I. Corporate Community as an economic class

A. Wealth

1. definition

a. net worth

b. financial wealth

2. examples: savings, stocks, bonds, retirement,

real estate, business assets, life insurance

B. Distribution

1. Top 1% : 35%-40% of net worth

a. +40% corporate stocks, mutual funds and

retirement accounts

b. 60% of business assets

2. Top 10%

a. 71% of net worth

b. +80% of real estate, stock, 94% bonds,

\ 91 % business assets

3. Pattern: increasing

a. 1970s only 22% of all wealth

b. 2001-2008 ($186 billion to $816 billion)

4. Comparison

a. Industrial countries

b. historically

C. Stratification: Income

1. Definition

a. work vs investment

b. real income

2. Concentration

a. 2000 $863,000 (1979 $286,000)

b. CEOs: 40x to 400x

c. Top 400:

i. income 2x last eight years

ii. $243 million

d. investment income: top 10%/80%

3. pattern

a. real income: stagnant or declining for 80% since mid 1970s

b. median household: $50,000

c. middle class

i. bankruptcy

ii. foreclosures

ii.

4. comparison

a. historically

b. other countries

D. Inequality by Race

1. Wealth

a. W $120,00

b. Black and Hispanic $20,000

2. Income

a. W $55,000

b. Black $34,000

c. Hispanic $38,000

E.. Gender

1. Income

2. M$45,000 W $35,000

II. Corporate community as a social class

1. Social Cohesion
   1. common membership in specific social institutions
   2. friendships based on social interactions

3. high status

1. relaxed and informal setting
2. Education
   1. preschools
   2. day schools
   3. private universities

4. boarding schools\*\*\*\*

* + 1. create upper class subculture

b. upper class networking

c. total institutions: socialized into way of live

C. Social clubs

1. country clubs
2. downtown clubs

3. specialized clubs: yachtsmen, fox hunters

4. multiple cities

1. Bohemian Grove

6. Alfalfa Club

D. Social class and corporate control

1. ownership: family ownership, holding companies, investment partnerships

2. corporate executives and their assimilation

a. social psychology: social interaction =s class awareness

b. pride, superiority, and privilege

* 1. belief in corporate community and the need for an environment

in which it can flourish

II. Corporations

A. Corporation

1. Early America

a. profit

1. meeting social need

c. chartered for specific purpose

1. limited time and capitalization
2. could not own another company
3. shareholders liable

2. Fourteenth Amendment

1. Equal Protection Clause

b. Corporation is “ legal person”

c. Free Speech: Buckley v Valeo

3. Present

a. chartered but no limits on purpose

b. unlimited capitalization

c. eternal

d. “ own other persons”!

e. shareholders not liable

f. function: profit

B. 500 corporations

1. business assets

2. sales

3. profits

D. Size

E. Shared Monopolies

1. mergers

2. acquisitions

F. Shared Ownership

G. Interlocking Directorates

1. direct and indirect

2. class

3. Citigroup (239)

H. Strategic Alliances

I. Producer Networks

J. Farmers as an exception?

K. A country of small businesses?

L. Profits

1. After tax 2001-2008: $503 billion to $1.3 billion

2. Pharmaceutical Industry 01-08: $30 billion to $80 billion

3. Exxon Mobil 2008 $43 billion

M. Economic power

1. own and control means of production

2. control markets

a. control supply

b. create (undermine) demand

c. sales and profits

3. control labor

1. off-shoring

b. outsourcing

c. downsizing aka “rightsizing”

d. product development/manufacture

1. capital flight vs reinvestment

f. collective anti-labor practices

g. 1971 NLRB “management decisions”

4. communities

a. decision to locate or leave

b. competition

i. tax breaks

ii. less environmental regulation

iii. no unions

1. control local and state politicians