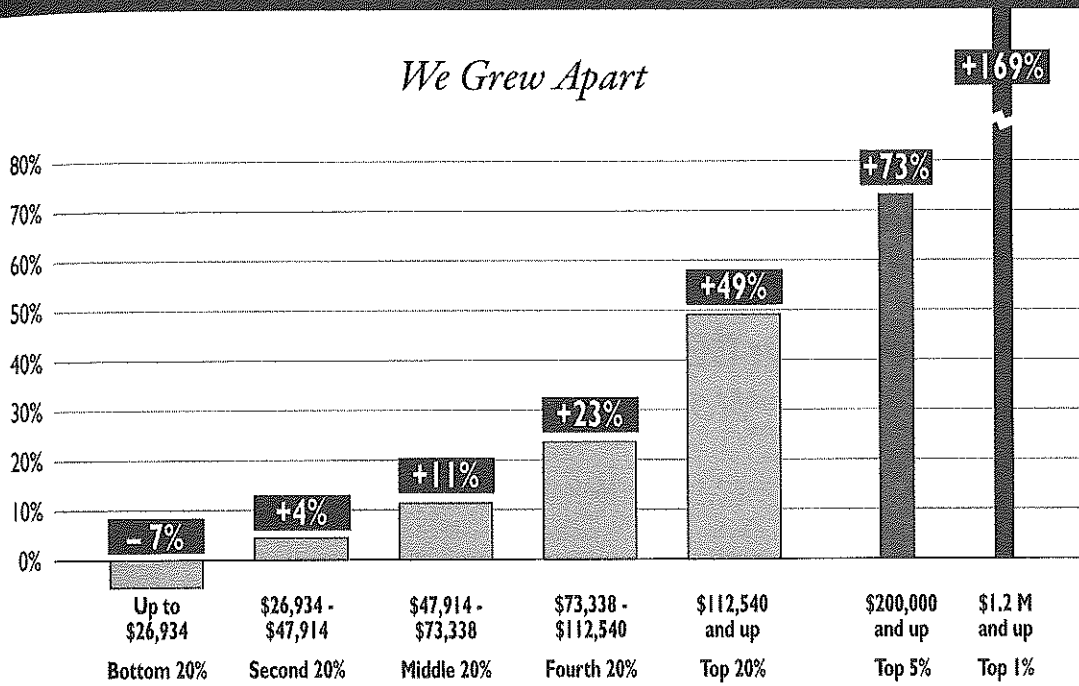


Real Family Income Growth by Quintile & for Top 5% & Top 1%, 1979 - 2009

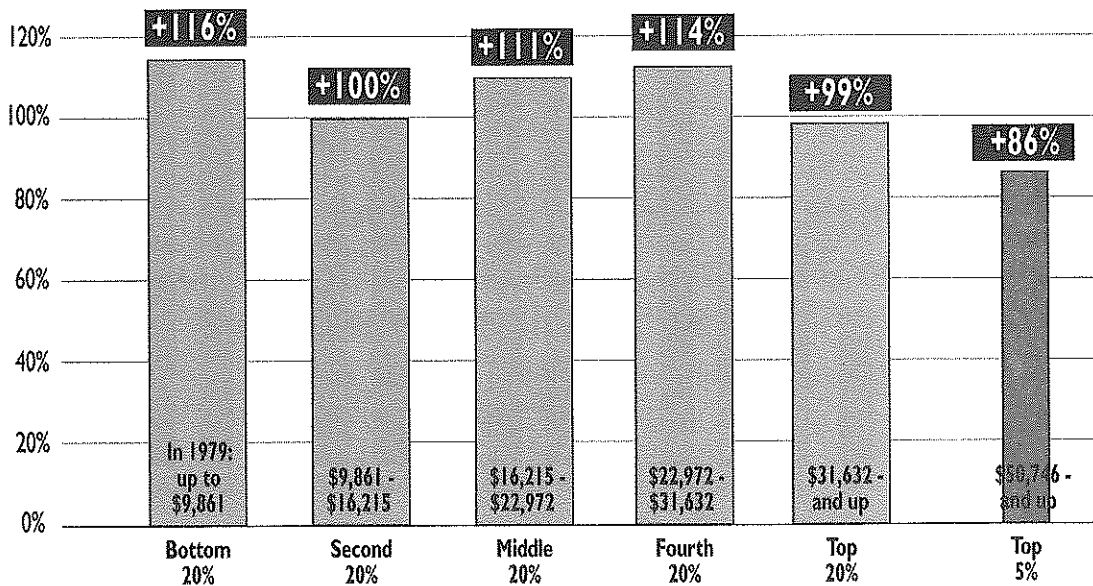
We Grew Apart



Source: US Census Bureau, Historical Income Tables, Tables F-1, F-3 <<http://www.census.gov/hhes/www/income/data/historical/families/index.html>>. Data for the Top 1% from Emmanuel Saez. <<http://elsa.berkeley.edu/~saez/>> is for 2008 and excludes income from capital gains.

Real Family Income Growth by Quintile & for Top 5%, 1947 - 1979

We All Grew



Sources: Analysis of Census Bureau data from *The State of Working America 1994-95*. Mishel, Lawrence and Bernstein, Jared, p. 37. Income ranges in 1979 dollars, from



Discussion

1. What stood out for you in this information about the growing divide between the rich and the poor?
2. What was helpful to you from these activities?
3. Does this information change your thinking about your own situation?
4. Does this information relate to the conditions in your community? If so, how?



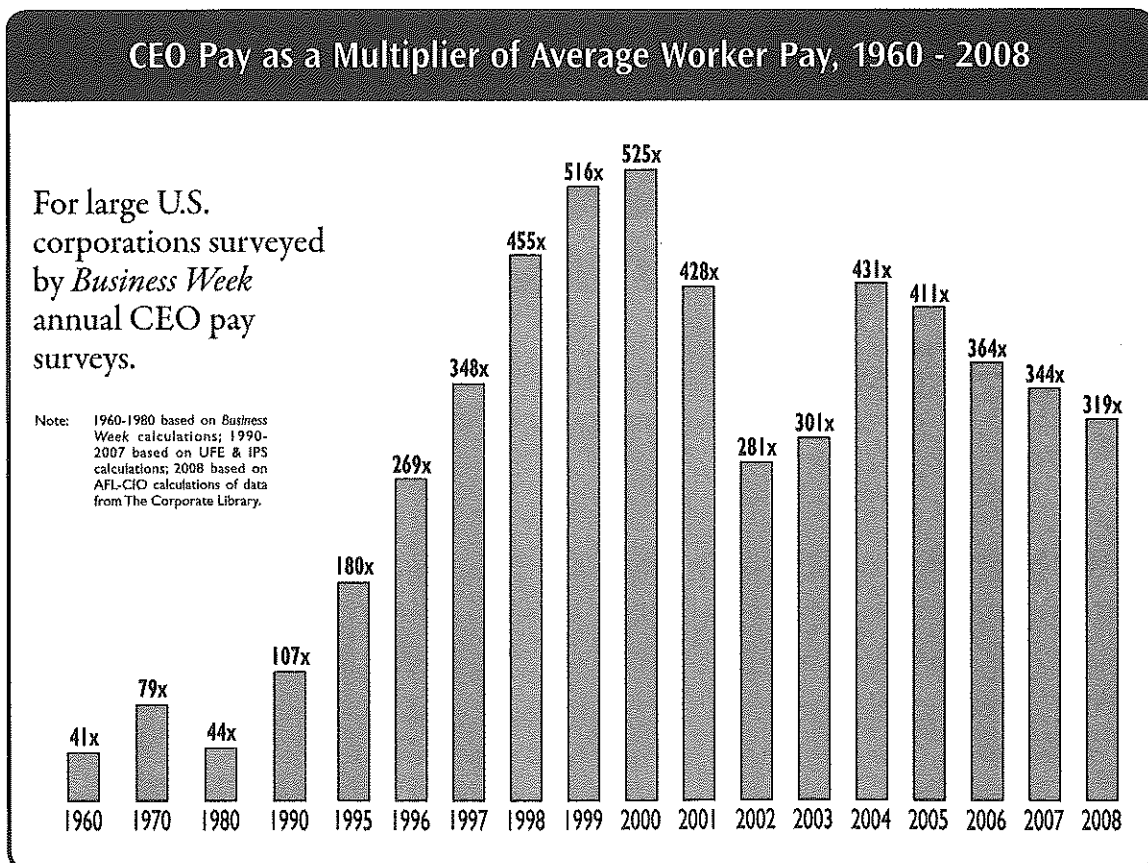
Activity: CEO Pay as a Multiple of Average Worker Pay, 1960-2008

Time: 15 minutes

Materials: Six placards

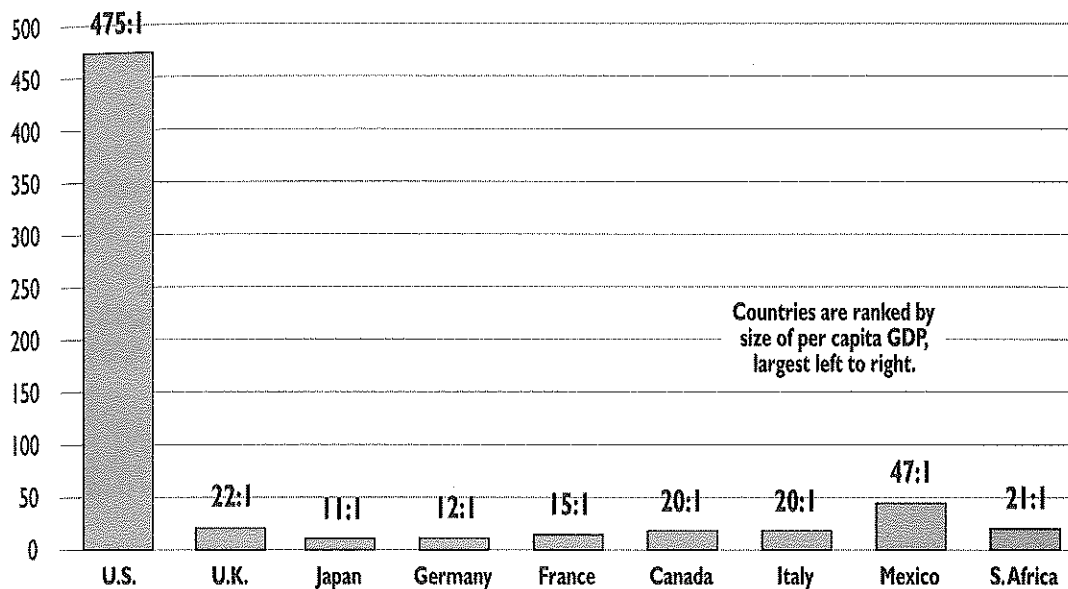
Procedure:

1. Review the table.
2. Investigate the information presented by the facilitator and six volunteers.



Multiplier of CEO Pay to 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.

Discussion



1. What strikes you about the income comparison between CEO pay and average worker pay?
2. How might the difference in pay affect the relationship of a CEO with employees?
3. How might it help to know how the U.S. compares with other nations?

Activity: Ownership of Household Wealth in the U.S., 2007—'The Ten Chairs: the Difference Between Wealth and Income'

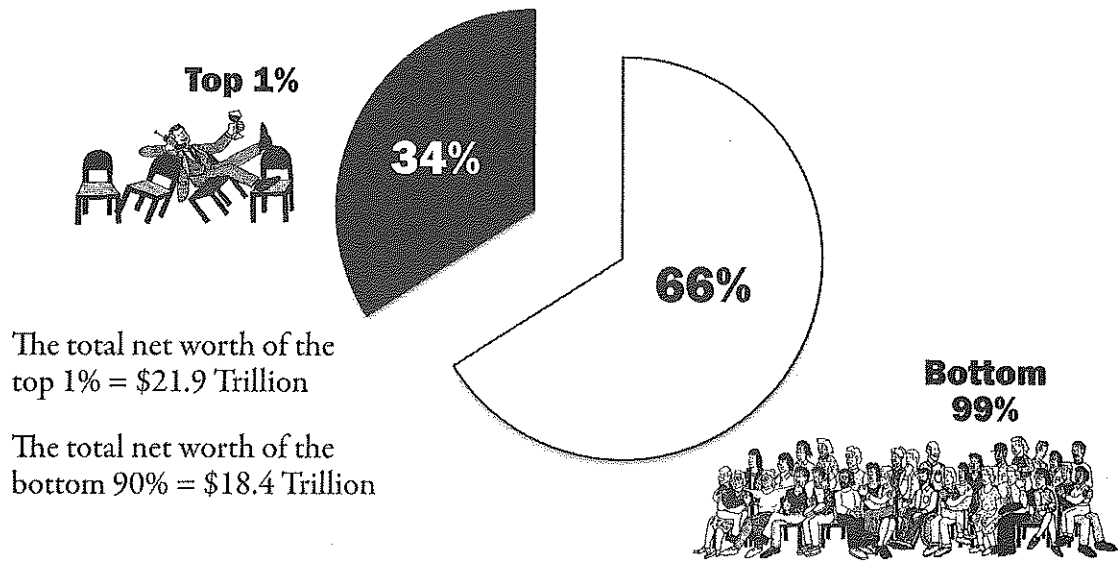


Time: 10 minutes
Materials: 10 chairs

Procedure:

1. Review the chart.
2. Investigate the information presented by the facilitator and 10 volunteers.

Ownership of Household Wealth in the U.S., 2007



Source: *Funds and Streams: Wealth and Income in the U.S., 1989 to 2007* by Arthur B. Kennickell, Federal Reserve Board
<<http://www.federalreserve.gov/pubs/feds/2009/200913/200913pap.pdf>>



Discussion

1. Notice the circumstances you are in and your own feelings about this. How are you feeling about the top 10%? How about the bottom 90%?
2. Who in North American society usually gets pushed off the chairs? How does that work?
3. What conclusions do you draw regarding the focus of public policy discussions—looking up the chairs (at the top 1%) or looking down the chairs (at the disadvantaged 99%)?
4. What caused the drop in median net worth for all races?
5. Why do you think the drop in net worth has been so dramatic for African Americans and Latinos?
6. Does this information change your thinking about your own situation? If so, how?

Wealth and Access to Power—Disparity in Wealth as a Cause of Poverty

Those with extreme wealth have greater access to power. That power can be used to support the political and economic policies that lead to more wealth and power. Here are some of the ways this works:

Campaign contributions: Individuals may support and help elect candidates who share their interests. Corporations influence politicians by using lobbyists, think tanks, campaign contributions, and the media to advertise their messages and to establish laws that favor them.

On January 21, 2010, the U.S. Supreme Court ruled in favor of Citizens United. This allowed individuals, organizations, and corporations to pour *unlimited* amounts of money into Super PACs (political action committees). Super PACs that are set up as “educational” or “charitable” do not have to disclose the names of contributors. The only limitation is that Super PACs cannot directly coordinate their efforts with a candidate’s campaign. This ruling increases the power of those who have the most money to significantly influence elections.

Return on political investment (ROPI): In February 2006 *Fortune* magazine reported that since 1999 Lockheed Martin spent \$55 million lobbying Congress. During that time it won roughly \$90 billion in defense contracts. This was a ROPI of 163,536% (Miller, 2006, p. 36).

Meanwhile, average citizens investing in the stock market in 2012 consider investment returns of 8–10% to be extremely good by any standard. By comparison, certificates of deposit (CDs) at local banks in late 2009 would yield 1% for a 21-month deposit, 1.98% for 42 months, and 2.71% for 59 months.

“Income changes on a dime; wealth is created over time.”

—Phil DeVol

Revolving door*: In this scenario, high-level executives get jobs with the government regulating the industry he/she came from. Corporate leaders then have the opportunity to make decisions and regulate the very sectors they used to work in. When they leave the government job, many of them go back to work in the very industry they had been regulating. Meanwhile, many elected officials whose term expires or who lose an election join corporations that contributed to their campaigns and whose work they supported while in the government.

This sort of power can give voice to some people and make others invisible. It supports its own system and people as it becomes more embedded in the larger power structure.