

Commentary: Are you better off now? ...

By Michael Costello The Lewiston Tribune

So now the line has been drawn. Barack Obama has made it clear the era of free markets is over.

"It's not like we didn't try it," he said at a campaign speech in Florida last week that you paid for.

Login or Subscribe to view this article.

LoginorSubscribe

And so after more than two centuries of capitalism and free markets, which made the United States the richest and most powerful nation on the planet, The One has declared the American experiment a failure. And he argues that we need to adopt his new and improved economic model, in which we will have a centrally planned economy that will create and sell what it decides you want and need. This new economy will also decide who makes too much money, seize the surplus and give it away to campaign contributors.

We've had three years of experience with Obamanomics and this November's election will be a referendum on its success.

And if we are to take an informed decision, then we need to know what sort of economic record Obama has compiled and compare that to those "failed policies" of the past.

Last autumn, before the Occupy Wall Street mobs entirely degenerated into sexual assault, lice infestations, drug overdoses and violence, Obama expressed his solidarity with the 99 percent. But the truth is that his policies have benefitted the 1 percent almost exclusively.

University of California, Berkeley economists Emmanuel Saez and Thomas Piketty evaluated 2010 tax returns and determined that 93 percent of all personal income gains went to the top 1 percent. The top one-tenth of 1 percent raked in 37 percent of all income gains. Only the top 10 percent saw any improvement in their personal income at all, while the bottom 90 percent actually lost ground under Obama.

And not only did the bottom 90 percent lose income, they lost their health insurance and retirement plans, too. In 2007, 59.8 percent of private-sector American wage earners had employer-provided health insurance. By the end of 2010, only 55.3 percent still did. During that same time interval, the proportion of private sector wage earners who had retirement plans declined from 42 percent to 39.5 percent.

The data look especially grim when you consider that we have far fewer wage earners today than we did when Obama took office.

The super rich did well under George W. Bush too. But so did everybody else. The difference is that everybody prospered. If Bill Gates or Warren Buffet get richer, it costs me not a moment's sleep. Why should I care as long as I'm doing well?

By the way, my source for the above data, references and analysis is none other than Bill Clinton's far left-wing Secretary of Labor Robert B. Reich.

So how does the Obama record summarized above compare with his predecessors? After all, if what came before Obama was all bad, then the combined records of Ronald Reagan, George Bush the elder, William Jefferson Blythe Clinton III, and George Bush the younger must be really, really bad.

Well, according to a study published in National Tax Journal by researchers from Cornell University, the middle class did pretty well. Between 1979 and 2007, all economic strata improved dramatically. If you divide Americans by quintile, income for the top 20 percent rose by 52.6 percent. The second quintile's income rose by 40.4 percent. Those in the middle saw their incomes rise by 36.9 percent, while the bottom two quintiles experienced improvements of 25.0 percent and 26.4 percent, respectively.

I'm not a real economist, but even a 25 percent improvement sounds better than Obama's decline.

During the 1980 presidential election, Reagan asked, "Are you better off now than you were four years ago?"

A majority answered "no" and voted Jimmy Carter out. If votes were cast solely upon that question today, then Obama should lose by a 90 percent-10 percent margin because it is only the rich, very rich and super rich who have prospered during Obama's first three years.

Not only has income disparity worsened under Obama, but so has opportunity. An article in the Economic Times this past week described a U.S. brain drain as the highly educated children of immigrants who came here seeking opportunity are returning to their ancestral homes because better job and income prospects are available there.

Even illegal immigrants are fleeing the U.S. for Mexico, because it's easier to get jobs south of the border.

Obamanista Spike Lee was right when he predicted in 2008 that, henceforth, human history would be divided as Pre-Obama and Post-Obama.

Costello is a research technician at Washington State University. His email address is kosmocostello@hotmail.com.