

The Debt Super Committee, Inequality, and the need to Grow our Economy

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This November, the Debt Super Committee, a 12-person congressional team of Democrats and Republicans, will decide America's economic future. The team is tasked with reducing the nation's budget deficit by \$1.2 trillion dollars and issues ranging from entitlement cuts (e.g., Medicare, Medicaid and Social Security) to taxation underlie the debate. Over the past 30 years, significant structural changes in America's economy, particularly skyrocketing healthcare costs and income inequality, has placed the U.S. in a precarious economic position. Containing health care spending is a long-term debt solution. However, in the short term, addressing economic inequality and revenue shortfalls by such progressive measures as eliminating the Bush tax cuts, can significantly reduce the deficit without a disproportionate burden upon the middle class who are the true "job creators" and the foundation of a secure economic future.

Since 1970, average hourly wages and salaries of production and non-supervisory workers have fallen; and after adjusting for inflation, the earnings of Americans are lower than they were in 1973.ⁱ Millions of Americans are buried in debt while the the country's economic gains overwhelmingly go to the wealthiest. In fact, wealth inequality has made the United States the most unequal of rich nations with a wealth gap wider than any another other advanced country.ⁱⁱ Any sustainable recovery effort must address these economic imbalances by establishing economic opportunity and advancement for all Americans.

In addition to addressing economic inequality as a whole, considerable attention must be directed to communities of color as they are most adversely impacted by the nation's economic divide. Their poverty and unemployment rates are near twice the national average and they are disproportionately impacted by cuts to public sector jobs.ⁱⁱⁱ Since 2005, African Americans, Hispanics, and Asian Americans have experienced a staggering drop in wealth. African Americans and Asian Americans have seen their wealth decrease by a little more than half and Hispanics have seen their wealth decrease by two thirds. These communities have never been able to fully participate in a robust middle class economy that is the foundation of the wealth and privilege of white middle class America, leaving most communities of color extremely vulnerable to economic regression. Though racial divisions in our country make some communities suffer more greatly than others all middle and working class Americans are experiencing a decrease in economic security and an increase in vulnerability. Without a primary commitment to job creation and decreasing economic inequality it is likely that groups such as the Congressional Debt Super Committee will make a bad economy even worse.

The Congressional Debt Super Committee and its lack of class, racial, and gender diversity is a dangerous sign that its prescription for the country will be narrow and inadequate, increasing the nation's concentration of wealth instead of increasing our nation's opportunity. In particular, the Republican committee members, where there is neither a woman representative nor person of color, have

publically vowed not to raise taxes but instead advocate for austerity budgeting, a recipe to strengthen the over 30 year tradition of making the rich richer and the rest of us further and further behind.

Now is a critical time for working and middle class Americans to bridge economic inequality by pressuring policymakers in Washington, specifically this Debt Super Committee, to recommend a budget that focuses not only on the deficit but also jobs. The only way our country can truly pull itself out of the Great Recession is to grow and there is no part of the economy which needs more growth in opportunity and security than the middle and lower class. The NAACP is dedicated to this kind of economic growth. The NAACP's mission of ensuring "the political, educational, social, and economic equality of rights for all persons and to eliminate race based discrimination" requires a growing economy. Throughout our over one hundred year existence the NAACP has seen economics as a priority and today we are watching like the rest of the nation to see if despite the fact that the Debt Super Committee's members do not reflect the diversity of the nation can it nonetheless lay out an economic pathway that advances the nation as a whole.

ⁱ Weed, P. "Inequality, The Middle Class & the American Dream." February 12, 2011. Economy in Crisis. Retrieved at <http://economyincrisis.org/content/inequality-middle-class-fading-american-dream>.

ⁱⁱ Ibid.

ⁱⁱⁱ United for a Fair Economy. "Austerity Policies Worsen Racial Economic Inequalities, Hit Blacks and Latinos Hardest." January 14, 2011. Retrieved at <http://www.commondreams.org/headline/2011/01/14>.