“The reason they call it the American Dream is because you have to be asleep to believe it.”

~ George Carlin

Bridging the Inequality Gap
UCLA Hammer Forum
March 11, 2014

Sylvia A. Allegretto, PhD
Co-Director, Center for Wage & Employment Dynamics
Institute for Research on Labor & Employment
University of California, Berkeley
Dude, the rich are getting richer!

A rising tide...

Source: Emmanuel Saez and Thomas Piketty. Top 1% income shares (excluding capital gains) in the United States.
The ‘free market’ fallacy

- Top tax rate 75%
- Crash of ‘29
- Enact Glass-Steagall
- War-era wage increases
- Eisenhower-era 90% top rates
- Top rates lowered to 25%
- Feds target inflation
- Deregulation--banking
- Reagan breaks air traffic strike
- End Glass-Steagall
- NAFTA
- Bush Tax cuts

Source: Emmanuel Saez and Thomas Piketty. Top 1% income shares in the United States. CEPR
Inequality is a function of *Purposeful Policy*.

- **Wealthy Elites & Power**
- **Policies**
- **Political access**
Falling top-marginal tax rates

Top marginal income tax rate on ordinary income

1945 94.0%
2013 44.6%

Bush Tax Cuts

Source: Citizens for Tax Justice. Allegretto 2013
"I am trying to enjoy the fruits of my labor"

~Lucinda Williams lyrics


Allegretto 2014
...some will win and some will lose

Wage Growth in California: 1979-2013

The Wealth of a Nation

Source: Norton and Ariely, "Building a Better America".
A well oiled machine

The Economy: Community, Workers, Citizens

Corporate power & the wealthy

Worker Rights, Unions, NLRA

DEMOCRACY
Out of whack

Corporate power & economic elites

Worker Rights

The Economy:
Communities, citizens & democracy