We Inherit the Past;
We Make the Future
How Economics Matters?

- Has there been a negative change in the wages of anyone in your household or immediate family in the last five years?
- Has anyone in your household or immediate family been laid-off or become unemployed in the past five years?
- Is someone in your household or immediate family working part-time instead of full-time involuntarily?
- Are you or any of your friends living without health insurance because you can’t afford it?
- Are you or any of your friends living with parents or other relatives for financial reasons?
- Out of financial necessity, are people in your family forced to work too many hours cutting into family and leisure activities?
The Economy is *NOT* Like the Weather...
But while they prate of economic laws, men and women are starving. We must lay hold of the fact that economic laws are not made by nature. They are made by human beings.

The Test of our progress is not whether we add more to the abundance of those that have much, it is whether we provide enough for those that have too little.
The Great Compression

• The New Deal
  – Financial Reforms
  – Works Programs
  – Fair Labor Standards Act
  – National Labor Relations Act

• The Rising Middle Class
  – Public Sector Bargaining
  – OSHA
  – Civil Rights
  – War on Poverty
  – Clean Air Act
  – Clean Water Act
The Great Compression

The Rules Matter

Percent Increase in Mean Household Income

Poorest 20%: 116%
Second 20%: 97%
Middle 20%: 98%
Fourth 20%: 103%
Richest 20%: 85%

Source: Economic Policy Institute

New Deal Policy

1947-1973
Distribution of Wealth

Household Wealth 1976-2007

1976

- Bottom 90%: 51%
- Richest 10%: 49%
The Ideas That Make the Policy

Left (1930s)
- Socialist
- Communist
- Progressive

Liberal (1946-1968)
- Keynesian Social Movements
- New Deal

Conservative (1972-Present)
- Free Markets
- Neo-liberalism

New Right “Tea Party”
“So the question is, do corporate executives, provided they stay within the law, have responsibilities in their business activities other than to make as much money for their stockholders as possible? And my answer to that is, no they do not”
“There’s class warfare, all right, but it’s my class, the rich class, that’s making war, and we’re winning.”

Warren Buffett, November 26, 2006

New York Times
THE CONSUMER IS THE ENGINE OF OUR ECONOMY. I SAY WE STEAL HER PENSION, SLASH HER WAGES AND ELIMINATE HER JOB!

THE GENIUS OF CAPITAL
The Result of Their Policies of Deregulation, Privatization, De-unionization, Financialization and Globalization

• More than 55,000 manufacturing facilities and 6,000,000 manufacturing jobs lost.
• Global financial crisis
• Record Income Inequality
• Deficit Crunch
• Record Poverty Levels
The Ideas Matter;
The Rules Matter

Percent Increase in Mean Household Income

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Poorest 20%</td>
<td>116%</td>
<td>9%</td>
</tr>
<tr>
<td>Second 20%</td>
<td>97%</td>
<td>11%</td>
</tr>
<tr>
<td>Middle 20%</td>
<td>98%</td>
<td>14%</td>
</tr>
<tr>
<td>Fourth 20%</td>
<td>103%</td>
<td>26%</td>
</tr>
<tr>
<td>Richest 20%</td>
<td>85%</td>
<td>49%</td>
</tr>
<tr>
<td>Top 0.1%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Top 0.01%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Economic Policy Institute

Off the charts!
758% income rise
$35 million mean income
In fact, today the bottom 50% have only 3% of the wealth.
Quality of Life Indicators:
How We Score Compared to Other Developed Nations

• Earnings Inequality – 1st Out of 20
• Income Disparity - 1st out of 19
• Poverty Rates -- 1st out of 17
• Poverty Rates for Children - 1st out of 17
• Yearly Exit Rate from Poverty - 12th out of 12
• Weeks Paid Maternity Leave - 19th out of 19
• Weeks Total for Maternity Leave - 20th out of 20
• Prison Population - 1st out of 20
• Life Expectancy - 17th out of 20
• Infant Mortality - 1st out of 20
• Health Care -- Total Per Capita Spending - 1st out of 20
• Health Care -- Overall Total Performance - 18th out of 20

Compiled by: Erik Peterson, Labor Education Service, University of Minnesota, Duluth. Sources: State of Working America (2003); OECD data; World Health Report 2000 (WHO). Note that data is not complete for every indicator. All rankings are based on the most recent comparative data available.
Which Direction?
It is a Choice of Values…
A Choice of Policy
Actual distribution of wealth:

- Top 20%
- Second 20%
- Third 20%
- Fourth 20%
- Bottom 20%

What Americans think it is:

What they would like it to be:

Source: Michael I. Norton, Harvard Business School; Dan Ariely, Duke University
1. We will stand up and fight for social and economic justice.

2. We will stand up and fight for full employment policies and reject the notion that stagnating wages are the new norm.

3. We will stand up and fight for legislation that facilitates organizing and collective bargaining.

4. We will stand up and fight for economic stimulus programs to revitalize our economies and ensure that our governments invest in infrastructure, education and technologies that strengthen our economies.

5. We will stand up and fight for policies that will redevelop a strong manufacturing base.
6. We will stand up and fight for better healthcare and retirement security for all citizens.

7. We will stand up and fight to ensure that our government is properly financed and empowered to ensure quality public services and education; to provide effective regulation of our workplaces, marketplaces and economies; and to protect us from environmental degradation.

8. We will stand up and fight for a progressive tax structure in which corporations and the wealthy pay their fair share.

9. We will stand up and fight for real and substantive reregulation of the financial sector and corporate accountability.

10. We will stand up and fight for a global economy in which the rights of all workers and the environment are protected.