

As US Inequality Breeds Oligarchy, New Report Details Pathway to Equity

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Pervasive and growing inequality is corroding American democracy, and only ambitious solutions—including healthcare for all, a living wage, and the elimination of corporate money from the political process—will be sufficient to remedy the crisis.

That is the conclusion of a [new report](#) published Monday by the Next System Project and the Institute for Policy Studies. Their analysis makes overwhelmingly clear that despite the Trump administration's self-serving celebrations of the stock market boom and recent monthly job data, the vast majority of Americans remain locked out of America's tremendous wealth.

Building on the research of economists Thomas Piketty, Gabriel Zucman, and Emmanuel Saez—who [recently found](#) that the bottom half of the income distribution has been "completely shut off from economic growth" for the past several decades—the new report highlights the systemic causes of America's vast inequities, including the concentration of political power at the very top, systemic racism, and the dwindling power of organized labor in the face of sustained corporate attacks.

All of these factors, combined with the changes wrought by globalization and technological change, have converged to produce inequities that are vast and ultimately unsustainable.

"After decades of stagnant wages, most low-income workers are now struggling to get by on poverty wages," the report—titled [Reversing Inequality: Unleashing the Transformative Potential of an Equitable Economy](#)—notes. "Nearly half of the workforce is stuck in jobs paying less than \$15 an hour. According to Oxfam USA, 43.7 percent of workers—58.3 million people—earn less than \$15 an hour, including 53 percent of black workers and 60 percent of Latino workers. Over 41 million of these workers earn under \$12 an hour."

Meanwhile, the richest Americans continue to accumulate exorbitant wealth. The report highlights several data points that underscore this fact:

- "The top one-tenth of 1 percent (an estimated 160,000 households with net worth that starts at \$20 million) now own more than 22 percent of all US household wealth in 2012, up from 7 percent in the 1978."
- "This tiny subgroup—the true American elite—now owns as much as the bottom 90 percent of U.S. households combined."
- The combined wealth of the Forbes 400 amounts to around \$2.3 trillion. "Together, this small group has more wealth than the bottom 61 percent of the US population combined."
- "The net worth of the wealthiest 20 billionaires—all of whom could sit in one Gulfstream 650 luxury jet— exceeds that of the bottom half of the U.S. population combined."

This vast chasm between the wealthiest and everyone else has ramifications that reach far beyond the economic sphere, notes Chuck Collins, the author of the report and the director of the Program

on Inequality at IPS.

"Public health, education, racism, and environmental degradation all have roots in the systemic inequalities deeply ingrained in our economic model," Collins observes.

Additionally, the report highlights inequality's corrosive effects on the democratic process.

"Inequality effectively disenfranchises us, diminishing what our vote at the ballot box means relative to the influence of money drowning out our voice in the public square," the report notes. "It warps lawmakers' priorities and blocks necessary reforms."

Collins goes on to quote former President Jimmy Carter, who made waves in 2015 with his description of the American political system as "an oligarchy with unlimited political bribery."

All of these facts make inequality "the most pressing issue of our time," Collins argues.

The report closes by offering numerous ways to tackle inequality, which are broken down into four categories, including policies that would "lift the floor, level the playing field, break up the over-concentration of wealth, and check unbridled corporate power."

Some of the ideal steps forward would include:

- * Guaranteeing healthcare to all Americans;
- * Making the minimum wage a living wage;
- * Ensuring that every worker has "family medical leave, sick leave, and protections against wage theft, racial discrimination, and sexual harassment";
- * Making public college tuition-free;
- * Enacting reforms that would "limit campaign contributions, ban corporate contributions and influence, and require timely disclosure of all political donations";
- * Restoring progressive taxation and eliminating avenues used by the wealthy to avoid paying taxes;
- * Breaking up "mega-banks" and vigorously enforcing anti-trust measures.

Acknowledging the drastic nature of these proposed solutions, the report closes by arguing that systemic change can only "flow from a shared vision of what is possible."

"We want greater equality as a good in itself," the report concludes, "but also for the good it brings."

In the face of America's staggering inequities, however, President Donald Trump has proposed and implemented a slew of measures that will make America's inequality crisis—which has already been deemed the [worst](#) in the industrialized world—even worse.

"It's hard to imagine many of these solutions moving forward at the national level in the current political environment," Collins says, but there are "opportunities to incubate them in states and localities and lay the groundwork for a future political realignment."

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