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

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

2 Main Street Contract for the American People
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

Gains and Losses • 2007–2009

Wall Street profits: +720%
Unemployment rate: +102%
Americans’ home equity: -35%

Average Gain or Loss in 2007 from Income Shift since 1979
Relative to Average Incomes if 1979 Distribution had Prevailed


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

Source: Congressional Budget Office

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

Plant Capacity in Manufacturing 1976 through Jan. 2010

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)

Real Hourly Wages 1982–2009 in 1982 Dollars

Finance sector now dominates the economy and accounts for nearly one-third of all U.S. corporate profits.

TOTAL FINANCE SECTOR PROFITS 1935–2009

$22,453,700,000,000

©IHSP 2011. Source: IHSP calculations of U.S. Bureau of Economic Analysis Data. 1932–1934 deleted due to scale issues. Date prior to 1948 is annual; later dates are quarterly.
Wall Street and the Wealthy are winning the U.S. class war
Skyrocketing concentration of wealth for those at the top

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)
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).

Census Numbers Show 50.7 Million Uninsured

The Census Bureau released on Thursday the latest figures on how many Americans were without health insurance in 2009: 50.7 million people, an increase of almost 10 percent from the 46.3 million people without coverage in 2008.

Rising Reliance on Food Stamps

The U.S. Food Stamp Program Annual Redemptions 2000–2010


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

©IHSP 2011. Source: IHSP calculations of RealtyTrac data

Number in Poverty and Poverty Rate • 1959–2009

The Children Left Behind
A league table of inequality in child well-being in the world’s rich countries

<table>
<thead>
<tr>
<th>Country</th>
<th>Material well-being</th>
<th>Education well-being</th>
<th>Health well-being</th>
</tr>
</thead>
<tbody>
<tr>
<td>USA</td>
<td>15</td>
<td>15</td>
<td>15</td>
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<tr>
<td>United States</td>
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<td>Canada</td>
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<td>France</td>
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<td>Germany</td>
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<td>Italy</td>
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<td>Japan</td>
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<td>South Korea</td>
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<tr>
<td>Great Britain</td>
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<td>Spain</td>
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<td>15</td>
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<td>Greece</td>
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<td>Ireland</td>
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<td>India</td>
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<td>Mexico</td>
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<td>15</td>
<td>15</td>
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<tr>
<td>Korea</td>
<td>15</td>
<td>15</td>
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</tr>
</tbody>
</table>

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

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 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 TOTALE $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

Reuters

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

<table>
<thead>
<tr>
<th>Company</th>
<th>2008</th>
<th>2009</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pfizer</td>
<td>$2,800,000</td>
<td>$8,140,000</td>
<td>119%</td>
</tr>
<tr>
<td>Health Net</td>
<td>$160,000</td>
<td>$330,000</td>
<td>106%</td>
</tr>
<tr>
<td>Cigna</td>
<td>$230,000</td>
<td>$450,000</td>
<td>96%</td>
</tr>
<tr>
<td>Pharmaceutical Research &amp; Manufacturers of America</td>
<td>$3,610,000</td>
<td>$9,610,000</td>
<td>111%</td>
</tr>
<tr>
<td>Merck</td>
<td>$1,040,000</td>
<td>$1,500,000</td>
<td>44%</td>
</tr>
<tr>
<td>Abbott Laboratories</td>
<td>$880,000</td>
<td>$1,260,000</td>
<td>43%</td>
</tr>
<tr>
<td>Aetna</td>
<td>$575,459</td>
<td>$989,720</td>
<td>41%</td>
</tr>
<tr>
<td>UnitedHealth Group</td>
<td>$1,720,000</td>
<td>$1,500,000</td>
<td>34%</td>
</tr>
<tr>
<td>Wyeth</td>
<td>$892,236</td>
<td>$975,399</td>
<td>26%</td>
</tr>
<tr>
<td>Eli Lilly</td>
<td>$2,985,000</td>
<td>$3,440,000</td>
<td>19%</td>
</tr>
<tr>
<td>WellPoint</td>
<td>$1,950,000</td>
<td>$2,200,000</td>
<td>16%</td>
</tr>
<tr>
<td>Humania</td>
<td>$120,000</td>
<td>$130,000</td>
<td>8%</td>
</tr>
<tr>
<td>Schering-Plough</td>
<td>$520,000</td>
<td>$600,000</td>
<td>15%</td>
</tr>
<tr>
<td>America’s Health Insurance Plans</td>
<td>$1,820,000</td>
<td>$2,030,000</td>
<td>12%</td>
</tr>
<tr>
<td>Amgen</td>
<td>$2,520,000</td>
<td>$2,750,000</td>
<td>9%</td>
</tr>
<tr>
<td>Johnson &amp; Johnson</td>
<td>$1,460,000</td>
<td>$1,530,000</td>
<td>6%</td>
</tr>
<tr>
<td>Blue Cross and Blue Shield Association</td>
<td>$1,720,000</td>
<td>$1,460,000</td>
<td>16%</td>
</tr>
<tr>
<td>Gilead Sciences</td>
<td>$260,000</td>
<td>$270,000</td>
<td>4%</td>
</tr>
<tr>
<td>Coventry Health Care</td>
<td>$150,000</td>
<td>$150,000</td>
<td>0%</td>
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<tr>
<td>Bristol-Myers Squibb</td>
<td>$840,000</td>
<td>$814,767</td>
<td>-3%</td>
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</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of Corporations</th>
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<tbody>
<tr>
<td>1980</td>
<td>50</td>
</tr>
<tr>
<td>1987</td>
<td>29</td>
</tr>
<tr>
<td>1990</td>
<td>23</td>
</tr>
<tr>
<td>1992</td>
<td>14</td>
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<td>1997</td>
<td>10</td>
</tr>
<tr>
<td>2000</td>
<td>6</td>
</tr>
<tr>
<td>2004</td>
<td>5</td>
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</table>

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

DAILY NEWSPAPERS OWNED BY CHAINS

<table>
<thead>
<tr>
<th>Year</th>
<th>Control by Chains</th>
</tr>
</thead>
<tbody>
<tr>
<td>1950</td>
<td>20%</td>
</tr>
<tr>
<td>1970</td>
<td>47%</td>
</tr>
<tr>
<td>2009</td>
<td>62%</td>
</tr>
<tr>
<td>2030</td>
<td>ALL WILL BE OWNED BY 10 CHAINS</td>
</tr>
</tbody>
</table>

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)
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

“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

**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

| Keeping Social Security and Medicare benefits as they are: 60% | Taking steps to reduce the budget deficit: 32% | Other/don’t know: 9% |


State and Local Spending, Wages and Retirement

- Employee Retirement 6%
- Wages and Salaries 28%
- Other 66%

Source: US Census
A Main Street Contract for the American People

1. Jobs at living wages to reinvest in America.
2. Equal access to quality, public education.
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
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.

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**NNU’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. NNU 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.
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.

Participatory Democracy

Democracy is NOT a Spectator Sport

Participatory Democracy

Economic Democracy

Representative Democracy

Political Democracy

National Nurses United

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