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Job Creation Cycle



Source: Paul Krugman, Nobel Prize-Winning Economist, December 22, 2010

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What Creates Private Sector Jobs?

DEMAND



**“Businesses aren’t investing because they can already produce more than people want to buy...
If you can’t sell what an extra worker would produce then there’s no economic reason to hire that extra worker.”**



Fordism **Vs.** Walmartitis

Paying Good Wages Creates Sustained Demand



In 1914,
Henry Ford
paid double
the going
daily wage:
“One’s own

employees ought to be one’s
own best customers... Paying
high wages is behind the
prosperity of this country.”

✱ Walmart pays many workers poverty wages of just \$11/hr despite \$13 Billion profit and \$22 million CEO pay in 2017.

✱ Used its 2018 tax cut to buy back \$20 Billion of its own stock to further enrich the six Walton heirs who already hoard \$163 Billion in wealth.

✱ Gets > \$6 Billion/yr in corporate welfare via govt provided food stamps, healthcare and housing for its many low-paid workers.

ALWAYS LOW WAGES.

Always

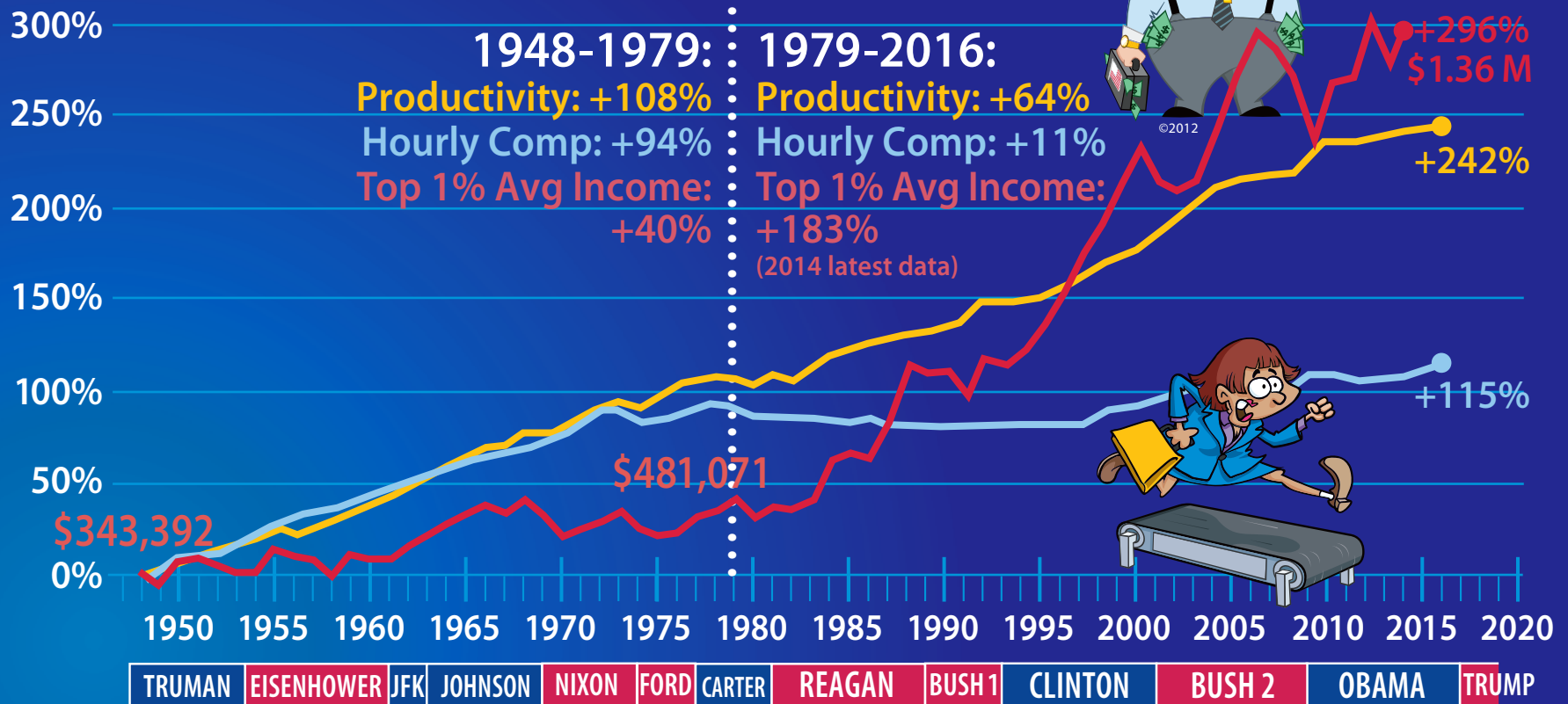
Sources: “Stop Walmart Act...” by Jake Johnson, Nov 15, 2018 (CommonDreams.org)

“Meet The Waltons...” by Mary Hanbury, Aug 16, 2018 (BusinessInsider.com); Walmart Income Statement (nasdaq.com)

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Income Growth & The Great Divide

% Change 1948-2016

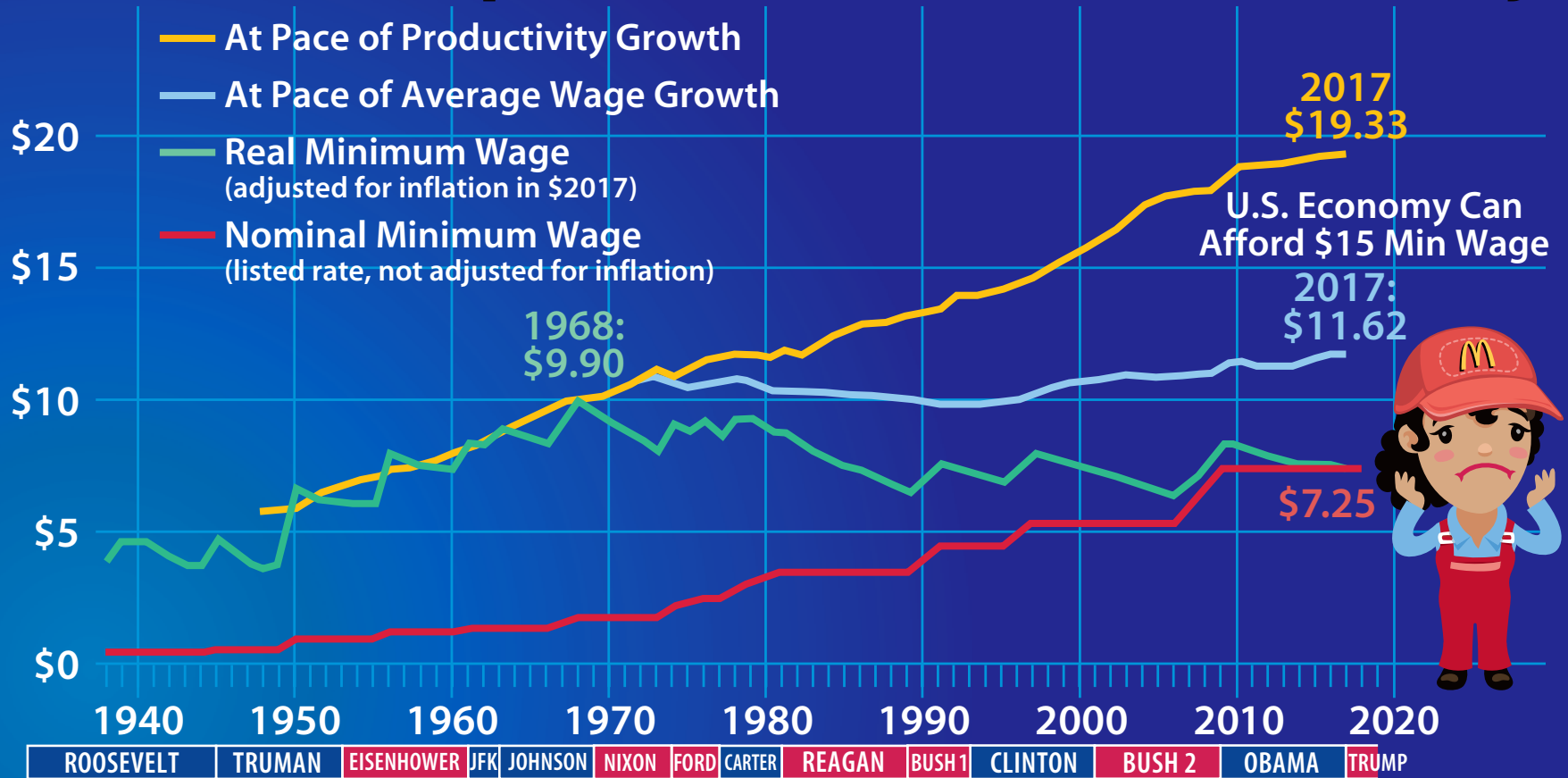


Change adjusted for inflation. Baseline = 1948. Top 1% dollar amounts shown in \$2017.

Sources: Top 1% avg pre-tax national income from World Inequality Database, Piketty, Saez, et al. (wid.world)
 Productivity, Average Hourly Comp: U.S. Bureau of Labor Statistics data analysis by Economic Policy Institute (epi.org)

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Federal Min Wage Would Be >\$19/hr If It Had Kept Pace With Productivity

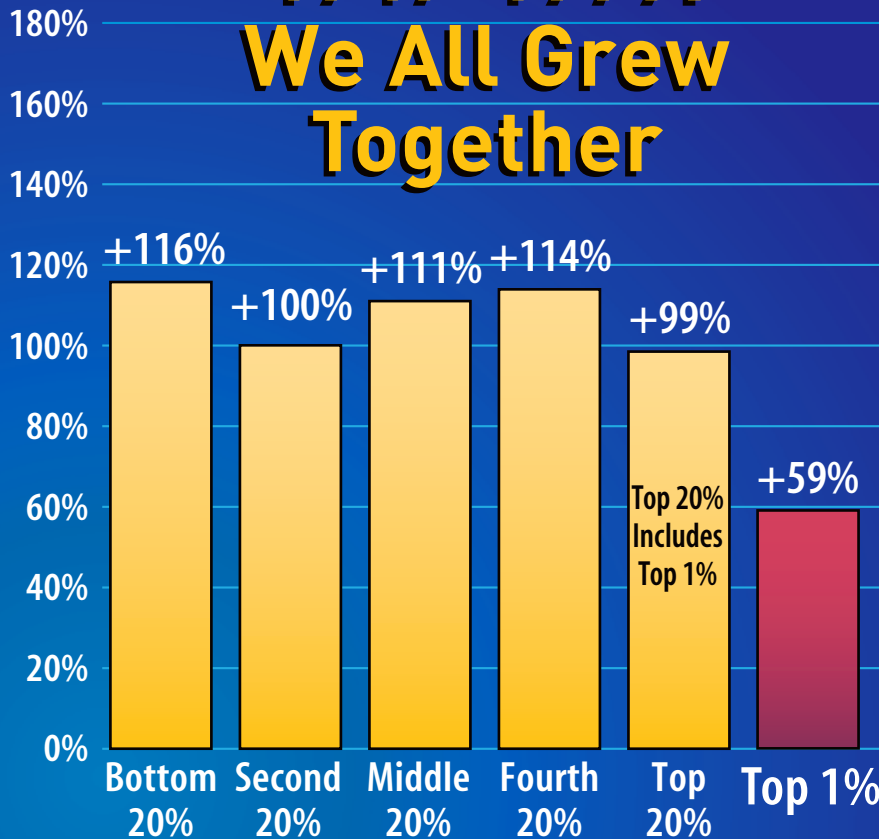


Sources: Economic Policy Institute analysis of "Raise the Wage Act of 2017," April 26, 2017 & July 24, 2017 (epi.org)
based on data from U.S. Bureau of Labor Statistics (bls.gov) and Congressional Budget Office (cbo.gov)

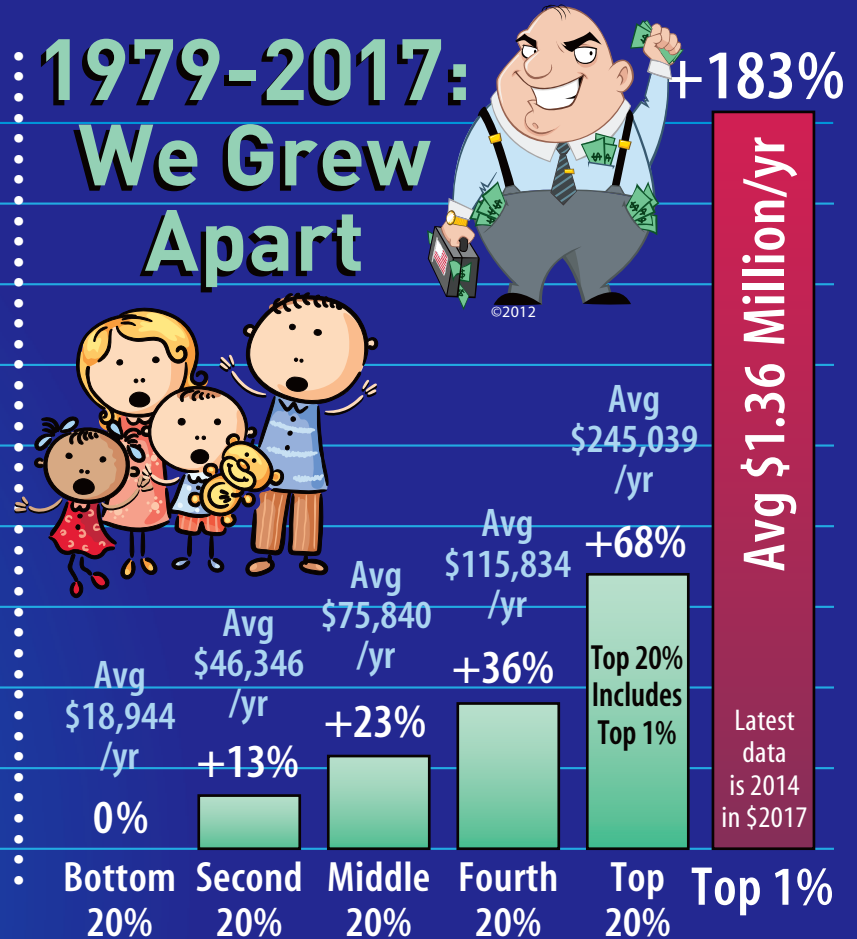
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Growth Of Family Income: Then & Now

**1947-1979:
We All Grew
Together**



**1979-2017:
We Grew
Apart**

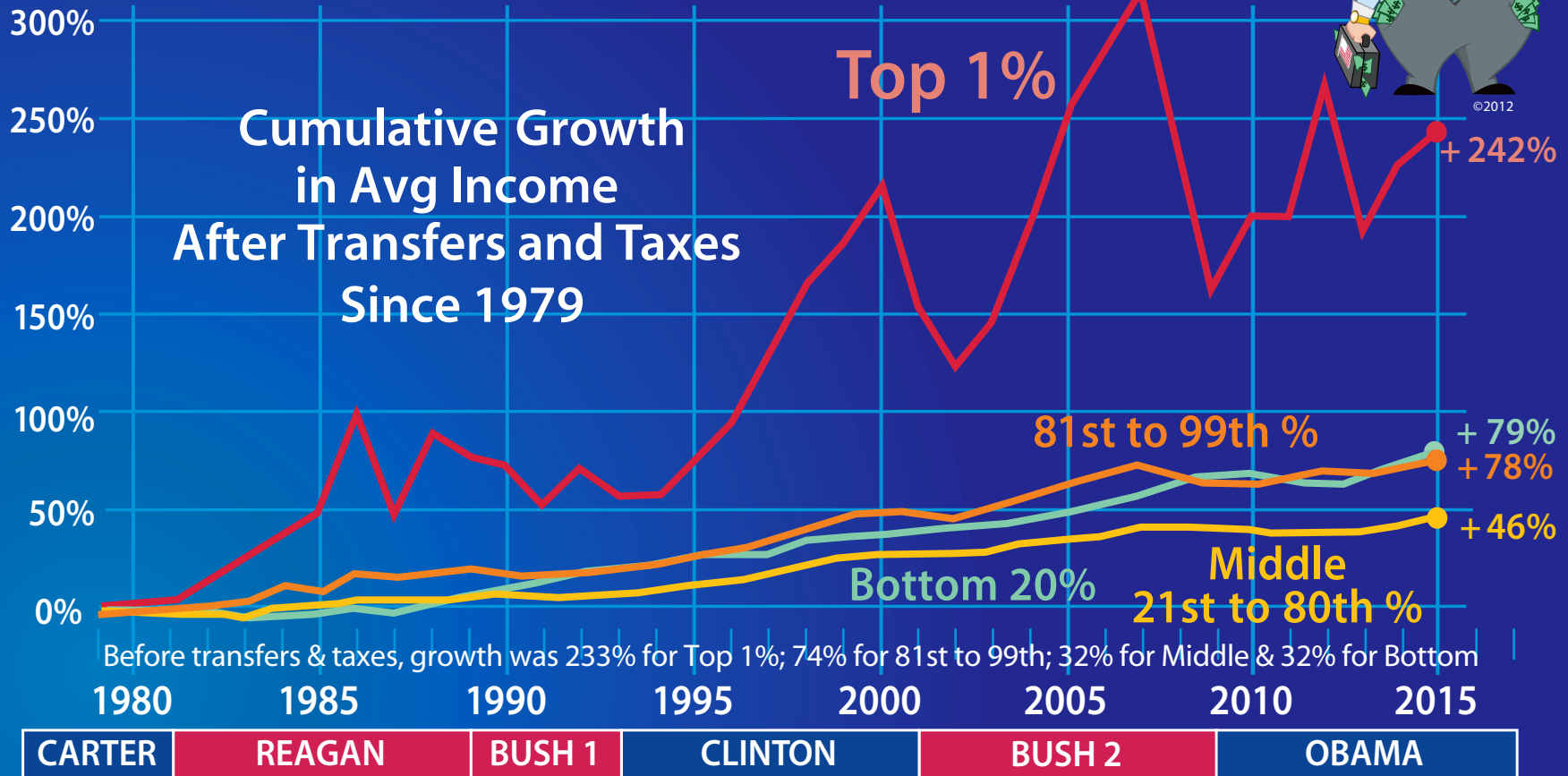


% change in pre-tax income; Avg pre-tax \$ incomes are for 2017 in \$2017

Sources: 1947-1979: United for a Fair Economy (FairEconomy.org) analysis of US Census data
 1979-2017: Census Bureau, Table F03AR (Census.gov); Top 1%: Piketty & Saez, et al., World Inequality Database (wid.world)

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Since Trickle-Down Con, Top 1% Grabbed Most Income Gains



Sources: "Distribution of Household Income 2015," Congressional Budget Office, Nov 2018, pgs 20 & 14 ([cbo.gov](https://www.cbo.gov))
Household income includes market income, social insurance benefits (Soc Sec, Medicare) & govt transfers (Medicaid, SNAP, etc).

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CEO Pay Skyrockets



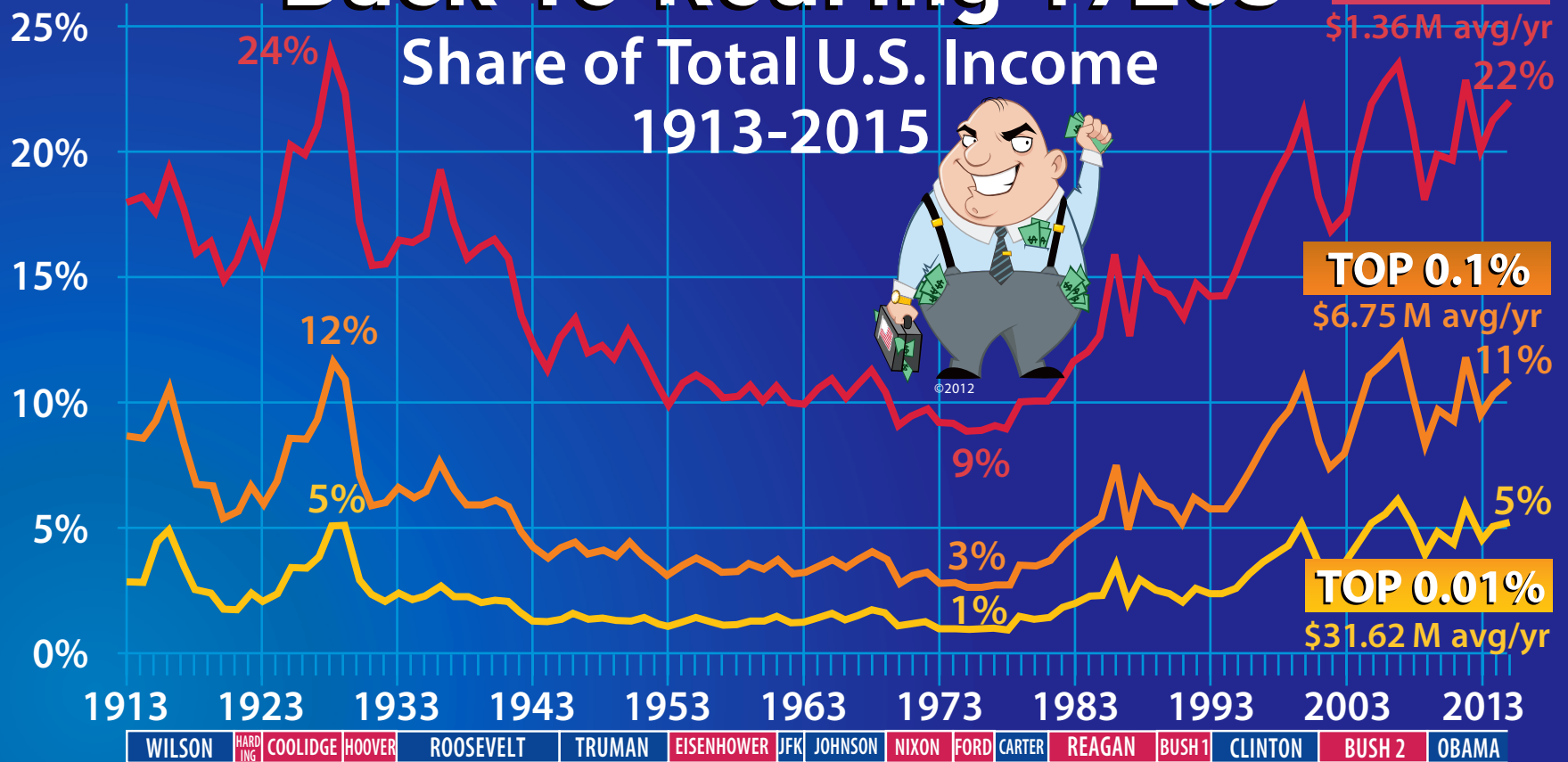
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Source: "CEO Compensation Surged in 2017," Economic Policy Institute, Aug 16, 2018 (epi.org) based on data from Compustat's ExecuComp database, Current Employment Statistics and Bureau of Economic Analysis NIPA tables

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Top Sucks Up More Income Again: Back To Roaring 1920s

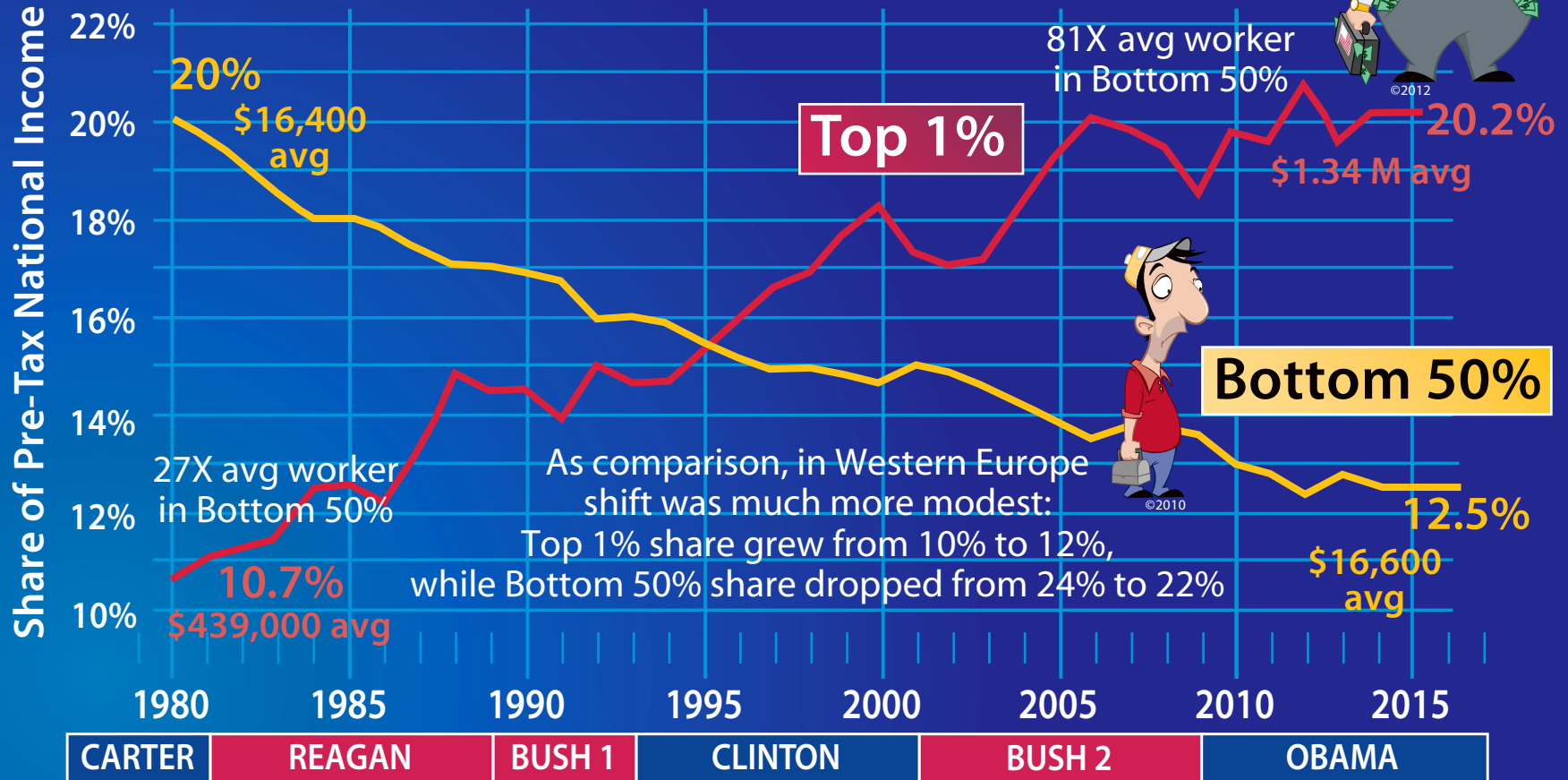


2015: Total Tax Units = 167 Million; Total Households = 125 Million; Total Income = \$10.4 Trillion

Sources: Piketty & Saez, The World Top Incomes Database, accessed Sept 6, 2015 & July 17, 2016 (wid.world)
& "Striking It Richer: The Evolution of Top Incomes in the U.S." Emmanuel Saez, June 30, 2016 (eml.berkeley.edu)

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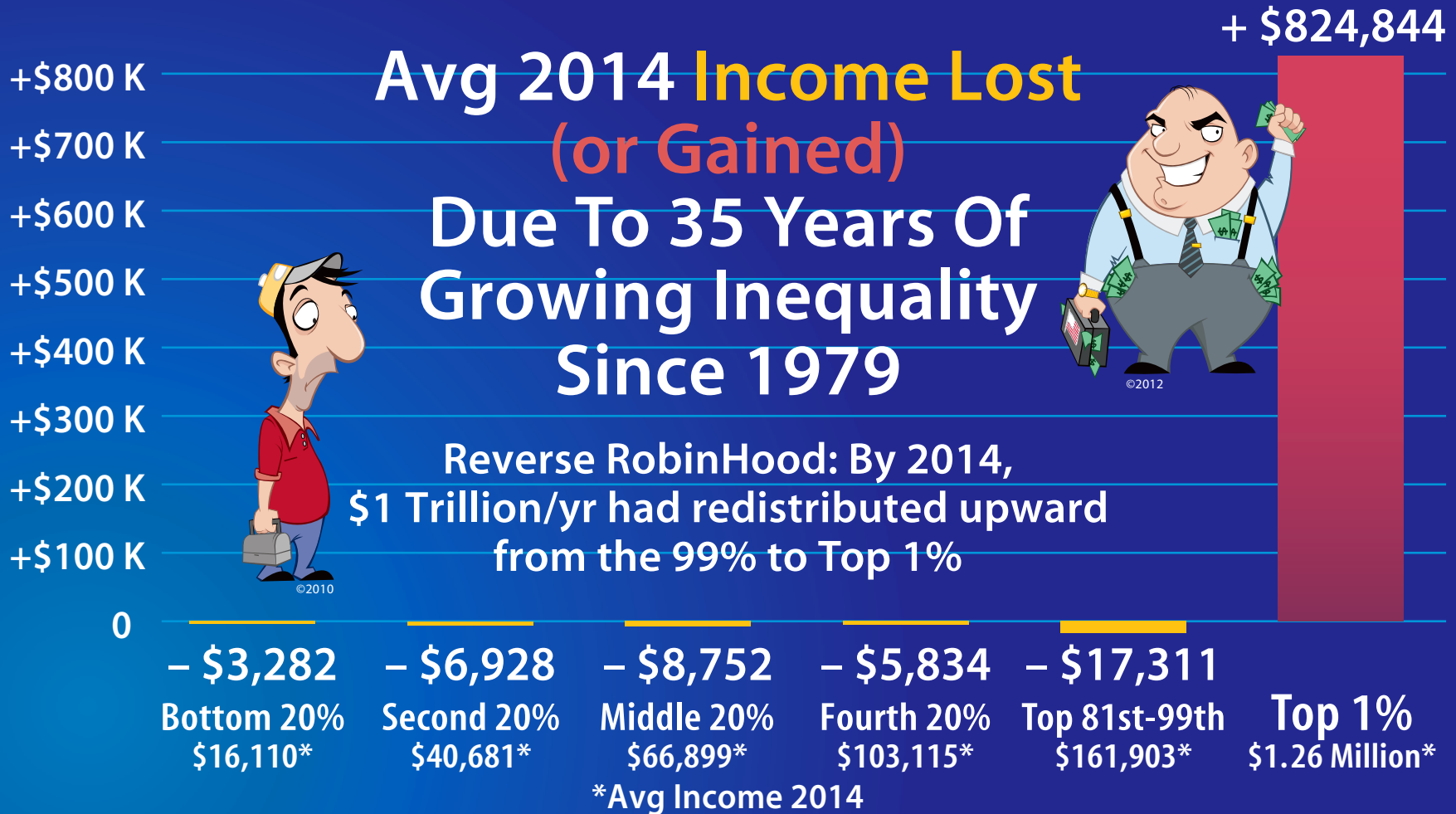
Income Share Rise Of Top 1% Mirrors Fall Of Bottom 50%



Sources: World Inequality Report 2018, Piketty, Saez, Zucman, etal, pgs 70, 78-92 (wir2018.wid.world)
and World Inequality Database (wid.world); Dollar amounts are constant \$2016

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Their **Gain** Is Your **Loss**

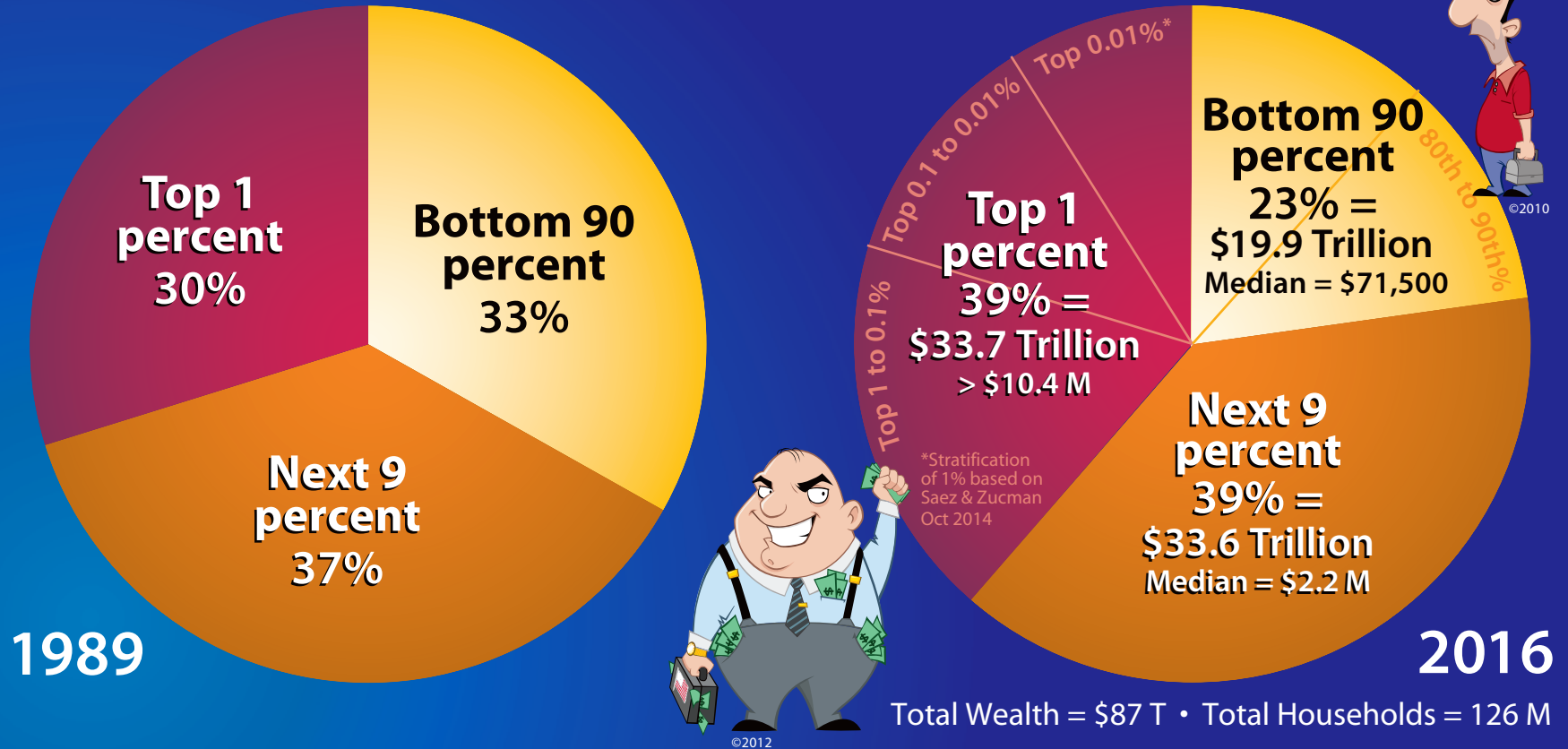


Source: Institute for Policy Studies (Inequality.org), based on analysis by NPR of household income shares for 0 – 99% from U.S. Census data (Census.gov) and Top 1% from World Top Incomes (wid.world)

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Who's Hoarding America's Wealth?

Top 1% slice grew while Bottom 90% slice shrank.
Top 10% now has > 3/4 of all U.S. wealth.

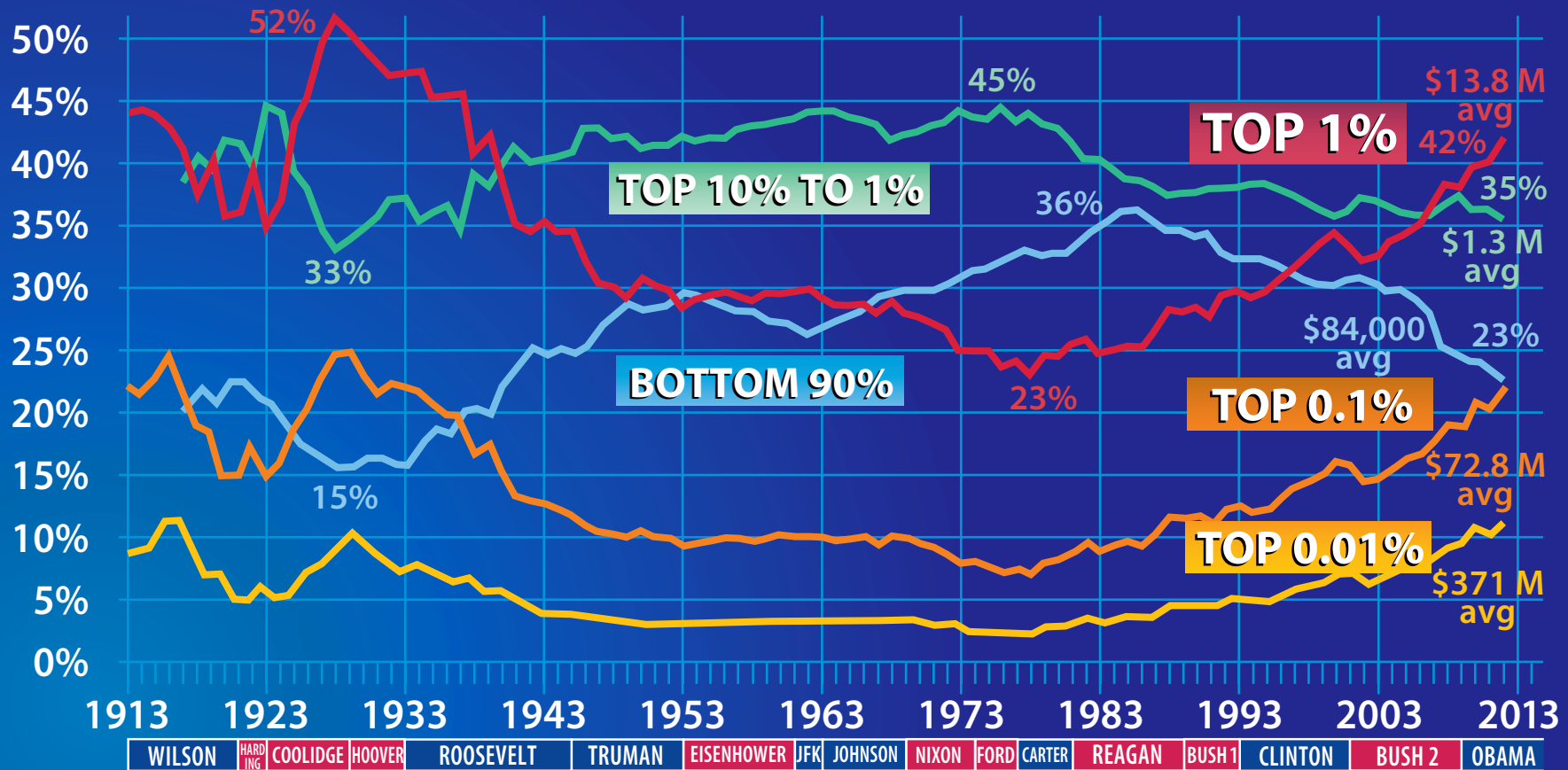


Sources: Survey of Consumer Finances, Sept 2017, *Federal Reserve Bulletin*, pgs 10-13 (FederalReserve.gov)
Median net worths (45%, 94.5%), 1% threshold from Matt Bruenig, *JacobinMag.com*, Oct 2017 (PeoplesPolicyProject.org)

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Wealth Inequality Explodes: 1920s Are Back

Share of Total U.S. Wealth Owned 1913-2012



2012 Total Families = 161 Million; Total Wealth = \$55 Trillion

Sources: "Wealth Inequality in the U.S. since 1913," Emmanuel Saez & Gabriel Zucman, Oct 2015, pgs 43, 44 & 49 (nber.org)
& "Exploding Wealth Inequality in the U.S." Emmanuel Saez & Gabriel Zucman, Oct 20, 2014 (EquitableGrowth.org)

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U.S. Wealth Distribution: Perception vs Reality

Top 20%
(next to highest) 4th 20%
Middle 20%
(next to lowest) 2nd 20%
Bottom 20%

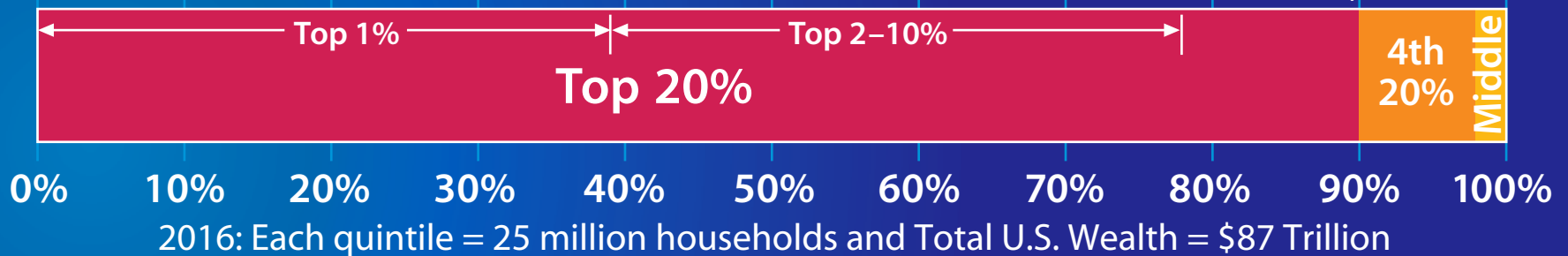
What Americans Think The Distribution Is



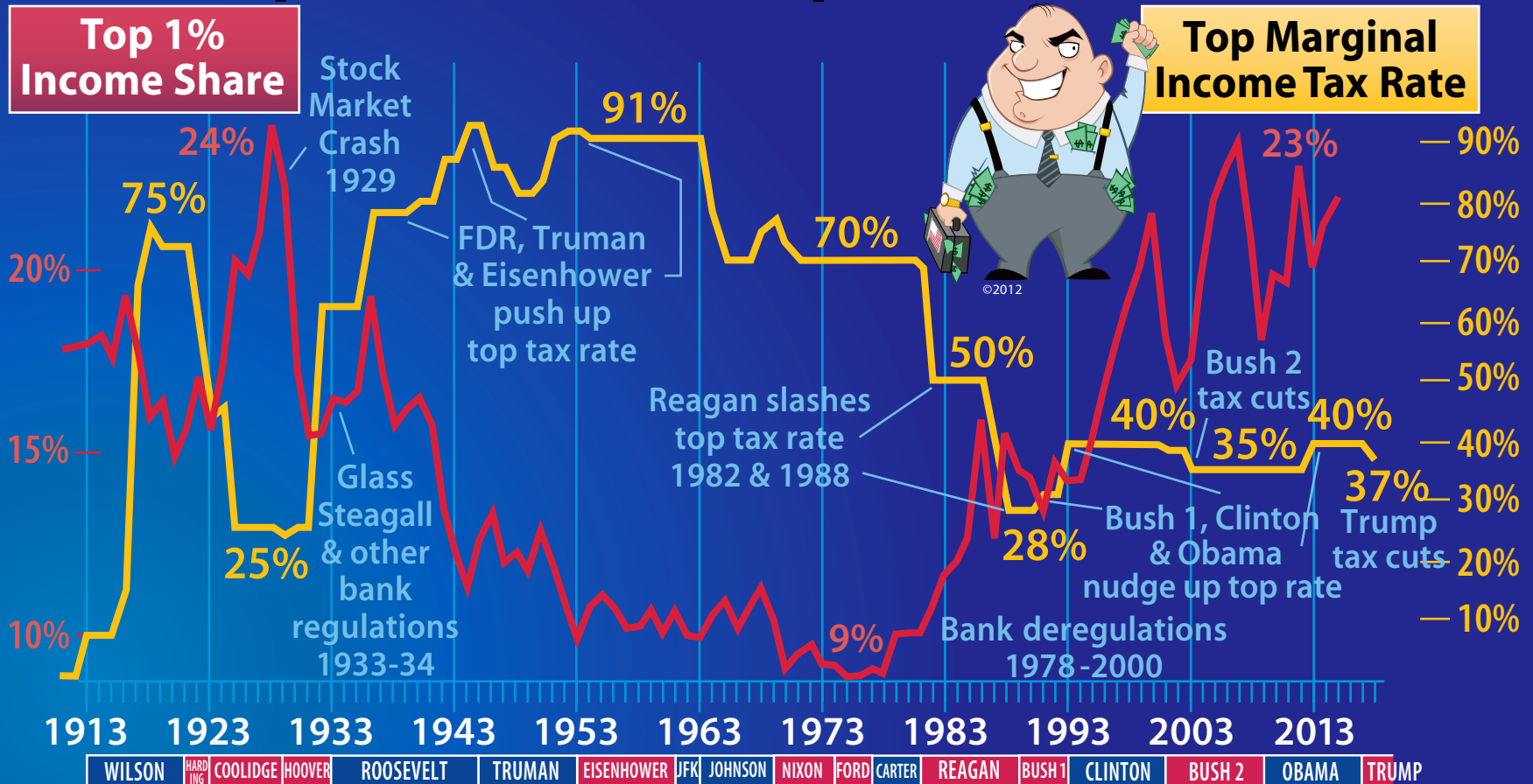
Distribution That 92% Choose As Ideal



Actual Distribution Of Wealth In 2016



Top 1% Income Share Climbs As Top Tax Rate Drops (& Vice-Versa)



Income Tax Rates: What The Bracket?

CLINTON RATES BEGAN 1993	BUSH RATES BEGAN 2003	OBAMA RATES 2013-2017		
		Ordinary Income Based on total taxable income (= after all deductions) in 2017		
		Marginal Tax Rate	Single	Married Filing Jointly
15.0%	10.0%	10.0%	Up to \$9,325	Up to \$18,650
	15.0%	15.0%	\$9,326 to \$37,950	\$18,651 to \$75,900
28.0%	25.0%	25.0%	\$37,951 to \$91,900	\$75,901 to \$153,100
31.0%	28.0%	28.0%	\$91,901 to \$191,650	\$153,101 to \$233,350
36.0%	33.0%	33.0%	\$191,651 to \$416,700	\$233,351 to \$416,700
39.6%	35.0%	35.0%	\$416,701 to \$418,400	\$416,701 to \$470,700
		39.6%	Over \$418,400	Over \$470,700
Non-Retirement Investment* Income (based on total taxable income)				
10.0%	0%**	0%	Up to \$37,950	Up to \$75,900
		15.0%	\$37,951 to \$418,400	\$75,901 to \$470,700
20.0%	15.0%	20.0%	Over \$418,400	Over \$470,700

Rate decrease =  Rate increase = 

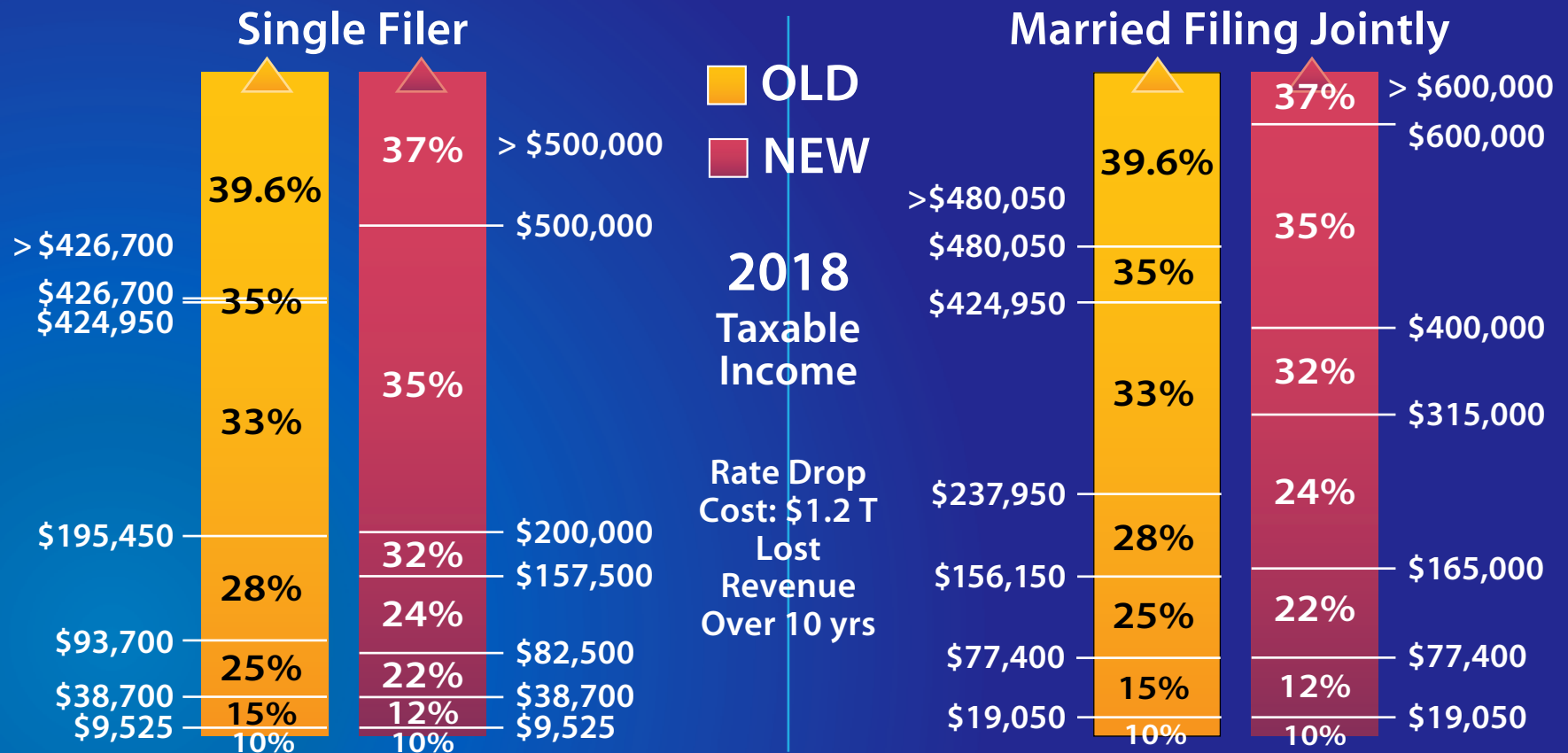
**0% rate began 2008, after 5% rate 2003-2007.

Source: Internal Revenue Service (irs.gov)

\$ amounts for brackets adjusted for inflation every year (\$2017 shown here); *Long-term cap gains/dividends held >1 yr

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Trump/GOP Tax Rate Changes Skewed To Favor The Very Rich

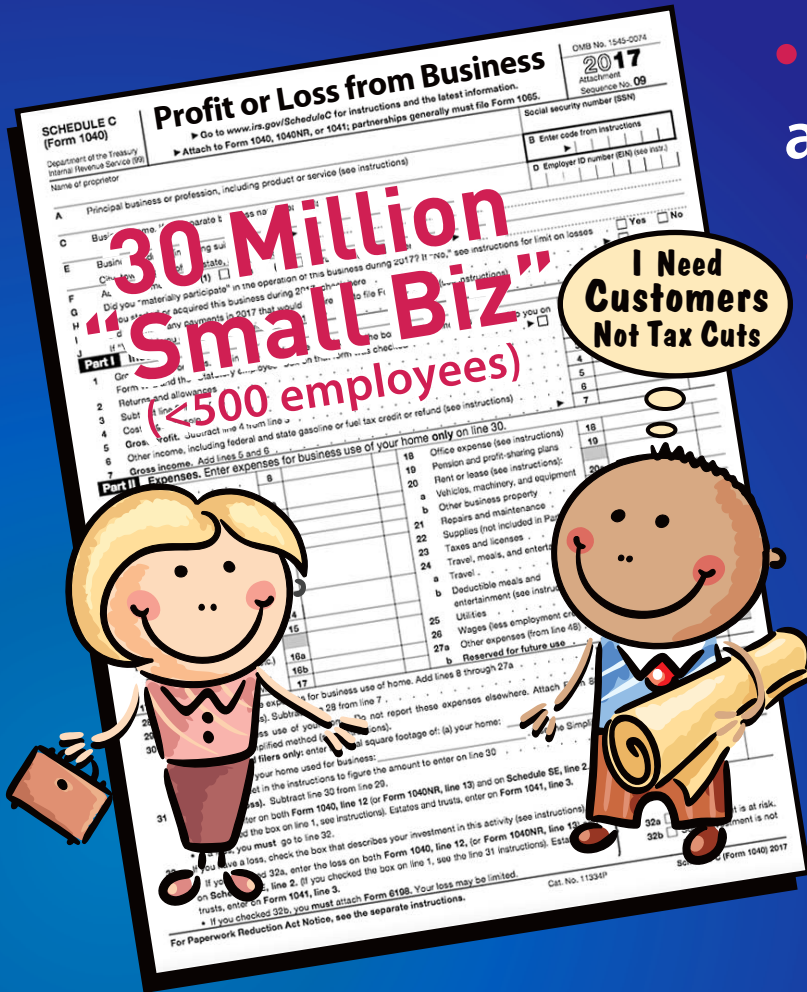


Sources: "Analysis of the Tax Cuts and Jobs Act," Tax Policy Center, Dec 18, 2017 (TaxPolicyCenter.org)
and "How the Final Version of the Republican Tax Bill Would Affect You," NPR, Dec 20, 2017 (npr.org)

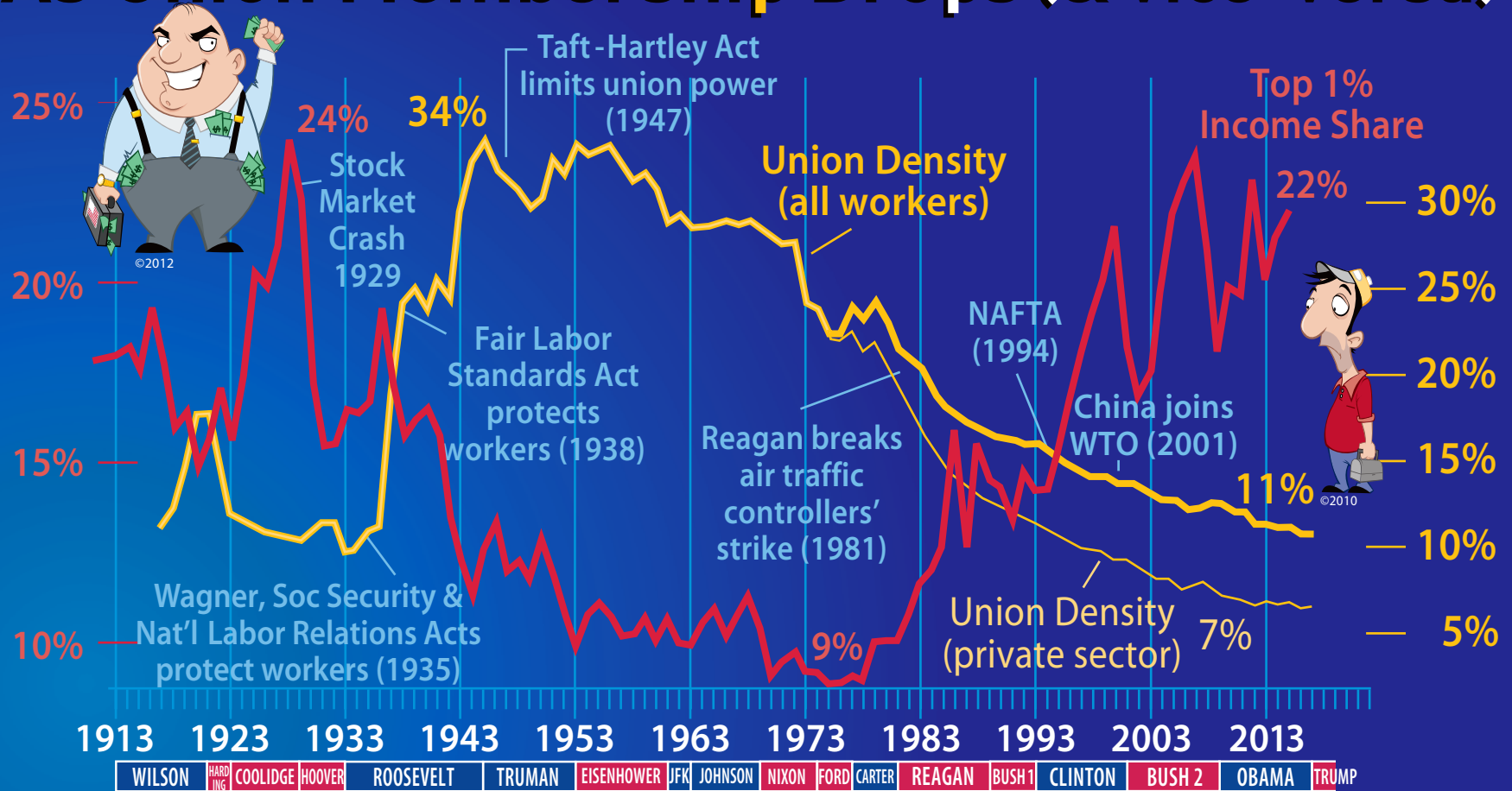
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“Small-Business” Tax Debunking

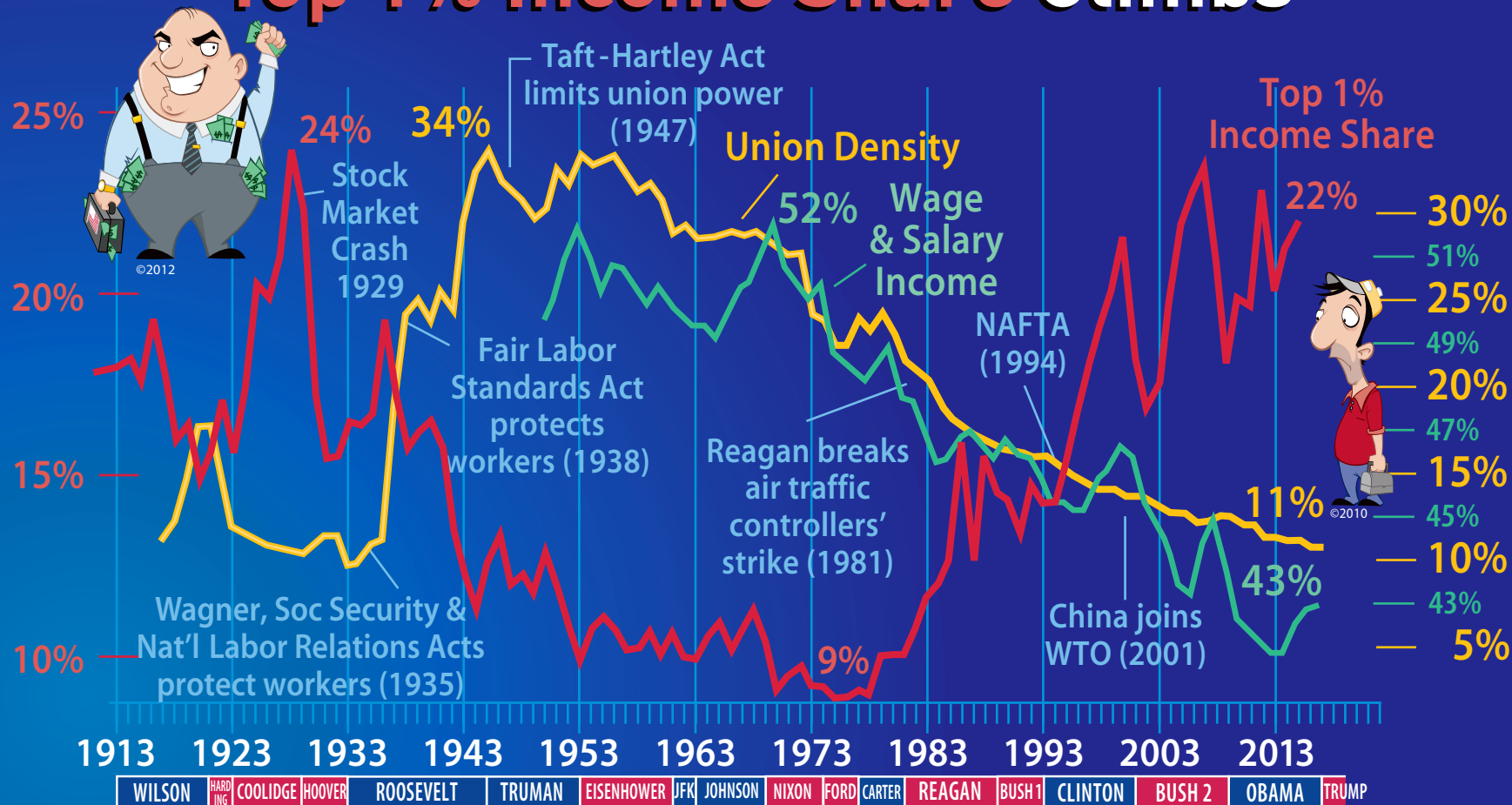
- Fewer than 25% (8 million) actually have any employees.
- Only 3% of owners reported income in the top 3 tax brackets in 2017 and will get any benefit from Trump’s new 25% pass-through rate. Many have no employees.
- No taxes on money spent in business (expensed out before taxes calculated).



Top 1% Income Share Climbs As Union Membership Drops (& Vice-Versa)



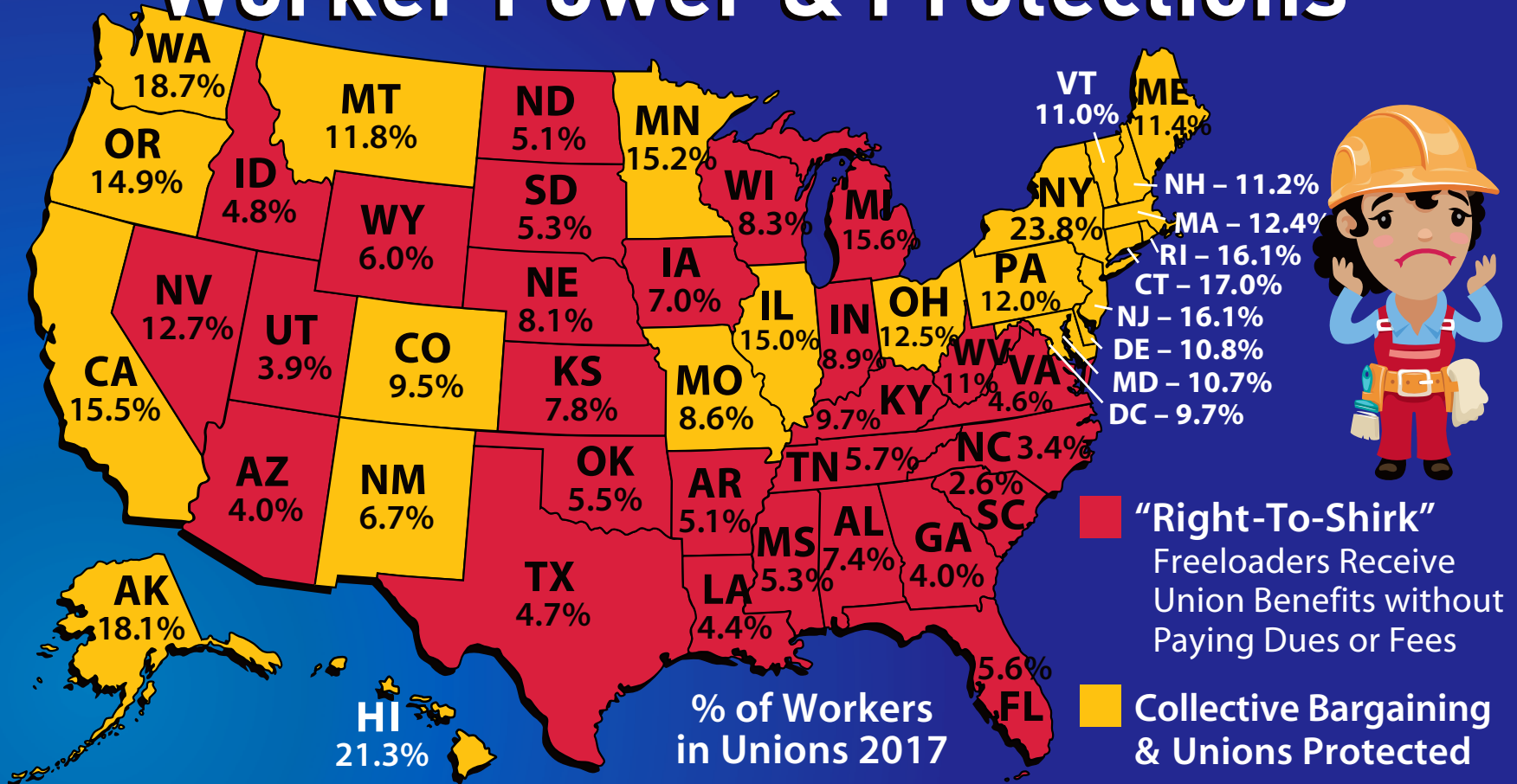
As **Union Density** & **Worker Share** Drop, **Top 1% Income Share** Climbs



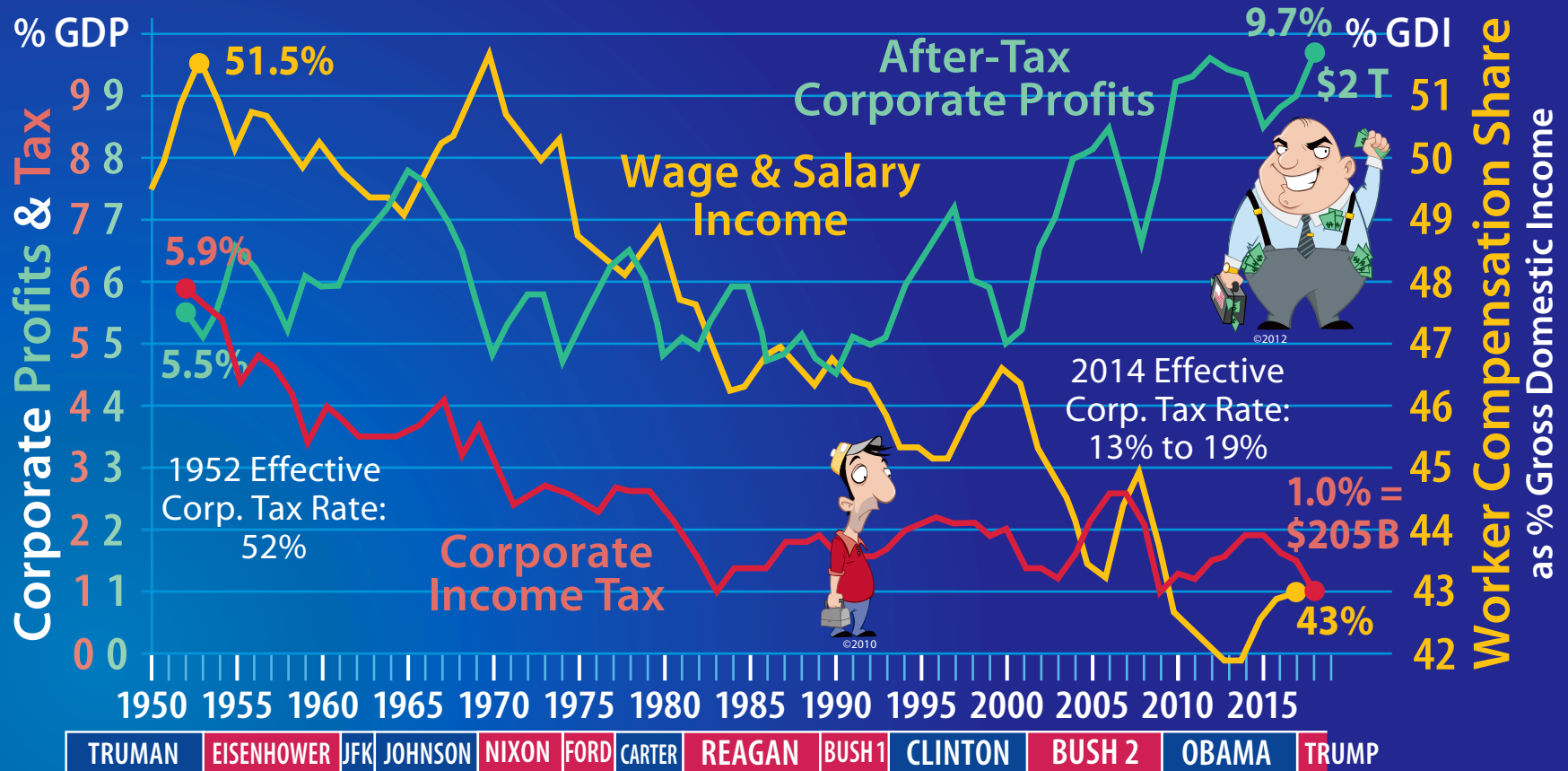
Sources: Colin Gordon (graphs at Public.Tableau.com & cepr.net) based on data from *Historical Statistics of U.S.* (UnionStats.com) & World Top Incomes Database (wid.world) & Federal Reserve Economic Data (fred.StLouisFed.org)

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“Right-To-Shirk” Laws Undermine Worker Power & Protections



Corporate Profits Are Way Up But Wages & Corporate Taxes Way Down



Sources: Profits & Taxes – Economic Policy Institute, Sept 2016 (epi.org) & Bureau of Economic Analysis, Sept 2018 (bea.gov); Congressional Budget Office, Nov 2018 (cbo.gov); Wages: Federal Reserve Economic Data (fred.StLouisFed.org)

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The Class Warfare Hustle



A Wall Street CEO, a union worker, and a Tea Partier are sitting at a table with 12 cookies. The CEO grabs 11, turns to the Tea Partier and says "You better watch him... That union guy is out to take your cookie."



©2012



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Political joke making the rounds on the blogs in response to Wisconsin union busting, March 2011

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What Difference Does A Union Make?

Americans can thank unions for:

- The Weekend
- 8-hr Workday
- 40-hr Workweek
- Overtime Pay
- Minimum Wage
- Paid Vacation
- Sick Days
- Safety Standards
- Child Labor Laws
- Employer Health Benefits
- Retirement Security
- Unemployment Insurance
- Worker's Comp
- Family & Medical Leave Act

Union



Wages, benefits and working conditions are protected by a legal contract.

A contract spells out how much each worker earns.

Unions negotiate raises for everyone. Members vote on it, and if they feel it's unfair, they can vote it down.

If you are unfairly disciplined, unions provide due process to protect against unscrupulous supervisors.

If you don't like something at work, you can work together with your union to change it.

No Union



Management can change wages, benefits and working conditions unilaterally, at whim.

No one knows how much anyone else earns. Unfair treatment and favoritism exist.

If you want a raise, you must plead your case to a supervisor or manager.

As an at-will employee, if you are unfairly disciplined, you're on your own. No due process or representation.

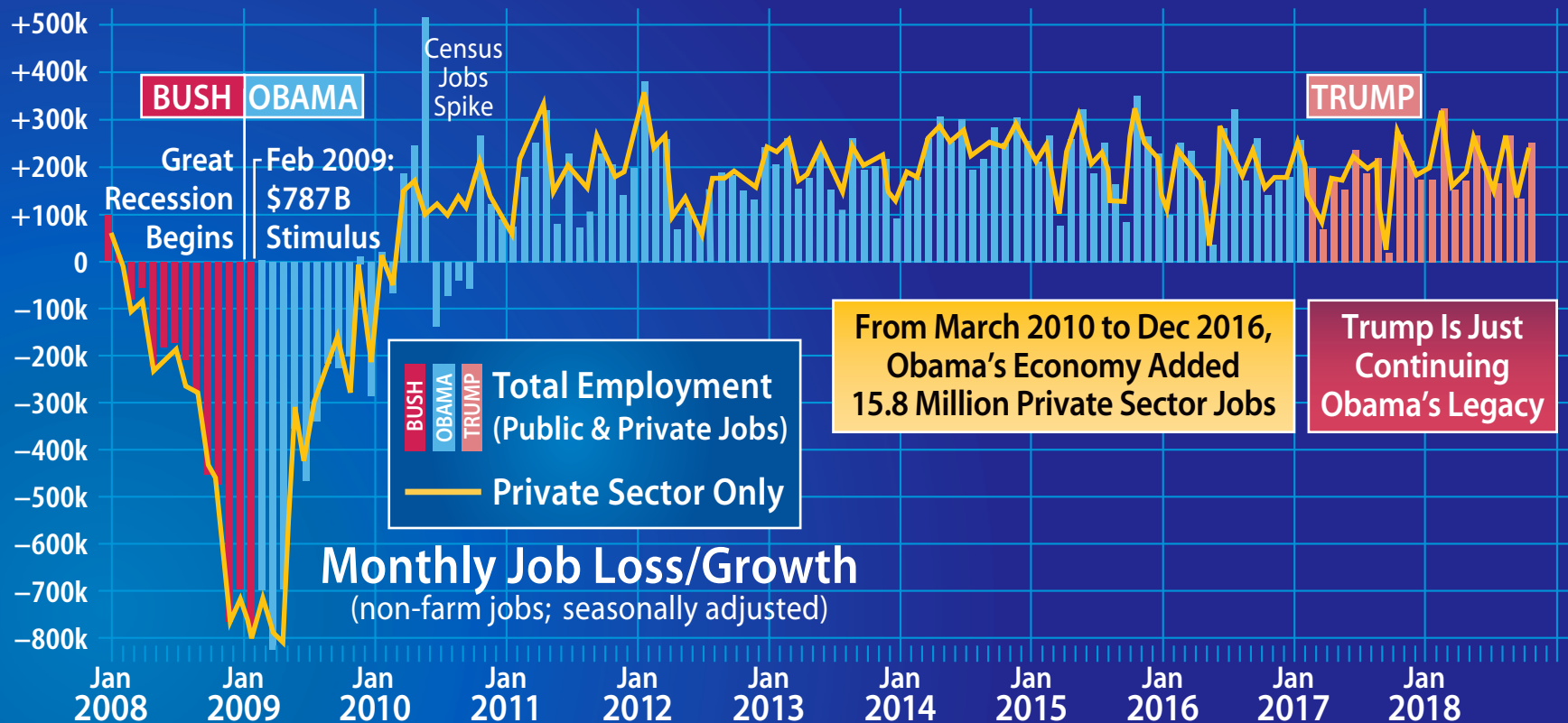
If you don't like something at work, you are at the mercy of management.

Source: Unions4Workers

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When Govt Must Break The Cycle

“When consumers don’t have a job, an economy will stagnate... the best response of government is to use government money to put people to work so they’ll have money to buy things.”



Sources: Center on Budget and Policy Priorities (cbpp.org) based on data from Bureau of Labor Statistics (bls.gov)

Quote Explaining Keynesian Economics: *Rebooting the American Dream* by Thom Hartmann, 2010

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Austerity: The Vicious Cycle



A Country Is Not Like A Household!

Belt-Tightening by the Federal Govt Worsens a Struggling Economy



“...an economy is a very different thing from an individual family because (in an economy) we are each others customers.

Your spending is my income.

And my spending is your income.

And if we both try to get ourselves in better shape by spending less, all that happens is we end up reducing all our incomes.”

– Paul Krugman, Nobel Prize-Winning Economist

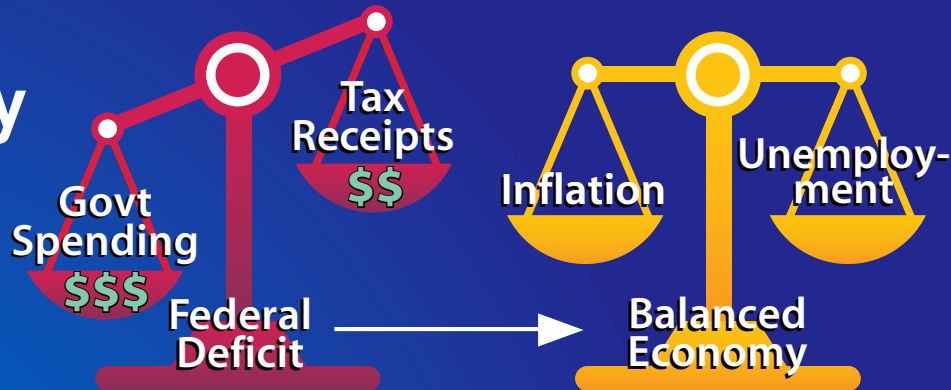
Quote: Paul Krugman, Nobel Prize-Winning Economist at the “Take Back The Dream Conference,” June 19, 2012
Also see Krugman’s book *End This Depression Now!*, 2012, pg 28

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Don't Fret Over The Debt/Deficit; Focus On A Balanced ECONOMY Instead!

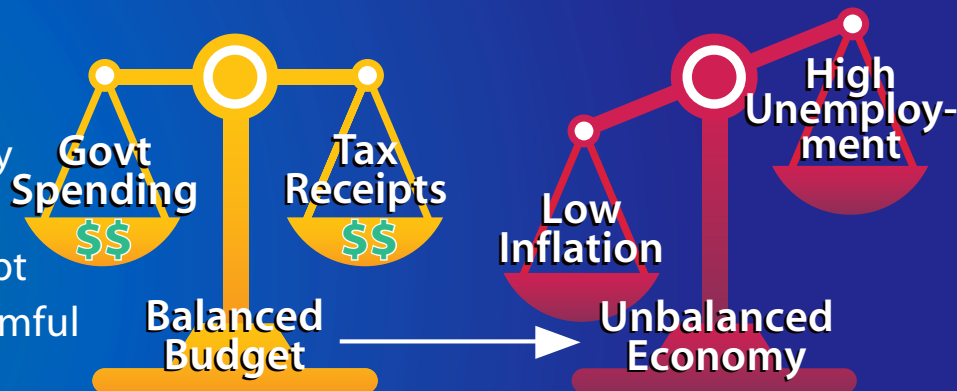
Good Policy

Running federal deficits is good policy if it balances conditions in the broader economy.



Bad Policy

Self-inflicted austerity schemes — paygo, balanced budget, debt limit — are cruel, harmful and fiscally illiterate.



How Modern Money Works

- 1) Federal govt is the *sole issuer* of the U.S. dollar so it can never run out. It is not like a family or business budget.
- 2) Money is created by fiat when Congress authorizes spending.
- 3) Taxes do not pay for spending. They control inflation and create demand for the dollar.

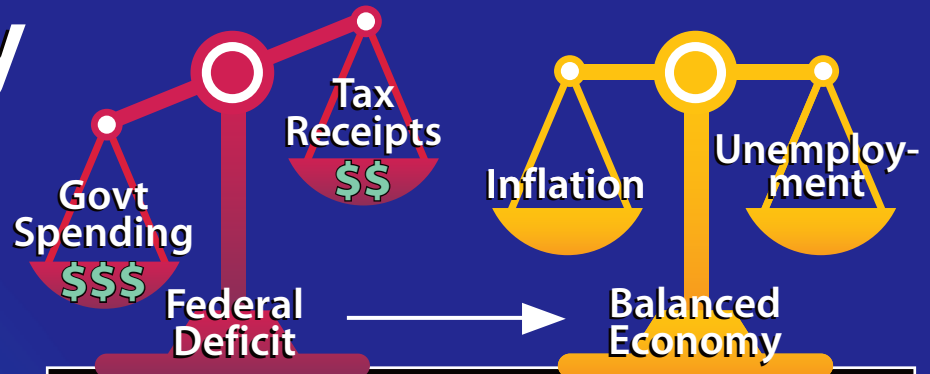
Sources: "Modern Money Theory for Beginners," Presentation by Economist L. Randall Wray, April 6, 2018

"But How Will We Pay for It? Making Public Money Work for Us," Presentation by Economist Stephanie Kelton, Oct 15, 2018

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Modern Monetary Theory (MMT) aka “Modern Money”

- **Federal govt is the sole *issuer* of U.S. money so it can never run out** (like a scoreboard can never run out of points). It's not like a family or business that is simply a *user* of the money.
- **Money is created by fiat** when Congress authorizes the spending. Recipients' accounts get marked up.
- **Taxes do not pay for spending.** Taxation just removes money from the economy to control inflation and extreme inequality. By creating demand for the dollar, taxes give it value.



Don't Fret over the Debt/Deficit.
Focus on a Balanced ECONOMY!

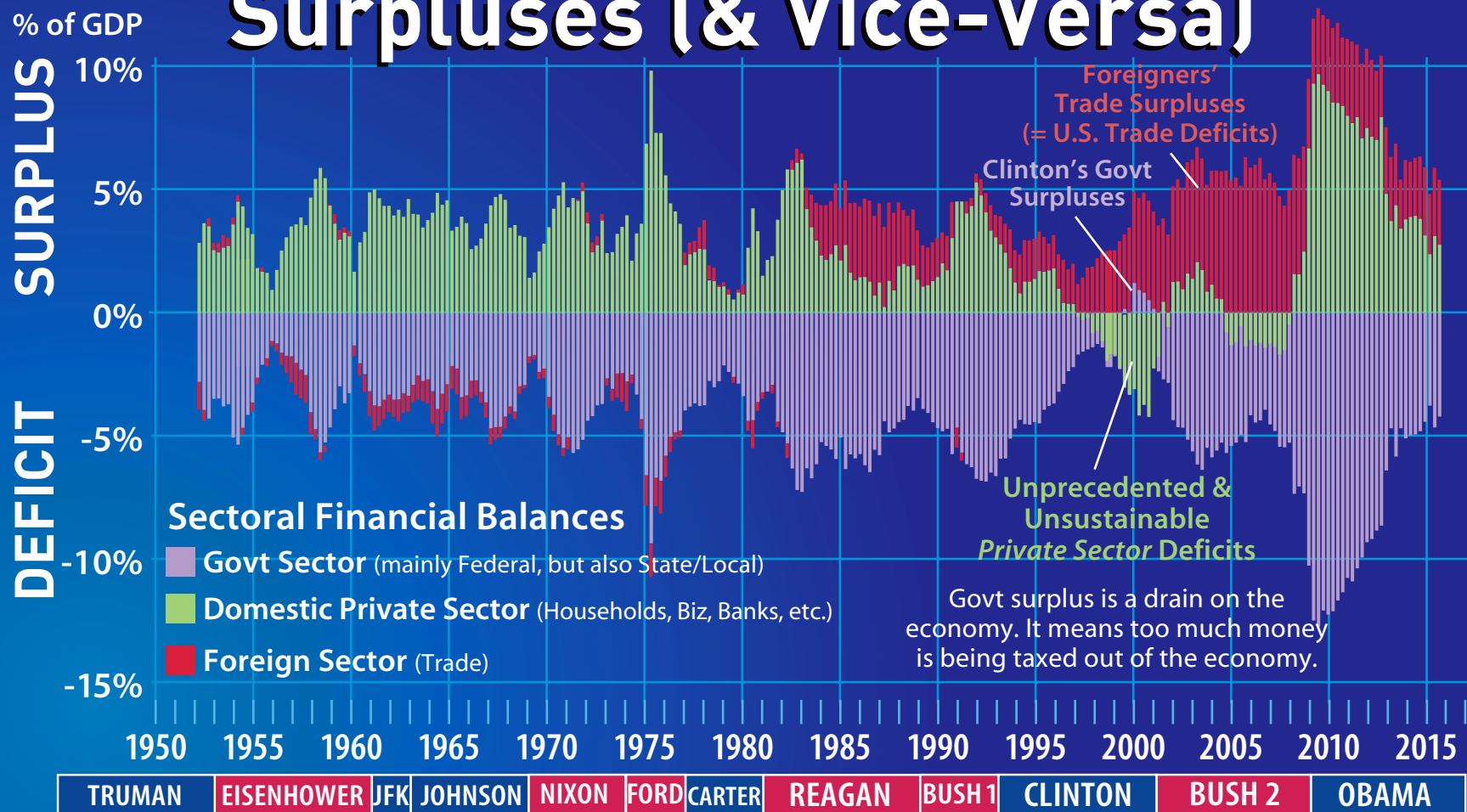
Running federal deficits is good policy if it balances conditions in the broader economy.

- **Govt does not need our money.** On the contrary, we need the money created by federal govt (the issuer).
- **How much can we spend?** We are only limited by the **real resources** available — workers, raw materials, etc.— to absorb the spending.

Sources: “Modern Money Theory for Beginners,” Presentation by Economist L. Randall Wray, April 6, 2018 and
“But How Will We Pay for It? Making Public Money Work for Us,” Presentation by Economist Stephanie Kelton, Oct 15, 2018

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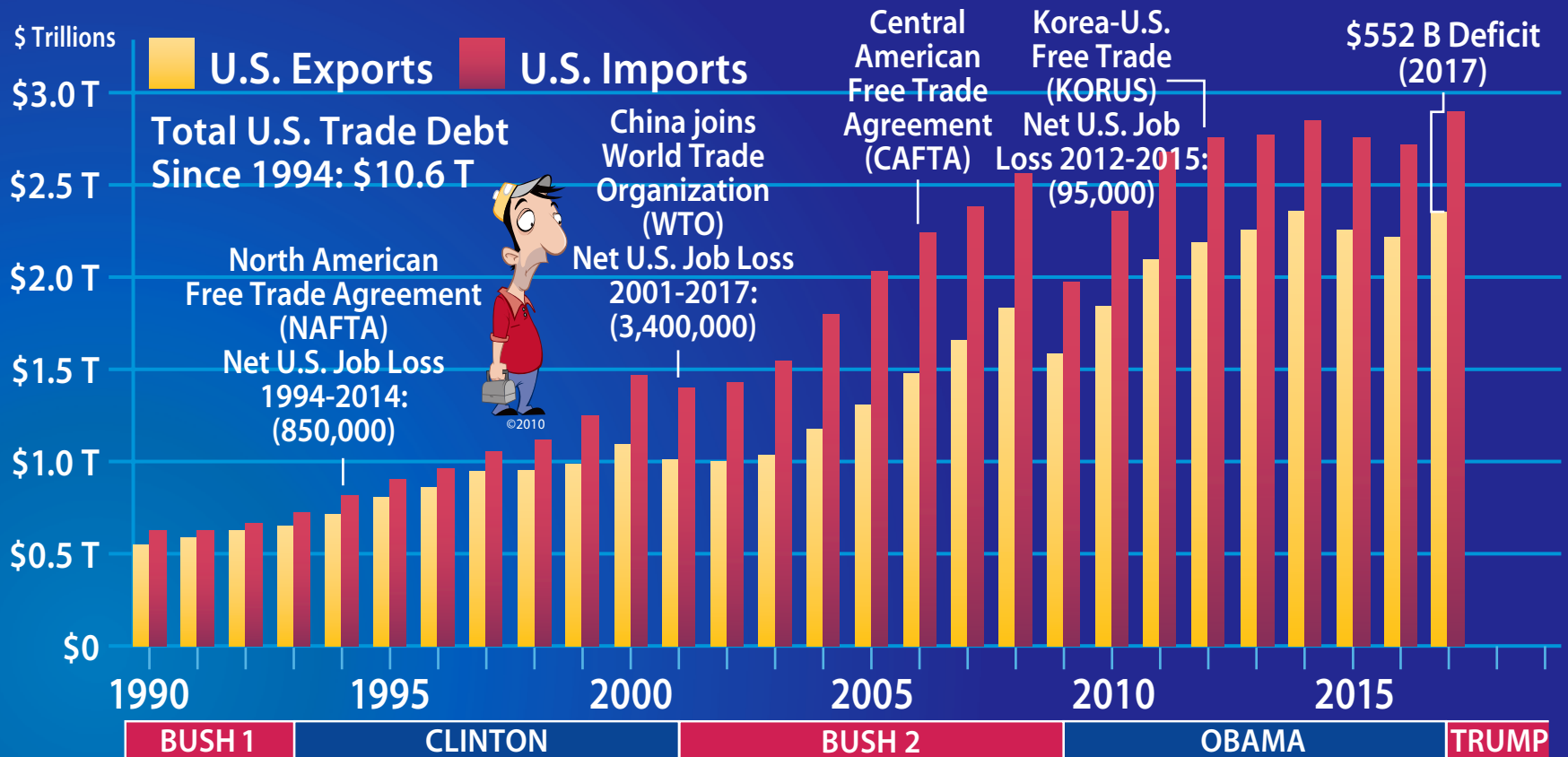
Govt Deficits = Private Or Foreign Surpluses (& Vice-Versa)



Sources: Sectoral Balances Map by Economist Scott Fullwiler, July 2016; Presentation by Economist Stephanie Kelton, Oct 15, 2018;
 "Hillary Clinton loves to trumpet Bill's budget surplus. She shouldn't" by Jeff Spross, May 24, 2016 (TheWeek.com)

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~~Corporate-Rigged~~ “Free Trade” Deals Led To \$550+ Billion/yr U.S. Trade Deficit & Millions Of Jobs Lost





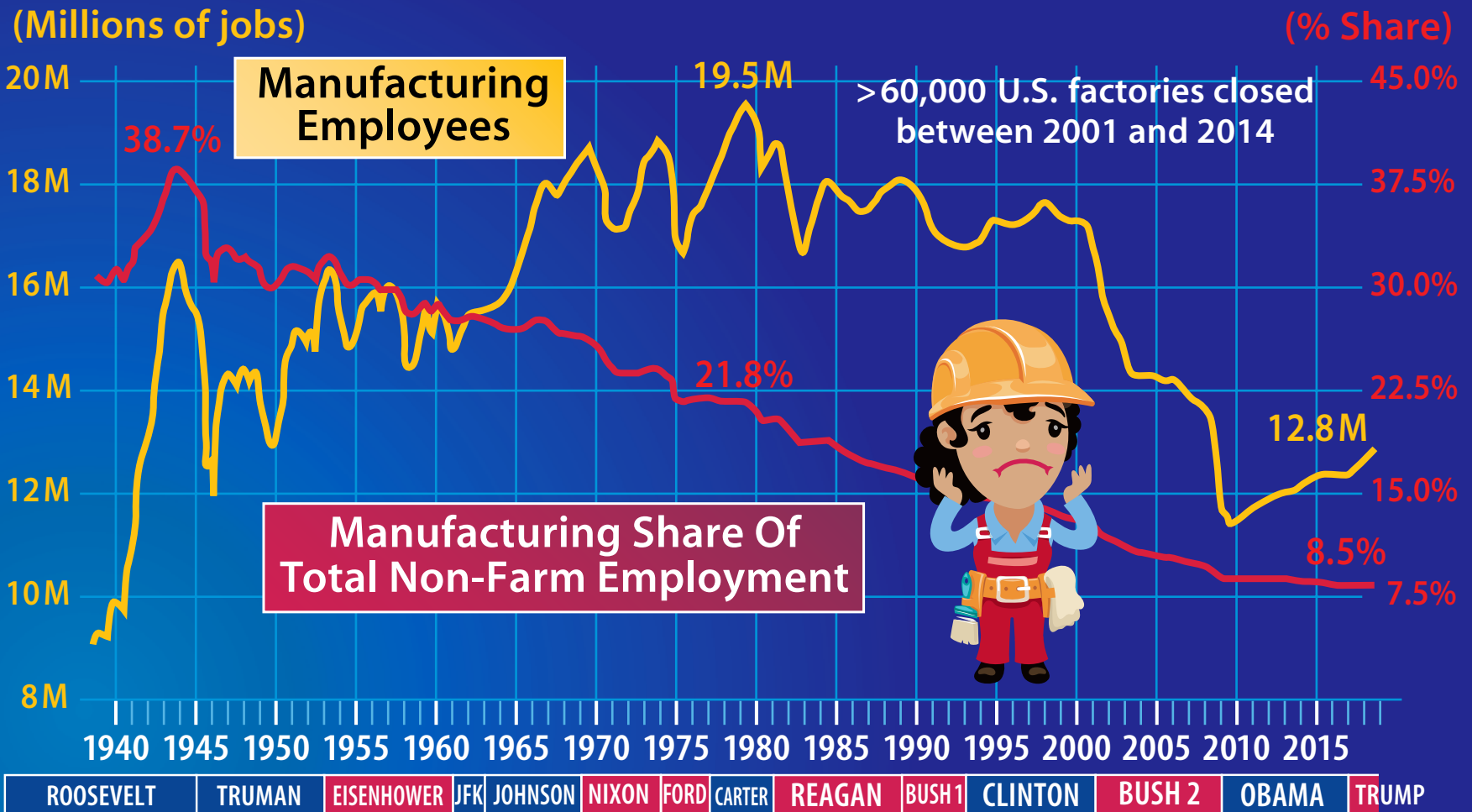
In 2009, China had a labor shortage, causing its average wage to increase from \$0.80 per hour to \$1.14 and its economy to grow 8%.



Cagle Cartoon: © Copyright Paresh Nath. Used here with permission.
Information Source: *Rebooting the American Dream* by Thom Hartmann, 2010

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We Don't Make Much Anymore



Source: Federal Reserve Economic Data ([fred.StLouisFed.org](https://fred.stlouisfed.org))

Based on data from Bureau of Labor Statistics (bls.gov)

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NOT Made In The USA



"Made in USA" Label
Challenged in 2006



Made in Indonesia
Since 2001



Made in
Latin America & Asia
Since 2003



Made in Costa Rica
Since 1990



Made in Asia
Since 2010



Made in China
Since 2004



Made in
Mexico
Since 2001



Made in China
Since 2000

Source: Article by David A. Graham, Newsweek Online, November 2010

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"Free trade is a guaranteed ticket to the poorhouse for any nation."

FAIR Trade,
Not ~~FREE~~ Trade
Corporate-Rigged

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Quote: Thom Hartmann, *Rebooting the American Dream*, 2010

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Service Jobs: How Low Can You Go?



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Policies For Job & Wage Growth

- 1 Green New Deal / Infrastructure
- 2 Make Unionizing Easier
- 3 Raise Federal Minimum Wage
- 4 Invest In Education
- 5 Tax Policies To Address Inequality
- 6 Jobs Guarantee & Universal Basic Income
- 7 Fair Trade, Not Corporate-Rigged Trade
- 8 Medicare-For-All Good For Business
- 9 Get Big Money Out Of Politics



Jobs & Wages: Action Plan!

- 1 Support People Who Support The Policies:
JusticeDemocrats.com
- 2 Join/Support Unions
- 3 Support Local Businesses
- 4 Share These Graphics
ConnectTheDotsUSA.com
- 5 Join The Progressive Movement:
PDAmerica.org • FightFor15.org • MoveOn.org



**JOBS
WAGES
ECONOMY**



HEALTHCARE



**BUDGET
TAXES**



CONNECT THE DOTS™ *for democracy* usa

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**CIVICS AND POLICY BASICS
FOR THE BUSY MAJORITY™**



"Busy Majority" said by Jon Stewart, Sept 2010

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