

Money Power Runs America

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Wall Street does it by controlling money, credit and debt, as well as manipulating markets for private enrichment. House and Senate millionaires do it their way for greater wealth, privilege, power and status.

New [Center for Responsive Politics \(CRP\)](#) figures show it. More on them below. [New York Times](#) writer Eric Lichtblau commented in his article headlined, "Economic Downturn Took a Detour at Capitol Hill," saying:

In 1991, Representative Ed Pastor (D. AR) entered Congress with around \$100,000 in savings and as much debt owed banks. Now he's a millionaire, one of 250 in Congress.

"(A)nd the wealth gap between lawmakers and their constituents appears to be growing quickly" as austerity cuts harm most Americans needing help during harder than ever hard times.

Since 2008, they've lost jobs, homes, personal savings, and futures. At the same time, congressional members are richer than ever. Perhaps never "has the divide (been) so wide, or the public contrast so stark, between lawmakers and those they represent."

No wonder Gallop's year end poll showed Congress getting its lowest ever 11% approval rating. At the same time, growing numbers of Americans reject both parties for independent or unaffiliated status.

On November 14, the [Atlantic Wire](#) headlined, "How Members of Congress Get Rich Through 'Honest Graft,'" saying:

"A [60 Minutes](#) report examined the ways members of Congress trade on inside, privileged information" to get rich. "Congresspeople are exempt from insider trading rules" so profit in ways others can't legally.

They do it through stock trades and privileged business deals. Former House Speaker Dennis Hastert earmarked funding for a federal highway project on land he owned. He later sold it for \$2 million.

Former Speaker Nancy Pelosi profited from eight IPOs, including some "that had business before her House." So have other congressional members, past and present.

Former Senator Bob Dole bought shares in Automatic Data Processing four days before GHW Bush signed legislation with new military data processing rules benefitting the company handsomely.

Former Speaker and Republican presidential aspirant Newt Gingrich bought Boeing stock just before he helped kill amendments to cut International Space Station funding. It helped Boeing secure a lucrative contract.

Numerous others in Congress profit the same way. Some hit the jackpot. In 2004, the [Journal of Financial and Quantitative Analysis](#) published a report showing Senate portfolios outperformed the market by about 12% annually. It didn't happen by chance.

A [2011 study](#) showed House member investments exceed market performance by 6%. Do it annually and it adds up. For example, \$100 invested at 6% for 40 years grows tenfold. At 12%, it's 80-fold.

Washington runs on inside information. Congressional members use it to get rich. While their median net worth gained 15% from 2004 to 2010, America's 10% richest found theirs unchanged, and for Americans overall, it dropped based on inflation-adjusted dollars.

Of course, America's top 1% outdid them all. Why else would nationwide protests target them for social justice.

Notably, congressional wealth grew two and a half times (from \$280,000 to \$725,000) from 1984 to 2009 in inflation-adjusted dollars, while for average Americans it declined slightly. Moreover, for the past half century, income inequality mostly benefits congressional conservatives. Progressivism pays poorly.

In 1984, one in five House members had zero or negative net worth, excluding home equity and other non-income producing property. By 2009, it dropped to one in 12.

As a result, the gap between congressional members and their constituents perhaps never has been so wide. Moreover, it increases annually at a time Main Street's suffering harder than ever hard times, and few in Washington care.

[Center for Responsive Politics \(CRP\) Report](#)

It began saying:

"These days, being a millionaire (puts you in) the (top) one percent. But in Congress, it only makes you average."

Among 535 House and Senate members, 250 (or 47%) are millionaires, based on 2010 financial disclosure forms. Only America's top 1% enjoys that status. According to CRP's executive director Sheila Krumholz:

"The vast majority of members of Congress are quite comfortable financially, while many of their own constituents suffer from economic hardship."

It's largely from decades of destructive bipartisan policies. Since the 1980s, economic inequality grew enormously. Business and super-rich elites profited handsomely at the expense of working class people.

Wealth disparity is unprecedented at a time nearly 23% of Americans are unemployed. Half of US households are impoverished or bordering on it. Millions lost homes, and growing

hunger and homelessness threaten millions more.

In contrast, congressional members never had it so good. “It’s no surprise that so many people grumble about lawmakers being out-of-touch,” said Krumholz. “Few Americans enjoy the same financial cushion maintained by most members of Congress – or the same access to market-altering information that could yield personal financial gains.”

Moreover, congressional pay, benefits and perks alone are generous. In 2011, rank and file House and Senate members earned \$174,000. According to US Census data, median 2010 household income is \$48,753.

In February 2011, the [Congressional Research Service](#) reported the following legislative, executive and judicial salaries:

President: \$400,000

Vice President: \$230,700

House Speaker: \$223,500

Senate President Pro Tempore: \$193,400

House and Senate Majority and Minority leaders: \$193,400

Senators and Representatives: \$174,000

Supreme Court Chief Justice: \$223,500

Associate Justices: \$213,900

Federal Court of Appeals Judges: \$184,500

Federal District Court Judges: \$174,000

Moreover, generous benefits and allowances are provided, including lucrative pensions based on years of service, peak salary levels, an accrual rate, and whether members are covered under the Civil Service Retirement System (CSRS) and/or the Federal Employees Retirement System (FERS).

For example, a House or Senate member retiring in December 2010 with 32 years of service averaged \$92,251 in annual pensions supplemented by cost of living increases. Most members have shorter tenures and get less. By law, pensions can’t exceed 80% of final year of service pay.

In 2006, retired members covered by CSRS got average pensions of \$60,972. Those retiring under FERS, or in combination with CSRS, averaged \$35,952.

Historically, it was much different. From 1789 to 1815, congressional members got \$6 per day while Congress was in session. From 1815 to 1817, they earned \$1,500 annually. From 1818 – 1855, they got \$8 a day.

Thereafter, they got \$3,000 annual salaries. In 1907, it was raised to \$7,500. In 2006, they earned \$165,000. Leaders got more. Today, congressional members profit handsomely from

pay, benefits, perks, and investment returns based on inside information.

For example, 2010 US household median net worth is \$120,000. For congressional members, it's \$912,000. In 2009, 7.8 million households had net worths of \$1 million or more, around 2.5% of all households. In contrast, 47% of congressional members are millionaires.

The top 10 include:

Rep. Darrell Issa (R. CA): an estimated \$451.1 million net worth

Rep. Jane Harman (D. CA): \$435.4 million

Rep. Vern Buchanan (R. FL): \$366.2 million

Senator John Kerry (D. MA): \$249.9 million

Rep. Jared Polis (D. CO): \$285.1 million

Senator Mark Warner (D. VA): \$283.1 million

Senator Herb Kohl (D. WI): \$231.2 million

Rep. Michael McCaul (R. TX): \$201.5 million

Senator Jay Rockefeller (D. W VA): \$136.2 million

Senator Dianne Feinstein (D. CA): \$108.1 million

Combined net worth: \$2.8 billion

All support lower corporate, capital gains, and top bracket personal tax rates. They also back austerity cuts for ordinary Americans, including lower Medicare and Medicaid benefits.

Median US senator net worth is \$2.63 million – 16% higher than 2008. In 2010, 37 Senate Democrats and 30 Republican counterparts had average net worths exceeding \$1 million. So did 110 House Republicans and 73 Democrats.

In 2010, median Republican House member net worth stood at \$834,250. For Democrats it was \$635,000 for an average \$756,765 – 17% higher than 2008.

By law, all House and Senate members must report their own holdings and that of spouses and dependents annually. However, precise investment values can't be determined so estimates are made. They exclude non-income generating personal property (including homes, cars, artwork, etc.) and pension benefit values.

Moreover, the top spousal bracket is "more than \$1 million," so true net worth amounts for many lawmakers "are likely undervalued." For example, some believe John Kerry's wife Teresa Heinz's net worth exceeds \$1 billion. As the Heinz heiress, it's likely more.

A Final Comment

At a time class war in America rages, growing human need goes unaddressed, Washington is corporate occupied territory, and endless imperial wars ravage the world one country at a time with more planned, congressional members never had it so good.

No wonder fed up Americans want long denied social justice, and Occupy Wall Street calls "world revolution" the "only solution."

Change never comes top down, only bottom up. Society's privileged with power never yield it. Pressure's building to force them. Human need's too great and worsening. When pain levels cross a threshold of no return, all bets are off. Or as Gerald Celente says:

"When people lose everything and have nothing else to lose, they lose it."

That moment of truth draws closer, and not just in America.

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