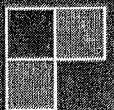


2011

Facts About The Economy

A Collection of Materials Illustrating the
Reality of Today's Economy

Compiled by The University of Iowa Labor Center
11/1/2011



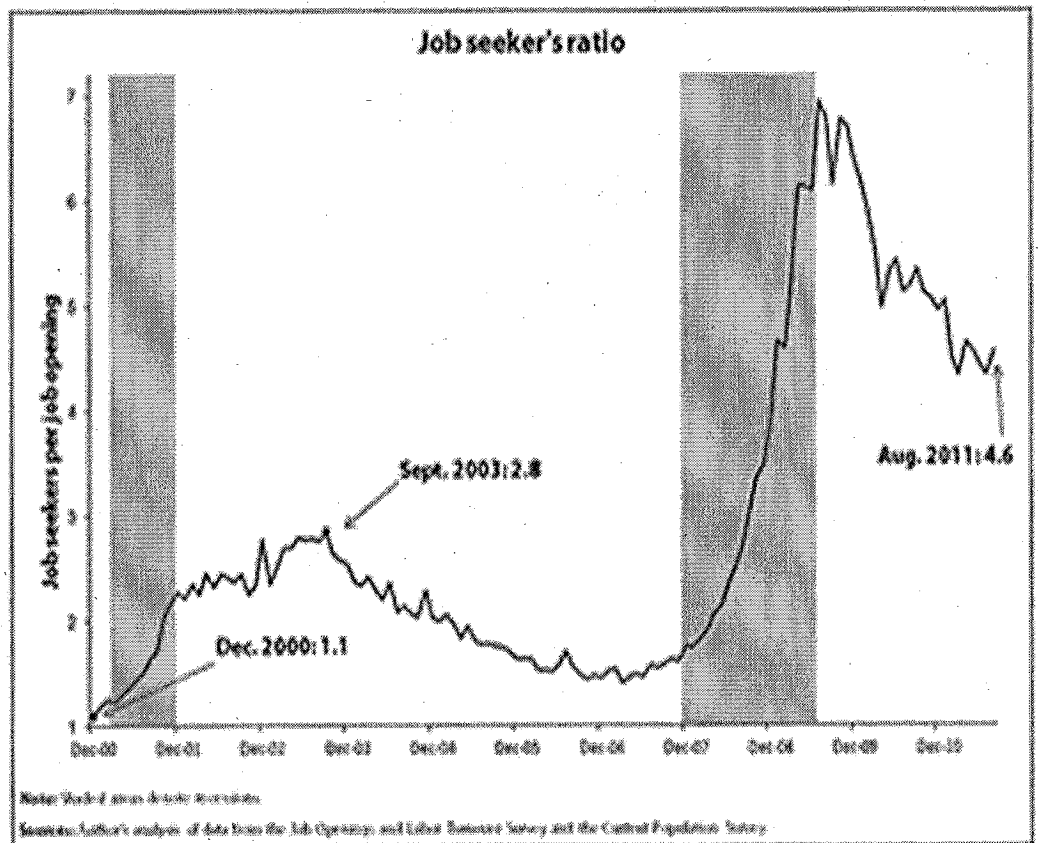
Facts About The Economy

No Jobs for 3 in 4 Unemployed Workers

August 2011:

- 3.1 million job openings
- 14 million unemployed
- 4.6 workers to each job

Economic Policy Institute,
October 11, 2011



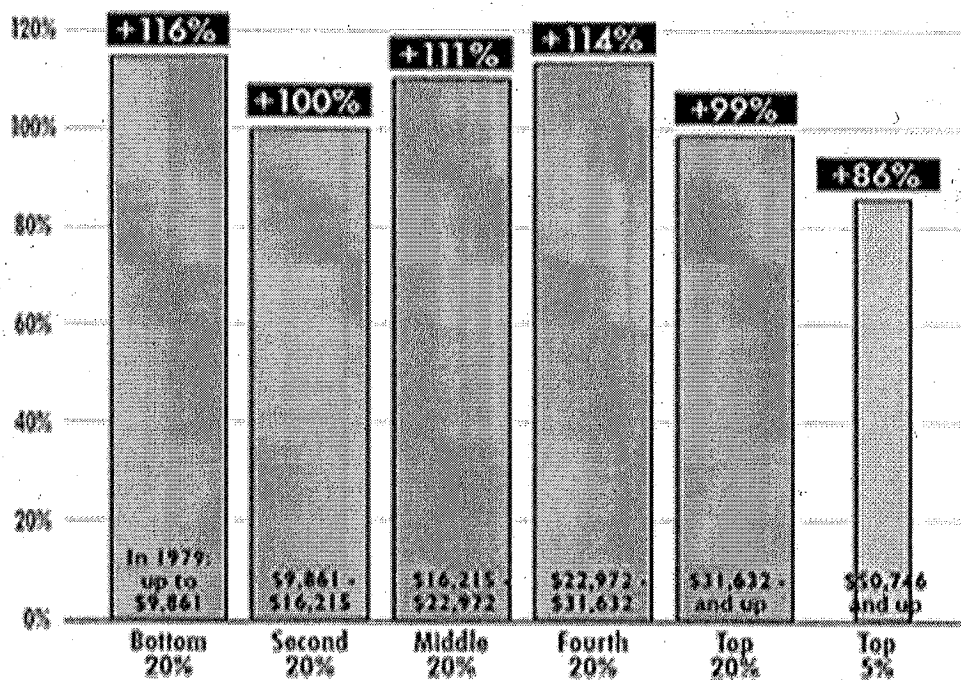
Questions:

1. How would you explain this chart in simple terms to another union member or neighbor?
2. When did the trend toward more jobseekers per job opening reverse? Why do you think it changed at that time?
3. Why do you think the drop in the number has stopped, and the number is still so high?

Facts About The Economy

Real Family Income Growth by Quintile with Top 5%, 1947-1979

We All Grew



Sources: Analysis of Census Bureau data from Michael Lawrence and Bernstein, Jared, *The State of Working America 1994-95*, p. 37. Income ranges in 1979 dollars, from March 2000 Census Current Population Survey, Table P-1.

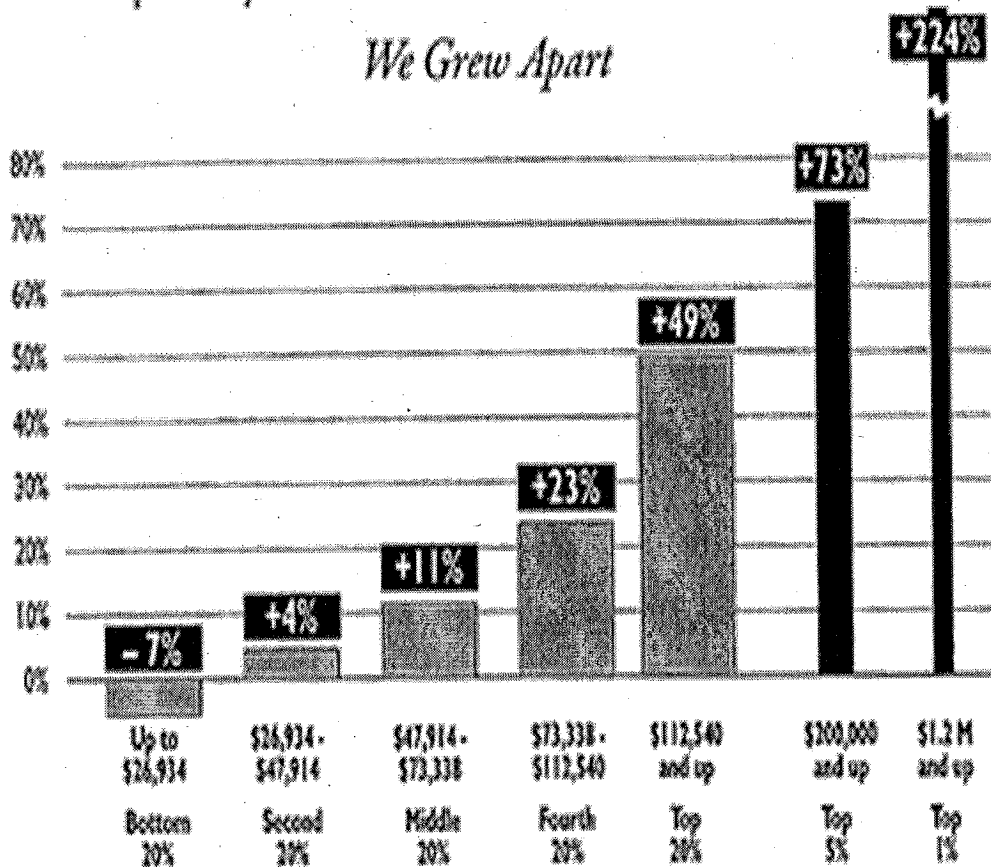
Questions:

1. How would you explain this chart in simple terms to another union member or neighbor?
2. What government policies or programs contributed to the type of income growth shown in the chart?
3. How does this chart compare to what you consider to be the "American Dream" Economy?

Facts About The Economy

Real Family Income Growth by Quintile with Top 5% & Top 1%, 1979-2009

We Grew Apart



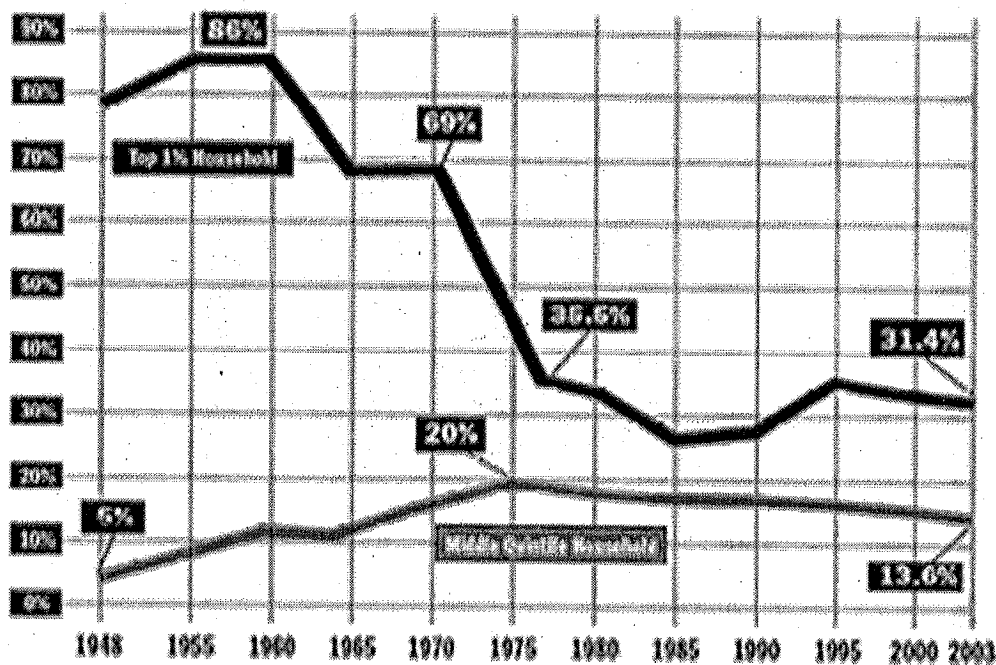
Source: US Census Bureau, Historical Income Tables, Tables A-1, A-2 (<http://www.census.gov/hhes/www/income/data/historical/families/index.html>)

Questions:

1. How would you explain this chart in simple terms to another union member or neighbor?
2. What government policies or programs contributed to the type of income growth shown in the chart?
3. How does this chart compare to what you consider to be the "American Dream" Economy?

Federal Tax Rates

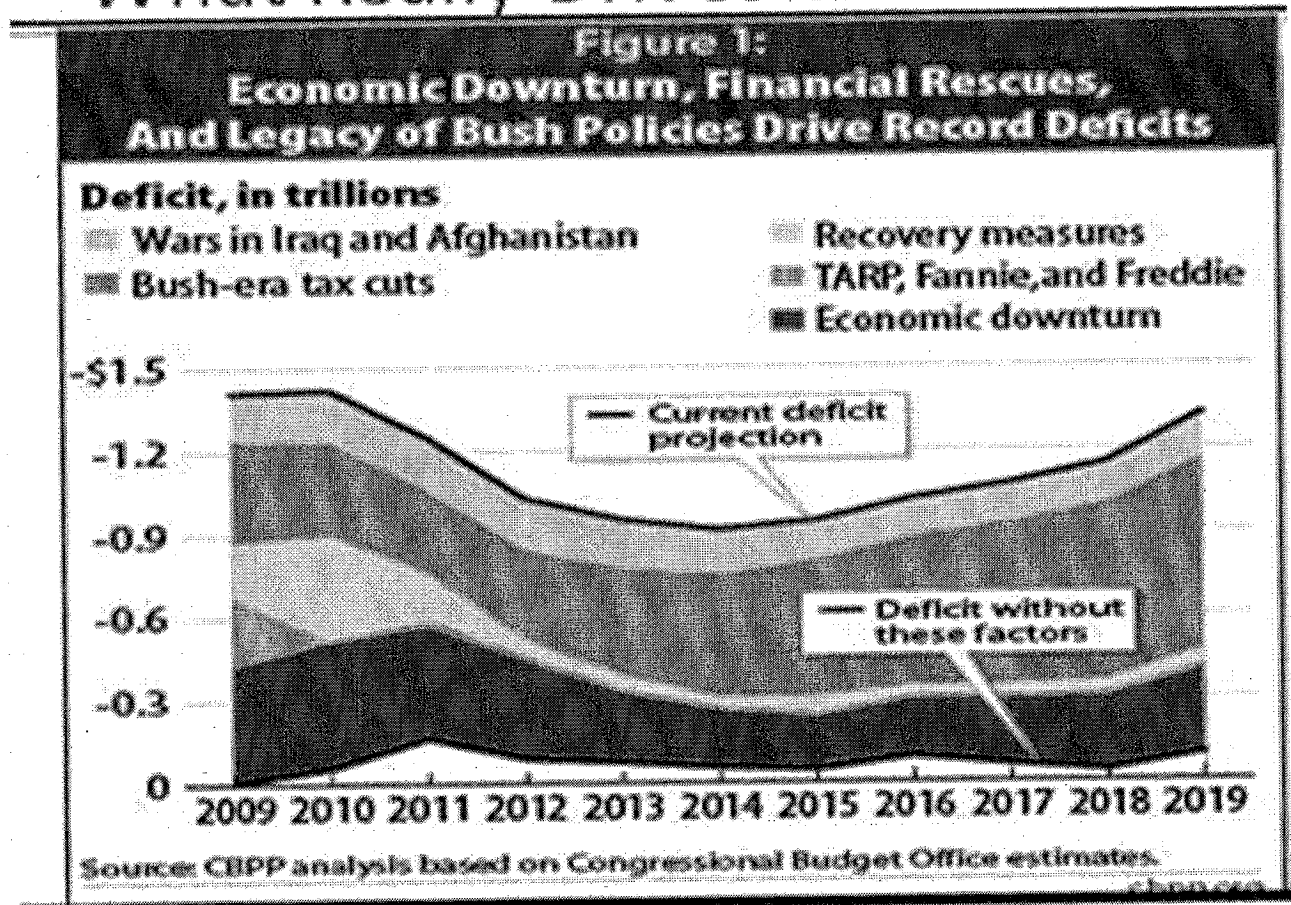
Effective federal tax rates (income tax + payroll tax) for the top 1% and the middle quintile of households, 1948-2003

[illegible]

Questions:

1. How would you explain this chart in simple terms to another union member or neighbor?
2. Who was President when the top 1% paid the highest percentage income tax? Who was President when they paid the lowest?
3. How does this distribution of federal income tax rates compare to what you consider the "American Dream" Economy?

What Really Drives The Deficit?

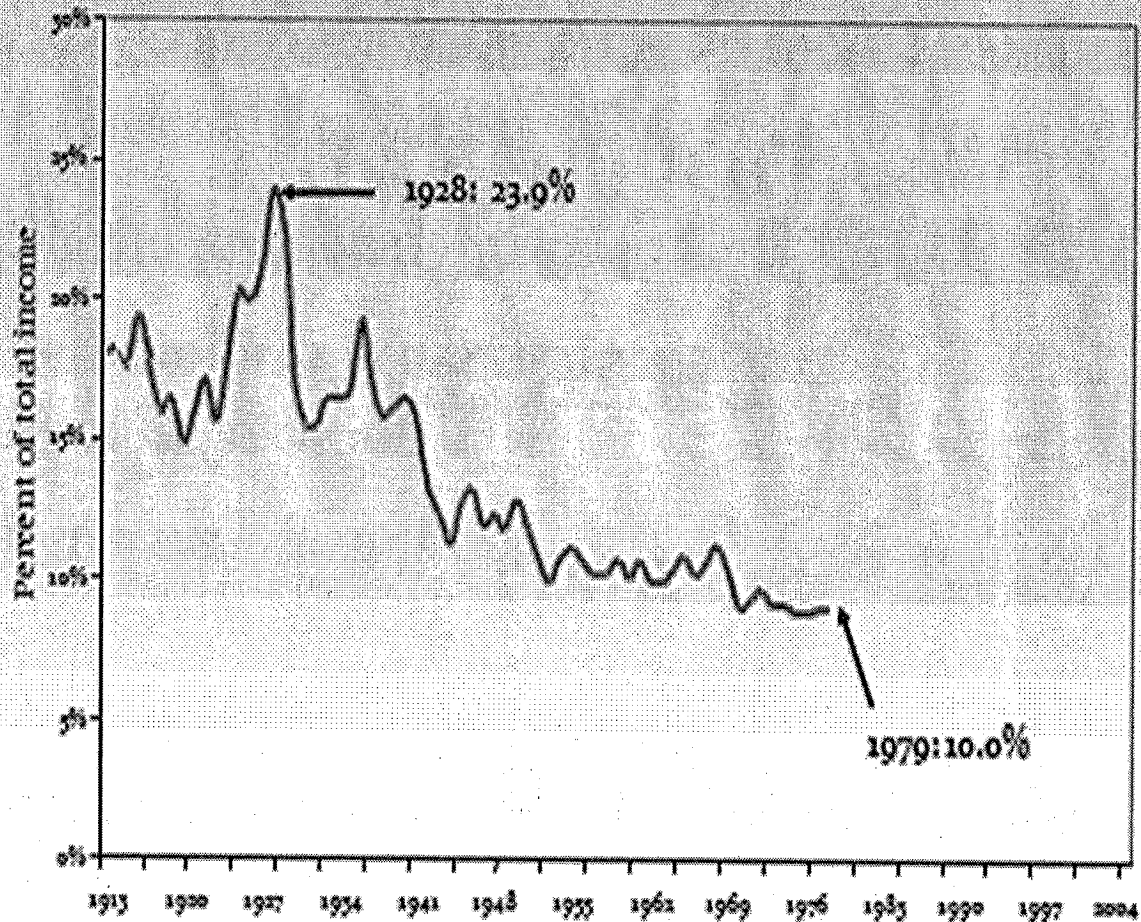


Questions:

1. How would you explain this chart in simple terms to another union member or neighbor?
2. Does this chart help you in determining what you consider to be the best ways to address the federal deficit?
3. What, if anything, does this chart tell you about deficit reduction plans you have heard about?

Inequality Reached Historic Low

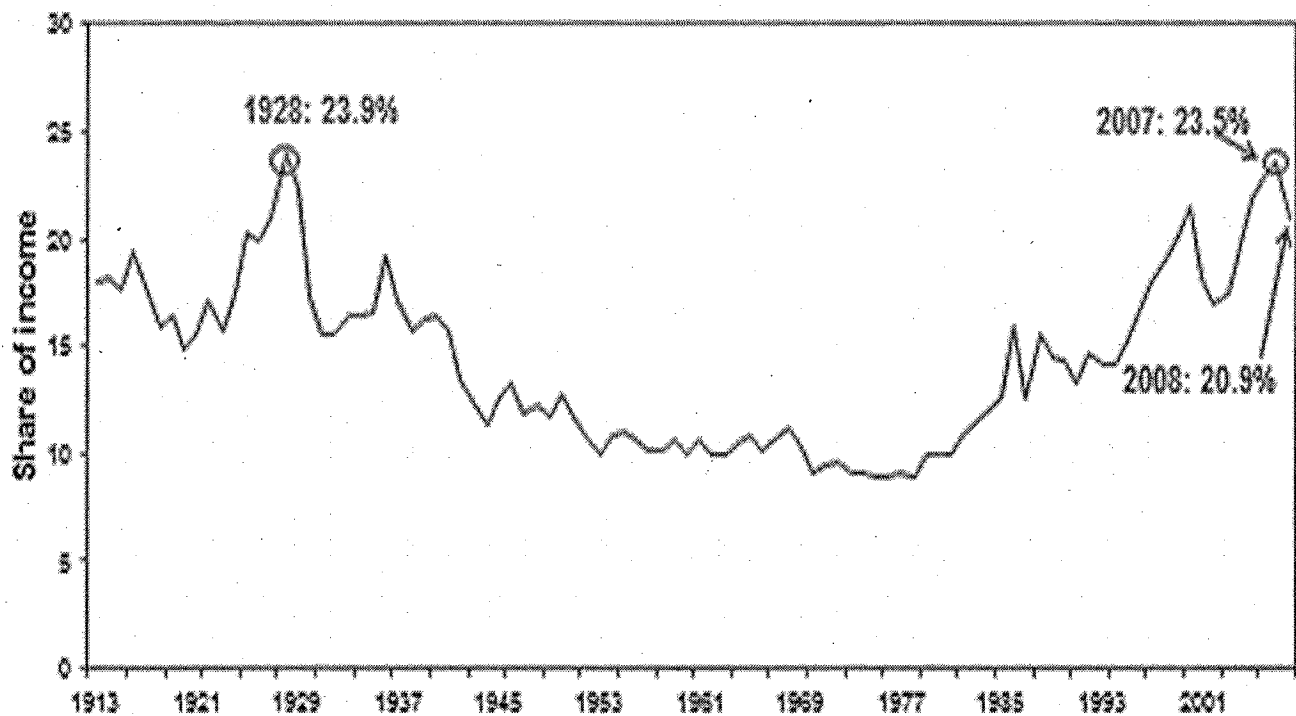
Income Shares of the Top 1%, 1913-2005



Source: Piketty and Saez (2006)

Income Inequality Highest Since 1928

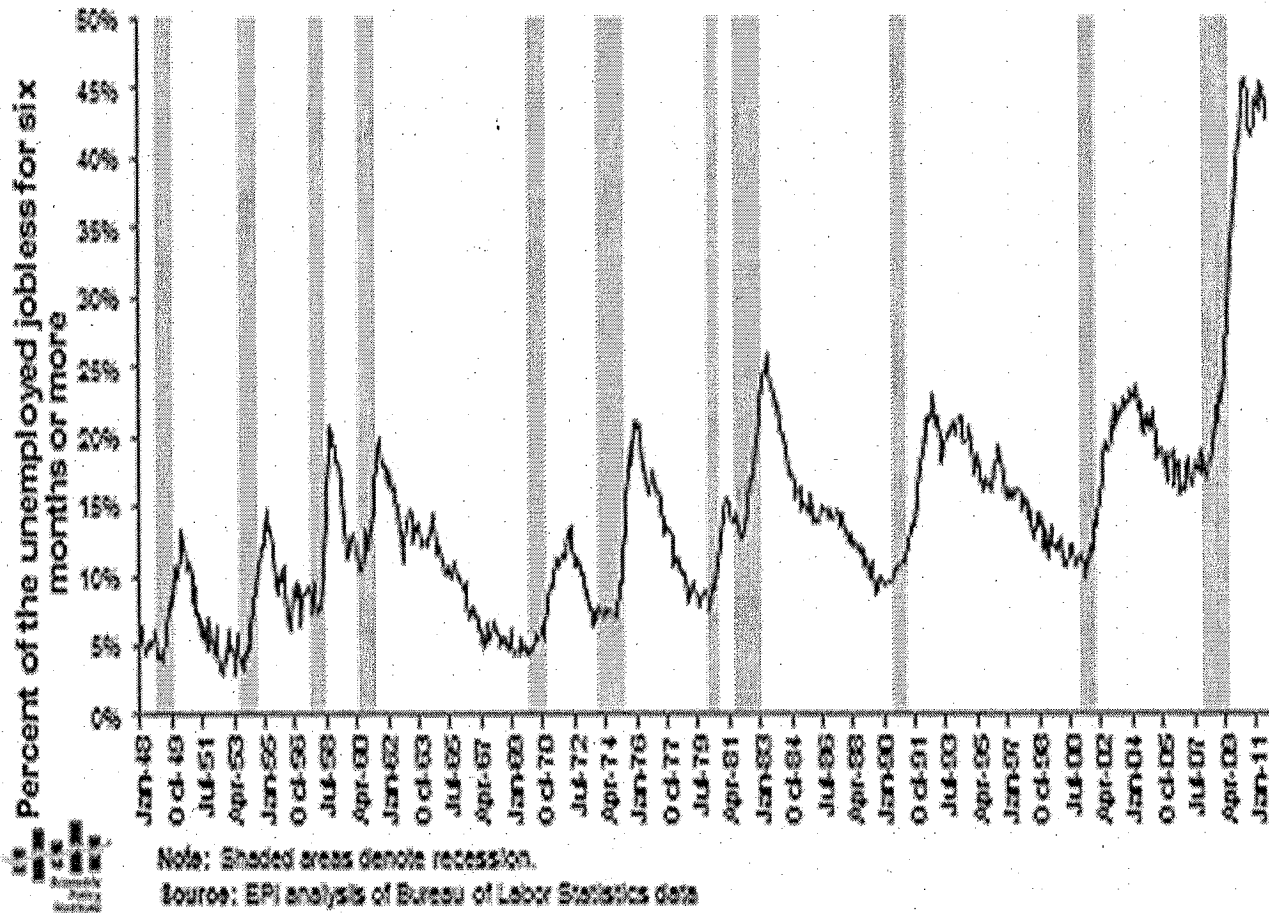
Share of income (including capital gains) held by top 1%, 1913-2008



Note: Sharp drops in income share around 2000 and 2008 are due to the dot-com bubble bursting and the financial crisis

Source: Atkinson, Piketty, and Saez (2010).


It Takes Longer To Find A Job Than Ever Before



General Electric (2010):

- Worldwide profits of \$14.2 billion
- U.S. profits of \$5.1 billion
- Paid NO FEDERAL TAXES
- Received a check from the U.S. Government of \$3.2 billion for refundable tax credits





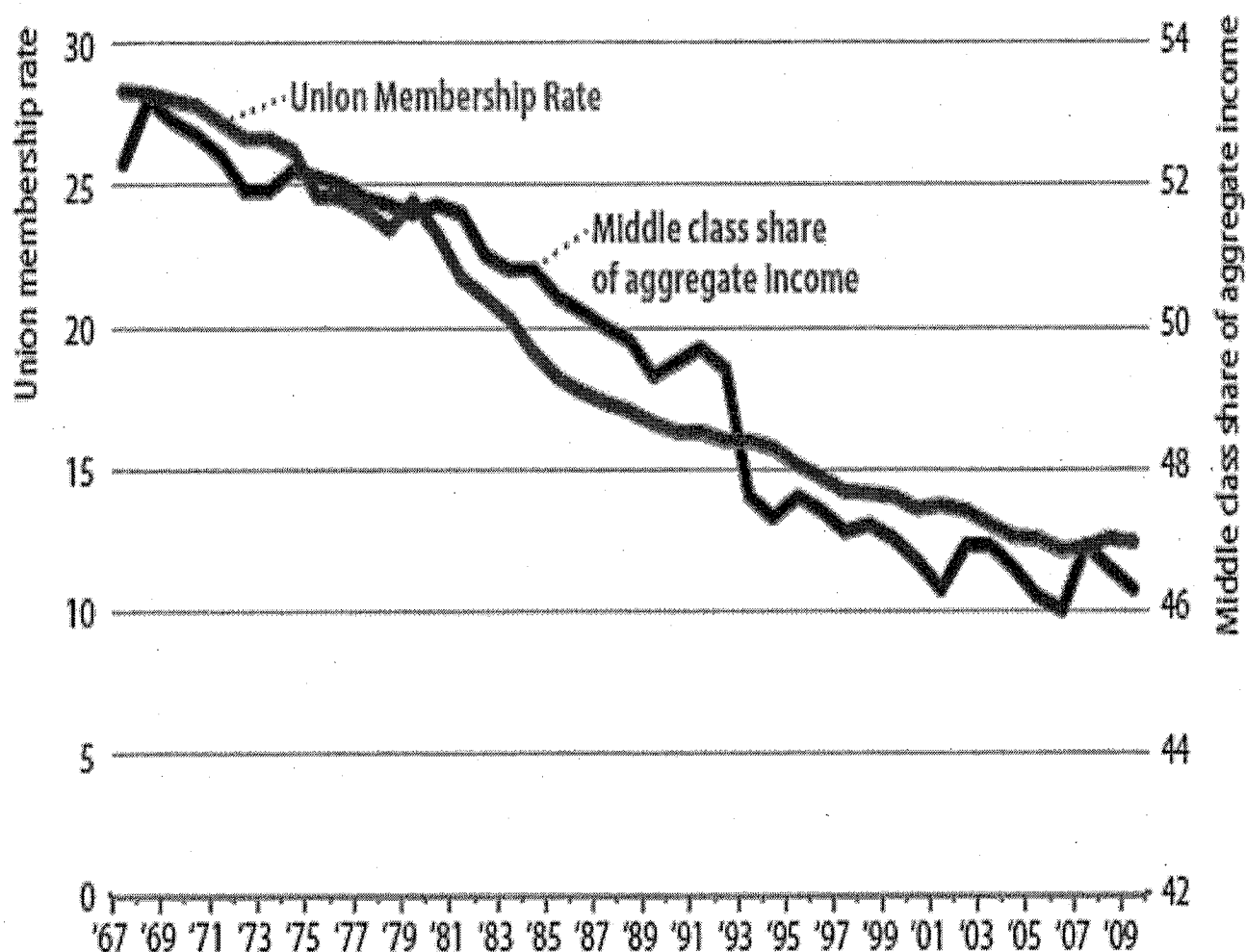
Facts About The GI Bill

- By 1947, 49% of persons attending college in the United States were doing so on the GI Bill
- Between 1946-1966 20% of all houses built in the United States were built with VA financing
- GI Bill also included \$20 per week unemployment benefits for up to 52 weeks
 - Critics predicted veterans would not even look for jobs until the checks stopped coming
 - In reality, less than 20% of available benefits were claimed and only one out of 19 veterans collected the full 52 weeks of benefits.

Facts About The Economy

Ties that bind

As union membership decreases, middle class income shrinks



Sources: Authors' analysis. Union Membership rate is from Barry T. Hirsch, David A. Macpherson, and Wayne G. Vroman, "Estimates of Union Density by State." Middle Class Share of Aggregate Income is from United States Census Bureau.

Chart from David Madland, Karla Walter and Nick Bunker, *Unions Make the Middle Class*, Published by Center for American Progress Action Fund, April 2011.

