

Policy Issues Important to Canvassing

By Dr. Jeanne Miranda

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Income Inequality

Is there a problem with income inequality in the U.S.?

Americans have the highest rate of income inequality among rich nations and income inequality has increased most in the US versus other rich nations in the past 5- years.

Income inequality over time:

In response to the staggering inequality of the Gilded Age (1870's-1890's industrial boom), social movements and progressive policymakers in the early 1990's fought income inequality successfully through:

1. level down the top through progressive taxation
2. level up the bottom through increased unionization, healthcare, subsidies, educational and training opportunities, and entitlement programs such as social security.

Beginning in the late 1970's, these levelers began to erode and income inequality has now returned to that of the Gilded Age. In terms of income inequality, the top 1% of American earners have nearly doubled their share of national income, whereas poverty rates changed little.

Wealth Inequality today: (includes the value of homes, stocks, and possessions) :

The first quarter of 2024: top 10% of households held 67% of total household wealth and the bottom 50% held 2.5% of total household wealth.

Black families owned 23 cents for every \$1 of white family wealth; Hispanic families owned 19 cents for every \$1 of white wealth.

Over the past five decades,

1. Tax cuts for the rich are a key driver of this income inequality. Tax policies in the United States have become less progressive over the past 50 years, with

top earners paying much lower rates than they did in the past, and lower than middle income earners. The rich benefit immensely from the tax codes's preferential treatment of income from investments. The top tax rate for long-term capital gains is 20% versus the top tax rate on ordinary income is 37%.

2. **Federal minimum wage has fallen.** Adjusted for inflation, the federal minimum wage has dropped by almost 30% since the 1960s.
3. **Union membership** has declined. Factory jobs have declined and lower paying service jobs have predominated.
4. **Education:** 90% of children with parents in the top 10 percent of the income distribution will attend college; whereas, in the poorest 10 percent, only a third will do so. College tuition in the US has increased five-fold since 1985, with large college debts for poorer Americans.

How are those we canvas likely to think about income inequality:

About 6 in 10 Americans say there is too much income inequality in the country today. Only 42% say reducing income inequality should be a top priority of the federal government – 61% of Democrats and 20% of Republicans. Lower income individuals are more likely to see inequality as an important issue than higher income individuals. Democrats are more likely to point to structural systems causing income inequality, including the tax system (56% of Dems. 30% Reps) and the education system (49% vs. 38%). Rep are more likely to say choices people make in their lives (60% vs. 27%) and some people working harder than others (48% to 22%).

What policy solutions could impact economic inequality: THESE POLICY SOLUTIONS MUST PASS CONGRESS. WE MUST HOLD THE SENATE AND TAKE BACK THE HOUSE.

US inequality is somewhat similar to other rich countries before government intervention, but leads all other countries after government interventions. Taxes (progressive system taxes the wealthy more) and income support (welfare, Earned Income Tax Credit, Medicaid and Medicare, Supplemental Nutrition Assistance Program, housing subsidies, Child and Dependent Care Tax Credit, social security) do improve income inequality in the US but are both lower than other countries. Taxing the rich and providing more benefits to the poor would improve.

REPUBLICAN POLICIES: less government

Republicans argue that less government is better. They tend to argue that government policies are not effective for helping people. They support tax cuts for the rich. A current Republican bill in congress is to lower business taxes and increase standard deduction. The standard deduction being lower will not help the poorest.

They often argue to decrease or eliminate all entitlement programs, such as health care, entitlements, etc. They are even speaking of abolishing the Department of Education.

DEMOCRATIC POLICIES: Government can improve the lives of average Americans.

Biden-Harris Administration:

Increased manufacturing – increasing higher wage jobs than service jobs

Developed a strong job market that has increased wages

Lowered Student Loan debt

Harris Walz Administration:

They are proposing progressive taxes – getting the rich to pay their fair share.

They will lower student debt, increase Dependent Care Tax Credit (lowered child poverty by 50%), contain grocery prices, build more housing, negotiate drug prices, cancel medical debt for up to 3 million Americans, make permanent a child tax credit, expand Earned Income Tax Credit, help for home buyers, improve day care, and support universal preschool.

WHAT TO TALK ABOUT AT THE DOOR:

The vast majority of folks would like fairer tax code. Almost everyone hates that the rich pay less taxes than ordinary folks.

Housing help is also very important to many people. More housing and help for first time buyers is very popular. Also, helping make sure college is affordable is extremely popular.