

How Washington Made the Rich Richer and Turned Its Back on the Middle Class

For decades, the American middle class has been shrinking while the wealth of the richest Americans has skyrocketed. This trend, known as the "Great Divergence," has been driven by a number of factors, including:

- **Tax policy:** The wealthiest Americans have benefited from tax cuts that have disproportionately reduced their tax burden. Meanwhile, the middle class has seen its taxes increase or remain stagnant.
- **Trade policy:** Trade deals negotiated by Washington have led to the loss of millions of American jobs, particularly those in manufacturing. This has resulted in lower wages and fewer opportunities for middle-class workers.
- **Financial deregulation:** The deregulation of the financial industry in the 1990s led to the 2008 financial crisis, which disproportionately hurt the middle class.
- **Education policy:** The increasing cost of college education has made it more difficult for middle-class families to afford a higher education for their children. This has led to a decline in social mobility and a widening of the income gap.

The Great Divergence has had a number of negative consequences for the American economy and society. It has led to:

- **Increased income inequality:** The gap between the rich and the rest of America has grown wider than at any time since the Gilded Age.

- **Reduced economic growth:** The shrinking middle class has led to a decline in consumer spending, which has slowed economic growth.
- **Social unrest:** The Great Divergence has contributed to social unrest and political polarization.

Washington has played a key role in the Great Divergence. Tax cuts, trade deals, financial deregulation, and education policy have all contributed to the decline of the middle class.



Winner-Take-All Politics: How Washington Made the Rich Richer--and Turned Its Back on the Middle Class

by Jacob S. Hacker

★★★★☆ 4.5 out of 5

Language : English
 File size : 2353 KB
 Text-to-Speech : Enabled
 Screen Reader : Supported
 Enhanced typesetting : Enabled
 Word Wise : Enabled
 Print length : 372 pages



Tax cuts: The wealthiest Americans have benefited from a series of tax cuts that have disproportionately reduced their tax burden. For example, the Tax Cuts and Jobs Act of 2017 reduced the top marginal income tax rate from 39.6% to 37%. This tax cut will disproportionately benefit the wealthiest Americans, who pay a larger share of their income in taxes.

Trade deals: Trade deals negotiated by Washington have led to the loss of millions of American jobs, particularly those in manufacturing. This has

resulted in lower wages and fewer opportunities for middle-class workers. For example, the North American Free Trade Agreement (NAFTA) led to the loss of 700,000 American jobs.

Financial deregulation: The deregulation of the financial industry in the 1990s led to the 2008 financial crisis, which disproportionately hurt the middle class. The deregulation of the financial industry allowed banks to take on more risk, which led to the housing bubble and the subsequent financial crisis. The financial crisis led to a loss of wealth for millions of Americans, particularly those who lost their jobs or homes.

Education policy: The increasing cost of college education has made it more difficult for middle-class families to afford a higher education for their children. This has led to a decline in social mobility and a widening of the income gap. For example, the cost of tuition and fees at public four-year colleges has increased by more than 250% since 1985.

There are a number of things that Washington can do to reverse the Great Divergence and help the middle class. These include:

- **Raising taxes on the wealthy:** The wealthiest Americans should pay their fair share of taxes. This could be done by raising the top marginal income tax rate, closing tax loopholes, and implementing a wealth tax.
- **Investing in infrastructure:** Investing in infrastructure would create jobs and boost economic growth. This could include investing in roads, bridges, public transportation, and clean energy.
- **Strengthening labor unions:** Labor unions help workers to negotiate higher wages and benefits. Washington can strengthen labor unions

by making it easier for workers to organize and by passing legislation that protects the rights of workers.

- **Making college more affordable:** Washington can make college more affordable by increasing Pell Grants, expanding tax credits for college expenses, and refinancing student loans.
- **Addressing climate change:** Climate change is a major threat to the American economy and society. Washington can address climate change by investing in clean energy, reducing carbon emissions, and promoting energy efficiency.

By taking these steps, Washington can help to reverse the Great Divergence and create a more just and equitable economy for all Americans.

The Great Divergence is a serious problem that is threatening the American economy and society. The wealthiest Americans have benefited from tax cuts, trade deals, financial deregulation, and education policy, while the middle class has been left behind. Washington has played a key role in this trend, and it must take action to reverse it.

There are a number of things that Washington can do to help the middle class, including raising taxes on the wealthy, investing in infrastructure, strengthening labor unions, making college more affordable, and addressing climate change. By taking these steps, Washington can help to create a more just and equitable economy for all Americans.

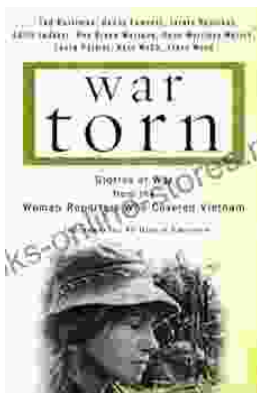
Winner-Take-All Politics: How Washington Made the Rich Richer--and Turned Its Back on the Middle Class

by Jacob S. Hacker



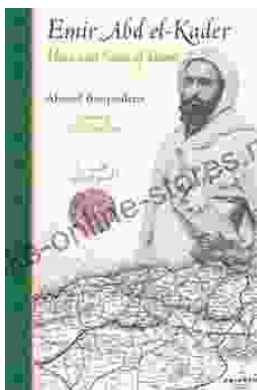
★ ★ ★ ★ ☆ 4.5 out of 5

Language : English
File size : 2353 KB
Text-to-Speech : Enabled
Screen Reader : Supported
Enhanced typesetting : Enabled
Word Wise : Enabled
Print length : 372 pages



Stories of War from the Women Reporters Who Covered Vietnam

The Vietnam War was one of the most significant events of the 20th century. It was a complex and controversial conflict that had a profound impact on both the United States...



The Hero and Saint of Islam: A Perennial Philosophy

Ali ibn Abi Talib, the fourth caliph of Islam, is a figure of great significance in the Muslim world. He is revered as a hero and a saint, and his...