

MAKING REAL CHANGE

ANNUAL REPORT 2013

(July 1, 2012 – June 30, 2013)



“ We make the rules of the economy and we have the power to change those rules. ” – Robert Reich

United for a Fair Economy believes that real change requires a strong, sustained grassroots movement that unites Americans across all walks of life—labor unions, faith-based groups, low-wage worker networks, immigrants’ rights groups, wealthy allies, and others—in the fight for economic justice. We work at the intersection of culture, art, and activism to expose the root causes of extreme inequality and challenge the prevailing myths and policies that support the current economic power structure.

In this Annual Report for 2013, we share a snapshot of this work: some of the inspiring stories and successes that you have made possible this year. Together, with you and social justice activists across the U.S., we are creating a resilient, sustainable, and just economy for everyone, not just those at the top.

Thank you for being a part of the journey.

Real Change: One Teacher's Story

In 2011, Brian attended one of **United for a Fair Economy's** flagship **Training of Trainers** institutes in South Haven, Minnesota. At the time, he was an English teacher at a high school in Southern California, not far from the border with Mexico. At the training, Brian joined 20 other educators, union leaders, and community organizers from across the US for **UFE's** intensive course in *popular economics*, the language and analysis of economic inequality made accessible for everyone. **This four-day institute was only the beginning.**

Months later, in February 2012, **Jeanette Huezo**, a **UFE Popular Economics Educator** since 2001, arrived at Brian's school. During her two-day stay, Jeannette led two workshops for Brian's young students, many of whom are undocumented and, themselves, no strangers to the bruising consequences of economic inequality. Jeannette offered a powerful counterpoint to the misleading tales Brian's students had been learning about the sources of economic opportunity and social mobility in our country. In Brian's own words, the curriculum used by the high school's social studies and economics teacher *"promotes overtly racist ideas and places blame and shame on individuals instead of on systems, public policy, or historical inequalities."*

Inspired by Jeannette's teachings and armed with United for a Fair Economy's own book, *The Self-Made Myth*, and signature annual "State of the Dream" reports, Brian and his students decided to re-think their education. As Brian told us:

"We did an entire unit last year on White privilege and the racial wealth divide. The culminating project was that each student wrote a letter to our Social Studies Department Chair explaining why it is necessary for the economics teachers to discuss White privilege when they were discussing wealth."

It's "necessary" because—as the inequalities of one generation are passed onto the next—the typical Black and Latino family still has less than 13 cents for every dollar of net wealth Whites have. And it's these often-overlooked systems of inequality that **United for Fair Economy** exposes and examines in our **"State of the Dream"** reports and other publications, popular economics workshops, and creative advocacy work.

The high school's reinvented social studies curriculum matters. In the classroom, there is now room for Latino and Latina students to see their own American experience reflected in their education. And this is empowering:

"9 of our students have won the Gates Scholarship in the past 4 years. 11 of our students were admitted to UC Berkeley this year. And they are all excited about taking classes in Latin American History, Chicano Studies, Women's Studies, Education, and Ecology & Environmental Sciences."

Brian's story and that of his students exemplifies how broad-scale change can take hold over time. **By bringing the gospel of economic change home to communities most marginalized and disenfranchised by our lopsided economic system, UFE is empowering existing social justice advocates and breeding new ones.** This is but one of many examples of how **United for a Fair Economy** is working with constituents and change advocates to bring about real, systemic change. This is the movement for a fair economy in a microcosm. **This is the movement for a fair economy in action.**

Changing Public Policy

After years of work on the estate tax, UFE's **Responsible Wealth Project** and our **Federal Tax Initiative**, with the help of Bill Gates, Sr. and other prominent wealthy leaders, led the fight during the fiscal cliff negotiations to successfully enact **the first increase in the estate tax rate in 28 years**.

The effort began immediately following the 2012 election, when UFE and RW initiated the **Responsible Estate Tax Proposal** and recruited 36 initial signers, including Bill Gates, Sr., Warren Buffett, President Jimmy Carter, George Soros, Robert Rubin, John Bogle, Abigail Disney, and Robert Reich. We announced the proposal during a national teleconference on December 11, 2012, which was featured in more than 100 media outlets across the country, including **The New York Times, CNBC, CNN Money, and Forbes**. Before the teleconference, **the estate tax had been almost universally ignored; afterwards, the estate tax and the proposal put forward by UFE and Responsible Wealth became part of the larger debate in Congress and around the country.**

“ If the world I leave behind is one of gated communities, growing inequality and misery among the have-nots, downward mobility for the middle class, a degraded environment and a rotting social and physical infrastructure, then my children’s inheritance will be a shabby one indeed—no matter how much money they get. ”

- Richard Rockefeller, heir to Standard Oil founder, John D. Rockefeller

Changing the Public Dialogue

Through creative reports and social media, UFE continues to debunk false, but salient national myths about the origins of wealth and success in our economy and the levels of racial and economic disparity in the US.

Born on Third Base (September 2012) uses the metaphor of baseball to show that most of the Forbes 400 members are not self-made, as Forbes claims, but actually inherited their wealth and thus were “born on third base,” or even home plate. The release of the report, timed to coincide with the annual Forbes 400 report, included creative use of social media and an engaging action campaign to encourage Forbes to tell a more complete story about wealth. Forbes issued an immediate response.

>>> Read the full report on our website at faireconomy.org/bornonthirdbase2012

The State of the Dream 2013: A Long Way Home, our 10th annual report, released in January 2013, documents how current federal efforts to promote home ownership—tax expenditures in particular—disproportionately go to those who need the help least. The report recommends a stronger set of policies to promote and support housing as a human right, along with wealth-building strategies that are targeted to those who need it most.

>>> Download this and previous reports at faireconomy.org/racial_wealth_divide

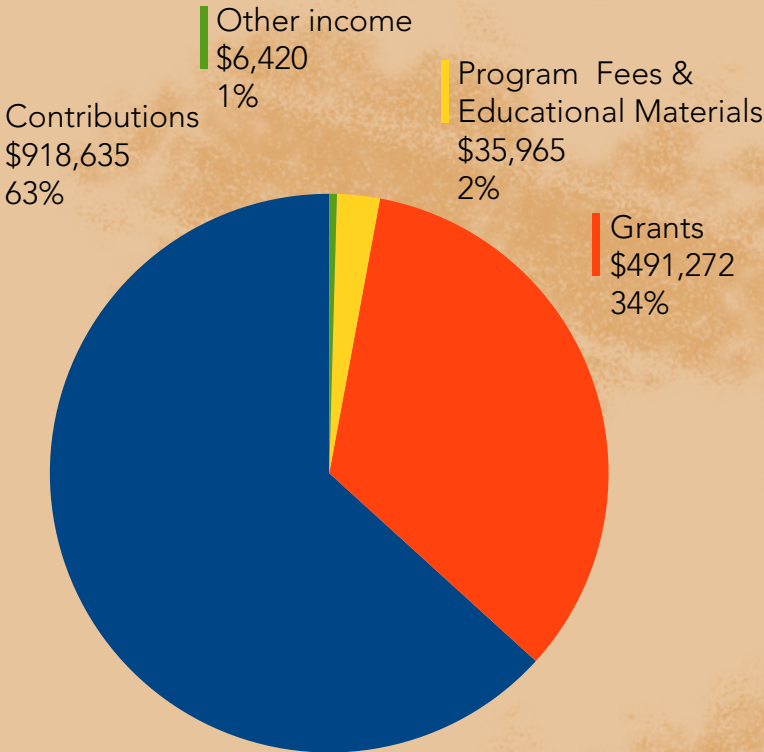
Change in the States

UFE's **Tax Fairness Organizing Collaborative (TFOC)** held its annual **Raise the Roots Conference** in June 2013 in Boston, MA, attended by over **70 organizers** representing organizing groups from **18 states** across the country. This year's conference—the largest to date—featured interactive workshops about using film, art, media, and creative action to more effectively engage communities and involve new constituencies on issues of economic inequality and progressive tax policy. The conference kicked off with an advance screening of **Robert Reich's acclaimed new feature film, *Inequality for All***, which offers an eye-opening and highly accessible analysis of growing wealth inequality in the U.S.

>>> Experience Raise the Roots at faireconomy.org/enews/experience-raise-the-roots

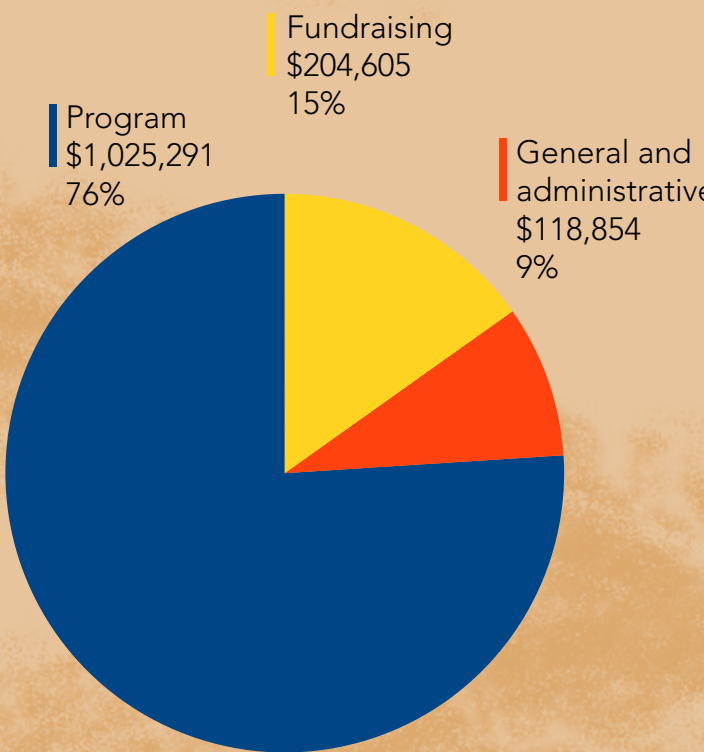
CHANGE BY THE NUMBERS

Income FY13



Total income \$1,452,292

Expenses FY13



Total expenses \$1,348,750

STATEMENT OF FINANCIAL POSITION

ASSETS	2013	2012
CURRENT ASSETS		
Cash and Cash Equivalents	\$126,971	\$245,997
Investments		3,183
Pledges & Grants Receivable	395,693	120,320
Accounts Receivable	7,455	13,152
Other receivables		50,000
Publication Inventory	4,452	5,302
Total current assets	534,571	437,954
Fixed Assets	17,061	22,083
Other Assets	27,485	49,625
Total Assets	579,117	509,662
LIABILITIES & NET ASSETS		
CURRENT LIABILITIES	154,874	240,610
DEFERRED RENT	60,326	8,677
NET ASSETS		
Unrestricted	(51,775)	26,915
Temporarily restricted	415,692	233,460
Total Net Assets	363,917	260,375
TOTAL LIABILITIES & NET ASSETS	\$579,117	\$509,662

STATEMENT OF ACTIVITIES

PUBLIC SUPPORT & REVENUE	2013	2012
Contributions	\$918,635	\$900,456
Grants	491,272	359,000
Program & Conference Fees	30,712	14,030
Educational materials sales	5,253	7,694
In-kind contributions	5,261	
Interest & Dividends	51	302
Gains (losses) on investments	1,108	(402)
Total public support & other revenue	1,452,292	1,281,080
EXPENSES		
Program	1,025,291	987,413
General and administrative	118,854	129,382
Fundraising	204,605	193,875
Total expenses	1,348,750	1,310,670
CHANGE IN NET ASSETS	103,542	(29,590)
NET ASSETS, beginning of year	260,375	289,965
NET ASSETS, end of year	\$363,917	\$260,375
For complete audited Financial Statements, visit our website: faireconomy.org/about_ufe		

Without YOUR Dollars there is No Change!

United for a Fair Economy gratefully acknowledges the following supporters who contributed \$1,000 or more between July 1, 2012 and June 30, 2013. We also thank all of our supporters that we were unable to list here because of space limitations or who prefer to remain anonymous. Because of YOU we are **United for a Fair Economy**. Thank you.

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This Annual Report was designed by Jacob Leidolf (jacobleidolf.com)

CHANGE IN THE NEWS

TIME

"Now that the fiscal cliff debates are coming to a conclusion, Responsible Wealth—a network of business leaders and other wealthy citizens, including Bill Gates Sr., Warren Buffett and

George Soros—is speaking out in favor of returning to an estate-tax structure more reminiscent of that of the pre-Bush years."

Forbes

"We think Obama's proposal leaves too much on the table. If the estate tax law reverts to the \$1 million exemption/55% rate, that

would bring in \$536 billion over the next decade. By comparison, Obama's proposal would bring in \$256 billion less. We're trying to find somewhere in between." - Mike Lapham, Responsible Wealth Director

CNN Money

"We need substantial revenue for deficit reduction, public investment and providing economic security. A

substantial estate tax can provide some of that revenue with no meaningful adverse impacts." - Robert Rubin

THE HILL

"As individuals and families that have benefited most significantly from public

investments and a strong society, we are proud to have the opportunity to contribute back to the country that helped to make our success possible," the group said in its statement for a "responsible estate tax proposal."

The New York Times

"I think [this proposal] is a reasonable compromise

between where we are now and going all the way back to 2001 levels." - John C. Bogle

THE HUFFINGTON POST

"My grandfather Roy and his brother Walt both made their fortunes because of the American

system, because there was funding for infrastructure, roads, highways, and regulations...I have no desire to compound my already significant advantages, especially not on the backs of the middle class." - Abigail Disney

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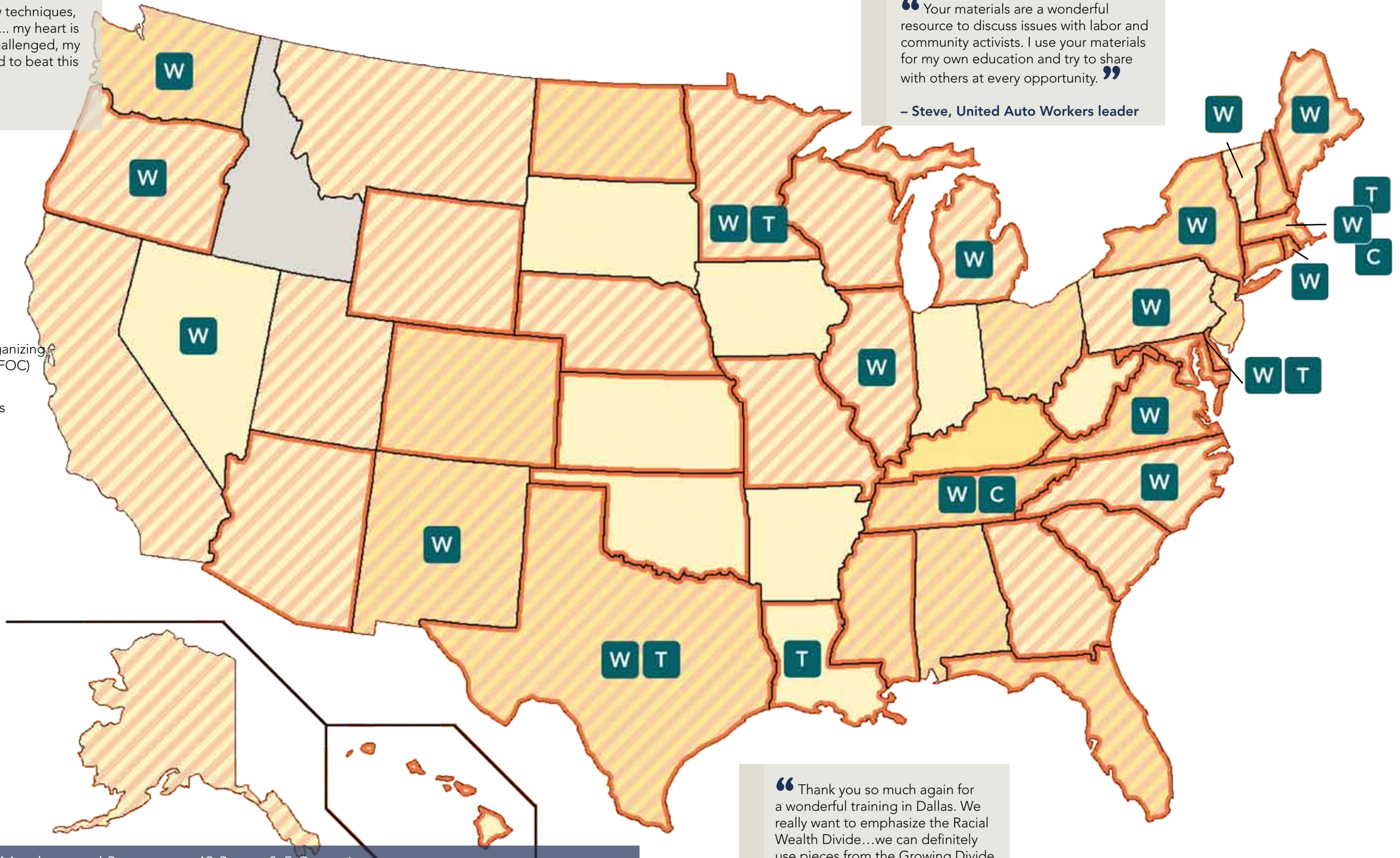
CHANGE ON THE MAP

“...a truly extraordinary workshop... I cannot remember one as meaningful... I came home filled with great ideas, new techniques, renewed enthusiasm... my heart is touched, my mind challenged, my body energized. Hard to beat this experience.”

– Mark, Seattle

“Your materials are a wonderful resource to discuss issues with labor and community activists. I use your materials for my own education and try to share with others at every opportunity.”

– Steve, United Auto Workers leader



Also:

Ontario
British Columbia
Guatemala
New Zealand
Spain
Australia
and more...

Members and Supporters: 49 States & 5 Countries
Responsible Wealth Members: 34 States
Popular Economics Education workshops and trainings: 20 states
UFE Economics and Racial Wealth Divide curriculum and resources: 21 states
TFOC Raise the Roots conferences were held in Nashville and Boston (2)
ToTs were held in Fort Worth, Baltimore, and Boston (2)

“Thank you so much again for a wonderful training in Dallas. We really want to emphasize the Racial Wealth Divide...we can definitely use pieces from the Growing Divide, but the intersections with race are especially important to our work.”

– Shannon, Colorado

BECAUSE...

ECONOMIC INEQUALITY HAS REACHED RECORD LEVELS &

THE AMERICAN DREAM IS NOT THE EXCLUSIVE RIGHT OF THE 1%

& TRICKLE-DOWN ECONOMICS HAS FAILED... MISERABLY &

THE RICH GET TAX CUTS WHILE OUR TEACHERS GET PAY CUTS

& THE 47%, IMMIGRANTS, & CHINA ARE NOT THE PROBLEM &

WHITE FAMILIES HOLD 6 TIMES THE NET WEALTH
OF BLACK AND LATINO FAMILIES

& THE MINIMUM WAGE SHOULD BE A LIVING WAGE

& MAJOR AMERICAN CORPORATIONS AREN'T PAYING FEDERAL TAXES

& THE 400 RICHEST AMERICANS OWN 62% OF AMERICA'S WEALTH

& THE POOREST 47% OF AMERICANS HAVE NO WEALTH &

WAGES FOR MOST HAVE STAGNATED WHILE INCOME
SHARE OF THE 1% HAS TRIPLED IN THE LAST 30 YEARS &

WHAT IS HAPPENING TO LOW- AND MIDDLE-INCOME FAMILIES
HURTS ALL OF US — THE WEALTHY, TOO

& PEOPLE ALL OVER THE COUNTRY ARE TALKING ABOUT INEQUALITY

& THE 99% ARE FIGHTING BACK &

IMMIGRANTS, STUDENTS, AND LOW-WAGE WORKERS ARE ORGANIZING &

VICTORIES ARE HAPPENING &

EQUAL OPPORTUNITY IS EVERYONE'S RIGHT

& OUR DEMOCRACY IS NOT FOR SALE TO THE HIGHEST BIDDER &

WE HAVE THE POWER TO CHANGE THE RULES OF OUR ECONOMY...

FOR ALL THESE REASONS AND MORE, WE ARE

UNITED FOR A FAIR ECONOMY 