

Macroeconomics and Social Inequality: A Thanksgiving Letter to Our Wealthiest 1% Americans

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As this Thanksgiving holiday comes to an end and the Xmas season approaches, let's not forget to give thanks to our richest 1% fellow Americans and their corporations. Thanks to all 1.25 million of you from the 130 million of us 99 percenters households.

Your stewardship of the US economy has allowed us to keep 5% of all the national income created since the last recession in 2009; while you wealthiest 1% got to keep the other 95% (see UC Berkeley economist, Emmanuel Saez's annual income inequality analyses).

But the more you get to keep, the more you can 'trickle down' to the rest of us, right? So say your politicians, talking media heads, economists, and other assorted hirelings. So thanks very much for at least sharing something with us.

If not sharing wages, we certainly got more jobs to be thankful for from you—who lose no opportunity to proclaim you are the source of all job creation.

Since 2009, you 'gave' us millions of part time, temp, contract, on call, and gig jobs. True, mostly low paid, without pensions or benefits jobs. Better than nothing jobs. And while it took you 8 years to re-create the level of jobs we had back in 2007, better late than never, right? Even if our pre-2008, higher paid jobs were replaced mostly by lower paid after 2008, it sure beats unemployment benefits. So thank all of you 1% self-proclaimed job creators for all the low paid, no benefit, service jobs you eventually did create for us.

As owners of the system you certainly had a difficult task managing your complex, mega-corporation called the USA economy, keeping all those foreign competitors and troublemakers in line with the US economic empire. You know, those 'russkies' that just won't lay down and play dead anymore, those too clever Chinese, and all those assorted 'rocket men'. But that's what our 1000 offshore military bases are for, aren't they? Our trillion dollar a year defense budget is well worth it.

And getting us out of the worst economic crisis since the great depression of the 1930s in 2008-09 was no easy task for you, we know. So all of you 1.25 million wealthiest 1% households deserve every dollar you've diverted in the process of economic recovery these past 8 years, including:

- The \$6 trillion in stock buybacks and dividend payouts paid out to you from your corporations since 2008 (see *Yardeni Research*, November 2017);
- The nearly 400% increase in the value of your stock holdings (see the *DOW*, *S&P*

500 and *Nasdaq* combined market gains since 2008);

- The additional \$ trillions in capital gains income you earned on bond interest and capital gains since the last recession;
- Your share of half of the \$1.9 trillions in 'pass through' non-corporate business income net gains since 2007 (see *US national income accounts*);
- The unknown \$ trillions more you earned from investing in derivatives in offshore markets that you don't report, which even the US government cannot discover;
- The still additional \$ trillions more you stuffed in your offshore accounts to avoid paying US taxes (see recent revelations from the so-called 'Paradise Papers');
- The \$2 trillion cash your bank and non-bank US corporations are still sitting on in the US, and another \$2 trillion your multinational corporations are hoarding offshore—together earmarked at least in part for your personal future distribution (see *Moody's Analytics*).

That's easily more than \$15 trillion in cash, near-cash, and easily convertible to cash sources of income accumulated over the past 8 years (and excludes the earnings from real estate and real property)—to be shared amongst the 1.25 million of you.

In total wealth and assets, not just income, American households held \$58 trillion in net worth in 2009; that has since risen to \$105 trillion, according to the US *Federal Reserve* bank's latest 2017 report. Since median US Households' net worth is still 30% below 2007 levels—and 90% of all US households are still below 2007 levels (per the *New York Times*, September 28, 2017)—the lion's share of that \$47 trillion total gain in net worth must therefore have gone to you one percenters. Congratulations. (Can't wait to get my trickle down share. Please send by way of this blog address).

Let's not forget to thank in particular the bankers among you. While it's true they gave us the 2007-09 financial crash that led to 14 million home foreclosures and \$4 trillion in our lost savings, your bankers did allow us to offset our stagnant wages these past 8 years with more loans and debt.

So thank you bankers, for the \$1.4 trillion in student debt, the \$1.2 trillion in credit card debt, and the more than \$1 trillion in auto loan debt. That's \$3.6 trillion! Who needs wage increases when we can borrow our way to prosperity!

And while we're talking about banks, let's not forget to thank our central bankers, Ben Bernanke and Janet Yellen, for buying up all bad investments you one percenters made before the 2008 crash. I mean the subprime mortgage bonds and other securities you got stuck with and couldn't sell, that Ben and Janet generously bought from you at above market prices. That was another \$5 to \$6 trillion cash subsidy to your professional investor class.

By the way, I hear Ben is now making the speech circuit rounds, speaking to your bankers and companies for a fee of \$200k per pop, and is serving on your corporate boards? And Janet has just announced she'll soon also be leaving the Fed and joining him. Reward them well, Mr. and Mrs. 1%. They've done yeoman work for your banks, providing loans at 0.15% for 7 years, while the US government charged students 6.8% student loan rates and grandma and grandpa retirees lost more than \$1 trillion in fixed income savings as result of near zero interest rates.

And let's not forget your great multinational corporations who've been offshoring our high paying jobs made possible by free trade treaties like NAFTA. You know, the tech companies, big pharmaceutical companies, auto parts and textiles, and all the rest. Now we can buy cheaper priced products at Walmart and Target from you that they make in Mexico, China, and Indonesia.

Like loading up on Loan debt, free trade is so much better than getting wage increases!

And this season let's not forget to thank your politicians that you help finance their elections. Thanks to George W. Bush for cutting taxes by \$3.4 trillion. And Obama and the Democrats for cutting your taxes by another \$1.1 trillion during the recession, and then extending the Bush tax cuts in 2013 for another decade by a further \$5 trillion. Now their heir to the presidency, Uncle Donald, is proposing another \$4.5 trillion tax cut for you one percenters, for yet another decade. I can't wait for all the 'trickle down' that's finally coming.



Your Republican party politicians (aka one wing of your Corporate Party of America) can't take all the credit. Your Democrat wing deserves some. So thanks to Nancy Pelosi and Chuck Shumer, for their current efforts to broker a deal with Uncle Donald to let the 800,000 'Dreamers' kids stay in America—in exchange for agreeing to deport their parents and for funding the border Wall with Mexico.

I do hope that next year Nancy and Uncle Donald can revisit the repeal of the ACA-Obamacare Act. It will mean another \$592 billion tax cut for you one percenters and your corporations, and maybe then even more trickle down to us 99%. All those single moms with kids, disabled persons, and mentally ill don't really need the improvements in Medicaid they got from the ACA. They were doing just fine before. You one percenters need the tax cuts more.

In conclusion, I'd like to give special thanks to your most famous one percenter, Don Trumpeone, a member of the wealthiest .01% (or 12,600) super richest households within your ranks, whose income gains in 2016 averaged \$65 million.

Thank you, Don Trumpeone, for keeping us 99% safe in 2017. We 'kiss your hand'. This year not one American was killed by the North Koreans, or by the Russians in the Ukraine, or by those violent Yemenis and world domination seeking Iranians—even though 60,000 Americans have died from the Opioid epidemic (started by the big Pharma companies) this past year; another 38,000 of us died from guns made in the US (291,000 since 2007); and the USA has continued to fall below its 20th ranking in infant mortality among the advanced nations while our teen suicide rate has doubled since 2007.

We 99% have so much to be thankful for this holiday season. And you 1%—and your corporations, politicians, and media pundits—are largely responsible. So God keep blessing America. Let's all stand for the flag. And thank you, our wealthiest 1% fellow Americans, the richest and greatest generation the world has ever seen.

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