitalization	Total Federal Capital Through Year 30
$100B	**$5.60T**
$250B	**$5.75T**
$500B	**$6.00T**
$1T	**$6.50T**

J-3. Conservative Scenario

NELF Fund Value at a 3% Annual Return

Initial Capital	Year 10	Year 20	Year 30	Year 40	Year 50
$100B	$3.00T	$6.33T	$9.65T	$12.96T	$17.42T
$250B	$3.20T	$6.60T	$10.01T	$13.45T	$18.08T
$500B	$3.54T	$7.05T	$10.62T	$14.27T	$19.18T
$1T	$4.21T	$7.95T	$11.83T	$15.90T	$21.37T

J-4. Moderate Scenario

NELF Fund Value at a 4% Annual Return

Initial Capital	Year 10	Year 20	Year 30	Year 40	Year 50
$100B	$3.15T	$7.06T	$11.66T	$17.25T	$25.54T
$250B	$3.37T	$7.39T	$12.14T	$17.97T	$26.61T
$500B	$3.74T	$7.94T	$12.95T	$19.17T	$28.38T
$1T	$4.48T	$9.04T	$14.58T	$21.57T	$31.94T

J-5. Optimistic Scenario

NELF Fund Value at a 5% Annual Return

Initial Capital	Year 10	Year 20	Year 30	Year 40	Year 50
$100B	$3.31T	$7.90T	$14.13T	$23.02T	$37.49T
$250B	$3.55T	$8.30T	$14.78T	$24.07T	$39.21T
$500B	$3.96T	$8.96T	$15.86T	$25.83T	$42.08T
$1T	$4.77T	$10.29T	$18.02T	$29.35T	$47.81T

J-6. High-Performance Scenario

NELF Fund Value at a 7% Annual Return

Initial Capital	Year 10	Year 20	Year 30	Year 40	Year 50

$100B	$3.65T	$9.95T	$20.95T	$41.20T	$81.05T
$250B	$3.95T	$10.53T	$22.09T	$43.45T	$85.47T
$500B	$4.44T	$11.49T	$23.99T	$47.19T	$92.83T
$1T	$5.42T	$13.43T	$27.80T	$54.68T	$107.56T

7% represents a high-performance illustrative scenario. Actual market returns will fluctuate and may be substantially higher or lower in individual years.

J-7. Federal Contribution Crossover

The Federal Contribution Crossover represents the point at which NELF's gross annual investment return becomes greater than the routine federal contribution being provided during a particular phase.

During Years 21–30, the modeled federal contribution is $100B annually.

The approximate NELF asset value required to generate $100B in gross annual return is:

Annual Return	Approximate NELF Required
3%	**$3.33T**
4%	**$2.50T**
5%	**$2.00T**
7%	**$1.43T**

Under every modeled initial-capitalization scenario, NELF exceeds these **gross-return thresholds** by Year 30.

These figures represent gross investment returns and should not be interpreted as funds available for distribution.

Investment expenses, inflation, reserves, administrative costs, program obligations, market losses, and reinvestment requirements must be considered before determining sustainable spending capacity.

J-8. Transition Toward Reduced Federal Dependence

The modeled contribution schedule establishes four potential stages of NELF development:

Stage 1 — Capitalization

The federal government provides substantial initial and recurring capital to establish a significant national asset base.

Stage 2 — Accumulation

Federal contributions remain substantial while investment returns are reinvested to accelerate the growth of NELF.

Stage 3 — Transition

Federal contributions decline from $250B to $200B and eventually $100B as the Fund's asset base becomes increasingly capable of generating its own economic capacity.

Stage 4 — Potential Self-Sustaining Growth

Beginning after Year 30, the model assumes no routine federal contribution. NELF continues to grow through reinvestment of its accumulated assets.

This stage is a mathematical modeling assumption, not a prediction that federal contributions will actually end.

Congress may continue, reduce, increase, suspend, or terminate contributions according to actual Fund performance and national economic conditions.

J-9. Fiscal Safeguard

Federal capitalization should not be considered an unconditional permanent obligation.

Congressional authorization for additional NELF capitalization should be subject to periodic evaluation of:

- Fund performance;
- Investment risk;
- Administrative expenses;
- Program effectiveness;
- Economic conditions;
- Federal fiscal conditions;
- Population growth;
- NELF asset growth;
- Progress toward the Federal Contribution Crossover; and
- The Fund's ability to satisfy existing and projected obligations.

This structure allows Congress to increase, reduce, suspend, or modify future capitalization according to demonstrated results.

J-10. Core Finding

The declining-contribution model demonstrates a potential pathway through which DOEL could progressively reduce its dependence upon direct federal capitalization.

Under the modeled assumptions, all four initial-capitalization scenarios continue to grow after routine federal contributions reach zero in Year 30.

The primary objective of this model is therefore not to establish a specific future Fund value, but to demonstrate the potential transition from:

Federal Capitalization

↓

Asset Accumulation

↓

Reinvestment & Compounding

↓

Reduced Federal Contribution

↓

Potential Self-Sustaining Growth

The model supports the concept that a smaller initial capitalization may still provide a viable pathway toward long-term NELF development, while a larger initial capitalization may accelerate the Fund's development and increase its capacity to support future DOEL objectives.

DOEL's objective is not to maximize the amount of federal money contributed to NELF.

Its objective is to maximize the amount of permanent economic capacity created from each dollar of federal investment.

J-11. Modeling Limitations

The projections in this exhibit are mathematical illustrations and should not be interpreted as forecasts.

Actual NELF performance would be affected by:

- Market volatility;
- Inflation;
- Investment fees;
- Taxes where applicable;
- Administrative expenses;
- Asset acquisition costs;
- Program distributions;
- Population growth;
- Changes in economic conditions;
- Investment losses;
- Changes in federal fiscal policy; and
- Legislative or regulatory changes.

A formal implementation of DOEL should therefore use independent actuarial, economic, and investment analysis before establishing statutory contribution levels.

Financial Modeling Methodology

10. NELF Illustrative Financial Models.
Exhibits A–J contain calculations produced from the assumptions explicitly stated within each exhibit. These calculations use standard future-value and compound-growth methodology.

Unless otherwise specified, the models assume:

- Annual investment returns are expressed as constant illustrative rates.
- Contributions occur at the end of each modeled year.
- Investment returns are reinvested.
- No taxes, investment fees, inflation adjustments, withdrawals, or benefit expenditures are incorporated unless specifically stated.
- Figures are rounded for presentation.

The **3%, 4%, 5%, and 7% scenarios are modeling assumptions**, not forecasts or guarantees of future investment performance.

EXHIBIT K — Economic Value of Increased Economic Liberty

Purpose

Exhibits A–J primarily evaluate the financial structure, capitalization, investment growth, and potential long-term sustainability of the Department of Economic Liberty (DOEL) and the National Economic Liberty Fund (NELF).

Exhibit K evaluates a separate question:

> **What measurable economic value could be created if DOEL reduces the amount of time Americans must devote to securing basic economic necessities and allows that time to be redirected toward other productive, educational, entrepreneurial, household, or personal activities?**

The purpose of this exhibit is not to claim that additional free time automatically increases Gross Domestic Product (GDP).

Rather, it establishes a framework for measuring the potential economic value of time liberated through increased economic independence.

K-1. The Economic Value of Time

Labor productivity is commonly measured as GDP generated per hour of labor. The OECD reported U.S. GDP per hour worked of approximately **$84.10 in 2024**, measured in constant 2020 purchasing-power-parity dollars.

The measure reflects output associated with labor hours in combination with capital, technology, intermediate goods, and organizational efficiency.

It therefore should not be interpreted as the personal economic value of every individual hour.

For modeling purposes, the $84.10 figure may be used as a benchmark for estimating the potential economic scale associated with additional productive hours.

Illustrative Economic Output Capacity Per Additional Hour

Additional Hours	Per Person	Annual Hours	Economic Output Capacity at $84.10/hour
1 hour/week	1	52	**$4,373/year**

4 hours/week	4	208	**$17,493/year**
8 hours/week	8	416	**$34,986/year**

These figures represent an economic productivity benchmark rather than predicted additional income or GDP.

K-2. National Scale of Liberated Time

The Bureau of Labor Statistics reported approximately **167.4 million employed persons age 15 and over in 2025**.

If DOEL were eventually capable of reducing the economic necessity of work by a given number of hours per week, the theoretical scale of the resulting time would be substantial.

Using 167.4 million employed persons as an illustrative population:

Time Liberated	Hours Liberated Annually	Economic Output Capacity at $84.10/hour*
1 hour/week	~8.70B hours	**~$732B**
4 hours/week	~34.81B hours	**~$2.93T**
8 hours/week	~69.46B hours	**~$5.84T**

*This calculation represents the theoretical value of the hours if every liberated hour generated market output at the benchmark productivity rate. It is **not a prediction of additional GDP**.

K-3. Why Liberated Time Does Not Automatically Equal Increased GDP

A fundamental distinction must be made between **economic value** and **measured GDP**.

If an individual receives eight additional hours per week, those hours may be used for:

- Additional paid employment;
- Starting or developing a business;
- Education or professional training;
- Research and invention;
- Childcare;
- Caring for family members;
- Household production;

- Volunteer activities;
- Creative work;
- Rest and recovery; or
- Leisure.

Some of these activities can directly produce market output and therefore potentially increase measured GDP.

Others create substantial economic or social value without appearing directly in GDP.

The Bureau of Economic Analysis recognizes this distinction through its household-production research. Activities such as cooking, cleaning, childcare, shopping, gardening, and household maintenance are economically productive but generally are not included in conventional GDP because they are not market transactions.

Consequently:

> **An increase in economic liberty should not be judged solely by whether the liberated time increases GDP.**

K-4. Time Reallocation Scenarios

To evaluate the potential GDP effect without assuming that all liberated time becomes market production, DOEL may use conversion scenarios.

The following examples assume **8 hours per week of potentially liberated time** among the illustrative employed population described in K-2.

Conversion to Market Production	Potentially Market-Productive Hours	Illustrative Economic Output at $84.10/hour
10%	~6.95B hours	**~$584B**
25%	~17.37B hours	**~$1.46T**
50%	~34.73B hours	**~$2.92T**
75%	~52.10B hours	**~$4.38T**
100%	~69.46B hours	**~$5.84T**

These scenarios are not forecasts.

They demonstrate the range of potential economic output that could theoretically result if a portion of liberated time were redirected toward market production.

The actual result could be substantially lower or higher depending upon worker skills, available capital, labor demand, entrepreneurship, technology, productivity, and other economic conditions.

K-5. Potential Economic Channels

DOEL's effect on economic output would not necessarily occur through additional conventional employment alone.

Potential economic channels include:

1. Increased Labor Productivity

Reduced financial stress and greater control over personal time may allow individuals to pursue education, training, healthier work patterns, or occupations that better utilize their abilities.

Labor productivity measures the amount of output generated per hour worked and is influenced by labor, capital, technology, and organizational efficiency.

2. Entrepreneurship

Individuals with greater financial independence may have more capacity to start businesses, develop products, or pursue independent economic activity.

Successful entrepreneurial activity could create additional production, employment, investment, and tax revenue.

3. Human Capital Development

Liberated time could be directed toward education, professional certifications, apprenticeships, technical training, or other forms of skill development.

The resulting productivity improvements could occur gradually rather than immediately.

4. Household Production

Individuals may use additional time to perform activities that would otherwise require paid services, such as childcare, cooking, home maintenance, and other household services.

These activities create economic value even when they do not appear in conventional GDP.

5. Innovation and Creative Production

Additional discretionary time may allow individuals to develop inventions, literature, software, artistic works, research, entertainment, or other intellectual property.

Some of these activities may initially produce no measurable GDP but could generate substantial future economic value.

6. Rest and Recovery

Additional time may also be used for rest, recreation, and recovery.

Such time does not directly constitute GDP, but improved well-being and reduced exhaustion may affect future labor participation, productivity, and quality of life.

K-6. Consumer Spending Reallocation

As economic necessity decreases, household spending may progressively shift from basic necessities toward discretionary goods and services.

This change in consumption composition could increase demand within leisure, entertainment, hospitality, recreation, education, personal services, and other discretionary industries.

The resulting economic effect would depend upon whether the additional discretionary spending represents newly generated economic activity or merely a reallocation of existing household spending.

DOEL should therefore distinguish between increased total consumption and changes in the composition of consumption when measuring its economic effects.

K-7. GDP Is Not the Sole Measure of Economic Liberty

DOEL should not establish a policy objective of maximizing the number of hours Americans work.

The purpose of DOEL is to increase economic liberty.

Consequently, a successful outcome may occur even when liberated time produces little or no immediate increase in measured GDP.

For example:

Eight hours of liberated time → additional childcare

may create substantial household value while producing little direct GDP.

Likewise:

Eight hours of liberated time → education

may create little immediate GDP but increase future human capital and productivity.

Or:

Eight hours of liberated time → entrepreneurship

may initially produce no measurable economic output before eventually creating a business, jobs, products, and tax revenue.

The economic effects of DOEL must therefore be evaluated over both **short-term and long-term periods**.

K-8. Proposed Economic Liberty Measurement Framework

DOEL should establish a measurement system capable of tracking how increased economic independence affects both market and nonmarket economic activity.

Potential measurements should include:

Measurement Category	Potential Indicator
Economic independence	Reduction in income required for basic necessities
Time	Hours of economic-survival work reduced
Employment	Labor-force participation and employment changes
Productivity	GDP per hour worked
Entrepreneurship	New business formation
Human capital	Education and training participation
Household production	Estimated value of unpaid household work
Innovation	Patents, intellectual property, research and development
Household wealth	Changes in savings and net worth
Well-being	Self-reported economic security and life satisfaction
Government finances	Changes in tax revenue and benefit expenditures

GDP	Changes in market production
Economic Liberty	Composite DOEL Economic Liberty Index

This framework would allow DOEL to distinguish between:

Economic value created

and

Economic value captured by GDP.

K-9. One-Hour Economic Liberty Test

As an initial benchmark, DOEL may evaluate the economic effects of providing the equivalent of **one additional hour of economic liberty per week**.

The theoretical value of that time can be represented as:

1 hour × 52 weeks × productivity benchmark

Using the illustrative $84.10/hour benchmark:

1 × 52 × $84.10 ≈ $4,373 per person annually

At the national scale of approximately 167.4 million employed persons:

~$732 billion in theoretical annual productive capacity

if every liberated hour were converted into market output at the benchmark productivity level.

The purpose of this calculation is not to claim that DOEL would generate $732 billion in additional GDP.

Rather, it establishes the magnitude of the economic resource represented by one additional hour of potentially productive time.

K-10. Eight-Hour Economic Liberty Test

The same framework can be applied to an eventual objective of **eight additional hours of economic liberty per week**.

Using the same illustrative assumptions:

8 hours × 52 weeks × $84.10 ≈ $34,986 per person annually

Across approximately 167.4 million employed persons:

~$5.84 trillion in theoretical annual productive capacity

if every liberated hour were converted into market output at the benchmark productivity rate.

A more conservative 10% conversion scenario would imply approximately:

$584 billion

in theoretical additional annual market output.

A 25% conversion scenario would imply approximately:

$1.46 trillion

in theoretical additional annual market output.

These figures demonstrate the potential scale of the economic question rather than establishing predicted GDP growth.

K-11. The DOEL Economic Liberty Hypothesis

DOEL's underlying economic hypothesis is:

> **Reducing the amount of economic survival activity required to secure basic necessities may allow individuals to redirect a portion of their time and resources toward activities that generate additional market production, household production, human capital, innovation, entrepreneurship, or personal well-being.**

The effect on GDP is therefore expected to vary according to how individuals use the economic liberty created.

The hypothesis should be tested through measurable outcomes rather than assumed to be true.

K-12. Proposed Evaluation

Following implementation, DOEL should evaluate whether increases in economic liberty produce measurable changes in:

1. Hours worked;
2. Labor productivity;
3. Labor-force participation;
4. Business formation;

5. Educational attainment;
6. Household production;
7. Household savings;
8. Household wealth;
9. Innovation;
10. Taxable economic activity;
11. GDP; and
12. Self-reported economic security and well-being.

Where possible, DOEL should compare outcomes among eligible populations with appropriate baseline and control measurements.

This would allow Congress and the public to evaluate whether DOEL is producing the economic effects anticipated by its underlying theory.

K-13. Core Finding

The economic value of DOEL should not be measured solely by the amount of money distributed to citizens or the size of the National Economic Liberty Fund.

A third economic resource must also be considered:

Time.

Money can provide economic security.

Assets can provide economic capacity.

But **time provides individuals with the ability to choose how their economic capacity is used.**

One additional hour may provide an opportunity for work, education, entrepreneurship, family care, household production, innovation, or rest.

Eight additional hours may provide substantially greater opportunity.

The objective of DOEL is therefore not necessarily to convert every liberated hour into GDP.

The objective is to create the economic conditions under which Americans possess greater freedom to determine how their time and economic resources are used.

DOEL should measure both the economic output created by increased liberty and the liberty itself.

K-14. Economic Output vs. Individual Compensation

The productivity benchmark should not be interpreted as the amount an individual worker is entitled to receive for an hour of labor.

Rather, it represents the approximate amount of economy-wide output associated with an hour of labor input.

DOEL's objective is therefore not to convert GDP productivity directly into individual compensation, but to examine whether reducing economic necessity allows individuals to obtain a greater share of economic freedom from the output generated by the broader economy.

K-15. Modeling Limitations

The projections contained within this exhibit are illustrative.

The $84.10/hour productivity benchmark is based on OECD's 2024 U.S. GDP-per-hour-worked measure expressed in constant 2020 PPP dollars.

It is a national productivity measure and should not be interpreted as an individual's wage, income, or marginal product.

The national calculations use approximately 167.4 million employed persons as an illustrative population based on 2025 Bureau of Labor Statistics data.

Actual economic effects would depend upon:

- Labor demand;
- Individual productivity;
- Industry composition;
- Capital availability;
- Technology;
- Skill levels;
- Business formation;
- Consumer demand;
- How individuals use liberated time;
- Changes in labor-force participation;
- Inflation;
- Population changes; and
- Other macroeconomic conditions.

Accordingly, the figures presented in this exhibit should be interpreted as **economic-value scenarios rather than GDP forecasts.**

The ultimate economic effect of DOEL should be determined through empirical measurement following implementation.

EXHIBIT L — Risk, Safeguards & Stress Testing

Purpose

The preceding exhibits demonstrate potential financial and economic outcomes under various assumptions.

However, the establishment of a permanent National Economic Liberty Fund (NELF) would expose the federal government and the American people to financial, economic, operational, and political risks.

Exhibit L identifies the principal risks associated with DOEL and establishes a framework for evaluating whether the program remains financially sustainable under unfavorable conditions.

The purpose of this exhibit is not to eliminate risk, which is impossible, but to identify, measure, limit, and respond to risk before it threatens the long-term objectives of DOEL.

L-1. Investment Risk

NELF's ability to generate sustainable economic capacity depends upon the performance of its assets.

The 3%, 4%, 5%, and 7% scenarios presented in Exhibits A–D are modeling assumptions rather than guaranteed returns.

Actual investment performance may include:

- Positive returns;
- Negative returns;
- Years with little or no return;
- Market volatility;
- Recessions;
- Asset-specific losses;
- Inflation-adjusted losses; and
- Extended periods of below-average performance.

Accordingly, DOEL should not base its long-term obligations on the assumption that NELF will achieve a specific annual return every year.

Proposed Safeguard

NELF should establish a **sustainable withdrawal rate** based on long-term asset performance rather than treating annual investment gains as guaranteed income.

Program obligations should be evaluated against the Fund's sustainable earning capacity rather than against temporary increases in asset prices.

L-2. Market Downturn Stress Test

A significant market decline could reduce NELF's asset value at the same time that economic conditions increase demand for government assistance.

For example:

Market decline

↓

NELF asset value decreases

↓

Investment income decreases

↓

Federal tax revenue may decrease

↓

Economic hardship may increase

↓

Demand for DOEL assistance may increase

This creates a potential period in which the Fund experiences both reduced financial capacity and increased program pressure.

Proposed Safeguard

DOEL should maintain sufficient reserves and establish predetermined withdrawal limits designed to prevent temporary market declines from forcing immediate reductions in essential authorized benefits.

NELF should also avoid relying upon the liquidation of depressed assets to finance ordinary recurring obligations whenever reasonably possible.

L-3. Zero and Negative Return Scenarios

DOEL should be evaluated under scenarios in which NELF generates:

Scenario	Illustrative Annual Return
Severe negative year	**-20%**
Significant negative year	**-10%**
Moderate negative year	**-5%**
No return	**0%**
Conservative return	**3%**
Moderate return	**4%**
Illustrative optimistic return	**5%**
High-performance scenario	**7%**

The negative-return scenarios are not forecasts.

They are stress tests designed to determine whether NELF could withstand unfavorable investment conditions without becoming immediately dependent upon emergency federal capitalization.

Proposed Safeguard

Congress should require NELF to demonstrate its ability to withstand predetermined periods of negative investment performance before authorizing increases in recurring program obligations.

L-4. Federal Contribution Risk

The financial models in Exhibits F, G, I, and J assume substantial federal capitalization.

However, future Congresses cannot be expected to maintain a predetermined level of funding indefinitely.

Federal contributions could be reduced because of:

- Recessions;
- Federal budget deficits;
- Changes in political priorities;
- National emergencies;
- Changes in population;
- Changes in program costs; or
- Other federal obligations.

Proposed Safeguard

DOEL should maintain multiple capitalization models and regularly calculate the minimum federal contribution necessary to maintain authorized programs.

If federal contributions fall below projected levels, DOEL should automatically reassess:

1. Fund growth projections;
2. Program expansion;
3. Withdrawal rates;
4. Reserve requirements; and
5. The timeline toward Economic Liberty Equilibrium.

This allows the program to adapt to actual federal fiscal conditions rather than assuming permanent congressional funding.

L-5. Population Growth Risk

DOEL's obligations will generally increase as the eligible American population increases.

An increase in eligible beneficiaries could result in increased:

- Benefit expenditures;
- Administrative expenses;
- Housing and infrastructure requirements;
- Healthcare-related economic burdens;
- Educational requirements; and
- Other authorized program costs.

At the same time, a larger population could increase:

- Labor supply;

- Tax revenue;
- Consumer demand;
- Business formation;
- Investment;
- Economic production; and
- The potential NELF asset base.

Proposed Safeguard

DOEL should annually calculate:

NELF Asset Growth ÷ Eligible Population Growth

and

Program Cost Growth ÷ NELF Sustainable Economic Capacity

Population growth should therefore be incorporated into every long-term sustainability projection.

L-6. Program Cost Inflation

The purchasing power of a fixed dollar amount decreases over time.

If DOEL benefits or program expenses are designed around the cost of necessities, those costs may increase because of inflation.

For example:

Benefit obligation grows 5% annually

while:

NELF sustainable return grows only 3% annually

The Fund could experience a widening gap between program obligations and sustainable financial capacity.

Proposed Safeguard

DOEL should evaluate program costs in both:

- **Nominal dollars**, and
- **Inflation-adjusted real dollars**.

Program expansion should be evaluated against the Fund's **real sustainable return**, not simply its nominal investment return.

L-7. Concentration and Investment Risk

NELF would potentially become one of the largest pools of public capital in the United States.

Concentrating the Fund in a limited number of companies, industries, securities, geographic regions, or asset classes could expose the American people to unnecessary risk.

Proposed Safeguard

NELF should establish statutory or regulatory diversification requirements addressing:

- Individual securities;
- Industries;
- Asset classes;
- Geographic exposure;
- Foreign assets;
- Private investments;
- Real assets; and
- Other significant sources of concentration risk.

Investment decisions should be based upon long-term risk-adjusted economic objectives rather than short-term political considerations.

L-8. Political and Governance Risk

A permanent public investment fund could become vulnerable to political pressure.

Potential risks include:

- Using NELF to finance unrelated federal expenditures;
- Politically motivated investment decisions;
- Excessive withdrawals;
- Expanding benefits without identifying sustainable funding;
- Manipulating investment decisions for political purposes; or
- Using the Fund as a substitute for ordinary federal budgeting.

Proposed Safeguards

NELF should be protected through:

1. Independent financial oversight;

2. Regular congressional reporting;
3. Independent annual audits;
4. Public disclosure of major investments;
5. Clearly defined withdrawal authorities;
6. Statutory reserve requirements;
7. Defined investment policies;
8. Restrictions on unrelated federal withdrawals; and
9. Clear separation between investment management and political decision-making.

L-9. Liquidity Risk

Not all assets can be converted into cash immediately without potentially significant losses.

If NELF holds substantial amounts of:

- Real estate;
- Infrastructure;
- Private companies;
- Long-term securities; or
- Other illiquid assets,

the Fund may possess substantial economic value while having insufficient immediately available cash to satisfy short-term obligations.

Proposed Safeguard

NELF should maintain a dedicated **liquidity reserve** sufficient to meet projected short-term obligations without requiring the immediate liquidation of long-term assets.

L-10. Recession Stress Test

A severe recession represents one of the most important combined stress scenarios for DOEL.

During a recession:

Asset values may decline

↓

NELF investment income may decline

↓

Federal tax receipts may decline

↓

Unemployment may increase

↓

Demand for economic assistance may increase

↓

DOEL obligations may increase

This represents a simultaneous deterioration of both the Fund's financial position and the broader economy.

Proposed Stress Test

Before major expansion of DOEL benefits, the Fund should be tested against a hypothetical recession involving:

- Significant market losses;
- Reduced federal contributions;
- Increased unemployment;
- Reduced federal tax revenue;
- Increased demand for authorized benefits; and
- Elevated inflation or interest-rate conditions.

The purpose would be to determine whether NELF could continue providing authorized core benefits without requiring extraordinary federal intervention.

L-11. Minimum Reserve Requirement

DOEL should maintain a reserve separate from assets intended for long-term growth.

The reserve would serve as a financial buffer against:

- Market downturns;
- Unexpected program costs;
- Natural disasters;
- Economic emergencies;
- Temporary revenue reductions;
- Liquidity requirements; and
- Other unforeseen expenditures.

Proposed Principle

Long-term assets should not be treated as equivalent to immediately available operating funds.

The size of the reserve should be determined through actuarial, financial, and economic analysis rather than established solely as a fixed percentage.

L-12. Failure Conditions

DOEL should establish measurable conditions under which its current financial structure would be considered unsustainable.

Potential warning conditions include:

Condition 1

Projected recurring program costs exceed NELF's sustainable withdrawal capacity.

Condition 2

NELF's inflation-adjusted asset value declines for a prolonged period.

Condition 3

Program obligations grow faster than the Fund's sustainable economic capacity.

Condition 4

Required federal contributions exceed the level authorized or reasonably supportable by Congress.

Condition 5

Required withdrawals materially threaten the long-term principal of NELF.

If one or more conditions are met, DOEL should be required to conduct a formal sustainability review.

L-13. Corrective Actions

A sustainability review should evaluate potential corrective actions before the Fund reaches a critical condition.

Potential actions may include:

1. Temporarily reducing or suspending program expansion;
2. Increasing federal capitalization if fiscally appropriate;
3. Reducing discretionary expenditures;
4. Adjusting withdrawal rates;
5. Increasing reserve requirements;
6. Rebalancing investments;
7. Delaying new programs;
8. Revising eligibility requirements where authorized by Congress; or
9. Revising the long-term timeline toward Economic Liberty Equilibrium.

Core benefits should not be reduced solely because of short-term market volatility when sufficient reserves exist to absorb the temporary decline.

L-14. Annual Sustainability Report

DOEL should submit an annual **National Economic Liberty Sustainability Report** to Congress.

The report should include:

- Total NELF assets;
- Annual investment returns;
- Inflation-adjusted returns;
- Investment income;
- Administrative expenses;
- Program expenditures;
- Federal contributions;
- Withdrawals;
- Reserve levels;
- Eligible population;
- Population growth;
- Program cost growth;
- Projected future obligations;
- Sustainable withdrawal capacity;
- Progress toward Economic Liberty Equilibrium;
- Stress-test results; and
- Material investment or operational risks.

The report should also identify whether the Fund is:

Growing

NELF's sustainable economic capacity is increasing faster than its obligations.

Stable

NELF's sustainable economic capacity is generally keeping pace with obligations.

Under Pressure

NELF's obligations are increasing faster than sustainable economic capacity.

Unsustainable

NELF cannot reasonably maintain authorized obligations under current funding and investment conditions.

L-15. Independent Oversight

Because NELF could eventually become a significant national financial institution, its operations should be subject to independent oversight.

Oversight should include, at minimum:

- Independent financial audits;
- Periodic actuarial reviews;
- Investment-performance reviews;
- Congressional reporting;
- Public financial disclosures; and
- Periodic reassessment of program sustainability.

No individual office, administration, or investment manager should have unrestricted authority to redirect NELF assets outside the statutory purposes established by Congress.

L-16. The Principle of Financial Preservation

The long-term success of DOEL depends upon preserving the productive capital that makes Economic Liberty Equilibrium possible.

Therefore:

> **NELF principal should be treated as a national economic asset rather than ordinary annual federal revenue.**

The purpose of the Fund is to transform a portion of federal resources into a permanent productive asset capable of generating future economic capacity.

Consequently, short-term fiscal pressures should not automatically justify the liquidation of productive NELF assets.

Any extraordinary withdrawal of principal should require a clearly defined statutory justification and congressional authorization.

L-17. Final Stress-Test Principle

The success of DOEL should not be determined by whether the most optimistic projection occurs.

A successful system should demonstrate that it can:

Perform during favorable markets

↓

Survive unfavorable markets

↓

Adapt to population growth

↓

Absorb inflation

↓

Operate under reduced federal contributions

↓

Maintain adequate liquidity

↓

Protect its long-term principal

↓

Continue providing authorized core benefits

↓

Remain financially sustainable across multiple economic conditions.

L-18. Final Finding

The preceding exhibits demonstrate the potential economic capacity of a permanent National Economic Liberty Fund.

Exhibit L establishes the corresponding responsibility:

> **DOEL must be designed not only to succeed when economic conditions are favorable, but to remain functional when conditions are unfavorable.**

No investment strategy can eliminate market risk.

No government program can eliminate fiscal uncertainty.

No projection can guarantee future economic conditions.

The appropriate objective is therefore not the elimination of uncertainty, but the creation of a system capable of **measuring uncertainty, maintaining reserves, limiting exposure, identifying failure conditions, and taking corrective action before temporary problems become permanent structural failures.**

The long-term objective of DOEL remains:

To establish and preserve a growing national economic asset capable of increasing economic independence for eligible Americans while maintaining financial sustainability for future generations.

All stress-test scenarios contained within this exhibit are illustrative and are intended for policy evaluation rather than as forecasts of actual future investment performance.

Exhibit M — National Housing Economic-Liberty Model

Purpose

This exhibit provides an illustrative operating model for one potential application of the National Economic Liberty Fund (NELF): the acquisition, development, ownership, and subsidization of housing assets for eligible beneficiaries of the Department of Economic Liberty (DOEL).

Housing is examined as a priority economic-liberty category because shelter represents one of the largest recurring expenses faced by American households. Reducing this expense could increase the portion of household income available for savings, investment, education, transportation, leisure, entrepreneurship, and other discretionary economic activity.

The figures presented in this exhibit are illustrative financial models and are not proposed guaranteed returns, housing prices, rental rates, subsidy levels, or mandatory funding levels. Actual implementation would require geographic, housing-market, construction, legal, actuarial, and financial analysis.

M-1 — Housing Investment Strategy

NELF could pursue two primary methods of establishing a national housing asset portfolio:

Acquisition

NELF could purchase existing multifamily housing assets and, where economically appropriate, renovate or modernize those properties.

Advantages may include:

- Faster deployment of housing capacity;
- Existing infrastructure and established locations;
- Immediate or relatively rapid occupancy;
- Potentially lower capital requirements than new construction in certain markets; and
- The ability to acquire properties in areas where additional construction is difficult or expensive.

New Construction

NELF could finance the development of new multifamily housing assets.

Advantages may include:

- Creation of additional housing supply;
- Ability to design properties for long-term operating efficiency;
- Ability to incorporate modern energy, accessibility, and transportation considerations;
- Greater control over property design and operating characteristics; and
- Potential expansion of housing capacity in areas experiencing persistent shortages.

NELF would not necessarily rely exclusively on either strategy. A national housing strategy could allocate capital between acquisition and construction according to local housing

conditions, acquisition costs, construction costs, expected operating performance, housing demand, and economic-liberty objectives.

The objective would be to maximize **sustainable economic-liberty benefit per dollar of national capital**, rather than simply maximizing the number of housing units acquired.

M-2 — Illustrative Housing Investment Assumptions

For purposes of this initial model:

Variable	Illustrative Assumption
Initial NELF capitalization	**$1T**
Initial housing allocation	**$250B**
Remaining financial assets	**$750B**
Acquisition cost per housing unit	**$275,000**
New construction cost per housing unit	**$350,000**
Occupancy assumption	**95%**
Illustrative annual inflation	**2.5%**

Investment return assumption	**4%**
Housing operating expenses	**40% of effective gross rental revenue**
Capital replacement reserve	**10% of effective gross rental revenue**
Housing asset appreciation	**0% modeled**
Debt financing	**Not modeled**

The acquisition and construction cost assumptions are illustrative planning values rather than estimates of actual nationwide housing costs.

Actual costs would vary substantially by geography, property type, land cost, construction conditions, regulatory requirements, labor costs, materials, rehabilitation requirements, and other factors.

M-3 — Acquisition Versus Construction Capacity

If $250B of the initial NELF capitalization were allocated to housing:

Strategy	Illustrative Cost/Unit	Units Created/Acquired	Occupied at 95%

Acquisition	$275,000	**~909,091**	**~863,636**
Construction	$350,000	**~714,286**	**~678,571**

These figures represent theoretical capacity if the entire $250B allocation could be deployed at the assumed average cost.

Actual deployment would occur over time and would depend upon the availability of suitable properties, construction capacity, geographic demand, procurement requirements, and other legal and economic considerations.

M-4 — Regional Housing Cost Sensitivity

Housing costs vary substantially throughout the United States. Accordingly, a national housing program should not assume that every NELF housing unit has the same market-equivalent rental value.

For initial modeling purposes, representative markets may be used to demonstrate the effect of geographic variation.

Representative Market	Illustrative Monthly 2-Bedroom Housing Benchmark
New York City	**$2,910**
Chicago	**$1,781**
Atlanta	**$1,820**
Los Angeles	**$2,601**

These figures are representative market benchmarks rather than national or regional averages. A future NELF housing model should use actual geographic housing data and the anticipated geographic distribution of NELF assets.

The purpose of the regional model is to demonstrate that the same percentage subsidy can produce substantially different dollar benefits depending upon local housing costs.

M-5 — Illustrative Housing Subsidy Model

For purposes of demonstrating the potential economic-liberty effect, three subsidy levels are modeled:

25% Subsidy

DOEL covers approximately 25% of the market-equivalent housing cost.

50% Subsidy

DOEL covers approximately 50% of the market-equivalent housing cost.

75% Subsidy

DOEL covers approximately 75% of the market-equivalent housing cost.

These percentages are modeling scenarios and do not establish proposed statutory benefit levels.

The purpose is to determine how different levels of housing assistance affect both household economic freedom and NELF sustainability.

M-6 — Acquisition Model: Illustrative 50% Housing Subsidy

Under the acquisition scenario:

$250B ÷ $275,000 per unit ≈ 909,091 housing units

At 95% occupancy:

~863,636 occupied units

Using an illustrative blended monthly housing cost of approximately $2,187:

Gross annual rental value

~$22.67B

Operating expenses — 40%

~$9.07B

Capital replacement reserve — 10%

~$2.27B

50% resident housing subsidy

~$11.33B

Under these assumptions, the remaining resident-paid rental revenue approximately covers the modeled operating expenses and capital replacement reserve.

Accordingly, the 50% subsidy scenario is approximately **property-level cash-flow neutral** before consideration of taxes, financing, administrative expenses, extraordinary repairs, or other costs not included in this illustrative model.

The model therefore demonstrates a potentially important distinction between:

> **NELF owning housing assets and subsidizing housing costs**

and:

> **DOEL making permanent cash payments to unrelated landlords.**

In the first structure, the Fund retains ownership of the underlying productive asset while using the asset's economic output to help finance the benefit.

M-7 — Housing Subsidy Sensitivity

Using the illustrative acquisition model:

Subsidy Level	Approx. Annual Housing Relief	Illustrative Property-Level Result
25%	**~$5.67B**	**~+$5.67B**
50%	**~$11.33B**	**~$0**
75%	**~$17.00B**	**~−$5.67B**

The results illustrate the tradeoff between the level of household assistance and the amount of additional NELF financial capacity required to sustain the program.

Under these assumptions, the 50% subsidy represents an approximate midpoint at which rental revenue covers the modeled operating expenses and capital replacement reserve.

A higher subsidy could still be financially possible if supported by NELF's broader investment income, additional housing efficiencies, other Fund revenue, or future reductions in housing acquisition and operating costs.

M-8 — Acquisition Cost Sensitivity

The number of housing units produced by the same $250B allocation changes significantly depending upon the cost per unit.

Cost per Unit	Units	Occupied at 95%
$250,000	**1,000,000**	**950,000**

$300,000	**833,333**	**791,667**
$400,000	**625,000**	**593,750**

At a 50% housing subsidy, using the illustrative $2,187 monthly housing cost:

Cost/Unit	Approx. Annual Housing Relief
$250K	**~$12.45B**
$300K	**~$10.37B**
$400K	**~$7.78B**

This sensitivity analysis demonstrates why NELF would need to evaluate housing opportunities based upon both acquisition/development cost and the economic-liberty benefit produced by each property.

M-9 — Regional Allocation Principle

NELF would not necessarily maximize economic liberty by purchasing the least expensive housing available.

For example, a lower-cost market may allow NELF to acquire more units per dollar of capital, while a higher-cost market may provide substantially greater housing-cost relief per household.

Therefore, an eventual housing investment framework could evaluate:

> **Housing need + acquisition/construction cost + market-equivalent housing cost + operating cost + occupancy + economic impact + long-term asset value**

rather than relying upon unit count alone.

The objective would be to identify investments that provide the greatest sustainable economic-liberty benefit while preserving the long-term productive capacity of NELF.

M-10 — Housing Assets as Productive National Assets

Under the proposed structure, housing expenditures would differ from ordinary transfer expenditures.

When NELF acquires or constructs a housing property, the expenditure creates or acquires an asset that can continue producing economic value.

The resulting structure is:

> **Federal Capital → Housing Asset → Rental Revenue → Operations & Reserves → Housing Subsidy → Household Economic Freedom → Continued Asset Ownership**

The underlying housing asset remains within the NELF portfolio unless lawfully sold or otherwise transferred.

This creates the potential for DOEL to reduce household housing costs without consuming the entire capital base required to provide the benefit.

M-11 — Long-Term Housing Expansion

The initial $250B housing allocation should not necessarily be viewed as the maximum size of the NELF housing portfolio.

As NELF grows, Congress could authorize additional capital to be allocated toward housing when doing so is determined to be financially and economically appropriate.

In addition, housing assets could generate rental revenue that contributes toward:

- Operating expenses;
- Capital replacement;

- Reserves;
- Additional housing investment; and
- Other authorized economic-liberty programs.

The long-term progression could therefore be:

> **Initial Housing Capital → Housing Acquisition/Construction → Rental Revenue → Household Subsidies → Reinvestment → Additional Housing Capacity → Greater Household Cost Reduction**

The scale of this expansion would ultimately depend upon NELF's sustainable return, required reinvestment rate, housing operating costs, population growth, housing demand, and other authorized program obligations.

M-12 — 10-, 20-, and 30-Year Housing Expansion Model

The initial $250B housing allocation should not be interpreted as requiring NELF to devote all future investment capacity to housing.

Instead, this illustrative model assumes that a defined portion of NELF's annual financial investment return is allocated toward expanding the housing portfolio while the remaining financial return remains available for reinvestment, reserves, other authorized economic-liberty programs, and other Fund requirements.

For the primary scenario, **25% of annual financial investment return** is allocated toward additional housing assets.

Sensitivity cases of 10% and 20% are also shown.

Primary Model Assumptions

Variable	Assumption
Initial NELF capitalization	**$1T**

Initial housing allocation	**$250B**
Initial financial portfolio	**$750B**
Investment return	**4%**
Housing expansion allocation	**25% of annual financial return**
Acquisition cost	**$275,000/unit**
Construction cost	**$350,000/unit**
Occupancy	**95%**
Housing subsidy	**50% of market-equivalent housing cost**
Rent inflation	**2.5% annually**
Housing appreciation	**0% modeled**

Federal contributions remain consistent with the illustrative declining contribution schedule:

- **Years 1–10:** $250B annually
- **Years 11–20:** $200B annually
- **Years 21–30:** $100B annually

Primary Housing Expansion Results

Period	Housing Capital	Acquisition Units	Construction Equivalent	Occupied Acquisition Units
Year 10	**~$458B**	**~1.67M**	**~1.31M**	**~1.58M**
Year 20	**~$1.00T**	**~3.64M**	**~2.86M**	**~3.45M**
Year 30	**~$1.91T**	**~6.94M**	**~5.45M**	**~6.59M**

The figures above represent cumulative housing capital deployed into the NELF housing portfolio. They do not assume appreciation of the housing assets.

Housing Economic-Liberty Benefit

Using the illustrative 50% housing subsidy and 2.5% annual rent inflation assumption:

Period	Occupied Acquisition Units	Illustrative Annual Housing Relief
Year 10	**~1.58M**	**~$25.9B**
Year 20	**~3.45M**	**~$72.4B**
Year 30	**~6.59M**	**~$177.0B**

The annual housing-relief figures are nominal-dollar estimates and should not be interpreted as guaranteed expenditures or guaranteed household savings.

Housing Allocation Sensitivity

The amount of NELF capital directed toward housing can materially change the ultimate housing portfolio.

Housing Share of Annual Financial Return	Year-30 Housing Capital	Acquisition Units	Construction Equivalent
10%	**~$964B**	**~3.51M**	**~2.76M**
20%	**~$1.61T**	**~5.85M**	**~4.60M**
25%	**~$1.91T**	**~6.94M**	**~5.45M**

These scenarios demonstrate that housing need not consume the entirety of NELF's financial capacity.

Congress could establish the appropriate allocation based upon housing conditions, NELF's financial condition, the level of other authorized economic-liberty programs, population changes, and the Fund's long-term sustainability requirements.

Accounting Treatment

Once capital is transferred from the financial portfolio into housing assets, that capital is no longer assumed to generate the same financial-market return as the remaining investment portfolio.

The model therefore treats:

Financial Assets → Financial Investment Return

and

Housing Assets → Rental Revenue + Housing Benefit

as separate economic components.

This distinction is intended to prevent the model from overstating NELF's financial capacity by simultaneously treating capital as both a financial-market investment and a housing asset.

Long-Term Expansion Principle

The housing model is therefore not intended to establish that all NELF resources should be dedicated to housing.

Rather, housing represents the first major illustrative economic-liberty program because shelter is a substantial recurring household expense.

As NELF develops, Congress could determine the appropriate allocation of sustainable Fund capacity among housing, food, transportation, communications, education, or other authorized economic-liberty programs.

The intended long-term structure is:

> **NELF Capital → Productive Assets → Reduced Household Necessity Costs → Increased Household Economic Freedom → Continued Reinvestment → Expanded Productive Capacity**

The specific allocation among programs would remain subject to congressional authorization and future financial analysis.

M-13 — Economic-Liberty Effect

The primary economic objective of the housing program would not simply be to provide housing.

It would be to **reduce the amount of household income that must be devoted to shelter**, thereby increasing the portion of household resources available for other economic purposes.

For a household receiving a 50% housing subsidy, the household could retain approximately half of the market-equivalent housing expense that would otherwise be required for shelter.

That retained income could potentially be directed toward:

- Savings;
- Retirement investment;
- Education;
- Transportation;
- Child-related expenses;
- Entrepreneurship;
- Leisure;
- Consumer goods and services;
- Debt reduction; or
- Other household priorities.

The model therefore treats housing assistance not merely as a transfer of government resources, but as a potential mechanism for increasing household economic choice.

M-14 — Program Sustainability Test

Housing benefits should not be expanded solely because NELF possesses a large gross asset balance.

Before expanding the program, DOEL should evaluate whether sufficient sustainable capacity exists after accounting for:

1. Inflation and preservation of purchasing power;
2. Required reinvestment;
3. Operating expenses;
4. Capital replacement;
5. Reserves and insurance;
6. Administrative costs;
7. Existing economic-liberty programs;
8. Population changes;
9. Market conditions; and
10. Other legally authorized obligations.

The central test would therefore be:

> **Sustainable NELF Capacity − Required Reinvestment − Reserves − Fund Expenses − Existing Program Costs ≥ Additional Housing Program Cost**

Only capacity remaining after these requirements should be considered available for expansion of housing benefits.

M-15 — Limitations and Future Analysis

This exhibit is an illustrative operating framework rather than a final housing feasibility study.

A future professional housing analysis should incorporate, at minimum:

- Actual property acquisition data;
- Geographic housing costs;
- Land costs;

- Construction costs;
- Property taxes;
- Insurance;
- Utilities;
- Maintenance;
- Property management;
- Vacancy and turnover;
- Rehabilitation requirements;
- Capital replacement schedules;
- Financing costs where applicable;
- Housing depreciation;
- Federal, state, and local regulatory requirements;
- Transportation and infrastructure requirements;
- Geographic distribution of eligible beneficiaries;
- Housing supply and demand;
- Potential effects on local housing markets; and
- Legal requirements governing federal ownership and operation of residential property.

The purpose of this exhibit is therefore to establish a **quantitative framework for evaluating housing as an economic-liberty asset**, not to establish final program costs.

M-16 — Summary

The illustrative housing model demonstrates a potential method through which NELF could convert a portion of federal capital into permanent productive assets while simultaneously reducing one of the largest recurring expenses faced by households.

Under the illustrative $250B housing allocation:

- Approximately **909,091 units** could theoretically be acquired at $275,000 per unit;
- Approximately **714,286 units** could theoretically be constructed at $350,000 per unit;
- A 50% housing subsidy could provide substantial recurring housing-cost relief;
- Housing rental revenue could contribute toward operating expenses and capital replacement;
- The underlying housing assets would remain part of the NELF portfolio; and
- Future NELF growth could potentially support additional housing capacity.

The broader economic-liberty mechanism can therefore be represented as:

> **Capitalization → Productive Housing Assets → Reduced Shelter Costs → Increased Household Disposable Capacity → Increased Economic Choice → Continued Asset Ownership → Reinvestment → Expanded Housing Capacity**

The ultimate feasibility question is not whether NELF can immediately eliminate housing costs for all Americans.

Rather, it is whether a sufficiently capitalized and professionally managed national asset fund can **progressively reduce household shelter costs while preserving and expanding the productive asset base required to sustain the benefit over multiple generations.**

Exhibit N — National Food Production Engine

N-1. Purpose

The National Food Production Engine establishes a permanent productive asset base capable of generating agricultural output, processing food, storing food, and distributing food through a coordinated national system.

The objective is not to assume that food becomes costless simply through farmland acquisition. Rather, the system is designed to progressively integrate the major stages between agricultural production and household food consumption.

The production system therefore consists of:

Land Acquisition → Agricultural Production → Processing → Storage → Distribution → Food Sales or Benefit Distribution → Reinvestment → Expanded Production Capacity

This structure allows food-related economic capacity to expand as the productive asset base grows.

N-2. Initial Food-System Capitalization

For modeling purposes, the initial National Economic Liberty Fund allocation to the food-production system is **$100 billion**.

Asset Category	Initial Allocation

Farmland	$60 billion
Processing infrastructure	$15 billion
Storage and refrigeration	$10 billion
Distribution infrastructure	$10 billion
Equipment and agricultural technology	$5 billion
Total	**$100 billion**

The $100 billion allocation represents an illustrative initial capitalization and does not constitute a required congressional appropriation.

N-3. Initial Farmland Capacity

Using the USDA National Agricultural Statistics Service 2025 U.S. average cropland value of approximately **$5,830 per acre** as a planning benchmark, a $60 billion farmland allocation would represent approximately:

$60 billion ÷ $5,830 per acre ≈ 10.29 million acres

This represents theoretical acquisition capacity rather than a guaranteed number of acres that could be purchased.

Actual acquisition capacity would depend on geographic location, land quality, water availability, existing improvements, transaction costs, conservation requirements, and market conditions.

Because cropland values vary substantially by state, NELF should prioritize regional agricultural productivity rather than simply maximizing acreage.

N-4. Illustrative Agricultural Production Allocation

For the initial production-engineering case, the theoretical acreage is allocated across a diversified production portfolio.

Production Category	Allocation	Approx. Acres
Corn	30%	3.09 million
Soybeans	25%	2.57 million
Wheat	20%	2.06 million
Potatoes	10%	1.03 million
Dry edible beans	10%	1.03 million
Vegetables*	5%	0.51 million
Total	**100%**	**10.29 million**

*Vegetable acreage uses a planning assumption because vegetable yields vary significantly by crop, region, growing method, and production cycle.

The allocation is illustrative and should be refined through agricultural feasibility analysis before implementation.

N-5. Initial Physical Production Capacity

Using representative USDA production benchmarks, the initial agricultural portfolio would have an illustrative annual production capacity of approximately:

Commodity	Illustrative Annual Production
Corn	576 million bushels
Soybeans	136 million bushels
Wheat	110 million bushels
Potatoes	47.5 million cwt
Dry edible beans	2.07 billion pounds
Vegetables*	154 million cwt

These figures represent estimated raw agricultural production before processing, storage losses, transportation losses, conversion into finished food products, or allocation among commercial and economic-liberty uses.

Accordingly, raw production should not be interpreted as food ultimately delivered to households.

N-6. Production Economics

Agricultural production requires continuing expenditures after land acquisition.

Operating requirements may include:

- Labor

- Seed
- Fertilizer
- Feed
- Water and irrigation
- Fuel and electricity
- Equipment maintenance
- Pesticides and other crop inputs
- Livestock and poultry purchases
- Veterinary services
- Insurance
- Property taxes and fees
- Repairs and maintenance
- Processing
- Storage
- Transportation
- Administrative expenses
- Capital replacement

Agricultural production should therefore not be modeled as a zero-cost activity after land acquisition.

The NELF food-production engine shall distinguish between:

Gross Production Value

and

Net Sustainable Production Capacity

The latter must account for operating expenses, capital replacement, reserves, and reinvestment.

N-7. Processing Capacity

The food system shall progressively develop processing capacity corresponding to the agricultural production base.

Potential processing assets include:

- Grain milling
- Flour production
- Oilseed processing
- Food-grade storage

- Vegetable processing
- Freezing and preservation
- Canning
- Packaging
- Meat and poultry processing
- Dairy processing
- Egg processing
- Food preparation facilities
- Ingredient production

Processing capacity is necessary because raw agricultural commodities are not equivalent to finished consumer food.

NELF shall therefore measure both:

1. **Raw agricultural production**
2. **Finished food production capacity**

N-8. Storage and Preservation

The food-production engine shall maintain strategically distributed storage capacity to reduce seasonal supply disruptions and improve purchasing and distribution efficiency.

Storage assets may include:

- Grain storage
- Refrigerated warehouses
- Frozen-food facilities
- Shelf-stable food warehouses
- Regional distribution centers
- Emergency food reserves

Storage capacity should be measured independently from production capacity because annual agricultural production and continuously available food supply are different economic quantities.

N-9. Distribution Network

The NELF food system shall establish regional distribution capacity connecting agricultural production and processing facilities with population centers.

Distribution assets may include:

- Warehouses
- Refrigerated transportation
- Distribution centers
- Fleet equipment
- Rail and freight interfaces
- Regional food hubs
- Institutional distribution facilities

The system should prioritize geographic diversification so that a disruption in one agricultural region does not disproportionately affect national food availability.

N-10. Production Revenue

The production system may generate revenue through:

- Commercial sale of agricultural commodities
- Sale of processed food
- Institutional contracts
- Government procurement
- Wholesale distribution
- Retail food distribution
- Authorized food-program purchases
- By-product sales

Revenue shall first support operation and preservation of the productive asset base.

Remaining sustainable economic capacity may then be allocated among:

1. Required reserves
2. Capital replacement
3. Reinvestment
4. Authorized food benefits
5. Additional productive assets

N-11. Reinvestment Engine

The long-term objective is for the food-production system to increasingly finance its own expansion.

The intended cycle is:

Production → Revenue → Operating Costs → Sustainable Surplus → Reinvestment → Additional Productive Assets → Increased Production → Increased Revenue

Reinvestment may be directed toward additional farmland, irrigation, processing capacity, storage, distribution, technology, controlled-environment agriculture, livestock facilities, and other productive assets.

The system therefore seeks to transform an initial federal capitalization into a continuously expanding national food-production asset base.

N-12. Separation of Production and Household Benefit

The production engine shall be modeled independently from the household food subsidy or benefit program.

The same productive assets could support several policy approaches, including:

- Market-rate food sales
- Discounted food sales
- Partial essential-food subsidies
- Full essential-food benefits
- Institutional food programs
- A hybrid allocation

The household benefit model should therefore be developed only after the underlying production capacity, operating requirements, processing capacity, storage requirements, distribution costs, and sustainable reinvestment capacity have been established.

N-13. Long-Term Production Objective

The ultimate objective is not simply to purchase agricultural land.

The objective is to establish a permanent national productive food system capable of:

Producing Food → Processing Food → Preserving Food → Distributing Food → Generating Revenue → Reinvesting Revenue → Expanding Production Capacity

As the productive asset base expands, the proportion of national essential-food demand that can potentially be served by NELF assets may also increase.

The resulting food-production capacity would represent a permanent national economic asset rather than a temporary expenditure program.

N-14. Ten-, Twenty-, and Thirty-Year Production Engine Model

N-14.1. Modeling Purpose

This model demonstrates how an initial **$100 billion** food-system capitalization could develop into a larger productive asset base through agricultural production, operating revenue, and reinvestment.

The model is intentionally separated from the household food-benefit program. No food subsidy, free-food distribution, or household reimbursement is included.

The purpose is therefore to answer a narrower question:

> **Can an initially capitalized national food-production system expand its productive capacity through its own economic activity?**

N-14.2. Core Modeling Assumptions

The base production-engine scenario uses the following assumptions:

Assumption	Base Case
Initial food-system capitalization	$100 billion
Initial farmland allocation	$60 billion
Initial infrastructure/assets	$40 billion

Initial theoretical cropland capacity	~10.29 million acres
Initial annual gross production revenue	$14.0 billion
Operating-cost ratio	82%
Operating surplus	18% of gross revenue
Reinvestment of operating surplus	50%
Reinvestment allocation to land	60%
Reinvestment allocation to infrastructure	40%
Agricultural land value benchmark	$5,830/acre
New federal capital after initial $100B	$0 in this isolated model
Household food subsidy	Not included
Debt financing	Not included
Commodity-price growth	Not assumed
Productivity/yield growth	Not assumed

The $5,830-per-acre land benchmark is based on USDA's 2025 national average cropland value.

The $14 billion initial annual revenue figure is a conservative planning assumption for the model rather than a claim that every agricultural portfolio would generate exactly that amount.

Revenue growth in this model results from expansion of productive acreage under the stated assumptions, rather than from assumed commodity-price inflation or productivity improvements.

N-14.3. Reinvestment Mechanism

The model assumes that **18% of gross production revenue** remains after operating costs.

Of that operating surplus, **50% is reinvested** into the food-production system.

Therefore:

Gross Revenue × 18% × 50% = Annual Productive Reinvestment

Reinvestment is divided between additional agricultural land and supporting production infrastructure.

The remaining operating surplus is retained by the system for reserves, capital preservation, working capital, or other authorized uses.

This produces the cycle:

Production → Revenue → Operating Costs → Operating Surplus → Reinvestment → Additional Productive Assets → Increased Production Capacity

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N-14.4. Ten-Year Production Engine

After ten years, under the base assumptions:

Metric	Year 10
Total productive assets	**$113.34B**

Farmland assets	**$68.00B**
Supporting infrastructure	**$45.34B**
Approx. agricultural acreage	**11.67M acres**
Gross annual production revenue	**$15.87B**
Operating expenses	**$13.01B**
Operating surplus	**$2.82B**
Annual reinvestment	**$1.41B**

The food-production system has therefore increased its productive asset base by approximately **$13.34 billion** from the original $100 billion capitalization.

The additional productive capacity is generated without assuming additional federal capitalization.

N-14.5. Twenty-Year Production Engine

After twenty years:

Metric	Year 20

Total productive assets	**$128.46B**
Farmland assets	**$77.07B**
Supporting infrastructure	**$51.38B**
Approx. agricultural acreage	**13.22M acres**
Gross annual production revenue	**$17.98B**
Operating expenses	**$14.75B**
Operating surplus	**$3.20B**
Annual reinvestment	**$1.60B**

By Year 20, the model has produced approximately **$28.46 billion of additional productive asset capacity** relative to the initial $100 billion capitalization.

N-14.6. Thirty-Year Production Engine

After thirty years:

Metric	Year 30

Total productive assets	**$145.59B**
Farmland assets	**$87.36B**
Supporting infrastructure	**$58.24B**
Approx. agricultural acreage	**14.98M acres**
Gross annual production revenue	**$20.38B**
Operating expenses	**$16.71B**
Operating surplus	**$3.62B**
Annual reinvestment	**$1.81B**

The food-production system has therefore increased its productive asset base by approximately **$45.59 billion** relative to the original $100 billion capitalization.

N-14.7. Production Capacity Expansion

The agricultural land component expands from approximately **10.29 million acres** initially to approximately **14.98 million acres** by Year 30.

This represents an increase of approximately:

4.69 million acres

or approximately:

45.6% additional agricultural acreage

under the base-case reinvestment assumptions.

The corresponding productive asset base increases from:

$100 billion → approximately $145.6 billion

over the thirty-year period.

N-14.8. Illustrative Physical Production Expansion

Assuming the initial crop mix and representative yields remain constant, physical agricultural production would expand approximately in proportion to productive agricultural acreage.

The initial production portfolio is based on:

- 30% corn
- 25% soybeans
- 20% wheat
- 10% potatoes
- 10% dry edible beans
- 5% vegetables

Under the constant-yield assumption, the production system would approximately reach:

Commodity	Initial	Year 10	Year 20	Year 30
Corn	~576M bu	~653M bu	~739M bu	~838M bu
Soybeans	~136M bu	~154M bu	~174M bu	~197M bu
Wheat	~110M bu	~123M bu	~141M bu	~160M bu

Potatoes	~47.3M cwt	~53.6M cwt	~60.7M cwt	~69.0M cwt
Dry edible beans	~2.07B lb	~2.35B lb	~2.66B lb	~3.01B lb

These figures represent raw agricultural production capacity, not finished food delivered to households.

Actual production would vary with weather, crop rotation, regional specialization, soil quality, irrigation, technology, market conditions, and changes in the production portfolio.

N-14.9. Production Engine Summary

The base model produces the following long-term progression:

Metric	Initial	Year 10	Year 20	Year 30
Productive assets	$100.0B	$113.3B	$128.5B	**$145.6B**
Agricultural land	10.29M acres	11.67M	13.22M	**14.98M**
Gross annual revenue	$14.0B	$15.87B	$17.98B	**$20.38B**
Operating surplus	$2.52B	$2.82B	$3.20B	**$3.62B**
Annual reinvestment	$1.26B	$1.41B	$1.60B	**$1.81B**

The model therefore demonstrates a transition from an initial federal capitalization toward a progressively self-expanding productive asset base.

N-14.10. Interpretation

This model does not establish that NELF could replace a specific percentage of the national food market.

Instead, it establishes the economic mechanism required to make such a calculation possible.

The production engine creates three distinct forms of capacity:

1. **Physical capacity** — farmland, processing facilities, storage, equipment, and distribution assets;
2. **Production capacity** — the quantity of agricultural commodities and finished food that can be produced; and
3. **Economic capacity** — revenue and sustainable surplus that can be reinvested into additional productive assets.

Only after these capacities have been established should NELF determine how much production can be dedicated to household food benefits.

N-14.11. Future Expansion

The production model may subsequently be expanded to incorporate:

- Livestock and poultry production
- Dairy production
- Egg production
- Greenhouse and controlled-environment agriculture
- Orchards and perennial crops
- Regional crop specialization
- Irrigation infrastructure
- Food-processing conversion rates
- Storage and spoilage losses
- Transportation costs
- Distribution efficiency
- Commodity-price changes
- Agricultural productivity improvements
- Additional federal capitalization

- Institutional food contracts
- Commercial food sales
- Emergency food reserves
- Household Essential Food Benefits

These additions would allow the production engine to progress from an agricultural asset model into a more complete **national food-production and distribution model**.

The ultimate objective is to determine the amount of essential food that can be produced and delivered from NELF-controlled productive assets while preserving the capital base and maintaining sufficient reinvestment for continued expansion.

N-15. Production-to-Consumer Food Conversion Model

N-15.1. Purpose

N-P14 established the agricultural production engine and estimated the quantity of raw agricultural commodities that could be produced by the NELF food system.

N-P15 extends that model through the remaining stages of the food-production system to estimate how much production could become market-ready food after accounting for:

1. Agricultural processing and conversion;
2. Storage and handling;
3. Transportation and distribution; and
4. Normal physical losses.

The production chain is therefore:

Agricultural Production → Processing → Storage → Distribution → Market-Ready Food

The resulting quantity represents food that could potentially be sold, distributed, or later allocated to an Essential Food Benefit.

N-15.2. Raw Production Versus Market-Ready Food

Raw agricultural production should not be treated as equivalent to food delivered to a household.

A commodity leaving a farm may require additional processing before becoming a consumer product.

Examples include:

- Corn becoming flour, meal, sweeteners, oils, or other food products;
- Soybeans being processed into edible oil and other food ingredients;
- Wheat being milled into flour;
- Potatoes being washed, stored, processed, or packaged;
- Dry beans being cleaned, sorted, packaged, or processed; and
- Fresh vegetables being sorted, packaged, refrigerated, processed, or preserved.

Accordingly, the model distinguishes agricultural production from market-ready food.

N-15.3. Conversion Methodology

For the initial engineering model, each commodity is assigned an illustrative primary-to-market conversion factor.

These factors are planning assumptions rather than national USDA averages.

Commodity	Primary-to-Market Conversion
Corn	90%
Soybeans	85%
Wheat	90%
Potatoes	90%

Dry edible beans	90%
Vegetables	80%

A second **95% availability factor** is then applied to represent storage, handling, transportation, and distribution losses.

Therefore:

Market-Ready Food = Raw Production × Processing/Conversion Factor × 95% Distribution Availability

These assumptions are intentionally visible so that future agricultural and logistics analysis can replace them with commodity-specific engineering data.

N-15.4. Initial Market-Ready Production

Applying the conversion assumptions to the initial N-P14 production portfolio produces the following illustrative market-ready quantities:

Commodity	Raw Production	Market-Ready Production
Corn	~576M bushels	**~492M bushels**
Soybeans	~136M bushels	**~110M bushels**
Wheat	~110M bushels	**~94M bushels**
Potatoes	~47.3M cwt	**~40.4M cwt**

Dry edible beans	~2.07B lb	**~1.77B lb**
Vegetables	~154M cwt	**~117M cwt**

The market-ready figures should not be interpreted as pounds of identical finished grocery products.

They represent the modeled quantity of each commodity remaining available for commercial sale or further food-product conversion after the stated processing and distribution adjustments.

N-15.5. Ten-Year Production-to-Market Model

By Year 10, N-P14 projects approximately **11.67 million agricultural acres**.

Assuming the same production mix and constant agricultural yields, the raw agricultural production base expands proportionally.

After applying the illustrative processing and distribution factors:

Commodity	Year-10 Raw Production	Year-10 Market-Ready Production
Corn	~653M bu	**~559M bu**
Soybeans	~154M bu	**~125M bu**
Wheat	~123M bu	**~107M bu**
Potatoes	~53.6M cwt	**~45.9M cwt**

Dry edible beans	~2.35B lb	**~2.01B lb**
Vegetables	~174M cwt	**~133M cwt**

The system therefore produces an increasing volume of market-ready agricultural commodities without assuming improvements in crop yields.

N-15.6. Twenty-Year Production-to-Market Model

By Year 20, N-P14 projects approximately **13.22 million agricultural acres**.

Applying the same conversion methodology produces:

Commodity	Year-20 Raw Production	Year-20 Market-Ready Production
Corn	~739M bu	**~633M bu**
Soybeans	~174M bu	**~141M bu**
Wheat	~141M bu	**~121M bu**
Potatoes	~60.7M cwt	**~52.0M cwt**
Dry edible beans	~2.66B lb	**~2.27B lb**
Vegetables	~199M cwt	**~150M cwt**

N-15.7. Thirty-Year Production-to-Market Model

By Year 30, N-14 projects approximately **14.98 million agricultural acres**.

Applying the same production and conversion assumptions produces:

Commodity	Year-30 Raw Production	Year-30 Market-Ready Production
Corn	~838M bu	**~717M bu**
Soybeans	~197M bu	**~160M bu**
Wheat	~160M bu	**~137M bu**
Potatoes	~69.0M cwt	**~58.9M cwt**
Dry edible beans	~3.01B lb	**~2.58B lb**
Vegetables	~229M cwt	**~170M cwt**

The resulting production represents the modeled quantity available for subsequent commercial distribution or allocation to an economic-liberty food program.

N-15.8. Production Efficiency

The model applies two separate adjustments to raw agricultural production:

1. **Commodity-specific processing/conversion**, ranging from 80% to 90% in the initial illustration; and
2. **95% modeled availability** after storage, handling, transportation, and distribution.

The resulting market-ready share is therefore approximately **76%–86% of raw production**, depending on commodity.

This distinction is important because physical agricultural output and consumer-ready food are different economic quantities.

N-15.9. Allocation of Market-Ready Food

Once agricultural commodities have been processed, preserved, and made available through the distribution system, market-ready food may be allocated among three primary uses:

1. **Commercial Distribution** — Food may be sold through conventional markets to generate revenue for operation, reserves, and expansion of the NELF food-production system.
2. **Strategic Food Reserves** — A portion of production may be retained or stored to provide seasonal supply continuity and protection against agricultural, transportation, or market disruptions.
3. **Economic-Liberty Food Benefits** — A portion of market-ready food may be allocated to households through an Essential Food Benefit established by Congress.

The three uses should remain analytically separate:

- Commercial food sales generate revenue.
- Strategic reserves provide supply security.
- Household food benefits provide direct economic relief.

Revenue generated from commercial sales may subsequently support operating costs, capital replacement, reserves, and reinvestment into additional productive capacity.

The proportion allocated to each use shall be determined separately from the production model.

N-15.10. Three-Stage Measurement System

The NELF food-production system should maintain three distinct measurements:

Stage 1 — Agricultural Production

Measures what the farms produce.

Examples include:

- Bushels
- Pounds
- Tons
- Hundredweight
- Livestock units
- Other commodity-specific measures

Stage 2 — Market-Ready Production

Measures what remains available after the modeled processing, conversion, storage, handling, and distribution adjustments.

Stage 3 — Household Food Benefit

Measures how much market-ready food is ultimately made available to households through an authorized benefit program.

The third stage is intentionally reserved for the subsequent food-benefit model.

N-15.11. Ten-, Twenty-, and Thirty-Year Summary

Metric	Initial	Year 10	Year 20	Year 30
Agricultural land	10.29M acres	11.67M	13.22M	**14.98M**
Productive assets	$100B	$113.3B	$128.5B	**$145.6B**
Gross production revenue	$14.0B	$15.87B	$17.98B	**$20.38B**

Corn, market-ready	492M bu	559M	633M	**717M**
Soybeans, market-ready	110M bu	125M	141M	**160M**
Wheat, market-ready	94M bu	107M	121M	**137M**
Potatoes, market-ready	40.4M cwt	45.9M	52.0M	**58.9M**
Dry beans, market-ready	1.77B lb	2.01B	2.27B	**2.58B**
Vegetables, market-ready	117M cwt	133M	150M	**170M**

N-15.12. Interpretation

The production-to-consumer model demonstrates why NELF must be structured as an integrated production system rather than simply a farmland acquisition program.

Agricultural land creates production capacity.

Processing assets convert agricultural commodities into food products.

Storage assets preserve production across time.

Distribution assets connect production with population centers.

Together, these assets create the infrastructure required for a national food-production system.

The model establishes an important limitation:

> **Agricultural production capacity is not the same thing as household food coverage.**

The amount of food that can ultimately be provided to households depends on the composition of the production portfolio, processing conversion, storage, distribution, nutritional requirements, operating costs, food-allocation policy, and the percentage of production reserved for commercial or other uses.

N-15.13. Next Modeling Stage

The next stage should convert market-ready production into an **Essential Food Supply Model**.

That model should determine:

1. The composition of an essential food basket;
2. Annual food requirements per person;
3. Nutritional and dietary requirements;
4. Commodity-to-food-product conversion;
5. Market-ready food requirements;
6. Population coverage;
7. Commercial versus benefit allocation;
8. Food reserve requirements;
9. Sustainable household benefit capacity; and
10. The percentage of U.S. essential-food demand potentially supplied by NELF.

Only after these calculations are completed should the model assign a dollar value to a household food subsidy or determine whether a fully or partially subsidized essential-food program is financially sustainable.

N-16. Essential Food Requirement and Potential Population Coverage

N-16.1. Purpose

N-P16 establishes the quantity of food required to provide a standardized essential food basket against which NELF market-ready production can be evaluated.

The model therefore creates the following relationship:

NELF Production → Market-Ready Food → Essential Food Requirement → Potential Population Coverage

The USDA Thrifty Food Plan (TFP) is used as the initial benchmark rather than creating an independent NELF dietary standard.

N-16.2. USDA Thrifty Food Plan Benchmark

The U.S. Department of Agriculture's **Thrifty Food Plan (TFP)** is used as the initial benchmark for an essential food basket.

The TFP represents a nutritious, practical, cost-effective diet and specifies quantities of foods and beverages that can be purchased and prepared at home.

The 2021 TFP was developed using dietary guidance, food-composition data, consumption patterns, food prices, and nutritional requirements. USDA continues to update the dollar cost of the market baskets for food-price inflation while the underlying market-basket quantities remain the basis of the current TFP until the next permitted reevaluation.

The TFP is therefore used as a federal nutritional and economic benchmark rather than creating an independent NELF dietary standard.

N-16.3. Reference Family

The USDA reference family consists of four persons:

- One male age 20–50
- One female age 20–50
- One child age 6–8
- One child age 9–11

The reference-family market basket provides approximately **140.94 pounds of food and beverages per week** across six primary categories.

N-16.4. Reference-Family Annual Food Requirement

The USDA reference family's weekly market basket can be annualized as follows:

140.94 pounds × 52 weeks = 7,328.88 pounds per year

For a four-person household:

7,328.88 ÷ 4 = 1,832.22 pounds per person per year

This produces an average planning benchmark of approximately:

35.23 pounds per person per week

or:

5.03 pounds per person per day

The pounds-per-person figure should not be interpreted as a nutritional requirement that every individual must consume. The basket includes foods with different densities, preparation states, and liquid products.

N-16.5. USDA Reference-Family Food Categories

The reference-family market basket contains approximately the following quantities:

Food Category	Weekly Quantity	Annual Quantity
Vegetables	35.37 lb	**1,839.24 lb**
Fruits	26.91 lb	**1,399.32 lb**
Grains	14.13 lb	**734.76 lb**
Dairy	41.30 lb	**2,147.60 lb**
Protein foods	16.18 lb	**841.36 lb**

Miscellaneous	7.05 lb	**366.60 lb**
Total	**140.94 lb**	**7,328.88 lb**

These quantities are based on the USDA reference-family market basket and represent foods in as-purchased form rather than raw agricultural commodities.

N-16.6. Per-Person Planning Benchmark

Dividing the reference family by four produces the following approximate annual planning requirement per person:

Food Category	Approx. Annual Requirement Per Person
Vegetables	**459.81 lb**
Fruits	**349.83 lb**
Grains	**183.69 lb**
Dairy	**536.90 lb**
Protein foods	**210.34 lb**
Miscellaneous	**91.65 lb**

Total	**1,832.22 lb**

These figures are averages derived from the reference family and are not intended to replace USDA's age- and sex-specific market baskets.

N-16.7. National-Scale Benchmark

The U.S. Census Bureau estimated the U.S. resident population at approximately **341.8 million people on July 1, 2025**.

As a simplified planning benchmark, applying the reference-family food basket to the entire 2025 population produces approximately:

341.8 million people × 1,832.22 pounds ≈ 626.2 billion pounds of food per year

This is a **reference-basket equivalent**, not a claim that the United States literally consumes 626.2 billion pounds of identical food products.

It represents the approximate quantity that would result if the entire population were modeled using the reference family's average annual market basket.

N-16.8. National Category Benchmark

Using the same simplified population-equivalent method:

Food Category	Approx. National Annual Requirement
Vegetables	**157.2 billion lb**
Fruits	**119.6 billion lb**

Grains	**62.8 billion lb**
Dairy	**183.5 billion lb**
Protein foods	**71.9 billion lb**
Miscellaneous	**31.3 billion lb**
Total	**626.2 billion lb**

These values provide a common planning scale against which NELF production can eventually be compared.

They should not yet be interpreted as the precise national quantity required for every food category because the actual U.S. population contains different age and sex distributions from the USDA reference family.

N-16.9. Demographic Adjustment

For the final national model, NELF should use the Census Bureau's age- and sex-specific population estimates and match each population group to the corresponding USDA TFP market basket.

The calculation would therefore become:

Population Group 1 × USDA Requirement 1

-

Population Group 2 × USDA Requirement 2

-

Population Group 3 × USDA Requirement 3

-

Additional Population Groups

=

National Essential Food Requirement

This method would be more precise than applying the reference family uniformly to every American.

N-16.10. Matching Production to Food Requirements

NELF production cannot be compared directly with the total 626.2-billion-pound benchmark.

Agricultural commodities must first be converted into the food products represented in the TFP.

For example:

Wheat Production
→ Flour and other grain products
→ Finished food
→ Grain requirement

Similarly:

Milk Production
→ Milk, yogurt, cheese and other dairy products
→ Finished dairy requirement

And:

Soybean Production
→ Edible oils and protein products
→ Applicable food categories

Therefore, NELF must perform commodity-specific conversion calculations before determining population coverage.

N-16.11. Category-Based Coverage

The model should calculate coverage separately for each major food category.

For example:

NELF Market-Ready Vegetables ÷ National Vegetable Requirement = Vegetable Coverage

NELF Market-Ready Fruits ÷ National Fruit Requirement = Fruit Coverage

NELF Market-Ready Grains ÷ National Grain Requirement = Grain Coverage

The same calculation would be performed for dairy, protein foods, and other required categories.

Complete-basket coverage cannot exceed the lowest adequately supplied essential category.

For example, if NELF could supply:

- 80% of grain requirements;
- 65% of vegetable requirements;
- 55% of fruit requirements;
- 40% of dairy requirements; and
- 70% of protein requirements,

NELF could not legitimately claim 80% national food coverage.

The complete essential-food-basket coverage would instead be constrained by the category with the greatest shortage.

N-16.12. Partial Food Coverage

NELF may provide partial rather than complete food coverage.

Potential planning levels include:

Coverage Level	Interpretation
10%	One-tenth of the modeled essential food requirement

25%	One-quarter
50%	One-half
75%	Three-quarters
100%	Complete modeled essential food basket

These percentages describe physical food coverage and should not automatically be interpreted as equivalent percentages of household food expenditures.

The economic value of a benefit depends upon the specific foods supplied, their market value, and the extent to which those foods replace household purchases.

N-16.13. Food-Equivalent Population Coverage

Once commodity conversion has been completed, NELF can calculate the number of complete annual food baskets supported by its production.

The basic calculation is:

Finished Essential Food Production ÷ Annual Essential Food Requirement Per Person = Potential Persons Served

For a complete food basket, however, the calculation must be performed by category.

Therefore:

Potential Complete-Basket Population = Capacity of the Most Constrained Required Category

This prevents large quantities of one commodity from being incorrectly counted as equivalent to a complete nutritional food basket.

N-P16.14. Ten-, Twenty-, and Thirty-Year Application

N-P14 and N-P15 establish projected market-ready production for Years 10, 20, and 30.

N-P16 provides the requirement against which those production levels can be compared.

The resulting calculation is:

Projection	Production Engine	Food Requirement	Potential Coverage
Year 10	N-14/N-P15	N-16	To be calculated
Year 20	N-14/N-P15	N-16	To be calculated
Year 30	N-14/N-P15	N-16	To be calculated

This allows the proposal to distinguish between growth of the food-production system and the percentage of national food requirements that the system could potentially satisfy.

N-17. Essential Food Coverage Bridge

N-17.1. Purpose

The NELF food-production model must distinguish between **agricultural production capacity** and the ability to provide a complete, nutritionally balanced food basket to households.

N-15 established how agricultural commodities move from raw production to market-ready food.

N-16 established the national food requirement benchmark.

N-17 bridges the two by evaluating the extent to which NELF market-ready production could satisfy the required food categories.

The primary planning benchmark remains the USDA Thrifty Food Plan. Because USDA maintains separate market baskets for different age-sex groups, the simplified population-wide benchmark used here should ultimately be replaced by the full demographic methodology.

N-17.2. National Physical Food Requirement Benchmark

For initial national-scale planning, the simplified reference-family benchmark produces approximately:

Food Category	Approx. Annual National Requirement
Vegetables	157.2 billion lb
Fruits	119.6 billion lb
Grains	62.8 billion lb
Dairy	183.5 billion lb
Protein foods	71.9 billion lb
Miscellaneous	31.3 billion lb
Total	**626.2 billion lb**

This is a planning benchmark rather than a literal forecast of national consumption.

N-17.3. Current NELF Production Engine

The initial NELF food-production model allocates approximately **$100 billion** to the food-production system:

- $60 billion — agricultural land
- $40 billion — processing, storage, distribution, equipment, and related infrastructure

The initial agricultural system is intentionally concentrated in staple commodities:

Commodity	Initial Illustrative Acreage Allocation
Corn	30%
Soybeans	25%
Wheat	20%
Potatoes	10%
Dry beans	10%
Vegetables	5%

This production mix creates substantial capacity in grains, starches, vegetables, plant proteins, and agricultural inputs.

It does not yet constitute a complete household food basket.

N-17.4. Market-Ready Production Compared With National Requirements

Using the market-ready production estimates established in N-P15, the current system can be compared against the national TFP planning benchmark.

Vegetable-Category Planning Proxy

For this preliminary model, potatoes, vegetables, and dry beans are treated as contributing to the broad vegetable category.

At Year 10:

- Potatoes: approximately 4.59 billion lb
- Vegetables: approximately 13.3 billion lb
- Dry beans: approximately 2.01 billion lb
- Combined physical output: approximately **19.9 billion lb**

Compared with the approximately 157.2 billion-pound national vegetable benchmark, this represents approximately **12.7% potential physical coverage**.

Year	Market-Ready Vegetable-Category Output	Approx. Benchmark Coverage
Initial	17.5B lb	11.1%
Year 10	19.9B lb	12.7%
Year 20	22.5B lb	14.3%
Year 30	25.5B lb	16.2%

This is a **broad physical-category proxy**, not a complete nutritional or household food-coverage measure.

In particular, dry beans may contribute to both vegetable and protein categories depending on the final USDA item mapping. The preliminary proxy should therefore not be used as a final complete-basket calculation.

N-17.5. Grain Coverage

Wheat provides the clearest direct comparison with the TFP grain category in the current production model.

Using **60 pounds per bushel** as the planning conversion for wheat:

Year	Market-Ready Wheat	Approx. Wheat Weight	Approx. National Grain Benchmark Coverage
Initial	94M bu	5.64B lb	9.0%
Year 10	107M bu	6.42B lb	10.2%
Year 20	121M bu	7.26B lb	11.6%
Year 30	137M bu	8.22B lb	13.1%

This calculation deliberately uses wheat alone rather than treating the entire corn or soybean crop as human-consumable grain.

Corn and soybeans may contribute to the human food system through food-grade products, oils, protein products, sweeteners, and other processed foods. However, commodities may also be directed toward animal feed, industrial uses, exports, or other markets.

Therefore, NELF should **not assume that 100% of agricultural output becomes direct household food**.

N-17.6. Coverage Bottlenecks

The current production engine reveals an important limitation.

Several TFP categories are not adequately represented by the initial agricultural mix:

TFP Category	Current NELF Direct Production	Status
Vegetables	Potatoes, vegetables, beans	Substantial initial capacity
Fruits	None specifically modeled	**Major expansion required**
Grains	Wheat plus potential food-grade corn	Substantial initial capacity
Dairy	None	**Major expansion required**
Protein foods	Beans and potential soy products	Partial
Miscellaneous	Some potential processing/oil products	Partial

Consequently, the current NELF food system **cannot claim 100% essential-food coverage**.

The limiting factor is not simply total pounds of agricultural production. It is the availability of the specific food categories required to construct a complete food basket.

N-17.7. The Complete-Basket Principle

NELF food coverage shall therefore be measured using two separate metrics:

1. Category Coverage

The percentage of the national requirement represented by NELF production within a specific food category.

2. Complete-Basket Coverage

The percentage of a complete household food basket that can be supported after accounting for all required categories.

Complete-basket coverage is constrained by the availability of the required categories.

For example, if NELF produces sufficient grains and vegetables to cover 30% of national requirements but produces no dairy or fruit, the system shall **not** be described as providing 30% of a complete national food basket.

Instead, the proposal should report:

> **NELF provides substantial partial capacity in selected food categories while additional production capacity is required to establish a complete essential-food basket.**

This prevents agricultural output from being overstated as equivalent to complete nutritional coverage.

N-17.8. Required Expansion of the Food Production Engine

To progress from a staple-crop production system toward a complete essential-food system, subsequent NELF investment phases may establish additional capacity in:

1. **Fruit production**
    - Orchards
    - Berry production
    - Vine crops
    - Protected agriculture
    - Regional storage and preservation
2. **Dairy production**
    - Dairy cattle
    - Milk processing
    - Refrigerated distribution
    - Cheese and other shelf-stable products
3. **Animal protein**
    - Beef
    - Pork
    - Poultry
    - Eggs
    - Other protein sources
4. **Expanded plant protein**

    - Soy food products
    - Dry beans
    - Peas
    - Lentils
    - Nuts and seeds
5. **Food oils and processing**
    - Soybean oil
    - Corn products
    - Other edible oils
    - Food-grade processing facilities
6. **Protected agriculture**
    - Greenhouses
    - Controlled-environment agriculture
    - Seasonal vegetable production
7. **Preservation and storage**
    - Freezing
    - Canning
    - Dry storage
    - Cold storage
    - Dehydration
8. **Distribution**
    - Regional food hubs
    - Refrigerated transportation
    - Warehousing
    - Household distribution infrastructure

N-17.9. Phased Food-Coverage Strategy

The NELF food system should therefore be developed in stages rather than assuming that a single initial agricultural investment can immediately supply the entire national food basket.

Phase	Primary Objective
Phase I	Establish staple agricultural production
Phase II	Expand processing, storage, and distribution

Phase III	Add fruit, dairy, animal protein, and additional plant protein
Phase IV	Expand food preservation and regional redundancy
Phase V	Increase production toward complete essential-food coverage
Phase VI	Establish sustainable long-term household food benefits

The transition from one phase to another should be based on demonstrated production capacity, operating economics, reserves, and measurable food-category coverage.

N-17.10. Economic-Liberty Implication

The purpose of the NELF food system is not necessarily to produce every pound of food consumed by Americans.

Its economic purpose is to reduce the portion of household income required to obtain essential food.

NELF may achieve this through a combination of:

- Direct production of essential foods;
- Commercial sale of NELF-produced food;
- Strategic food reserves;
- Lower-cost food distribution;
- Household food benefits;
- Targeted subsidies; and
- Reinvestment into additional productive capacity.

Food production capacity and household food assistance are separate policy decisions.

NELF may build substantial productive capacity without immediately distributing all production to households. Congress may determine the appropriate allocation among commercial markets,

reserves, and household benefits after production capacity and financial sustainability have been demonstrated.

N-17.11. Preliminary Finding

The N-P17 analysis demonstrates that the initial NELF food-production engine can create meaningful national food-production capacity, particularly in staple crops and plant-based foods.

However, the analysis also demonstrates that **land acquisition and staple-crop production alone are insufficient to establish complete national food independence**.

The principal requirement for the next stage of the model is therefore not simply additional acreage.

It is **food-system diversification**.

A complete NELF food system must combine:

Agricultural Land + Crop Production + Animal Production + Fruit Production + Processing + Storage + Distribution + Reserves + Household Benefit Infrastructure

The resulting system can then be evaluated against the USDA food-basket benchmark on both a category-by-category and complete-basket basis.

N-17 therefore establishes the baseline from which the next stage of food-system modeling can determine the capital required to progress from **partial staple-food coverage toward complete essential-food coverage**.

N.18. Essential Food Benefit & Household Economic Impact

N.18.1. Purpose

N.17 established the physical relationship between NELF food production and the quantity of essential food required by American households. N.18 establishes the next step: determining how food-production capacity could be converted into an **Essential Food Benefit** and how that benefit could reduce household food expenditures.

The central economic question is not simply how much food NELF can produce. It is:

How much of the household's required food expenditure can NELF ultimately replace, and what economic resources are thereby released to the household?

This section therefore separates:

1. Physical food production;
2. Food allocated to household benefits;
3. The economic value of that benefit;
4. Household food expenditures displaced by the benefit; and
5. The resulting increase in household economic liberty.

The model is illustrative and does not assume that all NELF production will be distributed to households. Actual benefit levels, eligibility, allocation percentages, and program design would remain subject to Congressional authorization.

N.18.2. Reference Household Food Expenditure

The USDA Thrifty Food Plan provides a useful benchmark for estimating the cost of a nutritious food basket at a relatively low modeled expenditure level.

The January 2026 USDA reference-family food plan cost was approximately **$1,000.20 per month**, or approximately **$12,002 per year**.

This figure is used as a planning benchmark rather than a prediction of actual spending by every household.

The economic-liberty model therefore treats the household's annual essential-food requirement as having two distinct dimensions:

Physical Requirement:
The quantity of food required to construct the modeled essential food basket.

Economic Requirement:
The amount of household income required to purchase that basket.

The Essential Food Benefit addresses the second dimension by reducing the amount households must spend from their own income.

N.18.3. Food Benefit Allocation

Not all NELF food production should automatically be distributed through the Essential Food Benefit.

Market-ready production may continue to serve several purposes:

- Commercial food sales;
- Strategic food reserves;
- Operating-cost recovery;
- Capital replacement;
- Production expansion;
- Emergency supply;
- Household food benefits.

Accordingly, the model introduces a separate **Household Benefit Allocation Rate**.

For example:

Allocation Scenario	Portion of Eligible NELF Food Allocated to Households
Low	10%
Moderate	25%
High	50%
Maximum Illustrative	75%

These percentages are scenario assumptions and do not represent a recommended statutory allocation.

The remaining production may continue to generate revenue, maintain reserves, or support future expansion of the food-production system.

N.18.4. Retail-Equivalent Value of the Food Benefit

Physical food quantities must be converted into an economic value before the household economic effect can be measured.

The model therefore defines:

Retail-Equivalent Food Benefit = Quantity of Food Delivered × Applicable Benchmark Food Value

The applicable benchmark should be based on the value of the actual food basket delivered rather than simply applying a commodity-market price to raw agricultural output.

This distinction is important because raw commodities and household-ready foods have different economic values.

For example:

- Wheat is not equivalent to packaged bread;
- Soybeans are not equivalent to finished food products;
- Potatoes are not equivalent to prepared or packaged meals;
- Raw agricultural production does not include all processing, packaging, transportation, retail, or distribution functions.

Accordingly, NELF should calculate the benefit using the value of **market-ready food actually made available to participating households**.

N.18.5. Household Expenditure Displacement

The economic value of the Essential Food Benefit represents food that the participating household would otherwise have had to purchase.

The preliminary household model therefore defines:

Household Food Expenditure Freed = Eligible Food Expenditure Replaced by the Benefit

If a household normally spends $12,002 annually on the modeled essential food basket and receives a benefit replacing 25% of that requirement, the preliminary economic effect would be:

$12,002 × 25% = approximately $3,001 per year

The household would therefore require approximately $3,001 less of its own annual income to obtain the modeled food basket.

At a 50% replacement level:

$12,002 × 50% = approximately $6,001 per year

At a 75% replacement level:

$12,002 × 75% = approximately $9,002 per year

These figures represent the **maximum expenditure displacement implied by the benchmark replacement rate**, before accounting for household-specific purchasing behavior, benefit restrictions, substitution effects, or differences between benchmark and actual retail prices.

N.18.6. Illustrative Household Economic Effect

Using the January 2026 reference-family benchmark, the potential annual household expenditure reduction can be expressed as follows:

Essential Food Benefit Coverage	Approx. Annual Food Expenditure Freed	Approx. Monthly Expenditure Freed
10%	$1,200	$100
25%	$3,001	$250
50%	$6,001	$500
75%	$9,002	$750
100%	$12,002	$1,000

These values are illustrative and represent the economic value of replacing an equivalent portion of the benchmark food basket.

A 100% benefit does **not** imply that NELF must purchase or distribute every dollar of food consumed by a household. It means that, if the complete benchmark basket were supplied at

equivalent economic value, the household's modeled food expenditure could theoretically be eliminated.

N.18.7. Household Economic-Liberty Effect

The principal economic-liberty effect occurs when a household no longer needs to devote the same portion of its income to an essential necessity.

Money freed from food expenditure becomes available for other purposes, including:

- Housing;
- Transportation;
- Utilities;
- Debt reduction;
- Emergency savings;
- Retirement savings;
- Education;
- Child-related expenses;
- Business formation;
- Investment;
- Recreation; and
- Other voluntary expenditures.

The benefit therefore does not merely transfer food from one source to another.

It changes the household's **required income floor**.

A household that requires $X per year to maintain essential consumption before the benefit, but only $X − B after receiving an Essential Food Benefit of $B, has greater economic flexibility even if the household's gross income has not changed.

N.18.8. Required Income Reduction

The model defines the household's required income reduction as:

Required Income Reduction = Essential Food Expenditure Displaced

And the percentage reduction in essential-income requirements as:

Economic Burden Reduction = Food Expenditure Displaced ÷ Total Household Essential Expenditures

This distinction allows the proposal to avoid claiming that food benefits increase household income directly.

Instead, the benefit reduces the amount of income that must be earned to maintain a given standard of essential consumption.

This is a central component of the NELF concept of economic liberty.

N.18.9. Economic Liberty as Increased Choice

The value of the Essential Food Benefit should therefore be evaluated not solely as a subsidy but as an increase in household choice.

When essential expenditures consume a smaller portion of household income, households gain greater ability to determine how their remaining resources are used.

The economic-liberty pathway can be represented as:

NELF Productive Assets
↓
Food Production
↓
Processing / Storage / Distribution
↓
Market-Ready Food
↓
Essential Food Benefit
↓
Household Food Expenditure Displaced
↓
Income Freed From Necessity Spending
↓
Greater Household Economic Choice

The final step is the policy objective.

NELF does not need to provide households with unrestricted cash in order to increase economic liberty. It can increase economic liberty by reducing the amount of income households must surrender to essential necessities.

N.18.10. National Economic Effect

Once the household-level benefit is established, the model can be scaled to participating households.

The preliminary national formula is:

National Food Expenditure Freed = Participating Households × Average Annual Food Expenditure Displaced per Household

For example, if an illustrative benefit displaced $3,001 of annual food expenditure for one million participating households:

1,000,000 × $3,001 ≈ $3.0 billion of annual household food expenditure displaced

At ten million participating households:

10,000,000 × $3,001 ≈ $30.0 billion

At twenty million participating households:

20,000,000 × $3,001 ≈ $60.0 billion

These examples demonstrate the scaling mechanism rather than establishing a projected program size.

N.18.11. Benefit Value Versus NELF Cost

The value transferred to households must remain distinct from the cost of producing and distributing the food.

The model should therefore track at least three separate quantities:

1. **Production Cost** — the cost incurred by NELF to produce, process, preserve, and distribute food;
2. **Benefit Value** — the economic value of food made available to households; and
3. **Household Expenditure Displaced** — the amount of household food spending actually replaced.

These quantities will not necessarily be equal.

A NELF-produced food item may cost NELF less to produce than its conventional retail-equivalent value. Conversely, distribution, processing, labor, storage, and administrative costs may reduce the net economic value delivered.

The proposal should therefore avoid treating gross retail value as equivalent to net fiscal savings.

N.18.12. Net Economic-Liberty Benefit

For a more complete implementation model, NELF should calculate:

Net Household Economic Benefit = Household Expenditure Displaced − Household Costs Created by Benefit Participation

Where applicable, household costs may include:

- Transportation required to obtain food;
- Uncovered food purchases;
- Fees or administrative costs;
- Required purchases outside the benefit basket; and
- Other incremental costs imposed by the benefit structure.

The objective should be to maximize the **net reduction in unavoidable household expenditure**, rather than simply maximizing the quantity of food distributed.

N.18.13. Complete-Basket Versus Partial-Basket Benefits

A partial food benefit should not be represented as though it eliminates the household's entire food budget.

The model therefore distinguishes:

Partial Essential Food Benefit

A benefit replacing a defined portion of the household's essential food requirement.

Complete Essential Food Benefit

A benefit sufficient to provide the complete modeled essential food basket at the applicable benchmark level.

For example, a 25% benefit should be described as approximately 25% replacement of the modeled essential food requirement—not as 25% of all household food-related expenses in every household.

This distinction preserves the conservative methodology established in N-P17.

N.18.14. Relationship to Other Economic-Liberty Benefits

Food expenditure reduction should also be evaluated alongside other NELF programs.

If NELF subsequently reduces housing, transportation, energy, healthcare, or other essential expenditures, the benefits may compound.

The household-level model can therefore be expressed as:

Total Economic-Liberty Benefit = Food Expenditure Freed + Housing Expenditure Freed + Transportation Expenditure Freed + Other Essential Expenditure Freed

This creates a common measurement framework for the broader NELF program.

The purpose is not merely to provide individual subsidies, but to progressively reduce the amount of earned income required to maintain essential living standards.

N.18.15. Preliminary Finding

The Essential Food Benefit represents the point at which NELF's physical food-production capacity becomes a measurable household economic benefit.

The model demonstrates that the economic value of food production should not be measured solely by agricultural output or gross production revenue.

The relevant household measure is:

> **How much essential food expenditure can NELF reliably replace for participating households?**

Using the January 2026 USDA reference-family food-cost benchmark of approximately $12,002 annually, every 10 percentage points of equivalent food-basket replacement represents approximately **$1,200 per year, or $100 per month, of modeled household food expenditure displaced**.

At higher coverage levels, the potential effect becomes substantial:

- **25% coverage:** approximately $3,001 annually;
- **50% coverage:** approximately $6,001 annually;
- **75% coverage:** approximately $9,002 annually; and
- **100% coverage:** approximately $12,002 annually.

These figures are not projections of actual household savings. They establish the conversion framework required for the next stage of NELF modeling.

The ultimate economic-liberty objective is therefore not simply to produce food.

It is to **convert permanent productive capacity into a sustainable reduction in the income households must devote to essential consumption**, thereby increasing the resources available for saving, investment, housing, education, entrepreneurship, debt reduction, and other voluntary economic choices.

N.18 therefore establishes the household-economic bridge between **food production capacity** and **economic liberty**.

N-19. What Does the Benefit Actually Do to Household Economic Liberty at National Scale?

N-19.1. Purpose

N-17 established the physical food-production capacity that the NELF food system may create.

N-18 established how an Essential Food Benefit could translate a portion of that productive capacity into reduced household food expenditures.

N-19 completes the economic bridge by examining the effect of that benefit when applied across a national population.

The central question is:

> **If NELF can sustainably provide a portion of essential food requirements to households, how much household income is no longer required to obtain that portion of essential food?**

The economic-liberty effect is therefore measured not simply by the amount of food produced, but by the amount of **required household expenditure displaced by that food**.

N-19.2. The Economic-Liberty Mechanism

The NELF food system creates economic liberty through the following sequence:

NELF Productive Assets

→

Food Production

→

Market-Ready Food

→

Eligible Food Allocation

→

Household Food Benefit

→

Reduced Household Food Expenditure

→

Increased Household Economic Choice

The final step is the primary economic-liberty objective.

When a household no longer needs to spend a portion of its income on an essential necessity, that income becomes available for other purposes.

The household therefore gains greater control over its remaining income without requiring an equivalent increase in wages.

N-19.3. Food Benefit Versus Cash Income

An Essential Food Benefit is not equivalent to a cash payment.

A household receiving $500 of eligible food through NELF has not necessarily received $500 in unrestricted disposable cash.

Instead, the household has avoided approximately $500 of food expenditure that it otherwise would have had to make.

The economic effect can nevertheless be substantial because the household can redirect the income that would otherwise have been required for food toward other needs.

Accordingly:

Food Benefit Value ≠ Cash Transfer

but:

Food Benefit Value ≈ Household Expenditure Displaced

when the benefit replaces food that the household would otherwise purchase.

N-19.4. Household Economic-Liberty Equation

The basic household-level calculation is:

Annual Food Expenditure Displaced = Annual Eligible Food Benefit Value

The resulting income requirement becomes:

Required Household Income After Benefit = Required Household Income Before Benefit − Food Expenditure Displaced

For example, if a household requires $12,002 annually to purchase the modeled essential-food basket and receives a benefit replacing $3,001 of that expenditure:

$12,002 − $3,001 = $9,001

The household would therefore need approximately **$3,001 less annual income to maintain the same modeled food consumption**, assuming the benefit fully replaces food purchases that the household would otherwise make.

N-19.5. Illustrative Household Benefit Levels

Using the N-P18 reference-food expenditure of approximately **$12,002 per year**, the following scenarios illustrate the potential household effect:

Food Expenditure Replaced	Annual Expenditure Displaced	Monthly Equivalent	Household Food Expenditure Remaining
10%	~$1,200	~$100	~$10,802
25%	~$3,001	~$250	~$9,001
50%	~$6,001	~$500	~$6,001
75%	~$9,002	~$750	~$3,000
100%	~$12,002	~$1,000	~$0

These are illustrative household scenarios rather than projections of the number of households NELF could actually serve.

The actual benefit level must be determined from demonstrated food-production capacity and the final Essential Food Benefit design.

N-19.6. Why the Percentage Matters

The economic significance of the benefit increases as the percentage of essential food expenditure displaced increases.

A 10% benefit produces a relatively modest reduction in required household income.

A 25% benefit produces a meaningful reduction.

A 50% benefit effectively removes approximately one-half of the modeled essential-food expenditure from the household budget.

A 75% benefit removes most of the modeled food expenditure.

A 100% benefit would theoretically eliminate the household's modeled expenditure for the covered essential-food basket.

However, the economic-liberty value does not increase merely because a larger percentage is politically desirable.

The percentage must remain constrained by:

- Actual food production;
- Processing capacity;
- Storage requirements;
- Distribution capacity;
- Food-category coverage;
- Strategic reserves;
- Operating costs;
- Capital replacement;
- Reinvestment requirements; and
- Long-term sustainability of the NELF food system.

N-19.7. National Scaling Formula

Once an actual household benefit has been established, the national economic effect can be calculated using:

National Household Expenditure Displaced = Participating Households × Annual Expenditure Displaced Per Household

For example, using the illustrative $3,001 annual expenditure displacement:

Participating Households	Annual Expenditure Displaced Per Household	Aggregate Annual Expenditure Displaced
1 million	~$3,001	**~$3.0B**
5 million	~$3,001	**~$15.0B**

10 million	~$3,001	**~$30.0B**
20 million	~$3,001	**~$60.0B**
30 million	~$3,001	**~$90.0B**
50 million	~$3,001	**~$150.1B**

This illustrates an important feature of the NELF model:

A relatively modest household benefit can become a substantial national economic effect when applied across a large population.

N-19.8. National Scaling at Different Benefit Levels

The same principle can be applied to different levels of annual household expenditure displacement.

Participating Households	25% Benefit	50% Benefit	75% Benefit
1M	~$3.0B	~$6.0B	~$9.0B
5M	~$15.0B	~$30.0B	~$45.0B
10M	~$30.0B	~$60.0B	~$90.0B
20M	~$60.0B	~$120.0B	~$180.0B

30M	~$90.0B	~$180.0B	~$270.1B
50M	~$150.1B	~$300.1B	~$450.1B

These figures are mathematical illustrations based on the N-P18 household benchmark.

They do **not** represent a forecast of actual NELF food-benefit expenditures or national savings.

The actual national result depends on the number of participating households and the quantity and composition of food NELF can sustainably provide.

N-19.9. From Expenditure Reduction to Economic Liberty

The economic-liberty effect occurs because households gain control over income that would otherwise be committed to a necessity.

A household receiving a $500 monthly food benefit could potentially redirect that $500 toward:

- Housing
- Utilities
- Transportation
- Debt reduction
- Emergency savings
- Education
- Child-related expenses
- Retirement savings
- Business formation
- Investment
- Other household priorities

The NELF benefit therefore does not merely reduce food expenditure.

It increases the household's **available economic choice set**.

The household remains free to determine how the displaced expenditure is used.

N-19.10. Economic Liberty as Reduced Required Income

A useful way to express this effect is through the concept of the **required income floor**.

A household must generate sufficient income to satisfy its essential obligations.

If essential food requires:

$1,000 per month

and NELF sustainably supplies:

$500 per month

of that requirement, the household's income requirement for the covered food expenditure falls to:

$500 per month

The household does not necessarily become $500 richer in cash.

Instead, it becomes **$500 less dependent on earned income for that necessity**.

That distinction is central to the DOEL concept of economic liberty.

N-19.11. Income-Floor Reduction

The broader household income equation can therefore be expressed as:

Economic Requirement = Essential Expenditures − Sustainable NELF Benefits

For a household with modeled essential expenditures of $3,500 per month:

$3,500 − $500 = $3,000

The household would theoretically require $500 less monthly income to maintain the same level of covered essential consumption.

This reduction can have several effects:

1. Lower minimum income necessary to maintain basic living standards;
2. Greater ability to withstand temporary unemployment or income interruption;
3. Greater capacity to save;
4. Greater ability to reduce debt;
5. Greater freedom to change employment;
6. Greater ability to pursue education or training;
7. Greater capacity to start a business;

8. Greater ability to invest for retirement; and
9. Greater ability to make voluntary rather than necessity-driven economic decisions.

The benefit therefore functions as a reduction in the household's **economic dependency on earned income for essential consumption**.

N-19.12. Economic Resilience

The benefit may also increase household economic resilience.

Consider two otherwise identical households.

Household A

Monthly essential expenditures:

$3,500

Monthly income:

$3,500

The household has little remaining income after essential expenses.

Household B

Monthly essential expenditures:

$3,500

NELF benefit:

$500

Effective remaining essential expenditure:

$3,000

Monthly income:

$3,500

Household B retains approximately:

$500

of income that Household A must devote to the covered food expenditure.

That $500 may become savings, debt repayment, or discretionary economic capacity.

The difference is not merely an increase in consumption.

It is an increase in the household's ability to absorb economic shocks.

N-19.13. The Compounding Effect Across Multiple Benefits

Food is only one component of household essential expenditure.

The economic-liberty effect becomes more significant if NELF develops additional productive systems capable of reducing other necessities.

For example:

Food Benefit

-

Housing Benefit

-

Transportation Benefit

-

Energy/Utility Benefit

-

Other Essential Benefits

=

Aggregate Reduction in Required Household Income

This is the mechanism by which the DOEL proposal seeks to progress from isolated assistance toward broader economic independence.

Each productive asset system can reduce a different component of household economic dependency.

N-19.14. Food Benefit Combined With Housing Relief

The interaction between food and housing illustrates the potential compounding effect.

Suppose a household receives:

- $500/month of food expenditure displacement; and
- $500/month of housing expenditure displacement.

The combined effect is:

$1,000/month

or:

$12,000/year

of essential expenditure displaced.

The household would therefore require approximately $12,000 less annual income to maintain the same covered level of essential consumption.

The significance is not that the household received $12,000 in unrestricted cash.

The significance is that the household no longer needs to generate that amount of income to satisfy the covered necessities.

N-19.15. National Economic Effect

At national scale, the aggregate economic-liberty effect can be represented as:

Number of Participating Households

×

Annual Essential Expenditure Displaced

=

Aggregate Household Economic Capacity Released

This released capacity remains within households rather than being consumed by the covered necessity.

Depending on household circumstances, it may be directed toward:

- Savings;
- Debt repayment;
- Consumption of other goods and services;
- Education;
- Investment;
- Business activity;
- Housing upgrades;
- Retirement;
- Emergency reserves; or
- Other voluntary economic decisions.

The resulting economic activity is not guaranteed to occur in any particular category.

The important point is that the household gains the ability to choose.

N-19.16. Distinguishing Household Benefit From Government Savings

The expenditure displaced from households should not automatically be described as federal budget savings.

If NELF provides $60 billion of food benefits to households, that does not mean the federal government has saved $60 billion.

The $60 billion represents the approximate value of household food expenditure displaced under the stated assumptions.

The government or NELF may incur costs associated with producing, processing, storing, distributing, administering, and maintaining the food benefit.

Therefore:

Household Expenditure Displaced ≠ Federal Budget Savings

The economic-liberty analysis should report these values separately.

N-19.17. Net Economic-Liberty Benefit

A more complete measurement is:

Net Household Economic Benefit = Household Expenditure Displaced − New Household Costs Created by Participation

Potential participation costs could include:

- Transportation;
- Required fees;
- Administrative costs;
- Geographic access costs;
- Co-payments;
- Other costs imposed by the benefit structure.

For example, if a household receives:

$6,000/year

of food expenditure displacement but incurs:

$500/year

of additional participation-related costs:

$6,000 − $500 = $5,500

The net household economic benefit would therefore be approximately **$5,500 per year**.

The final NELF program should be designed to minimize such costs because an inaccessible benefit does not provide its theoretical economic value.

N-19.18. Benefit Accessibility

Economic liberty depends upon actual access rather than nominal eligibility.

A national benefit therefore requires infrastructure capable of reaching households across:

- Rural communities;
- Urban communities;

- Suburban communities;
- Food deserts;
- Remote regions;
- Low-density areas; and
- Areas outside NELF production regions.

Distribution infrastructure is therefore not merely a logistical component of the food-production engine.

It is part of the economic-liberty infrastructure.

A food benefit that exists only near NELF-owned farms would not constitute a national benefit.

N-19.19. Allocation Percentage Versus Household Coverage

Two percentages must remain separate throughout the model.

Production Allocation Percentage

The percentage of NELF market-ready food allocated to households rather than commercial sales, reserves, or other uses.

Household Food-Basket Coverage Percentage

The percentage of an eligible household's essential food requirement actually replaced by the benefit.

These percentages are not interchangeable.

For example, NELF could allocate **25% of its eligible food production** to households while that food replaces only **10% of the average household food requirement**.

Conversely, highly efficient production and distribution could potentially allow a smaller physical allocation to create a larger expenditure effect if the food supplied represents relatively high-value household purchases.

The final model must therefore calculate the two percentages independently.

N-19.20. National Benefit Measurement

The final national calculation should follow this sequence:

Step 1 — Determine NELF Market-Ready Food

↓

Step 2 — Determine Required Strategic Reserves

↓

Step 3 — Determine Sustainable Commercial Allocation

↓

Step 4 — Determine Food Available for Household Benefits

↓

Step 5 — Map Food to USDA Essential-Food Categories

↓

Step 6 — Determine Complete-Basket Coverage

↓

Step 7 — Determine Eligible Households

↓

Step 8 — Determine Household Expenditure Displaced

↓

Step 9 — Aggregate Across Participating Households

↓

Step 10 — Subtract Household Participation Costs

↓

Step 11 — Measure Net Household Economic Benefit

This sequence prevents the proposal from claiming household economic benefits before the physical and financial capacity to provide those benefits has been demonstrated.

N-19.21. National Economic-Liberty Metric

The DOEL proposal can therefore establish a measurable national economic-liberty indicator:

Household Economic Capacity Released

Defined as:

Aggregate Net Household Expenditure Displaced Through Sustainable NELF Benefits

This metric can be reported annually.

For example:

> **Year X: NELF sustainably displaced $Y billion of participating household essential-food expenditures, reducing the aggregate income required to obtain covered food by approximately $Y billion before accounting for participation costs.**

This provides a measurable connection between NELF productive assets and the economic condition of households.

N-19.22. Per-Household Economic-Liberty Metric

The same concept can be expressed at the household level:

Annual Household Economic Capacity Released

=

Annual Food Expenditure Displaced

−

Household Participation Costs

This allows the program to report not only how much NELF produces, but how much economic capacity is actually returned to participating households.

A household receiving a $6,000 annual net food benefit has approximately $6,000 of additional annual economic capacity relative to the counterfactual in which it would otherwise have purchased that food itself.

N-19.23. National Scale Does Not Require Universal Coverage Immediately

The NELF food system does not need to serve every American simultaneously to create measurable economic-liberty effects.

A system serving:

1 million households

with a $3,001 annual food expenditure displacement would release approximately:

$3.0 billion per year

of household food expenditure.

At:

10 million households

the same benefit would represent approximately:

$30 billion per year

At:

20 million households

approximately:

$60 billion per year

The benefit can therefore scale progressively with demonstrated production capacity.

This allows NELF to expand household coverage without requiring the system to establish complete national food independence at inception.

N-19.24. Sustainability Requirement

The household benefit must not consume the productive capital necessary to maintain the food-production engine.

The long-term economic-liberty benefit therefore depends upon maintaining sufficient resources for:

- Operating expenses;
- Capital replacement;
- Agricultural maintenance;
- Equipment replacement;
- Storage maintenance;
- Distribution infrastructure;
- Strategic reserves;
- Risk management; and
- Reinvestment.

The benefit should be established from **sustainable productive capacity**, not from liquidation of NELF's underlying assets.

This preserves the productive engine for future households.

N-19.25. Intergenerational Economic Liberty

A properly structured NELF food benefit could therefore produce an intergenerational effect.

If productive assets are preserved while their sustainable output supports household benefits, the same underlying capital can potentially serve successive generations.

The economic model becomes:

Federal Capitalization

→

Productive Asset Acquisition

→

Production

→

Sustainable Surplus

→

Reinvestment

→

Expanded Productive Capacity

→

Household Benefits

→

Reduced Household Economic Dependency

while preserving the underlying productive asset base.

The objective is therefore not simply to transfer resources from one generation to another.

It is to establish productive assets capable of generating economic benefits repeatedly over time.

N-19.26. Relationship to Economic Liberty

The central economic-liberty effect can be summarized as follows:

Economic Liberty increases when individuals can satisfy essential needs with less mandatory expenditure of their own earned income.

A food benefit contributes to that liberty by reducing the income necessary to obtain food.

The household then has greater freedom to determine how the remaining income is used.

The benefit therefore changes the household's economic position in two ways:

1. **It lowers the cost of satisfying an essential necessity.**
2. **It increases the amount of household income available for voluntary economic decisions.**

This is the principal distinction between the DOEL concept of economic liberty and a conventional income-transfer model.

N-19.27. Preliminary National Finding

The NELF food system can potentially create an economic-liberty benefit substantially larger than the direct value of the agricultural assets themselves when productive capacity is converted into sustained household expenditure displacement.

The progression is:

$100B Initial Food-System Capitalization

→

Productive Agricultural and Food Infrastructure

→

Growing Food Production

→

Market-Ready Food

→

Essential Food Allocation

→

Household Expenditure Displacement

→

Reduced Required Household Income

→

Increased Household Economic Choice

The magnitude of the national effect depends on three variables:

1. Production Capacity

How much essential food NELF can sustainably produce and deliver.

2. Benefit Coverage

What percentage of eligible households' essential food requirements can actually be replaced.

3. Household Participation

How many households ultimately receive and utilize the benefit.

The national economic-liberty effect should therefore be calculated from actual demonstrated food capacity rather than from the initial capitalization alone.

N-19.28. Final Economic-Liberty Equation

The complete preliminary equation is:

National Economic Capacity Released

=

Participating Households

×

Annual Household Food Expenditure Displaced

–

Aggregate Household Participation Costs

The resulting amount represents the approximate annual economic capacity returned to households through the food benefit.

When combined with other NELF systems:

Total National Economic Capacity Released

=

Food Expenditure Displaced

-

Housing Expenditure Displaced

-

Transportation Expenditure Displaced

-

Other Essential Expenditure Displaced

–

Associated Household Participation Costs

This provides the foundation for measuring the broader DOEL objective:

> **Progressive reduction in the amount of earned income individuals must commit to essential necessities, thereby increasing the portion of economic life over which individuals retain voluntary control.**

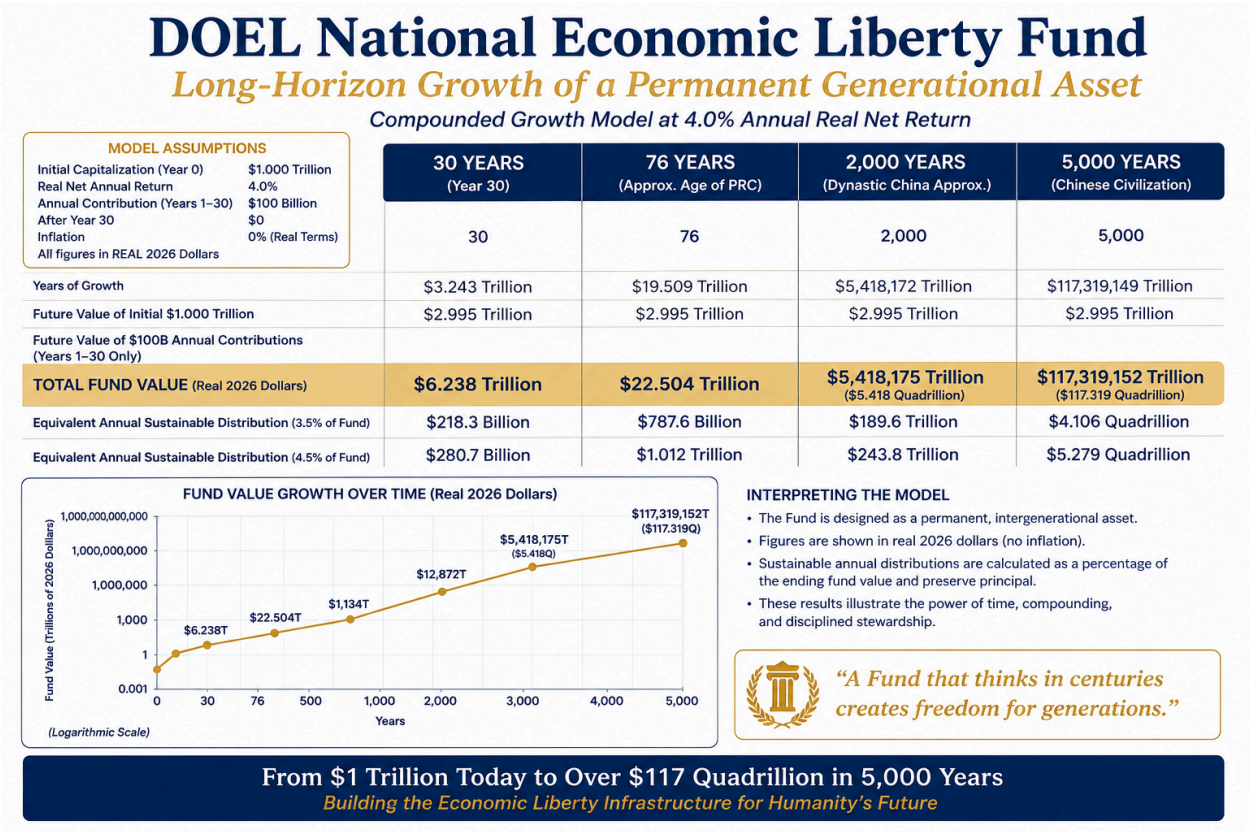
N-19 therefore establishes the national-scale bridge between **NELF productive capacity and measurable household economic liberty**.

Source & Modeling Disclaimer

> The sources listed above provide factual, historical, economic, statistical, or constitutional reference material and do not constitute endorsements of the Department of Economic Liberty (DOEL), the National Economic Liberty Fund (NELF), or any proposed program contained within this proposal.
>
> All financial projections, investment scenarios, capitalization models, contribution schedules, and economic-capacity calculations contained within the proposal are illustrative models based upon the assumptions stated in the applicable exhibit. They are not predictions, guarantees, or representations of future investment returns, federal revenues, economic growth, or government expenditures.
>
> Where external economic statistics are used, the underlying source, measurement methodology, reference year, and applicable limitations should be considered when interpreting the resulting calculations.

Long Scenario

Purpose: The following model is a prediction of what DOEL and the NELF could be worth in comparison to the age of the Chinese Government. It has been included only to show the potential of an ongoing system. It assumes a constant 4% return rate and annual 250B investment.



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Proposal Writers & Collaborators

Proposal Writer

Xavier Demitrius Simmons

Date of Birth: 12/30/1995

Education: Bachelors in Business Administration, Indiana State University (ISU) 2014 - 2018

Proposal Writer

ChatGPT

Date of Creation: 11/30/2022

Open source Artificial Intelligence system

Financial Analyst

Shiv Patel

Education: Bachelor of Science (BS), Math and Physics | 2013 - 2017

Macro-Economist (To Be Decided)

Economist name

Economist education
