

The American Dream

Fraying of the Folklore

Economic Inequality Causes, Consequences & Solutions

April 4, 2012

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The background of the slide is a stylized American flag. The top-left corner features a field of white stars on a grey background, while the rest of the slide is filled with horizontal stripes of grey and white. The text is centered over this background.

**“I have spent my life
measuring the distance
between America and
the American Dream”**

~Bruce Springsteen

TENET #1

**Horatio
Alger**

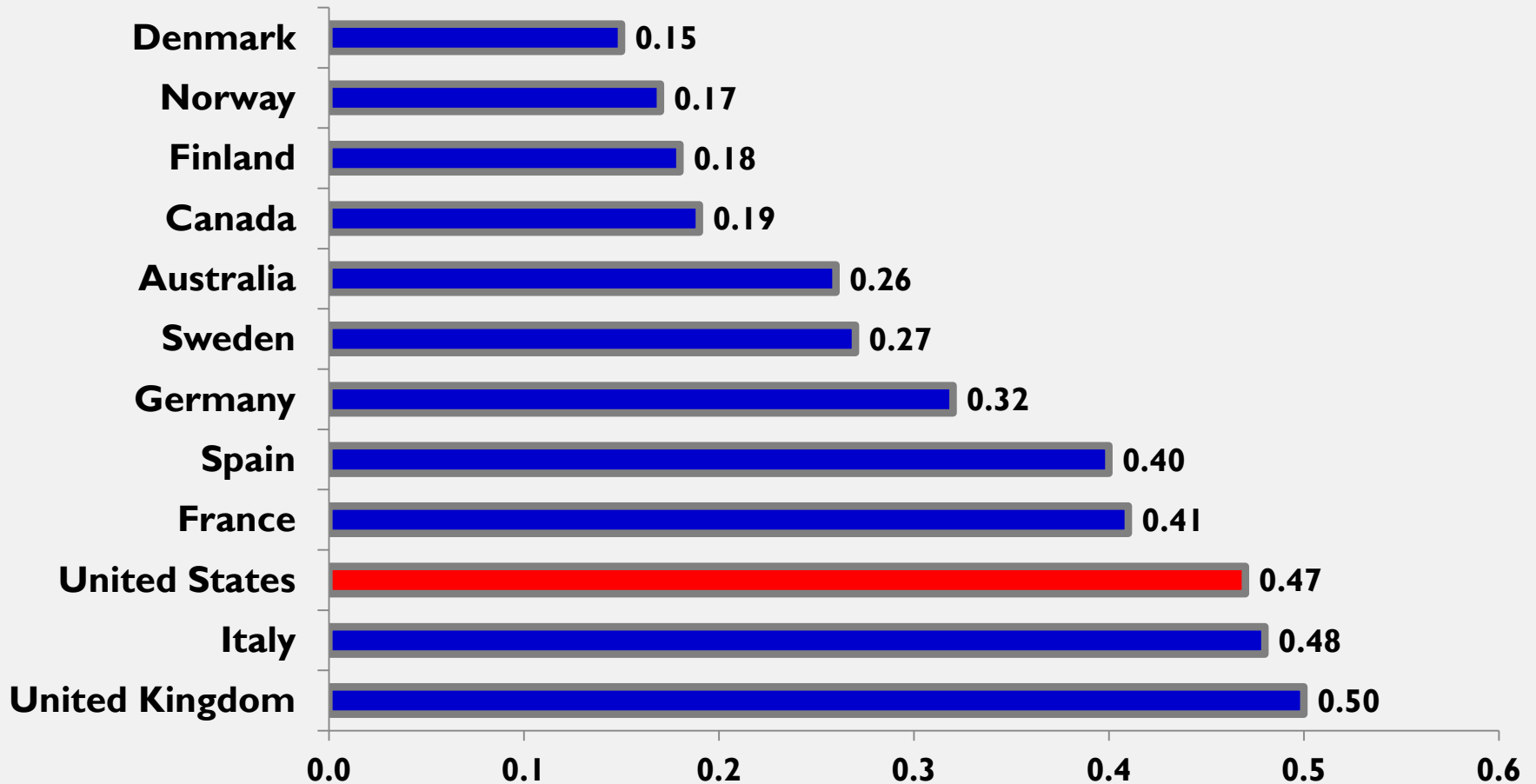
**“Rags to
Riches”**

- **Crux of the American Dream**
- **Equal opportunity**
- **Pull yourself up by your boot straps**
- **Hard work ensures economic security**
- **Middle class and beyond is attainable & sustainable**



Intergenerational Mobility

More mobility  less mobility



DANGER



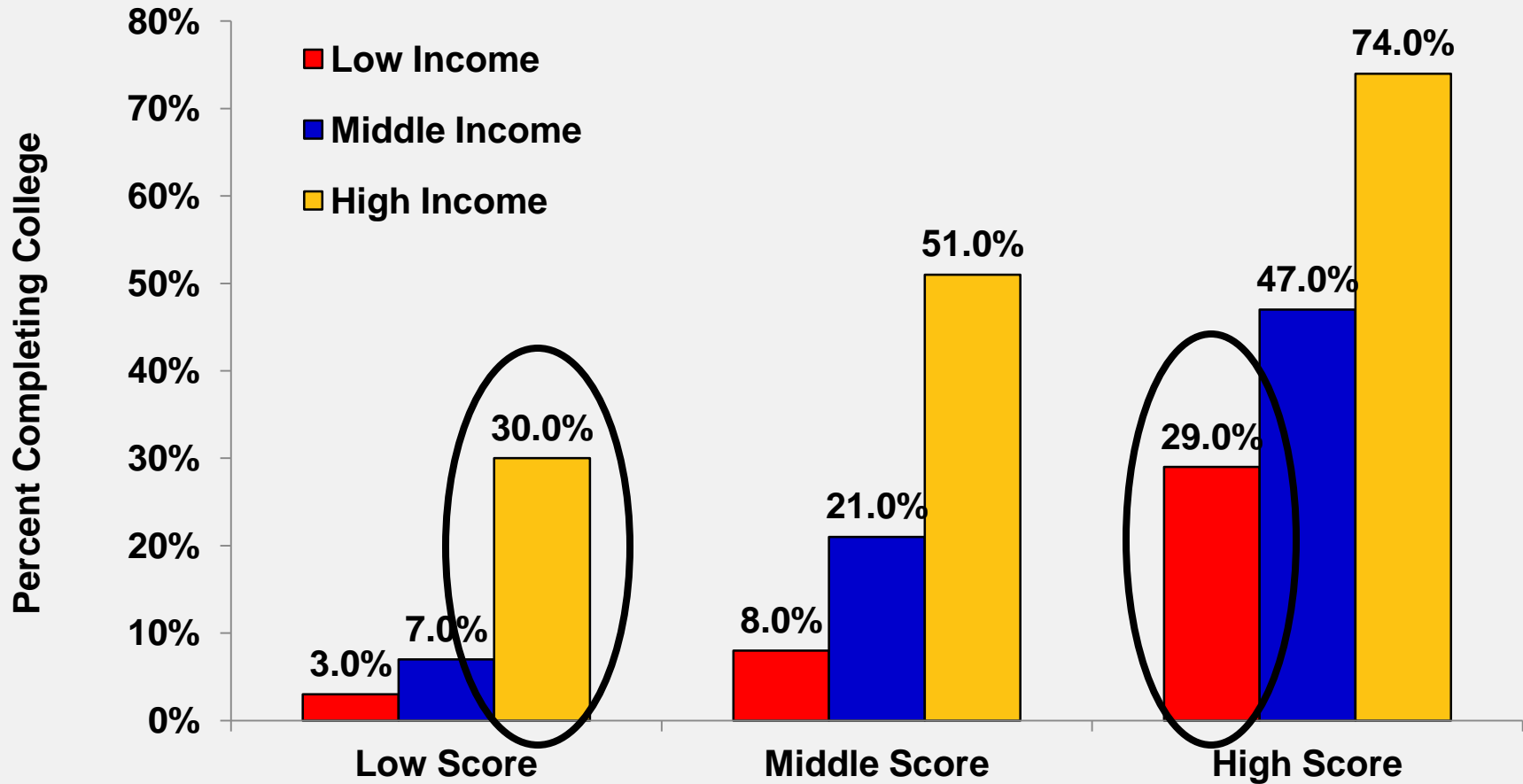
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TENET #2

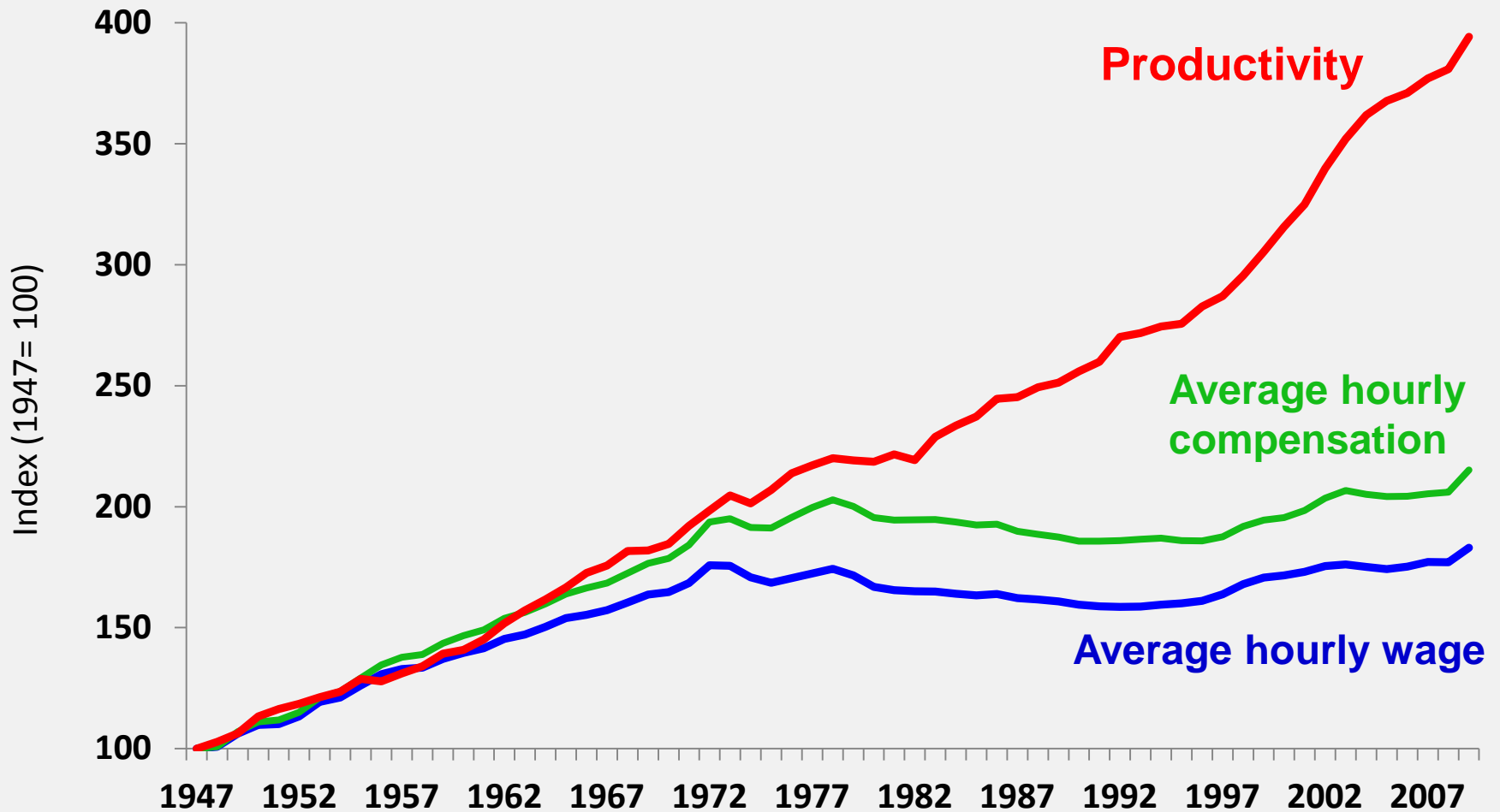
Meritocracy

- You get what you deserve
- Hard work is rewarded
- No issue: class, race, gender
- Equal opportunity for all

Education and Income



Workers not getting their share



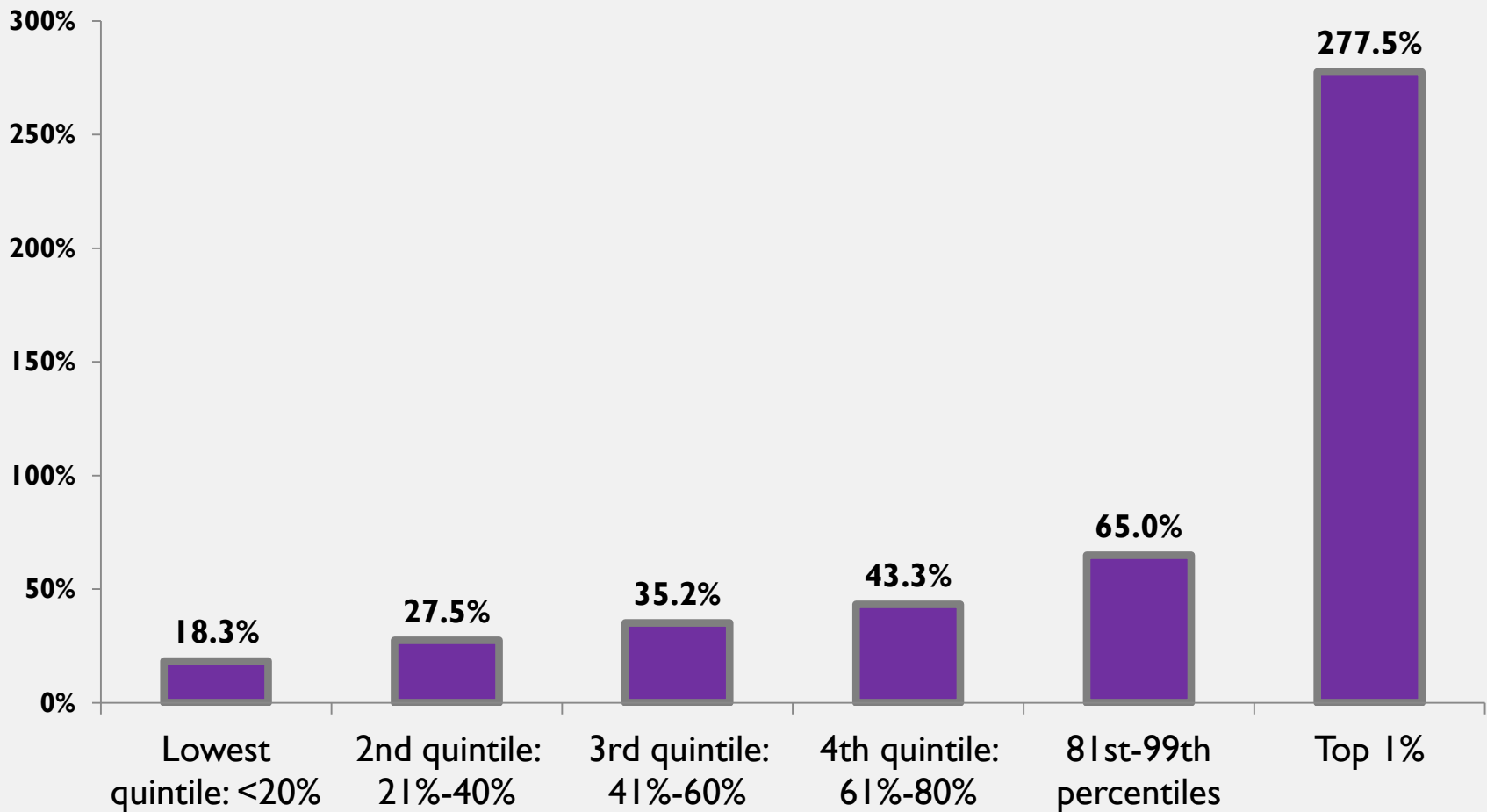
TENET #3

**Free
Market**

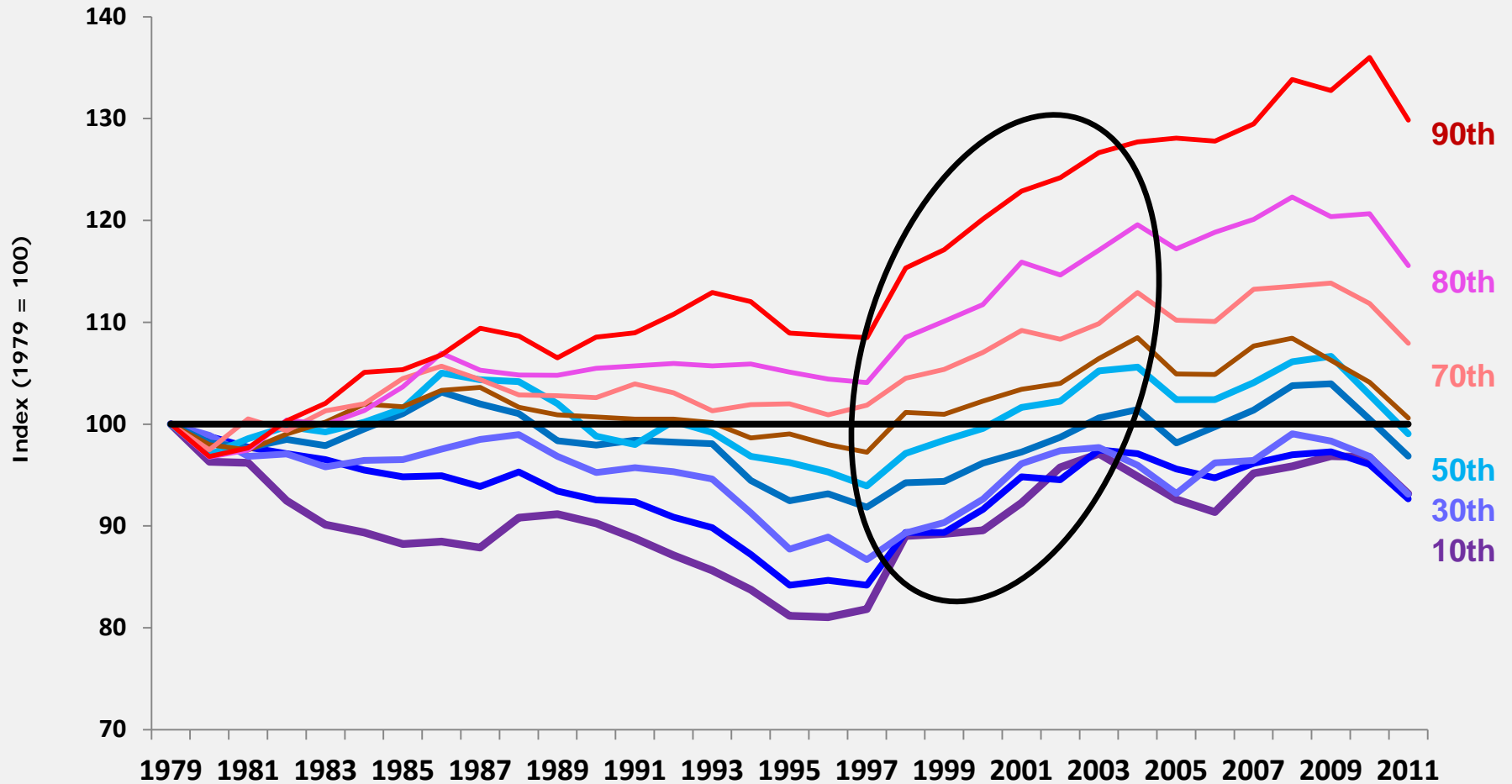
- **Deterministic**
- **Religion**
- **Patriotism**

Astonishing picture of income growth

(Growth in real post-tax income from 1979 to 2007)



CAs widening wedge of wage inequality



Source: EPIs analysis of CPS data, pre-tax wages for California, 1979-2010.

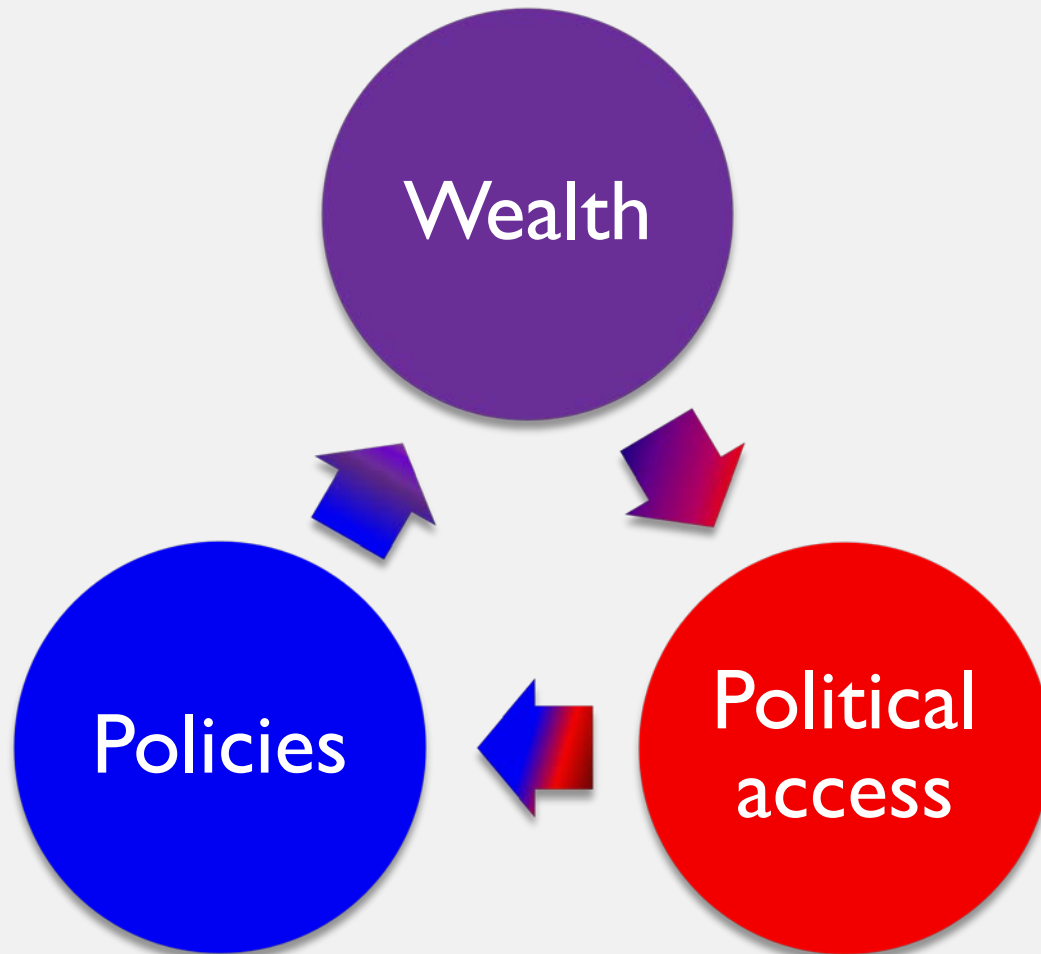
Allegretto Cal Teach-in
Inequality April 4, 2012

TENET #4

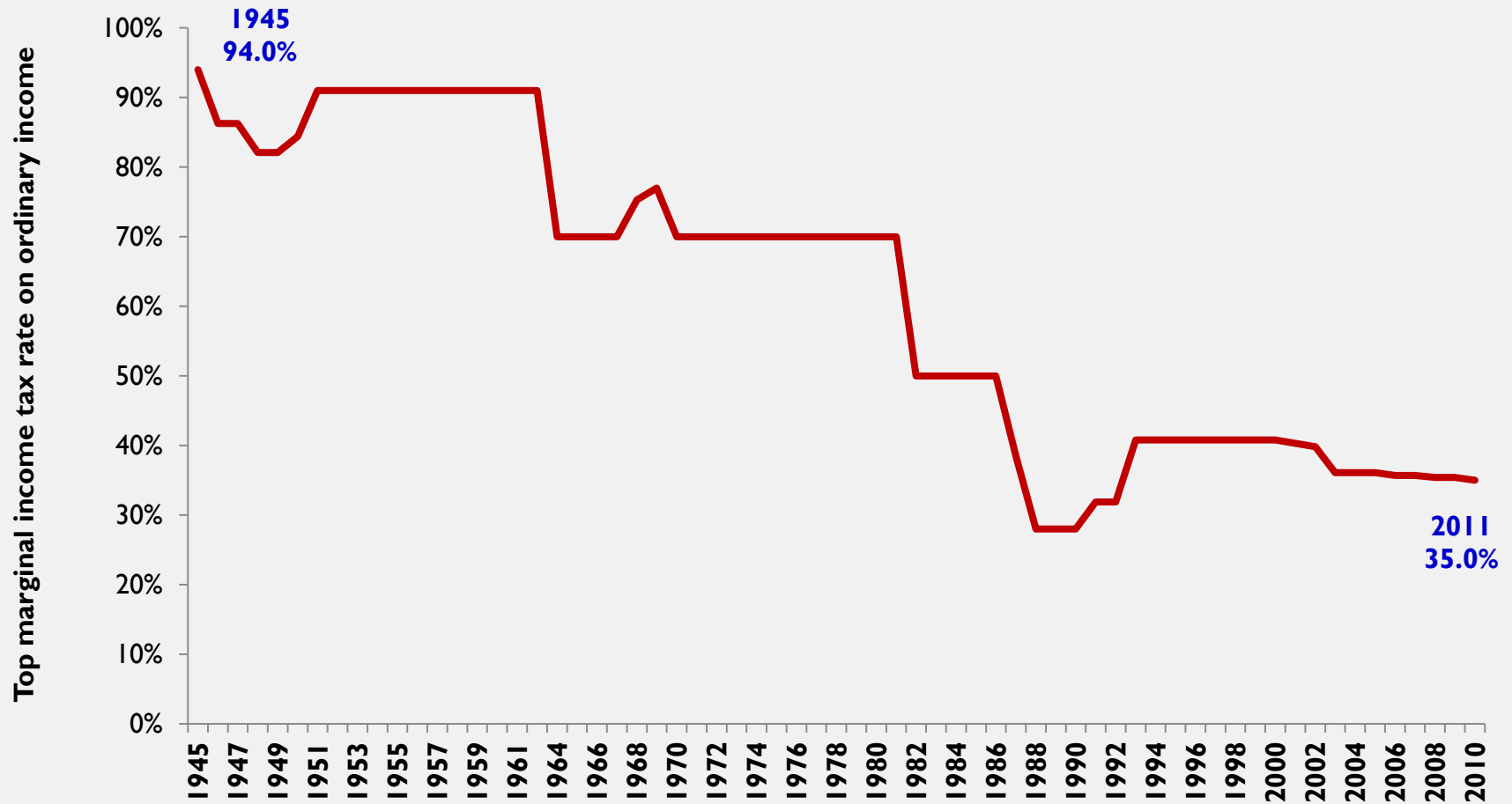
**Gov't is
not the
solution**

- Gov't is the enemy
- Doubling down on more of the same
- Plutocracy

Vicious cycle makes it clear the 'free market' isn't free

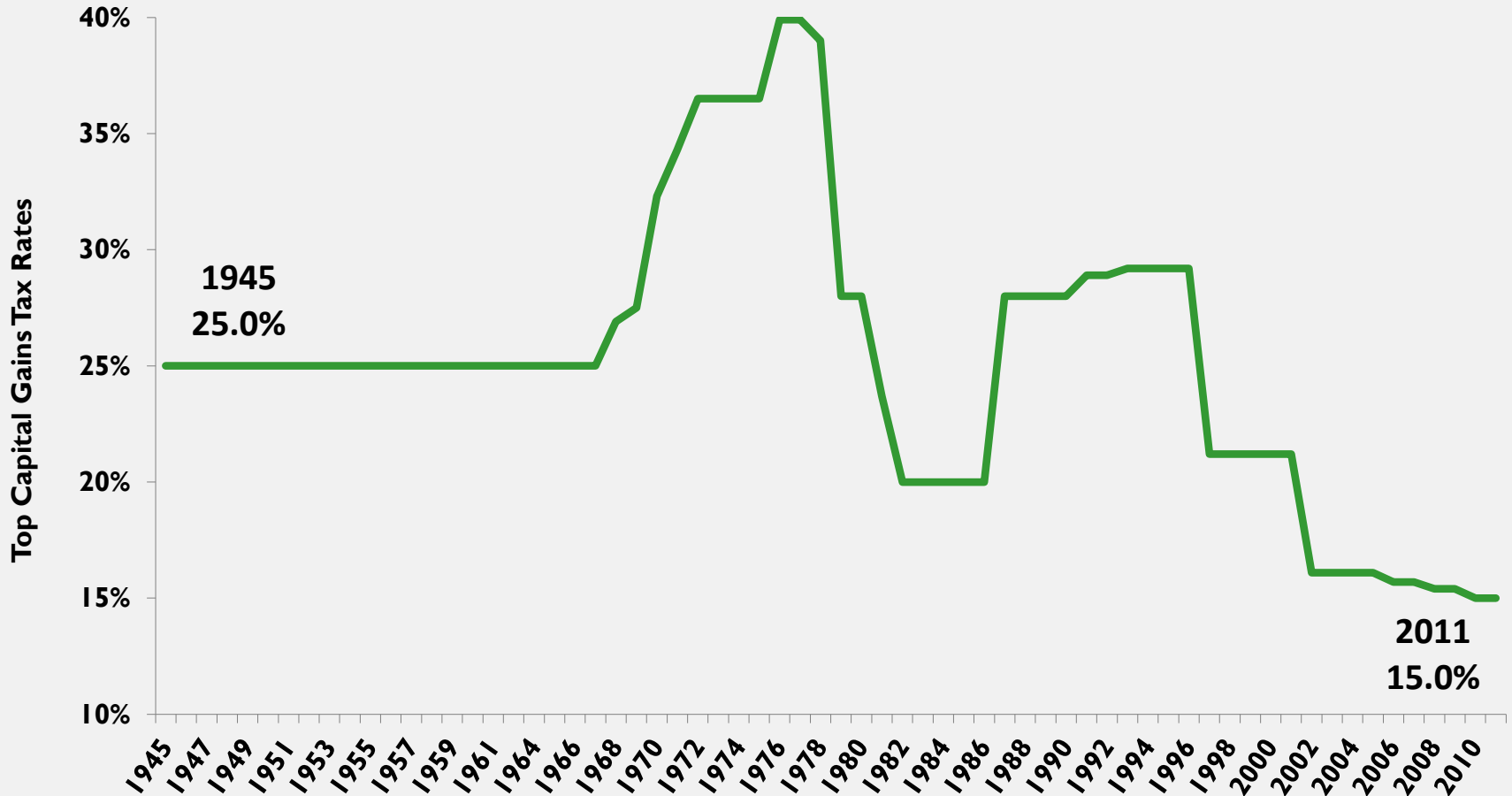


Falling top-marginal tax rates

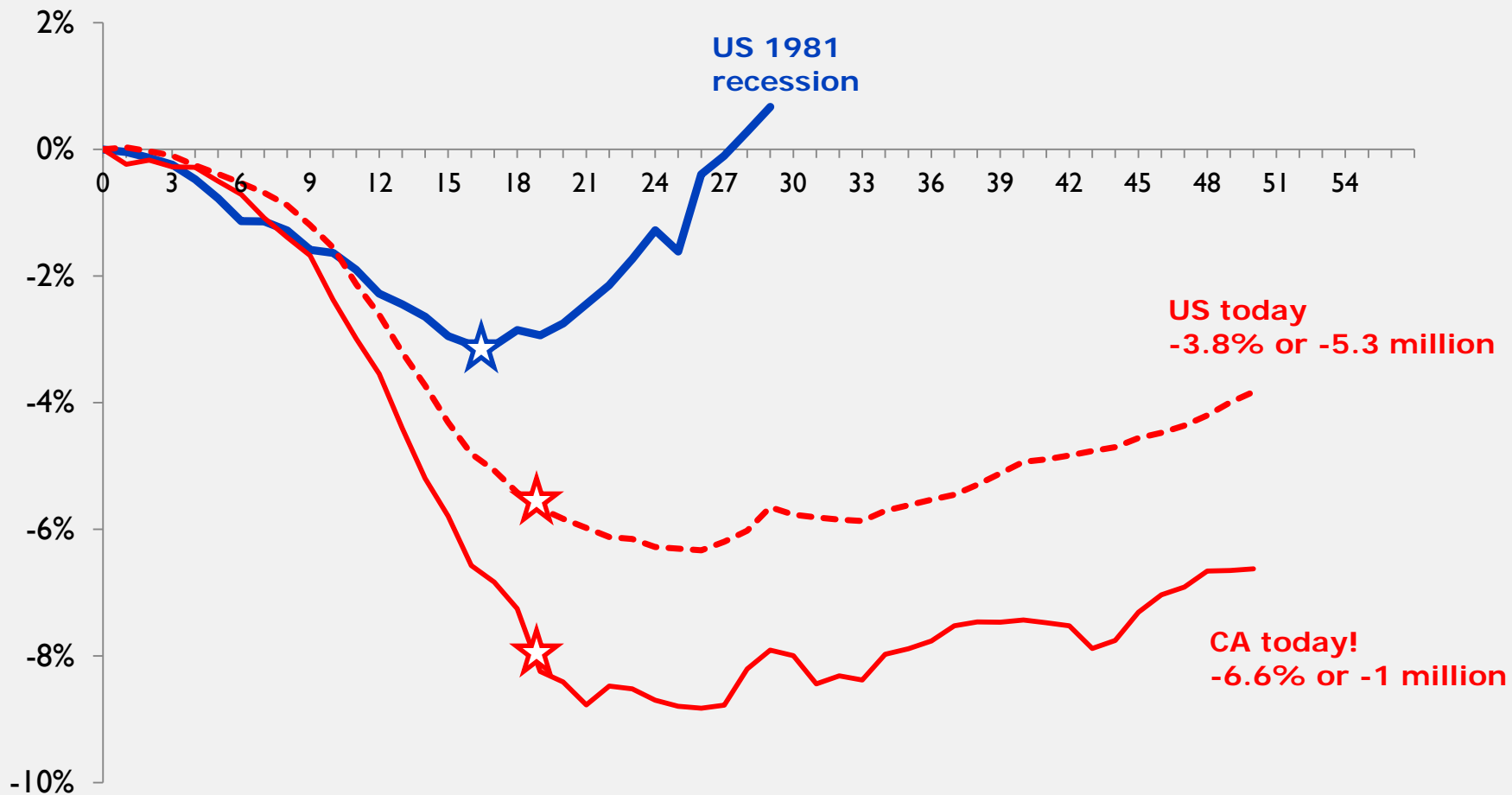


Work Vs. a call to your broker

(this isn't a natural result of the 'free market')



The only deficit that matters...JOBS



“The reason they call it the American Dream is because you have to be asleep to believe it.”

~George Carlin