

Economic Inequality & Political Power in America

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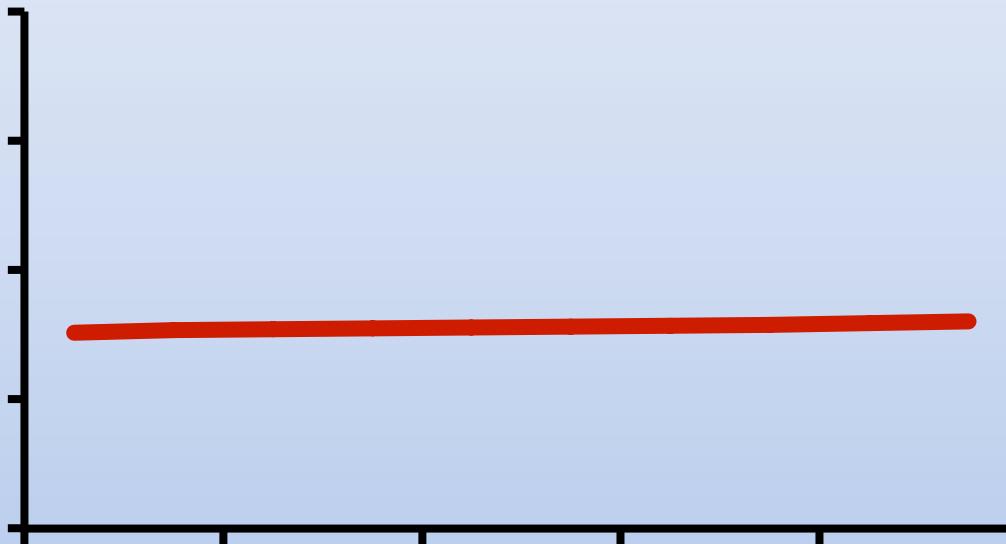
Ezra Klein:

The most unsettling line in American politics

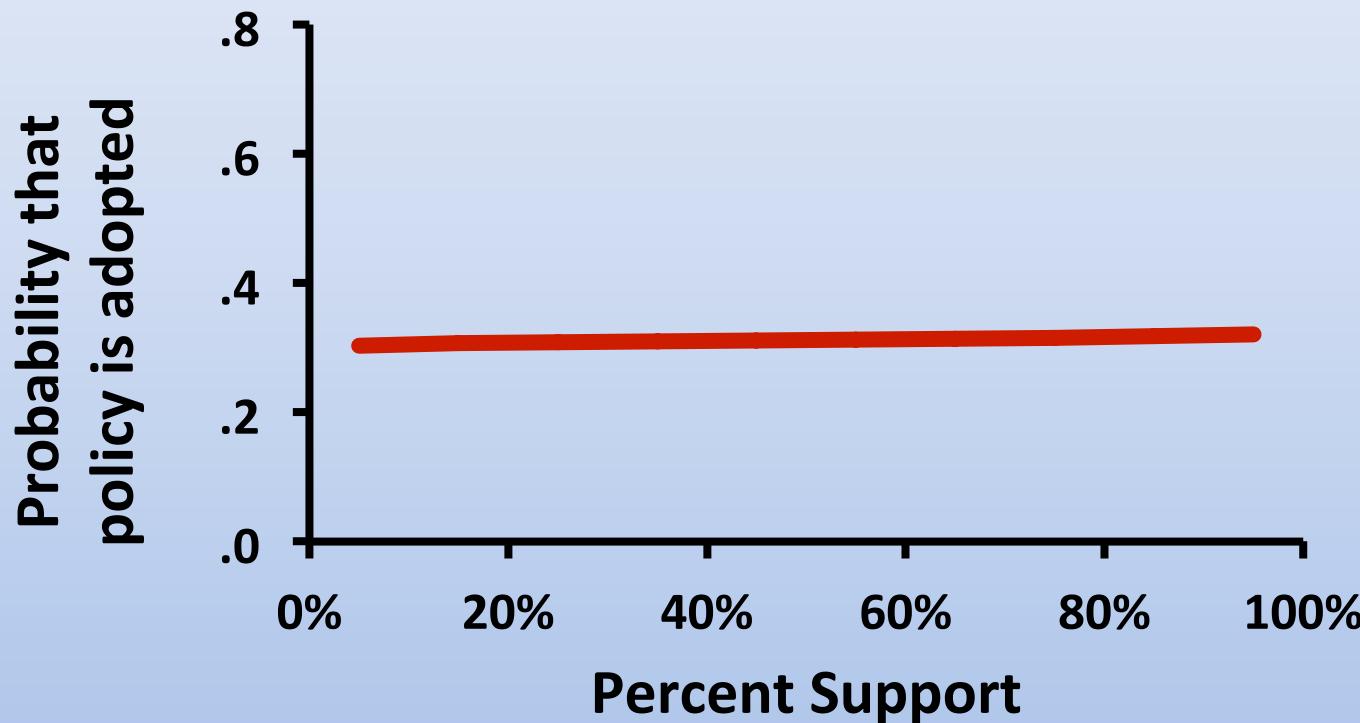




Average Citizens' Policy Influence



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2,000 survey questions

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...1980s

2,000 survey questions

...1980s, 1990s

2,000 survey questions

...1980s, 1990s, 2000s

- Should we raise the federal minimum wage to \$6.75 hour?

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- Should America send troops to fight in Bosnia?

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- Should we raise the federal minimum wage to \$6.75 hour?
- Should America send troops to fight in Bosnia?
- Do you support or oppose the proposed NAFTA free trade agreement?
- Would you favor or oppose letting homosexuals serve in the military?

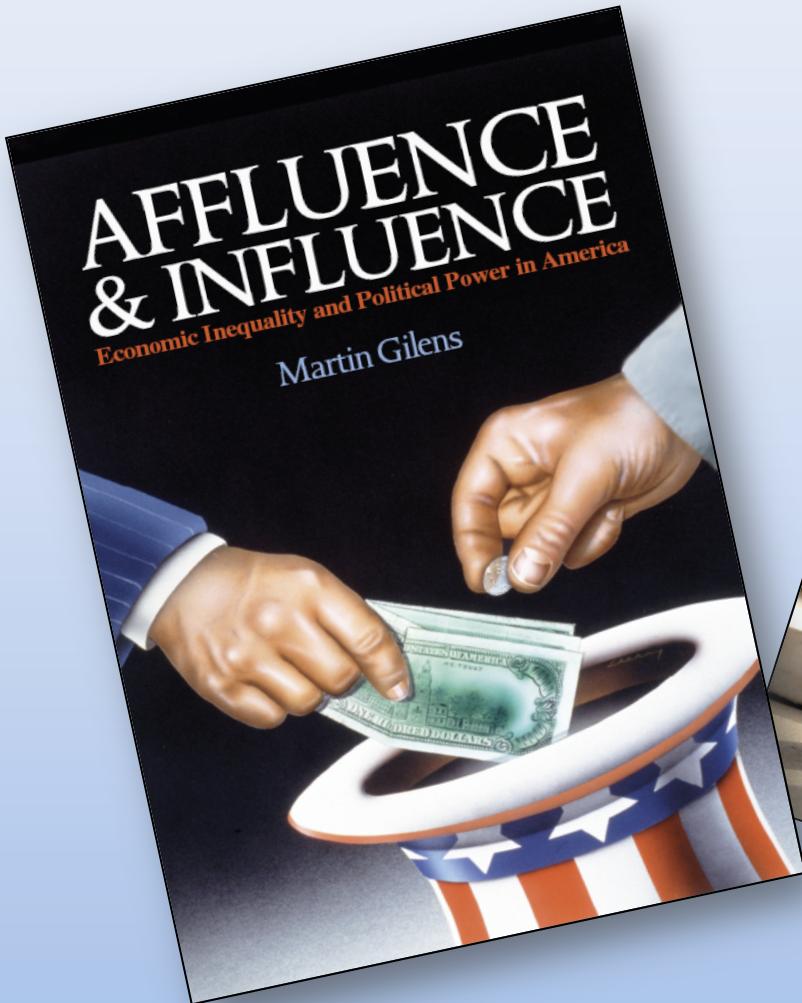
For each question in the dataset:

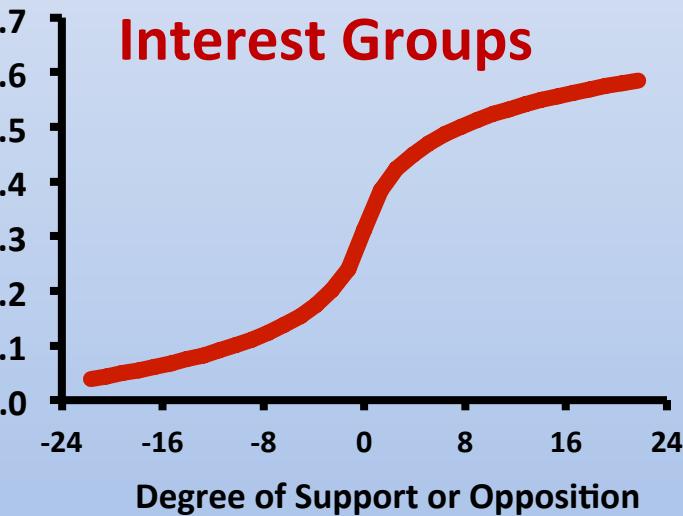
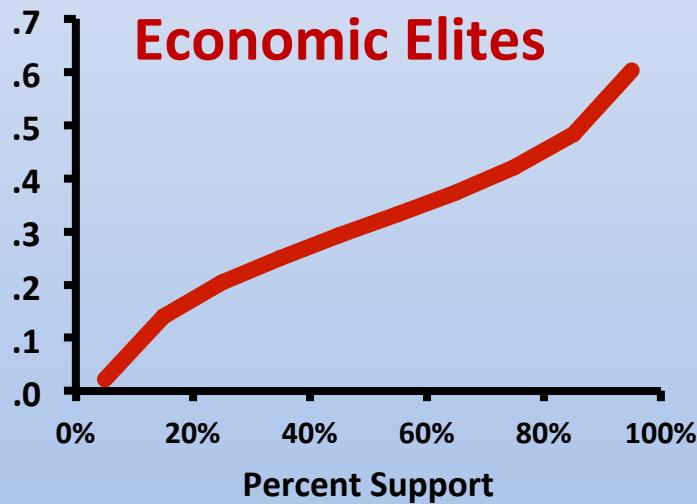
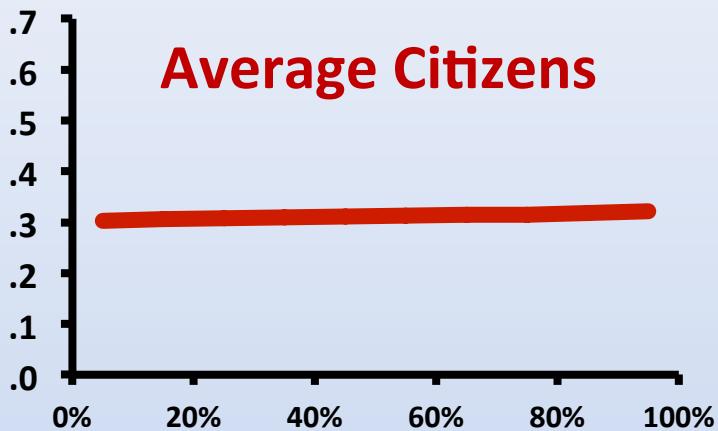
- Percent Favor: Median income
- Percent Favor: High income
- Net Interest Group Alignment
- Was policy adopted?

Policy outcome = α

- + $\beta_1 * \text{average citizens' preferences}$
- + $\beta_2 * \text{Economic Elites' preferences}$
- + $\beta_3 * \text{Interest group alignments}$

- + e





So?

NAFTA

NAFTA

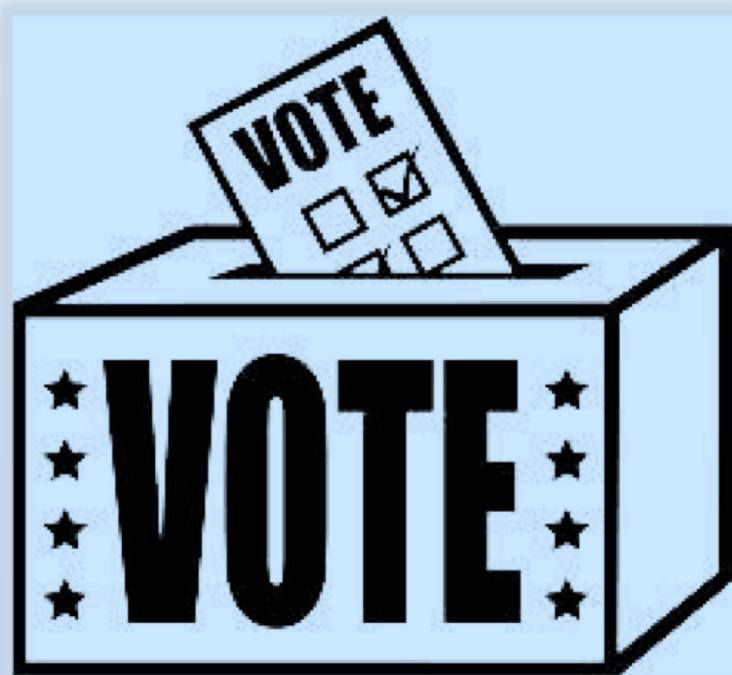
Bush tax cuts

NAFTA
Bush tax cuts
Repeal of Glass-Steagall

The preferences of the well-off differ on:

- **Redistributive policies**
- **Gov't regulation vs. "free market"**
- **Moral/religious**

	<u>wealthy</u>	<u>public</u>
Deficit is most impt problem	32%	13%
Unemployment is most impt problem	11%	26%
Gov't must see that no one is without food, clothing or shelter	43	68
Minimum wage should be high enough ... poverty line	40	78
Gov't...see to it that everyone who wants to work can find a job	19	68





\$1,000,000

\$1,000,000

\$10,000,000

\$1,000,000

\$10,000,000

\$1,000,000,000



\$1,000,000

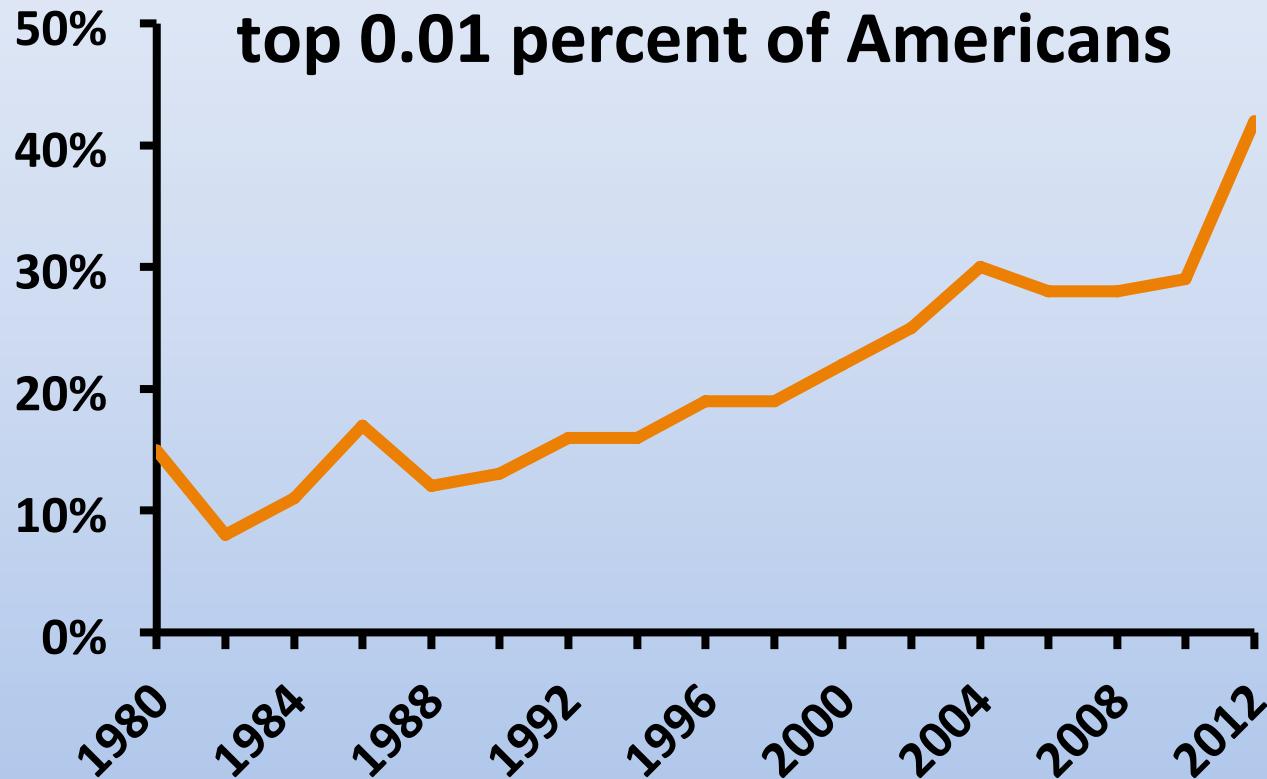
\$10,000,000



\$1,000,000,000



Share of all contributions from top 0.01 percent of Americans



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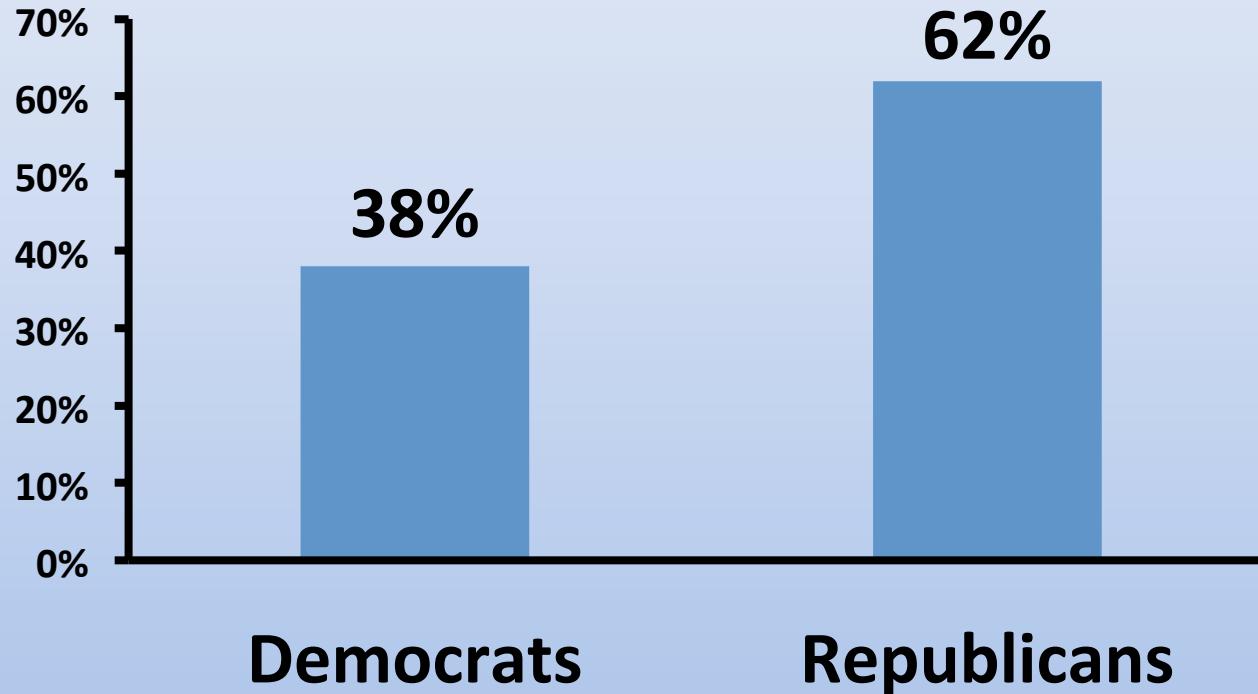
1 out of every 10,000 adults

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top 0.01 percent of Americans

1 out of every 10,000 adults

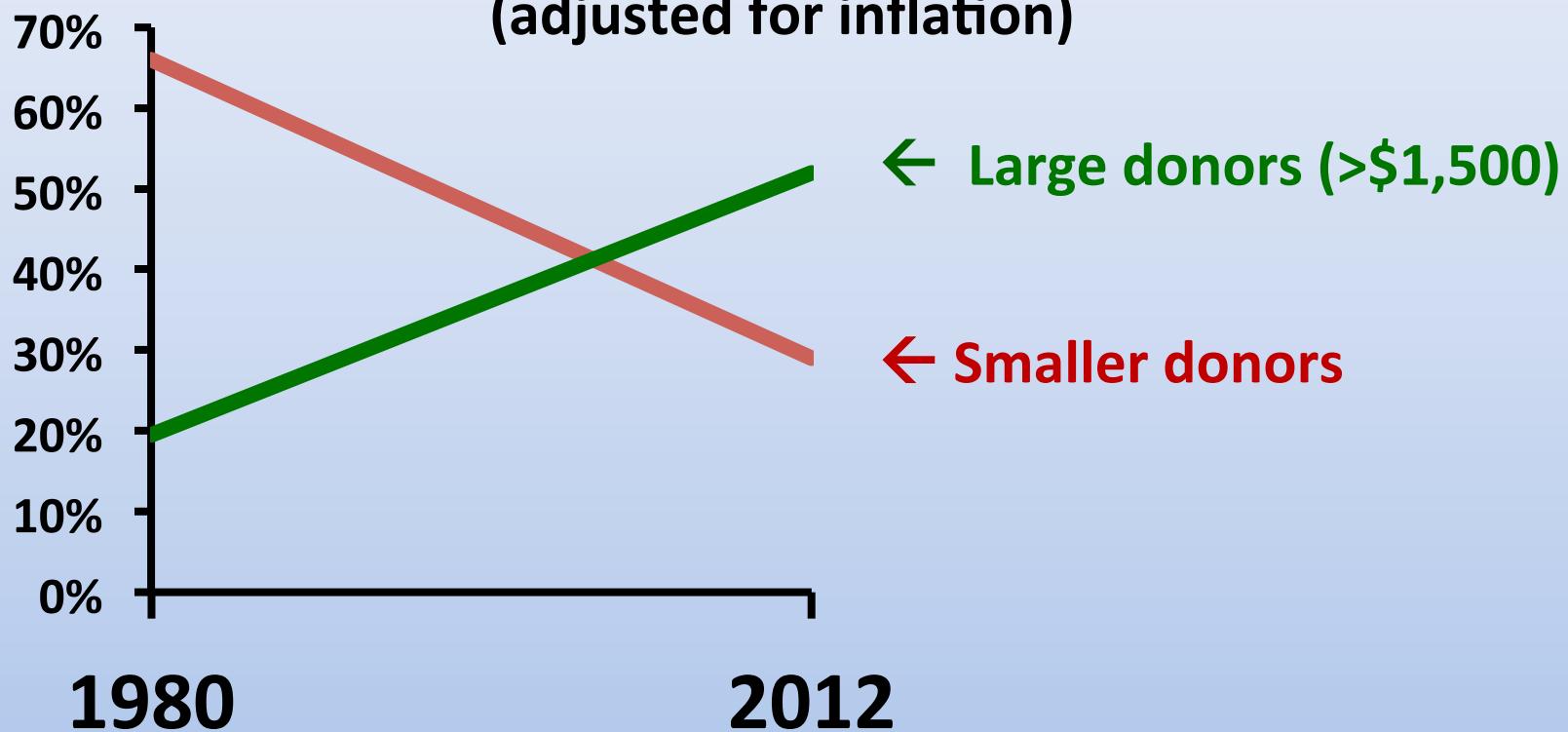
1/10th of 1/10th of the 1%

2012 Contributions from the Top 0.01 Percent



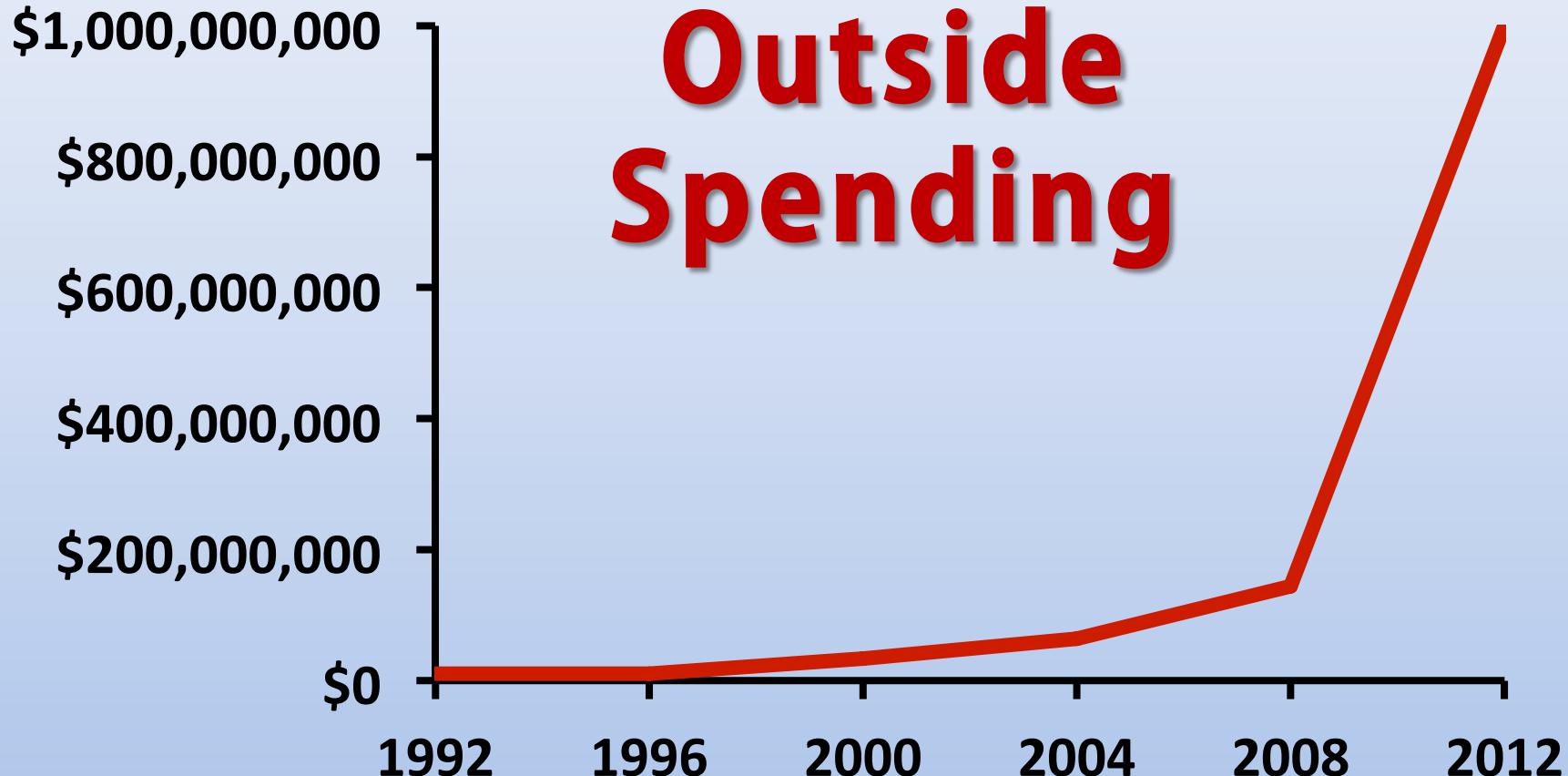
Democratic Fundraising Sources

(adjusted for inflation)

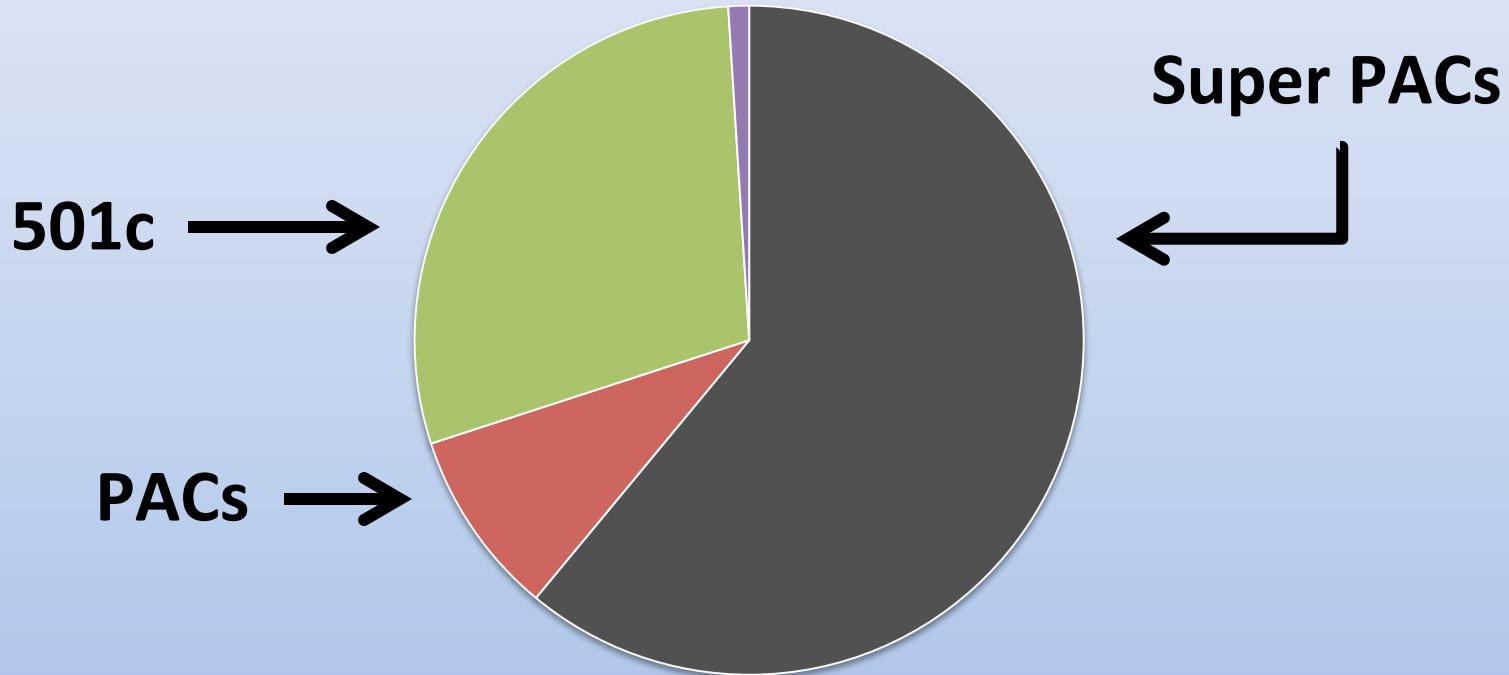


Outside Spending

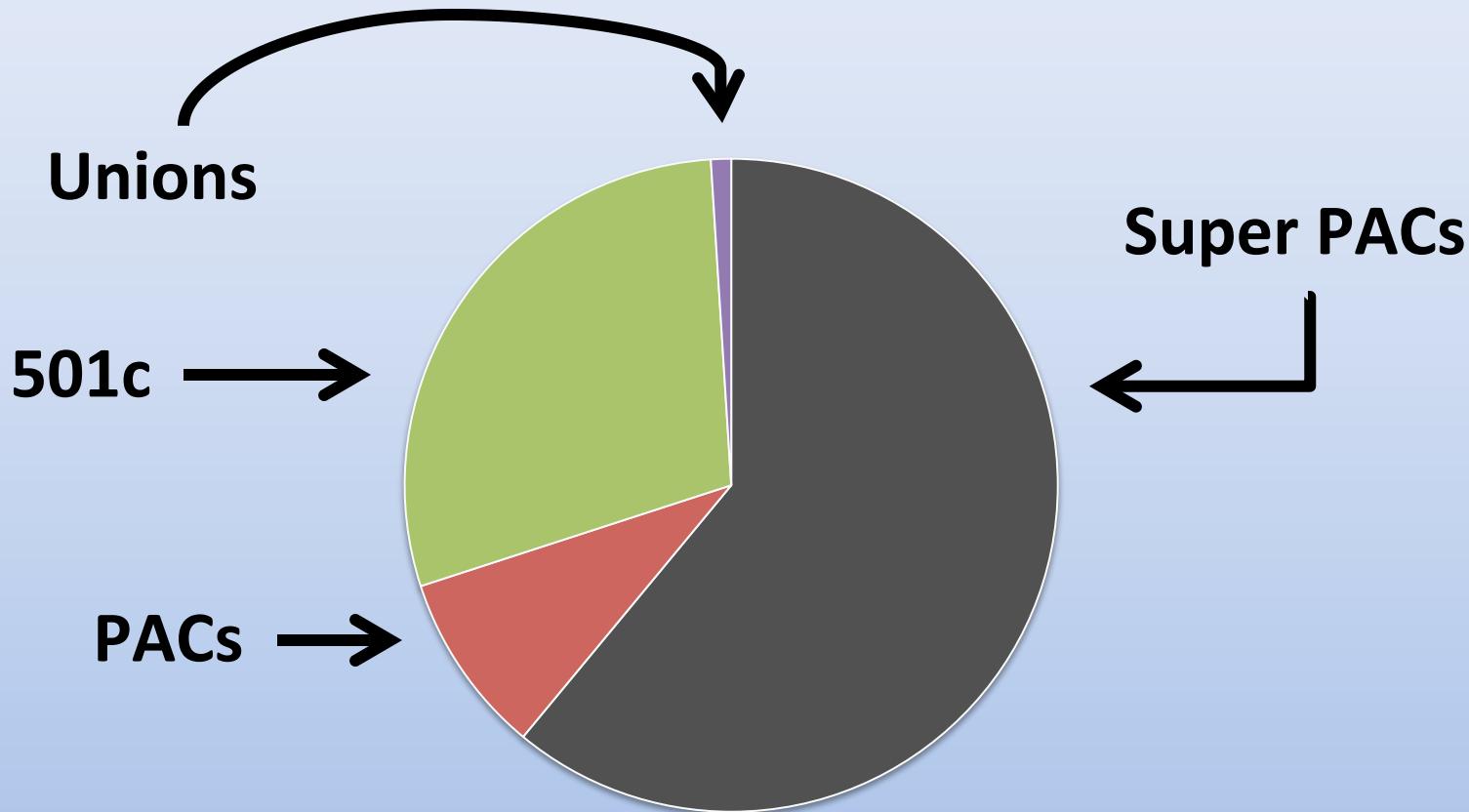
Outside Spending



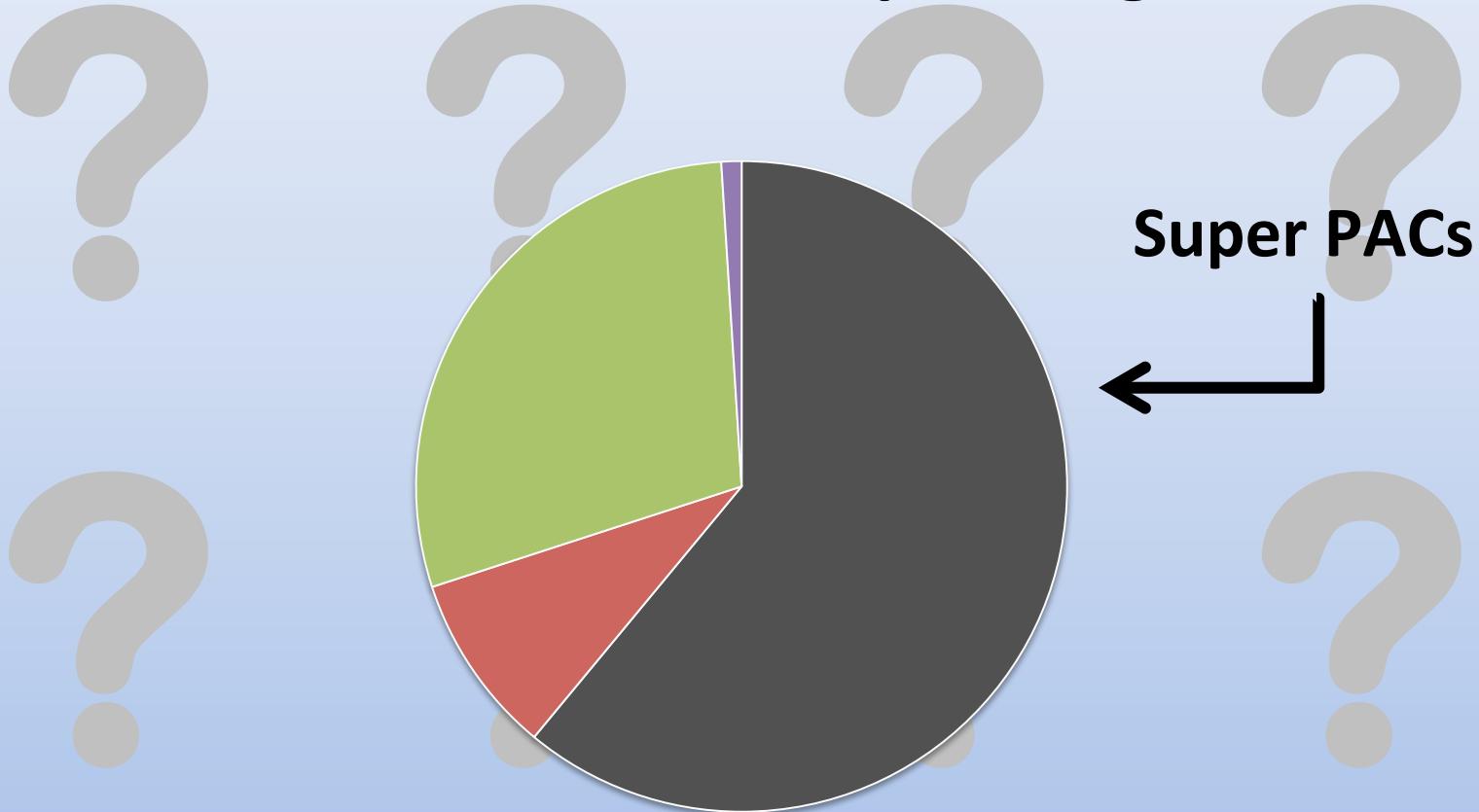
Sources of Outside Spending, 2012



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in 2012...

**93% came from 3,318 people
or 1/10th of 1/10th of 1/10th of the 1%**

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59% of Super PAC money
came from 159 people

What can be done?

Camp finance reform: reduce court-imposed obstacles
adopt public financing w/ voluntary limits
require full disclosure
elect politicians who support reforms

Lobbying reform: close loopholes in disclosure, contribution laws
stop revolving door
bolster analytical capacity of gov't

Electoral reform: make voting easier (not harder)
other countries: holiday, automatic registration

Strengthen civil society: unions, citizens groups, people like you!



The stakes are high

- Economic and educational systems under stress
- Infrastructure is decaying
- Planet is warming
- New global financial and military powers





SOLD

A large, bold, red word "SOLD" is overlaid on the image. It is enclosed within a thick red rectangular border that has a slight diagonal angle, giving it a three-dimensional appearance. The letters are stylized with sharp, angular edges.

