

## SOME REASONS FOR ECONOMIC INEQUALITY TODAY

- Deregulation of the financial sector pushed up incomes at the top (Jacob Hacker –co-author of Winner Take All Politics) Policies put forth over decades by both parties’ lawmakers and Federal Reserve, leading to an over-bloated financial sector, predatory lending, derivatives. Result: Financial Industry became more powerful, leading to a race for more profits. Result: development of a “plutonomy” (economy controlled by the wealthy) – Connection between Washington and Wall Street. Top contributors to political campaigns by both parties. Alan Greenspan pushed for unregulated financial markets in early 2000’s, and Bernanke in 2006.
- Deregulation was a result of an ideology. The Banking Community and Corporations became influential in politics. Banking industry has a strong lobbying group in Washington. Our political system has written rules that benefit the rich at the expense of the 99%. Few bank executives have been prosecuted for their crimes of the derivatives and hedge funds before 2007 and many banks have returned to the practice of derivatives and hedge funds today
- Repeal of Glass-Steagall Act in 1999 eliminating the separation between commercial banks and investment banks leading to banking excesses. “Too Big To Fail “
- Political system in 2008 favored the banking industry but did not deal with the housing industry until just a year ago.
- After 2008 recession, upper 1% back as wealthy as ever due to bailouts of banks and weak writing and enforcement of laws such as Dodd – Frank Act. There is a need to curtail monopoly power, curtail predatory lending, curtail abusive credit card practices, curtail the abuses of CEO’s salaries.
- Tax structure today favors the upper 1% (multitude of loopholes)

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