

# **WHAT THE HELL HAPPENED?**



## **THE CASE AGAINST WEALTH INEQUALITY AND THE RIGGED SYSTEM**

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# Introduction

One morning over twenty years ago, I woke up with a question in my head—What the hell happened? Back then I was concentrating so hard on my job I had little time for anything else but, I just couldn't get that question out of my mind.

Something just didn't seem right in my life. And, when I looked around, it seemed things weren't any better in the lives of my friends or neighbors and the news told me something wasn't right in our country or in the World.

I think we've all felt that something's just not right in the U.S. If it's not you personally, you know someone who is struggling to make ends meet. We all know someone who's on unemployment after a layoff at work, or someone who's lost a house to foreclosure because, having to pay for everything else, their mortgage became more than they could afford. And there's so many other people we know who've been swallowed up by their life circumstance—a chronic illness, the death of a loved one, a child or spouse struggling with mental health issues.

Over the years, I've known so many who've been losers in this crazy economy due to life circumstances. When I think about it my heart aches.

## The Big Squeeze

For years now, I've been on a search for answers. If we're supposed to be the greatest country in the World, why are so many folks strapped financially? Everyone's working harder just to make ends meet. Few of us are able to save for vacation let alone a 'rainy day' when we'll really need the money. The cost of living in the U.S. is swallowing everyone—money for rent or mortgage; owning a car with insurance, maintenance and gas costs; saving for college for the kids; medical insurance and medicine; not to mention the cost of food and clothing. After paying for just the basics, there's little, if any, left for retirement—those magic golden years when life should be easier.

It's a constant battle to keep our heads above water!

After doing all this research for the website, here's what I know now: *It doesn't have to be this way.*

Once I understood this, I decided to take some action instead of staying sad or getting mad. The stuff I present on this website is all about *HOW THE SYSTEM IS RIGGED* and—taking action. Stay with me so I can begin to unravel—'What the Hell Happened?'

There are many important things that concern the 99% but, when I take a long look at it, I can see that wealth inequality is the foundation for most problems that plague our country—and all humanity.

What I'm presenting here is what I call '*A Case Against Wealth Inequality*.' I'm not favoring any of the political parties, I'm just putting information together in as factual a way as I can. I've done it in a simple, clear, and, I hope, compelling way so that anyone can see what's been going on in our country.

I'm not asking you to believe everything you read here. I'm simply asking that you read the complete case with an open mind—it's organized with short videos and text that make it easy to digest in one sitting or to come back to as time allows. I hope you'll do your own research and add to this important story. It's a story whose time has come to be shared widely and understood by everyone.

Together we can change the story about wealth, and how it's created. We can help people understand what fair distribution of wealth really is, which is nothing like what we've been told—our future depends on it.

# Is the System Really Rigged?

It was Bernie Sanders who first talked about ‘The Rigged System.’ Then, Clinton and Trump jumped on the Rigged System bandwagon. Trump did because many of his supporters believed the system was rigged so he used this fact to help his election run. Clinton started mentioning the Rigged System under pressure as she saw the positive response to Sanders’ message and she felt it would benefit her campaign.

I kept hearing that same phrase over and over again so, I checked it out with some research.

I found out that for over three decades, a massive amount of income and wealth has been funneled into the bank accounts of the richest people on the planet—The 1%. Over this time, they relentlessly lobby politicians and constantly press them to make changes in the rules through politics and a number of other avenues.

In a nutshell: Under influence from the 1%, the rules of the economy have been changed by our politicians to benefit the wealthy. These changes include big tax breaks, at the expense of you and me—the wage earners. And did you know, we’re the ones —who have to make up the difference in lost tax revenue. These rule changes benefit global corporations at the expense of local businesses.

On some level, most Americans are aware that the rich have gotten richer and richer but the sad story for the average person is that working harder and earning wages doesn’t move you ahead anymore. When I experienced this personally, I knew I had to find the answer to What the hell happened!

## **The Wakeup Call**

We all know about the big meltdown of 2008. Before then, most Americans believed a person’s economic status was because they deserved it, they worked harder, they were more intelligent, and they put a lot more effort into getting wealthy. Back then, most people had no idea that just a small sliver of people was becoming incredibly wealthy. To the average American that didn’t matter, as long as their wealth was earned fairly and that others had the same opportunity to become wealthy, too.

Since the big meltdown public attitudes have shifted dramatically. Now, more and more people understand how the system is rigged by the rich and for the rich. The public is just beginning to

understand what a problem this lopsided distribution of wealth is—that it's a huge problem.

So, am I talking about 'wealth re-distribution'? We have to be careful because people, not just the wealthy, start yelling 'class war' or they say we want socialism or something. They say we want to take money that the wealthy legitimately earned and give it to people who don't deserve it. I'm asking us to take a look at how wealth is doled out in this country. Using the system they've rigged, the wealthy now steal legally from the American people. I want the system to be balanced. If it is balanced, everyone gets fair pay for fair work. That's not taking money away from the rich, it's making sure they don't steal it from the 99% in the first place.

Now that people are beginning to understand that a lot of this big money is the result of the wealthy 1% rigging the rules in their favor, there's a groundswell starting to rise up to do something about it.

Most of us feel powerless to change what's happening because we don't understand much about wealth inequality and can't see all the reckless actions of the rich. But as you'll see, there are lots of ways for people to affect change.

This is the reason I started the 'What the Hell Happened?' website! I want everyone to see clearly what the 1% is doing. When we understand what they're up to, we'll know the best actions we can take to counter them. We need to do this so that we can bring economic justice to every woman, every man and, especially, every child.

Read on so that you can understand what the 1% is doing. A lot of the time they're doing things legally and in plain sight! I'll explain how they do this later.

# How Does the 1% Rig the System?

Three decades of actions that favor the 1% clearly points to them as the ones rigging the system. As you read the details of what's been done, you'll see how they've captured our democracy and control our economy. You'll also understand how their profit-at-any-cost business practices are destroying the ecology of the planet and is shattering the lives of billions of people around the world.

Not everyone in the 1% are game-riggers but, it's very important to understand that there is a hyper-engaged segment—1/10<sup>th</sup> of the 1%. This group is actively engaged in finding ways to tilt the system in their favor so that they can maintain their power.

One of the clearest, ways to see how the 1% rigs our system is through political influence.

Our elected officials pay close attention to the 1% because of their wealth and influence.

## **They Capture Individual Candidates**

Millions of dollars are channeled by the rule riggers directly to candidates who support their interests. They do this through campaign contributions and other means of support that enables what they see as 'helpful' legislators to remain in office. You can bet the incredibly high re-election statistics for incumbent candidates is tied directly to this questionable support.

As a matter of fact, in 2010 one-third of the 1% made donations to politicians and their parties that equaled two-thirds of all campaign contributions. That's over \$1.1 Billion funneled into our campaign system by a fraction of the 1%.

As the riggers buy legislators, bills get written and proposed that favor the 1%. With a majority of legislators in the pocket of the rich, the lawmakers are pressured to vote the proposals into law. Doing this creates more and more laws that tilt the system into the hands of the wealthy. I just don't see how this is fair.

It may not be surprising to some of you that corporations influence our laws. They've been doing this for decades through a number of very powerful lobbying organizations.

Let me give you an example to show how they operate. They often do their work in the shadows using complicated political schemes that aren't quite illegal but are certainly questionable.

The American Legislative Exchange Council or ALEC, doesn't sound too ominous but what they do will blow your mind.

In a 1980s promotional ad, Ronald Reagan said about them, “ALEC has forged a unique partnership between state legislators and leaders from the corporate and business community.” Sounds like a pretty solid endorsement but let’s peel back the onion a bit.

Once we unravel their operations we see that ALEC is a private club whose members are politicians at the State Legislature-level and private corporations of all sizes. They bring these strange bedfellows together for a purpose that isn’t clear at first glance because their gatherings are secret—kept away from the prying eyes of the public.

As of December 2013, ALEC had more than 85 members of Congress and 14 sitting or former governors. Membership statistics presented at an ALEC board meeting in 2013 indicated that the 1,810 members *represented 24% of all state legislative seats across the U.S.*, and that ALEC members *represented 100% of the legislative seats in Iowa and South Dakota*. It also has approximately 300 corporate, foundation, and other private-sector members.

That’s just a snapshot of who they are and the scope of their influence.

When we look closer it’s clear they are a political lobbying group. Nothing too unusual except that as lobbyists, we see they do far more than just influence our legislators—they draft bills for them.

In the 2016 Netflix movie, 13<sup>th</sup>, we see that ALEC literally uses blank templates containing all the appropriate legal-ease that a legislative bill has but leaves ‘insert’ blanks within the template. The legislator just fills it in to make it appear that it’s their own bill then submit it for consideration.

Also, as part of the same scheme, corporate ALEC members propose laws to our elected lawmakers at joint meetings set up by ALEC for this very purpose. The legislator then puts the bill in front of their state’s legislature for a vote. It’s a simple enough scheme but who benefits?

Below is an example from the ALEC website of a blank bill used in an attempt to repeal a renewable energy state law affecting an ALEC business client:

**Electricity Freedom Act**

**Summary:** The Electricity Freedom Act repeals the State of {insert state}’s requirement that electric distribution utilities and electric services companies provide \_\_\_\_\_ percent of their electricity supplies from renewable energy sources by \_\_\_\_\_.

It goes on with wording that establishes it as a legitimate bill ready for a vote.

Corporate funders like Wal-Mart, Koch Industries, State Farm Insurance, PHARMA (the



lobbying group for the pharmaceutical industry), have all supported ALEC as well as the tobacco industry, AT&T and Verizon, to name just a few.

The ‘Stand Your Ground Law’ is an example of a state law written by ALEC and pushed out to many state legislatures for a vote. This law seemed to appear suddenly and out of nowhere which can be attributed to the secrecy of this group’s operations on the state-level which is often a springboard for national policy and law.

Further research shows his exact law caused gun sales to boom across the U.S.

According to a March 23, 2012 NBC News Business article entitled “Gun sales soaring, boosted by gun laws, concerns about Obama,” the journalist, Bill Briggs states, “Stand Your Ground laws, which have come under fire as a possible factor in the Florida shooting death of an unarmed black teenager, may be having another impact, too — helping fuel a surge in gun sales.”

Now, with this in mind, consider the following: Wal-Mart is the biggest seller of long guns in the U.S. and they were once the largest retailer of bullets in the entire world.

That is a powerful statement with huge unknown consequences.

Isn’t it reasonable to think that Wal-Mart benefited from these ‘Stand Your Ground’ laws that ALEC pushed?

Consider this: Wal-Mart and the Walton family were supporters of ALEC. But Wal-Mart Corporation has backed away from their support of ALEC since the ‘Stand Your Ground’ law came to light after the controversial Trevon Martin killing in Florida. The Walton Family—not Wal-Mart Corp—are still supporters of ALEC.

ALEC's Public Safety and Elections Task Force, which promoted ‘Stand Your Ground’ gun laws and voter identification requirements, was disbanded in April 2012, just a few weeks after Trevon Martin’s death.

Of course, members in any ALEC scheme expect that a law they propose should benefit the proposing party. But, the nefarious part of this ALEC relationship is that the legislature is looking to ALEC for counsel and relying on them to propose and write bills *in place of* our elected representatives. This is incredibly irresponsible and destructive to our system of electing individuals whose job it is to protect everyone’s interest, not just those of the wealthy.

## **They Capture Political Parties**

The 1% rig the system not only through the individual legislator but also directly through the major political parties. They fund the creation of numerous Political Action

Committees—PACs—that push their agenda forward by acting as megaphones hailing their ideas as what’s best for the little guy and the Country.

Whether they like it or not most members of Congress must have personal relationships with the gamer riggers in the 1%. To stay in office, they have to attend fundraisers together, broken bread together, and talk by phone.

Legislators understand the importance of these power relationships with the 1%. Legislators study election statistics and understand clearly the far higher voter turnout among the 1%. In fact, the 2008 elections saw almost 100% of the 1% voting nationally compared to just 64% of all registered voters.

In addition to legislative favor that the 1% enjoys they are even able to place their charitable tax-exempt donations to favor themselves. Here again, the charitable organizations the game riggers give donations to are ones that advance their own economic interests.

Never forget, for the 1%, it’s all about maintaining their power and advancing their own economic interests—not yours or mine.

If all this isn’t enough, take a look at what the 1% does through the media.

It isn’t surprising that the 1% own a large share of the media outlets in the U.S. But, what they do with the media does very little for the good of society as a whole. They’ve learned to use their wealth to shape public opinion in their favor. They do this by paying big public relations and communications firms to create opaque ad campaigns that don’t sell products—they sell ideas the 1% supports. These campaigns are like gigantic megaphones that get the word out about the virtues of their agenda. Using this sort of media coverage, they can change the national conversation to focus on whatever they choose. Usually, they do this to pose themselves and their agenda as positive for society when the only big winners are themselves.

One loud message the 1% has kept in the forefront of the media since Reagan’s time in the 1980s is “Government is not the solution to our common problems, government is the problem.” The 1% and Wall Street have spent billions of dollars to promote the idea that government is failing the American people.

This has created the hyper-partisanship that is paralyzing our Government today. Now, more and more Americans distrust our Government to handle nearly everything. You hear people say this all the time. The fact is that our Government is the best framework we have to manage a giant like the United States and all its people. Though it is far from perfect and may be very inefficient at times, we need to fix our Government not get rid of it.

Another loud message has been distorted to make the average American think that everyone—especially the little guy—will be hurt by what is called the ‘death tax.’ The legal term for this is ‘estate tax’—a tax levied on an estate that is payable to the government at the time of death.

This can be a little difficult to understand so stay with me. The reality is that this estate tax is paid on an estate only on the amount of the estate that is over \$5.49 Million. In other words, no one pays any taxes on an estate that is \$5.49 Million or smaller. One final way to state this: The maximum size of an estate that can escape tax for those who die in 2017 is \$5.49 Million.

That is a pretty big estate!

It is very important to understand that there is a massive network of power created by the relationships amongst the 1%. They constantly organize with others to strengthen and grow these networks. The most relentless rule riggers use these connections to other wealthy people and corporate leaders to leverage their own personal power and influence.

Another key point is that these hyper-riggers are partners with Wall Street game riggers. The most active in the top 1% are usually linked to corporations connected to Wall Street. Wall Street is their engine of activity—their institutional home.

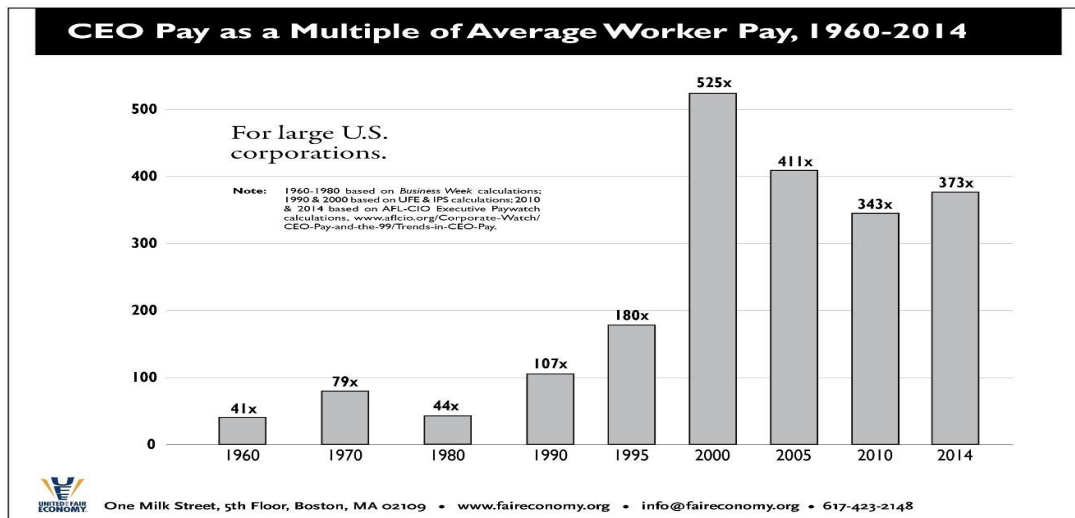
# The Wall Street Inequality Machine

A big reason that the distribution of wealth is so lopsided is because the 1% teams up with leaders of huge multi-national corporations in the U. S. and the rest of the world. Many of the leaders of these large mega corporations are the predatory, rule-rigging 1%. There are about 300 of these corporations that exercise, by far, the most influence over the economy in the U.S. and around the world.

It is critical for small business and locally-rooted business people to see that we are all in this together against the big boys. The business 99% are mostly smaller businesses located in areas where they are more accountable to their communities. They are not focused on maximizing profits that line the pockets of absentee stockholders. ‘The Case Against Wealth Inequality and The Rugged System’ shines a light on how all in the 99%—regular people and businesses—are being taken advantage of in awful ways by the wealthy.

The CEOs in the corporate top 1% are an almost unstoppable force that makes up what has been called the *Wall Street Inequality Machine*. This machine pushes and pressures our politicians for rule changes that tilt the economy in favor of the 1%. These corporate managers have an incredible array of tools at their disposal. To remind you of just a few, they have armies of conniving and well-paid lobbyists, a bottomless pit of campaign contributions, imposing communications and advertising agencies that constantly push their messages out into the public and into the minds of the general population.

Just take a look at how these CEOs profit at the cost of workers:



You can bet that Wall Street has profited incredibly from their ability to rig the rules. They employ hordes of lawyers to find loopholes that enable them to dodge taxes. When these wealthy corporations skip out on taxes it's the public (that's us) that is left holding the bag and who have to pay their bills.

With every move, they capture a bigger and bigger share of U.S. and global wealth and profits.

### **Wait, There's More**

Another prong of the corporate 1% attack is to use throngs of lobbyists who push and pressure our elected officials to weaken regulations designed to keep corporations in line so they don't walk all over the American public and the environment.

These lobbyists cause incredible human suffering by weakening worker health and safety rules, by destroying our unions, and by blocking public health and food safety oversight. It's hard for me to imagine why they are doing all these horrendous things.

Their maneuvers have weakened our environmental laws and have created special tax treatment and loopholes for corporations that enable them to skip out on paying their fair share.

They even lobby to weaken notification requirements that communities rely on so they can take action if a known-offender business makes plans to settle in their area. They also work to limit any other type of disclosure in place that helps citizens understand the effects a business may have on the surrounding environment. These are important safeguards to protect people and the environment but are viewed by corporate predators as barriers to making a buck that must be overcome.

If all this isn't enough, they also lobby Congress for new laws that create subsidies to pay them back for cost-of-doing business expenses. Wait, isn't it only fair to for your own expenses? I guess not, if you're rich.

Even if the current laws allow for loopholes, they were undoubtedly won by lobbyists working to rig the system. Therefore, we can conclude that, the money not paid in taxes by these predatory corporations, is stolen money—right out of the pockets of the 99%.

Through their lock on the U. S. Congress, the top 1% of these corporations have effectively captured our democratic system. These predatory corporations relentlessly game the rules of business and the economy in their favor.

This all adds up to a tremendous amount of help that these rich, predatory corporations and the people that run them absolutely do not need or deserve.

## **Not Done Yet**

F.I.R.E.—the Financial, Insurance and Real Estate sectors of the economy, is home to many of the biggest riggers and another wave of attack on the American people. F.I.R.E. contributes to political campaigns and employs thousands of lobbyists—several for each legislator.

Here's what these F.I.R.E. companies do:

They treat their employees like they are disposable, viewing labor as a cost, not an asset, and often not even as human beings. They constantly look for ways to *drive down labor costs*—Translation: Get human beings off their payroll. They do this by eliminating any higher paid positions that have security and benefits. The strategy is to shift their workforce into consulting positions, and to downsize labor to part-timers so they can avoid paying benefits. In addition, they outsource as much work as possible reducing the need for secure jobs with benefits. This is all done to save a buck.

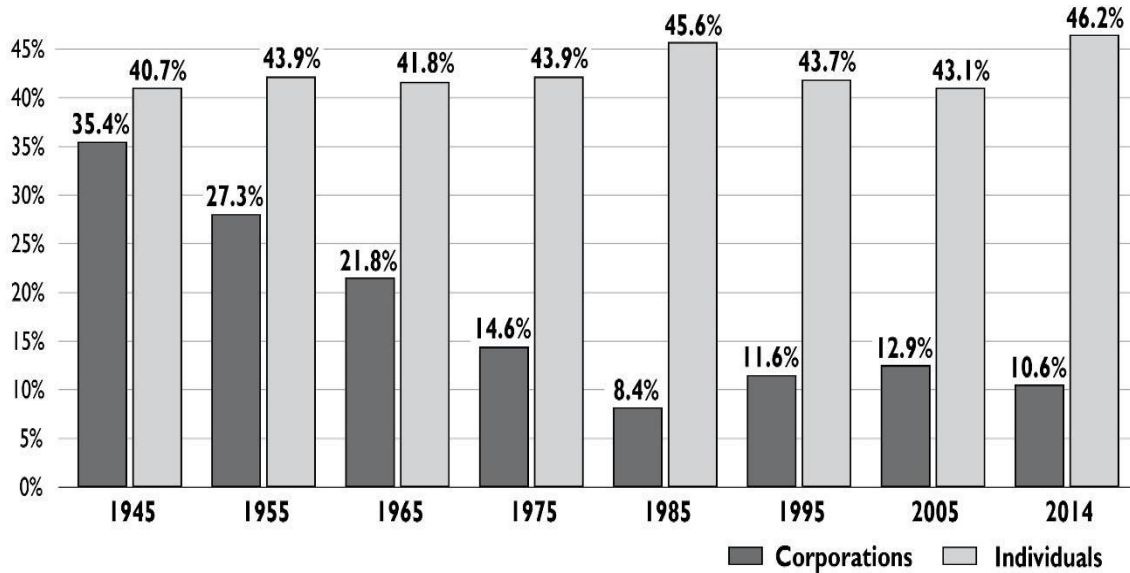
These companies also lobby to create trade rules that give them rights as a corporation over and above the rights of their hardworking and worthy employees.

This is an awful way to treat fellow human beings.

And, if all this isn't enough salt rubbed in the wound, just look at how corporations have rigged the system so that they pay less and less of their fair share to society. They've have been able to shift taxes from themselves onto the individual citizen. Take a look at the graph below to see how corporations have maneuvered and rigged things in their favor.

## Individual & Corporate Income Taxes as a Percent of Federal Revenue

*Taxes have shifted from corporations to individuals.*



**Source:** Office of Management & Budget, Table 2.2 - Percent Composition of Receipts By Source <<https://www.whitehouse.gov/sites/default/files/omb/budget/fy2016/assets/hist02z2.xls>>.  
**Note:** Additional sources of federal revenue include social insurance payments, excise taxes, etc.



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# Is This a Conspiracy?

You know, if I was a conspiracy nut—which I'm not, I'm looking for the truth—I just might think that what's being done in our country is some kind of conspiracy.

Let me see... what's the definition of 'conspiracy?'

**noun**

*a secret plan by a group to do something unlawful or harmful*  
*"a conspiracy to destroy the government"*

Now, consider what I've shown you so far. Is it possible that the way the system has been rigged in the U.S. is a conspiracy, I mean, based on the definition? Most Americans know the system is rigged but exactly how it's being done is hidden—I know, I've done the research. Doesn't that make it a "*secret plan*"? And, since few people know who's doing the rigging, or the damage it causes, doesn't that make it a "*secret plan—by a group—to do something unlawful or harmful?*" What's going on is very well hidden from most Americans. As I've shown here, the culprits are definitely members of the 1%. Is what they are doing harmful? Just look around at the lives of people you know who've been hurt as a result, or you can watch the news for your answer!

One of the most challenging parts of the rigged system is that the rich own our politicians—the people we elected to watch our backs. That's just not right in *the land of the free*. We give them the power to vote laws into effect for everyone's protection. Now, the way our system is rigged, all the 1% needs to do is apply a little pressure on our lawmakers and they will write laws that favor them. These laws not only favor the rich, they make it legal for them to do exactly what they do right now—steal everything they can from the American people.

Is it a conspiracy? You need to answer that for yourself. Call it what you want but, don't you think it's time we shine the light on what's going on to rig our system?



# Who Are the 1%?

There's a lot of confusion swirling around that term 'The 1%' so, let me explain.

The U.S. population as of December 28, 2016 was 325 million. The top 1% consists of around 3.25 million people. These are the true 1% wealth holders. Their wealth ranges from \$10 million into the billions. That's a lot of money.

Now, let me give you some numbers to show you just how lopsided things really are.

According to ThinkReality.com, in 2009, if you totaled up all the wealth in the United States it equaled \$54 Trillion. At that time the 1% owned \$22 Trillion. If you look at the top 10%, the numbers are even more staggering. They own 75% of the total wealth, that's \$40.5 Trillion. That means the remaining 90% of the population owns just 25%, that's \$13.5 Trillion. I was shocked when I discovered this.

In 2016, according to Credit Suisse, the estimated total wealth of the U.S. had risen to \$60.5 Trillion. Ongoing research indicates that the top 1% and top 10% are increasing their percentages even more.

I need to point out that not all people in the 1% are consciously rigging the system. A lot of them have similar values as the 99%. What's important to understand is that everyone in the 1% benefits financially when the system is rigged to give tax breaks to the wealthy.

What I also want you to understand is that the 99% has some allies in the 1%. At some point, we're going to need to call on them for help in this struggle for economic justice.

One of these allies, Morris Pearl, used to be the managing director of BlackRock, Inc., an American global investment management corporation based in New York City. In the book [Born On Third Base](#) by Chuck Collins, Morris is quoted saying, "I am now the chairperson of the Patriotic Millionaires, a group of wealthy Americans trying to make the point that the policies that create gross inequality in our society are not good for regular Americans and are also not good for the rich."

Author Chuck Collins is another ally. He was an heir to the Oscar Meyer fortune before he gave it all away in his mid-20s. He now works tirelessly to educate the wealthy, and regular people, about the terrible downside of wealth inequality and climate change. I have tremendous respect for Chuck and all that he is doing in these areas. Collins' books [Born On Third Base](#) and [99 To 1](#)

inspired me to put this information together for all of you to read.

Here's the number one thing I want you to understand about this whole lopsided wealth thing: Within the top 1% there's a group of about sixteen thousand households—the top 1/10<sup>th</sup> of the 1%. Within this small group are the true system riggers. They feel totally justified using every tool at their disposal to keep and expand their wealth. They believe they are the engines of the economic train that creates business and wealth that pulls everyone else along. To them, hoarding money is a virtuous action that benefits everyone, commonly known as trickle-down economics which has been debunked by most economic experts. Each of these households has over \$100 million in wealth. Their ranks include heirs to wealth dynasties that go back generations, alongside some first-generation entrepreneurs.

This group believes the government should step aside and not interfere—or, better yet, they want the government to steer subsidies their way. They and their lawyers are always looking for ways to tilt the rules more and more in their favor.

There are others in the 1% who are addicted to power. Without hesitating they'll cross ethical boundaries and take actions that benefit themselves at the expense of the rest of us. They're definitely aware of the negative affects their actions have on society but they don't care. In their minds, what they do is right, no what matter the cost. To many in this group negative effects on society are just the cost-of-doing-business.

# Does the 1% Really Deserve All the Wealth?

In my research, I found some incredible information in the book, Unjust Deserts, by Gar Alperovitz and Lew Daly. In it they boil down the latest thinking and research on wealth in our society.

Here's what they found: Up to 90 percent—maybe more—of the creation of wealth comes from using scientific and technological knowledge that's already available. It's everyone's inheritance from the past that comes to us from all the great and average minds who figured out new ways of doing things. The new things they figured out were written down and passed on to later generations in books and through teaching. This knowledge is like a massive scaffolding of intelligence that has accumulated generation after generation. Whenever anyone creates anything, they're doing it on the shoulders of the people who came before them not just on their ingenuity, effort, or investment. It's like we have this silent partner helping us whenever we make or do anything. It's everyone's inheritance.

This inheritance includes everything from our national infrastructure of highways and bridges, to our government and system of laws created to protect us all to our national education system to the incredible technology that is fed by our knowledge economy, to name just a few.

The problem of wealth inequality today comes from rich people thinking they should get every penny they can generate. The truth is that the rich enjoy the incredible support of this infrastructure, too, but without paying their fair share.

Author Barbara Ehrenreich, referring to the book Unjust Deserts, uses an analogy that paints a clear picture of the lopsided creation of wealth today: "*Unjust Deserts* reveals the untold story of wealth creation in our time. Our celebrated entrepreneurs and moneymen are hoisting a cherry to the top of an already existing sundae—and then laying claim to the entire ice cream parlor."

There was a time when saner minds prevailed regarding the way wealth was distributed. The 1940s and 1950s was a time when people understood just how wealth was to be shared fairly, not just for the wealthy.

There is an incredibly important point for you, the reader, to understand right here and now. I am not talking about wealth re-distribution, I am talking about fair wealth distribution in the first place. The economic system is not set up right now to dole out the money generated in any transaction in a fair and equitable way. The lion's share always goes to the person with the money, even though they're making that money using other people's' knowledge and technology.

This is a hard concept to grasp but it is one you must! If you are not doing the lion's share of the work, you don't deserve the lion's share of the profits, even if you are putting up the lion's share of the cash. You are entitled to a portion of the profits while the rest goes back to society.

Take a look at the graph below to see how we've steadily moved in the wrong direction since the 1950s when the wealthy paid their fair share.

If America's vast wealth is mostly a gift of our common past, how can we justify these huge wealth disparities?

We've got to ask the obvious—Why shouldn't wealth created from this gift of our collective knowledge and from the natural resources of the Earth be shared more broadly to benefit everyone?

It's a question we need to relentlessly ask in public and to openly ask the wealthy.

So, do the 1% deserve all the wealth? Not a chance!

# What About the Rest of Us?

## The Declining Power of the 99%

The power of the 99% has diminished dramatically from just a generation ago.

Since the early 1900s, the only force that could challenge the relentless onslaught of business has been the union. At its peak in 1955, over 35% of US workers were in a union. The unions used their collective-bargaining power to get a fair share of the income and wealth gains of the economy for the average worker. Today the 1% corporations look for every opportunity to bust unions and weaken the power they once used for the benefit of workers. Under siege, the percentage of union workers now hovers precariously at around 11%. By dismantling unions or vastly reducing their impact, there is a dramatic loss of voice and power for wage earners in the 99%. Sadly, most of them are already ignored by our politicians even though polls show that most of the population wants to live in a society with greater equality and economic security.

What the people in the 99% want is pretty simple and we certainly aren't asking for too much.

We want more time for what matters like, time off to spend with our families, especially as our kids are growing up and in school.

We need to trust that there are enough reliable jobs out there to keep everyone employed who wants to be. This is the only way we can feel secure financially.

We want quality public education that we don't have to worry about. We don't want to worry that the system will decline into underperforming schools because the budget is being drained of its resources.

We want to put our children first because we love them, because they deserve it and because our children are our future.

We understand that some people are less fortunate than others for any number of reasons. When life's circumstances hit some harder than others we want to give them a helping hand. Having a social safety net does just that and helps us understand that we are all in this together.

As you can see, the demands of the 99%, are not outrageous—they are very reasonable.

## **Common Ground of the 99%**

If we want to unrig the system, it's important that we unite as one force around common goals. We can no longer allow ourselves to be divided and conquered.

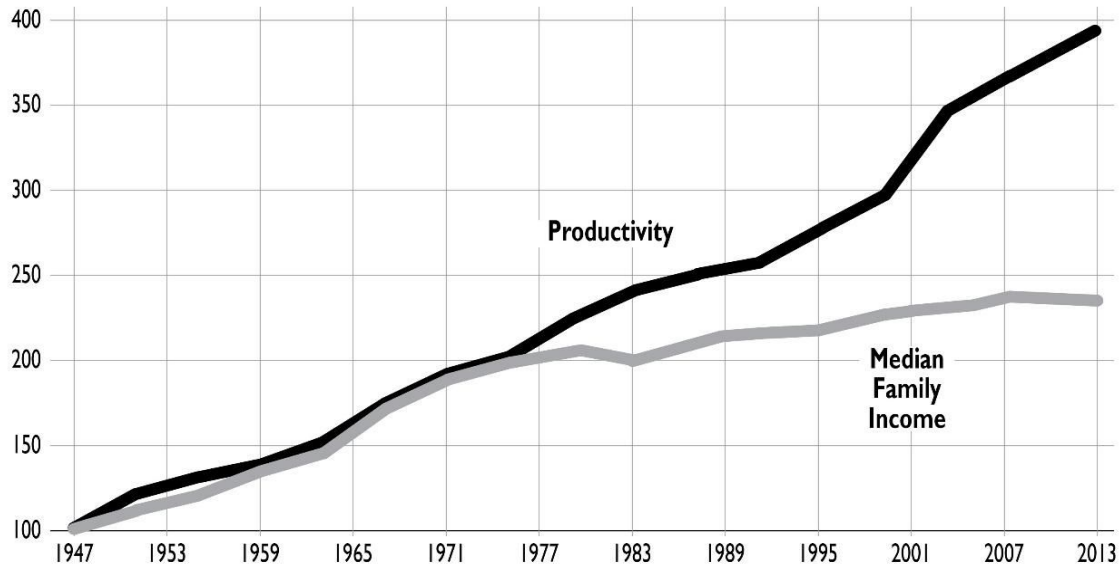
This is a very important moment in our history as a free nation. It's a time when politicians have brought the idea of 'the rigged system' into the open. We are in a time when the Internet, cell phones and other types of communication give us tools to quickly connect with each other over issues that concern us. We are using these tools to inform the public that the real engine of inequality in the U.S. comes from the super-rich class and the Wall Street inequality machine.

Based on what you hear in the media, you'd think wages have stagnated because worker productivity is going down. Well, that's just not the case. You'll see just how wrong that idea is when you take a look at the graph below. The way it's supposed to work is, when productivity goes up, so do wages. On the graph you can see that around 1977 all this changes where productivity kept going up but wages stayed the same.

I wonder who's pocketing all that extra cash as worker productivity has continued to go way up?

## Productivity and Median Family Income, 1947-2013

Since the mid-1970s, income for most families hardly grew while productivity soared!



**Source:** For 1947-2007: analysis of US Census Bureau and US Bureau of Labor Statistics (BLS) in *The State of Working America 2008/2009*, Figure 1G, by Lawrence Mishel, Jared Bernstein, and Heidi Shierholz, Economic Policy Institute (EPI). For 2007-2013: UFE extrapolation of EPI's analysis of data from Bureau of Labor Statistics & Bureau of Economic Analysis <[www.epi.org/publication/the-top-10-charts-of-2014/?utm\\_source=Economic+Policy+Institute&utm\\_campaign=49769a8560-Top\\_Charts\\_201412\\_18\\_2014&utm\\_medium=email&utm\\_term=0\\_e7c5826c50-49769a8560-55878457](http://www.epi.org/publication/the-top-10-charts-of-2014/?utm_source=Economic+Policy+Institute&utm_campaign=49769a8560-Top_Charts_201412_18_2014&utm_medium=email&utm_term=0_e7c5826c50-49769a8560-55878457)>.



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As 99%ers, we've got to understand that we are one gigantic group with incredible political power, if we stick together. If we stay united, we can push for changes that will have huge implications for the future of our people, our economy and society as a whole.

Also, we can't forget that there are people in the 1% who support our efforts. People like Chuck Collins and organizations like the Patriotic Millionaires share many of our values and value every single person, as we do. If we unite with people and organizations like these, we will be able to win over more allies in the 1%. As we do this we will have more leverage to change the rules of the economy in a way that benefits everyone. It is only together that we can make the changes that will bring economic and social justice to everyone.

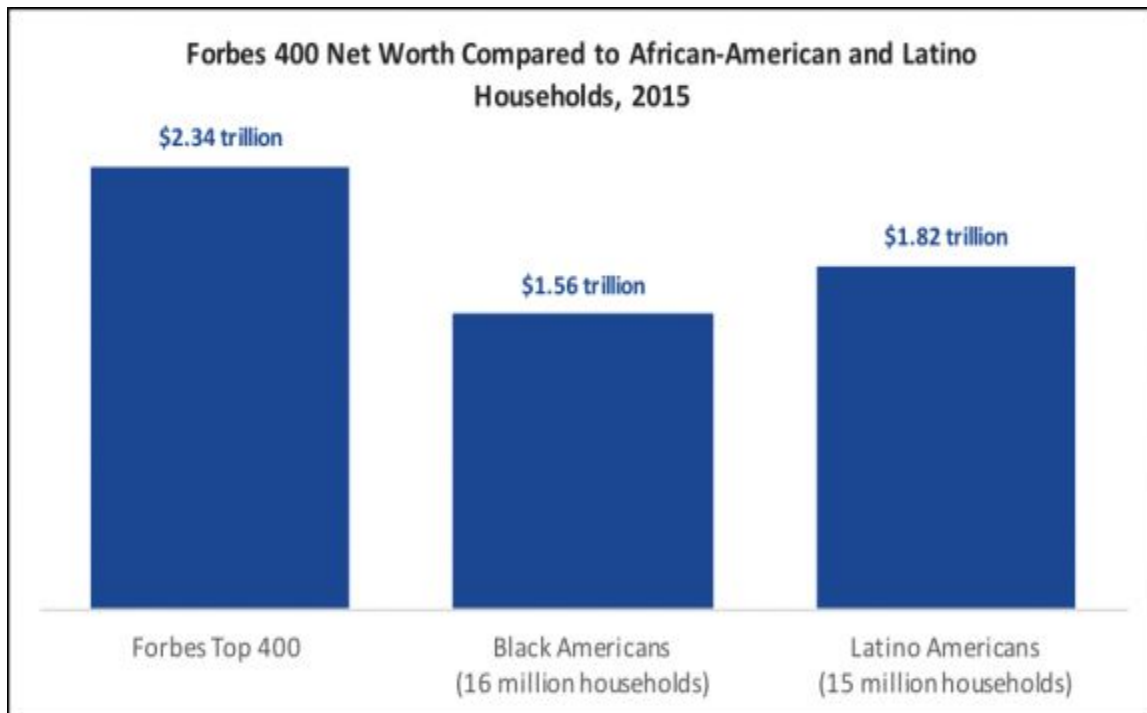
# Does Wealth Inequality Really Matter?

Wealth inequality unravels the social fabric that creates solidarity amongst people. Solidarity is about people taking responsibility for one another and caring for neighbors. For solidarity to happen, people must know and trust one another so that we can come together to transcend our differences.

## It Erodes Equal Opportunity and Social Mobility

One of the most powerful ideals of our Country is the idea that we all have equal opportunity and social mobility to better our lives. Every generation hopes to move up the income rungs on the ladder from where their parents stood. Wealth inequality like we have in this country makes this long held ideal incredibly difficult. Hope of a better life fades away as more and more people live just to make ends meet, without thought for moving up.

Think about this for a minute: Just 400 billionaires who make up the *Forbes 400* list of richest Americans now have as much wealth as 16 million African-American households plus 5 million Latino households. The graph below shows this stark reality in more detail.





## **It Tears Our Communities Apart**

Today, the 1% don't just live on the other side of the tracks from the 99% like in the old days—they live in a parallel universe. Research shows, when it comes to where we live, we are becoming more polarized by class and race. Separating like this causes fear, misunderstanding, distrust, and class antagonism between the 1% and the 99%.

Separate rich and poor neighborhoods are so common nowadays that the 99% and the 1% rarely have opportunities to rub elbows with each other or break bread together. We've become estranged and scared of each other.

The fear caused by wealth inequality leads people to do some very un-neighborly things like building physical walls. More than 9 million households in the U.S. live separated from the rest of society in gated communities surrounded by security systems and bodyguards.

The consequence is that there's less empathy and understanding between the groups that bleeds out into the greater society.

## **It Erodes Our Public Services**

Bill Gates Sr., father of the founder of Microsoft, and co-author with Chuck Collins of the book, Wealth and Our Commonwealth: Why America Should Tax Accumulated Fortunes, wrote, “The ladder of opportunity for America's middle class depends on strong and accessible public institutions, libraries, state parks and municipal pools.”

Each year our legislators create a national budget based on priorities deemed necessary to maintain our nation as healthy and in good standing. A part of the budget is for services that every U.S. citizen needs known as public services. The way we pay for our public services is mostly with money collected from taxes that everyone is responsible to pay. When this happens correctly, our government works efficiently and our country and its citizens prosper.

Unfortunately, the levels of wealth inequality we now face in the U.S. has created a vortex of failing support for public institutions like education, affordable housing, public health care and other pillars of support that help level the playing field for all.

The main cause for this is because the 1% is delinking from our communities—and the rest of society. Because they can afford to, they pay directly for services that are important to them instead of paying their fair share of taxes that support services important to everyone.

Since they are paying private service providers, they no longer see the need to pay for services

they don't use. They skip out on paying for public services through tax loopholes created by their paid lobbyists. They also bypass taxes by supporting tax cuts that benefit only them. As a consequence of the wealthy having no personal stake in maintaining good public services, the quality of life for the 99% suffers.

In a democratic society like ours is *supposed to be*, good government and strong public institutions require civic engagement by all citizens. When the 1%, with the biggest political clout and the greatest financial capacity, have no stake in society as a whole, they pull their money out of our communities.

This causes a cycle of deterioration in the '*common*' wealth. For example, if the 1% doesn't use the community public pool because they belong to a private club or, because they spend their summers at a private beach house, they no longer have a stake in ensuring the public pool is open, clean, and well maintained. It doesn't matter to them if it is staffed with qualified lifeguards for everyone's safety.

This is just one simple example but there are many more.

When services collapse in this way, the powerful no longer want to participate in what they judge as substandard facilities. Rarely do they realize that the deterioration is the result of their lack of support. This kind of thinking soon snowballs until both political and financial support disappears. When this happens, few resources are left that public services rely on to stay afloat. A vicious cycle continues that further destroys the public good.

# Does Wealth Inequality Really Matter? – Part Two

## It Ruins Our School Systems

This type of deterioration is very clear and visible in one of the cornerstones of our great nation—public education.

The withdrawal from public education by the 1% has now influenced the top 30% of families in our country to do the same. Just like the 1%, they are pulling their children from what they see as under-performing schools. Here again, the root cause—withdrawing public funding—is invisible but is the main contributor in many of our school districts across the country. Relatively new ideas such as school choice and charter schools are examples of the public not trusting our educational system to deliver.

This sucking cycle in education is accelerating as the system falls apart. For the sake of their children, parents make what has become a rational choice—to abandon public schools and community services—if they can afford to do so.

Sure, I'm aware of the inefficiencies of an organization like a school system—some teachers not working to a high standard that is best for our children, unions that can get in the way of correcting bad apples, administrations that only look at the bottom line. This doesn't mean that our school systems are unfixable and should be abandoned for what may look like greener pastures. The true rational choice is to fully fund public education and be accountable to correct problems within the system.

Today, we see a rush-to-the-exit moment as money and public support for our schools dwindles. When families in the 99% think like the 1% and opt for private education they find they have to work a lot harder to pay for the services they believe they need.

What we are witnessing is a wholesale withdrawal from the public sphere. Our thinking goes like this: If we can't depend on the bus to get to work or to get our kids to school, we buy a car. If we can't rely on the local public schools to educate our children, we stretch to pay for private schools. If we can't depend on the lifeguards to show up at the public pool, we join a private one. If we can't depend on the local police to protect our neighborhood, we hire a private security service or move to a gated community.

As this cycle continues and the cost of private services rise, families who can't afford this financial burden are trapped in poor schools and in neighborhoods lacking necessary public services and support. For many it's already a death spiral, others will be caught in its vortex.

## **It Wrecks Our Democracy**

Our democracy is under attack!

We've seen that the money of the 1% dominates our campaign system. Did you know that the cost to run for state or national election is astronomical? Take a U.S. Senator for instance—they have to raise \$10.5 million—on average—for a seat in the Senate. A House of Representative seat costs \$1.7 million—on average—and, they've got raise that money every two years to stay in office.

What do these huge numbers mean? If a politician wants get elected, they've got to spend an awful lot of time courting people with the big bucks. They've got to go to those fancy \$1,000-a-plate fund-raising dinners where they listen to the 1%ers promote their ideas.

There was a time when people ran for office to serve the public and the greater good. Today, it's a different story. Not only do politicians get a great salary and super health and retirement benefits but they also get a lot of campaign money, mostly from the wealthy. This is a lot to give up so, now we have politicians who are lifers.

To stay in office, politicians have got to spend a lot of time raising money to pay for re-election. So, with so much to lose, elected officials can stay in office only by relying on the 1%ers for cash. This means spending exorbitant amounts of time hanging around with the 1% and listening to their ideas about how to keep what they already have and how to get more.

The result of our politicians cozying up with the rich is that the power of our vote at the ballot box shrivels up and wealth inequality increases. Because big money talks in our political system, only those who can afford it have a voice politically.

A 2010 Supreme Court ruling commonly known as Citizens United that deals with the regulation of campaign spending by organizations all but guaranteed this. This ruling opened the door for unlimited election spending by corporations. Most of the mountains of money is funneled through advocacy groups known as Super-PACs.

This certainly gives a huge national megaphone to corporations during campaign season. Once again, the 99% is deprived of a voice in the public square, and puts them on the losing side of what matters most—our voice.

# What If Everyone Paid Their Fair Share?

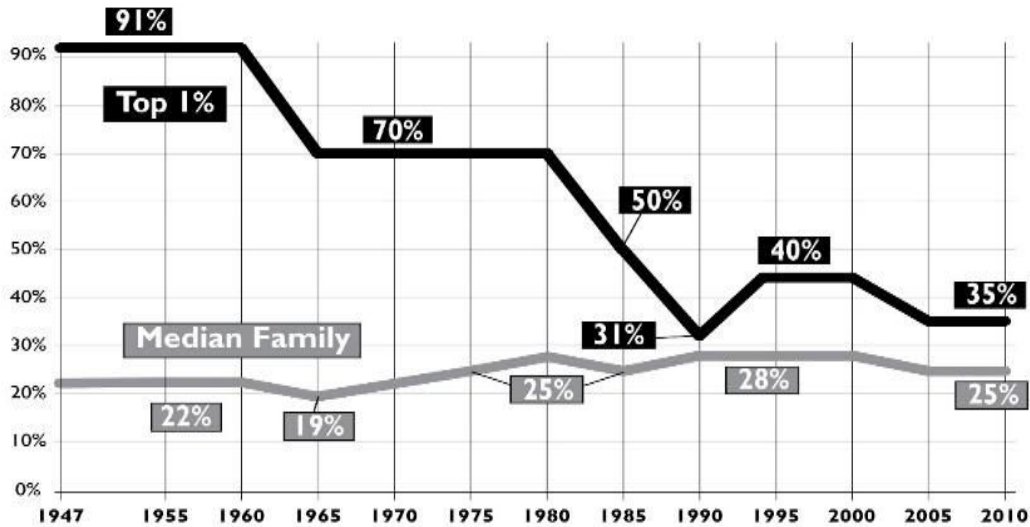
If the 1% would simply pay their fair share our country's economy and public infrastructure and services wouldn't be falling apart, like it is today.

What the 1% fail to see, or possibly they refuse to see, are the countless services they use for free that enable them to maintain their own wealth. Some obvious ones are things like the incredible scaffolding of physical infrastructure of our public works—the roads the 1% drive on and that their businesses use to transport their products; the harbors the 1% use as gateways to the oceans for recreation and that their businesses use to transport their goods to market. One that is not so obvious is the vast mountain of knowledge created by all the great thinkers, and accumulated over the centuries. It sits quietly and invisibly permeating every fiber of our society. This mountain of knowledge is the foundation that our economy rests upon yet. Unfortunately, only those with the means—more and more, only the 1%—are able to tap into it.

These are just a drop in the bucket compared to all the many ways the wealthy, all of us really, take advantage of what our society provides. These are more examples of the 'free lunch' I spoke about earlier. Remember, everyone gets this inheritance just for being born here in the United States at this time. The problem we face is that the wealthy don't accept that it is every person's responsibility to pay their fair share to the common good if we are to maintain the power and elegance of our inheritance.

The 1% of people and corporations are just not paying their fair share. Take a look at the graph below to see how they have been able to reduce their fair share of taxes consistently since 1960.

## Top & Median Federal Income Tax Rates, 1947-2009



Source: Tax Foundation \*<http://www.taxfoundation.org/files/federalindividualratehistory-200901021.pdf>.

### The Federal Reserve

Something truly insidious happens when our Government can't raise enough money to fully fund the national budget. First, our legislators cut what they call 'entitlement' programs—translation: programs for people in need. Secondly, if the cuts don't balance the budget, the Government is forced to borrow the shortfall—from the Federal Reserve. By the way, the Federal Reserve isn't federal at all. It is a privately-owned bank that the U.S. government is beholden to for some reason that would take far too long to explain here. The fact that we have to borrow from them in the first place, is the reason that we even have national debt, and why it just keeps getting larger. This is a much bigger story hidden from us but needing attention to bring it into the light.

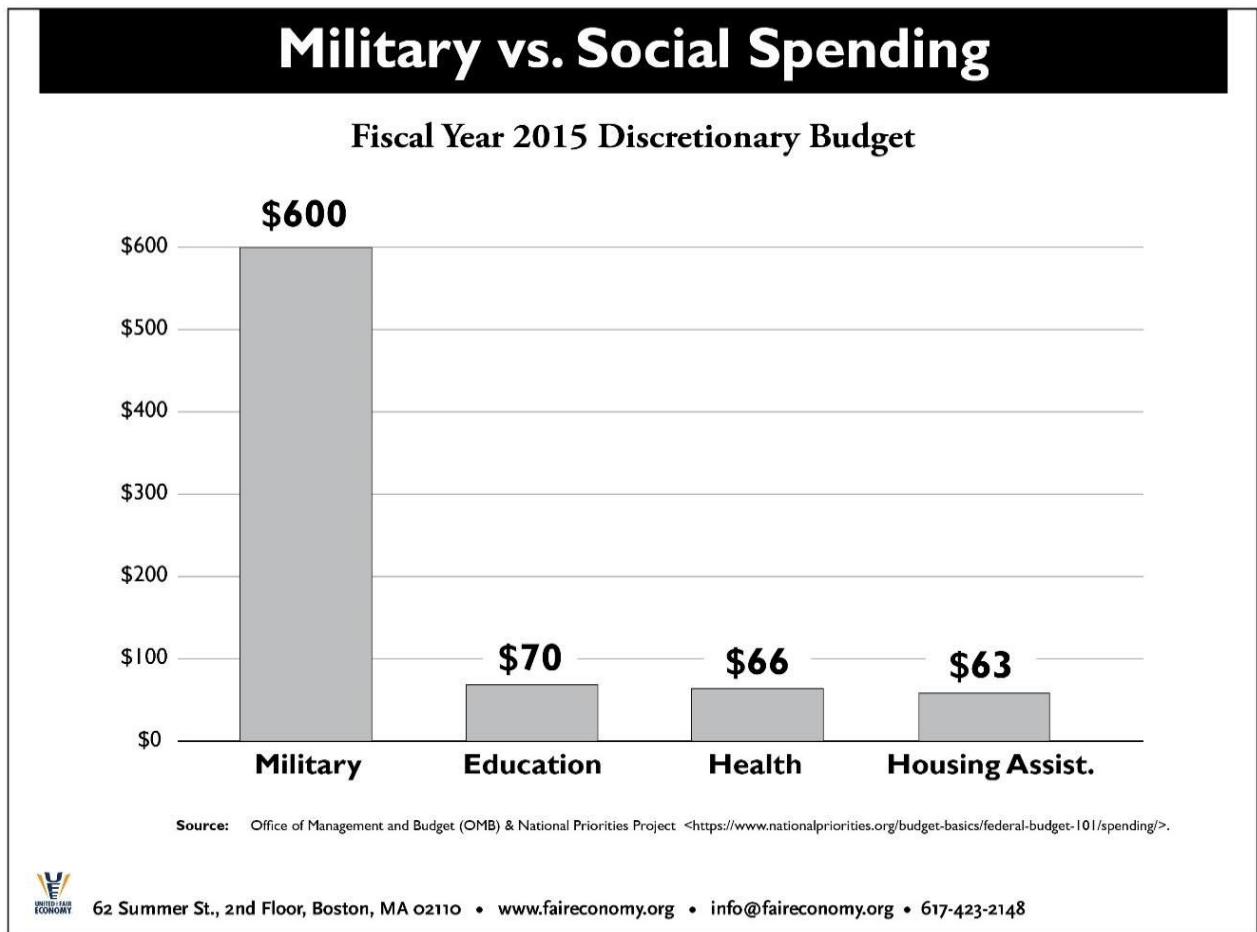
### So, does Wealth Inequality really matter?

**Yes, in every possible way it matters—Unchecked it Wrecks Everything We Care About**

Now that we see the picture of what has happened to the 99%, we can finally answer the question that has plagued me for too many years, 'What the hell has happened?'

Below are a couple of graphs that add to the story of 'The Case Against Wealth Inequality and The Rigged System.' The first—Military vs. Social Spending—shows the imbalance in spending

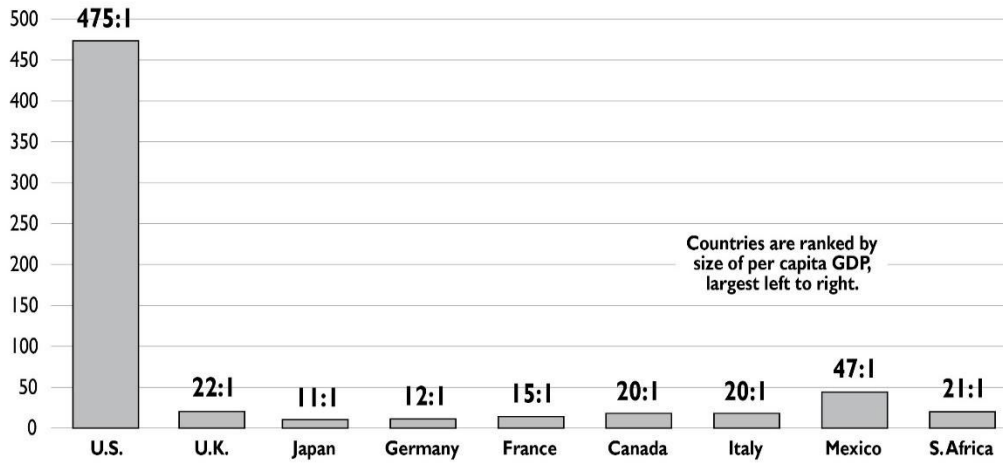
our tax dollars on the military rather than funding basic social needs.



This next graph—Country Comparison of CEO Pay—is all about greed and further imbalance but this time within the 1% of corporations on a global scale.

## Country Comparison of CEO Pay as a Multiple of Average Worker Pay, 2004

*The wage gap in the U.S is out of step with the rest of the world.*



Source: CEO Pay Rates: U.S. vs. Foreign Nations, by Adam Choate, Dana Rowzee, Jerrod Tinsley, November 17, 2005.



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# How to Empower *Ourselves*

Many of the 1% gang has done all they could to disempower *you*. They control money in elections and discourage some voters with ID requirements and gerrymandered legislative districts. They buy off legislators and write bills that only favor themselves. They off-shore jobs and money while breaking up unions. They play different groups against each other by promoting fear, even though the groups have very similar needs and desires. In effect, they run a secret government with secret rules that only they know.

But the real secret is that they don't want you to know just how powerful you can be. If most of the citizens eligible to vote did, and participated even minimally in some of the other suggestions below, it would create a whole new political paradigm the 1%ers couldn't control.

I'd be interested in your suggestions about how to empower ourselves in these trying times. Here's my list:

**1- Vote!** Even if you don't like the candidates in some races. Blank them—don't vote for a 'bad' candidate. Leave the entire category blank on the ballot. Blank the whole ballot if you want, because those blanks are powerful. After an election, every politician counts them up and if it's a significant amount, the winners know they are very vulnerable. It also gives personal gravitas when you contact your elected officials. If they think you are a serious person, especially connected to a group, they will check to see if you voted in recent elections.

**2- Go Local!** Shop in locally owned stores as much as you can, avoiding big box and online stores. Organize local coops or start worker- or -community-owned enterprises around services needed in the community. In the new economy of democratized wealth and ownership people look to locally-owned and operated businesses that are environmentally friendly and that benefit the community as a whole.

**3- Stay Informed.** As hard as it may be to follow the news, it's important to know the facts. Find a few reliable media sources you trust. If you can, visit media sites of other opinions to see what they are saying. This will give you a more rounded understanding of current events.

**4- Be a Megaphone.** There are many injustices in our World. The ones we can have the greatest impact upon are those in our own communities. Be a megaphone bringing attention to injustices near home. This isn't to say we shouldn't speak out about injustice anywhere we hear of it, just that the greatest effect comes locally.

**5- Support Public Education.** Give your support as much as you can, even if you have no kids in school. That dorky teen-ager down the street may turn out to be the doctor, nurse, EMT or police officer who saves your life, or a family member's life. Stop by your local schools and introduce yourself. Ask if there is anything you could do to help. Just by letting the staff know you care raises their spirits.

**6- Write, Call and Visit Your Elected Officials.** This can be a very powerful tool, especially if it's an organized campaign by a strong community group. By scheduling a consistent contact plan over a period of time by many different people who use their own words and don't speak from a script, politicians will see it as a groundswell of opinion and take you seriously. And always remind the officials you're a voter.

**7- Organize Resiliency Circles.** During these challenging times, it is crucial that people come together to increase personal security. A Resilience Circle is a group of 10 – 20 people who do just that, they meet regularly and support each other through difficult life circumstances. Circles have three purposes: learning, mutual aid, and social action.

**8- Join Community Organizations.** Wherever you can, support a community service, meet your neighbors. Learn how to organize groups and lobby your elected officials for support. A lot of meaningful change is done at the local level.

**9- Develop Individual Relationships.** It is especially today to meet with people of other persuasions. Listen to them and feel where they're coming from. When you share your feelings, try to find common ground that will strengthen the relationship.

**10- Host a Community Event.** Meetings and fundraisers are fun. Host one and you'll form new relationship as well as gain great experience and respect among your peers.