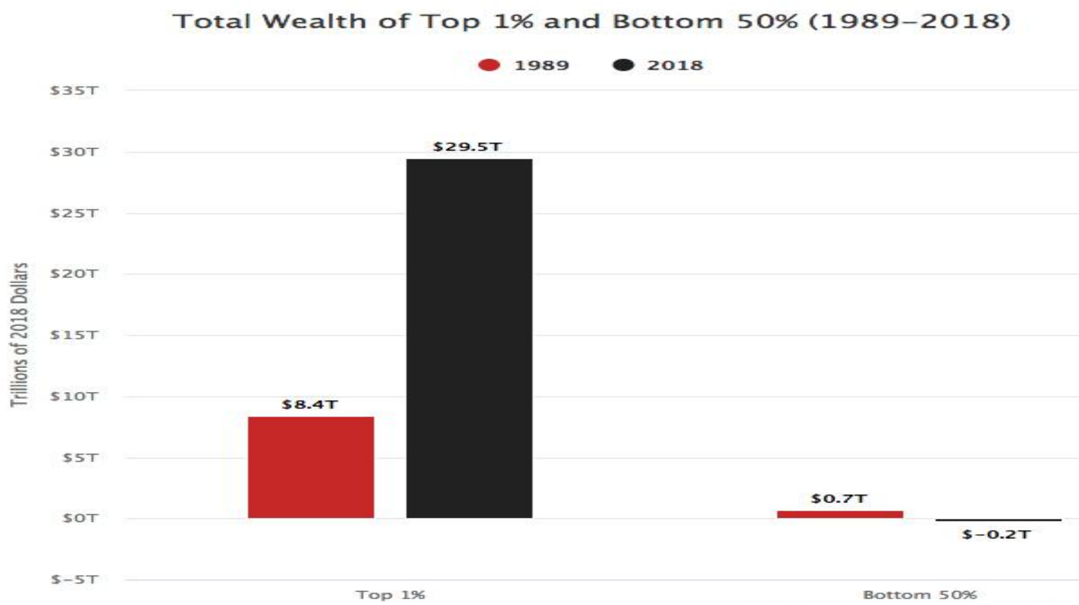
The Southeast Working-Class Task Force
2019 September/October Newsletter

Analysis Shows Top 1% Gained $21 Trillion in Wealth Since 1989 While Bottom Half Lost $900 Billion



"The top one percent owns nearly $30 trillion of assets while the bottom half owns less than nothing."

Adding to the mountain of statistical evidence showing the severity of U.S. inequality, an analysis published Friday found that the top one percent of Americans gained $21 trillion in wealth since 1989 while the bottom 50 percent lost $900 billion.

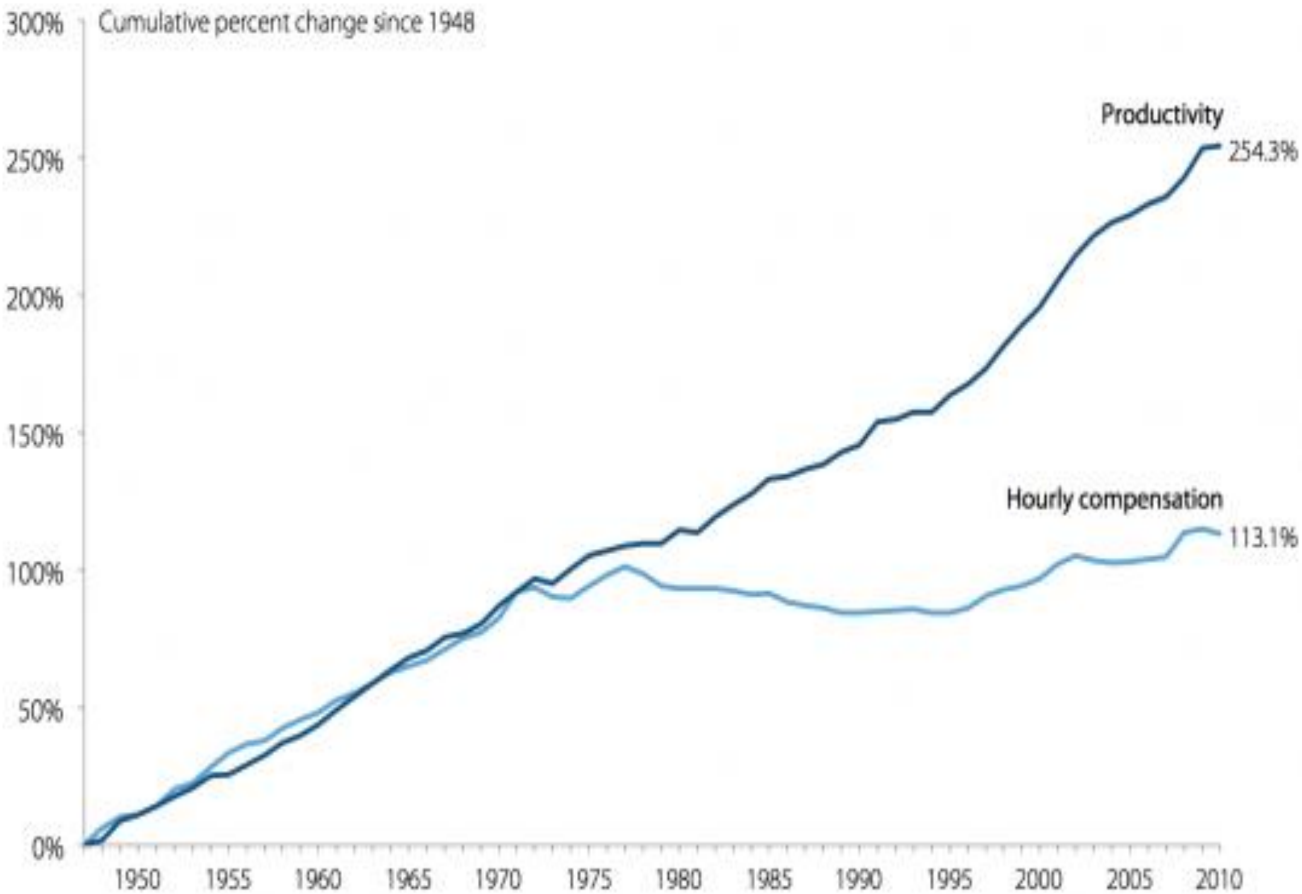
Matt Bruenig, founder of the left-wing think tank People's Policy Project, broke down the Federal Reserve's newly released "Distributive Financial Accounts" data series and found that, overall, "the top one percent owns nearly $30 trillion of assets while the bottom half owns less than nothing, meaning they have more debts than they have assets."

The growth of wealth inequality over the past 30 years, Bruenig found, is "eye-popping."

"Between 1989 and 2018, the top one percent increased its total net worth by $21 trillion," Bruenig wrote. "The bottom 50 percent actually saw its net worth decrease by $900 billion over the same period." www.commondreams.org/news/2019/06/14/eye-popping-analysis-shows-top-1-gained-21-trillion-wealth-1989-while-bottom-half?utm_campaign=shareaholic&utm_medium=referral&utm_source=facebook&fbclid=IwAR1_uFRSHfDhE7uOnLxdBoAiDitn5upIlbcW8zohG-3a2uQ_5gLrhPjx2Jw

From 1972 on there has been continuing increases in productivity by workers, but no real growth in their wages

Most Americans believe that a rising tide should lift all boats—that as the economy expands, everybody should reap the rewards. And for two-and-a-half decades beginning in the late 1940s, this was how our economy worked. Over this period, the pay (wages and benefits) of typical workers rose in tandem with productivity (how much workers produce per hour). In other words, as the economy became more efficient and expanded, everyday Americans benefited correspondingly through better pay. But in the 1970s, this started to change.



Why this happened—and how we can fix it

Rising productivity provides the potential for substantial growth in the pay for the vast majority. However, this potential has been squandered in recent decades. The income, wages, and wealth generated over the last four decades have failed to "trickle down" to the vast majority largely because policy choices made on behalf of those with the most income, wealth, and power have exacerbated inequality. In essence, rising inequality has prevented potential pay growth from translating into actual pay growth for most workers. The result has been wage stagnation.

For future productivity gains to lead to robust wage growth and widely shared prosperity, we need to institute policies that reconnect pay and productivity and restore worker power, such as those in EPI's First Day Fairness Agenda (https://www.epi.org/publication/first-day-fairness-an-agenda-to-build-worker-power-and-ensure-job-quality/) and the Agenda to Raise America's Pay (https://www.epi.org/pay-agenda/). Without such policies, efforts to spur economic growth or increase productivity (the largest factor driving growth) will fail to lift typical workers' wages.

The SEW-CTF newsletter is edited by task force Chair John Harris Loflin (john.loflin@seindy.org).
The task force meets the 3rd Wednesday of the month at 6:30 on the 2nd floor at 901 Shelby St.