

Unite & Lead

The Fight to Get Money Out of Politics

United States, circa 2050

By 2050, the openly pro-wealth movement that had started nearly 80 years earlier in the mid-1970s – set on converting private wealth into public power, had floundered. The tides had started to turn in the mid to late 2020s, and the shift was well under way by 2030. The comprehensive Money Out of Politics Act (MOPA) of 2033 had placed strict spending limits on political campaigns, set aside public funding for campaigns, regulated Super PACs, strengthened disclosure rules, established lifetime lobbying bans on outgoing politicians, and prohibited congressmembers from trading individual stocks. A wave of younger congress members fought for additional congressional ethics laws and tapped them for political strength. MOPA also increased congressional office budgets by \$3 billion a year, a relatively small investment that allowed large, professional teams of staffers to withstand the pressures of lobbyists all too willing to offer up their own legislation. In the wake of MOPA, legislation began to reflect the needs of regular people. At first slowly, then more quickly.

“Keep ‘Em Honest”, an offshoot of Open Secrets, launched a simple dashboard tracking money in politics – and it did exactly what the name promised. The tool gained widespread traction, especially around election time. Citizens United stuck around for two more decades due to slow turnover in the Supreme Court, but by then had lost much of its bite.

Beyond its immediate effect, MOPA ushered a wholesale turnover of elected officials, as unpopular or tepid politicians financed by corporate money were sidelined. Grassroots campaigns and astroturfed campaigns became easy to tell apart.

The 123rd Congress was unlike any other, as was its political agenda. Over two years, hundreds of small and large laws and regulations were changed. Two “tough-nut” pieces of legislation became reality: the public health insurance option, and free child care. The public health insurance option proved so popular, and the savings so significant, that the Congressional Budget Office estimated savings starting in year 2 of implementation (some pointed out that the savings more than covered the costs of free child care). Private insurers started to drop out, even as healthcare coverage became near-universal. Some members of Congress continued to work toward universal healthcare. By 2040, universal healthcare was with us, and private insurers were no more. Per capita healthcare costs fell, and quality rose.

The 124th Congress continued the trend. It tackled housing affordability through legislation that placed restrictions on private equity speculation, encouraged construction, invested in new building technology, stabilized rents, and reformed financial incentives to make home ownership easier across the board. To no one's surprise, homelessness fell drastically. Anti-trust sharpened its teeth once more, and as corporate concentration weakened, wages rose, prices fell, and competition reawakened. Tax loopholes were closed, executive compensation reigned in. Income inequality fell to historic lows. Wealth inequality followed

suit. Corporations became less profitable, and the world kept spinning. The economy did not shudder. Life became significantly easier.

All the while, productivity had continued to rise—rapidly—with the advent and expansion of artificial intelligence (AI). Legislation reigned its worst excesses and ensured that productivity gains translated into rising real wages and salaries for all earners. Such was the growth in productivity that by 2035 the standard workweek had fallen to 25 hours with no reductions in pay. Higher wages and fewer hours gave millions breathing room for the first time. Others chose to volunteer. Many spent more time with family and friends. A Sovereign Wealth Fund (SWF) was established in 2036, inspired by Alaska's Permanent Fund. It was funded through a mix of sources, including federal leases on broadband spectrum and natural resource rights (grazing, logging, drilling, and mining), taxes on gambling revenue, returns from federally funded R&D, and a small tax on financial transactions. At first, the Fund distributed a few hundred dollars a month. Over time, what people now call "the American Dividend", grew. Higher wages and the American Dividend improved the bargaining power of workers. Power shifted away from corporations. Working conditions improved. Work became more enjoyable, and people's creativity was let loose. The phrase "working poor" faded from use, and needed to be patiently explained to younger generations. By 2045, parents were confident that their children would live better lives than they had.

Even as our population aged, deficits stabilized around 2032, began to fall in 2040, and disappeared after 2048, spurred by "Ultra-Wealth" taxes and lower healthcare spending. Military contractors saw their influence and profits dip, and a portion of the savings went to increase the salaries, benefits, and pensions of the military community. The national debt remained high but began to fall as a percent of GDP. The market for treasuries was as secure as it had been in the mid-20th century.

The number of billionaires tumbled. Child poverty was eliminated by 2035. Adult and senior poverty were history by 2045.

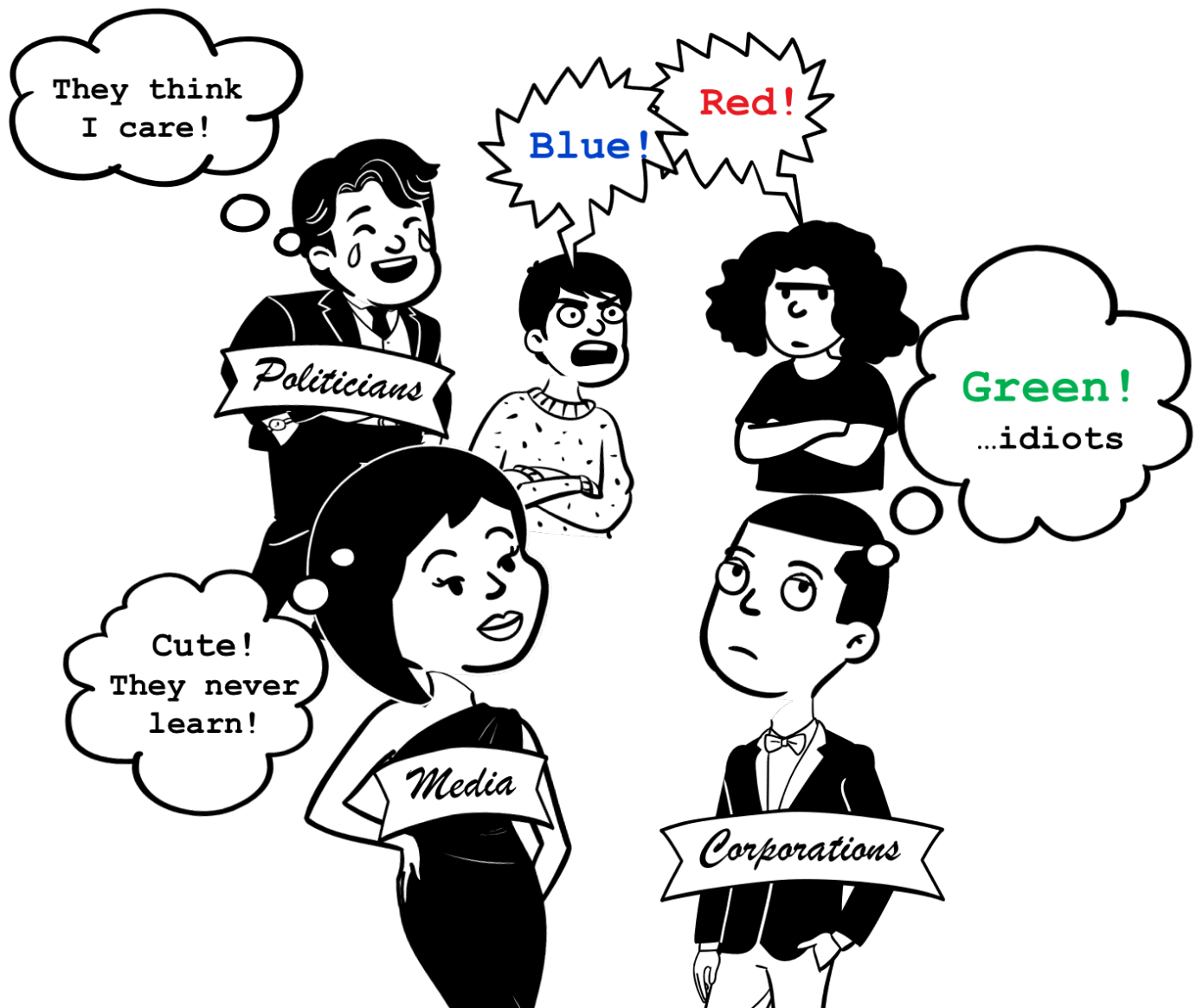
Trust increased. Trust in politicians, in government, in each other. Political polarization nose-dived. Stress levels fell. Suicide rates fell. Life expectancy would approach Japan's.

In 2049, a large national association of former billionaires and millionaires committed most of their fortunes as matching funds to a blind trust nicknamed the "Media Endowment". Its \$325 billion generated an average of \$20 billion which financed the operations of a non-profit, multi-channel media outlet whose board was democratically elected and whose motto was, "The facts. The context. The way forward." They were insulated from political and corporate pressure, but not from democratic pressure.

By 2050, the openly pro-wealth movement that had started nearly 80 years earlier in the mid-1970s had floundered.

But first, we had to fight...

Back in 2025...



*We must make our choice.
We can have a democracy,
or we can have great wealth in
the hands of a few,
but we cannot have both.*

Louis Brandeis, 1941

*To befoul the unholy alliance
between corrupt business
and corrupt politics,
is the first task of the
statesmanship of the day.*

Teddy Roosevelt, 1912

*Politics is the shadow cast
on society by big business*

John Dewey, 1931



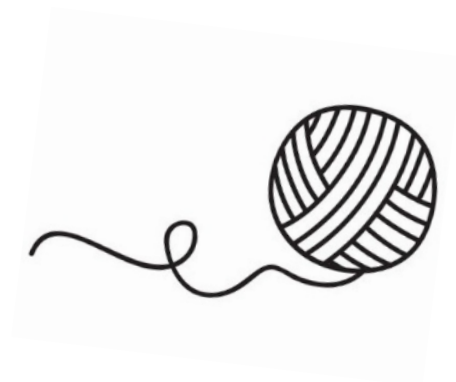
Note to the reader:

If you only have 10 minutes, you may want to skip to

[6. WHOLE THING IN A NUTSHELL](#)

If you have 2 minutes, skip to

[7. WHOLE THING IN A SMALLER NUTSHELL](#)



DIVIDE AND RULE,
THE POLITICIAN CRIES.
UNITE AND LEAD,
IS THE WATCHWORD OF THE WISE.

J.W. VON GOETHE

0. INTRODUCTION

Unite & Lead was created to move beyond the counterproductive and often disingenuous debate of Conservative vs. Liberal and focus on the real issue: how **large corporations and the ultra-wealthy convert their resources into political power to protect their interests—at everyone else's expense.** If this sounds conspiratorial, rest assured that it is backed up by an abundance of credible and publicly available sources that I'll reference throughout. My goal is to establish a strong foundation for honest, good-faith dialogue across the political spectrum—free from bad-faith arguments, "gotchas," cheap points, or attempts to "destroy" those with differing views. It's designed for anyone, regardless of political affiliation (Republican, Democrat, Independent, Socialist, Green) or economic perspective (libertarian, fiscal conservative, Keynesian). I welcome disagreement as an opportunity for learning. This foundation for dialogue will explore several key topics that together make plain the corrosive impact that money has on our democracy.

The first thing to point out, and the reason for the name Unite & Lead, is that the ultra-wealthy actively work to keep the rest of us angry and polarized. **When we blame each other for anything and everything, we fail to see that we are being manipulated into anger and polarization by those who gain**

**There's class warfare,
all right. But it's my
class, the rich class,
that's making war, and
we're winning.**

Warren Buffett

**Democracy is failing us,
and money is to blame.**



by division. We fail to see how money in politics and the crass concentration of wealth are eating away at the foundations of our country. And as we grow more polarized, the ultra-wealthy are emboldened to run amok, to squeeze us just a little bit more. As long as we bite on an endless stream of Left vs. Right warring points, we remain oblivious to everything that binds us. And we lose the very power we have – the power of unity. The power of numbers. Kumbaya with an edge.

So. **The relevant divide is not primarily about politics or ideology, but about money and power.** I refer to the following groups: the 99% (most of us), the 1% (the “working rich”, those who passively benefit from a country with high inequality), and the 0.01% (the ultra-wealthy, the 1% of the 1%, those who actively fight for a country with even higher inequality). The 99% covers any person making less than \$787,712ⁱ, and includes not only teachers, real estate agents, drivers, nurses, construction workers, and office managers, but also most doctors, lawyers, and engineers.

The Death of Representative Democracy in the US. Regular Americans are the backbone of the country. They build homes, teach our children, transport goods, grow food, care for the young, the old and the sick, keep the public safe, develop new technologies, manufacture essential goods, keep our cities clean, and power industries. This work deserves dignity and respect. While large corporations and wealthy people contribute investment, planning, and management expertise, it is the effort of millions of people that ensures that businesses operate, essential services continue, and communities thrive. Without this effort, life would grind to a halt. But **while millions drive our nation, their voices are largely ignored by our elected officials**, who prioritize the interests of the wealthy and large corporationsⁱⁱ (the next page explores this assertion at length). Representative government should translate the preferences of the majority into policy amenable to that majority. Today, government is largely unaccountable to what constituents want (as expressed by hundreds of surveys), and has instead become an instrument of wealth creation for the wealthy and corporate interests.



Not one grain of anything in the world is sold in the free market. The only place you see a free market is in the speeches of politicians.

**Dwayne Andreas,
former CEO of ADM**

Martin Gilens and Benjamin Page's study on who has power over public policy in the US finds that (all quoted verbatim):

- ***The preferences of the average American appear to have only a minuscule...impact upon public policy.***
- *Majorities of the American public actually have little influence over the policies our government adopts. The majority does not rule... Because of the strong status quo bias built into the US political system, even when fairly large majorities of Americans favor policy change, they generally do not get it.*
- *The preferences of economic elites have far more independent impact upon policy change than the preferences of average citizens do.*
- *When a majority of citizens disagrees with economic elites and/or with organized interests, they generally lose.*
- *Labor unions represent average citizens' views reasonably well. But the interest group system as a whole does not. The net alignments of the most influential, business-oriented groups are negatively related to the average citizen's wishes.*
- *If policymaking is dominated by powerful business organizations and a small number of affluent Americans, then America's claims to being a democratic society are seriously threatened.*

Here are just a few policies that are not in place despite having the support of a majority of both Republican and Democrats: requiring companies to provide paid sick leave for full-time employees, creating a digital-privacy bill of rights, banning stock trading by elected officials, imposing stricter penalties on monopolistic practices, and on companies that cause environmental damage, providing free school meals to low-income students, restricting corporate spending in

elections, providing vouchers for child care services, making it easier for the federal government to negotiate prescription drug prices with pharmaceutical companies, imposing a 5-year ban on lobbying after serving in Congress, expanding Medicare to cover dental, vision, and hearing, capping rent increases on properties built partially with federal (taxpayer) funds, raising the minimum wage to \$9, and increasing taxes on families making over \$1 million per yearⁱⁱⁱ.

But as long as money dominates politics, we will not make material progress on things that matter to us, and the many issues that could have been resolved decades ago—like unaffordable housing, low wages, exorbitant healthcare costs, poverty, and an underfunded Social Security system — will continue to plague us^{iv}. Since the late 1970s, we've been sold the idea that a “free market” and a “level playing field” would solve these problems. Instead, the past 50 years have only made it clearer: there is no such thing as a “free” market, large corporations wouldn't want them even if they did exist, and the playing field is anything but level. The wealthy and large corporations have used the government to change the rules of the economic game in their favor, suppressing competition, amassing subsidies, and weakening the bargaining power of workers. All the while, corporate media and public relations keep the public distracted, uninformed, and divided.

The Rebirth of Representative Democracy in the US. Yes, the situation is dire. Yes, they have the money. But we have the numbers. And by harnessing the power of our numbers (we are the 99% after all), we can take money out of politics and restore democracy to serve the many, not just the few. **Our democracy is failing us—let's change that.**

Before we dig in, here are 3 oversimplified ways to understand the role of money in politics – a jingle, a model, and a story. They get at the same thing from different angles. I hope at least one speaks to you.

**Government of the people,
by the people, for the
people, shall not perish
from the earth.**

Abraham Lincoln



A Jingle

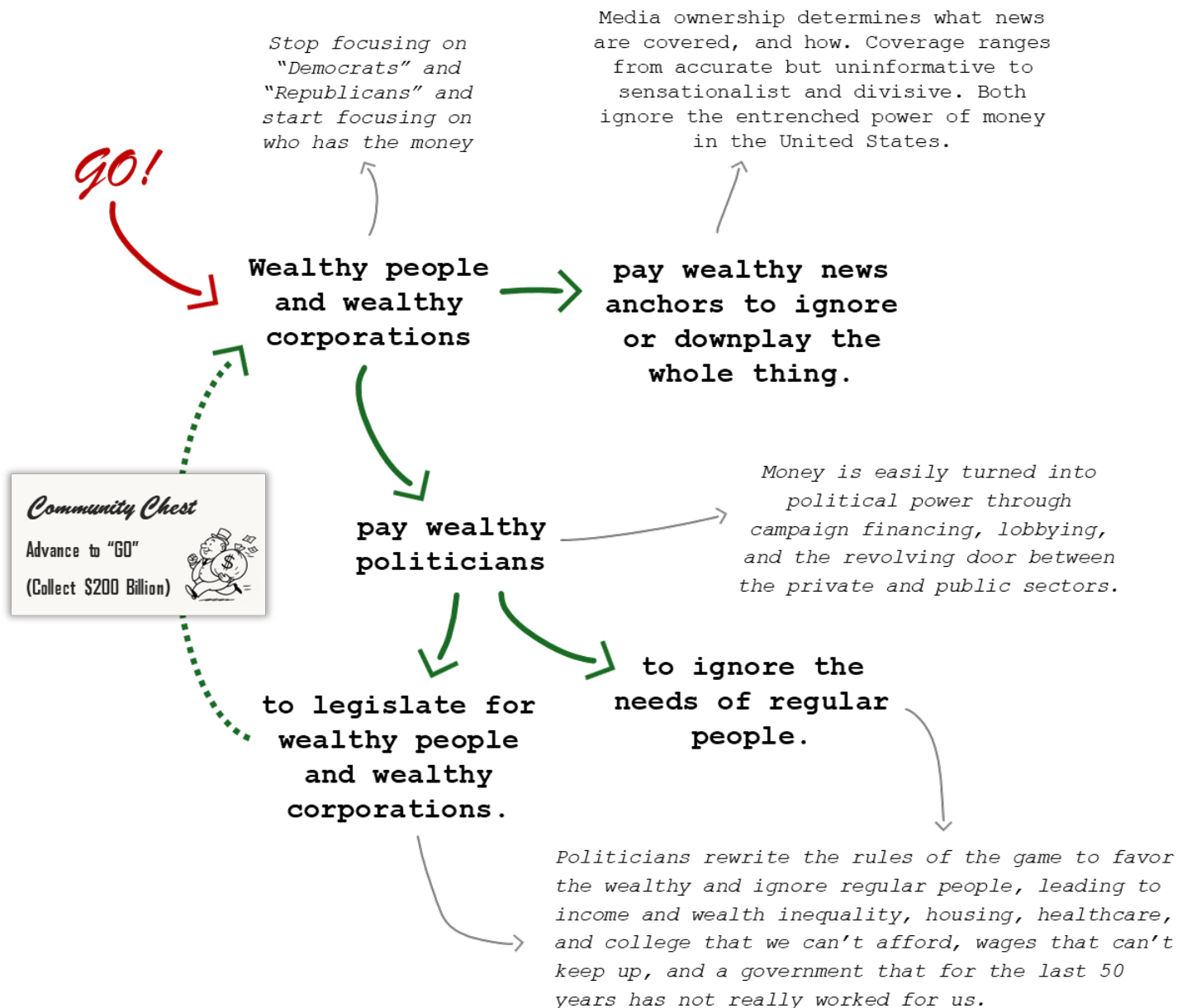


The rich pay the rich to make the rules,
the rest of us work like hopeless fools.
They pass the laws, they stack the deck,
they laugh at us and cash their checks.

The newsman's loud, but change ain't near,
please stay confused, please live in fear!
Behind the scenes, the same old con,
and we're the fools they're banking on.

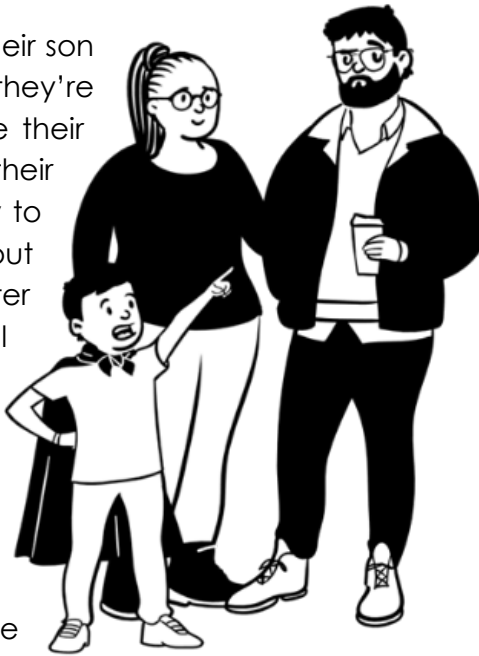


Model of political reality in the United States



An American Story

Meet Mike Miller, Becca Baker, and their son Noah. They are self-starters, but they're struggling to get ahead – and so are their neighbors. Housing costs go up and their two incomes barely keep up. They try to save for Noah's college education, but the cost of college seems to grow faster than their savings. They wonder if they'll have enough to retire on, and fear how an uncovered medical bill could impact them. They see great wealth around them, but no chance of sharing in it. Neither Mike nor Becca is working any less - in fact, Becca has just taken on a second job. They see the country they love going in the wrong direction, but don't really know why. Or how to turn it around. In bed, both worry about what future awaits Noah and his kids. Those in power seem to undermine their efforts to make a better life for themselves. Corporations chase profits, politicians chase reelections, and the media can't decide whether to keep them informed or to keep its owners and the government happy.



Corporations. Dick Mooney is rich. He owns stock in many Fortune 500 companies and wants them to profit as much as possible. Mr. Mooney doesn't think about people like Mike or Becca, or Noah too often. Or at all. He's also part owner of CoNNy and FOXy Media, so they know not to upset him. Mr. Mooney doesn't even know they have a third sister, Indy Media.

Politicians. Rig Lawmaker is a US senator. He gets money from wealthy donors like Dick Mooney to fund his re-election. In return, he passes laws that benefit Mr. Mooney and his friends. But just to make sure, Mr. Mooney hired Mr. Bull Lobby, who constantly reminds Mr. Lawmaker who's paying his bills. Mr. Lobby even offers Mr. Lawmaker a lucrative job when he retires—if he plays along until then. So it's no surprise that Mr. Lawmaker often forgets that he's supposed to work for people like Mike and Becca. They can't fund his re-election, so they're



easy to ignore. Mike and Becca once loved Mr. Lawmaker's common sense and fiery speeches, but lately they've noticed that no matter what he says, nothing gets better. Isn't he supposed to be working for them? Isn't that what representative democracy is all about? Where do his loyalties lie?

Media & Public Relations. Mike and Becca watch a few mainstream news channels to stay informed. CoNNy Media sometimes mentions outsourcing and campaign financing, but her heart's just not in it. She's afraid Dick Mooney and his friends will muzzle her if she strays too far off message. FOXy Media isn't any better, offering no help on issues like low wages or affordable healthcare. The whole thing feels disconnected from Mike and Becca's daily lives. CoNNy and FOXy may seem to be at each other's throats, and they may be, but it doesn't matter. They're both big for-profit corporations with very similar interests, and neither wants to rock the gravy boat. When push comes to shove, they're two peas in a pod—no surprise, since Dick Mooney partially owns both. In the evening, they join up with P.R. Spynn, a good friend of Rig, Dick, and Bull, to compare notes. And then there's Indy Media, shouting about pollution, inequality, and money in politics. But no one listens. She's broke, so she's easy to ignore.



1. MONEY IN POLITICS (the problem)

1.1 Money Becomes Political Power

Money is the lifeblood of American politics today - watering down the political influence of everyday people, and eating away at our democracy. Money translates directly into power, allowing those who wield it to shape the rules of the game. And while the fight between government and big business is theoretically possible, in the United States today it is largely a myth—corporations push for and even draft favorable government regulation to advance their goals. As Nobel prize-winning economist George Stigler explained, **“regulation is acquired** by the industry and is **designed** and operated primarily **for its benefit.**”

While money is not everything in politics, ignoring it means missing the point of most key political debates. Of course, removing money from politics wouldn't instantly solve our biggest problems. Take prescription prices—lowering them should be a democratic process, even a slow and difficult one. But right now, pharmaceutical companies lobby Congress to block price negotiations. That's not democracy, and it will never lead to lower prices.

Would eliminating money from politics remove political conflict? No, but it doesn't have to. Healthy democracies thrive on good-faith disagreements among well-meaning citizens. Still, and at the risk of being repetitive, I want to make clear that I don't wish to make light of the substantive disagreements that exist, even on economic or “pocketbook” issues – for example, the push for a green energy transition and the regional resistance of states whose economies, jobs, and tax base depend on traditional fossil fuels. That's a real and difficult structural conflict that could take years or decades to solve, even were we to seriously tackle it. But money not only drowns out any serious debate, it often confuses the issues and drowns out even a clear definition of the problem itself. The opinions of regular people in this process become, at best, irrelevant. And so, **while disagreement in politics is perfectly healthy, money in politics is not.** To grasp how money becomes political power, we need to understand where the money comes from, what it pays for, and how its growing influence is chipping away at the democratic idea of “one person, one vote”.

**For the love of
money is the root
of all evil.**

1 Timothy 6:10

**The fight between
government and big
business is largely a myth**

**I love to see honest men
and honorable men
at the helm, men who will
not bend their politics to
their purses, nor pursue
measures by which they may
profit, and then profit by
their measures.**

Thomas Jefferson



1.1.1 Campaign Contributions, or Getting Your Politicians Elected.

Money goes to where the power is. In the United States, where over 80% of congressional incumbents win reelection, backing the incumbent is a safe bet^v. But winning isn't cheap: In 2022, the average winning House campaign cost \$2.8 million, while a Senate seat required \$26.5 million—both rising in real terms^{vi}. As costs climb, the voices of small donors and non-donors—the vast majority of people—are increasingly drowned out by the wealthy and by large corporations. In just over one year ending in April 2024, all congressional and presidential campaigns took in \$8.6 billion. PACs, Super PACs, and Hybrid PACs—many fueled by “dark money” that conceals donor identities—accounted for 65% of this total. Individual candidates received 23%, and Party Committees 11%^{vii}.

Not only that, but the fundraising never ends. Once in office, members of Congress spend around half their time, every day, making fundraising calls from a call center near Congress (they're not allowed to make these calls from the capitol building).^{viii}

Who's writing the checks? Donors generally fall into three categories: “business,” “labor,” and “ideological.” In 2024, business outspent labor by more than 20 to 1—\$5.99 billion to \$260 million. And while business funds both parties, labor overwhelmingly backs Democrats^{ix}. The result? **Business wins, no matter who's in power**, further proof that political parties often matter much less than the divide between the wealthy and everyone else. Unions, despite their frequent media presence, wield far, far less influence than large corporations. As we saw earlier, this is not good news – unions tend to defend the interests of regular people.

1.1.2 Lobbying, or Getting Politicians to Ignore Regular People

Lobbying tightens the grip of money on politics, ensuring that legislation and regulation serve corporate and wealthy interests. It has the distinct advantage of being perfectly legal. Today, more than 12,000 lobbyists work to sway members of Congress and federal agencies, mostly on behalf of corporations^x. Over \$4.3 billion is spent annually on

We have gone too far in allowing huge sums of money to flow into our political system, especially without sufficient accountability.

Former Supreme Court Justice Stephen Breyer

That's the inconvenient truth of Congress today: You're a money machine.

Former Rep. Zach Wamp, commenting on the constant pressure to fundraise.

lobbying (\$11.8 million every day), but not all sectors wield the same level of influence:

1. Healthcare (pharma, hospitals, health insurance, \$751 million)
2. Finance (insurance, real estate, securities, banks, \$639 million)
3. Communications (electronics, internet, telecom, \$589 million)
4. Misc. Business (chs. of commerce, manufacturing, \$588 million)
5. Energy (oil & gas, electric utilities, renewable energy, \$433 million)
6. "Other" (civil servants, education, non-profits, \$338 million)
7. Transportation (airplanes, cars, shipping, railroads, \$309 million)
8. "Ideology" (human rights, environment, \$213 million)
9. Agribusiness (\$179 million)
10. Defense (\$149 million)
11. Construction (\$66 million)
12. Labor (public and private sector unions, \$54 million)
13. Lawyers & Lobbyists (\$17 million)^{xi}

The wealthy, corporations, and even politicians themselves often argue that donors give away their money with no expectation of getting anything in return. But ask yourself why would they keep spending billions if they get nothing in return? Do we really believe that some of the shrewdest economic players would "invest" for a return of zero or less? Probably not, but just in case we need one more reason not to believe them, a 2009 study found that an investment of just over \$1 million in lobbying returns about \$253 million in shareholder wealth^{xii}.

1.1.3 The Revolving Door, or How Chummy Corporations and Government Really Are

The "revolving door" refers to the seamless movement of high-ranking officials between the private and public sectors, blurring the line between regulators and those they regulate. Some real-life examples: A congressman who pushes a law banning Medicare from negotiating lower drug prices becomes CEO of the interest group PhRMA; a coal lobbyist becomes Deputy Secretary of the Environmental Protection Agency; the CEO of one of the largest investment firms



The influence of lobbyists in Washington has grown to such an extent that it's now nearly impossible to distinguish the interests of the American people from the interests of the corporate lobbyists who have taken control of our government.

Jimmy Carter

becomes Treasury Secretary; Pentagon officials responsible for overseeing weapons purchasing move to the very companies that build and sell those weapons. The list goes on, and the cycle repeats, on both sides of the political aisle. And the problem is growing. In the 1970s, only 3% of former members of Congress became lobbyists. Today, it's over 42%^{xiii}. At its worst, the revolving door means that regulators and the regulated come from the same small circle, and that the industries that are regulated have "captured" the regulators. It's like players calling their own fouls. We don't accept this in sports. Why do we accept it in government?

1.1.4 Corporations Keep Getting Bigger & More Influential

These 3 ways to turn money into political power are easier and more profitable for larger corporations. Predictably given everything just discussed, more than three-quarters of industries in the United States have grown more concentrated since the late 1990s. In 1996, there were 30 incorporated companies per million people in the United States. By 2019, it was just 13^{xiv}. While mergers and acquisitions have made these corporations larger and more profitable, there's "no evidence for a significant increase in operational efficiency"^{xv}. Their profitability isn't driven by better performance; it's driven by using their newfound size to reduce competition and capture value that used to go to workers, consumers, etc. The positive feedback loop between profitability and political power only makes things worse.

↑ *End of 1.1 Money Becomes Political Power* ↑

1.2 Political Power is Used to Set the Unspoken & Spoken Rules of the Economic Game

Imagine a boxing match: Pete Pocket enters the ring with heavy gloves and both hands free, while Cory Common enters with one hand tied behind his back. This is **pre-tax distribution**—the "unspoken rules of the economic game", sometimes called "predistribution"—stacked in favor of Pocket, making it nearly impossible for Common to win or even compete, no matter how hard he fights. Cory Common ends up with a broken nose, and Pete Pocket gets \$1 million in prize money. This is where **redistribution** comes in (the "spoken" rules, aka taxes): Pocket gives

All our big corporations talk about free markets and 'we're just here to do the Lord's work'. But no, they like a good fixed market, too, just like everybody.

Missouri farmer criticizing market concentration of nitrogen fertilizer companies



\$1,000 of his \$1 million – mere coins – to cover Common's medical costs.

1.2.1 Unspoken Rules (the pre-tax distribution of income and wealth)

The unspoken rules of the economic game, known as “pre-distribution”, refers to the laws and regulations that shape how wealth and income are distributed, *before taxes*. They are almost never meaningfully addressed either by the mainstream media or by most politicians.

These rules are not neutral or natural; they reflect the interests of those who hold the power to shape them, and they tend to suppress opportunity for the rest. As Dani Rodrik explains, “pre-distribution is not about tinkering with the welfare state but rethinking the market institutions that shape who gets what in the first place. It's about creating a fairer economy that distributes opportunities more equally.” Anne Case and Angus Deaton add that pre-distribution reform is changing the rules “so that people's outcomes are more dependent on their efforts than on the inherited advantages...”. What are these rules? There are thousands upon thousands of them, including everything from mandatory arbitration so that you can't sue your employer, to weak consumer protections to allow junk fees and misleading contracts. Some are best understood individually, others as bundles of rules:

- **Corporate Welfare.** The Cato Institute recently explained that “corporate welfare in the federal budget is spending that the private sector should fund by itself without subsidies”^{xvi}. This funding does not promote the national interest, arbitrarily favors some actors over others, or could be financed out of corporate profits^{xvii}. Now, whether something “promote[s] the national interest” is subjective. While many subsidies will run afoul of almost everyone's definition of the national interest; others will not. For example, most people would consider giving the gas & oil industry billions in subsidies during years when they are wildly profitable to be a bad use of taxpayer money. The estimates below, therefore, should be seen as upper estimates.

Cato estimates \$181 billion in direct cash subsidies and indirect industry support in 2024, including grants,

You hypocrites! You give to God one tenth [of your income]..., but you neglect to obey the really important teachings of the Law, such as justice and mercy and honesty.

Jesus in Matthew 23:23

Oil companies that make billions in profits don't need public subsidies.

Prof. Catherine Mitchell



preferential loans, and other payments. To this, we could add an estimated \$154 in tax expenditures from preferential treatment in the tax code^{xviii}. The Hoover Institute estimates \$153 annually in direct federal expenditures when adjusted for inflation^{xix}. Among the top-100 recipients of corporate welfare at all levels of government over the last 3 decades are companies like Boeing, Intel, Ford, GM, Amazon, Alcoa, Tesla, Disney, Shell, Alphabet (Google), Meta (Facebook), Apple, Exxon, JP Morgan, Microsoft, Duke Energy, Northrop Grumman, Valero, Dow, Goldman Sachs, Bank of America, Warner Bros, Koch Industries, Wells Fargo, and Chevron. In that same top-100 list, Dominion Energy got the *lowest* total subsidy over the years, a mere \$617 million!^{xx} Yes, **our taxes help pay the executive salaries and the shareholders of the largest corporations in the US.** Our taxes at work.

- **Executive Compensation Loopholes.** In 1993, a change in the tax code made all executive compensation above \$1 million deductible from a corporation's taxable income, *as long as it was linked to performance*. This led to a shift toward stock-based compensation, linking executive pay to stock prices ("performance") through the use of stock options. In short, **the more companies pay their CEO, the more regular taxpayers have to pay to make up for the loss in tax revenue**^{xxi}. But if executive compensation increased, doesn't that mean that performance improved? Stock market performance, yes. But as we will see in **2.2**, this did nothing to reduce income or wealth inequality in the United States. Why, if corporate wealth does not trickle down to regular people, and does not help grow the economic pie, should the US tax system reward wealth accumulation at the top? Why, in short, should US taxpayers subsidize CEOs and have nothing to show for it?



Too often, executive compensation in the US is ridiculously out of line with performance.

Warren Buffet

- **Encouraging Monopolies.** Corporations in sectors as varied as agriculture, construction, finance, and utilities, have grown larger and more concentrated in recent decades. “[T]oday’s top 1 percent of companies by sales account for 80 percent of revenues, compared with 60 percent in 1969”^{xxii}. The growth of monopoly power can lead to reduced competition, higher prices, fewer product and service choices, and lower wages. Economist Thomas Philippon “estimate[s] that monopolies cost the median American household about \$300 a month... I estimate that the **lack of competition deprives American workers of about \$1.25 trillion** of labor income every year.”^{xxiii} No wonder, then, that American workers are suffering

As discussed in [1.1](#), larger corporations consolidate these gains by “reinvesting” into campaign financing and lobbying, leading to lax or favorable regulation, weak consumer protections, larger corporate subsidies, preferential tax treatment, etc.

- **Low Minimum Wage.** Since 2009, the minimum wage has been stuck at \$7.25 per hour, or \$15,080 for full time work. This falls below the poverty level for a household of one set by the US Department of Health & Human Services^{xxiv}. Add a child or other dependent, and the situation is untenable. This abysmally low wage allows corporations to cut their labor costs and increase their profits. Because the minimum wage fails to cover basic living expenses, nearly half of low-wage workers rely on public assistance, costing taxpayers at least \$152.8 billion per year^{xxv}. And while politicians, corporations, and business associations like the Chamber of Commerce join hands to declaim raising the minimum wage as “job-killing legislation”, research shows that **raising the minimum wage does not cause widespread job losses**. A study of 138 state-level increases from 1979 to 2019 found little to no impact on employment^{xxvi}. What about consumer prices? A study on supermarkets found that a 10% increase in the minimum wage translated to a 0.36% increase in grocery prices, or an additional 36 cents on a \$100 purchase^{xxvii}. So, higher wages don’t cause unemployment, barely increase consumer prices, but increase workers’ income, increase consumer spending, and reduce taxpayer spending on public benefits. Finally, a minimum wage increase wouldn’t just help the lowest earners—it would mean

Today in America, competition is dying. Consolidation and concentration are on the rise in sector after sector. And the government is helping them do it.

Elizabeth Warren

No person can maximize the American Dream on the minimum wage.

**Benjamin Todd Jealous,
past president of the NAACP**

modest wage increases across income levels as companies increase the wages of those just above the minimum wage earners to prevent “wage compression” in their workforce^{xxviii}.

- **Classifying Workers as “Contractors.”** Aggressively promoted by companies like Uber, DoorDash, and Instacart, 58 million Americans relied on the “gig economy” for at least some of their income in 2022, a 33% increase from 2016^{xxix}. While this may offer people flexibility, it is concerning that gig work is encroaching on traditional, non-gig employment. Classifying workers as “independent contractors”, as opposed to employees, allows companies to avoid paying benefits, leaving workers without job security, workers’ compensation, health insurance, or retirement savings.
- **Allowing Healthcare to Profit from Our Health.** Corporations and politicians often claim that privatization improves quality and lowers costs. But despite having one of the most privatized healthcare systems in the world, prescription drugs, preventive care, claims administration, and hospital services are more expensive in the US than in any other developed country. While our aging population helps explain rising costs, it doesn’t explain why the US pays so much more on healthcare than other countries to begin with. What about quality? When measuring overall health using Disability-Adjusted Life Years, the US ranks alongside countries like Kenya, Senegal, Czechia, and India^{xxx}. The real reason Americans pay so much and get so little? The inordinate lobbying power of the healthcare industry, which has allowed private profits to divert money away from actual care. A 2025 study from the Yale School of Medicine finds that “[o]ver the past 20 years, [pharmaceutical and biotechnology companies, insurance companies, medical-supply companies, and large health care facilities such as for-profit hospitals] spent 95% of their net income on shareholder payouts, totaling up to \$2.6 trillion”. Considering that “roughly 70% [of healthcare] was funded ‘in some shape or form’ by taxpayer money”, we can conclude that **money that should be used to either improve quality or to lower our costs is actually being used to maximize healthcare executive compensation and shareholder returns**^{xxxi}.

What many imagine to be a lean, market-based [health care] system is actually bloated, complex, and fragmented, increasingly directed toward generating profit.

American College of Physicians

- **Outsourcing Jobs.** Led by “free trade” agreements like NAFTA and entities like the World Trade Organization, outsourcing hit US manufacturing hardest, as corporations left in search of cheap labor and lax environmental regulation. It led to the closure of 70,000 factories and the loss of 5 million jobs from 1998 to 2020. These were high-quality jobs that were replaced with service jobs with low pay, few or no benefits, and less stability. Even today, US employers outsource about 300,000 jobs abroad, every year^{xxxii}.
- **Decoupling productivity and real wages.** From 1948 to 1973, productivity grew by 96.7% while hourly compensation grew by 91.3% – largely in tandem. Starting in 1973, productivity and compensation split, or “decoupled”. From 1973 to 2014, productivity had climbed an additional 72.2%, while hourly compensation had climbed only 9.2%^{xxxiii}. This decoupling is a major part of the story of rising inequality in the United States. It is the result of a bundle of policies, including weakened minimum wage laws, reduced labor protections, a decline in collective bargaining, and outsourcing.

Corporations are continually working to rewrite the unspoken rules of the game in their favor—and they've been successful. This is evident in the rise of inflation-adjusted post-tax corporate profit per unit of production, a key measure of profitability relative to real economic output (see graph)^{xxxiv}. The line is *not* rising because of growth in the economy, or growth in productivity – it only reflects how much of each dollar of production companies are able to turn into profit (as opposed to paying for costs of goods sold, wages, salaries, benefits, rents, utilities, interest, etc.).

When the goal is to increase monopoly and maximize profit and power, the result is lower worker compensation, higher executive compensation, environmental degradation, higher consumer prices, fewer consumer protections, and more power in politics.

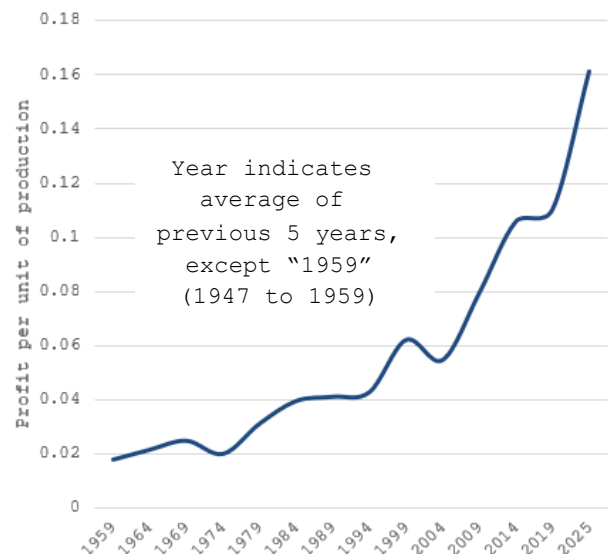
1.2.2 Spoken Rules (taxes)

Taxes, or “redistribution”, are the most visible rules of the economic game. Taxes are often criticized as theft or forced labor, a claim popularized by Robert Nozick in 1974^{xxxv}. But this argument overlooks two key points. First, taxes fund the infrastructure, courts, law enforcement, and

We're letting jobs go overseas and we're bringing back cheap labor. It's hard to see how that's going to help American workers, and it's certainly not helping the communities where those jobs used to be.

Ralph Nader

Corporate Profits since the 1940s



R&D that make economic production and innovation possible. Without these investments, the US economy would not function, and the production from which the government supposedly steals would not exist. Some argue that programs like Medicare and Social Security aren't essential for economic production, but this raises a deeper question: Isn't our economy built on the promise that the workers who built the economy will have access to basic healthcare and a secure retirement when they can no longer work? Second, the "taxes are theft" argument ignores the unspoken rules of the game: Who keeps most of the income and wealth in the first place, before we even start thinking about taxes?

As we will see in 2.2.1, not only do the wealthiest 1% keep an undeserved and growing portion of pre-tax income today, but income and wealth taxes don't do nearly enough to rectify or reverse this "transfer." Here's a preview: **Since 1975, changes in pre-distribution policy have shifted \$79 trillion from the bottom 90% to the top 1%.** In 2023 alone, the transfer amounted to \$3.9 trillion^{xxxvi}, not nearly offset by the \$0.8 trillion in federal revenue that the top 1% contribute. On balance, the 1% effectively extract \$3.1 trillion annually, which, if given back, would give each working person in the 90% a substantial \$1,685 per month, forever. That's inequality at work.

↑ *End of 1.2 Political Power is Used to Set the Unspoken & Spoken Rules of the Economic Game* ↑

1.3 Money Uses Media & Public Relations to Conceal the Role of Money in Politics

1.3.1 Media

Media bolsters the economic and political power of the wealthy and large corporations (including the power of media corporations themselves). As Robert McChesney explains, "the media is designed to serve corporate interests by providing a platform for the powerful, ensuring that their messages are heard while marginalizing any opposition." The media chooses what to cover, and how to cover it.

People can only resist what they can see, so power is most effective when it remains invisible

Mainstream coverage most often ranges from sensationalist (partially factual, and almost fully irrelevant) to uninformative



(factual, but of limited relevance without reporting on the broader context). Ultimately, the media cultivates an electorate that believes itself informed—but isn't.

I realize this sounds extreme, but consider this. After years or decades of watching and reading the news, do you know the size of the federal budget, its three main sources of revenue and whether they are progressive or regressive, and how much we really spend on what? How income and wealth inequality have shifted in the last century, what policies are responsible for the shift, and what role corporations have played in that shift? What the effect of tax cuts or minimum wage increases actually is? And I mean no disrespect, at all. My own answer to these questions ranged from “no” to “can you repeat the question?”. Should our education system teach this? Probably—but it doesn't. And even if it did, shouldn't we still expect the media to cover the basics needed to be an informed, politically effective citizen?

Like other industries, media has been subject to strong corporate concentration. Today, just 6 companies – AT&T, CBS, Comcast, Disney, News Corp, and Viacom – own 90% of all media in the United States^{xxxvii}, and network effects have led to similar concentration among social media companies^{xxxviii}. What about TV? Just 5 companies own 37% of all local news stations, with Sinclair Broadcast Group^{xxxix} reaching just under 40% of the US population!^{xl} And if you still get your political information from newspapers, things are not much better - just 7 companies (most of which are not household names), own around 71% of major daily newspapers^{xli}. This concentration has significant implications:

- **Political Influence.** Large media corporations wield significant political power, unduly influencing elections and public policy. Their control over information impacts how voters perceive candidates, policies, and issues. Media outlets tend to promote content that aligns with the interests of their corporate owners, not with ours.

Today in America, three people...combined own more wealth than the bottom half of American society, 170 million people. Think that's an important issue? But we don't talk about it! You're not gonna see *that* on TV. You can watch TV 24 hours a day, it is not gonna be discussed because the people who own the networks don't want serious discussion about the immorality and the economic injustice that takes place when so few own so much.

Bernie Sanders

Who owns your favorite media?

Pursue the truth,
no matter where it lies

James Hetfield, Metallica



- **Limited Diversity of Views.** Relevant to the last point on political influence, mainstream media cover a narrow range of issues, most of which reflect corporate or political interests rather than the broader, more diverse interests and perspectives of the public. This idea of covering some topics and leaving others out is called “selection bias”. **We must ask ourselves what sort of selection bias media owners may have when they are among the wealthiest people in the US** (Jeff Bezos at the Washington Post, Michael Bloomberg at Bloomberg and Businessweek, Rupert Murdoch at Fox News). Other large media outlets are owned by even larger corporations - NBC is owned by General Electric, ABC is owned by Disney, and CNN and TIME are owned by AT&T. And just 6 companies fully or partially own MSNBC, The Wall Street Journal, CBS, Fox News, CNN, The New York Post, ABC, and NBC^{xlii}, covering most of what we think of as “the political spectrum”. This leaves significant portions of public opinion outside of mainstream media. Truly independent views are unlikely to survive in this media environment.

Ralph Nader summarizes the mainstream's selection bias nicely (referring to coverage by the New York Times and the Washington Post), “How often do you see op-eds from civic/labor advocates? How often do you read reviews of their books? How often do you see profiles of them? How often have the groundbreaking studies by Public Citizen, Common Cause, Center for the Study of the Public Interest, Veterans for Peace, Union of Concerned Scientists Et. al received coverage?”^{xliii}

- **Real (but Mostly Irrelevant) Disagreement.** Reporters and newscasters may argue in good faith, but when the scope of debate is tightly controlled by media executives and owners (and often internalized by the newscasters themselves because of similarities in background and education), their disagreements become meaningless. What's more, the problem is not that “CNN leans left and Fox News leans right”, but that both have a much stronger but unspoken bias towards wealth. A similar dynamic plays out in our political system. Just as CNN and Fox News are mostly pro-wealth media outlets, both major political parties, while they differ markedly on social issues, are mostly pro-wealth organizations. Here again Ralph Nader sums it up, “Our two parties are basically one corporate party wearing two heads and different makeup...There is

Force is always on the side of the governed, the governors have nothing to support them but opinion.

David Hume

The 2024 World Press Freedom Index from Reporters Without Borders ranks the United States #55

Dissent is the highest form of patriotism.

Howard Zinn

Corporate media's wealth-friendly message is the signal. Sincere and insincere disagreement around the signal is the noise that makes the wealth-friendly message effective.



a difference between Tweedledum and Tweedledee, but not that much."^{xliv}

- **Profit-Driven Content.** In a competitive media landscape, the drive for profits can lead to an excessive focus on advertiser-friendly content. While many outlets provide accurate reporting, there is a strong incentive to avoid coverage that explicitly links money and politics. Issues like income stagnation, corporate welfare, wealth concentration, globalization, lobbying, and campaign financing are often sidestepped, given short shrift, or addressed without context. How the issues are treated – casually or intensively, favorably or unfavorably, humorously, soberly, or derisively – is called “framing bias”.

Learn more at [National Association for Media Literacy Education](#)

In late 2022, for example, railroad workers threatened a strike against railroad freight businesses, demanding higher pay, sick leave, and better working conditions. The coverage was overwhelmingly pro-business and downplayed worker demands. Headlines and ledes from USA Today, Reuters, NPR, and CNBC focused on the impacts of the strike, “upending the American economy”, “devastated the American economy”, “economic catastrophe”, “could cost economy \$2 billion a day”, “On the eve of the holiday season, workers... once again [threaten] to strike”, “wreaked havoc on economy before holidays”, “cost US economy billions of dollars per day”. Not accidentally, this aligned well with the position of the President and CEO of the Association of American Railroads: “As the freight sector heads into peak shipping season, a nationwide rail work stoppage would result in an unnecessary \$2 billion daily economic hit”^{xlv}.

Ultimately, even the most accurate and in-depth coverage can be **uninformative** — facts may miss the mark altogether, or they may be presented without the context that would make them meaningful and useful to the audience. At the other extreme, **sensationalist** “infotainment”, or “soft news”, focuses on personality-driven scandals, culture wars, and similar issues. Whether the coverage is uninformative or sensationalist, the overall effect is that it keeps us in the dark about how tightly money and politics are interwoven.

- **Erosion of Local Journalism & Reduced Accountability.** Many small, independent news organizations have shut down or been bought out by larger conglomerates,

leaving fewer voices to represent local communities. With corporate interests managing the flow of information, the risk grows of misreporting or underreporting issues that do not align with those interests, a result likely to distort public opinion. We may consume hours of news, yet still not know why our lives aren't improving—or who to hold to account.

1.3.2 Public Relations (PR)

Corporate and government public relations firms have worked hand in hand with the media for at least a century. However, the blueprint for a more robust type of public relations effort was laid down in the 1971 "Lewis Powell Memo", a corporate counterattack to the nearly three decades of broad-based prosperity in the United States^{xlv}. In the Memo, future Supreme Court Justice Powell called for business to reclaim its dominance, to shape public opinion through media influence, to make more strategic use of chambers of commerce, to fund think tanks and pro-business education in universities, to invest in advertising that supports "the free enterprise system" and not just specific products, to expand its presence in the legal system, and to increase its involvement in lobbying and policymaking to secure favorable legislation^{xlvii}.

Corporate PR: Corporations invest billions in branding, advertising, and crisis management to influence both public perception and policymaking. They fund think tanks, sponsor media content, and work with political leaders to craft narratives that justify their actions. PR campaigns blur the line between news and spin, making it hard for the public to distinguish between journalism and strategic influence.

Government PR: Politicians and federal agencies use PR to control narratives, defend the status quo, frame policy decisions favorably, and deflect criticism. Any remaining criticism is focused on *individual* failures and away from the *institutional* failures that enable them. Adviser to President Kennedy Theodore Sorensen exemplifies the maneuver: "The underlying causes of the gross misconduct [during Watergate]...are largely personal, not institutional...All the rotten apples should be thrown out. But save the barrel."^{xlviii}

Public relations is the art of convincing people that something is in their best interest, when it is clearly not, and disguising its real purpose – usually to serve corporate interests.

Barbara Ehrenreich

The national television networks should be monitored in the same way that textbooks should be kept under constant surveillance.

...in terms of political influence with respect to the course of legislation and government action, the American business executive is truly the "forgotten man".

Excerpts from Powell Memo



Government PR uses a variety of tools like press releases, conferences, interviews, and official statements to create the illusion of transparency while omitting the crucial point—who does this policy benefit, and who does it hurt?

CONFIDENTIAL MEMORANDUM

ATTACK ON AMERICAN FREE ENTERPRISE SYSTEM

TO: Mr. Eugene B. Sydnor, Jr.
Chairman
Education Committee
U.S. Chamber of Commerce

DATE: August 23, 1971

FROM: Lewis F. Powell, Jr.

This memorandum is submitted at your request as a basis for the discussion on August 24 with Mr. Booth and others at the U.S. Chamber of Commerce. The purpose is to identify the problem, and suggest possible avenues of action for further consideration.

Dimensions of the Attack

No thoughtful person can question that the American economic system is under broad attack.* This varies in scope, intensity, in the techniques employed, and in the level of visibility.

There always have been some who opposed the American system, and preferred socialism or some form of statism

*variously called: the "free enterprise system", "capitalism", and the "profit system". The American political system of democracy under the rule of law is also under attack, often by the same individuals and organizations who seek to undermine the enterprise system.

2. MONEY IN POLITICS HURTS US

(the consequences)

2.1 Money in Politics Makes Our Lives Harder

2.2.1 The 90% subsidize the 1%

Even after taxes, income is increasingly concentrated in the hands of the wealthiest people and corporations—not because of hard work or smarts, but because they continuously rewrite the unspoken rules of the economic game in their favor. **By the Numbers:**

- **\$3.9 trillion goes from the 90% to the wealthiest 1%.** A 2020 RAND study showed that economic growth from 1945 to 1975 was widely shared across income groups. Changes to the unspoken rules of the economic game starting in 1975 through 2018 effectively transferred \$47 trillion from the bottom 90% of earners to the top 1%. In 2018, this was a staggering \$2.5 trillion^{xix}. By the time the study was updated in 2025, the total transfer was estimated at \$79 trillion between 1975 and 2023. In 2023, just 5 years later, the annual transfer was up to \$3.9 trillionⁱ.
- **Less than \$0.8 trillion goes from the wealthiest 1% back to the 90%.** The wealthiest 1% contribute about one-quarter of total federal revenue, or about \$0.8 trillion in 2018^{ii,iii,iii}. However, this doesn't only benefit the 90%—a significant portion of federal spending goes to defense (17.7%) and interest on the national debt (13%)^{iv}, and about 15% of federal spending helps fund the infrastructure, courts, law enforcement, and research & development that sustain economic production, from which the wealthy benefit the most. And so, while one-quarter is a substantial share, **the relevant question is whether the wealthy take more than they give. The answer is yes.**
- **\$3.1 trillion in the hole.** Every year the wealthiest 1% take at least \$3.1 trillion from the 90%, with the greatest benefits accruing to the ultra-wealthy, the 1% of the 1%. If the transfer from the 1% were reversed, each working person would get over \$1,685 per month, every year^v.



2.2.2 Homes, Healthcare, College, and Jobs

A government that works mainly for the wealthy has made life significantly harder for regular people. The cost of housing, healthcare, and college tuition have all shot up, far outpacing our income. The rising prices of groceries, personal care, car repairs, and internet services have added insult to injury^{lvi}. Most people are stuck on a treadmill, and many struggle just to make ends meet.

- **Buying or Renting a Home.** Households are “cost burdened” if they spend 30% or more of their income on housing. In 2023, over one-quarter of US households were burdened by mortgages, and more than half by rent^{lvii}. In 1987, a median home cost 3.8 years of pre-tax household income; by 2023, it was 5.3 years—a 40% increase^{lviii,lix}. Other estimates suggest that regular incomes are increasingly unable to afford regular homes^{lx}. As housing costs rise, so does homelessness—not just among adults, but among working families with children. The most effective way to lower housing costs is to build more homes, including market-rate housing^{lxi}, but the US is short 3.2 million homes and construction is not keeping up^{lxii}. While local land-use laws play a major role in the housing shortage, the federal government can help by aligning transportation funding with housing needs^{lxiii}, investing in construction technology, and offering grants to local governments that reform their land-use and building codes^{lxiv}. Being able to afford housing is the first step toward economic security and well-being.
- **Getting Healthcare.** Healthcare in the United States shows us two very different faces. On the one hand, we have some of the world's most advanced medical technology, cutting-edge specialists, and top-tier healthcare facilities — if you can afford it. On the other hand, the US has the highest out-of-pocket costs for healthcare globally (behind only South Korea) and still leaves 9% of its population without coverage^{lxv}. Our healthcare is more expensive than that of almost every other country — only Afghanistan and Tuvalu spend more — and we pay nearly double what other developed countries spend. Yet, as discussed in [1.2.1](#), the return on this investment remains dismal. People should be able to access quality healthcare without thinking about copays, co-insurance, high deductibles, expensive premiums, and surprise bills –

Housing costs are a more significant factor in homelessness than “substance use disorder, mental health, weather, the strength of the social safety net, poverty, or economic conditions”

Pew Trust, 2023

America’s health care system is neither healthy, caring, nor a system.

Walter Cronkite



and without the incessant haggle with insurers' claims department.

- **Going to College...or Not.** A university education is unaffordable for people of most incomes. "In 1963, the cost of a 4-year-degree from a public university was \$3,716", rising to \$19,900 in 1989, and to \$89,556 in 2022. Annually, this consumes about 65% of a median person's \$42,000 pre-tax income^{lxvi}. Even someone twice as affluent would still pay an exorbitant 32.5% of her pre-tax income just on college! As a result, students and families increasingly rely on student loans, contributing to the steady rise of student debt, which reached \$1.77 *trillion* in 2024^{lxvii}. People should be free to choose to go to college based on their individual goals, not on being part of the upper class.
- **Lots of Jobs, But No Decent Work.** Unemployment statistics often hide more than they reveal. For example, as of early 2025 the unemployment rate was just 4%^{lxviii}—well below the historical average^{lxix}. But a closer look reveals deeper issues. When we include discouraged workers, marginalized workers, and those stuck in part-time jobs despite wanting full-time work, the unemployment rate nearly doubles to 7.5%^{lxx}.

As jobs disappear due to technological advancements and outsourcing, new jobs are created. As higher-paying manufacturing jobs disappeared, most were replaced by lower-quality service positions in sectors like retail, waste services, healthcare, social assistance, leisure, and hospitality^{lxxi}. According to the Job Quality Index, since 1990 nearly two-thirds of all new "production and non-supervisory" (P&NS) jobs have paid below the average wage of existing P&NS jobs. These jobs not only pay less, but provide fewer hours per week.

The rise of gig or contractor work, which offers limited stability, fewer hours, and no benefits like health insurance or retirement, further contributes to the erosion of job quality^{lxxii}. At the lower end of the spectrum, the minimum wage hasn't improved much either. Adjusted for inflation, the minimum wage peaked at \$12.50 in 1968 - never again coming close in the last sixty years^{lxxiii}.

**It's un-American, frankly,
that you can work and work
and work and not get out
of poverty.**

**Former Governor of Ohio
Ted Strickland**

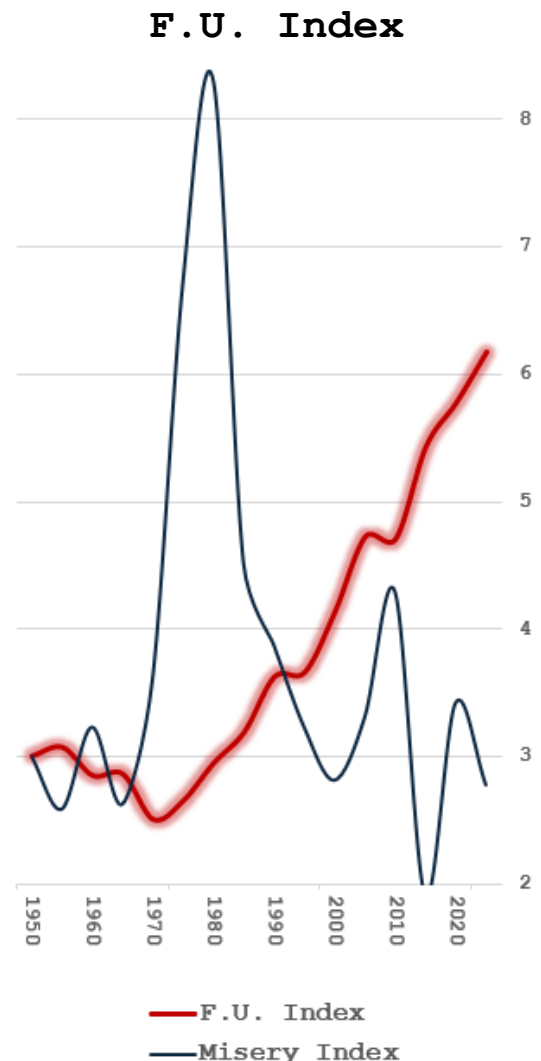


2.1.3 The F.U. Index

In the 1970s, economist Arthur Okun developed the Misery Index, a simple measure combining inflation and unemployment designed to gauge the economic hardships faced by everyday people. While the index has fluctuated—sometimes dramatically—it has largely followed a flat long-term trend, as shown on the right. Though the Misery Index may have been a useful indicator in the past, particularly during the stagflation of the 1970s and early 1980s, it no longer captures the reality of economic well-being. In an April 2023 survey, 58% of Americans said life in the US is worse today than it was 50 years ago^{lxxiv}. The Misery Survey appears deaf to this sentiment – its main feature is a steep decline in misery since its peak in 1980^{lxxv}.

If the Misery Index fails to capture something substantial about the economic experience of regular people today, what about real wages? There are a few problems with the Consumer Price Index that underlies the “real” in real wages:

1. If real wages are rising, shouldn't our quality of life be rising to reflect this? While inflation-adjusted wages may not have declined, the mix of costs in the economy has changed. Essentials like housing and healthcare – **which we can't avoid**, and college – **which we want to be able to choose** – are rising much faster than inflation. Compensating for this are the falling prices of electronics, clothes, food, and appliances. While we can forgo the latter, we can't forgo the former. This means that while "real wages" may look stable overall, the reality for many people is that their wages haven't kept up with the rising costs of the things that they really can't do without.
2. The Consumer Price Index (CPI) also makes “hedonic adjustments,” meaning that if a phone in 2020 costs the same (in real terms) as one in 2010 but includes upgrades like a better touchscreen and 5G, its price may be effectively lowered in inflation calculations. However, consumers don't actually have the option to buy a 2010 “brand new” model at a cheaper price. So, while statistical measures may suggest that real wages are rising, does that truly reflect the purchasing power of the average person?
3. Housing costs in the CPI are based on a survey that asks homeowners, “If someone were to rent your home



today, how much do you think it would rent for monthly, unfurnished, and without utilities?"^{lxxvi} In practice, this estimate tends to rise more slowly than actual home prices, which can significantly understate the true cost of housing. As a result, overall inflation is underestimated, and real wages appear higher than they actually are.

The F.U. Index is a back-of-the-envelope attempt to use economic data to quantify people's economic anxiety. It tracks the ratio of key cost-of-living expenses—nominal median home prices, the healthcare CPI index, and average college tuition and fees—to nominal median wages at five-year intervals from 1950 to 2023. For decades, from 1950 to the mid-to-late 1970s, the index remained relatively stable. This was followed by a steep, sustained climb with few interruptions. While informal, I do believe the F.U. Index tracks the economic anxiety that many Americans have experienced in recent decades better than either real wages or the Misery Index.

This is consistent with much more rigorous studies. Recent research has found that while 90% of children born in the 1940s earned more than their parents, only 50% of children born in the 1980s did. While the decline took place in all 50 states and cut across incomes, middle class families, and men (especially men in the eastern mid-west) suffered most. Inequality was the main driver of this “fading American Dream” – “most of the decline was driven by a widening gap between rich and poor”. The main researcher, Raj Chetty, concludes, “[we] found a steep decline in absolute mobility that likely has a lot to do with the anxiety and frustration many people are feeling”.^{lxxvii}

If we want to revive the American Dream of increasing living standards across generations, then we'll need policies that foster more broadly shared growth.

Raj Chetty

↑ *End of 2.1 Money in Politics Makes Our Lives Harder* ↑

2.2 Money in Politics Intentionally Fuels Wealth & Income Inequality

Wealth and income inequality aren't accidents—they are the direct result of policy choices, and an affront to the dignity of millions of Americans. They aren't abstract issues, either - the wealthy deliberately choose inequality every time they push the government on wages, high-earner tax cuts, corporate

subsidies, offshoring jobs, prescription drug prices, and housing. **Since at least 1975, the wealthy and large corporations have successfully reshaped the rules of the economic game not to grow the pie, but to take a bigger slice for themselves.**

2.2.1 An Attack on the American Dream

We remain deeply committed to the idea that success comes from hard work, intelligence, and skill. In a survey of 27 developed countries, we were among the most likely to believe that these traits determine success—and among the least likely to see wealth inequality as a problem or to support government action to reduce it. None of this is surprising; we still believe in the American Dream. What is surprising is that, of those 27 countries, only the UK ranked worse than the US in social or economic mobility^{lxxviii}. But still, should the government step in to fix this? The question turns out to be irrelevant—the government is already involved, but usually in ways that *increase* (or at least do not constrain) inequality. Money in politics isn't just legalized corruption—it's a direct attack on the American Dream.

[The idea of] meritocracy disguises the fact that social mobility is often based on access to privilege and not simply individual ability. It presents a false narrative of equal opportunity.

David Runciman

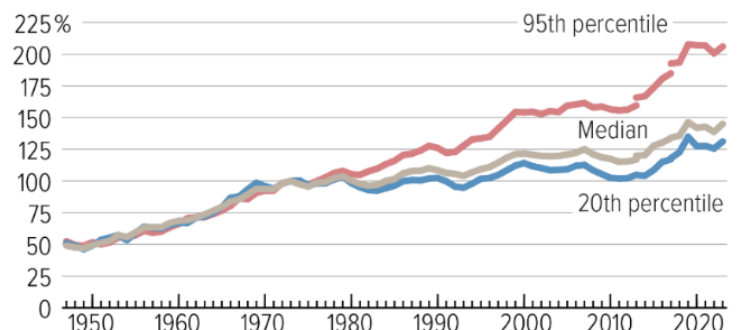
2.2.2 Income Inequality is Bad

Our level of income inequality rivals that of Syria, where the top 1% take 20.9% of total income. By contrast, Western European countries average 11.5%, with Norway having the lowest level at 6.9%^{lxxix}.

The Center on Budget and Policy Priorities produced this graph, indicating that while everyone shared in the country's growth following WWII, starting in the mid-1970s the middle and lower classes got stuck, while the income of the wealthier kept right on growing^{lxxx}. This was the effect of intentional US economic policy, not of external shocks over which the federal government had no control.

Income Gains Widely Shared in Early Postwar Decades — But Not Since Then

Real family income between 1947 and 2023, as a percentage of 1973 level



Note: Breaks indicate implementation of a redesigned questionnaire (2013) and an updated data processing system (2017).

Source: CBPP calculations based on U.S. Census Bureau Data

CENTER ON BUDGET AND POLICY PRIORITIES | CBPP.ORG

What does income inequality look like at ground level? By 2024, the median annual income was \$75,000, a fraction of what even the "poorest" of the wealthiest 1% made—\$787,712^{lxxxi}. In 2015, the 1% had an average annual income



of \$1,363,431 – pennies compared to the average annual income of the 0.01%: \$31,616,431!^{lxxxii}

From 1979 to 2021, the income of the middle two-thirds of US households grew by 73%, while that of the top 1% ballooned by 326%. And this already accounts for the redistributive effects of taxes!^{lxxxiii} If income were truly based on hard work, we'd have to believe that the top 1% are now working about 4.5 times harder than the average person (326% divided by 73%). But what does working 4.5 times harder even mean? And if it's not about hard work, could it be about productivity? To answer that, let's go even higher up the income ladder.

In 1965, the average CEO made 20 times more than a worker at their company. Today, CEOs make 300 times more. Have today's CEOs really become 15 times more productive than their 1965 CEO counterparts, relative to regular workers? As discussed in [1.1.4](#), corporations haven't become more effective—but they have become more profitable. This profitability has been driven largely by staff reductions, wage cuts, and price hikes, made easier by weakened antitrust enforcement. At the same time, changes to the tax code have incentivized stock-based CEO compensation, further inflating executive pay. These factors—not a rise in relative productivity—are what created the growing pay gap between CEOs and regular workers. It bears repeating: **income inequality isn't natural, and it isn't inevitable. It is the direct result of policy choices.**

2.2.3 Wealth inequality is Even Worse

Wealth encompasses assets like land, homes, bank accounts, stocks, and bonds, minus any debt. In the United States, just 10% of the population owns 71.2% of the country's wealth. This level of concentration is on par with Cote D'Ivoire (70.4%) and Saudi Arabia (73.3%). It far exceeds the 58.3% average for Western Europe, and the Netherlands' world's lowest at 45.4%^{lxxxiv}. What makes this even more troubling is that much of this wealth was built over centuries—not by the latest generation, but by the many generations that came before us, stretching all the way back to before the American Revolution. So why do only a few wealthy people claim the lion's share of this vast inheritance? How did they manage to claim for themselves what should belong to all?

Whoever has two coats must share with anyone who has none; and whoever has food must do likewise...'

Luke 3:10-14

2.2.4 Reclaiming the American Dream

The stark differences in income and wealth inequality among countries with similar resources and education levels makes one thing clear — inequality is a choice. Today, the wealthy are making that choice for us, prioritizing their own accumulation. Meaningful **democratic reform would give everyday people a defining voice in how we slice up the pie.**

Oppressing the poor in order to enrich oneself, and giving to the rich, will lead only to loss.

Proverbs 22:16

↑ *End of 2.2 Money in Politics Intentionally Fuels Wealth & Income Inequality* ↑

2.3 Money in Politics Keeps the Federal Government from Working for Us

The federal budget operates much like a household budget: we have to spend less than we bring in, or we are forced to borrow. Next year, we have to pay interest on the loan, leaving less money for the things we enjoy. If we keep spending more than we bring in, we have to take out new loans to buy the things we enjoy, while still paying off our old loans. In time, interest payments can spiral out of control, forcing painful cuts or even bankruptcy. Either way, it's no way to run a household (or a government). The major difference is that government can print money (actually, it creates digital money, but the idea is the same). Printing money sounds simple enough, but it can easily increase inflation – reducing the purchasing power of every dollar we earn.

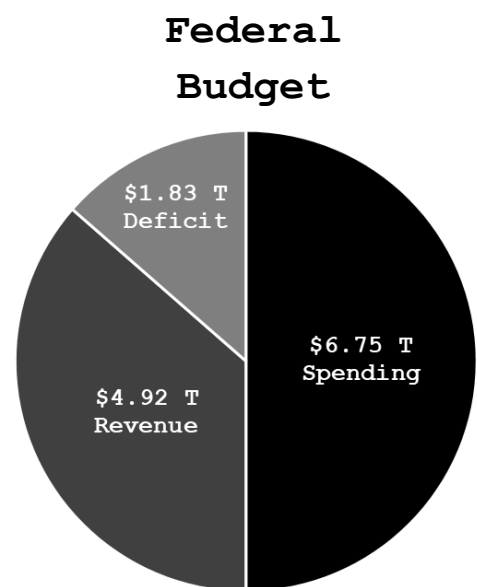
2.3.1 Deficit and Debt

Every year that our government spends more than it collects in taxes, it creates a **deficit**. When deficits add up, our national **debt** grows. Except for 1998 to 2001, federal spending has exceeded federal revenues every year since 1970! By 2027, our Congress and presidents will have saddled our kids and grandkids with the largest debt in US history^{lxxxv}, and with the interest payments on that debt. Despite the frequent pronouncements, neither party is “fiscally conservative”.

How did we get here? Wars, economic crises like the Great Recession, and the COVID-19 pandemic have driven up spending, and because tax revenues haven't kept pace, the debt has only grown. Looking ahead, we face three additional challenges: an aging population, rising healthcare costs, and ballooning interest payments on our debt^{lxxxvi}. Social Security and Medicare will strain under the weight of longer life expectancies, while there will be fewer workers to pay into them. Meanwhile, US healthcare costs—already the highest among developed nations—continue to rise. If the last half century is any indication, tax revenue will not keep up with these mounting expenses. As borrowing increases, so will our national debt—and with it, the cost of interest payments. The more we spend on interest, the less we have for education, healthcare, infrastructure, defense, and even our own Social Security! Our political leadership is failing us. We cannot keep adding trillion-dollar deficits to our national debt—eventually, **the bills will come due, if not for us, for our kids and our grandkids**. As we will see later, we can fix this with no cuts to the services that regular Americans rely on.

The **size of government**. In 2024, the federal government spent \$6.75 trillion, collected \$4.92 trillion (mostly from taxes), and faced a deficit of \$1.83 trillion. But that isn't terribly informative. The size of government is usually measured relative to the overall size of the economy – specifically, Federal government spending as a percent of Gross Domestic Product (GDP). By this measure, government spending peaked during World War II, exceeding 40% of GDP, before dropping to just above 10% by 1948. It then grew gradually, reaching 22% in 1982 before declining to 17% by 2001. It has risen since, driven by tax cuts in 2001, 2003, 2012, and 2017^{lxxxvii}, the wars in Iraq and Afghanistan, the Great Recession, and COVID-19. Today, it stands at 23%. So, is the federal government too big? Ultimately, it comes down to what we value as a democratic society. Are we spending too much, and if so, on what? Are we collecting too little, and if so, who should pay more?

Before diving into the details of revenue, spending, and the resulting deficit, let's review the basics:



Federal Revenue (2024)	\$4.92 trillion
Individual Income Taxes	49%
Payroll Taxes	36%
Corporate Income Taxes	9%
Other Income	6%
Federal Spending (2024)	\$6.75 trillion
Mandatory Spending <i>(Does not require annual approval by Congress)</i>	61%
Social Security	21.4%
Medicare	13.4%
Medicaid	9.8%
Income Security	7.3%
Veterans' Benefits	3.1%
Federal Civilian & Military Retirement	1.8%
Other	3.7%
Discretionary Spending <i>(Requires approval by Congress every year)</i>	27%
Defense	12.7%
Non-Defense <i>(Education, justice, R&D, transportation, etc.)</i>	14.3%
Interest on Debt	11%
Deficit (Spending - Revenue)	\$1.83 trillion

2.3.2 Revenue

2.3.2.1 Taxes. Taxes are the main way that our Federal government pays for its programs. Almost all of it (94%) comes from just three sources: the individual income tax (49%), the payroll tax (36%), and the corporate income tax (9%).

- a. **Individual income taxes represent 49%** of all federal revenue, and cover wages, salaries, income from investments, and other income. Taxes are applied in brackets, meaning different portions of income are taxed at different rates. Taxpayer Tim earns \$120,000 and takes a standard deduction of \$20,000, leaving him with \$100,000 in taxable income. He pays 10% on the first \$40,000 (\$4,000) and 20% on the remaining \$60,000

(\$12,000), owing a total of \$16,000 to the IRS. His effective tax rate is 13.3% ($\$16,000/\$120,000$), much lower than the top marginal rate of 20%. While the top rate matters, it's only part of the story. Check out this [more realistic example](#). Not only that, but wealthy people also make much of their money not through work (called "ordinary income") but through passive "capital gains" that are taxed at a lower rate.

b. **Payroll taxes represent 36%** of all federal revenue, and are deducted automatically from people's paychecks. Known as "social security taxes", they pay for:

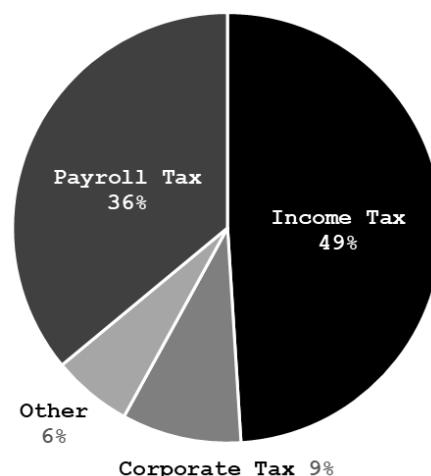
- **Social Security:** employers and employees pay 6.2% of each paycheck. Those earning over \$176,100 do not pay any taxes above that amount^{lxxxviii}.
- **Medicare:** employers and employees pay 1.45% of each paycheck, and there is no earning cap.
- **Affordable Care Act ("ObamaCare"):** individuals making over \$200,000 and couples making over \$250,000 pay 0.91% of each paycheck.
- **Unemployment Programs:** employers pay a federal unemployment tax to finance state-run unemployment insurance programs.

c. **Corporate income taxes represent 9%** of all federal revenue. While the legal (statutory) rate is 21%, most corporations pay less due to exemptions, deductions, and other tax breaks. "Tax avoidance" is legal, and is defined by the IRS as "an action taken to lessen tax liability and maximize after-tax income." What's illegal is "tax evasion", "a deliberate underpayment of taxes"^{lxxxix}.

d. **Other sources represent 6%** of all federal revenue. These include sales or excise taxes (on gas, alcohol, tobacco, etc.), customs duties or tariffs, and other taxes like gift and estate taxes.

e. **Who pays how much?** When all types of taxes are combined, the lowest-earning 20% of taxpayers pay an effective ("overall") tax of 4% on all their sources of income; the next 20% pay 9%; middle-income taxpayers pay 14%; higher-income people pay 18% of their income on taxes; and the richest 20% pay 25%. The wealthiest 1% pay 31%^{xc}.

Federal Revenue



HIGHLIGHT Wealth-Friendly Tax Myths

"Our taxes are among the highest in the world!" Not quite. Among 39 developed countries, the United States had the 8th lowest tax rates^{xc1}. Taxes may still be too high for many middle and lower income earners, especially for the quality of services we get in return. Taxes are too high for some, and too low for others.

"High taxes make people work less." A recent study concluded that for most people, changes in income tax rates don't impact how much they work^{xcii}. Would you, or could you, reduce your work hours if taxes increased? Would you move out of the country if marginal rates increased?

"High taxes hurt economic growth." Within reasonable limits, nothing suggests that this is true. A meta-study of OECD countries, which analyzed 49 other studies across 38 of the world's wealthiest nations (including the United States), found that a 10% increase in taxes was actually associated with a 0.2% increase in GDP growth^{xciii}. From 1963 to 1979, average annual income growth in the US was 1.7%, while the top marginal income tax rate averaged 72.5% and the federal corporate tax rate averaged 49%. From 1980 to 2016, income growth slowed to 1.3%. Did growth slow because of high taxes? No. In fact, the top marginal income tax rate averaged a much lower 39.9% and the federal corporate tax rate fell to 37%^{xciv, xcvi, xcvi}. Lower taxes on corporations and the wealthy only serve to boost short-term profits and inequality - not long-term economic growth.

"Tax cuts pay for themselves". This is mostly a myth. While "tax cuts provide a one-time boost to GDP, consumption, and investment, these effects are never strong enough to prevent a loss of revenue"^{xcvii}. Instead, tax cuts have to be "financed", meaning the money has to come from somewhere else. We've seen this play out before—this money comes from increased borrowing, cuts to social programs, and higher taxes in other areas. So no, tax cuts don't pay for themselves. We end up paying for them, one way or another.

"We can get rid of the income tax". It is clear from the numbers above, at a glance, that there is no way to eliminate the income tax by increasing other taxes. The numbers don't come close to adding up. Could we at least lower the income tax rate and increase other taxes to get the same total revenue? Maybe, but it's nearly impossible to do without raising taxes like payroll taxes, sales taxes, and tariffs that hit lower- and middle-income taxpayers harder. Remember, income taxes are

progressive, while payroll taxes, sales taxes, and tariffs are not. Adjusting income tax rates remains the most fair and democratic way to fund the government.

"A flat tax would simplify our complex tax system". True, it would be easier to wrap our head around our tax system if we had a flat income tax for everyone. But there are at least 3 reasons to be skeptical about a flat tax and about its advocates:

1. Doing our taxes is difficult and expensive not because of tax brackets. We don't do these calculations ourselves - the IRS takes care of it. Doing taxes is difficult and expensive because tax prep companies like H&R Block, Jackson Hewitt, and TurboTax lobby the government to keep it that way^{xcviii}. The IRS already has most of our earnings information, so for many, "filing taxes" should be unnecessary. In fact, many countries skip this annual headache entirely. President Reagan even proposed a voluntary "return-free" system that would cover well over half of taxpayers^{xcix}. Filing taxes is difficult and expensive because tax prep companies make themselves essential middlemen to millions of people. Their profit is our loss.
2. The loudest advocates for flat taxes are likely very wealthy and rarely do their own taxes. They have accountants to navigate the tax code, so complexity isn't their concern. When they complain about "complexity," it's not about making things easier for you and me—it's about lowering their own taxes. And if their taxes go down, someone else's likely go up—probably ours.
3. Much more importantly, a flat tax would have to be low enough to ensure that lower-income Americans would have enough money left over for rent, healthcare, groceries, transportation, and the rest. This low flat tax, by definition, would apply to very wealthy people, resulting in very low tax revenue. Since we've seen that raising taxes elsewhere isn't a viable solution, the only alternative would be extremely deep cuts to major programs like Social Security and Medicare. Do we want to lose our retirement and health care so that the wealthy can save on their taxes?

2.3.2.2 Borrowing. Whenever revenue from taxes is not enough to cover our spending needs, the federal government has the option to borrow. The United States began to borrow in large amounts in 1982, and except for a brief break from 1998 to 2001, has not stopped since. Our national debt now exceeds GDP by more than 20%, meaning that even if we dedicated an entire year's economic output to repaying it, we'd *still* fall short^c. Since just 2015, the debt has grown by roughly half to over \$35 *trillion*. All of this borrowing balloons interest payments, which we have to pay with new loans, new taxes, inflation (by printing money), or program cuts - there is no free lunch. **Right now, we're eating a lousy lunch and making our kids and grandkids foot the hefty bill.** Smarter spending choices and a fairer tax system would pay for the government services we actually want, without us or our kids and grandkids getting crushed by debt.

2.3.2.3 "Printing money". The federal government, through the Federal Reserve (the "Fed"), can also create money. The Fed acts like a banker to big commercial banks like Chase. Whenever the Fed wants to buy a security from Chase, or lend to Chase, it can simply create new digital dollars in Chase's bank account at the Fed. And so, money that didn't exist before now exists, and there's more money in circulation^{ci}. So why doesn't the government get the Fed to print more money and reduce taxes and borrowing? In a word, inflation. Inflation lowers the purchasing power of regular people, it eats away at our paycheck, and if left unchecked can lead to "hyperinflation".

2.3.3 Spending

Federal government spending in 2024 totaled \$6.75 trillion, divided into Mandatory spending (61%), Discretionary spending (27%), and interest payments (11%).

2.3.3.1 Mandatory spending (61% of total federal spending).

Mandatory spending is spending that must happen by law, without the need for annual approvals by Congress. As our population ages, and as the cost of healthcare grows, mandatory spending is expected to grow as a proportion of total federal spending. Without policy changes, this will leave less and less money for discretionary spending. Mandatory spending is made up of:

- f. **Social Security (21.4% of federal spending).** Social Security, our country's largest retirement program, serves 68 million "retired and disabled workers, as well as their spouses, dependent children, and survivors"^{cii,ciii}. It is a "pay as you go" program, meaning that the payroll taxes of current workers pay for the benefits of current retirees. For decades, there was more coming in through payroll taxes than going out in benefits, and those savings were put into the Social Security trust funds. However, as our population ages, with fewer workers and more beneficiaries, benefits paid out now exceed the payroll taxes collected. We are now dipping into the Social Security trust funds, which are expected to run out in 2035. Unless we close the funding gap, retirees will get a 17% cut in benefits starting then. According to a review by the Peter G. Peterson Foundation, 53% of the gap could be covered by getting rid of the payroll cap for high-income earners, and another 25% by reducing benefits for high-income earners. The remainder could be closed by a mix of reduced benefits (for everyone), higher payroll taxes (for everyone), or a higher retirement age (for everyone).

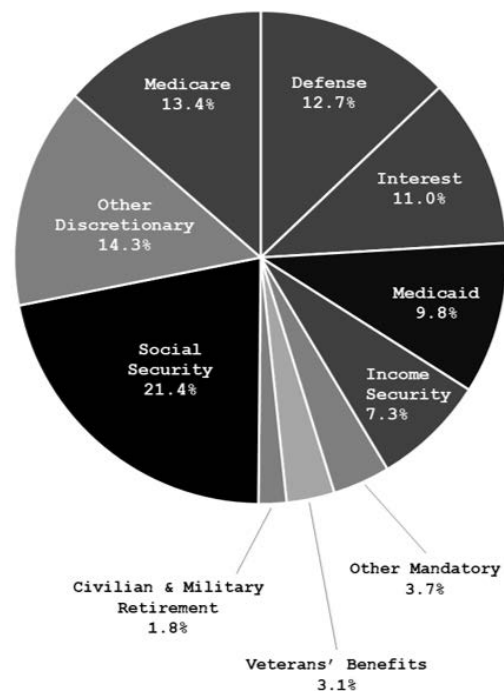
Our political leaders have known about this funding gap for decades but could not muster the courage to tackle it.

In fact, if our lawmakers had eliminated the payroll cap in 2010, the gap would have been 99% closed^{civ}. We owe it to ourselves, and especially to the next generation, to hold our leaders to account.

- g. **Medicare (13.4% of federal spending).** Medicare, our largest public healthcare program, serves 66 million seniors and the disabled, and covers hospital care, doctor visits, prescription drugs, preventive services, and other health care services. About 88% of beneficiaries are over 65^{cv}. But again, as our population ages and our health care costs rise, Medicare is facing financial strain. Funding for Medicare Part A, also known as the Hospital Insurance (HI) program, is used as an indication of the overall financial health of the program. Like the Social Security trust funds, the Hospital Insurance Trust Fund is being depleted because payroll taxes from current workers are insufficient to cover current benefits. As of 2024, it was expected that the trust fund would run out by 2036, at which time Medicare will only cover 89% of benefits^{cvi}.

- h. **Medicaid (9.8% of federal spending).** Medicaid, our second-largest public healthcare program, serves 80

Federal Spending



million lower-income people, and covers inpatient and outpatient hospital services, doctor visits, health clinics, screening, lab and x-rays, and more^{cvii}. While the federal government provides significant funding, states finance a large portion of Medicaid and have considerable flexibility in managing their own programs. As a result, the percentage of a state's population covered varies significantly, from a high of 34% in New Mexico to a low of 11% in Utah. Medicaid is particularly beneficial for a) lower income people in southern and midwestern states; b) people in need of long-term care^{cviii}; and c) the 82% of children living in poverty that rely on Medicaid to get healthcare^{cix}.

- i. **Income Security (7.3% of federal spending).** Income security covers a wide range of programs, including retirement for government workers and military personnel, the Earned Income Tax Credit, the Child Tax Credit, and the Supplemental Nutrition Assistance Program (SNAP). In 2019, these programs accounted for 54% of all Income Security spending^{cx}. Other programs include foster care and housing assistance. The program narrowly known as “welfare”, Temporary Assistance for Needy Families (TANF), makes up only 0.24% of federal spending^{cx}.
- j. **Other (3.7% of federal spending).** This includes agricultural subsidies and deposit insurance (protecting bank accounts up to \$250,000).
- k. **Veterans' Benefits (3.1% of federal spending).** This includes retirement and income support.
- l. **Federal Civilian and Military Retirement (1.8% of federal spending).**

2.3.3.2 Discretionary spending (27% of total federal spending). Discretionary spending must be approved by Congress every year. Almost half of discretionary spending (47%) goes to defense^{cxii}.

- a. **Defense (12.7% of federal spending).** Defense is by far the largest category of discretionary spending, extending beyond the Department of Defense to cover veterans' pensions, medical care, disability benefits, and military housing. While defense spending has declined as a share of GDP, the US still devotes a higher portion of its economy to defense than any other high-income G7 country^{cxiii}. Not

only that, but the US spends more on defense than the next nine largest-spending nations *put together*^{cxiv}. The Department of Defense budget covers civilian and military salaries, weapons and equipment, and Research & Development^{cxv}. The largest single category, Operation and Maintenance, cost \$318 billion in 2023^{cxvi}.

- b. **Other (14.3% of federal spending).** This includes education, law enforcement, employment, transportation, health, justice, housing, and non-defense Research & Development. The largest single item, veterans' benefits, was \$131 billion in 2023. The second largest item, education, training, employment, and social services, was \$125 billion^{cxvii}. International aid, an often divisive topic, usually accounts for less than 1% of our federal budget^{cxviii}.
- c. **What about our federal workforce?** When people think of big government, many think of the federal bureaucracy. While the federal workforce is indeed very large (about 2.4 million workers, not counting the US Postal Service), it is shrinking as a percent of our population. In 1980, federal workers made up just under 0.98% of the population. By 2025, the number had fallen to 0.73%^{cxix}. The total cost of the federal workforce in 2022 was \$271 billion, down to \$108 billion if we exclude civilians who work in Defense, Veterans Affairs, and Homeland Security^{cxx}. \$108 billion is only about 1.6% of the federal budget.

2.3.3.3 Interest payments (11% of total federal spending). In 2024, we spent more to pay interest on our national debt than we spent on Medicaid, or on all of our programs for children^{xxxi}. **We spend \$2.4 billion on interest every day.** In the 10 years from 2025 to 2035, we will spend \$13.8 *trillion* just on interest, the “fastest-growing part of the federal budget”^{xxxi}. By 2054, interest could make up 23% of our total budget^{xxxi}. The more we spend on repaying our debt, the less money we have left over to pay for Social Security, healthcare, and transportation. **We are on a new, utterly unsustainable path.**

3. MONEY IN POLITICS MUST END

(the solution)

3.1 Makers and Takers

Today, American politics is saturated with money, benefiting the few and undermining democracy. Today, CEOs make 300 times more than their own workers, and the wealthiest 1% own over 30% of our country. Today, corporate media is at best inept and at worst complicit. Today, money buys political power, and the Democratic and Republican parties have sold themselves cheap. Today, the real fight isn't left vs. right. It's democracy vs. oligarchy.

What have the wealthy bought for themselves? An economic system that puts corporate profits ahead of housing, healthcare, education, childcare, and even food. A system that deliberately fosters inequality and recklessly piles on national debt for future generations. A system that promotes wage stagnation, corporate welfare, outsourcing in the name of free trade, precarious gig work, monopolies and oligopolies, loopholes for executive compensation, and healthcare profits at the expense of our well-being and our pocketbooks. The wealthy have bought for themselves a system that shortchanges the rest of us, and that allows corporations to casually sue competitors, consumers, and governments at the mere hint of real competition or regulation. The wealthy, in short, have bought for themselves a system that gleefully champions the relentless consolidation of political and economic power.

But our country wasn't built in the last 50 years, and it wasn't built by the richest 400 families. **Our country was built over many generations, and our collective prosperity is the work of millions.** We should all benefit from this work, just as our kids and grandkids should benefit from the work of our current generation. Today, our representative democracy does not reflect this simple fact. Today, the wealthy few are claiming this collective prosperity for themselves, intent on cashing in. **Today, the wealthy are taking what doesn't belong to them.**

True individual freedom cannot exist without economic security and independence.

Franklin D. Roosevelt

The wealthy and large corporations have taken for themselves an inheritance built over centuries, intent on cashing in and leaving our kids and grandkids in the cold.



3.2 Getting Money Out of Politics

What's keeping us from a better future is the narrative that we will get there if we just wait long enough. We've been told that the field is level and that the rules are fair. That the free market will fix anything if given time. That what's good for corporations is good for everyone. That free trade delivers for workers and consumers. That poverty is unfortunate but inevitable. That higher wages translate to fewer jobs and a loss of competitiveness. That free enterprise is alive and well, despite growing corporate concentration. That we have the best healthcare in the world. We are even told that our voice matters ("Just vote!"). In endless variations, we've been told that building a future that works for regular people, for our kids and for our grandkids, is a matter of patience. But **what's needed is not more time, but more action**. Many other countries have already decided to do things differently. Even the United States did things very differently as recently as the 1970s. Let's explore some ideas to get money out of politics:

- a. **Campaign Finance Reform.** Policies include placing spending limits on campaigns, funding elections with public funds so that candidates don't have to rely on wealthy donors and corporations, matching small-dollar donations, regulating Super PACs, and implementing stronger disclosure rules on donations.
- b. **Influence Reform.** Policies include banning lobbyists from fundraising for politicians, prohibiting politicians from receiving donations from organizations they will be responsible for overseeing, defining lobbyists more strictly, and increasing punishments for political corruption.
- c. **Revolving Door Reform.** Policies include lifetime lobbying bans for outgoing politicians, a five-year ban for senior staffers, and disclosure of job hunting by members of Congress and senior staffers^{CXXIV}.
- d. **Other.** Other policies include strengthening congressional ethics enforcement, banning ownership of individual stocks by members of Congress, and increasing congressional office budgets to lessen their reliance on lobbyists and corporations to draft legislation.

Pushing for reform has the additional advantage that it trains us to "follow the money". We can then better predict political decisions, see why policy often ignores public opinion, recognize how similar both parties are on economic issues,

**Justice delayed
is justice denied**

**To control the narrative
is to control how people
think, how they act, and
what they believe to be
possible.**

David Graeber

spot media and PR misinformation, direct our frustration at the right targets, and hold politicians to account. At its core, working to get money out of politics means rejecting a dominant narrative that frames almost everything as left vs. right, conservative vs. liberal, and creating a new narrative that underscores the interplay of money and political power.

3.3 What can we expect to gain if we get money out of politics?

3.3.1 Fixing the Unspoken Rules of the Economic Game

- **Level the playing field (\$3.9 trillion back to regular people, every year).** This would already be in place if our democracy had not stopped working for regular people in the 1970s. Leveling the playing field once again would mean an additional \$3.9 trillion for 90% of US households, every year^{cxxv}.
- **Lower healthcare costs (\$1.9 trillion back to regular people, every year).** We spend more on healthcare per person than every country on earth except Afghanistan and Tuvalu, while getting health outcomes comparable to Kenya, Senegal, Czechia, and India^{cxxvi}. The fundamental cause is the inordinate lobbying power of pharmaceutical companies, hospitals, medical associations, and of course health insurance companies. In 2023, the United States spent \$4.9 trillion on healthcare, or \$14,570 per person^{cxxvii}. If we spent what Canada did the same year, \$9,054 per person^{cxxviii}, we would save \$1.9 trillion per year, and *still* get better healthcare^{cxxix}.
- **Reduce the annual budget for the Department of Defense (\$1.12 trillion saved from 2025 to 2034).** In 2023, about 43% of the total Defense budget went to just 5 defense contractors. This concentration allows them to use their monopoly power to reward their shareholders^{cxxx}, grossly overcharging the US taxpayer on “radar and missiles ... helicopters ... planes ... submarines... down to the nuts and bolts”^{cxxxi}. This influence has the more perverse consequence of directly undermining national security, as a former Department of Defense official under Reagan explains, **“It has become a money game: an absurd spiral in which we export arms only to have to develop more sophisticated ones to counter those spread out all over the**

In 2023, 71% of our defense budget went to contractors while 27% went to pay the salaries of Department of Defense personnel

world.” In 2024, military sales from the United States to foreign governments reached an all-time high of \$318.7 billion^{cxxxii}.

There are other ways to keep a strong defense while protecting taxpayers. One way is to reduce the active force by 17%, leaving the unit type composition of the force, as well as the compensation, benefits, healthcare, housing allowances, and retirement for military personnel^{cxxxiii}. Reducing the number of foreign interventions that have nothing to do with regular people (and that would likely be rejected if they were fully informed about them) would lower spending even more. This may even enhance our national security. The savings could be repurposed to increase the pay, benefits, and services of military personnel and veterans.

- **Recoup the Value of Public R&D Investments (at least \$153 billion per year).** In 2021, the federal government invested \$179.5 billion into R&D. Just under 40% went to Defense, and just under 40% went to Health & Human Services. The rest went to the Department of Energy, NASA, the National Science Foundation, and other agencies^{cxxxiv}. While there are no precise estimates, the public likely recoups no more than 15% of its investment through patent royalties, profit-sharing agreements, and corporate taxes on federally backed R&D-driven profits. Since taxpayer-funded R&D boosts private-sector innovation and profitability, it stands to reason that these costs should be fully recovered by the taxpayer. Moreover, given that taxpayers shoulder the risks of basic and long-term R&D—often without immediate, or any, returns—the federal government (on behalf of taxpayers) should negotiate with private industry to secure an equitable distribution of the financial rewards of technologies that do turn out to be profitable.
- **Eliminate child poverty (\$901 billion saved, every year).** Starting life in poverty is the clearest sign of an uneven playing field. Children born into poverty face higher risks of homelessness, crime, and maltreatment, while also earning less and incurring greater healthcare costs. Beyond the unnecessary pain of growing up in poverty - something we could solve today with the right political will - childhood poverty carries a massive economic cost, totaling \$1.03 trillion annually, or 5.4% of US GDP. Since every \$1 invested in reducing childhood poverty would

Every technology that makes the iPhone smart and not stupid owes its funding to both basic and applied research funded by the [Government].

Mariana Mazzucato

save at least \$7 in long-term economic costs, we can safely conclude that **not only can we afford to eliminate child poverty, it's fiscally irresponsible not to.** As these costs are reduced over time, we would actually save about \$901 billion per year^{cxxxv}.

3.3.2 Tax Fairness

Individual income taxes

- **Tax the wealthy like it's 1950 (\$1 to \$2 trillion every year back to regular taxpayers).** The wealthy benefit disproportionately from government spending because their wealth depends on a stable, well-functioning economy. Public investments in infrastructure, legal protections, financial stability, research & development, and national defense directly support large businesses, investors, and executives, whose earnings often come from stocks and bonds. Roads, ports, and broadband enable commerce, courts uphold contracts and property rights, and government-backed financial systems protect assets—especially during crises. Public education and healthcare ensure a skilled workforce that businesses rely on. **Without these government-funded services, wealth at the top wouldn't be possible.** Given this, it makes sense to adjust our relatively flat marginal income tax brackets to align more closely with our steeply increasing income distribution. The need for alignment was recognized in the 1950s and 1960s, when tax rates were more progressive. However, starting in the 1970s, money and political influence began to reshape the system, leading to a tax structure that disproportionately burdened the middle class and lightened the load on the wealthy. If we returned marginal tax rates to their 1950 level, and assume no tax evasion, annual revenue could increase by approximately \$2 trillion every year.
- **Eliminate itemized deductions (\$3.42 trillion saved by regular taxpayers from 2025 to 2034).** In 2018, 87.3% of filers claimed the standard deduction^{cxxxvi}. Those claiming the itemized deduction tend to be wealthy - while only 11% of returns with incomes of \$50-100,000 claimed itemized deductions, 26% of those with

Civil government...is in reality instituted for the defense of the rich against the poor.

Adam Smith

incomes of \$100-500,000 did, and 64% of those with incomes over \$500,000 did. For wealthy households, the largest deductions are for mortgage interest and charitable contributions^{cxxxvii}. Deductions for charitable donations by the wealthy mean a loss of tax revenue which has to be backfilled somehow. It is essentially a way for everyone's taxes to support the causes of the wealthy (even if it's funding an opera house that sells tickets that are unaffordable for most taxpayers).

Payroll Taxes

- **Make payroll taxes more progressive.** The 1.45% Medicare tax is a flat tax, not a progressive tax. And while a wealthy individual pays 0.91% on earnings above \$200,000 to finance the Affordable Care Act ("ObamaCare"), this is more than offset by *not* paying the 6.2% Social Security tax on any earnings above a cap of \$176,100^{cxxxviii}. Removing the cap for those making above \$250,000 would go a long way towards ensuring that Social Security is funded for our kids and grandkids^{cxix}, saving regular taxpayers \$1.43 trillion from 2025 to 2034. Taxpayers with an income below the cap already pay this 6.2% Social Security payroll tax. Why not those making over \$250,000^{cxl}?

Wealth Taxes

- **Keep the Estate Tax.** This tax is paid by inheritors of large fortunes. This is the one politicians like to call the Death Tax. In 2015, Representative Paul Ryan said that the tax "doesn't just hit the big guy. It hits the little guy"^{cxli}. Most people would disagree with Ryan's definition of "the little guy" – only estates over \$13.99 million for individuals, or \$27.98 million for couples, have to pay^{cxlii, cxliii}. In 2017, only 80 out of 2.7 million family-owned farms and businesses owed any estate tax^{cxliv}. Exempting them would leave revenue collection materially unaffected. Taking a page from Ryan, and giving the estate tax some bite, maybe in time we could call it the **"Death of American Aristocracy Tax"**.
- **Establish a High-Wealth Tax.** One proposal would tax rising percentages of the wealth of the wealthiest people – those with a net-worth of over \$32 million! This would produce \$4.35 trillion over 10 years, and would do a lot toward getting our country toward fiscal balance^{cxlv}.

Corporate Taxes

- **Tax emissions (\$919 billion saved from 2025 to 2034).** This would be a tax of \$25 per metric ton of certain emissions, applied to large emitters like electrical companies, large manufacturers, and the transportation sector^{cxlvi}.
- **Place a fee on financial transactions (\$297 billion saved from 2025 to 2034).** This would impose a tax of 0.01% of the value of the financial security bought and sold.
- **Properly fund the IRS.** Hear me out! Those who actively advocate to reduce funding for the IRS tend to be very wealthy individuals and corporations. Why? In 2010, about 10% of tax returns over \$1,000,000 were audited. By 2021, with a budget 19% smaller and 22% fewer staff, the IRS was able to audit only 0.5% of these tax returns. The audit rate for large corporations fell by 54%^{cxlvii}. In 2010, around 87% of corporations making over \$20 billion in profits were audited (these are giant corporations like Apple, Google, Meta/Facebook, Walmart, JP Morgan Chase, Exxon, and Bank of America). By 2021, the number was down to just 16%!^{cxlviii} This gives the wealthy and large corporations entirely too much leeway to bend tax law to pay less than their fair share. And whatever the wealthy and corporations don't pay still has to be covered—meaning more taxes on you and me, and on our kids and our grandkids. **Be VERY skeptical of a politician or business leader who wants to reduce funding for the IRS. They are NOT doing it for you.**

3.4 A Future We Can Build

As these estimates make clear, we can build a future where everyone has access to a home, a quality education, first-rate healthcare, child care, elder care, and well-paying jobs. And while I didn't dwell on it, it should also be clear that we can also have plentiful and healthy food, a clean environment, affordable transportation, green, welcoming public spaces, and more. What could be more patriotic than fighting for these things, for wanting all of our fellow Americans to have a chance at a dignified life?

We have a half-baked democracy - let's turn up the heat.



The wealthy would like us to believe that this is a pipedream. But it's not true - and their lie undersells what we as a country can accomplish. Our country is productive enough to do all of this right now, *without* increasing taxes for 90% of Americans. We can have a dignified future where the government finally **works for us**, and where the American Dream is once again within reach. True democracy will get us there. The wealthy have the money, but we have the numbers. **Unite & Lead!**

**Don't let the wealthy
and corporations
convince you that this
is the best we can do.
They know better, and
we know better.**



4. LEARN MORE, DO MORE!

Getting Money Out of Politics & Strengthening Our Democracy. Some focus on action, others on education:

- **Represent Us:** *"We unite people from all backgrounds to defend democracy, root out corruption, mobilize action, and support campaigns at every level to hold leaders accountable and build a political system that truly serves the public."*
- **National Association for Media Literacy Education:** *"[M]edia literacy education has never been more critical. As we navigate a landscape fraught with misinformation and divisive narratives, the ability to discern quality information and make informed decisions is essential. Media literacy education equips individuals with the skills and knowledge needed to navigate the complexities of the modern media landscape, empowering them to critically analyze, evaluate, and create media content across diverse platforms."* A particularly useful article is their ["Key Questions to Ask When Analyzing Media Experiences"](#).
- **Center for American Progress:** *"Independent, nonpartisan policy institute that is dedicated to improving the lives of all Americans through bold, progressive ideas, as well as strong leadership and concerted action. Our aim is not just to change the conversation, but to change the country."* Article titled *"10 Far-Reaching Congressional Ethics Reforms to Strengthen U.S. Democracy"*.
- **Brennan Center for Justice:** *"The Brennan Center for Justice is an independent, nonpartisan law and policy organization that works to reform, revitalize, and when necessary, defend our country's systems of democracy and justice."*
- **Open Secrets:** *"Nonpartisan, independent and nonprofit, our mission is to serve as the trusted authority on money in American politics. We pursue our mission by providing comprehensive and reliable data, analysis and tools for policymakers, storytellers and citizens. Our vision is for Americans to use data on money in politics to create a more vibrant, representative and responsive democracy"*.

- [Issue One](#): *"Fixing our political system and building a democracy that works for everyone".*

Income & Wealth Inequality, and the Pre-Tax Distribution of Income

- [World Economic Forum](#): Article explaining the difference between pre-distribution (how pre-tax income is distributed) and re-distribution (how pre-tax income is taxed and re-distributed).
- [Rand Corporation](#): Article explaining how pre-distribution transfers wealth from the 90% to the 1%, and how much.
- [Inequality.org](#): *"Inequality.org has been tracking inequality-related news and views for nearly two decades...[O]ur site aims to provide information and insights for readers ranging from educators and journalists to activists and policy makers...Our focus throughout: What can we do to narrow the staggering economic inequality that so afflicts us in almost every aspect of our lives?"*
- [Center on Budget and Policy Priorities](#): Article titled, *"A Guide to Statistics on Historical Trends in Income Inequality"*.
- [Urban Institute](#): Article, *"Nine Charts about Wealth Inequality in America"*.
- [Chicago Boot Review](#): Article, *"Never Mind the 1 Percent. Let's Talk About the 0.01 Percent"*. A bit dated, but still relevant.

Federal Government, Taxes, Etc.

- [Peter G. Peterson Foundation](#): Understand the federal government and the national debt in detail. Their mission is to *"increase public awareness of the nature and urgency of the key fiscal challenges threatening America's future and to accelerate action on them. To address these challenges successfully, we work to bring Americans together to find and implement sensible, long-term solutions that transcend age, party lines, and ideological divides in order to achieve real results."*
- [FiscalData](#): *"Fiscal Data is your one-stop shop for federal financial data. The Department of the Treasury and the*

Bureau of the Fiscal Service created Fiscal Data to consolidate federal financial data into one easy-to-use website".

- **Congressional Budget Office**: "The agency provides analysis of budgetary and economic issues that is objective and impartial. It is strictly nonpartisan and does not make policy recommendations." Comprehensive analysis on budgetary, economic, and social issues. [Click here](#) for 76 options to reduce the budget deficit.
- **Federal Research Economic Data**: "Created and maintained by the Research Department at the Federal Reserve Bank of St. Louis", "FRED is an online database consisting of hundreds of thousands of economic data time series from scores of national, international, public, and private sources."
- **Tax Policy Center**: "[Tax Policy Center] plays a critical role in providing basic education about the tax code for policymakers, advocates, journalists, and the broader public."
- **Center on Budget and Policy Priorities**: "We promote federal and state policies that will build a stronger, more equitable nation and fair tax policies that can support these gains over the long term. We also show the harmful impacts of policies and proposals that would deepen poverty, widen disparities, and worsen health outcomes."
- **Patriotic Millionaires**: "We're a group of millionaires demanding a political economy that works for everyone in America, not just wealthy people like us." A sharp critique of the US tax system. [Click here](#) for a critique of how workers are rewarded (or not).

Other

- **USA FACTS**: "Our entire mission is to provide you with facts about the United States that are rooted in data. We believe once you have the solid, unbiased numbers behind the issues you can make up your own mind." User-friendly presentation of US statistics covering government spending, the economy, demographics, crime, health, the environment, education, and defense. [Click here](#) for a detailed, intuitive illustration of federal revenues and federal spending.



- [Pew Research Center](#): *"Pew Research Center is a nonpartisan fact tank that informs the public about the issues, attitudes and trends shaping the world. We conduct public opinion polling, demographic research, content analysis and other data-driven social science research. We do not take policy positions."*
- [Our World in Data](#): *"To make progress against the pressing problems the world faces, we need to be informed by the best research and data. Our World in Data makes this knowledge accessible and understandable, to empower those working to build a better world."* Hundreds of graphs comparing countries along many dimensions.
- [KFF](#): *"As a one-of-a-kind information organization, we bring together substantial capabilities in policy research, polling, and journalism in one organization to meet the need for a trusted, independent source of information on national health issues—one with the scope and reach to be a counterweight to health care's vested interests and a voice for people."* Everything US healthcare.
- [Cato Institute](#): Article titled *"Corporate welfare in the Federal Budget"*.
- [UC Berkeley Labor Center](#): Article titled, *"The High Cost of Low Wages"*.

5. ABOUT ME

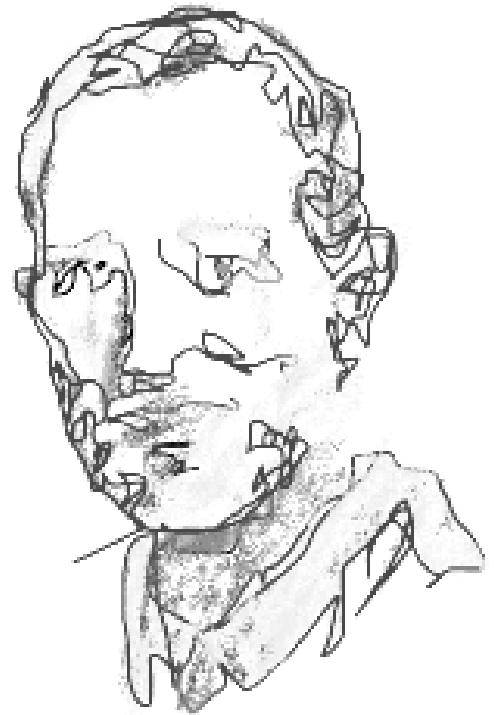
I live with my wife in a San Diego neighborhood that has a good mix of Democrats and Republicans, spanning a range of ages and incomes. I care about politics and policy, but I don't consider myself a Democrat, Republican, liberal, conservative, moderate, independent, socialist, communist, or libertarian. These labels, beyond a vague direction, hide more than they reveal. If I had to sum up my own point of view, it would be, "We are born lucky or unlucky, but above all we are born human and of equal worth. No amount of debate changes either this simple fact or its most direct implication – if we can do better by others, we should." Adding the key element of learning, Maya Angelou wrote, "Do the best you can until you know better. Then, when you know better, do better."

I have long since dispensed with the corrosive notion that I have a comfortable life because of my hard work and sharp wit. There are millions and millions of people who are smarter than me, who work much longer hours doing unpleasant jobs, and who still struggle to make ends meet.

I care deeply about the future of our country, and I **know** that much more unites us than divides us. This assessment may strike you as misguided. But I think we are divided because those at the top gain by keeping us divided. Once we realize that, we can work to counter their efforts, we can unite, work to get money out of politics, and start to rebuild together. We can start seeing each other as people again, not as political opponents (or more recently as mortal enemies!).

About a year ago, I came across a book that had a chapter on the history of private property. I started pulling at this thread, and today half the sweater has unraveled. **I want to help others find their thread.** That's why I pulled together into one place information that's often scattered—on the federal budget, tax policy, media literacy, money in politics, inequality, and more. That's why I created **UNITE & LEAD.**

I will let my words speak for themselves – the topics I've chosen to address (my selection bias), and the ways I've addressed them (my framing bias). I invite you to form your own opinion. Feel free to engage with me directly – I welcome the conversation.

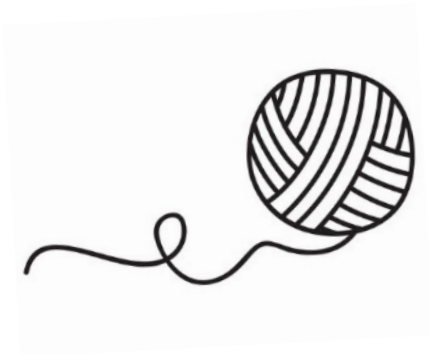


**We can't change the world
unless we understand it.**

Chris Hedges

**Honest disagreement is a
good sign of progress**

Mahatma Gandhi

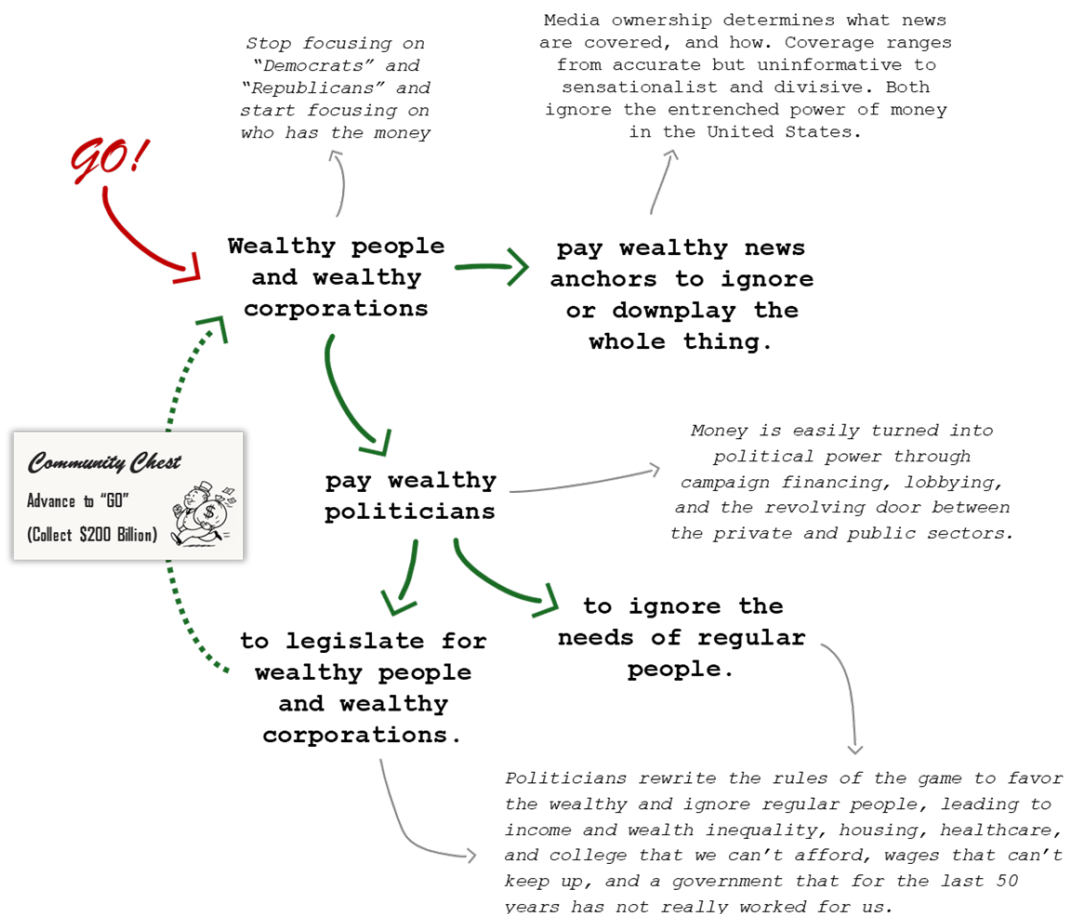


6. WHOLE THING IN A NUTSHELL

Unite & Lead was created to move beyond the counterproductive debate of Conservative vs. Liberal and focus on the real issue: how large corporations and the ultra-wealthy convert their wealth into political power to protect their interests—at everyone else's expense. In a nutshell: The wealthy and large corporations convert their money into political power, use this power to set the rules of the economic game to their advantage, and wield media and public relations to conceal the role of money in politics. As money in politics grows and democracy withers, our lives get harder, inequality grows, and the Federal government stops working for us. We must get money out of politics to secure a good future for our grandkids.

Note: "Whole Thing In a Nutshell" leaves out of the full version of Unite & Lead most details, sources, quotes, graphs, and cartoons. For this reason, it may appear rather uncompromising. When you get this impression, please refer to the full text for details.

But before we can start to get money out of politics and reclaim the future for ourselves, our kids, and our grandkids, we first have to see how it all hangs together. Or, paraphrasing Maya Angelou, to do better, first we have to know better. Here's the "cartoon" summary of money in politics:



A. MONEY IN POLITICS

(The Problem)

Money Becomes Political Power

Money becomes political power in 3 main ways: **1) Campaign Contributions:** about \$8.6 billion spent per presidential election year, mostly by corporations; **2) Lobbying:** 12,000 lobbyists and over \$4.3 billion spent per year, mostly by corporations. Every \$1 million in lobbying returns about \$253 million to shareholders; and **3) The Revolving Door**, which refers to the seamless movement of high-ranking officials between the private and public sectors, leading to conflicts of interest and regulatory capture. In the 1970s, only 3% of former members of Congress became lobbyists. Today, that number exceeds 42%.

Political Power is Used to Set the Unspoken & Spoken Rules of the Economic Game

Money sets the rules of the economic game, but what are they? The **Unspoken Rules** of the economic game, known as “pre-distribution”, refer to the thousands and thousands of laws and regulations that govern how wealth and income are distributed, *before taxes*. Corporations are constantly working to change these unspoken rules of the game to further their advantage. They include mandatory arbitration to keep you from suing your employer, weak consumer protections to allow junk fees and misleading contracts, at-will employment to allow dismissals without cause, corporate subsidies lacking economic rationale, loopholes that make all executive compensation above \$1 million deductible from a corporation's taxable income, lax anti-monopoly regulation, a low minimum wage that gets eaten up by inflation, classifying workers as “contractors”, allowing healthcare companies to profit from our health, outsourcing jobs, and ensuring productivity growth is not reflected in workers' real income.

Spoken Rules refer to taxes, or “re-distribution”. Taxes fund the infrastructure, courts, law enforcement, and research & development that make economic production possible. Taxes also keep us true to a collective promise that declares that those who built the economy will have access to basic healthcare and a secure retirement when they can no longer work.

SUMMARY

1. Money becomes political power.
2. Political power is used to set the rules of the economic game.
3. Money uses media and public relations to conceal the role of money in politics.



By the Numbers. Since 1975, changes in pre-distribution policy have shifted \$79 trillion from the bottom 90% to the top 1%. In 2023 alone, the transfer amounted to \$3.9 trillion, not nearly offset by the \$0.8 trillion in federal revenue that the top 1% contribute in taxes. On balance, the 1% effectively extract \$3.1 trillion annually, which, if given back, would give each working person in the 90% a substantial \$1,685 per month, forever.

Money Uses Media & Public Relations to Conceal the Role of Money in Politics

Media bolsters the economic and political power of the wealthy and corporations by shaping public opinion and cultivating a divided electorate that believes itself informed—but isn't. Mainstream coverage most often ranges from sensationalist (partially factual, and almost fully irrelevant) to uninformative (factual, but of limited relevance without reporting on the broader context).

Market concentration is extreme: six companies own 90% of national media, five control 37% of local TV stations, and seven own 71% of major newspapers. This leads to undue political influence, a narrow range of views, real but mostly irrelevant disagreement, profit-driven content, and reduced accountability.

Public relations firms work hand in hand with the media. The blueprint was laid down in the 1971 "Lewis Powell Memo". In the Memo, future Supreme Court Justice Powell called for business to reclaim its dominance, to shape public opinion through media influence, to make more strategic use of chambers of commerce, to fund think tanks and pro-business education in universities, to invest in advertising that supports "the free enterprise system" and not just specific products, to expand its presence in the legal system, and to increase its involvement in lobbying and policymaking to secure favorable legislation. Federal agencies, politicians, and government institutions also use PR to control narratives, frame policy decisions favorably, and deflect criticism.



B. MONEY IN POLITICS HURTS US

(The Consequences)

Money in Politics Makes Our Lives Harder

A government that works mainly for the wealthy has made life significantly harder for regular people. The cost of housing, healthcare, and college tuition have all skyrocketed. Many high quality jobs have been outsourced only to be replaced by low wage service jobs with few or no benefits. Most people are stuck on a treadmill, and many struggle to make ends meet.

Money in Politics Intentionally Fuels Wealth & Income Inequality

Wealth and income inequality aren't accidents—they are the direct result of policy choices, and an affront to the dignity of millions of Americans. The wealthy deliberately choose inequality every time they push the government on wages, high-earner tax cuts, corporate subsidies, offshoring jobs, prescription drug prices, and housing. **Income inequality** in the United States has ballooned since the 1970s. Our level of income inequality now rivals that of Syria, where the top 1% take 20.9% of total income. **Wealth inequality** is even worse - just 10% of the population owns 70.7% of the country's wealth, a level of concentration on par with Cote d'Ivoire and Saudi Arabia. We're going backwards.

Money in Politics Keeps the Federal Government from Working for Us

When the federal government spends more than it brings in, it is forced to borrow. Next year, it has to pay interest on that debt, leaving less money for everything else. If it continues like this, interest payments can spiral out of control, forcing painful cuts or even bankruptcy. Of course, the government has the additional option to "print" money, but too much reliance on this may lead to high inflation.

Every year that our government spends more than it collects in taxes, it creates a **deficit**. When deficits add up, our national **debt** grows. By 2027, our Congress and presidents will have saddled our kids and grandkids with the largest debt in US history, and with the interest payments on that debt.

SUMMARY

Money in politics:

1. **Makes our lives harder**
2. **Intentionally fuels wealth & income inequality**
3. **Keeps the Federal government from working for us.**

Despite frequent pronouncements, neither party is “fiscally conservative”. Looking ahead, we face three additional challenges: an aging population, rising healthcare costs, and ballooning interest payments on our debt. Social Security and Medicare will strain under the weight of longer life expectancies, while there will be fewer workers to pay into them. As we spend more on interest payments, we will have less to spend on education, healthcare, infrastructure, defense, and even on our own Social Security!

In 2024, the Federal government **had revenue of \$4.92 trillion** but **spent \$6.75 trillion**, resulting in a **deficit of \$1.83 trillion**. Our taxes are much less progressive than the current level of income inequality would suggest, and much less progressive than in the 1940s, 1950s, and 1960s. As a result, our revenue is too low, and we generate deficits. Not only that, but we spend too much on things that benefit mainly large corporations, savings that we could repurpose to improve the lives of regular people. International aid, which is not shown in the table below, usually accounts for less than 1% of our federal budget. The total cost of the federal workforce in 2022 was \$271 billion, down to \$108 billion when we exclude civilians who work in Defense, Veterans Affairs, and Homeland Security. \$108 billion is only about 1.6% of the federal budget.

Below is a quick breakdown of where the federal government gets its money, where it spends it, and how we fall short:

Federal Revenue (2024)	\$4.92 trillion
Individual Income Taxes	49%
Payroll Taxes	36%
Corporate Income Taxes	9%
Other Income	6%
Federal Spending (2024)	\$6.75 trillion
Mandatory Spending <i>(Does not require annual approval by Congress)</i>	61%
Social Security	21.4%
Medicare	13.4%
Medicaid	9.8%
Income Security	7.3%
Veterans' Benefits	3.1%
Federal Civilian & Military Retirement	1.8%
Other	3.7%
Discretionary Spending <i>(Requires approval by Congress every year)</i>	27%
Defense	12.7%
Non-Defense <i>(Education, justice, R&D, transportation, etc.)</i>	14.3%
Interest on Debt	11%
Deficit (Spending - Revenue)	\$1.83 trillion

C. MONEY IN POLITICS MUST END

(The Solution)

Getting Money Out of Politics

What is keeping us from a better future is the narrative that we will get there if we just wait long enough. We've been told that the field is level and that the rules are fair. That the free market will fix anything if given time. That what's good for corporations is good for everyone. That free trade delivers for workers and consumers. That poverty is unfortunate but inevitable. That higher wages translate to fewer jobs and a loss of competitiveness. That free enterprise is alive and well, despite growing corporate concentration. That we have the best healthcare in the world. We are even told that our voice matters ("Just vote!"). In endless variations, we've been told that building a future that works for regular people, for our kids and for our grandkids, is a matter of patience. But what's needed is not more time, but more action.

Ways to get money out of politics: **Campaign Finance Reform.** Policies include placing spending limits on campaigns, funding elections with public funds so that candidates don't have to rely on wealthy donors and corporations, matching small-dollar donations, regulating Super PACs, and implementing stronger disclosure rules on donations.; **Lobbying and Influence Reform.** Policies include banning lobbyists from fundraising for politicians, prohibiting politicians from receiving donations from organizations they will be responsible for overseeing, defining lobbyists more strictly, and increasing punishments for political corruption; **Revolving Door Reform.** Policies include lifetime lobbying bans for outgoing politicians, a five-year ban for senior staffers, and disclosure of job hunting by members of Congress and senior staffers. **Other** policies include strengthening congressional ethics enforcement, banning ownership of individual stocks by members of Congress, and increasing congressional office budgets to lessen reliance on lobbyists and corporations to draft new legislation.

Find additional resources, [here](#).

SUMMARY

We must:

1. Get money out of politics (to secure...)
2. A good future for our grandkids.

A Good Future for Our Grandkids

The system isn't broken – it's working exactly as designed by the wealthy. Money saturates American politics, benefiting the wealthy few and undermining democracy. It is about time that our politicians recognize that it's the work of millions that make this country rich, and that representative democracy means having our back. The real divide isn't between our political parties – it's between the ultra-wealthy and the rest of us. It's between those on the side of oligarchy and those on the side of democracy.

What can we expect if we get money out of politics? \$3.1 trillion per year for the 90% by leveling the playing field, \$1.9 trillion per year by lowering healthcare costs, \$1.12 trillion over 10 years by lowering defense spending, \$901 billion per year by eradicating child poverty, \$1 to \$2 trillion per year by using marginal tax rates from 1950, \$4.35 trillion over 10 year by eliminating itemized deductions which are mostly used by the wealthy, and at least \$153 billion per year by recouping the value of public R&D investments.

As these estimates make clear, we have the resources to build a future where everyone has access to a home, a quality education, first-rate healthcare, child care, elder care, and well-paying jobs, *without* increasing taxes for 90% of Americans. We can have a dignified future where the government finally works *for us*, and where the American Dream is once again within reach. True representative democracy will get us there. The wealthy have the money, but we have the numbers. **UNITE & LEAD!**



7. WHOLE THING IN A SMALLER NUTSHELL

The ultra-wealthy and large corporations convert their wealth into political power through **campaign contributions**, with \$8.6 billion spent largely by corporations in a recent election year, **lobbying**, a \$4.3 billion annual industry where a \$1 million investment can yield \$253 million in shareholder wealth, and the **"revolving door"**, with over 42% of former members of Congress becoming lobbyists.

The ultra-wealthy and large corporations use their political power to shape laws, regulation, and tax policy, leading to a staggering \$79 trillion transfer of wealth from the bottom 90% to the top 1% since 1975, with \$3.9 trillion in 2023 alone. This is only partially offset by the \$0.8 trillion in taxes paid by the top 1%.

All of this is evident in the skyrocketing costs of housing, healthcare, and college; in CEO pay that is now 300 times higher than the average worker's; in a country where the top 10% own 71.2% of all wealth; and in a federal government that ran a \$1.83 trillion deficit in 2024—yet still fails to provide essential services at the quality and scale Americans need.

This whole mechanism is simple enough, but it's obscured and sustained by a corporate media landscape where just six conglomerates own 90% of national media outlets – shaping narratives and keeping the electorate fundamentally uninformed.

To restore our representative democracy and reclaim a government that works for all of us, we need to get money out of politics. [Find out how.](#)



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