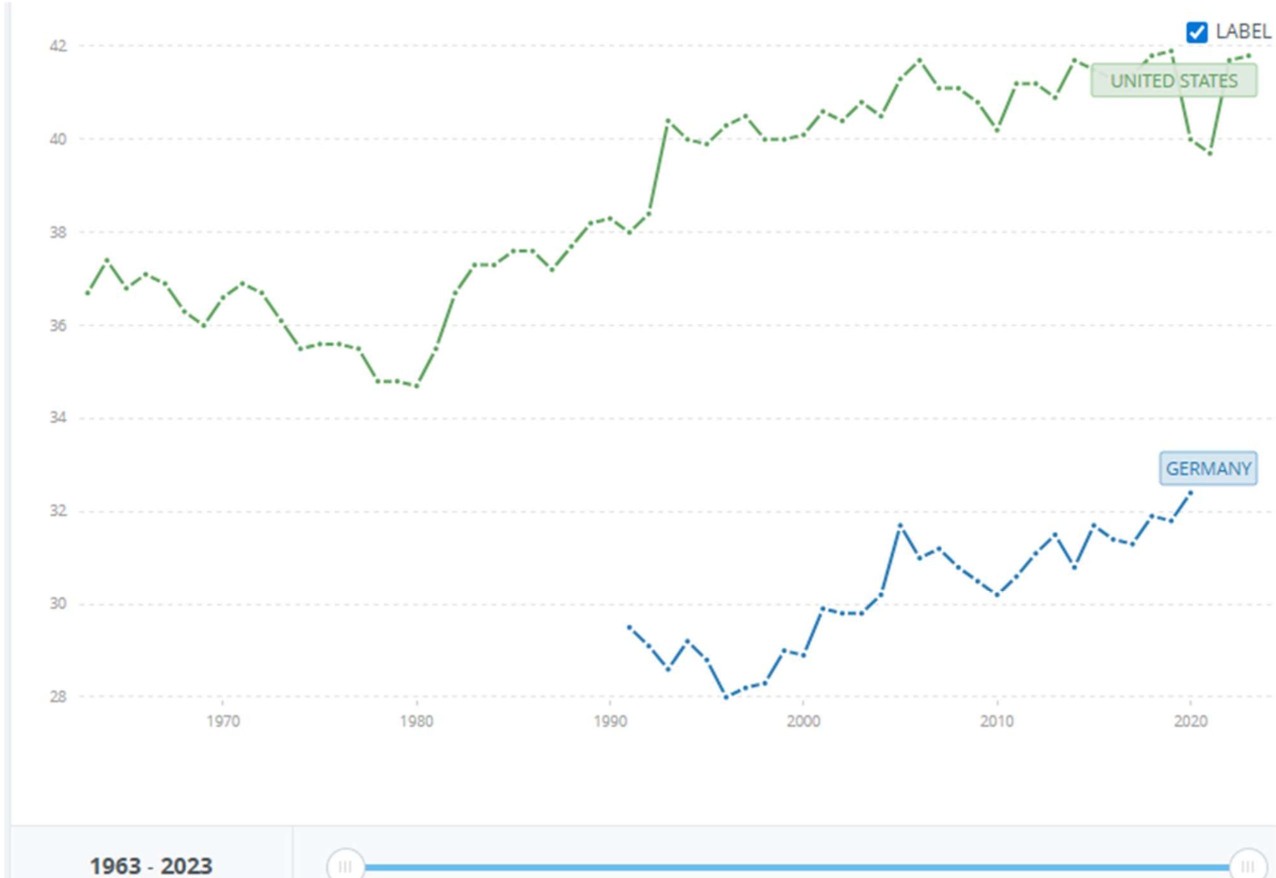
Rising Income Inequality Reduces Private Sector Prosperity For All Americans



Source: https://data.worldbank.org/indicator/SI.POV.GINI?type=points Note the 1981 inflection point which coincides with the introduction of "supply-side" economic policies in the US.

The chart above and the table compare the GINI coefficient which measures the degree of income inequality between highest and lowest incomes for various countries. The worst income inequality in the world is in Soth Africa, where white Afrikaners benefitted for decades from South Africa's diamond monopoly and its dominance of neighboring countries smaller diamond deposits. This monopoly ended with the discoveries of large diamond deposits in Russia and Canada. South Africa's racist apartheid regime collapsed but white South Africans continue to dominate their national economy and sustain income inequality as shown below.

Highest Income Inequality - GINI Coefficient			**2021/22**	**2023**
1	South Africa	63 (2014)		
2	Brazil		52.9	
3	Panama		49.7	
4	Honduras	48.2 (2019)		
5	**United States**	**34.7 (1980)**	**39.7**	**41.3**
6	El Salvador		39.0	
7	China		35.7	
8	Iran		35.5	
9	Russia		35.1	
10	South Korea		32.9	
11	Germany		32.4	
12	United Kingdom		32.4	
13	Japan		32.3	
14	France		31.5	
15	Canada		31.1	
Lowest Income Inequality				

Source: https://data.worldbank.org/indicator/SI.POV.GINI?type=points
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The 1960-1980 period had the strongest modern US average private sector economic growth rates. This strong growth correlates strongly with the steady reduction of income inequality and continuation of high marginal tax rates on the wealthiest tax during that period. The tax and economic policy changes from 1981 forward, including the subsequent continued extreme reductions of tax rates on the highest incomes, and federal minimum wage erosion to its 1955 purchasing power level, have steadily increased income inequality and resulted in an involuntary transfer of wealth toward the 1%. This involuntary transfer of income imposed by Congress and the line of Presidents has eroded mass consumer purchasing power which is 70% of the American economy. The result is ever weaker private sector economic growth, now less than zero without ever-growing and unsustainable government stimulus by adding to the now $38 trillion national debt. See the average marginal tax rates by decade and the practical effects of these policies in Real Private Sector Growth Reduced To Zero below.

Congress has deliberately and repeatedly tried to distract American voters and obscure these long-running Congressional and Presidential tax and economic policy failures by creating dependencies. Income subsidies for lower income workers, credits for businesses, and excess income allocations which prop up favored groups, individuals, and industries based upon partisan biases, have risen dramatically with government deficits and enormous borrowing. These dependencies create opportunistic partisan political coercion of American voters using political favoritism and threats, similar to those among ruling class and party elites to enforce party discipline in the former Soviet Union, which led to its 1989 collapse.