Equitable, not Efficient

President Franklin D. Roosevelt, during his term, completely altered the role of the public sector within the American economic system. He did this by deliberately choosing equity over efficiency, a much different economic stance than his predecessors. By placing the hands of the government into more and more economic activity, FDR enhanced the welfare of the American people and increased the standard of living for the working class. To introduce this argument, I will explain the economic justifications of the public sector as well as summarize the central ideas of the school FDR leaned heavily on, Keynesianism. I will highlight not only FDR’s policies but his rhetoric revolving around both the Social Security Act and the Fair Labor Standards Act to showcase his determination to keep equity a priority— a determination that made Roosevelt’s justifications for his policy prescriptions creative and compelling to some while authoritarian to others. I will, then, evaluate the successes of these policies with statistical data of their economic impact as well as discuss their social impact using archival data from the time period. I will conclude this paper by explaining why a robust welfare state, created by a healthy public sector, is necessary for the American economy.