

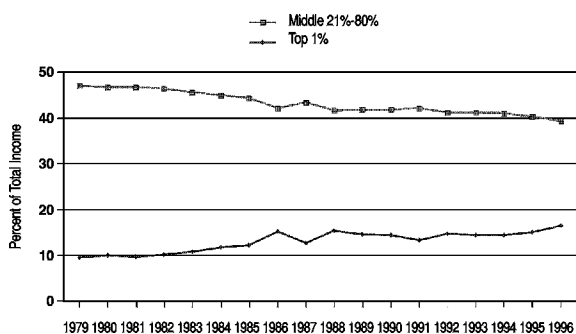
You're Being Played for a Sucker

Though few would be surprised by the statement that the rich have gotten richer during the past two decades, many of you would be amazed to know that **the richest 1.5% of the population have gotten nearly all income growth**. In 1997, the top one-third of one percent had 67% of the nation's growth in personal income. By contrast, the 50% **with a 1997 AGI (adjusted gross income) between \$20,000 and \$100,000 had no gain** to show for 20 years hard work.

Bogus Tax Cuts Favor the Wealthiest — The income share of the top one-third of one percent rose from less than 4% in 1976 to more than 12% in 1997. Popular wisdom would have us believe that such gains are merely the product of “uncontrollable market forces.” **Market forces are not the problem.** Rather, a privileged few have finagled massive tax cuts for themselves. While **the richest in the top 1% averaged a 42% tax cut**, the majority of Americans received only 3% or less in tax relief that same year. In 1997, **this totaled over 91 billion dollars for the top group of 144,000 multimillionaires -- about \$637,000 for each of them**, over what they would have paid under the 1976 rates. 1997 is the most recent year for which the government has provided complete statistics. As pointed out in the new book, *A Broken Covenant -- The Rape of the American Middle Class*, the top one-eighth of one percent was already getting nearly 1/3 of their income from capital gains protected investments like the stock market. We can be certain that

Figure 4:

Income Share of Middle Class and Top 1%, 1979-1996



the bull market of the past few years has provided the superrich with even greater tax savings.

Most of Us Left Out — the 91 billion dollars worth of tax cuts bestowed upon this privileged one eighth of one percent was more than 12% of the 731 billion income tax dollars collected in 1997. By contrast **the 115 million taxpayers who had an AGI income in 1997 of \$100,000 or less, got less than 17 billion dollars**. For this to be the results of twenty years of Congressional tax cutting speaks to an unfair — if not corrupt — legislative system.

It Could Be Different — If that 91 billion dollars worth of tax cuts hadn't been given to the richest few, the taxes of the other 94% of us could be cut 4 to 5 times as much as they were. The current budget surplus will give Congress more opportunities to cut taxes. Given their track record over the past twenty years, which group of taxpayers do you think is going to haul away this windfall?

We Deserve Better — Cutting taxes is a wonderful idea. But **why funnel the benefits to the richest at the expense of the majority of hardworking American families**. Why are we allowing a band of con artists masquerading as fiscally responsible legislators to keep setting the agenda? **Don't let Congress keep saying one thing and doing another.**

On a related front, **twenty years of these unprecedented tax cuts have allowed the richest 1% to double their share of wealth, to over 40% of all personal wealth in America** -- nearly twice the percentage held by the richest 1% in other democratic nations throughout the world. This concentration of wealth into such a few hands has put our middle class, and in turn, our society, in danger. Now Congress wants to eliminate the only vehicle we have to redress this unreasonable concentration of wealth — the estate tax law. This one tax cut for the mega-rich could put our nation out of business.

A Broken Covenant -- The Rape of the American Middle Class, documents the income trends over the past two decades, examines the tax cuts which have created this unfair advantage for the mega-rich, and explores the ramifications of these policies. The book **gives you the tools to do something about the situation now, before it's too late.**

Make Your Voice Heard — Learn the facts **NOW** before the election! **It's up to you!**

Visit our website to get additional **FREE INFORMATION**
or order a copy of the book-----> <http://www.bmes.net/free.htm>



Comparison of Adjusted Gross Income between 1976 and 1997 (using constant 1976 dollars)

1976			
Taxpayer Groups	# of Returns	AGI (less Deficit) (x1,000)	Mean AGI
100.00%	84,670,389	\$1,053,895,686	\$12,447
0.27%	226,903	\$39,905,482	\$175,870
1.12%	948,034	\$62,415,723	\$65,837
1.39%	1,174,937	\$102,321,205	\$87,087
98.61%	83,495,452	\$951,574,481	\$11,397
144.59%	166.85%	115.40%	

In 1976: AGI (adjusted gross income) analysis

There were almost 85 million tax filers with a combined AGI of slightly over 1 trillion dollars. The top 0.27% had a combined AGI of about 40 billion dollars and an average AGI of \$175,870.

The top 1.39% had a combined AGI of about 102 billion dollars and an average AGI of \$87,087. The remaining 98.61% had a combined AGI of about 952 billion dollars and an average AGI of \$11,397.

Between 1976 & 1997, the number of tax filers increased by about 45%. The total AGI increased by about 67% in 1976 constant dollars. This resulted in a real AGI gain of about 15%.

1997 (in constant 1976 dollars)			
Taxpayer Groups	# of Returns	AGI (less Deficit) (x1,000)	Mean AGI
100.00%	122,421,991	\$1,758,399,800	\$14,363
0.12%	144,459	\$149,839,535	\$1,037,246
0.21%	261,708	\$62,506,814	\$238,842
0.33%	406,167	\$212,346,349	\$522,806
1.15%	1,401,734	\$143,048,809	\$102,051
1.48%	1,807,901	\$355,395,159	\$196,579
98.52%	120,614,090	\$1,403,004,641	\$11,632

In 1997 (once income is converted into constant 1976 dollars):

There were over 122 million tax filers with a combined AGI of about 1.758 trillion dollars.

The top 0.33% had a combined AGI of over 212 billion dollars and an average AGI of \$522,806.

The top 1.48% had a combined AGI of over 355 billion dollars and an average AGI of \$196,579.

The remaining 98.52% had a combined AGI of about \$1.403 trillion dollars and an average AGI of \$11,632. The 60% of taxpayers who make up the middle class experienced a 1% REDUCTION in their average AGI.

Can we afford to let Congress keep passing these types of tax cuts?

1976	Top 0.27%	3.79%
1976	Top 1.39%	9.71%
1976	Other 98.61%	90.29%
1997	Top 0.33%	12.08%
1997	Top 1.48%	20.21%
1997	Other 98.52%	79.79%

In 1976:

The top 0.27% had 3.79% of the total AGI.

The top 1.39% had 9.71% of the total AGI.

The remaining 98.61% had 90.29% of the total AGI.

By 1997:

The top 0.33% had 12.08% of the total AGI.

The top 1.48% had 20.21% of the total AGI.

The remaining 98.52% had 79.79% of the total AGI.

As you can see from the 1976 and 1997 income tax spreadsheets, nearly all of the highly touted tax cuts of the past two decades had gone to the richest 0.3%. While members of this exclusive club enjoyed reductions in their 1997 taxes of between 25.58% and 42.86%, the balance of American taxpayers had to settle for next to nothing, if they got any relief at all. And these puny increases were eaten up by increases in social security and medicare taxes.

Individual Income Tax Returns, 1997 Figure F (page 13) and Table 1 (page 25). Statistics of Income, 1976 (Pub 79 (4-79), Table 3.5 (pg. 98).

(Please forward a copy of this entire file to your friends and associates)

FOR IMMEDIATE RELEASE

Congress Abuses Middle Class

The middle class has lost a significant share of the American pie over the past two decades. "There has been a massive shift of wealth out of the hands of the American middle class," states author Stephen Rodnesky.

In his new book, *A Broken Covenant — The Rape of the American Middle Class*, Rodnesky documents the dramatic loss of income and wealth share suffered by the entire middle class during the last twenty years. The 150 page book includes forty-three, tables and charts that present compelling evidence to bolster his case. Figure 4 (shown below) illustrates how closely the losses of the middle class have tracked with the income gains of the top 1 percent.

Not one to mince words, Rodnesky recently stated, "The losses have been so relentless that there is more than normal market forces at work here. Congress has been writing legislation which overwhelmingly favors the most privileged." One table compares tax returns for 1976 and 1997. Once the 1997 returns are converted to constant 1976 dollars a startling fact is revealed. The middle class has been barely treading water, suffering an average income loss of -1% over the past two decades. During the same period the income of the top 0.3% of tax filers increased by over 196%.

"I have a problem with the mindset which engenders a cluster of behaviors that are harmful to the majority of Americans. This mindset can be summed up in one word — greed. Those who would say that greed has always been with us and always will be miss the point. Like greed, acts of violence such as rape, child abuse, and murder are also part of the human condition. We as a society have laws to discourage these behaviors. While such laws don't eliminate the problem, they do reduce the number of incidents. Society is better for the effort," states the author.

We as a society have the opportunity at this birth of a new millennium to set things straight. "Are we are going to let greed and hypocrisy continue to claim a dominant share of our national consciousness, or are we going to realign our economic system with our core values of balance and fairness?" the author asks.

The text of chapter one is posted at <http://www.bmes.net/challenge.htm>. The book is available in eBook and paperback format. It can be purchased in selected bookstores and online at www.bmes.net.

Change in Mean Adjusted Gross Income for Selected Groups, 1976 -1997

In 1976 Constant Dollars						In 1997 Constant Dollars				
Year	# of Returns	AGI (less deficit) (x1000)	Total Tax Income (x1000)	% of AGI	Mean AGI (in 1976 \$s)	Mean AGI (in 1997 \$s)	1997 Multiple of 1976	Percent of Population	Range of Population	1997 AGI Income Range
1976	84,670,389	\$1,053,895,686	\$141,801,469	13.45%	\$12,447	\$35,180		100.00%	0%-100%	
1997	122,421,991	\$1,758,399,800	\$258,746,004	14.71%	\$14,363	\$40,597	1.15	100.00%	0%-100%	\$0 to \$1,000,000 or more
1976	79,856,002	\$818,681,068	\$85,949,393	10.50%	\$10,252	\$28,976		94.31%	0%-94.31%	
1997	115,236,191	\$1,152,576,756	\$117,496,608	10.19%	\$10,002	\$28,269	0.98	94.13%	0%-94.13%	\$0 to \$99,999
1976	43,073,635	\$684,733,473	\$80,137,095	11.70%	\$15,897	\$44,931		50.87%	43.44%-94.31%	
1997	62,399,428	\$994,582,064	\$111,059,809	11.17%	\$15,939	\$45,050	1.00	50.97%	43.16%-94.13%	\$20,000 to \$99,999
1976	3,639,050	\$132,893,393	\$24,117,607	18.15%	\$36,519	\$103,217		4.30%	94.31%-98.61%	
1997	5,377,899	\$250,427,955	\$44,674,419	17.84%	\$46,566	\$131,615	1.28	4.39%	94.13-98.52%	\$100,000 to \$199,999
1976	948,034	\$62,415,723	\$16,256,779	26.05%	\$65,837	\$186,082		1.12%	98.61%-99.73%	
1997	1,401,734	\$143,048,809	\$35,207,976	24.61%	\$102,051	\$288,438	1.55	1.15%	98.52%-99.67%	\$200,000 to \$499,999
1976	226,903	\$39,905,482	\$15,477,490	38.79%	\$175,870	\$497,080		0.27%	99.73%-100%	
1997	406,167	\$212,346,349	\$61,288,810	28.86%	\$522,806	\$1,477,660	2.97	0.33%	99.67%-100%	\$500,000 to \$1,000,000 or more
1976	101,604	\$27,700,564	\$11,197,978	40.43%	\$272,631	\$770,567		0.12%	99.88%-100%	
1997	144,459	\$149,839,535	\$43,141,730	28.79%	\$1,037,246	\$2,931,678	3.80	0.12%	99.88%-100%	\$1,000,000 or more

Who benefited from the combined efforts of all Americans to grow the economy during the past two decades?
 Despite 15% real growth from 1976 to 1997, the majority of Americans lost ground. Only most of the top 6% had their income increase by 28%. The top 0.33% saw their income triple. The top 0.12% nearly quadrupled their income. Twenty years of such gains had allowed the income share of the 144,459 in the top 0.12% to become 8.52% of all personal income.

* This figure includes 59,843 of the 1976 group with an AGI between \$100,000 and \$200,000. Their AGI was computed at the maximum \$200,000. If it was less, the income differential between 1976 and 1997 would be even greater.

1976 Income Tax Return

Taxpayer Groups	Row #	1976 Ranges	# of Returns	AGI (less Deficit) (x1,000)	Mean AGI	Total Tax Income (x1,000)	Average Income Tax	Percent of AGI	Several Rows Consolidated to Match 1997 Table			
									Mean AGI	Total Tax Income (x1,000)	Average Income Tax	Percent of AGI
100.00%		All	84,670,389	\$1,053,895,686	\$12,447	\$141,801,469	\$1,675	13.45%	\$12,447	\$141,801,469	\$1,675	13.45%
43.44%	1	No AGI	546,763	(\$6,910,119)	(\$12,638)	\$38,931	\$71	-0.56%	\$1,567	\$38,979	\$3	0.17%
	2	\$1 - \$999	4,249,194	\$2,427,174	\$571	\$1,059	\$0	0.04%				
	3	\$1,000 - \$1,999	5,244,990	\$7,760,636	\$1,480	\$4,429	\$1	0.06%				
	4	\$2,000 - \$2,999	5,031,575	\$12,572,750	\$2,499	\$33,491	\$7	0.27%				
	5	\$3,000 - \$3,999	4,531,521	\$15,885,379	\$3,506	\$331,048	\$73	2.08%				
	6	\$4,000 - \$4,999	4,331,708	\$19,541,497	\$4,511	\$677,754	\$156	3.47%				
	7	\$5,000 - \$5,999	4,634,358	\$25,392,773	\$5,479	\$1,170,549	\$253	4.61%				
	8	\$6,000 - \$6,999	4,265,839	\$27,688,054	\$6,491	\$1,540,608	\$361	5.56%				
	9	\$7,000 - \$7,999	3,946,419	\$29,589,451	\$7,498	\$2,014,429	\$510	6.81%				
50.87%	10	\$8,000 - \$8,999	3,679,057	\$31,248,420	\$8,494	\$2,460,698	\$669	7.87%	\$8,905	\$10,241,900	\$721	8.09%
	11	\$9,000 - \$9,999	3,367,283	\$31,937,640	\$9,485	\$2,723,580	\$809	8.53%				
	12	\$10,000 - \$10,999	3,219,533	\$33,785,374	\$10,494	\$3,043,193	\$945	9.01%				
	13	\$11,000 - \$11,999	2,915,571	\$33,515,802	\$11,495	\$3,215,435	\$1,103	9.59%				
	14	\$12,000 - \$12,999	2,927,598	\$36,584,869	\$12,497	\$3,606,107	\$1,232	9.86%				
	15	\$13,000 - \$13,999	2,757,510	\$37,202,225	\$13,491	\$3,868,685	\$1,403	10.40%				
	16	\$14,000 - \$14,999	2,730,738	\$39,599,285	\$14,501	\$4,225,889	\$1,548	10.67%				
	17	\$15,000 - \$19,999	11,197,191	\$194,184,453	\$17,342	\$22,460,697	\$2,006	11.57%				
	18	\$20,000 - \$24,999	6,649,622	\$147,891,145	\$22,241	\$19,713,953	\$2,965	13.33%				
5.69%	19	\$25,000 - \$29,999	3,629,532	\$98,784,260	\$27,217	\$14,818,858	\$4,083	15.00%	\$23,998	\$34,532,811	\$3,359	14.00%
	20	\$30,000 - \$49,999	3,639,050	\$132,893,393	\$36,519	\$24,117,607	\$6,627	18.15%				
	21	\$50,000 - \$99,999	948,034	\$62,415,723	\$65,837	\$16,256,779	\$17,148	26.05%				
	22	\$100,000 - \$199,999	185,142	\$24,173,611	\$130,568	\$8,476,194	\$45,782	35.06%				
	23	\$200,000 - \$499,999	36,357	\$10,171,295	\$279,762	\$4,285,569	\$117,875	42.13%				
	24	\$500,000 - \$999,999	4,047	\$2,694,559	\$665,816	\$1,268,055	\$313,332	47.06%				
	25	\$1,000,000 or more	1,357	\$2,866,017	\$2,112,024	\$1,447,672	\$1,066,818	50.51%				
100.00%		Total All Returns	84,669,989	\$1,053,895,666	\$12,447	\$141,801,269	\$1,675	13.45%	\$12,447	\$141,801,269	\$1,675	13.45%
94.31%	1-19	No AGI - \$19,999	79,856,002	818,681,068	\$10,252	\$85,949,393	\$1,076	10.50%	\$10,252	\$85,949,393	\$1,076	10.50%
5.42%	20-21	\$30,000 - \$99,999	4,587,084	\$195,309,116	\$42,578	\$40,374,386	\$8,802	20.67%	\$42,578	\$40,374,386	\$8,802	20.67%
0.27%	22-25	\$100,000 or more	226,903	\$39,905,482	\$175,870	\$15,477,490	\$68,212	38.79%	\$175,870	\$15,477,490	\$68,212	38.79%
50.87%	10-19	\$8,000 - \$29,999	43,073,635	\$684,733,473	\$15,897	\$80,137,095	\$1,860	11.70%	\$15,897	\$80,137,095	\$1,860	11.70%

In 1976 we only had 1,357 tax filers with an AGI of \$1,000,000 or more. By 1997, there were 144,459. This would be a cause for celebration if there was a correstonding increase in the income levels of a significant portion of the rest of the population, but this was not the case. This unprecedented 100 fold gain by the top 0.3% of the population consumes nearly the entire real income gain of the American people during the past two decades.

Individual Income Tax Returns — Statistics of Income 1976 (Publication 79 (4-79), Table 3.5 (page 98))



1997 Income Tax Return (in current 1997 dollars)

Taxpayer Groups	Row #	1997 Ranges	# of Returns	AGI (less Deficit) (x1,000)	Mean AGI	Total Tax Income (x1,000,000)	Consolidated Mean AGI *	Average Income Tax	Percent of AGI	1976 Percent of AGI	Percent of Tax Decrease
100.00%	—	All	122,421,991	\$4,969,949,986	\$40,597	\$731,321	\$40,597	\$5,974	14.71%	13.45%	-9.36%
43.16%	1	No AGI	918,707	(\$53,507,056)	(\$58,242)	(\$111)	(\$58,242)	(\$121)	0.21%	-0.56%	136.82%
	2	\$1 - \$4,999	13,935,880	\$36,502,225	\$2,619						
	3	\$5,000 - \$9,999	13,414,246	\$100,435,533	\$7,487	\$2,525	\$5,007	\$92	1.84%	0.17%	-976.69
	4	\$10,000 - \$14,999	13,174,125	\$164,474,911	\$12,485						
	5	\$15,000 - \$19,999	11,393,805	\$198,651,374	\$17,435	\$15,779	\$14,780	\$642	4.35%	4.20%	-3.39%
50.97%	6	\$20,000 - \$24,999	9,944,745	\$222,845,058	\$22,408						
	7	\$25,000 - \$29,999	8,064,922	\$221,433,117	\$27,456	\$33,662	\$24,669	\$1,869	7.58%	8.09%	6.37%
	8	\$30,000 - \$39,999	12,966,743	\$450,251,891	\$34,724						
	9	\$40,000 - \$49,999	9,787,857	\$437,634,246	\$44,712	\$89,793	\$39,020	\$3,946	10.11%	10.96%	7.71%
	10	\$50,000 - \$74,999	15,180,241	\$924,955,724	\$60,932						
5.87%	11	\$75,000 - \$99,999	6,454,920	\$553,971,683	\$85,822	\$190,445	\$68,358	\$8,803	12.88%	14.00%	8.02%
	12	\$100,000 - \$199,999	5,377,899	\$707,810,825	\$131,615	\$126,268	\$131,615	\$23,479	17.84%	20.67%	13.70%
	13	\$200,000 - \$499,999	1,401,734	\$404,313,870	\$288,438	\$99,512	\$288,438	\$70,992	24.61%	35.06%	29.81%
	14	\$500,000 - \$999,999	261,708	\$176,669,572	\$675,064	\$51,291	\$675,064	\$195,986	29.03%	42.13%	31.10%
	15	\$1,000,000 - or more	144,459	\$423,507,211	\$2,931,678	\$121,936	\$2,931,678	\$844,087	28.79%	48.84%	41.05%
100.00%	—	Total	122,421,991	4,969,950,184	\$40,597	\$731,100	\$40,597	\$5,972	14.71%	13.45%	-9.33%
94.13%	1-11	No AGI - \$99,999	115,236,191	\$3,257,648,706	\$28,269	\$332,093	\$28,269	\$2,882	10.19%	10.50%	2.90%
5.54%	12-13	\$100,000 - \$499,999	6,779,633	\$1,112,124,695	\$164,039	\$225,780	\$164,039	\$33,303	20.30%	20.67%	1.79%
0.33%	14-15	\$500,000 or more	406,167	\$600,176,783	\$1,477,660	\$173,227	\$1,477,660	\$426,492	28.86%	38.79%	25.58%

NOTE: Many of the TOP 0.3% (those w/AGI of over \$2,850,000) had their TAXES DROP OVER 42% (compared to 1976 returns) —————> 28.86% 50.51% 42.86%

50.97% — 6-11 **\$20,000 - \$99,999** 62,399,428 \$2,811,091,719 \$45,050 — \$313,900 \$45,050 **\$5,030** 11.17% 11.70% 4.59%

The "tax cutting" of the past twenty years has been at best a cruel joke, at worse a cynical policy to deceive the American people. Most of the 2.90% tax reduction experienced by the 94% of American taxpayers who had an adjusted gross income of up to \$99,999 in 1997, was spent on the increases in payroll taxes. Even the relatively affluent group with an AGI between \$100,000 and \$499,999 only experienced a tax cut of 1.79%. Only those in the millionaire club had significant tax reductions.

The group with an AGI of over \$1,000,000 had a 25.58% percent tax reduction. Millionaires with an AGI over \$2,850,000 had their taxes cut by 42.86%.

The results of this cockeyed fiscal policy are tragic: The 15.4% real gain in personal income over the previous 20 years has funneled to the superrich. The middle class (those w/an AGI between \$20,000-\$99,999) have lost 1%. The group with an AGI between \$100,000 and \$499,999 have had virtually no gain. Those with an AGI between \$500,000 and \$1,000,000 did have a 36% percent increase in their income share, but they only make up 0.2% of the taxpayers **Where the top 226,903 tax filers in 1976 had a combined income of less than \$40 billion, by 1997 the top 144,459 tax filers had a combined income of over \$423 billion.** If the Guardians of the Privileged would stop pandering to the mega-rich, everyone else could have their taxes cut by about 20%.

* Two rows calculated together to better match a 1976 income groups. These are still not a perfect fit. The group totals provide a more accurate picture of the changes in taxes paid.

Individual Income Tax Returns, 1997 Figure F (page 13) and Table 1 (page 25). Statistics of Income, 1976 (Pub 79 (4-79), Table 3.5 (pg. 98).



1997 Income Tax Return (in 1976 constant dollars)

Taxpayer Groups	Row #	1997 Ranges	# of Returns	AGI (less Deficit) (x1,000)	Mean AGI	Total Tax Income (x1,000,000)	Consolidated Mean AGI *	Average Income Tax	1997 Percent of AGI	1976 Percent of AGI	Percent of Tax Decrease
100.00%	—	All	122,421,991	\$1,758,399,800	\$14,363	\$258,746	\$14,363	\$2,114	14.71%	13.45%	-9.36%
	1	No AGI	918,707	(\$18,931,135)	(\$20,606)	(\$39)	(\$20,606)	(\$43)	0.21%	-0.56%	136.82%
43.16%	2	\$1 - \$1,769	13,935,880	\$12,914,719	\$927	—	—	—	—	—	—
	3	\$1,769 - \$3,538	13,414,246	\$35,534,728	\$2,649	\$893	\$1,771	\$33	1.84%	0.17%	-976.69%
	4	\$3,538 - \$5,307	13,174,125	\$58,192,266	\$4,417	—	—	—	—	—	—
	5	\$5,307 - \$7,076	11,393,805	\$70,284,115	\$6,169	\$5,583	\$5,229	\$227	4.35%	4.20%	-3.39%
	6	\$7,076 - \$8,845	9,944,745	\$78,843,994	\$7,928	—	—	—	—	—	—
	7	\$8,845 - \$10,614	8,064,922	\$78,344,440	\$9,714	\$11,910	\$8,728	\$661	7.58%	8.09%	6.37%
50.97%	8	\$10,614 - \$14,152	12,966,743	\$159,301,972	\$12,285	—	—	—	—	—	—
	9	\$14,152 - \$17,690	9,787,857	\$154,837,770	\$15,819	\$31,769	\$13,806	\$1,396	10.11%	10.96%	7.71%
	10	\$17,690 - \$26,535	15,180,241	\$327,255,197	\$21,558	—	—	—	—	—	—
	11	\$26,535 - \$35,380	6,454,920	\$195,998,692	\$30,364	\$67,381	\$24,185	\$3,114	12.88%	14.00%	8.02%
	12	\$35,381 - \$70,761	5,377,899	\$250,427,955	\$46,566	\$44,674	\$46,566	\$8,307	17.84%	20.67%	13.70%
5.87%	13	\$70,761 - \$176,903	1,401,734	\$143,048,809	\$102,051	\$35,208	\$102,051	\$25,117	24.61%	35.06%	29.81%
	14	\$176,903 - \$353,806	261,708	\$62,506,814	\$238,842	\$18,147	\$238,842	\$69,341	29.03%	42.13%	31.10%
	15	\$353,806 - or more	144,459	\$149,839,535	\$1,037,246	\$43,142	\$1,037,246	\$298,643	28.79%	48.84%	41.05%
100.00%	—	Total	122,421,991	\$1,758,399,870	\$14,363	\$258,668	\$14,363	\$2,113	14.71%	13.45%	-9.33%
94.13%	— 1-11	No AGI - \$35,380	115,236,191	\$1,152,576,756	\$10,002	\$117,497	\$10,002	\$1,020	10.19%	10.50%	2.90%
5.54%	— 12-13	\$35,381 - \$176,903	6,779,633	\$393,476,765	\$58,038	\$79,882	\$58,038	\$11,783	20.30%	20.67%	1.79%
0.33%	— 14-15	\$176,903 - or more	406,167	\$212,346,349	\$522,806	\$61,289	\$522,806	\$150,896	28.86%	38.79%	25.58%
Many of the TOP 0.3% (those w/AGI of over \$1,000,000 in 1976 constant \$s) had their TAXES DROP OVER 42% (compared to 1976 rates) —>									28.86%	50.51%	42.86%
50.97%	— 6-11	\$7,076 - \$35,380	62,399,428	\$994,582,064	\$15,939	\$111,060	\$15,939	\$1,780	11.17%	11.70%	4.59%
100.00%		Total	144.59%	166.85%	115.40%						
94.13%	— 1-11	No AGI - \$35,380	144.30%	140.78%	97.56%						
5.54%	— 12-13	\$35,381 - \$176,903	147.80%	201.46%	136.31%						
0.33%	— 14-15	\$176,903 or more	179.00%	532.12%	297.27%						
50.97%	— 6-11	\$7,076 - \$35,380	144.87%	145.25%	100.27%						

This section compares 1997 taxpayer groups to their 1976 equivalent. 20 years of "tax cuts" have merely shuttled all real income gain into the hands of the mega-rich.

← Tax filers w/ an AGI between the 43rd & 94th income percentile had NO GAIN.

* Two rows calculated together to better match a 1976 income groups. These are still not a perfect fit. The group totals provide a more accurate picture of the changes in taxes paid

NOTE: All 1997 figures have been converted to 1976 constant dollars using the U.S. Bureau of Labor Statistics consumer price index for urban consumers.

The row numbers on the above 1997 Income tax table in constant 1976 dollars match the row numbers on the 1997 income tax table in current 1997 dollars.

Individual Income Tax Returns, 1997 Fig. F (pg. 13) & Table 1 (pg. 25). High-Income Tax Returns for 1976, Fig. A (pg.8)



QUOTE SHEET

"In an important election year like this, where the Democrats seem afraid to broach many of the issues mentioned in this book and the Republicans seem ready to stop at nothing to keep them hidden from the American people." *page 2*

"The trends cited within the pages of this book, and what you do to counter them, will have a more profound effect on your financial future than any money management book you can find." *page 3*

"There is an increasing migration of wealth from the bottom 95 percent of American families to the few families making up the top 5 percent. The majority of the gain in income received by the top 5 percent has really gone to a fraction of the top 1 percent." *page 14*

"Here's a little quiz. What do the 22 million families in the lowest American income group -- who make less than \$16,426 per year -- have in common with the 23 million upper middle class families whose yearly income is between \$49,862 and \$81,967?" *page 17*

"What has happened to the American dream for the 71 percent of Americans who make up the middle class and most of the wealthy income earners (those in the 23.1% to 94.2% income range)? We have basically been treading water. The net result of our past 21 years of effort has been an average decline of 1%. When that is contrasted to the 196% gain reported by the top 0.3 percent, it becomes obvious there is definitely something very wrong with the system." *page 39*

It is a joke to say that the top 20 percent have gained 3.2%, because it is only the large gain of the top 1 percent which has offset the losses of the other 19 percent in the top quintile." *page 63*

"As you can see from Table 24 (pg. 82), during the period from 1979-1998 personal bankruptcy filings have increased from 196,976 to 1,379,249. That's more than a 600% increase. The dramatic rise can be clearly seen in Figure 12 (pg. 112). The Guardians of the Privileged have reacted to this distressing statistic in their normal, caring fashion. They have passed legislation to make it harder for individuals to discharge a bankruptcy. Now if they could just pass a bill making it illegal for people without health insurance to get sick" *page 81*

"The tools are now in your hands. It is your choice whether you use the information in this book to become momentarily outraged or determined to change the system which is costing middle class taxpayers \$100s of billions annually." *page 141*