

## **Polarization of America: Money**

When I graduated from high school (1970), I had benefitted from:

- The Sputnik era (beginning 1957), when the government began putting huge amounts of money into public school math and science education. Free equipment, PSSC and general science and math textbooks, along with expensive lab equipment were given to public schools. People wanting to go to college to be teachers of these subjects were subsidized with federal grants.
- The Elementary and Secondary Education Act in 1965 had doubled spending on public education. US public schools were the best in the world.
- Our middle class was healthy, as was our infrastructure.
- The “War on Poverty” had begun, with the Economic Opportunity Act of 1964 giving rise to Head Start and the Food Stamp program.
- The Gun Control act of 1968 made it illegal to knowingly sell a firearm to a felon, drug addict, dishonorably discharged soldier or mentally ill person.
- The EPA had just been formed, because the environment was affecting human health
- The Gini index, measuring income inequality was at its lowest point since 1920 (39).
- Medicare and Medicaid had just been created in 1965
- The Voting Rights Act of 1965 made literacy tests and other voting obstacles illegal

**In 2017, We have:**

- A Secretary of Education whose is ignorant of public education, and whose goal is to degrade it and divert public dollars to private schools without regulating them.
- A head of the EPA, who contradicts 97% of climate scientists by saying humans do not cause global warming, and wants to disable, and probably eliminate, the EPA.
- A disappearing middle class, with income inequality (Gini) at its highest since 1935: 47.
- A Republican congress and President who want to cut Medicare, Medicaid, Social security, lower taxes on wealthy and corporations, roll back gun control, eliminate federal regulations and departments’ ability to enforce them, allow Wall Street the same unregulated environments that caused the depressions of 1929 and 2008, etc. The Voting Rights Act was gutted by the Supreme Court in 2016.

So what has changed since 1970 to cause such a radically different America? I will explore many causes in the next few pages.

## 1. Conservative Think Tanks Become Active

- In 1970, President Nixon, angered by the press and their critical reporting on the Vietnam War, directed his cabinet members to organize the building of “our own establishment in the press” and to attack and ruin careers of journalists who opposed him. Conservatives took this to heart, and began purchasing or creating radio, TV and newspaper outlets over the next 25 years to push their agenda to the public, spending hundreds of millions of dollars.

<http://fair.org/extra/the-rise-of-the-right-wing-media-machine/>

- In 1973 the Conservative Political Action Conference (CPAC) was formed, after a decade of the New Conservative movement. CPAC brought direct-mail fundraising to a new level, bringing in millions per year. By 1975, CPAC was angered that the Republican party had become too liberal under Gerald Ford and began organizing to elect Reagan. When Reagan was elected in 1980, his cabinet members and agenda were completely in concert with CPAC principles. Every Republican presidential candidate since 1976 has been chosen by CPAC.

<http://conservative.org/cpac-detailed-history-first-30-years/>

- The Heritage Foundation was also founded in 1973, with the goal of creating conservative position papers, and then financing candidates and media which would make them public policy. They advocated free-enterprise, limited government, individual freedom, “traditional” American values, and a strong military. They wrote the “Mandate for Leadership”, with 2000 suggestions in 1981. Most of their mandates became reality under Reagan: reducing federal government, increasing military spending, reducing income tax rates, and line-item vetoes of budget items. The foundation has created 4 more Mandates since then, the latest in 2005.

[https://en.wikipedia.org/wiki/The\\_Heritage\\_Foundation](https://en.wikipedia.org/wiki/The_Heritage_Foundation)

- The Moral Majority formed in 1979 by Jerry Falwell. It aligned with the Republican party and began integrating its goals into Republican platforms, such as enforcement of “traditional “ family values, opposition to the Equal Rights Amendment, opposition to abortion and homosexuality, allowing prayer in public schools, and evangelizing non-Christians. It was well-funded and actively lobbied politicians.

[https://en.wikipedia.org/wiki/Moral\\_Majority](https://en.wikipedia.org/wiki/Moral_Majority)

## 2. Tax Rates

- In 1944, the maximum US personal income tax rate was 94%. 1970, it was 70%.  
In 2012, 35%

Nominal						Nominal					
Married Filing Jointly			Married Filing Separately			Married Filing Jointly			Married Filing Separately		
Marginal Tax Rate	Tax Brackets		Marginal Tax Rate	Tax Brackets		Marginal Tax Rate	Tax Brackets		Marginal Tax Rate	Tax Brackets	
	Over	But Not Over		Over	But Not Over		Over	But Not Over		Over	But Not Over
14.0%	\$0	\$1,000	14.0%	\$0	\$500	10.0%	\$0	\$17,400	10.0%	\$0	\$8,700
15.0%	\$1,000	\$2,000	15.0%	\$500	\$1,000	15.0%	\$17,400	\$70,700	15.0%	\$8,700	\$35,350
16.0%	\$2,000	\$3,000	16.0%	\$1,000	\$1,500	25.0%	\$70,700	\$142,700	25.0%	\$35,350	\$71,350
17.0%	\$3,000	\$4,000	17.0%	\$1,500	\$2,000	28.0%	\$142,700	\$217,450	28.0%	\$71,350	\$108,725
19.0%	\$4,000	\$8,000	19.0%	\$2,000	\$4,000	33.0%	\$217,450	\$388,350	33.0%	\$108,725	\$194,175
22.0%	\$8,000	\$12,000	22.0%	\$4,000	\$6,000	35.0%	\$388,350	-	35.0%	\$194,175	-
25.0%	\$12,000	\$16,000	25.0%	\$6,000	\$8,000	Note: Last law to change rates was the Jobs and Growth Tax Relief Reconciliation Act of 2003.					
28.0%	\$16,000	\$20,000	28.0%	\$8,000	\$10,000						
32.0%	\$20,000	\$24,000	32.0%	\$10,000	\$12,000						
36.0%	\$24,000	\$28,000	36.0%	\$12,000	\$14,000						
39.0%	\$28,000	\$32,000	39.0%	\$14,000	\$16,000						
42.0%	\$32,000	\$36,000	42.0%	\$16,000	\$18,000						
45.0%	\$36,000	\$40,000	45.0%	\$18,000	\$20,000						
48.0%	\$40,000	\$44,000	48.0%	\$20,000	\$22,000						
50.0%	\$44,000	\$52,000	50.0%	\$22,000	\$26,000						
53.0%	\$52,000	\$64,000	53.0%	\$26,000	\$32,000						
55.0%	\$64,000	\$76,000	55.0%	\$32,000	\$38,000						
58.0%	\$76,000	\$88,000	58.0%	\$38,000	\$44,000						
60.0%	\$88,000	\$100,000	60.0%	\$44,000	\$50,000						
62.0%	\$100,000	\$120,000	62.0%	\$50,000	\$60,000						
64.0%	\$120,000	\$140,000	64.0%	\$60,000	\$70,000						
66.0%	\$140,000	\$160,000	66.0%	\$70,000	\$80,000						
68.0%	\$160,000	\$180,000	68.0%	\$80,000	\$90,000						
69.0%	\$180,000	\$200,000	69.0%	\$90,000	\$100,000						
70.0%	\$200,000	-	70.0%	\$100,000	-						

**85% of all stock and bonds are owned by the top 10%. Capital gains are taxed at a flat 15%**

[files.taxfoundation.org/legacy/docs/fed\\_rates\\_history\\_nominal\\_1913\\_2013\\_0.pdf](http://files.taxfoundation.org/legacy/docs/fed_rates_history_nominal_1913_2013_0.pdf)

<https://www.irs.gov/pub/irs-soi/soi-a-inpd-id1606.pdf>

In 1970, about 49% US tax receipts came from individuals. In 2016, 46%.

The corporate tax rate in 1970 was 22% for the first \$25,000 of income and 49% for any income above that. In 2012, the maximum corporate tax rate was 35%

1994-2012	First \$50,000	15
	\$50,000 to \$75,000	25
	\$75,000 to \$100,000	34
	\$100,000 to \$335,000 (g)	39
	\$335,000 to \$10,000,000	34
	\$10,000,000 to \$15,000,000	35
	\$15,000,000 to \$18,333,333 (h)	38
	Over \$18,333,333	35

In 1970, about 17% US tax receipts came from corporations. In 2016, 10%.

[www.taxpolicycenter.org/file/60701/download?token=e-6\\_yTWD](http://www.taxpolicycenter.org/file/60701/download?token=e-6_yTWD)

[https://taxfoundation.org/federal-corporate-income-tax-rates-income-years-1909-2012/3](http://taxfoundation.org/federal-corporate-income-tax-rates-income-years-1909-2012/3).

### 3. Unions and Employment

#### History and Comparisons:

American unions became popular at the start of the industrial revolution in the 1880s, because of low wages, dangerous conditions, child labor and long workdays. They were given support by FDR in the 1930s with the Wagner Act of 1935, making it legal for them to organize.

[https://en.wikipedia.org/wiki/Labor\\_unions\\_in\\_the\\_United\\_States](https://en.wikipedia.org/wiki/Labor_unions_in_the_United_States)

In 1970, 25% of American workers belonged to unions, in 2016: 11%.

<http://www.imf.org/external/pubs/ft/fandd/2015/03/jaumotte.htm>

<https://www.bls.gov/opub/ted/2017/union-membership-rate-10-point-7-percent-in-2016.htm>

In 2016, non-union members averaged 80% of the salary of their union counterparts.

<https://www.bls.gov/news.release/pdf/union2.pdf>

The International Monetary Fund has found a high correlation between decreasing union membership rates and increasing income inequality in the Europe, the US and Australia.

<http://www.imf.org/external/pubs/ft/fandd/2015/03/jaumotte.htm>

In 1981, when the Professional Air Traffic Controllers Organization (union) struck for higher wages and shorter hours, Ronald Reagan fired 11,000 of them and the union dissolved. He was the first union-busting president. This immediately emboldened many private sector executives to cut benefits and freeze salaries for their workers. Unions lost power to negotiate terms and union membership dropped from 23% to 15% over the next 8 years.

[http://digitalcommons.ilr.cornell.edu/cgi/viewcontent.cgi?article=1176&context=key\\_workplace](http://digitalcommons.ilr.cornell.edu/cgi/viewcontent.cgi?article=1176&context=key_workplace)

Two influences, which have put US workers and unions at a disadvantage are trade agreements and automation.

In 1994, NAFTA was passed, eliminating tariffs between Mexico, Canada, and the US. In 2006, CAFTA did the same thing for Central America. In 2012 KORUS for Korea. There are many others. Among other things, these treaties put American workers in competition with workers in much poorer countries, working for much smaller wages, no benefits, and less-strict safety and environmental regulations. This gave multi-national corporations leverage over American workers and unions. Basically, a US worker had the choice of working for less money or not having a job at all.

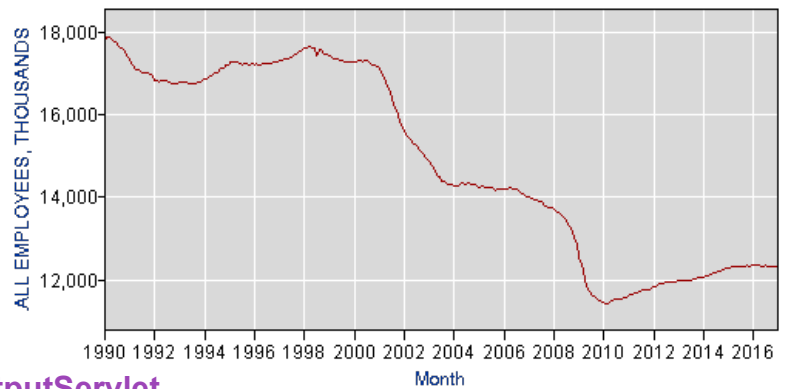
Increasing automation has cut costs and boosted profits for corporations, but put US workers in competition with machines. Automation was responsible for 87% of lost US jobs between 2000 and 2010. Automation will continue for jobs of increasing skill-level.

<http://money.cnn.com/2017/01/30/news/economy/jobs-china-mexico-automation/>

<http://www.epi.org/publication/manufacturing-job-loss-trade-not-productivity-is-the-culprit/>

<https://ustr.gov/trade-agreements>

The Bureau of Labor and Statistics shows that about 8 million US jobs were lost to automation and outsourcing between 1990 and 2010



<https://data.bls.gov/pdq/SurveyOutputServlet>

As shown above, government-sanctioned union-busting, trade deals, and automation have caused a steep decline in union membership rates, worker income and benefits, and are correlated with rising income inequality.

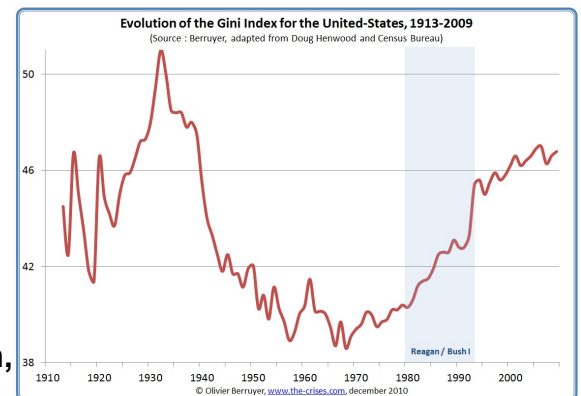
#### 4. Income Inequality since 1970

Two measures of financial inequality: yearly income and accumulated wealth

##### Income:

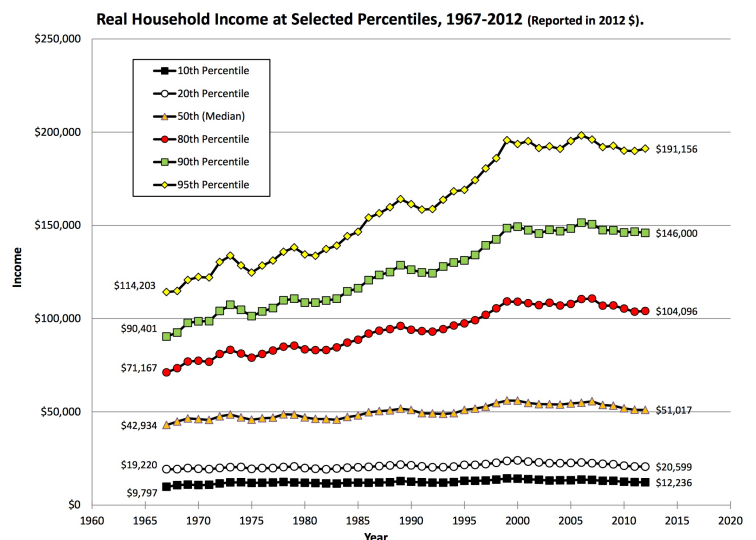
There are two times when US income inequality has reached a peak in the last 100 years: in 1935 and now. The Gini Coefficient is a measure of income inequality, created in 1912 by Corrado Gini.

The coefficient ranges from 0 (everyone has the same amount) to 1.00 (one person has all the wealth, no one else has anything). The US Gini index has increased by a proportion of 22% since 1970.



<http://www.the-crises.com/income-inequality-in-the-us-1/>

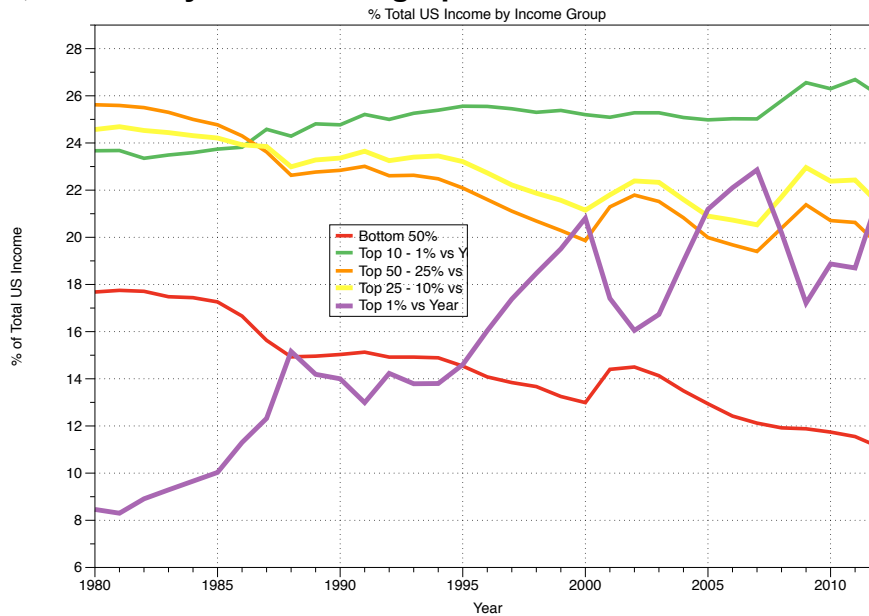
The Census Bureau shows that since 1970, after-inflation income has increased by 46% for the top 20%, but only 7% for the bottom 20%, and 19% for the middle 20% of the US population. See the graph at right.



Data Sources: DeNavas-Walt, C., B. D. Proctor, and J. C. Smith. Sept. 2013. U.S. Census Bureau, Current Population Reports, P60-245, Income, Poverty, and Health Insurance Coverage in the United States: 2012 [Table A-2].

[http://www.russellsage.org/sites/all/files/chartbook Income%20and%20Earnings.pdf](http://www.russellsage.org/sites/all/files/chartbook%20Income%20and%20Earnings.pdf)

Another way of seeing this is to show what percent of total US income each income bracket received over 30 years. Between 1980 and 2012, the top 1% of earners (blue) increased their share of total US income by 2.6 times (8.5 to 21%) the next 9% (green) gained 10%, while the bottom 90% lost an average of 23% share. The lower your bracket, the more you lost. See graph and table below



Income Group	1980 Income %	2012 Income %	Change
Top 1%	8.46	21.26	151.3
Top 1 -10%	23.57	26.01	10.4
Top 25 - 10%	24.57	21.39	-12.9
Top 50 - 25%	25.62	19.64	-23.3
Bottom 50%	17.68	11.1	-37.2
Top 10%	32.03	47.27	47.6
Bottom 90%	67.87	52.13	-23.2

<https://files.taxfoundation.org/legacy/docs/FF445.pdf>

The wealthy often complain that they are paying almost all of the taxes. Is it true?

Income Group	1980 Tax %	1990 tax %	2000 Tax %	2010 Tax %	30 yr Change
Top 1%	8.46	14.00	20.8	18.9	123.0
Top 1 -10%	23.67	24.77	25.2	26.3	11.1
Top 25 - 10%	24.57	23.36	21.15	22.4	-8.9
Top 50 - 25%	25.62	22.84	19.9	20.7	-19.2
Bottom 50%	17.68	15.03	13.0	11.7	-33.6
Top 10%	32.13	38.77	46.0	45.2	40.6
Bottom 90%	67.87	61.23	54.0	54.8	-19.2

Re-displaying the above data for % of total income earned in 2012, compared to % of total tax dollars paid in 2010 (rough comparison): Only the top 1% pay a smaller % of total taxes than the % of income they take in. Everyone else pays a higher % of total taxes than the % of total income they get.

Income Group	2012 Income %	2010 Tax %	Tax %/Income %
Top 1%	21.26	18.9	0.888
Top 1 -10%	26.01	26.3	1.011
Top 25 - 10%	21.39	22.4	1.046
Top 50 - 25%	19.64	20.7	1.054
Bottom 50%	11.1	11.7	1.058

Remember, in 2012 a household in the bottom 50% makes less than \$51,000 per year

<https://fas.org/sgp/crs/misc/RS20811.pdf>

The trend since 1980 (and before) is that only the top 1% of earners have seen huge gains in their share of US income and buying power. The next 9%, not so much. Tax rates were cut in half for these people, but their share of income increased so much, while everyone else's decreased, that their share of taxes paid went up too.

Basically, the ability of anyone in the lower 90% of Americans to pay taxes is decreasing. In 2012 the top 10% got almost as much of total US income as all other Americans combined.

One more thing: In 2016, Social Security tax is only levied on the first \$120,000 of income. This taxes less than half the income of the top 5%, and is the reason Republicans say Social Security will run out of money in 40 years.

[http://www.nytimes.com/interactive/2012/01/15/business/one-percent-map.html?\\_r=0](http://www.nytimes.com/interactive/2012/01/15/business/one-percent-map.html?_r=0)

It's easy to see there has been a significant movement of income from most of American workers to the top 10%, and especially the top 1% of earners in the last half-century.

## Wealth

Wealth is the net assets you have, like real estate, cash, stocks and bonds, companies, etc.

As you can see below, the top 1% of earners increased their share of US assets by a proportion of almost 50%. Meanwhile, the bottom 90% of earners' share of US assets went from about 32% to 28%, a 12% proportional loss. Clearly top 10% are accumulating more assets, while everyone else is losing ground in America. The top 1% has 1.34 times the wealth of the bottom 90%.

% of Earners	% of US Wealth 1970	% of US Wealth 2010	Change
Top 1%	25.8	37.5	45.3
Top 10%	68.3	72	5.4
30 - 70%	28.5	27	-5.3
Lower 90%	31.7	28	-11.7
Lowest 50%	1.4	0.06	-95.7



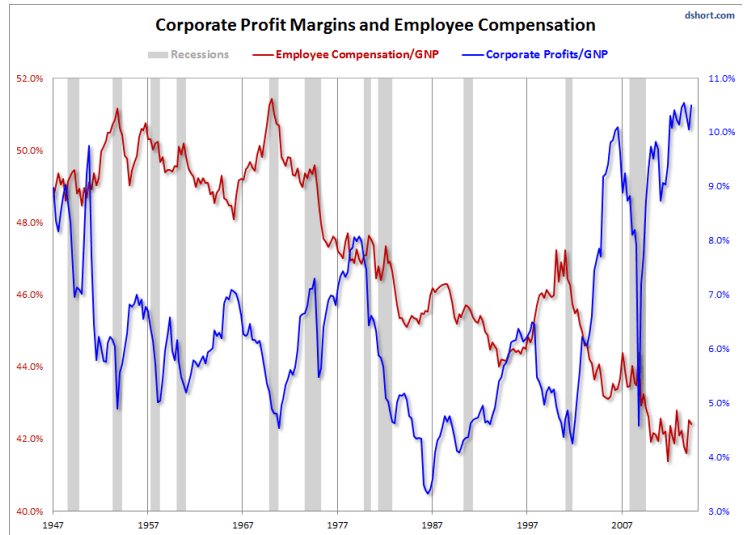
## Stocks and Bonds

Since 1970, for reasons covered above, wages and benefits for workers have been cut to increase profits. Profits go to stockholders. Corporate profit margins have increased compared to GNP since 1970 by about 6% (a 150% proportional increase). Meanwhile, average employee compensation compared to GNP has decreased about 7% (graph below).

In 2012, only the top 50% of Americans owned stock, down from the top 68% in 1970. 85% of all stock today is owned by Americans with incomes in the top 10%.

So increased stock profits hurt workers and benefit mainly the super-rich.

When stockholders make capital gains, they are taxed at a flat 15%, instead of tying tax rate to their total income. Only households making less than \$17,400 per year in 2012 have a tax rate this low. The bottom 50% of Americans don't have this option.



<http://www.nakedcapitalism.com/2014/11/corporate-profit-margins-vs-wages-in-onedisturbing-chart.html>

Changes in corporate CEOs salaries and perks since 1973 are another demonstration how the rules are different for the extremely wealthy than the common man. Even after a decrease since 2000, CEO salaries increased by 3 times the rate of inflation (Consumer Price Index) between 1973 and 2014. Meanwhile, their workers' salaries increased at a rate 18 times smaller than the rate of inflation.

Year	Average CEO Salary	CEO % Increase since 1973	Average Worker Salary	% Worker Increase since 1973	CPI % Increase since 1973	CEO/Worker ratio
1973	\$832000	-	\$40200	-	-	20.7
1978	\$1487000	78.7	\$48000	19.4	212	70.0
1989	\$2769000	232.8	\$45400	12.9	337	55.0
2000	\$20384000	2350.0	\$48700	21.1	444	55.0
2014	\$16316000	1861.1	\$53420	32.9	600	40.0

<http://www.epi.org/publication/top-ceos-make-300-times-more-than-workers-pay-growth-surpasses-market-gains-and-the-rest-of-the-0-1-percent/>

Hedge funds, which have had return rates double that of normal stocks since 1995, require an minimum investment of \$500,000 to \$1 million dollars. Only the top 10% can invest in these.



## Estate Taxes

When wealthy people die and pass on an estate, the federal government can tax the inheritance, but only that above an “exclusion amount”. If you pass on 7 million dollars to your kids in 2013, only 2 million of that can be taxed, after exclusion. See data below.

Year	Exclusion	Exclusion % increase	CPI % Increase	Tax rate %
1970	\$60000	-	-	77
1980	\$161000	168	212	70
1990	\$600000	273	337	55
2000	\$675000	13	444	55
2013	\$5000000	641	600	40

<https://cooklaw.co/blog/current-historical-federal-estate-tax-structure-exemptions-rates>

<https://data.bls.gov/cgi-bin/cpicalc.pl?cost1=1.00&year1=1970&year2=2000>

The exclusion amount has kept up with inflation, but the tax rate has dropped almost in half.

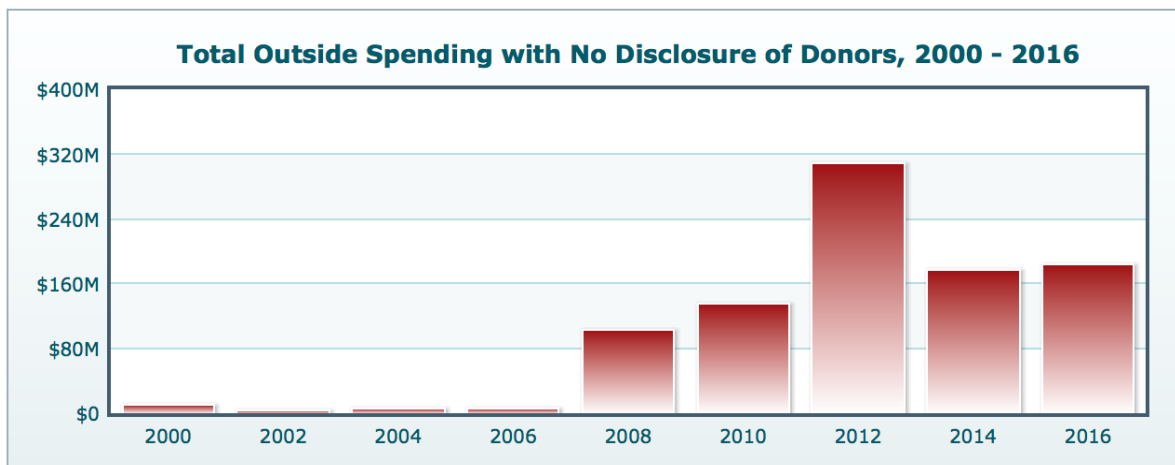
## **5. Money in Politics**

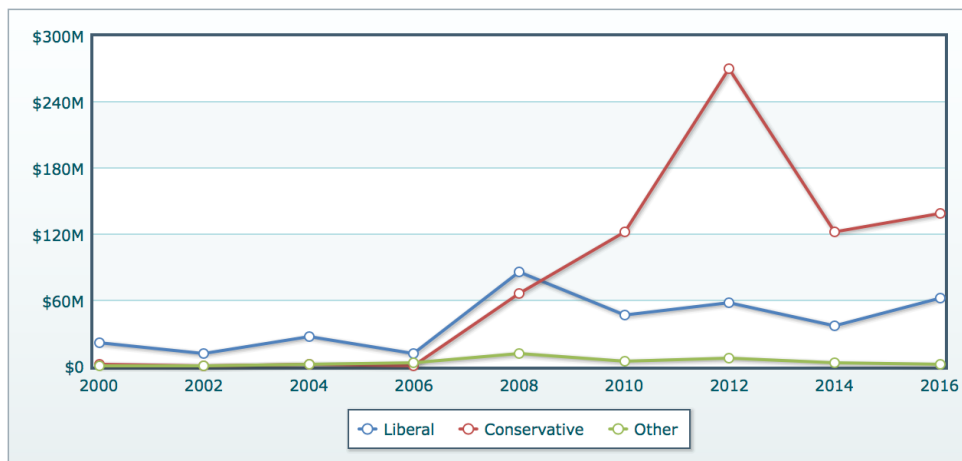
- In 1/2010, in the FEC vs Citizens United case, SCOTUS decided corporations were citizens, that they had freedom of speech, and since corporations can only speak with money, that the money they spend for political causes couldn't be limited. This decision was based on a “precedent” which was completely inappropriate; Santa Clara County vs Southern Pacific Railroad in 1886.

<https://supreme.justia.com/cases/federal/us/118/394/case.html>

<https://www.oyez.org/cases/1850-1900/118us394>

- Consequently, 501(c)(4) and 501(c)(6) non-profit corporations could now donate to political messaging, tax-free, without limit and without their donors being identified. As a result, total dark money donations more than doubled in 2012 (below), with conservatives outspending liberals by a 4.5 to 1 ratio (next page). This was the year congress turned Republican. Dark money supplied over a third of all political donations in 2016. Eventually dark money could take platform control out of the hands of political party committees and put it in the hands of a few wealthy people or corporations.





[https://www.opensecrets.org/outsidespending/nonprof\\_summ.php?cycle=2016&type=viewpt](https://www.opensecrets.org/outsidespending/nonprof_summ.php?cycle=2016&type=viewpt)

- 4/2014, in the FEC vs McCutcheon decision, SCOTUS ruled the total individual political spending limits for an individual could not be limited. This allowed a wealthy individual to equal the donations of millions of other citizens.

## 6. The Disparagement of the Lower 50%

During the 2008 presidential election, Mitt Romney commented that the lowest 47% of Americans pay no federal income taxes. This was true, although this number has fluctuated between 28% and 47% between 1998 and 2008. 1998 was one of the best economic years ever and 2008 was one of the worst economic years since 1929.

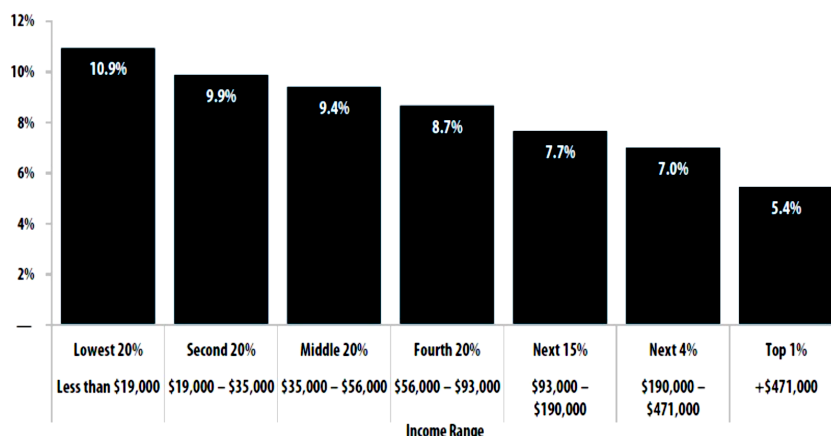
<https://taxfoundation.org/record-numbers-people-paying-no-income-tax-over-50-million-nonpayers-include-families-making-over/>

There are two popular myths regularly promoted by FOX News and conservative talk shows:

1. The lower 50% pay no taxes
2. These non-federal tax-payers are lazy moochers, and we should cut them off of welfare and make them pay their fair share.

### The Facts

1. Taxes: Federal income taxes aren't the only taxes. There are local, state and federal excise taxes and income taxes, property taxes, sales taxes, and business taxes. Some states with sales and excise taxes are especially hard on the poor, because the poor pay a higher % of their income on them. An average of all US states, shown below, shows the % of income paid to taxes other than federal income tax, for those not retired:



The nominal tax rates covered in Section 2 earlier were %'s applied to income after deductions are made. The effective tax rate is the % of adjusted gross income paid to taxes. These effective rates are much lower than nominal rates. On the table below, the % of gross income paid for taxes is given in each income bracket for federal income, social security and other taxes.

Income Group	Average Income \$	2014 Effective Income Tax (%)	Social Security Tax %	All other Taxes %	Total Tax %
Top 1%	1260508	25.4	0.59	5.4	31.4
Upper 95% - 99%	332347	14.0	2.25	7.0	23.2
Upper 80% - 95%	153789	8.1	4.84	7.7	20.6
Upper 60% - 80%	87834	6.2	6.20	8.7	21.1
Middle 20%	54041	3.7	6.20	9.4	19.3
Lower 20% - 40%	31087	-1	6.20	9.9	15.1
Bottom 20%	11676	-4.5	6.20	10.9	12.6

<http://www.taxpolicycenter.org/statistics/household-income-quintiles>

<http://www.pgpf.org/budget-basics/how-much-do-americans-pay-in-federal-taxes>

As you can see, the lower 40% can pay about 13% to 15% of their income in all taxes when they average about \$31,000 or less per household per year.

[http://www.itep.org/whopays/full\\_report.php](http://www.itep.org/whopays/full_report.php)

2. Lazy Bums: Who are the lower ≈40% who pay no federal income tax, and even have a net gain from the federal government?

In 2012 there were 43.3 million people over 65 living on Social Security payments and retirement income. Their average annual income, including everything, was \$19,600,

[http://www.aarp.org/content/dam/aarp/research/public\\_policy\\_institute/econ\\_sec/2013/sources-of-income-for-older-americans-2012-fs-AARP-ppi-econ-sec.pdf](http://www.aarp.org/content/dam/aarp/research/public_policy_institute/econ_sec/2013/sources-of-income-for-older-americans-2012-fs-AARP-ppi-econ-sec.pdf)

In 2013, there were 35 million graduate or undergraduate students, 70% of whom also work. Their income, after deductions is often not enough to tax.

[https://nces.ed.gov/programs/digest/d15/tables/dt15\\_105.20.asp?current=yes](https://nces.ed.gov/programs/digest/d15/tables/dt15_105.20.asp?current=yes)

In 2014, there were 11 million Americans receiving social security disability payments, averaging \$12,200 per year. These people don't make enough to pay income tax.

<https://www.ssa.gov/policy/docs/issuepapers/ip2015-01.html>

In 2012 there were 10.4 million people categorized by the BLS as working poor. These families make minimum wage, often working more than 40 hours per week to get by.

<https://www.bls.gov/opub/reports/working-poor/2014/home.htm>

The statistics above are a mix of 2012, 2013 and 2014. Assuming the numbers didn't vary any more than population did over that span (2%),

- There were an average of 98.7 million people who made too little to be taxed because they were retired, disabled, students or working poor.
- This is 32% of the average population of America during that time (308.2 million).

<https://www.census.gov/data/tables/2016/demo/popest/nation-total.html>

- This leaves about 8% of the population that was merely unemployed.
- The unemployment rate in January 2012 was 8.0%, and in December 2014 5.6%, an average of 6.8%.

<https://data.bls.gov/timeseries/LNS1400000>

- This leaves perhaps 0 - 2.4 % of the population to be lazy bums.

**Summary:** Since the 1970's, when conservative, Christian, and wealthy think tanks began making a concerted effort to control politics and change laws to favor the wealthy, all but 10% of Americans have lost buying power, political power and job benefits, while the top 1% had incredible gains. This trend was made possible by:

- Reducing income and estate tax rates of wealthy people by half
- Union-busting with resulting loss of wages and benefits for working people
- Pricing all but the wealthiest Americans out of the stock market, especially hedge funds, which can preserve or grow wealth. The wealthy can then pay extremely low tax rates on capital gains.
- Trade pacts, putting American workers in competition with 3rd-world workers for wages
- Automation, putting US workers in competition with machines
- Transferring wealth from the lower 90% of workers to the top 10% by cutting wages and benefits and creating higher profits, which then went mainly to the wealthy.
- Eliminating laws which set limits on campaign donations, especially by corporations. This makes politicians of any party serve only wealthy people and corporations. 90% of Americans have little hope of retaining laws which might benefit them.
- Conservative media has portrayed the poor as undeserving of sympathy or assistance. It has portrayed Medicare, Social Security, Medicaid, Food Stamps and other government assistance as "Entitlement Programs", and unaffordable. The ultra-wealthy are portrayed as paying all the taxes, while everyone else is part of an unappreciative welfare state. The opposite is true. Only the top 10%, and mostly the top 1% is now improving their financial state and quality of life, due to a systematic change of laws since 1970.