Bankers, Brokers, Bubbles and Bailouts
The Causes & Consequences of the Financial Crisis & Great Recession
The Nation at a Crossroads

Our Jobs
- Layoffs & job instability
- Stagnant wages
- Insecure pensions
- Longer work hours

Our Families
- Loss of family time
- Rising costs of housing, health care, education, utilities, and food

Our Communities
- Cut backs in necessary services
- Anger at immigrants
- Fear of crime
- Collapsing infrastructure (bridges, roads, rail)
Corporate profits fell sharply after the mid-1960s.

Source: *Left Business Observer*: data from Federal Reserve and Bureau of Economic Analysis. The profit rate is defined as corporate profits from the national income accounts, divided by the Federal Reserve's estimates of the value of the tangible capital stock, from their flow of funds accounts, before (solid line) and after (dotted line) taxes. Corporations are nonfinancial corps only.
Percentage of the Workforce in a Union - 1930-2010

Anti-union policies weaken the power & voice of workers

Source: Bureau of Labor Statistics
Percent of Federal Tax Collections from Individuals & Corporations

Taxes have been shifted from corporations to individuals

“Ladies and gentlemen
... greed, for lack of a better word, is good. Greed is right. Greed works. Greed clarifies, cuts through to the essence of the revolutionary spirit... and greed will save that malfunctioning corporation, the USA.”

— Gordon Gekko, fictional corporate raider, at a meeting of shareholders in the 1987 movie “Wall Street.”
“I simply want to reduce government to the size where I can drag it into the bathroom and drown it in the bathtub.”

— Grover Norquist, Americans for Tax Reform

Defame
• “Government is just big bureaucracy without accountability.”
• Public sector workers are “overpaid” and “lazy.”

Defund
• Taxes are cut to reduce government spending.
• Education & human services are cut at federal and state levels.

Deregulate
• Standards are cut for workplace & food safety.
• Environmental rules are undercut with trade treaties.

and Privatize
• Easier for corporations to profit off the public’s basic needs.
Using “Strategic Deficits” in the 1980s

Big increases in military spending + Tax cuts (mainly for the wealthy) = Huge deficits
Profits, particularly in the financial sector, rose dramatically in the late 1990s.

Change in Top Federal Tax Rates on Wealth & Work since 1980

Taxes have been shifted from wealth to work

Big tax breaks for the wealthy - No tax relief for working families

Federal Tax Rates for the Top 1% and the Median Family 1947-2010

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

Top 1%

34%

Bottom 99%

66%

The total net worth of the top 1% = $21.9 Trillion

The total net worth of the bottom 90% = $18.4 Trillion

Ownership of Stocks and Mutual Funds, 2004

Who really wins when the stock market rises?

Wealthiest 1% own 49% of all stocks & mutual funds

Next 9% own 30%

Bottom 90% own 21%

Net Worth is
ASSETS minus DEBTS
(What You OWN minus What You OWE)

Note: Dollar figures for Whites and African Americans exclude Latinos. Ratios for both Whites and African Americans include Latinos. The Survey of Income and Program Participation was redesigned in 1996, which may affect comparability of data before and after the change.

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

We Grew Apart

**Median Family Income by Race, 1947-2006**

*Racial Income Inequality Persists*

For large U.S. corporations surveyed by *Business Week* annual CEO pay surveys.

Productivity and Median Family Income, 1947-2007

Since the mid-1970s, family income hardly grew while productivity soared!

Household Debt as a Percentage of Disposable Personal Income*

To make ends meet, families go deeper into debt


* The income that individuals receive minus the personal taxes and fees that they pay to governments.
Stagnant wages & easy credit terms pushed consumer debt to historic highs!

Source: Capitalism Hits the Fan - Richard Wolff on the Economic Meltdown
Tax Revenues as a Percentage of GDP by Country

Many families are forced to live on the edge.

I'D LIKE TO BORROW $250,000 TO BUY A HOUSE.

I SEE.

AND HOW MUCH DO YOU EARN?

$14 AN HOUR

AND YOU WANT TO BORROW $250,000? ARE YOU CRAZY?

YOU CAN BORROW AT LEAST $350,000.

MORTGAGES

MORTGAGES

MORTGAGES

MORTGAGES

HEADLONG, I RUSH INTO THE BUBBLE.
Total Mortgage Debt, 1960 - 2008

Deregulation of mortgage lending drove the amount of mortgage debt sky high!

(Billions)

$12,000
$10,000
$8,000
$6,000
$4,000
$2,000
$0


Source: Capitalism Hits the Fan - Richard Wolff on the Economic Meltdown
Real Family Income Growth by Quintile & for Top 5%, 1947 - 1979

We All Grew

Principles of the Solidarity Economy

★ Solidarity and Cooperation

★ Equity in all dimensions (race, class, ethnicity, gender, etc.)

★ Political and Economic Democracy

★ Sustainability

★ Pluralism; Grassroots-level Organizing; Diversity

★ People and Planet First
Program for a Fair Economy

★ Educate & Change the Conversation

★ Campaign to Build Power & Change the Rules

★ Build a Movement
Keep the Momentum Going

WALL STREET BANK

WHAT EVIDENCE HAVE YOU THAT THESE PROTESTS ARE GROWING?

WE'RE ON THE 23RD FLOOR!! WE NEED JOBS!

WE ARE THE 99%!

HELP! US STOP GREED

NO HEALTH CARE

OCCUPY WALL ST.