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My Dinner With the 1 Percent: The Fight for Higher Wages Means Confronting the Greed of the Rich

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September 4, 2014

As fast food workers are walking out on Thursday yet again for higher wages and the right to union representation, they can count some lawmakers and President Obama as being on their side, verbally championing a higher federal minimum wage. And they have the support of a majority of Americans.

But when it comes to corporate decision makers such as those represented by the U.S. Chamber of Commerce, they face hostility and ridicule. In fact, as a recent personal experience demonstrated to me, the wealthiest Americans who control the purse strings of corporate America may actually believe the lie that raising wages is unnecessary and that today's workers are better off than in the past.

A college friend who works as a business executive was passing through Los Angeles, where I live, and invited me to join him for drinks at a restaurant in downtown L.A. so we could catch up. When I arrived, he was still having dinner with some of his work colleagues. Indicating to me that they squarely fit into the category of the famed "1 percent," he introduced me as his "radical journalist and activist friend." Aside from me and my friend, there were two white men, one black man and an East Asian woman seated at the table. The restaurant was exceedingly fancy, and the menu consisted of sufficiently haute cuisine dishes, with prices to match. Bottles of expensive wine washed down platters of soft-shell crab, all on the company card.

Soon enough, the conversation veered into a political direction as the men (sadly, the woman didn't speak up), lamented President Obama's fiscal policies, which they perceived as excessively harsh toward the rich.

I raised the fact that the richest 1 percent of Americans today control 43 percent of the nation's wealth and speculated provocatively that the affluent must be either aghast at the injustice of such vast inequality, or they must imagine they deserve all that wealth, unlike the rest of us 99 percent of Americans.

One of the two white men—let's call him Mike—dismissed the notion altogether, calling my argument against inequality "a straw man." He then launched into a lengthy and condescending lecture in the form of a story from his college days of his fellow students going through a psychological exercise to find that their political positions became less entrenched when they debated on the side of a position they opposed. That story was meant to make the point that we cling blindly to our favorite ideas. According to Mike, ensuring everyone got an equal piece of the income pie was not the solution to economic injustice. Instead, what was needed was a way to increase the size of the entire pie.

This line of thinking is popular with the very wealthy. An analysis by the conservative think tank Cato Institute essentially says the same thing: "The single, most effective way to reduce world poverty is economic growth." The idea is that if corporations increase their wealth, we all benefit. But although corporations did recover spectacularly from the Great Recession, posting record profits, they replaced middle-income jobs with low-income ones.

Corporate executives, like the people I sat at the dinner table with, set their own salaries and compensation packages, which have reached new, obscene heights. Today, the average CEO gets paid at a rate almost 300 times that of the average worker. I asserted to Mike that the size of the pie matters little if the wealthy are still hogging the majority of it. Relative incomes matter more than overall incomes.

The African-American man at the table—let's call him Joe—as if to confirm just how absurdly rich he is, let slip that during a recent trip to another city to see a world famous rodeo, he spent $10,000 on a hotel room for a single night. Joe seemed to have little interest in capitalist ideas of wealth creation versus organized labor's struggle for economic equality. Joe was interested only in tax rates and his take-home pay. And to that end, he railed against Obama's increase in taxes for the rich.

The 1 percent, that is people who make almost $400,000 a year, paid only 23.5 percent in taxes in 2011, the most recent year for which the IRS has final data. When Joe asked me how much I thought 1 percenters should get taxed, I didn't hesitate. "Ninety percent," I replied. "Let's go back to the tax rates we had under FDR" (actually tax rates peaked at 94 percent for the rich during the Roosevelt administration), to which Joe sputtered and laughed hysterically, imagining I must be joking.

At that point, Mike jumped back into the conversation, insisting that Americans are better off today than they were 40 to 50 years ago. I insisted that that was patently false, and that average American workers were making less in inflation-adjusted amounts than they were several decades ago. This analysis in Bloomberg—hardly a leftist rag—demonstrates in a shockingly clear graphic titled "The Great Retrenchment" how male American workers ages 35-44 have seen their wages fall 17 percent over the past four decades. Changing the subject, Mike turned to Joe and asked if he wanted to return to "the good old days," making an obviously racially loaded point.

Interestingly, everyone at the table seemed to either have relatively progressive values on issues of racial equality, women's reproductive rights and even gun control, or were ambivalent on social issues. On economic policies, however, they were united in their defense of the current system of enriching the rich. In fact, so ardent were they in their championing of unfettered capitalism that it seemed to be the moral driving force of the group.

It is this mentality that low-wage workers face in their struggle to demand better pay. While I, on a middle-class income, fantasized over what I would do with the $10,000 of disposable income that Joe spent on a single night at a hotel, that amount of money is roughly two-thirds of what a fast food worker earning the federal minimum wage of $7.25 an hour makes in an entire year, working full time. To rich Americans, that is pocket change. In fact, $15,000 is about how much 1 percenters in Montecito, Calif., are estimated to be spending in a single month to have water trucked in to their estates during a historic drought just so they can have verdant lawns and lush vistas.

As I left the dinner table, Joe continued to shake his head in amused disbelief over my desire to see wealthy Americans taxed as much as 90 percent. I suggested to him as a parting thought: "Why don't you simply do what other rich folks do? Hide your money offshore so you don't have to pay any taxes." Laughter erupted at the table at my sarcastic comment and my question remained unanswered.

But wealthy Americans know this is exactly how it is done. Burger King has announced its plan to buy the Ontario-based chain Tim Hortons so that it can move its tax base to Canada and reduce its tax bill for years to come. In fact, the step is consistent with the fast food chain's past practices of trimming as much of its tax bill as possible.

Keeping wages as low as possible is the other major method of preserving corporate profits that Burger King, McDonald's, Wendy's and all the other chains that workers will be striking against this week rely on. The civil disobedience actions that workers are planning on using in order to disrupt business as usual are necessary to challenge big corporations and their wealthy executives. In fact, those fast food workers who are intending to strike are wisely declaring they will do "whatever it takes" to obtain better wages. Witnessing the greed and selfishness of the 1 percent firsthand confirmed my suspicion that the rich will cling to their wealth as hard as possible. Wresting it away from them is our only path to economic justice.