

DAPAC DISPATCH

Democratic Advancement Political Action Committee

Grassroots Activism for Progressive Democrats
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New Candidates

Josh Maxwell

Pennsylvania House of Representatives, 74th District

Josh Maxwell was elected at the age of 26 to be the youngest mayor in Downingtown, Pennsylvania's history. He was elected to a second term with over 70% of the vote. He is running for the state legislature to fix the local schools, which have been devastated by billions of dollars in funding cuts by Tea Party Governor Tom Corbett. Website: www.joshmaxwell.com

Mary Headrick

U.S House of Representatives, 3rd District of Tennessee

Mary Headrick, a doctor, has long been an advocate for universal, affordable healthcare. She is running for Congress to defend our economy, Social Security, Medicare, and public education. Website: www.maryheadrick.com

Rob Zerban

U.S. House of Representatives, 1st District of Wisconsin

Rob Zerban, is a former cruise ship cook who later started a successful catering business with 45 employees. He switched from the Republican to the Democratic Party because, as he puts it, "I started to see how the Democratic Party advocated for human concerns as opposed to corporate concerns." He is running against Paul Ryan, with the goal of stopping Ryan's plan to destroy Medicare. Website: www.robzerban.com

Why Should We Worry About Inequality?

Economic inequality has been growing in the United States. The gap between rich and poor has now reached the same extent as a hundred years ago when we first instituted the federal income tax. This is an urgent problem in two ways. The first is the moral principle that we should not wish poverty on anyone, while others are so successful and affluent. The second is that as inequality continues to grow, it will inexorably result in more political instability. We have seen two manifestations of instability in the Tea Party and in Occupy Wall Street. These have led to mixed results so far, but if inequality continues unabated, we may see something much more extreme. We need only look back to the 1930s, and rise to power of Hitler and Stalin to see what can happen when desperate times lead people to extremism.

What We Can Do About Inequality?

There are a number of things we can do to reverse economic inequality.

First, we can raise the minimum wage and index it to inflation. Over the decades the minimum wage has been continuously eroded by inflation over the decades. Right now a person working full time at the federal minimum wage makes just \$15,121 a year. Along with raising the minimum wage; it needs to be automatically indexed to inflation so that it remains a livable wage.

We can also expand Social Security. This program, both popular and effective, is nonetheless insufficient for totally maintaining retirees' income after they stop working. This leads to financial insecurity that results in indefinite postponement of retirement, lowering

financial standing, poverty, and homelessness. We should expand it.

Expansion of the the Earned Income Tax Credit can also be effective. This provides an income supplement for working Americans with children at the lower end of the income scale. We should expand it to cover the middle class, and people without children.

The creation of a Guaranteed Basic Income is another possibility. This would be a periodic payment, perhaps every month or every year, to every person in the United States, regardless of income. It may sound radical, but Alaska, of all places, has essentially instituted this. Every resident of Alaska has received a modest payment every year (\$900 in 2013), since 1982. Despite this massive infusion of cash into the local economy, inflation has been lower in Alaska than in the country as a whole.

So there are a number of solutions we can take to make sure a rising tide does, in fact, lift all boats. We must do our part in electing leaders who are receptive to these solutions.

Why Social Security Should Be Expanded

Social Security is a popular, effective program that allows most Americans to retire with a modest income. However, the average benefit of \$1,230 is, indeed, modest. Most Americans rely on Social Security exclusively to support themselves after retirement.

Many others have feeble retirement savings. As most people are, understandably, lacking a comprehensive understanding of finance and investing, they have failed to save enough. Even though many people did save enough, they were steered by unscrupulous financial advisors into risky investments that nosedived in the stock market crash of 2008.

It is doubly unfortunate that that same stock market crash, the worst since the Great Depression, happened right before the first of the Baby Boomers reached retirement age. As the Baby Boom generation retires, the vast majority of them are finding that they have to cut their expenses drastically and make changes to their lifestyle that they did not foresee. Some have delayed their retirement, but others have had no choice as they were laid off and unable to find new employment since few other employers willing to hire someone on the cusp of retirement.

Thus our retirement system is inadequate. We should be thinking of ways to expand it. One plan introduced by Iowa Senator Tom Harkin would boost benefits by about \$70 a month and adjust the cost of living formula to actually reflect the expenses of retirees. It would be paid for by lifting the payroll tax cap on income over \$113,700.

Aside from the obvious value to beneficiaries, there would be substantial benefits to the economy as a whole if we expanded Social Security. Right now the Federal Reserve cannot lower interest rates to help the economy recover from abysmal unemployment, because interest rates are already at zero. We need further public spending to boost the economy. Millions of Americans are out of work, but if retirees had more money to spend on services, it would provide an opportunity for businesses to sell goods and services to them, and hire more people. It should go without saying that such an economic recovery would boost everyone's wages, through more economic opportunity.

So expanding Social Security would be a double win. A win for anyone who ever retires, which most of us do, and a win for anyone who works for a living, which most of us also do. What's not to like?

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