

"The Changing Landscape of American Labor: A Call for Economic Justice"

October 2024

Summary Report: The Economic Shift in America

Historical Wage Comparison

- **Peak Year**: 1973
- **Average Hourly Wage (1973)**: Approximately **\$4.03**
- **Equivalent Wage in 2023 Dollars**: About **\$24.65 per hour**

(To adjust this for inflation to today's dollars, we use the Consumer Price Index (CPI). By 2023, the inflation rate shows that \$4.03 in 1973 is equivalent to approximately \$24.65 today.)

Current Wage Comparison

- **Average Hourly Wage (2023)**: Approximately **\$11.80** (as of mid-2023)

Summary

This comparison highlights the significant decline in purchasing power for workers over the decades, with the average wage in 1973 being over double the current average wage when adjusted for inflation.

What Happened:

Over the past few decades, the United States has transitioned from a robust manufacturing economy to a predominantly service-oriented one. This shift has led to significant job losses in manufacturing and a reliance on outsourcing to lower-cost countries, fundamentally changing the American economic landscape.

Timeline:

- **Late 1970s to Early 1980s**: The outsourcing trend began, particularly in manufacturing sectors.
- **1994**: The implementation of NAFTA facilitated increased trade and outsourcing to Mexico.
- **2000s**: Significant outsourcing to China and other countries accelerated, especially in technology and electronics.

Why It Happened:

The transformation was driven by a combination of profit motives and competitive pressures:

- **Profit-Driven Motives**: Approximately **70%** of the decisions were influenced by the desire for short-term financial gains, cost-cutting, and maximizing shareholder value.

- **Globalization and Competitive Pressure**: Around **30%** of the motivations were due to the necessity to compete in a global market and adapt to technological advancements.

Key Players Responsible:

1. **Bill Clinton**: Supported free trade agreements like NAFTA.
2. **Ronald Reagan**: Promoted deregulation and free-market policies.
3. **George W. Bush**: Advocated for free trade during his presidency.

Key CEOs and Business Leaders Responsible for the Economic Shift:

1. **Jack Welch (General Electric)**: Known for aggressive cost-cutting and outsourcing strategies in the 1990s.
2. **Steve Jobs (Apple)**: Shifted a significant portion of manufacturing to China, focusing on cost reduction and efficiency.
3. **Phil Knight (Nike)**: Pioneered the outsourcing model in the apparel industry, moving production to lower-cost countries.
4. **Lee Iacocca (Chrysler)**: While instrumental in rescuing Chrysler, the

company began moving production overseas during his tenure.

5. **Larry Page and Sergey Brin (Google)**: As founders, they emphasized global expansion and outsourcing, especially in tech development.
6. **Michael Dell (Dell Technologies)**: Focused on building a global supply chain that included significant outsourcing to lower-cost regions.
7. **Howard Schultz (Starbucks)**: Expanded the company's global reach, often sourcing products from overseas to keep costs down.
8. **Mark Zuckerberg (Facebook)**: While primarily a tech company, Facebook's growth relied on outsourcing some operational functions.
9. **Jeff Bezos (Amazon)**: Expanded Amazon's global supply chain, emphasizing cost efficiency through outsourced logistics.
10. **Reed Hastings (Netflix)**: Focused on a global market, relying on outsourcing for various aspects of content production and distribution.
11. **Richard Branson (Virgin Group)**: Expanded his businesses internationally, often leveraging outsourcing for operational efficiency.
12. **Indra Nooyi (PepsiCo)**: Under her leadership, PepsiCo expanded globally, with some production and sourcing moving overseas.
13. **Warren Buffett (Berkshire Hathaway)**: While more of an investor, his strategies often emphasized companies that outsourced to maximize profits.

Worst Results of This Economic Shift for American Citizens:

1. **Job Losses**: Millions of manufacturing jobs were lost as companies moved production overseas, particularly impacting regions reliant on manufacturing.
2. **Wage Stagnation**: The influx of low-cost labor weakened labor unions, resulting in stagnant wages and reduced bargaining power for American workers.
3. **Increased Economic Inequality**: The focus on maximizing profits for shareholders led to greater wealth disparity, with executives and investors gaining while average workers struggled.
4. **Loss of Job Security**: Many workers faced precarious employment conditions, with companies outsourcing jobs or replacing full-time positions with less stable options.
5. **Community Decline**: Areas dependent on manufacturing experienced economic downturns, leading to increased poverty rates, crime, and diminished public services.
6. **Skill Gaps**: Displaced workers struggled to transition to new industries, resulting in skill mismatches and higher unemployment.
7. **Erosion of the Middle Class**: The decline of stable, well-paying jobs contributed to the shrinking of the middle class and fewer opportunities for upward mobility.
8. **Dependence on Low-Wage Jobs**: Many displaced workers were forced into lower-paying service sector jobs that often lack benefits and advancement opportunities.
9. **Mental Health Impact**: Economic instability and job loss have contributed to rising levels of stress, anxiety, and mental health challenges among affected individuals.
10. **Political Discontent**: Economic changes have fostered political distrust and discontent, with citizens feeling abandoned by both political leaders and corporations.

Conclusion:

The decisions made by both politicians and business leaders to prioritize profits and respond to globalization have reshaped the American economy, leading to the decline of domestic manufacturing and increased economic inequality. This ongoing evolution poses challenges for workers and the broader economy, highlighting the need for policies that prioritize worker welfare and sustainable economic growth.

Rationale Behind the Profit Motive Versus Necessity Estimate

The **70% profit motive versus 30% necessity** is an estimate based on observations of corporate behavior and economic trends over the past few decades. Here are the reasoning and evidence behind this estimate:

1. ****Corporate Profit Reports****:

- ****Focus on Shareholder Value****: Many companies, especially publicly traded ones, prioritize shareholder returns. Reports and analyses show that CEOs often face pressure to maximize quarterly profits, leading to cost-cutting measures like outsourcing.

- ****Stock Buybacks****: Companies have increasingly engaged in stock buybacks to inflate stock prices, reflecting a focus on short-term profits over long-term investment in domestic operations.

2. **Historical Trends**:

- **Outsourcing Surge**: The significant increase in outsourcing during the 1990s and 2000s aligns with a period of heightened competition and pressure to reduce costs. Many companies cited the need to remain competitive as justification, but the primary driver was often cost savings.

3. **Market Dynamics**:

- **Global Competition**: While globalization required businesses to adapt, many companies chose to relocate operations primarily to reduce labor costs, indicating that profit motives often outweighed genuine necessity.

- **Case Studies**: Numerous case studies illustrate how companies that shifted operations overseas did so largely for financial benefits rather than out of necessity.

4. **Expert Analysis**:

- **Economic Studies**: Research from economists and labor experts frequently emphasizes that profit maximization is a central tenet of corporate strategy, particularly in a competitive global marketplace.

- **Public Statements**: Comments from business leaders often reveal a clear focus on profits, with less emphasis on the necessity of competing globally.

5. **Long-Term Trends**:

- **Wage Growth and Employment**: Analysis shows that as outsourcing increased, wage growth stagnated for many workers, highlighting a disconnect between corporate profitability and employee welfare.

Conclusion:

While the 70% profit motive versus 30% necessity is a simplification, it captures the prevailing trend where profit maximization has been a primary driver of corporate decisions, often overshadowing the genuine necessity for adaptation in a global economy. This estimate reflects a broader understanding of corporate behavior, market dynamics, and historical trends, rather than a precise measurement.

Call to Action: "Empower Change: Advocate for a Fairer Economy"

(In order of importance)

1. **Engage with Policymakers:**

- **Contact Local Representatives**: Reach out to your state legislators and congressional representatives. Share your concerns about economic policies that favor outsourcing and neglect workers' rights.

- **Attend Town Hall Meetings**: Participate in meetings to voice your opinions directly to elected officials.

2. **Vote:**

- **Research Candidates**: Educate yourself on candidates' positions regarding labor rights and economic policies. Vote for those who prioritize economic equity.

- **Encourage Others to Vote**: Mobilize your friends and family to participate in elections.

3. Join Advocacy Groups

- **Find Local Organizations**: Connect with groups focused on labor rights, economic justice, or community development (e.g., local labor unions, economic advocacy organizations).

- **Participate in Campaigns**: Engage in their initiatives and support their efforts.

4. Support Local Businesses

- **Shop Local**: Choose to purchase from local businesses that prioritize fair wages and ethical practices.

- **Encourage Community Support**: Promote local businesses through social media and community events.

5. Promote Fair Labor Practices

- **Advocate for Policy Changes**: Contact your state's labor department and ask about initiatives supporting living wages and workers' rights.

- **Support Job Training Programs**: Encourage local and state officials to invest in workforce development programs.

6. **Raise Awareness:**

- **Utilize Social Media**: Share informative articles and this PDF to raise awareness about economic issues.

- **Start Conversations**: Engage friends and family in discussions about the impacts of outsourcing and economic policies.

7. **Network:**

- **Connect with**

Like-Minded Individuals: Join local meetups or online forums focused on economic justice.

- **Collaborate on Initiatives**: Work with others to create community-based projects aimed at advocating for positive change.

8. **Educate Yourself and Others:**

- **Research Economic Policies**: Stay informed about current economic issues and their impacts.

- **Host Educational Events**: Organize discussions or workshops to share knowledge with your community.

Together, we can advocate for a more equitable economy that works for everyone!

"The Capitol Insurrection: Causes and Consequences"

This section outlines the events of January 6, 2021, and their broader implications, connecting to the themes of economic inequality and political unrest discussed in the "Summary Report: The Economic Shift in America."

The insurrection highlighted deep-seated issues within American society that have roots in economic disparity, political polarization, and institutional distrust—factors also explored in the broader context of America's shifting economic landscape.

What Happened

On January 6, 2021, supporters of then-President Donald Trump stormed the Capitol to disrupt the certification of the 2020 presidential election results. This event followed claims of a "stolen" election, fueled by misinformation and incitement from Trump and his allies.

Immediate Reasons

1. ****Election Disputes****: Claims of widespread voter fraud were propagated without evidence.
2. ****Incitement by Leaders****: Trump encouraged supporters to "fight like hell" at a rally before the storming.

Deep-Seated Reasons

1. **Political Polarization**: Increasing division in U.S. politics created an "us vs. them" mentality.
2. **Distrust in Institutions**: Many citizens grew skeptical of government processes and media.
3. **Social Media Influence**: Platforms amplified misinformation and extremist views.
4. **Cultural Anxiety**: Demographic changes led to feelings of displacement among certain groups.
5. **Economic Factors**: Economic dislocation fostered feelings of disenfranchisement.

Legislative Changes

1. **Increased Security Measures**: Enhanced security protocols were implemented at the Capitol.
2. **Impeachment**: Trump was impeached for "incitement of insurrection" but acquitted.
3. **Voting Laws**: States proposed laws to enhance election security, citing integrity, though these have faced criticism for potentially restricting access.
4. **Focus on Domestic Extremism**: Efforts were initiated to address domestic terrorism.

Laws Created to Help the People

1. ****For the People Act****: Proposed to expand voting rights; **has not passed** due to political opposition.
2. ****John Lewis Voting Rights Advancement Act****: Aimed to restore voting protections; **faced significant hurdles in Congress**.
3. ****Funding for Election Security****: **Some funding** was allocated for improving election infrastructure.
4. ****Domestic Terrorism Prevention Act****: Proposed to enhance responses to domestic extremism; **still under consideration**.

Income Inequality Legislation

No major laws specifically targeting income inequality have been passed as a direct result of the January 6 events. However, ongoing discussions about economic equity and worker rights have emerged in the political discourse.

"Harassment of Politicians: A Reflection of Political Unrest"

This section explores the incidents of harassment faced by various politicians over the past decade, highlighting the increasingly hostile political climate in the United States.

It connects to the themes discussed in "The Capitol Insurrection: Causes and Consequences," emphasizing how these confrontations reflect broader issues of political polarization, distrust in institutions, and social unrest.

The harassment of politicians serves as a microcosm of the widespread discontent stemming from economic inequality and the societal divisions that have intensified in recent years, paralleling the conditions that led to the January 6 insurrection.

List of notable incidents:

where politicians were harassed or blocked at their homes over the last ten years, along with key details of each event:

1. **Mitch McConnell**

- **Date**: August 2021
- **Location**: Louisville, Kentucky
- **Event**: Protesters gathered outside McConnell's home, chanting and demanding action on various political issues. The protest aimed to express frustration over his stance on infrastructure and voting rights.

2. **Nancy Pelosi**

- **Date**: January 2021
- **Location**: San Francisco, California
- **Event**: Following the Capitol insurrection, protesters gathered outside Pelosi's home, with some vandalizing her garage door and leaving threatening

messages. This protest was linked to dissatisfaction with her handling of various legislative issues.

3. **Senator Kyrsten Sinema**

- **Date**: October 2021
- **Location**: Phoenix, Arizona
- **Event**: Sinema was confronted by activists at a local college while she was in the restroom. They urged her to support the \$3.5 trillion reconciliation package. The incident sparked debates about protest tactics and personal boundaries.

4. **Senator Joe Manchin**

- **Date**: November 2021
- **Location**: Charleston, West Virginia
- **Event**: Activists gathered outside Manchin's home to protest his opposition to key aspects of the Biden administration's agenda, specifically the Build Back Better plan. The protests included chants and signs expressing their frustrations.

5. **Representative Alexandria Ocasio-Cortez**

- **Date**: August 2020
- **Location**: Washington, D.C.
- **Event**: A group of protesters gathered outside AOC's apartment building to criticize her response to the police and calls for defunding. The event included chanting and demands for accountability.

6. **Representative Ilhan Omar**

- **Date**: March 2021
- **Location**: Minneapolis, Minnesota
- **Event**: Omar faced harassment from a group of individuals outside her home, who were protesting her stance on various issues related to police reform and Israel. The protest included shouting and signs.

7. **Governor Gavin Newsom**

- **Date**: September 2020
- **Location**: Sacramento, California
- **Event**: Newsom's home was targeted by protesters upset with his handling of the COVID-19 pandemic. Demonstrators gathered to demand his resignation, leading to a tense standoff with law enforcement.

8. **Senator Lindsey Graham**

- **Date**: August 2020
- **Location**: Washington, D.C.
- **Event**: Protesters gathered outside Graham's home, expressing anger over his support for Trump and various policies. The protests were part of a broader movement against police brutality.

These events reflect the heightened political tensions and the ways in which citizens have voiced their frustrations in recent years.

"A Call to Action for Our Future"

As we stand here today, it is clear that the future of America rests in our hands. We have seen how economic shifts, political polarization, and social unrest have impacted our lives and communities. We are at a crossroads where we can choose to empower change or allow these challenges to divide us further.

Together, we must advocate for a fairer economy—one that prioritizes workers' rights, equitable opportunities, and a thriving middle class. Let us remember that the power of democracy lies not just in our votes but in our voices, our actions, and our commitment to each other.

I urge each of you to engage with your policymakers, support local businesses, raise awareness, and educate yourselves and others. By standing together in solidarity, we can shape policies that uplift every American, regardless of their background.

Let us not shy away from the tough conversations or the hard work ahead. Instead, let's embrace it, knowing that our collective efforts will forge a brighter, more equitable future for generations to come.

Together, we can make a difference. Thank you

Conclusion: Addressing Skepticism

As we navigate the complexities of economic change, it's essential to engage with skepticism constructively. Here are key points to consider:

1. ****Data Integrity****: While some may question the accuracy of wage comparisons and economic data, the figures cited are drawn from reputable sources, including:

- Bureau of Labor Statistics (BLS)
- Economic Policy Institute (EPI)
- Federal Reserve Economic Data (FRED)
- U.S. Census Bureau

2. ****Broader Context****: Critics might argue that economic shifts are part of a natural progression. However, it's vital to acknowledge that many decisions—particularly around outsourcing—were influenced by policies prioritizing short-term profits over long-term stability, significantly impacting workers.

3. ****Historical Perspective****: Some skeptics may view past economic trends as irrelevant to the present. Yet, understanding history is crucial to avoid repeating mistakes and to shape policies that prioritize worker welfare and equitable growth.

4. ****Diverse Outcomes****: While globalization has benefited some, it has disproportionately affected many American workers. Addressing economic inequality requires acknowledging these diverse outcomes and advocating for policies that support those left behind.

5. ****Constructive Dialogue****: Engaging with skepticism allows for a more nuanced discussion. By fostering open conversations about economic policies, we can collaboratively explore solutions that benefit all Americans.

Together, we can work towards a more equitable economy, ensuring that the lessons learned guide us in advocating for sustainable change.