The Nation at a Crossroads

★ Growing Insecurity
Layoffs & job instability
Stagnant wages
Insecure retirement
Plummeting stock market

★ Greater Burdens
Rising costs of health care, child care, education, & utilities; and housing costs are still very high
Longer work hours
Loss of family time

★ Stress, Isolation and Scapegoating
Anger at immigrants
Families hunkering down
Gated communities; growing prison population
Fear of crime
Endless war
1947 to 1979 – Real Family Income Growth by Quintile & for Top 5%

We All Grew

Median Family Income by Race, 1947-2006

Racial Income Inequality Persists

Source: Analysis of US Census Bureau data in Table 1.3 in The State of Working America 2008/2009 by Lawrence Mishel, Jared Bernstein, and Heidi Shierholz, Economic Policy Institute. All income in 2006 dollars.

* Prior to 1967, data for African Americans included all "non-whites."

** The Census Bureau uses the term "Hispanic." We prefer "Latino." Persons of Latino origin may be of any race.
Corporate profits fell sharply after the mid-1960s. 

Source: *Left Business Observer*: data from Federal Reserve and Bureau of Economic Analysis data. The profit rate is defined as corporate profits (with IVA and CCAdj) from the national income accounts, before and after taxes, divided by the Federal Reserve’s estimates of the value of the tangible capital stock, from their flow of funds accounts. Corporations are nonfinancial corps only.
Percentage of the Workforce in a Union, 1930-2006

Anti-union policies weakened the power and voice of workers

Source: Bureau of Labor Statistics
Percent of Federal Tax Collections from Individuals & Corporations

Source: Congressional Budget Office, “Revenues by Major Source, 1962 to 2004.”
Effective Federal Tax Rates (Income Tax + Payroll tax) for the Top 1% and the Middle Quintile of Households, 1948-2005

Tax Breaks for the Wealthy - No Tax Relief for Working Families

Sources:
Profits, particularly in the financial sector, rose dramatically in the late 1990s.

People with investment income and large amounts of inherited wealth have received a multitude of tax breaks in recent years.
“Ladies and gentlemen ... greed, for lack of a better word, is good.”

— Gordon Gekko, a fictitious corporate raider, at a meeting of shareholders in the 1987 movie “Wall Street.”
Ownership of Household Wealth in the U.S. in 2004

Top 1%

34%

Bottom 99%

66%

The average wealth of the top 1% ($14.8 million) has grown from 125 times in 1962 to 190 times the median net worth in 2004 ($77,900)!

Ownership of Stocks and Mutual Funds, 2004

Who really wins when the stock market rises?

Wealthiest 1% own 45% of all stocks & mutual funds

45%

Next 9% own 30%

30%

Bottom 90% own 25%

25%

Net Worth is
ASSETS minus DEBTS.
(What You OWN minus What You OWE)

$20,600
$18,600
$140,700

African American  Latino  White

Using “Strategic Deficits” in the 1980s

Big increases in military spending + Tax cuts (mainly for the wealthy) = Huge deficits

The result was a squeeze on social spending.
Real Family Income Growth by Quintile & for Top 5%, 1979 - 2006

We Grew Apart

Source: U.S. Census Bureau, Historical Income Tables - Families, Table F-3: Mean income, Table F-1: Income Limits. Percentage change based on average income for each income group in 2006 dollars.
For large U.S. corporations surveyed by *Business Week* magazine

**Source:** *Business Week*, annual executive pay surveys.

Trends in Hours Worked Since 1970

Deregulation of mortgage lending drove the amount of debt sky high!

Total Credit Card Debt

Stagnant wages and easy credit terms pushed debt to historic highs.

Household Debt as a Percentage of Disposable Personal Income*

To make ends meet, families are forced to go deeper into debt


* The income that individuals receive minus the personal taxes and fees that they pay to governments.
Many families are forced to live on the edge.

I'D LIKE TO BORROW $250,000 TO BUY A HOUSE.

I SEE. AND HOW MUCH DO YOU EARN?

MORTGAGES

$14 AN HOUR AND YOU WANT TO BORROW $250,000? ARE YOU CRAZY?

YOU CAN BORROW AT LEAST $350,000.

MORTGAGES

MORTGAGES HEADLONG, I RUSH INTO THE BUBBLE.
Principles of the Solidarity Economy

★ Solidarity and Cooperation

★ Equity in all Dimensions (race, class, ethnicity, gender, etc.)

★ Social and Economic Democracy

★ Sustainability

★ Pluralism; Grassroots-level Organizing; Diversity

★ People and Planet First
A Program for Economic Recovery

★ Challenge Corporate Rule
  Pass the Employee Free Choice Act
  Nationalize, re-organize, decentralize giant financial institutions
  Oppose predatory lending
  Support the rights of immigrant workers: pass the DREAM Act

★ Close the Wealth & Income Gaps
  Prevent foreclosures & evictions through direct action & legislation
  Support asset development to close the racial wealth divide
  Support progressive taxes; prevent repeal of the Estate Tax
  Pass the Income Equity Act (limits tax-deductibility of CEO pay)
  Reform the CORI system (Massachusetts)

★ Support Other Economic Fairness Issues
  Invest in jobs; build a green infrastructure
  Oppose Free Trade Agreements; support Fair Trade
  Reduce military spending
  Protect Social Security
  Pass single-payer, universal health care
  Expand food stamps, unemployment benefits, aid to states
  Support fair elections — get big money out of politics
  Advocate for economic rights as human rights