

# The Main Street Contract for the American People



**A Plan to Reinvest in America, Build a Main Street Economy for All, and Restore American Democracy**

Above: NNU marchers pass the New York Stock Exchange during the June 2011 Wall Street rally. Top right: NNU rally in front of the White House on the Global Day of RN Action on Nov 3, 2011.

# The Way We Were

## At the Onset of the 1970s

### The social insurance state and a stronger labor movement:

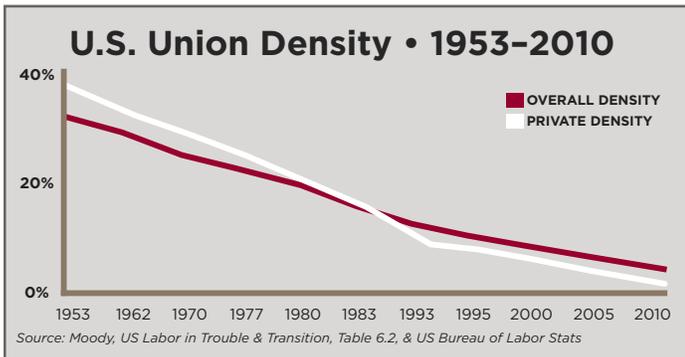
- Strong manufacturing-based economy
- One-third of private sector unionized
- Low unemployment rate
- Smaller income disparities
- Broad employer-based health coverage
- Federal and state budget surpluses
- Corporations, individuals share tax responsibilities
- Government limits on labor, environmental abuses



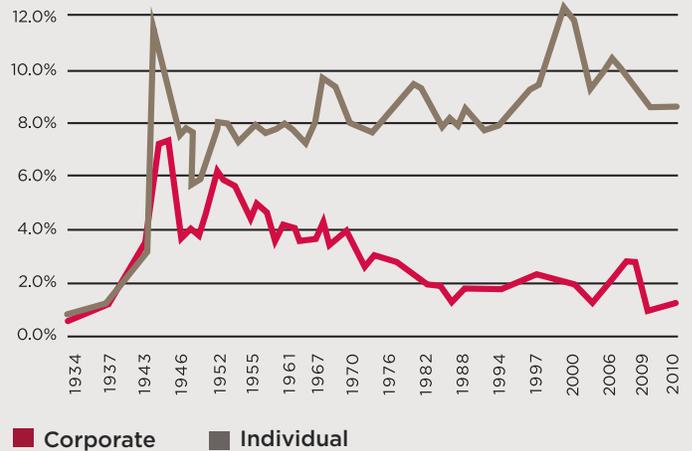
# Rise of the Neo-Liberal Era

## 1970s-2011

- De-industrialization of America
- No limits on flight of capital overseas and within U.S.
- Cuts in taxes on corporations and the rich
- Attacks on role of government—privatization, deregulation
- Free reign for corporate assaults on unions
- Lax enforcement of consumer protections
- Rising poverty, income disparities
- Large corporations take control of healthcare

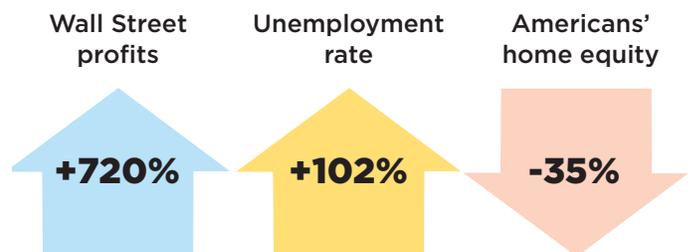


## Corporate & Individual Income Taxes as a Percent of GDP • 1934-2010



©IHSP 2011. Source: IHSP analysis of Budget of the United States Government, Historical Tables, Table 2.3

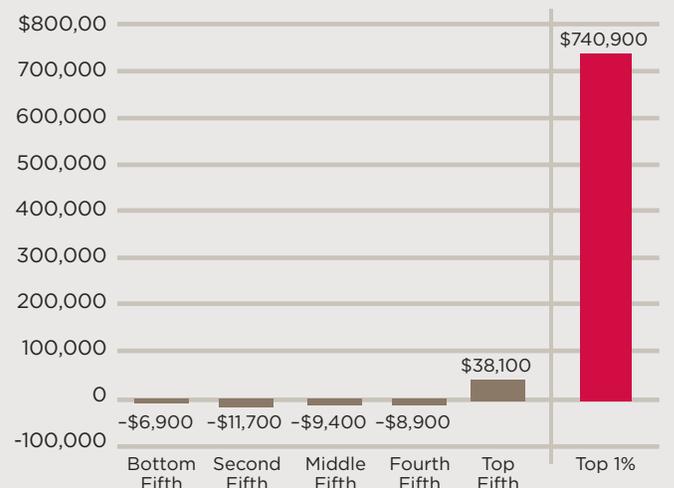
## Gains and Losses • 2007-2009



Source: Mother Jones/New York State Comptroller, Federal Reserve, Bureau of Labor Statistics

## Average Gain or Loss in 2007 from Income Shift since 1979

Relative to Average Incomes if 1979 Distribution had Prevailed



Source: Congressional Budget Office

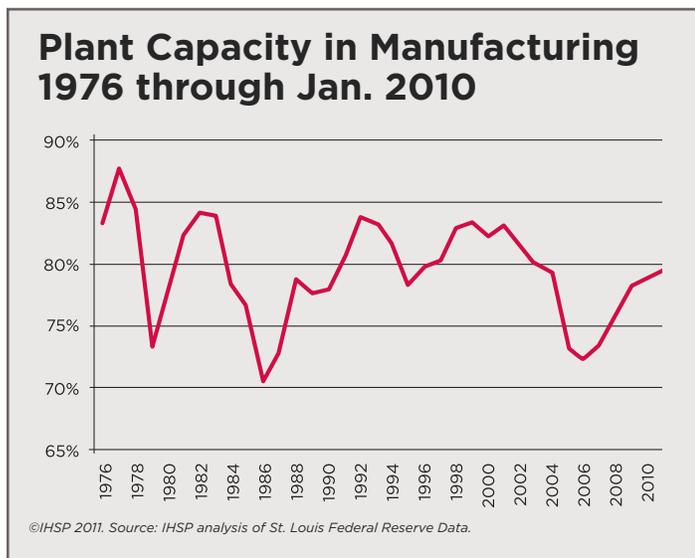
# 2011—The State of America Today

## The de-industrialization of America

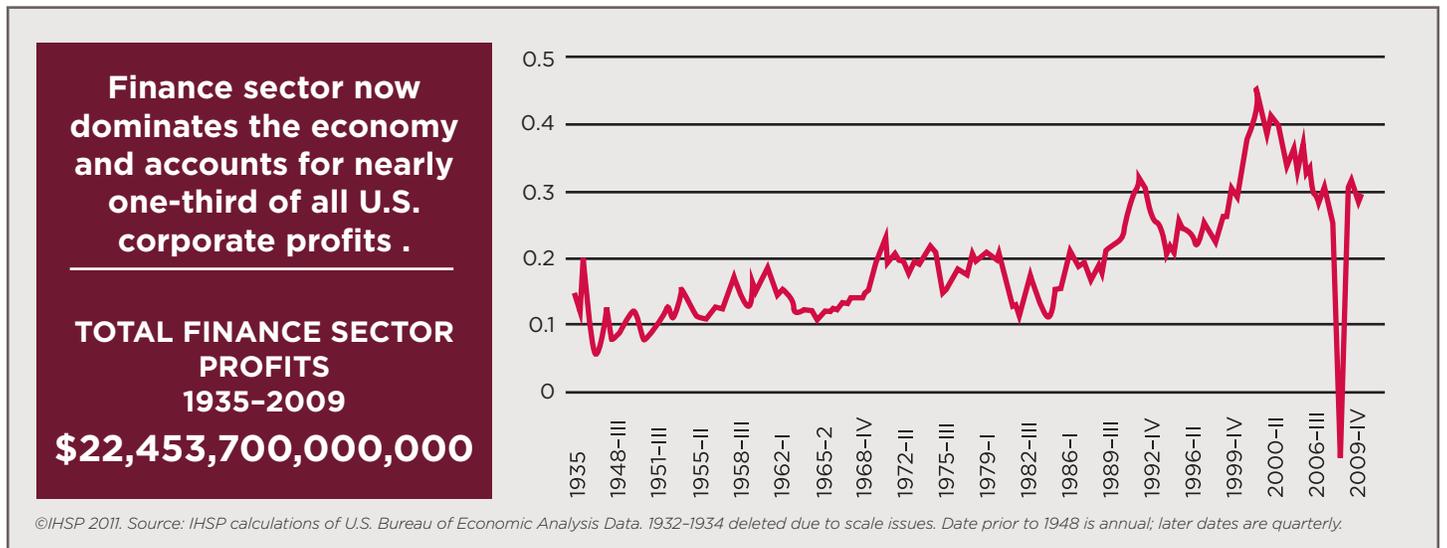
In 1965, manufacturing accounted for 53% of the economy, a number that plummeted to 39% by 1988 and just 9% in 2004. (*The Trumpet*, February 2006) The huge impact is seen in loss of jobs, and decline in wages. Laid-off manufacturing laborers are largely switching to lower-paying jobs in the service industry, or joining the ranks of the long-term unemployed.



From 2001 to 2009, the U.S. lost 42,400 factories, including 36% of factories employing more than 1,000 workers and 38% of factories with 500 to 999 employees. Overall, the U.S. lost 32% of all manufacturing jobs during those years. (*American Prospect*, December 21, 2009)



U.S. productivity has surged the past four decades, but income and wages have stagnated for most Americans. If the median household income had kept pace with the economy since 1970, it would now be nearly \$92,000, not \$50,000. (*Mother Jones*, July/August 2011)

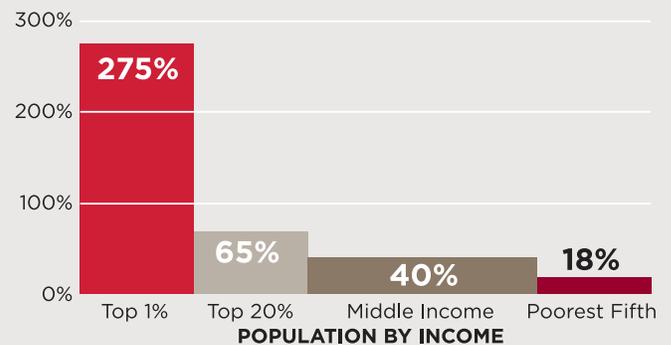


# 2011—The State of America Today



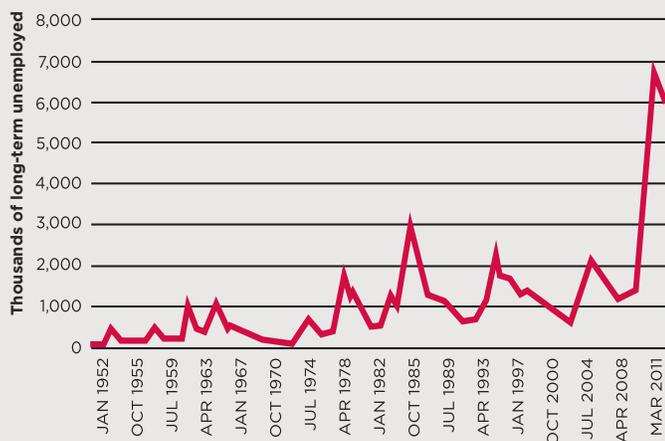
**Wall Street and the Wealthy are winning the U.S. class war**  
*Skyrocketing concentration of wealth for those at the top*

## After-Tax Household Income Adjusted for Inflation • 1979-2007



Source: Congressional Budget Office, Oct 25, 2011

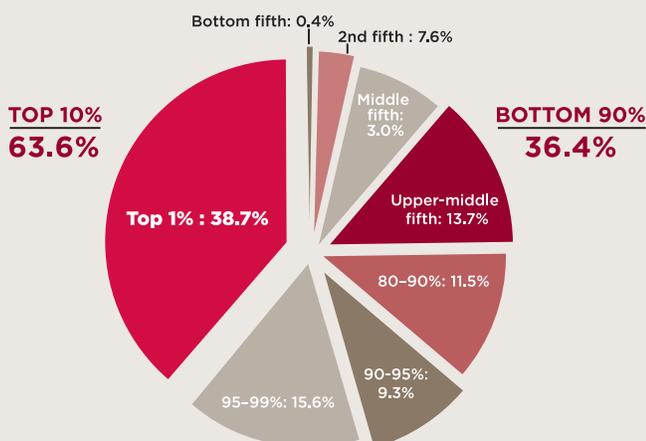
## The Long-Term Unemployed January 1952-March 2011



©IHSP 2011. Source: IHSP calculations of U.S. Department of Labor data

CEOs at Fortune 500 companies in 2010 were paid \$11.4 million on average up from \$9.2 million in 2009, while average workers pay rose only from \$32,049 to \$33,121. Thus the pay gap of CEOs over workers leaped 20% from 287 times to 344 times an average worker's pay. (Institute for Policy Studies, Money, MSN, May 18, 2011)

## Income Inequality Share of pre-tax income growth • 1979-2007



Source: State of Working America, Economic Policy Institute analysis of CBO Average Federal Tax Rates and Income, 2010

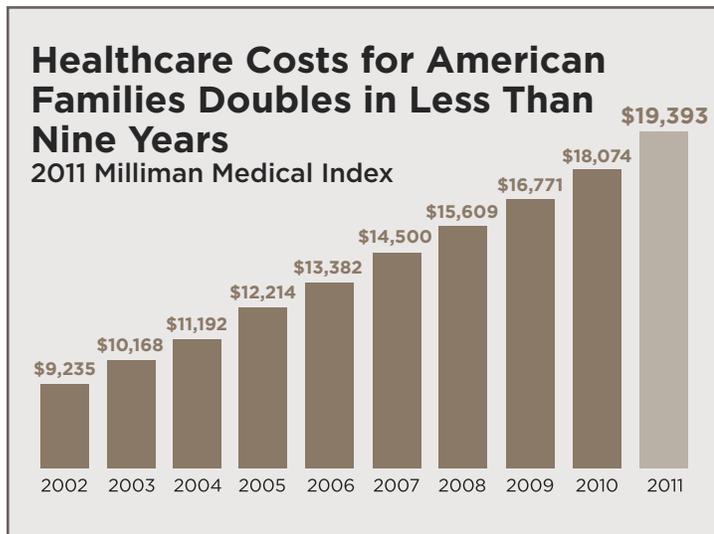
## Share of Aggregate Income Received by Top 5% vs. Bottom 40% of all Households • 1969-2009



©IHSP 2011. Source: IHSP analysis of U.S. Census Bureau data

# 2011—The State of America Today

## An escalating crisis facing American families

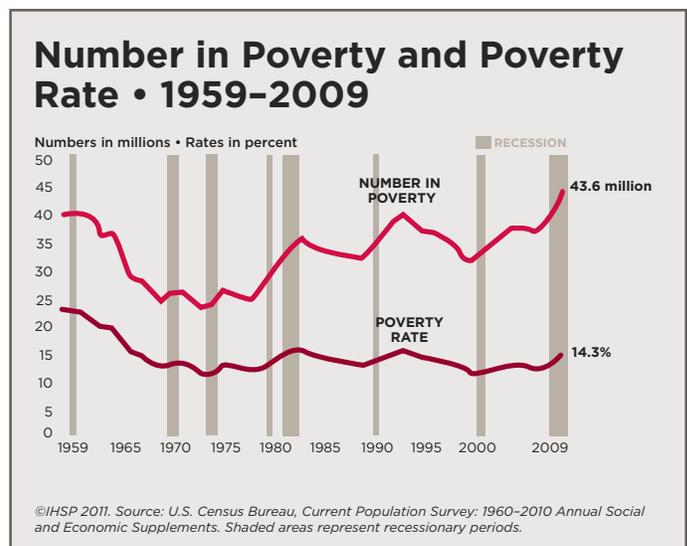
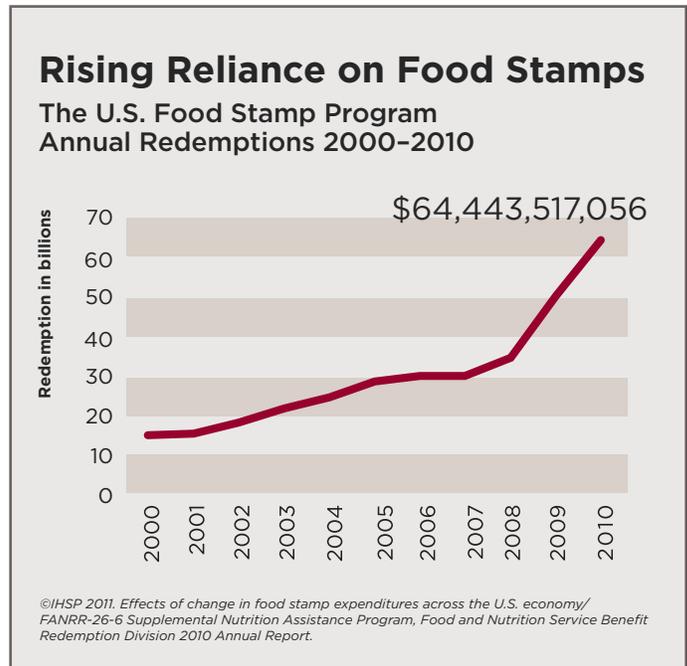
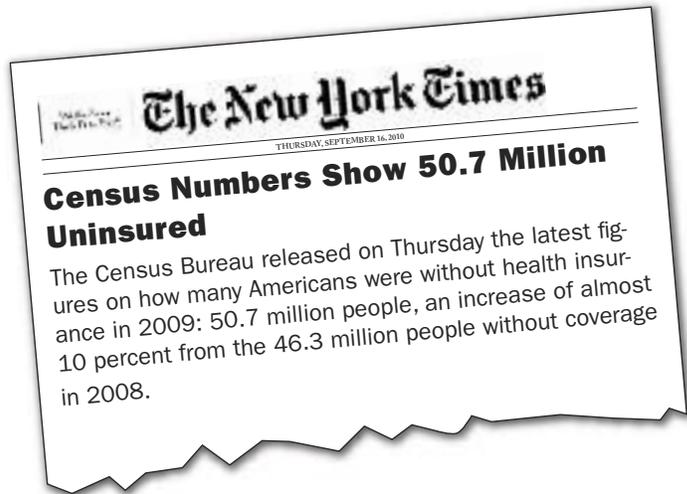


Illness and medical bills were linked to at least 62.1% of all U.S. personal bankruptcies in 2007—about one person every 15 seconds. The proportion of bankruptcies attributable to medical problems rose by 49.6% between 2001 and 2007. (*Physicians for a National Health Program, 2009*).

### Home Foreclosures • Top 10 States

Colorado	13,847
Ohio	24,697
Nevada	32,066
Illinois	33,092
Michigan	37,506
Georgia	37,509
Arizona	46,047
Florida	58,322
California	168,543
<b>U.S.</b>	<b>681,153</b>

©IHSP 2011. Source: IHSP calculations of Realtytrac data



# 2011— We're Number One? Not Even Close

**Unemployment** The U.S. ranks just 25th among 34 major developed nations, in the number of unemployed people between ages 15 and 64, barely ahead of Greece, a country that has become an international metaphor for economic meltdown. (*Society at a Glance 2011, OECD Social Indicators, 2009 data*)

**Income equality** In 2007, the U.S. ranked 45th in income equality in the world, far below, among others, Canada, France, South Korea, Great Britain, Japan, Spain, Greece, Ireland, and even India. (*CIA, The World Factbook*)

**Poverty** Our nation has the third highest poverty rate out of 30 countries and the second highest poverty gap out of 30 nations. (*"Poverty rates and gaps", OECD, OECD Factbook 2010: Economic, Environmental and Social Statistics, OECD Publishing*)

**Retirement security** The U.S. ranks just 19th among 29 industrial in public expenditures on pensions. (*OECD (2010), Public and private expenditure on pension, OECD Factbook 2010*)

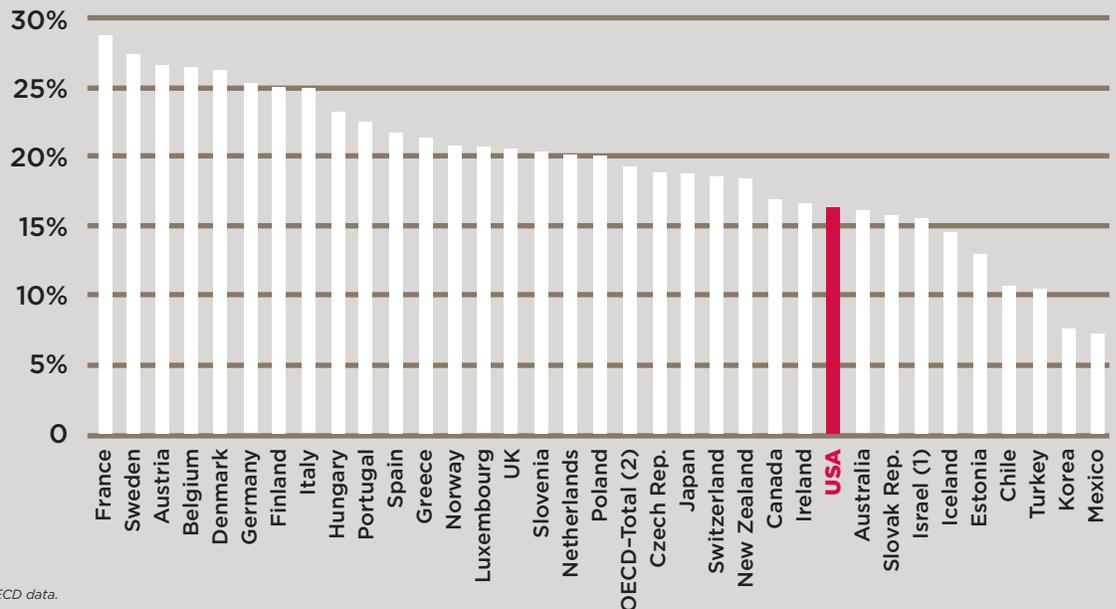
## The Children Left Behind

A league table of inequality in child well-being in the world's rich countries

Inequality lower than OECD average		Inequality close to OECD average		Inequality higher than OECD average	
Material well-being	rank	Education well-being	rank	Health well-being	rank
Switzerland	1	Finland	1	Netherlands	1
Iceland	2	Iceland	2	Norway	2
Netherlands	3	Canada	3	Portugal	3
Denmark	4	Denmark	4	Germany	4
France	5	Poland	5	Switzerland	5
Finland	6	Hungary	6	Belgium	6
Austria	7	Sweden	7	Ireland	7
Norway	8	Netherlands	8	Denmark	8
Sweden	9	Spain	9	Canada	9
Germany	10	Iceland	10	Czech Republic	10
Czech Republic	11	Norway	11	United Kingdom	11
Luxembourg	12	Slovenia	12	Slovakia	12
Ireland	13	United Kingdom	13	Austria	13
Spain	14	Portugal	14	Switzerland	14
Belgium	15	Slovakia	15	France	15
Portugal	16	Luxembourg	16	Finland	16
Canada	17	Czech Republic	17	Iceland	17
Denmark	18	Czech	18	Poland	18
United Kingdom	19	<b>United States</b>	<b>19</b>	Luxembourg	19
Italy	20	Germany	20	Czech	20
Poland	21	Italy	21	Spain	21
Hungary	22	Austria	22	<b>United States</b>	<b>22</b>
<b>United States</b>	<b>23</b>	France	23	Italy	23
Slovakia	24	Belgium	24	Hungary	24

Source: The Children Left Behind, Report Card 9, UNICEF, Innocenti Research Centre

## Total Federal Spending on Public Programs 2007\*



©IHSP 2011. Source: IHSP analysis of OECD data. \*Latest year for which data is available.

# The Defunding of America



## SENATOR BERNIE SANDERS' Guide to Corporate Freeloaders

- 1• **Exxon Mobil**'s 2009 profits totaled \$19 billion, yet according to its SEC filings, the company received **A \$16 MILLION REBATE** from the IRS. **PLUS, IT DIDN'T PAY ANY FEDERAL TAXES.**
- 2• **Bank of America** made \$4.4 billion in profits last year. This was after it received **A \$1 TRILLION BAILOUT** from the Federal Reserve and the Treasury Department, and **A \$1.9 BILLION TAX REFUND** from the IRS.
- 3• **General Electric** has made \$26 billion in profits in the U.S. over the past five years. It's also received **A \$4.1 BILLION TAX REFUND** from the IRS. **GE HAS CUT A FIFTH OF ITS AMERICAN JOBS** in the past nine years, and is boosting jobs overseas—where tax rates are lower. And where it can continue evading U.S. taxes.
- 4• **Chevron**'s IRS **REFUND LAST YEAR TOTALED \$19 MILLION**, but its 2009 profits came to a whopping \$10 billion.
- 5• **Boeing** received a \$30 billion contract from the Pentagon to build 179 airborne tankers. It also received a **\$124 MILLION REFUND FROM THE IRS.**
- 6• **Valero Energy** made \$68 billion in sales and received a **\$157 MILLION TAX REFUND** from the IRS. Over the past three years, it has received a \$134 million tax break thanks to the oil and gas manufacturing tax reduction.
- 7• **Goldman Sachs** paid **1.1% OF ITS 2008 INCOME IN TAXES.** Yet it made a **PROFIT OF \$2.3 BILLION.** And guess how much it received from the Federal Reserve and U.S. Treasury Department? \$800 billion.
- 8• **Citigroup** profits last year totaled more than \$4 billion. But it paid zero dollars in federal income tax, and **RECEIVED A \$2.5 TRILLION BAILOUT** from the Federal Reserve and U.S. Treasury.
- 9• **ConocoPhillips** profits from 2007 through 2009 totaled \$16 billion. **BUT IT WAS STILL AWARDED \$461 MILLION IN TAX BREAKS** because of the oil and gas manufacturing tax reduction.
- 10• **Carnival Cruise Lines** apparently is getting pretty good business: Its profits over the past five years totaled more than \$11 billion. **ITS FEDERAL INCOME TAX RATE, HOWEVER, CAME TO JUST 1.1%**

Sen. Sanders, March 27, 2011

## The corporate tax scam

Federal, state, and local governments are starved with the decline of corporate taxes, the growth of corporate tax havens.

Meanwhile an increased tax burden falls on individuals and working families.

*The Washington Post*

## Many firms found to avert taxes

November 3, 2011

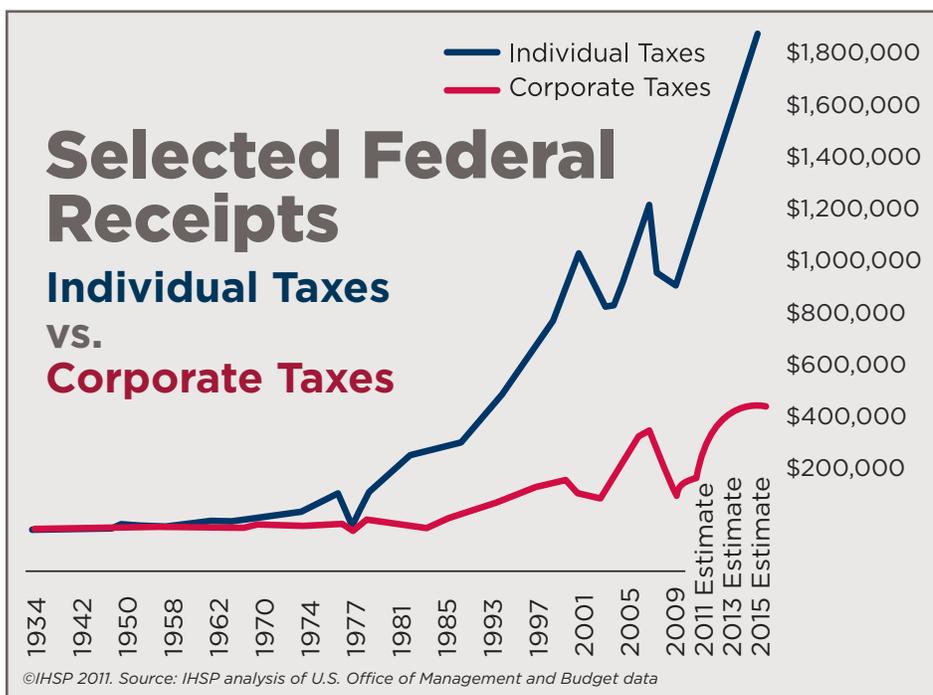
From 2008 through 2010, 30 major U.S. corporations paid zero taxes or even made money through credits and refunds from the government.  
*Citizens for Tax Justice, Institute on Taxation and Economic Policy*



## Study says most corporations pay no U.S. income taxes

August 12, 2008

57% of U.S. companies paid no federal income taxes for at least one year between 1998 and 2005; 42% of large U.S. companies paid no U.S. income taxes for two or more years.



# How Wall Street Protects Its Grip

The corporate elite maintain their dominance of the economic, political, social, and cultural institutions of the U.S. through campaign contributions, lobbying, and media monopolies.



## Lobbying Boosted as Healthcare Debate Heats Up

Company	2008	2009	% Change
Pfizer	\$2,800,000	\$5,140,000	119%
Health Net	\$160,000	\$330,000	106%
Cigna	\$230,000	\$450,000	96%
Pharmaceutical Research & Manufacturers of America	\$3,610,000	\$6,910,000	91%
Merck	\$1,040,000	\$1,500,000	44%
Abbott Laboratories	\$880,000	\$1,260,000	43%
Aetna	\$575,459	\$809,793	41%
UnitedHealth Group	\$1,120,000	\$1,500,000	34%
Wash	\$697,236	\$976,389	26%
Eli Lilly	\$2,895,000	\$3,440,000	19%
WellPoint	\$1,050,000	\$1,220,000	16%
Humana	\$320,000	\$370,000	16%
Schering-Plough	\$520,000	\$600,000	15%
America's Health Insurance Plans	\$1,820,000	\$2,030,000	12%
Amgen	\$2,520,000	\$2,750,000	9%
Johnson & Johnson	\$1,440,000	\$1,530,000	6%
Blue Cross and Blue Shield Association	\$1,720,000	\$1,800,000	5%
Gilead Sciences	\$260,000	\$270,000	4%
Coventry Health Care	\$150,000	\$150,000	0%
Bristol-Myers Squibb	\$840,000	\$814,676	-3%

Source: USA TODAY analysis of Secretary of Senate lobbying disclosure reports



## Number of Corporations that Control a Majority of U.S. Media:

newspapers, magazines, TV and radio stations, books, music, movies, videos, wire services, and photo agencies



Source: Ben Bagdikian, "The New Media Monopoly", www.corporations.org/media/

## DAILY NEWSPAPERS OWNED BY CHAINS

- 1950 20%
- 1970 47%
- 2009 62%
- 2030 ALL WILL BE OWNED BY 10 CHAINS

Source: Ben Bagdikian, The Progressive, April 2009

# It Doesn't Have to Be this Way

## Redefining the Received Wisdom

It wasn't public workers or pensions or high school students or single mothers on Medicaid who plundered public treasuries or caused the meltdown on Wall Street. It wasn't workers exploiting tax loopholes or off shoring their bank accounts that depleted public treasuries.

**It's time to challenge the disinformation, and tell the real story once and for all.**

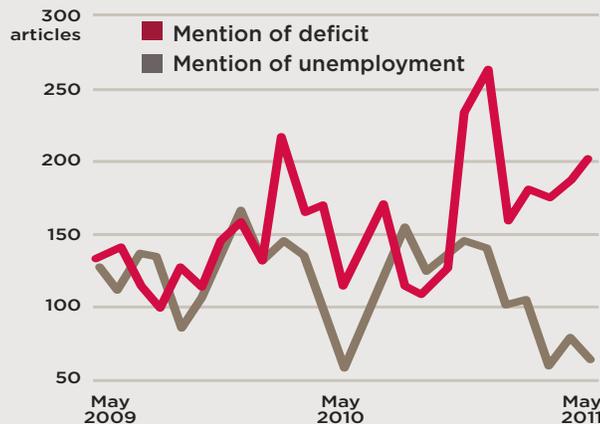
All the talk of "shared sacrifice" is just the latest scheme to continue the transfer of our nation's wealth and resources from working people to Wall Street.

Working people have sacrificed enough while corporations are making record profits, and additional tax cuts are provided for the super-rich.

Since the official "recovery" began in June 2009, corporate profits have captured 88% of the growth in real national income while aggregate wages and salaries garnered barely 1%. (*Northeastern University study, New York Times, June 30, 2011*)

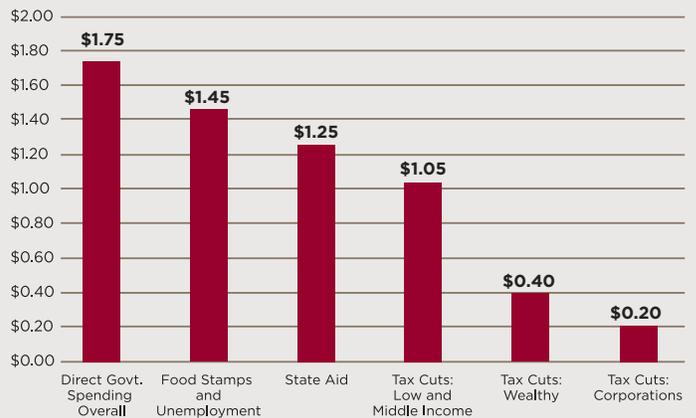
### What the Media Reports

Number of articles in the *Los Angeles Times*, *The New York Times*, *USA Today*, *The Wall Street Journal*, and *The Washington Post*, whose headline or lead mentioned unemployment or the deficit.



Source: *The Atlantic*, May 17, 2011

### For Every Government Dollar Spent What Generates the Largest Return?



Source: *IHSP calculations of BEA and Congressional Budget Office Data and Economic Policy Institute Analysis*



# Deflating the Myths

**Myth:** Corporations are not investing in America because of an onerous 35% corporate tax rate.

**Fact:** Few U.S. companies ever pay 35%. As a result of numerous loopholes and shelters won by corporate lobbyists, more than half of U.S. companies paid no federal taxes for at least one year the past decade (GAO, 2008). Major tax dodgers included Exxon Mobil, Bank of America, General Electric, Wells Fargo, Citigroup, and Chevron. During the “boom years” of the 1950s and 1960s, the corporate rate was much higher.

**Myth:** Corporations are not creating jobs because of their tax burden.

**Fact:** In 2010, corporate profits increased at the fastest rate in 60 years, and corporate profits from current production rose 29% to \$1.68 trillion. Yet the past two years have witnessed the highest unemployment in decades at 9.2% through June 2011, with a real number likely in excess of 17%. Clearly the tax rate is not preventing companies from creating jobs in the U.S. or re-investing in America; they have more than enough money to create jobs, if they wished.

**Myth:** Public workers are paid far more than their counterparts in the private sector.

**Fact:** “Federal workers earn 22% less than their counterparts in the private sector.. (Center for American Progress, October 25, 2010)

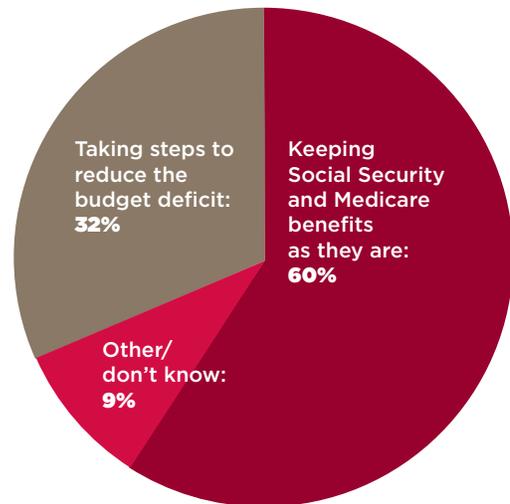
**Myth:** Public worker pensions, benefits, and pay are bankrupting local and state governments.

**Fact:** Pensions, pay and benefit account for barely a third of state and local spending. “In the end, this is a phony issue.” —Nobel Prize winning economist Paul Krugman, *New York Times*, September 9, 2010.

**Myth:** Most Americans think the priority is slashing federal spending, including cuts in Social Security and Medicare.

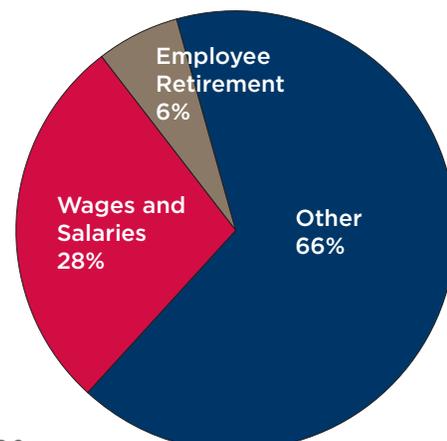
**Fact:** Democrats, independents, and Republicans all agree, protecting our vital programs is more important than deficit reduction. *Pew Research Center for the People & the Press poll*, July 7, 2011.

## Most Americans want to protect Social Security and Medicare



Source: Pew Research Center for the People & the Press poll, July 7, 2011.

## State and Local Spending, Wages and Retirement



Source: US Census

“Although there appears to be an abiding faith among policy makers that tax incentives can influence the investment decisions of firms and serve as a tool for stabilizing the economy, empirical evidence for the connection is weak. Econometric research has commonly found that tax policy and the cost of capital have little effect on real investment.”

—Austan Goolsbee,  
President Obama’s former Chairman of  
the Council of Economic Advisers,  
in a 1997 paper

# A Main Street Contract for the American People



1. **Jobs** at living wages to reinvest in America.
2. Equal access to quality, public **education**.
3. Guaranteed **healthcare** with a single standard of care.
4. A secure **retirement** with the ability to retire in dignity.
5. Good **housing**, and protection from hunger.
6. A safe and healthy **environment**.
7. A **just taxation** system where corporations and the wealthy pay their fair share.



# We Built America, We Will Take it Back



# The Main Street Contract Action Campaign



- 1. Hold politicians accountable.** Do they support a program to further enrich Wall Street, or a Main Street Contract for the American people?
- 2. Hold all politicians to one standard;** this is a non-partisan campaign.
- 3. Sponsor and promote national and state legislation.** Tax Wall Street to help revive Main Street. Expand and strengthen Medicare to cover everyone. Stop the threats to Social Security and Medicare. Make corporations and the wealthy pay their fair share.
- 4. Protest corporate outlaws** who plunder our public treasuries, pensions, and safety net programs while evading their financial responsibilities to America.
- 5. Organize town hall meetings and community forums.** Invite individuals and families to tell their stories of how the economic crisis is affecting them, and how the program of the Main Street Contract and proposed legislation can help to rebuild America.
- 6. Encourage community organizations,** local governments, and labor bodies to pass resolutions to support the Main Street Contract.
- 7. Visit district offices of federal legislators to remind them of the need to support Main Street, not Wall Street.**



## NU's Main Street Action Campaign

**June 7, 2011** Washington DC  
1,000 RNs, allies picket US Chamber of Commerce, White House, lobby Congress.

**June 22, 2011** New York.  
1,500 RNs, allies, march on Wall St. Stock Exchange.

**July 13, 2011** Lansing, Mi.  
RN's "No Soup for You" Soup Kitchen.

**July-August 2011**  
National. RNs hold local actions at state, county and street fairs, farmers markets, Congressional town hall meetings.

**September 1, 2011** 21 States, 60 Congressional offices.  
5,000 RNs, allies hold soup kitchens, clinics, street theater, rallies, including sit-in at Rep. Eric Cantor's Richmond, Va. Office.

**September 15, 2011** San Francisco. 1,000 RNs rally at Federal Reserve Bank office.

**September 17-ongoing**  
Occupy Wall Street protests. NU members join actions in multiple cities and set up first aid stations at Occupy Wall Street sites.

**May-October 2011** Main Street campaign support resolutions endorsed by hundreds of labor, community, legislative organizations.

**November 3, 2011** US, France. RNs lead actions of thousands at G-20 Summit, marches in Washington on White House, Los Angeles, San Francisco.

# Tax Wall Street Financial Transactions to Heal America



National Nurses United has sparked a renewed call for a tax on Wall Street speculation—on trading of stocks, bonds, currencies, and derivatives.

## The basics of a financial transaction tax (FTT)

- Equivalent to sales taxes Americans pay for most goods and services; no similar tax exists on Wall Street transactions.
- Would not apply to normal consumer activity including use of ATMs, debit card purchases, 401k pension plans, or obtaining a home loan. Minimal impact on ordinary investors.
- Targets major banks, investment firms. Financial giants Citigroup, JP Morgan, Goldman Sachs, and Morgan Stanley alone account for almost 25% of the total overall global market volume share of currency trades.
- Should discourage some excessive Wall Street speculation, the main cause of the 2008 economic crash, whose perpetrators were rewarded with bailouts and bonuses. Speculative activity has grown 400% in the past decade; only 2% of currency trades today build the real economy in goods and services.
- An international campaign. More than 15 nations, and the seven fastest growing markets, have an FTT. The European Commission has proposed an FTT that would raise 78 billion euros a year.
- Highly successful. The London Stock Exchange, with a .25% tax on each stock trade, has been very successful in raising revenues, while not inhibiting financial activity, remaining the largest in Europe.
- Tough to evade. In Great Britain, those who fail to pay the FTT do not get title to securities.
- Not a new idea. The U.S. had an FTT from 1914 to 1966. After the 1987 U.S. Wall Street crash, major U.S. politicians, including Senate Majority leader Bob Dole and the first President Bush, endorsed reinstating an FTT.

## How to Reinvest a Wall Street Sales Tax

Economic experts have projected that a tax on Wall Street financial transactions could raise up to \$350 billion in revenue that could be used for creating jobs, and investing in education, healthcare, housing, and other community needs.

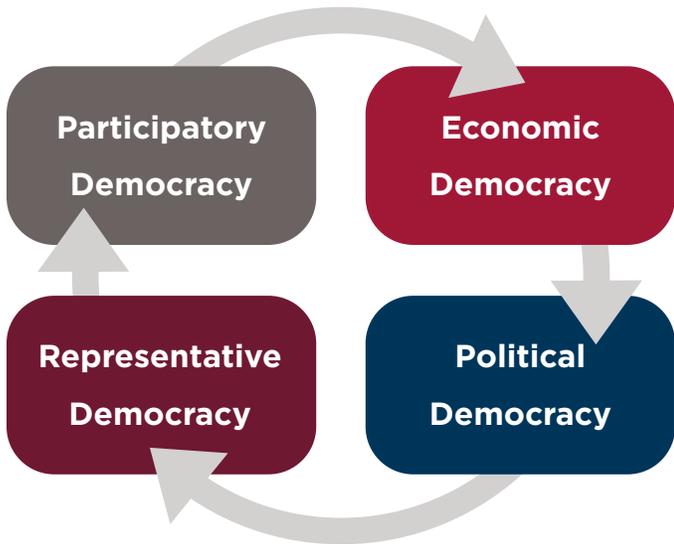
### What could we do with \$350 billion?

- Fund about 9 million additional jobs at the current average wage of all occupations of \$38,844 per year. That would reduce the current total number of the officially unemployed by 60%.
- Save 1,744,991 homes that from foreclosure.
- Provide permanent housing for the nation's 3.5 million homeless population for nine and one half years.
- Fund the food plans of about 24.3 million families of four for one year.
- Lift all 3.8 million female-headed households who live below the poverty level out of poverty for about nine and one-half years.

*(Institute for Health and Socio-Economic Policy calculations based on data from the Bureau of Labor Statistics, U.S. Census, Realty Inc., U.S. Department of Agriculture)*

# Participatory Democracy

Democracy is NOT a Spectator Sport



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