

# CSAI – Escalating Inequality

Session #7 – Reform Failures and What's Next?

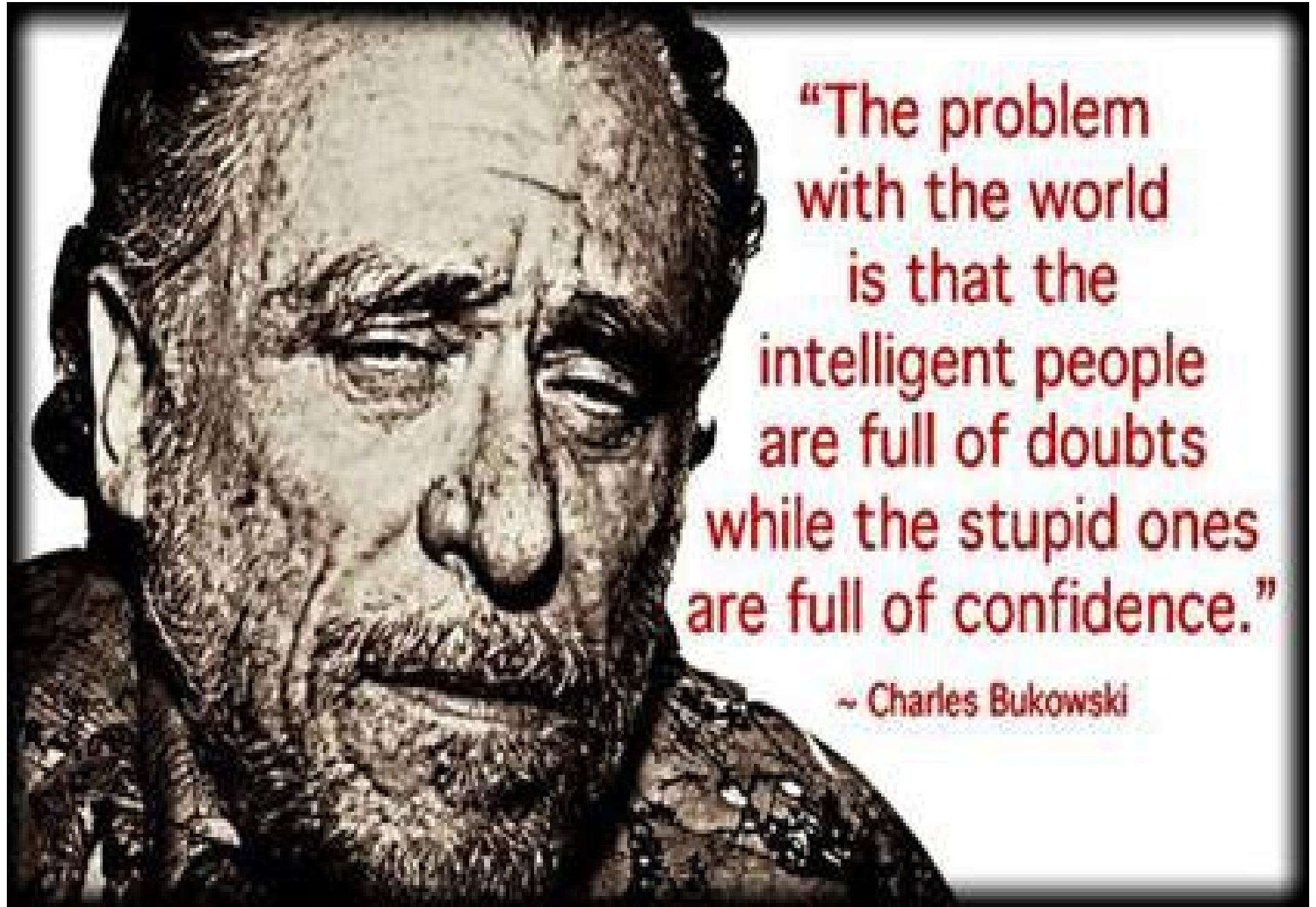
UUCF – November 16, 2015

Presenter: Terry Steichen



Not everything that is faced can be changed, but  
nothing can be changed until it is faced.

(James Baldwin)



“The problem with the world is that the intelligent people are full of doubts while the stupid ones are full of confidence.”

~ Charles Bukowski

# What is a CSAI?

- “Congregational Study/Action Issue”
- Bi-annual selection by UU General Assembly
- Usually leads to “Statement of Conscience”
- Four year duration (3 plus SOC)
- Recent CSAIs:
  - Escalating Inequality (2014; est 2017 SOC)
  - Reproductive Justice (2012; 2015 SOC)
  - Immigration as a Moral Issue (2010; 2013 SOC)
  - Ethical Eating (2008; 2011 SOC)
  - Creating Peace (2006; 2010 SOC)

## UUA CSAI Charge (Part 1):

“Study root causes of inequality, such as “

- corporate globalization,
- “free trade,”
- outsourcing,
- privatization,
- tax shifting and evasion,
- subsidies and bailouts,
- monopoly,
- suppression of labor,
- money in politics,
- “externalizing” social and environmental costs,
- “free market”/libertarian ideologies,
- deregulation,
- unlimited income/wealth.

## UUA CSAI Charge (Part 2):

### "Related Prior Social Witness Statements:"

- Amend the Constitution: Corporations are not Persons and Money is not Speech (2013)
- Raise the Federal Minimum Wage to \$10 in 2010 ( 2008)
- Single-Payer Health Care (2008)
- End Present-Day Slavery in the Fields (2008)
- Support Immigrant Justice (2006)
- Support for the Millennium Development Goal One: Ending Extreme Poverty (2005)
- Economic Globalization (2003)
- Economic Injustice, Poverty, and Racism: We Can Make a Difference (2000)
- Working for a Just Economic Community (1997)
- A Job, A Home, A Hope (1995)

# Recent Escalating Inequality-related Headlines (page 1 of 2)

- The Steady Trickle-Up From the Poor to the Rich: Robert Reich
- Surge Parking Metered Pricing
- Almost Half of America's Workers Make Less Than \$15 an Hour
- Robert Reich: The Big Struggle Is the Financial Elite vs. Everyone Else
- Jobs, immigration: The Future of Work: The Guest Worker—Use and Discard
- Seattle's Plan to Save American Democracy — It Could Affect You
- The costs of economic hopelessness: Increasing death rate of 45-54 year old less educated whites
- Global maternal mortality fell 44 percent since 1990
- US overtakes Caymans and Singapore as haven for assets of super-rich
- The Uber-economy f\*\*ks us all: How “permalancers” and “sharer” gigs gut the middle class
- VSPs Get Their Way With Budget Deal: Social Security Benefits Are Cut
- New Budget Deal Cuts Social Security, But How?

## Recent Escalating Inequality-related Headlines (page 2 of 2)

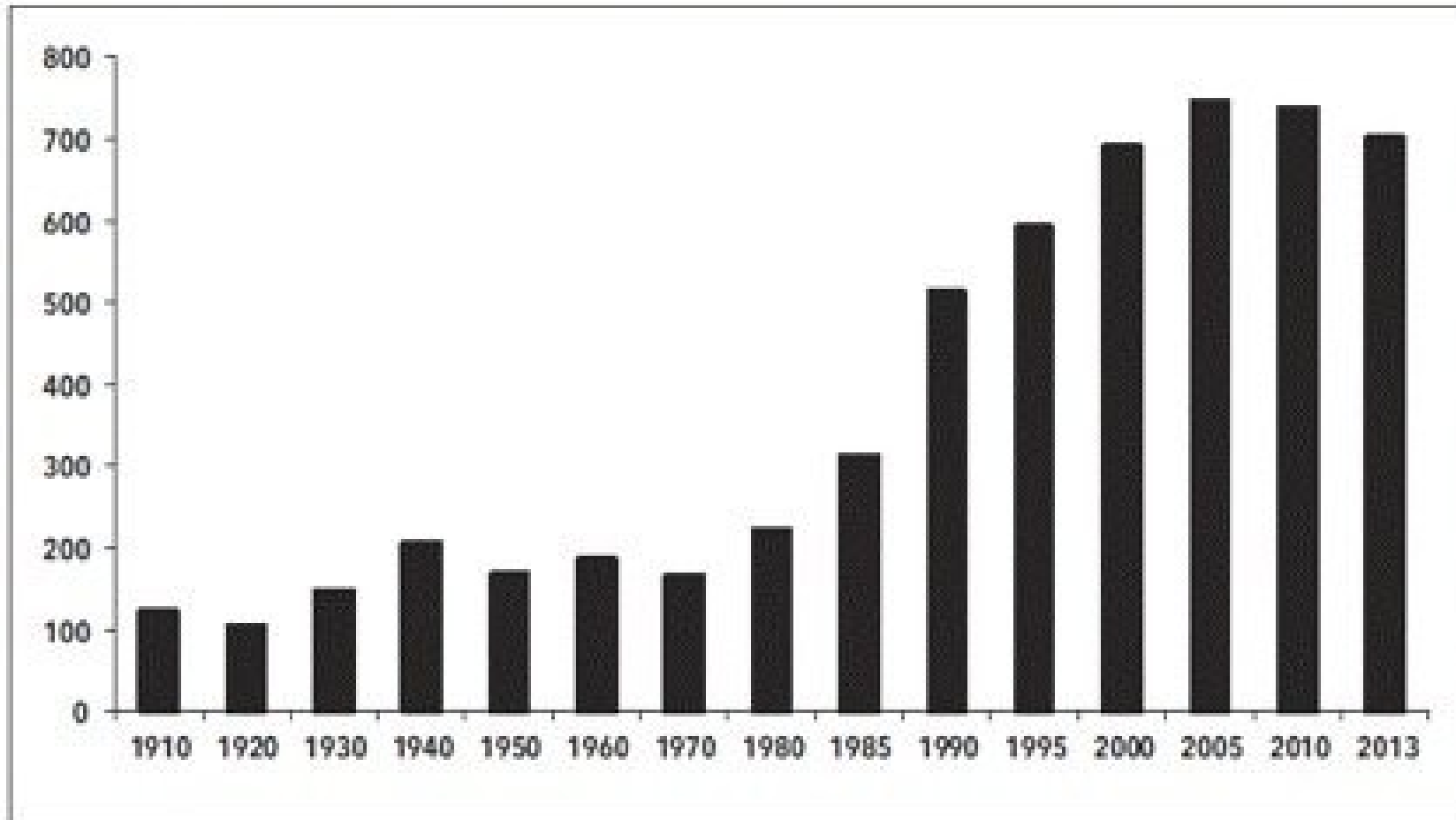
- More Than Half of U.S. Wage Earners Make Under \$30,000 a Year, According to a Shocking New Report
- American schools are making inequality worse
- Wealth therapy is an insult to us all: Meet the 1 percenters finding solace in wealth redistribution
- New 2015 Wealth Data: US Inequality at Its Ugliest
- Why Is Wealth/Income Inequality Soaring?
- Cancer Capitalism
- How superdonors are gutting America
- Aren't the Poor Comparatively Rich? On the fallacies of a faulty comparison.
- Number of postdocs declines for first time, new study shows
- Clear link between income and survival after cardiac surgery
- Sweden introduces six-hour work day



Quick Review of Trends

Affecting Escalating Inequality

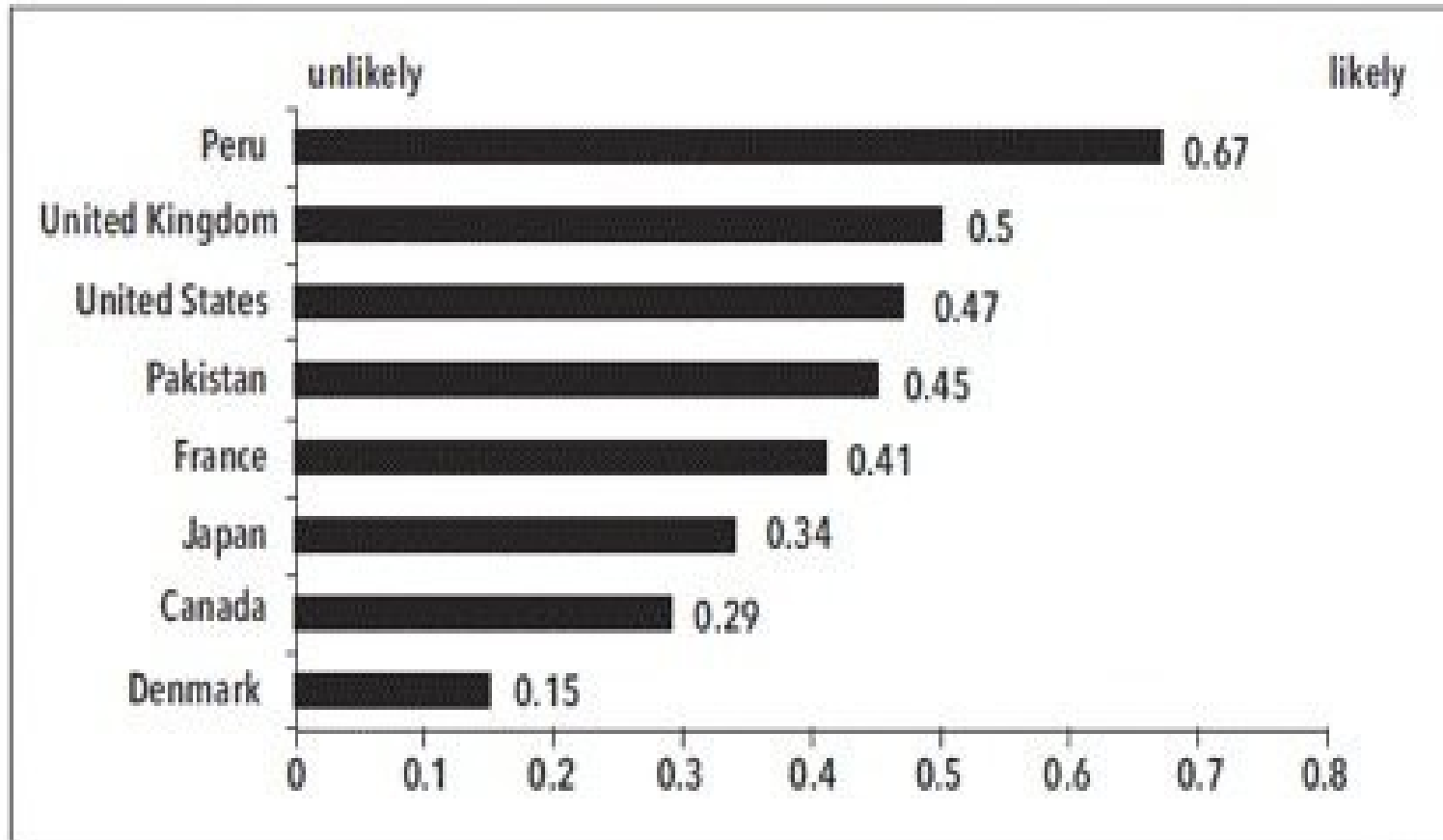
# Prisoners



**Chart 9.2: Number of Federal and State Prisoners per 100,000 Residents, 1923 - 2013**

Sources: Bureau of Justice Statistics, Prisoners Series, various years, available at: <http://www.bjs.gov/index.cfm?ty=pbse&sid=40>; population from Bureau of the Census.

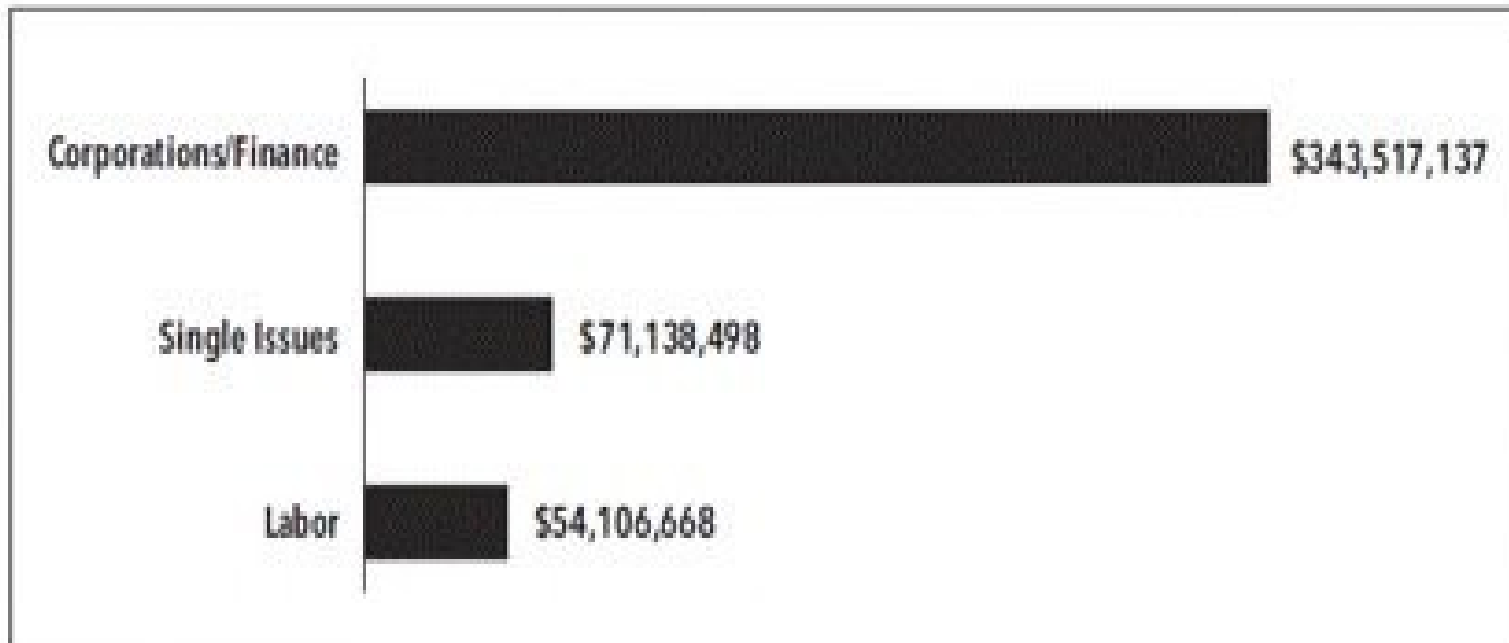
## Social Mobility (not)



**Chart 6.1: Odds You'll Be Stuck in Same Class as Your Parents**

Source: CNN Money, "Here's the Likelihood You'll Be Stuck in the Same Economic Class as Your Parents," <https://twitter.com/cnnmoney/status/410198127736406016>.

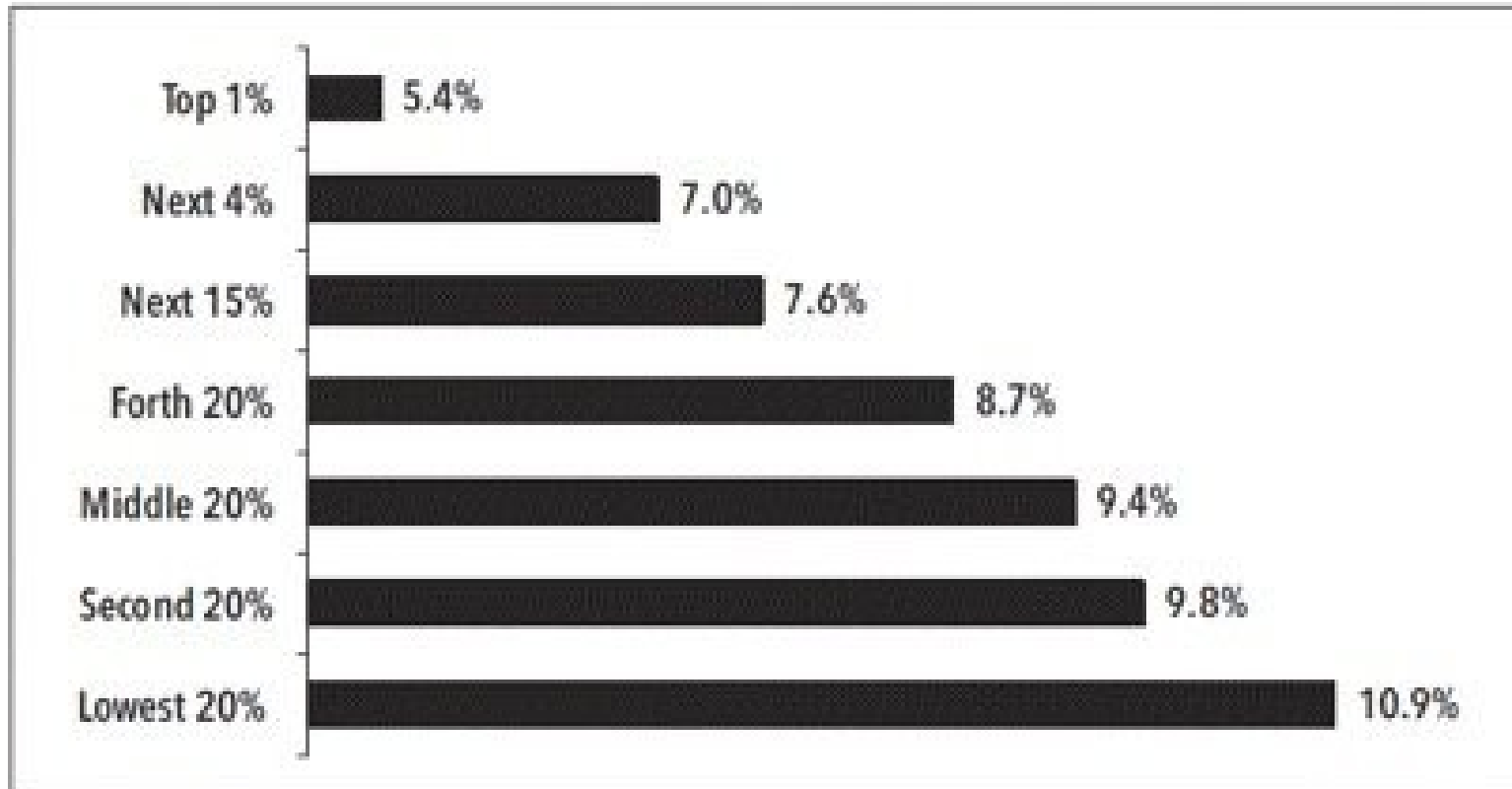
# Super PAC Contributions



**Chart 14.4: Super PAC Contributions, 2014**

Source: Author's calculations based on Center for Responsive Politics data, <http://www.opensecrets.org/pacs/superpacs.php?cycle=2014>.

# Rich Pay Lowest State Tax Rates



**Chart 7.4: The Rich Pay Lower State Tax Rates**

Source: Institute on Taxation and Economic Policy, *Who Pays: A Distributional Analysis of the Tax Systems in All Fifty States*, 2015, [http://www.itiep.org/whopays/executive\\_summary.php](http://www.itiep.org/whopays/executive_summary.php).

# Adjusted Minimum Wage Level



**Chart 21.1: Rise and Fall of the Minimum Wage (Adjusted for Inflation in 2013 U.S. Dollars)**

Source: Craig K. Elwell, "Inflation and the Real Minimum Wage," Congressional Research Service, January 8, 2014, <https://www.fas.org/sgp/crs/misc/R42973.pdf>.

# Children Living in Poverty

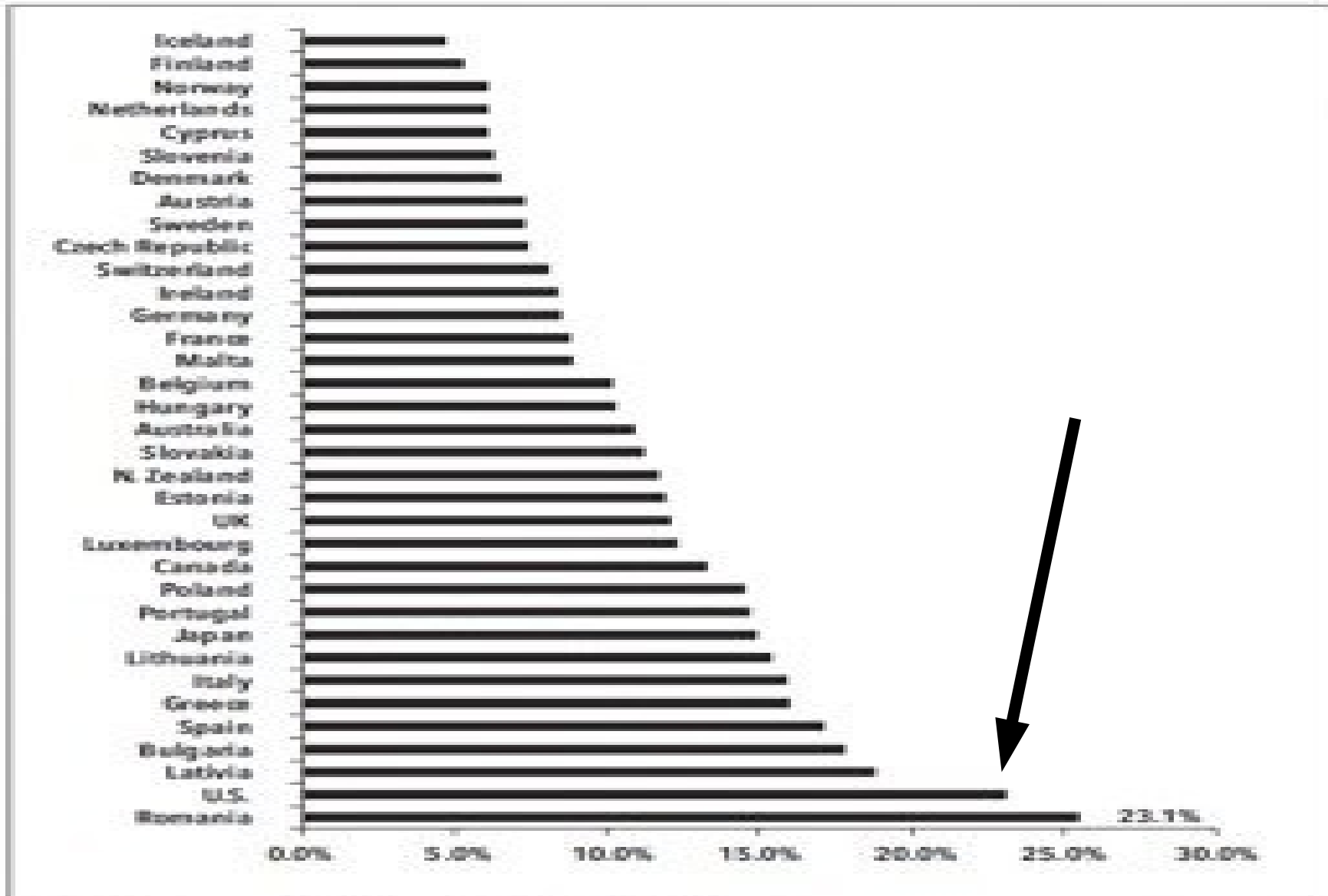
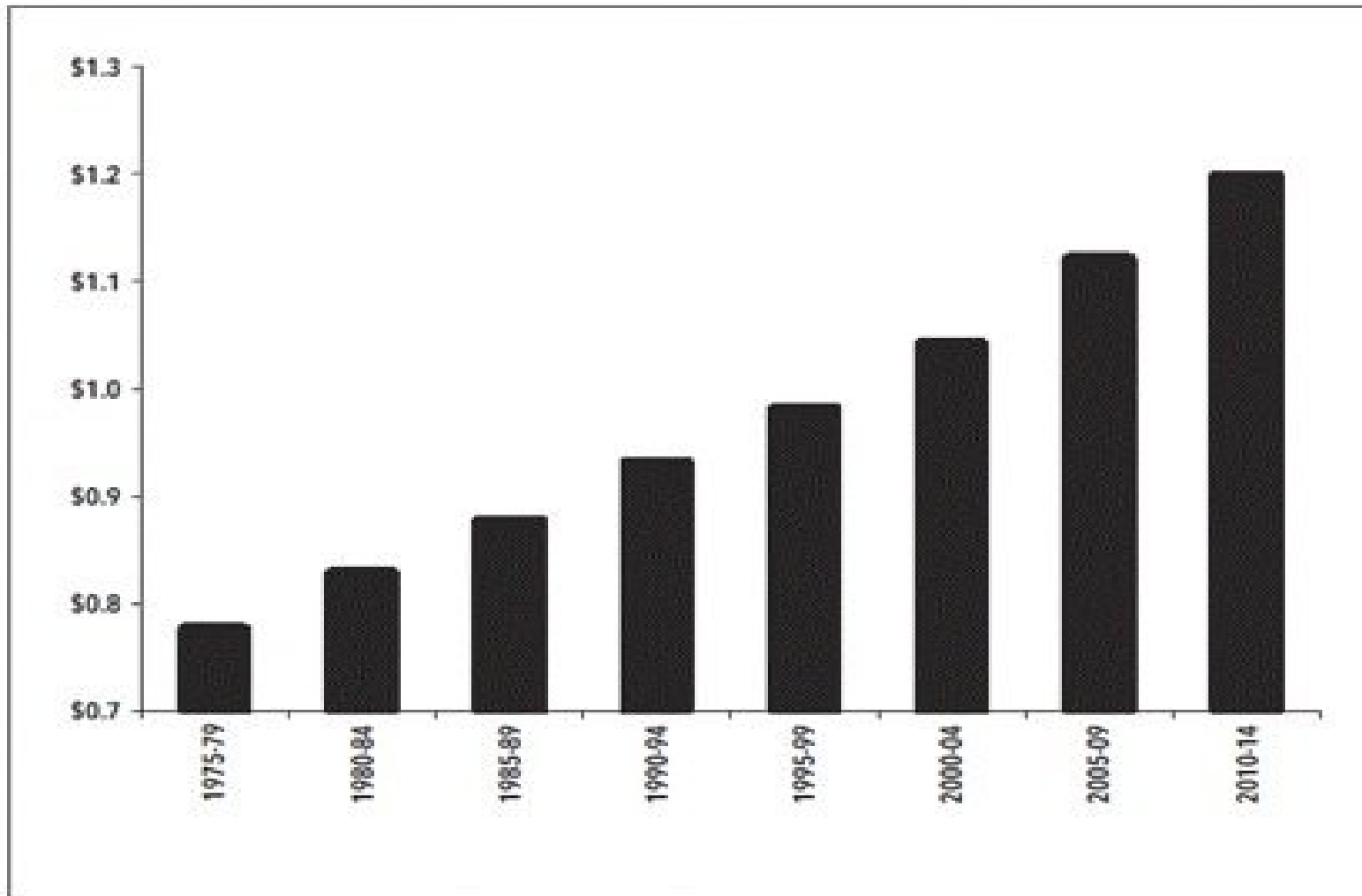


Chart 8.2: Percent of Children Living in Relative Poverty\*

\* Data is for children younger than 18 years old living in households at less than 50 percent of median household income for the country.  
Source: UNICEF Innocenti Research Centre, *Measuring Child Poverty*, 2012, [http://www.unicef-irc.org/publications/pdf/09\\_english.pdf](http://www.unicef-irc.org/publications/pdf/09_english.pdf).

# Student Loans

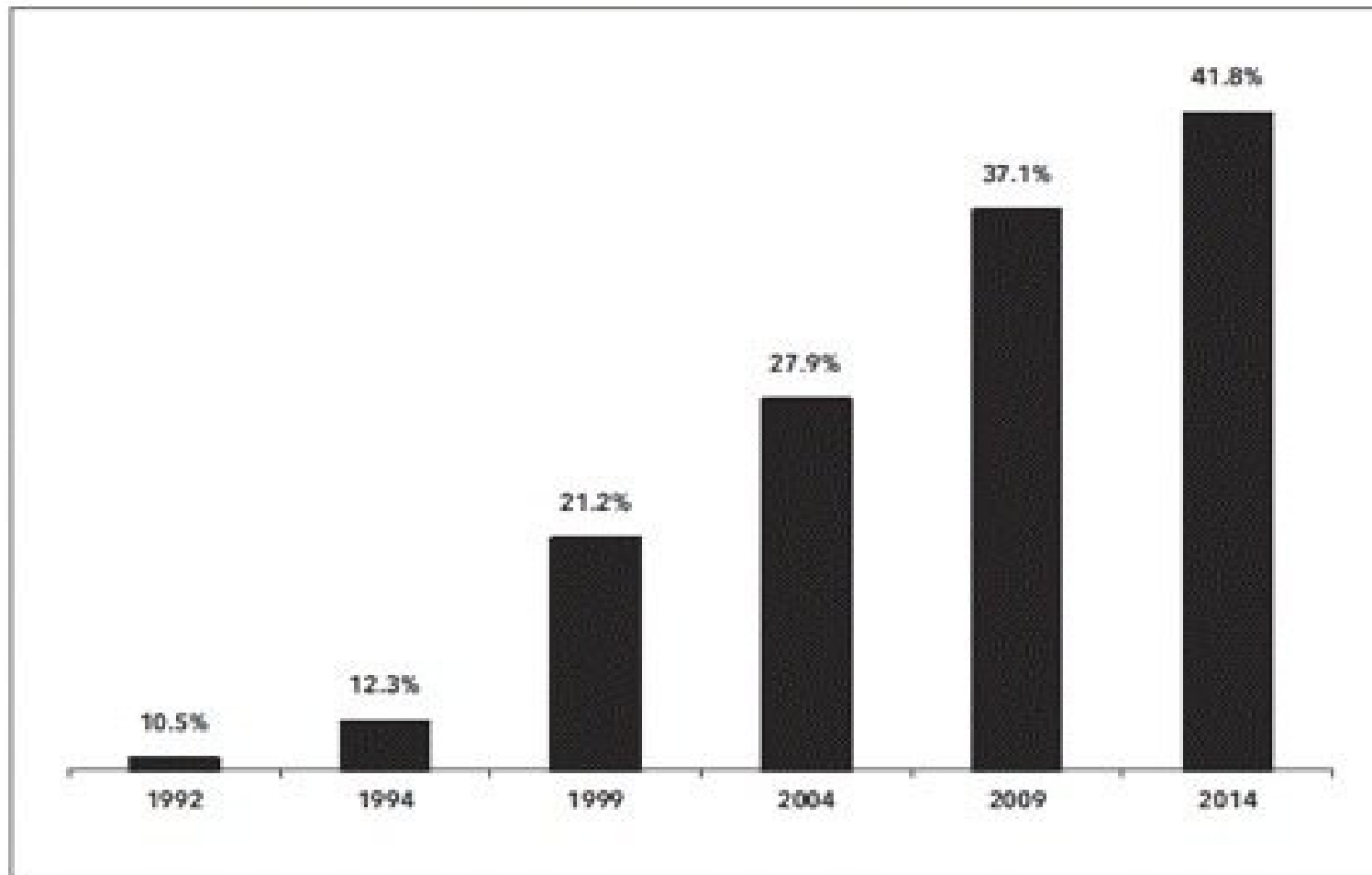


**Chart 8.3: Student Loans (In trillions of U.S. dollars)**

Source: Federal Reserve, Statistical Release, "Financial Accounts of the United States, Historical Tables," Table L.222, various years, <http://www.federalreserve.gov/releases/z1/current/annuals/a2005-2014.pdf>.



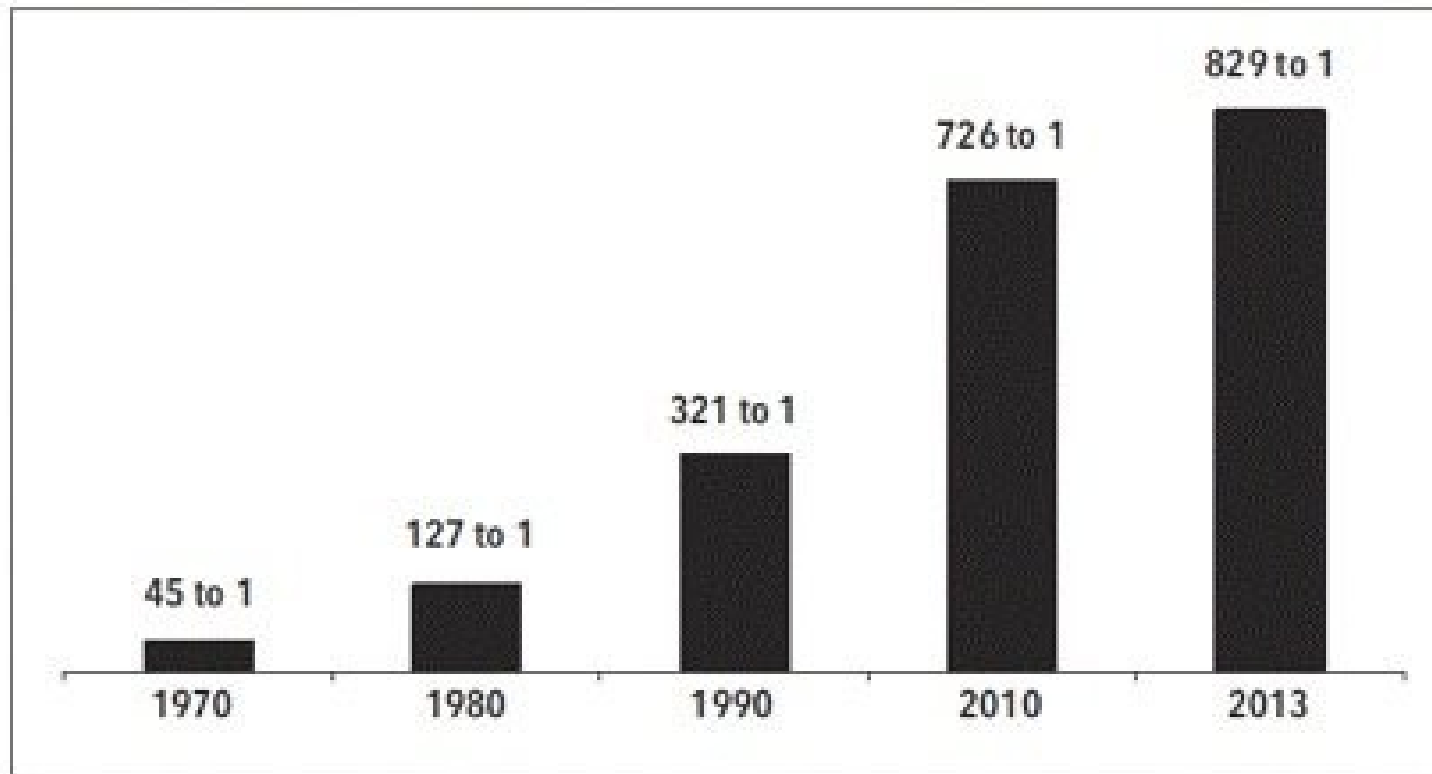
# Concentration of Banking Assets



**Chart 14.9: Percentage of All Banking Assets Owned by the Top Four Banks**

Source: Author's calculations based on Federal Deposit Insurance Corporation Statistics on Depository Institutions for each year, <https://www2.fdic.gov/sdi/main.asp>.

# Top 100 CEO-to-Worker Ratios



**Chart 2.2: Wage Gap: Top 100 CEOs vs Average Worker\***

\*Average worker is production or nonsupervisory worker, based on weekly wages multiplied by 52 weeks.

Sources: CEO pay from CEO compensation surveys, *Forbes*, April/May issues, 1971-2011 and Equilar survey reported on in *New York Times*, June 8, 2014; Worker earnings based on U.S. Bureau of Labor Statistics data, <http://www.bls.gov/data/#wages>.

# Average top 1% versus bottom 90% Income

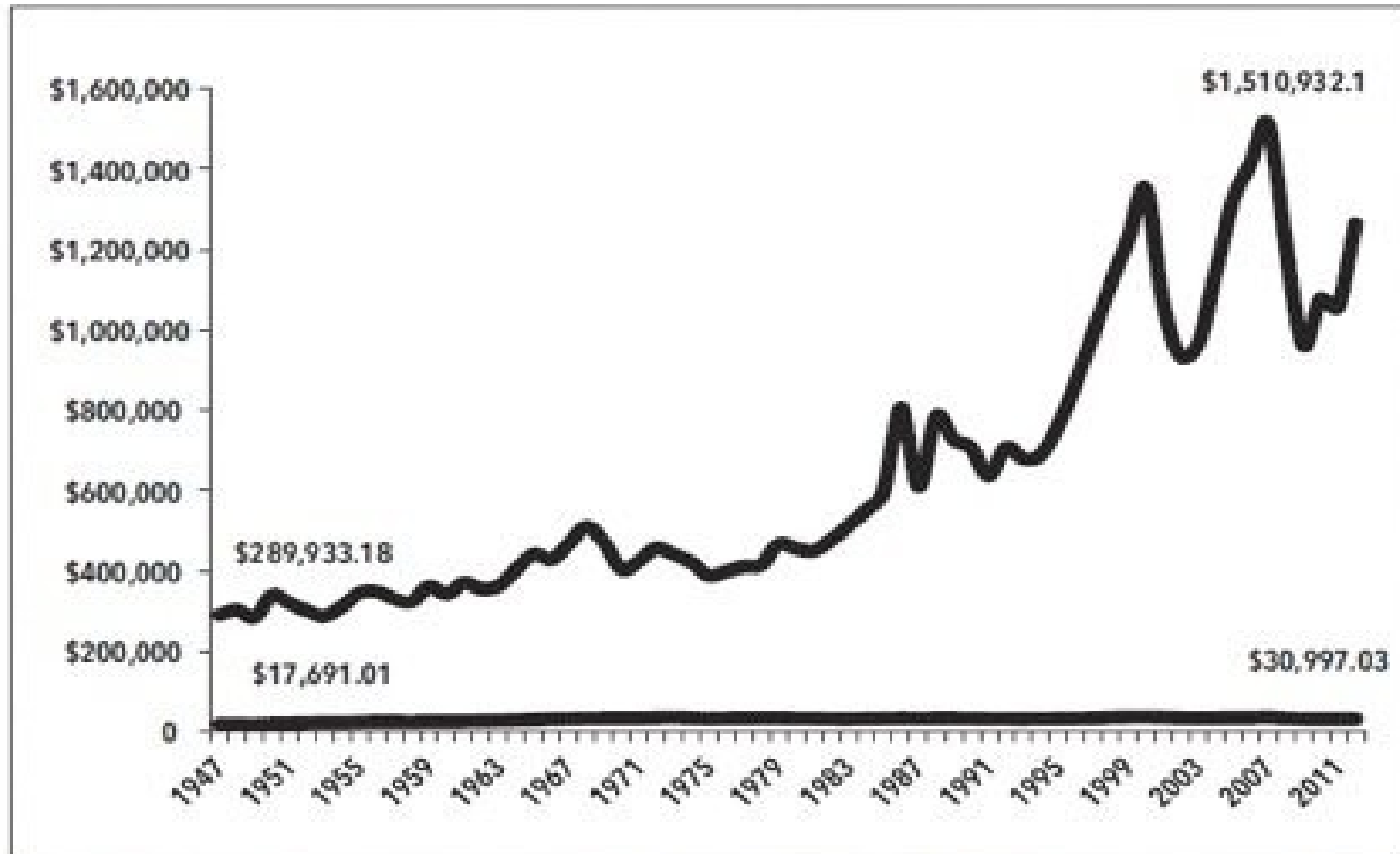


Chart 3.6: Average Income of Top 1% vs. Bottom 90% (Adjusted for inflation in 2012 dollars)

Source: Alvaredo, Facundo, et al., "The World Top Incomes Database," <http://topincomes.g-mond.parisschoolofeconomics.eu/>.

Interview of Joseph Stiglitz

on his new book

“(Re)Writing the Rules of The American Economy:  
An Agenda for Growth and Shared Prosperity.”

[http://www.democracynow.org/2015/10/27/nobel\\_laureate\\_joseph\\_stiglitz\\_on\\_rewriting](http://www.democracynow.org/2015/10/27/nobel_laureate_joseph_stiglitz_on_rewriting)

## Stiglitz Interview – part 1



[http://www.democracynow.org/2015/10/27/nobel\\_laureate\\_joseph\\_stiglitz\\_on\\_rewriting](http://www.democracynow.org/2015/10/27/nobel_laureate_joseph_stiglitz_on_rewriting)

# Possible Seminar Series Additions

- **Free trade pacts, globalization** (from CSAI) - TPP  
- seems like it might be the next step to the 3 plus decade of corporate control spelled out in WTAP, Republic, Lost, several Reich books.
- **Austerity** - a consequence of escalating inequality.  
Debt, debt Jubilee, MMT
- **Sharing Economy** - Uber, Airbnb, etc. - reducing business costs, but at what price, to whom?
- **Workplace automation** - shifting costs from business to the public
- Focus on relevant **books**: Winner-Take-All Politics, Republic, Lost, several Reich books, etc.

# **Review of our progress so far**

**What is the problem? (1)**

**How serious is it? What are its consequences? (2)**

**What's (really) causing it? (3, 4, 5)**

**What's been tried and what came of it? (6)**

# Past/ongoing reform efforts

- Campaign finance reform - Catch-22, watered down, SC ruling
- Campaign finance disclosure -
- Public campaign financing
- Public financing of news -
- Lobbying reform/registration -
- Instant run-off voting
- Replace electoral college
- Eliminate revolving door
- Compulsory voting -
- Voter registration -
- Curbing Incumbent advantages.
- Earmarks curbing
- Filibuster curbing
- Politician recall elections - SC ruling?
- Redistricting/Gerrymandering - SC ruling?
- Term limits - SC ruling
- Constitutional amendment - huge effort, still Catch-22, water down, many loopholes, potential SC rejection, very long delay



# Common barrier - 3 stage challenge

## 1) Catch-22 - resistance to even introducing reforms

- preserve flexibility
- prevent harm to SIG clients

## 2) Dilution - watering down of reforms that do get introduced

- McCain/Feingold is a good example

## 3) Reversal - court (particularly the Supreme Court)

- blocks even watered-down reforms
- recent much-belated admission by Kennedy that disclosure doesn't work
- universal condemnation of restricting corruption to quid pro quo instances

**Conclusion (?)**: legislative/legal route has been ineffective and shows little promise in the future

# Related Public Interest Advocacy Groups

- Public citizen,
- Common Cause,
- Move to Amend,
- United for the People,
- People for the American Way,
- National Popular Vote,
- RootStrikers,
- United Republic,
- FairVote
- RootsAction
- MoveOn.org ?
- Daily Kos?
- Represent.US

Once we have sharpened our focus, we can explore working with/through these (and others).

# Closing Thought – Transition to next Session

Partial list of current, serious and worsening accidents waiting to happen.

- oil tanker trains (in congested areas)
- nuclear power plants (in congested areas)
- off-shore drilling (in coastal waters)
- Solar flares on electrical grids
- TBTF banks
- TPP
- Escalating inequality itself.
- Escalating terrorism
- European (for now) migration

Characteristics: (1) we know of their existence, (2) we understand their consequences, and (3) we understand what's causing them. And (4), there's big money involved.

**Why can't we solve them? What's stopping us from solving them?**

# Discussion Options

2<sup>nd</sup> part of Stiglitz interview (or watch it online later)\*

The previous slide – what's stopping us? (slide 27)

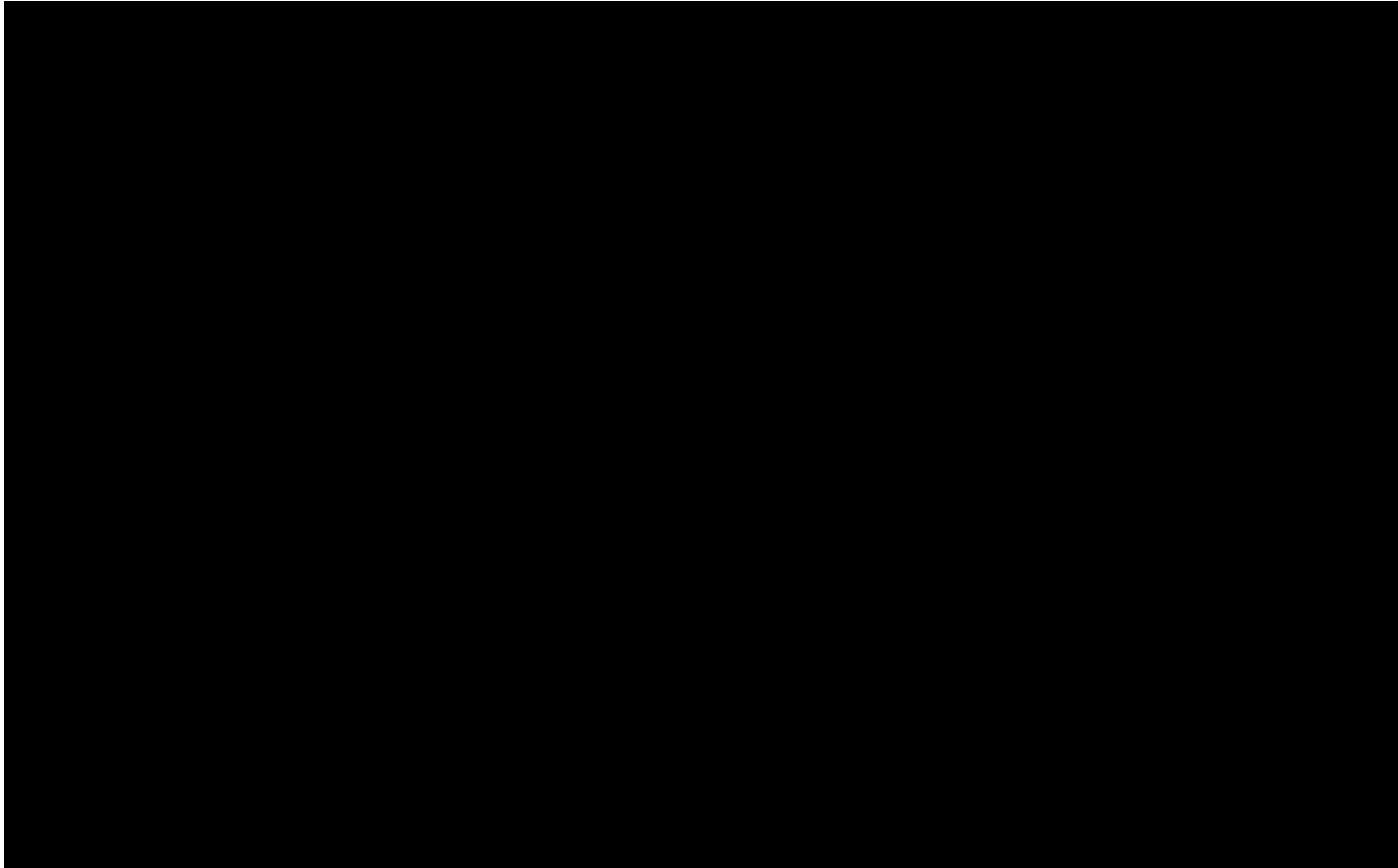
The possible additions to the seminar schedule (slide 22)

The past reforms and what became of them (slide 24)

Other

\*[http://www.democracynow.org/blog/2015/10/27/nobel\\_laureate\\_joseph\\_stiglitz\\_on\\_rewriting](http://www.democracynow.org/blog/2015/10/27/nobel_laureate_joseph_stiglitz_on_rewriting)

## Stiglitz Interview – part 2



[http://www.democracynow.org/blog/2015/10/27/nobel\\_laureate\\_joseph\\_stiglitz\\_on\\_rewriting](http://www.democracynow.org/blog/2015/10/27/nobel_laureate_joseph_stiglitz_on_rewriting)