
Facts about Our Society

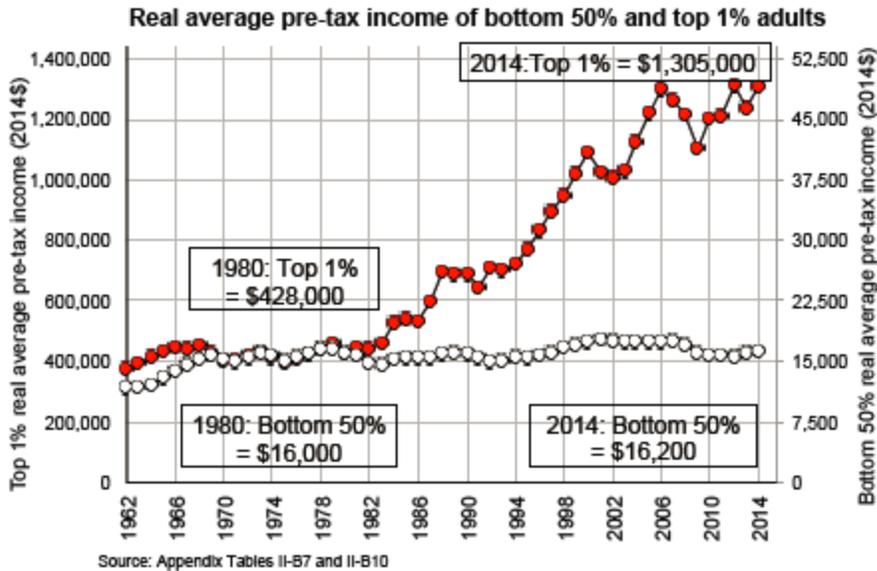
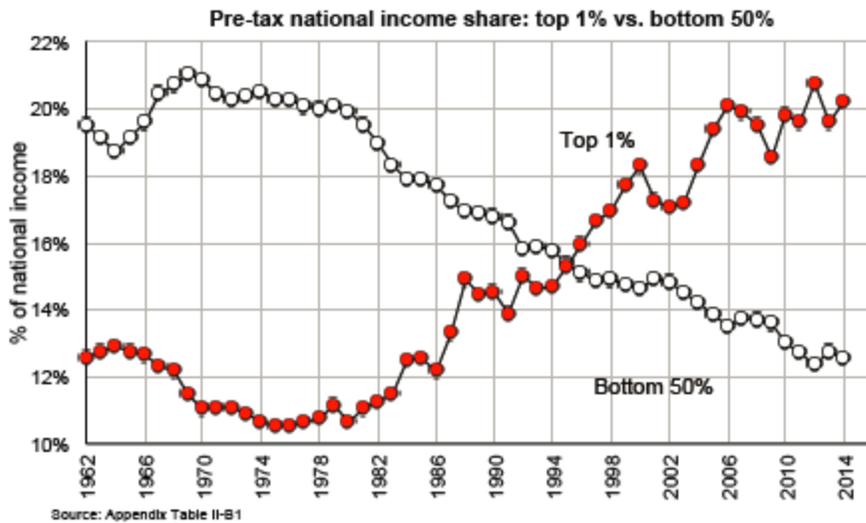
I wrote the following on November 12, 2016 soon after the U.S. election. “It is with a heavy heart that I write these thoughts about the recent election. They come from my perspective as an immigrant, here with my wife for more than forty years, and an American citizen. They come from my perspective of having two lovely grandchildren who have a joint English/Taiwanese heritage. They and their parents, our special children and their spouses, are American citizens as they were born here. My thoughts come from a perspective of having two other lovely grandchildren who have joint American/English heritage. Our younger grandchildren are not aware of, or concerned about, differences of language or background. They simply welcome people whom they meet. Our elder grandchildren, unfortunately, may just now be beginning to sense prejudice in others. My thoughts are affected by my parents who fought forces of darkness and hatred in the second world war. Their sacrifices contributed to my generation not having to encounter the horrors of world wars that engulfed the previous two generations. My thoughts are affected by brave souls like Dietrich Bonhoeffer and Dorothy Day who struggled to right the wrongs of different forms of oppression, one political in Germany and the other economic in the United States. So I wonder what words of hope I can offer my wife, my children, and my grandchildren when those same dark forces of racism, bigotry, and oppression that engulfed Germany in the 1930s are born again here, propelling a bigot to the presidency, and are celebrated by odious, extreme right wing groups.

I am concerned that the response from some quarters is not to repudiate these odious ideologies, rather to appease their proponents. This catastrophic mistake was made in Germany in the 1930s and it led us into a conflagration. We are now at a dangerous time and place where placating such forces of evil can sow the seeds of destruction for our society, just as surely as it did for Nazi Germany. So my reaction is to say about such forces, I will not support them, not now, not ever. Indeed, I will do whatever it takes to resist them, for resist them we must for our future generations. I don't know if it will be even possible to write words like this openly a year from now, with the FBI pandering, even before this election, to the republican party. I would simply echo these words of Martin Niemoller who spent seven years in concentration camps, ‘First they came for the Socialists, and I did not speak out, because I was not a Socialist. Then they came for the Trade Unionists, and I did not speak out, because I was not a Trade Unionist. Then they came for the Jews, and I did not speak out, because I was not a Jew. Then they came for me, and there was no one left to speak for me.’ So now it is time to speak out, for as Joan Chittister observed so eloquently ‘Courage is coming to realize that what does and does not happen in the world does so because of what you and I fail to say – not when silence is right, but when we fear the cost to ourselves of speaking out.’ It is time to speak out, to support those who build on a foundation of inclusion, respect for all, and economic equality, and resist those who don't.”

Unfortunately we have seen ignorance and bigotry taken to new levels by those now in power in the United States. This includes flagrant lying. Perhaps most encouraging is the enormous, consolidated resistance that has emerged. This needs all of our support. In the spirit of communicating facts, here are some facts that speak to the state of our society.

Since the early 1980s the top 1% in the United States have prospered at the expense of most in our society as shown in the next two figures:

Figure 5: Bottom 50% vs. Top 1%



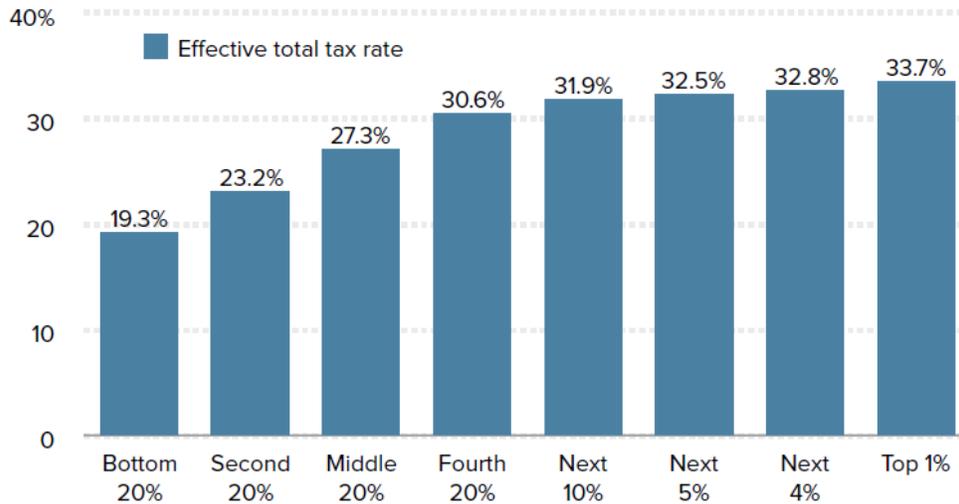
Notes: The figure contrasts the evolution of the top 1% vs. the bottom 50%. The top panel plots the top 1% pre-tax income share and the bottom 50% pre-tax income share since 1962. The bottom panel plots the top 1% real average pre-tax income (on the left y-axis) and the bottom 50% real average pre-tax income (on the right x-axis). The unit is the individual adult and incomes within married couples are split equally.

Source: Thomas Piketty, Emmanuel Saez, Gabriel Zucman, Washington Center for Equitable Growth, Distributional national accounts: Methods and estimates for the United States, December 2016.

This is driven partly by a regressive taxation system that does too little to progressively tax those at high income levels as shown in the next figure:

Progressivity of the overall tax system flattens near the top

Total federal, state, and local effective tax rates in 2016, by income percentile



Note: Figure is adapted from CTJ report (<http://ctj.org/ctjreports/taxday2016.pdf>).

Source: Institute on Taxation and Economic Policy (ITEP) Tax Model, April 2016, and Citizens for Tax Justice (CTJ), April 2016

Economic Policy Institute

Source: Josh Bivens, Hunter Blair, Economic Policy Institute, Financing recovery and fairness by going where the money is, November 15, 2016.

Not surprisingly as top marginal tax rates fall, inequality increases as shown in the next figure:

As top marginal income tax rates fell, inequality rose

Top 1% share and top tax rates 1960–2009



Source: Piketty, Saez, and Stantcheva (2014)

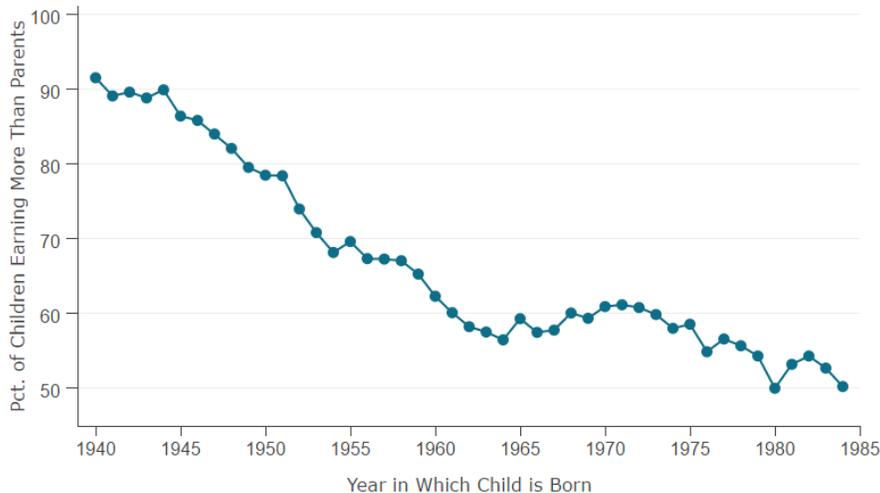
Economic Policy Institute

Source: Josh Bivens, Hunter Blair, Economic Policy Institute, Financing recovery and fairness by going where the money is, November 15, 2016.

And we are seeing an erosion of economic mobility as shown in the next figure:

The Fading American Dream

Percent of Children Earning More than their Parents, by Year of Birth



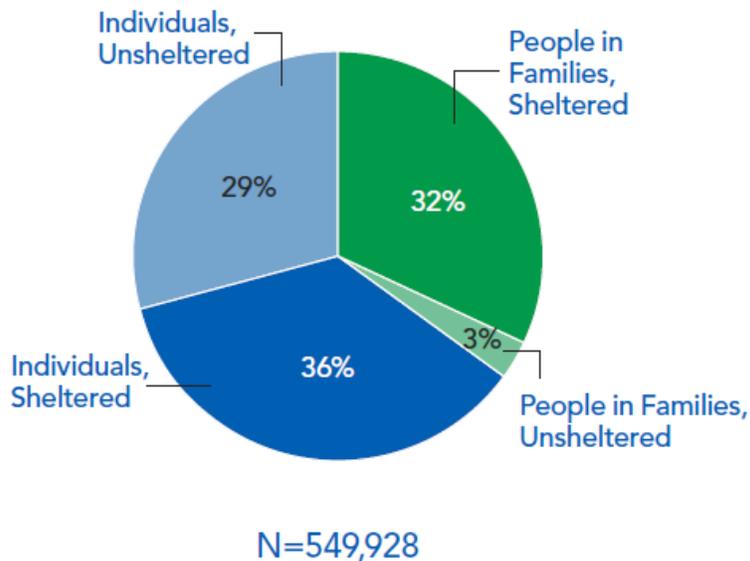
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This figure plots the fraction of children earning more than their parents ("absolute mobility") by the year in which the child was born. Children's and parents' pre-tax incomes are measured at approximately age 30 at the household level, adjusting for inflation using the Consumer Price Index.

Source: The Equality of Opportunity Project, <http://www.equality-of-opportunity.org/>

In our wealthy society, it is awful that there are more than half-a-million people homeless as shown in the next figure:

Percent of Homeless People By Household Type and Sheltered Status, 2016

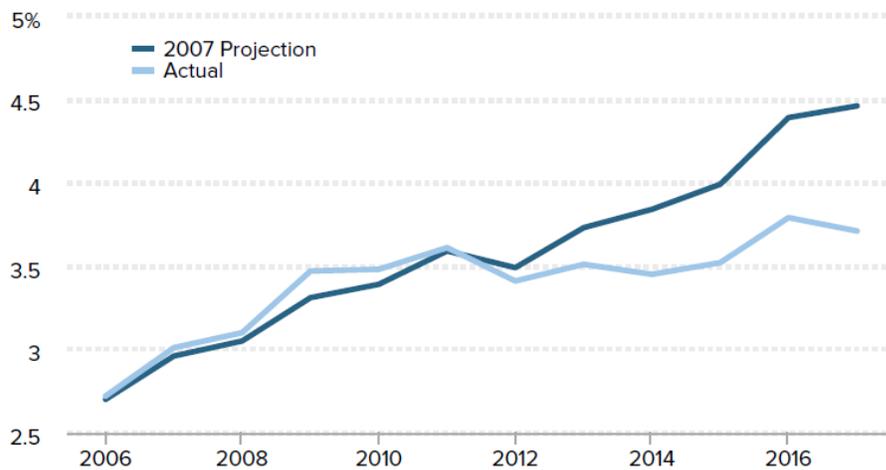


Source: U.S. Department of Housing and Urban Development, The 2016 Annual Homeless Assessment Report (AHAR) to Congress, Part 1: Point-in-Time Estimates of Homelessness, November 2016.

It is also awful that we do not have universal health care coverage that citizens of other developed countries enjoy. Even what we do have is under attack. There is a bright light, namely Medicare, which is effective in providing good and broad coverage, while holding costs in check, as shown in the next figure. For the future, it will be important to move to a Medicare-for-All approach and eliminate the costly, inefficient, private insurance bureaucracy.

Rapid fall in health care cost growth provides large budget cushion

Medicare spending as a percent of GDP, 2007 projection vs. actual, 2006–2017



Source: Author's analysis of Congressional Budget Office data (2007; 2016a)

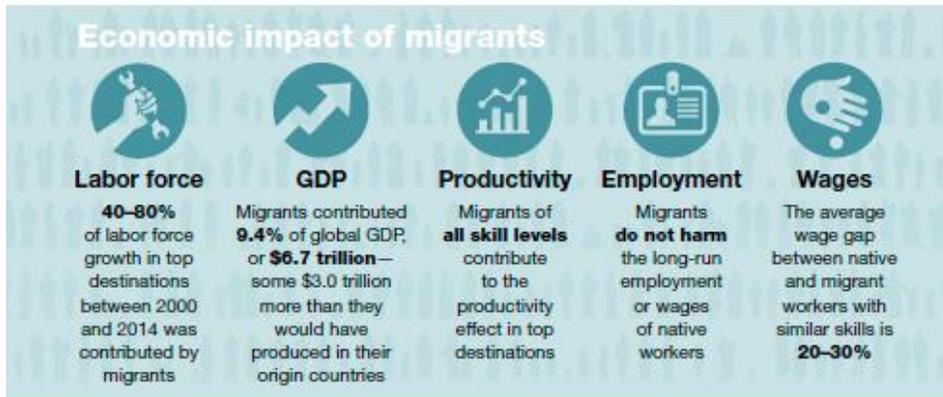
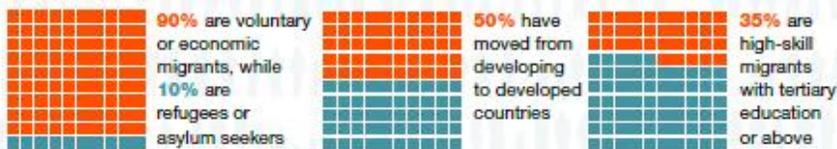
Economic Policy Institute

Source: Josh Bivens, Hunter Blair, Economic Policy Institute, Financing recovery and fairness by going where the money is, November 15, 2016.

Looking globally, it is encouraging to see how much migrants contribute to the global economy as shown in the next figure:



247 million people live outside their country of birth



Source: McKinsey Global Institute, People on the Move: Global Migration’s Impact and Opportunity, December 2016.

Now more than ever we must resist the forces of darkness, greed, and bigotry that have taken over our government, and move our society to one of compassion, inclusion, and support for all.