

Five years of Obama's "recovery"

Patrick Martin
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This week marks five years since the New York Stock Exchange hit its low point at the bottom of the financial crash that erupted with the collapse of Lehman Brothers investment bank. On March 6, 2009, the Dow Jones Industrial Average hit its post-collapse low of 6,443. Three days later, on March 9, 2009, the S&P 500 hit its post-collapse low of 676.

Yesterday, at the end of stock trading for the week, the Dow Jones average closed at 16,452, up a colossal 10,000 points over five years, or 154 percent. The S&P 500 stood at 1,878, rising even faster than the Dow, gaining 170 percent over five years.

These are only the most striking of a barrage of numbers reported in recent weeks demonstrating that the Crash of 2008 has been used to engineer a historic redistribution of wealth in favor of the US financial aristocracy.

The wealth of the parasites who own the bulk of stocks, bonds, hedge fund shares and other financial instruments has never been greater, and is growing at a record pace. The wealthiest 1 percent of the US population raked in 95 percent of all income gains between 2009 and 2012. As reported by the WSWW earlier this week, the world's billionaires saw their combined wealth soar more than \$1 trillion last year alone.

As for the banks, beneficiaries of trillions in cash, loans and loan guarantees from the US Treasury and the Federal Reserve, both stock prices and incomes have returned to stratospheric levels.

For the American working class—that is, the overwhelming majority of the population, all those who presently work for wages or are unemployed and seeking work, or are retired and living on pensions and Social Security derived from their past wages—the situation is far different.

Median US household income has actually fallen by 6 percent since March 2009, to \$52,297, after adjusting

for inflation. The median family—the family living at the 50th percentile—is thus worse off today than five years ago, at the trough of the financial crash.

The unemployment rate has recovered only slightly, and only because so many millions of workers have dropped out of the labor force and are no longer registered as seeking work. The actual rate of unemployment, if “discouraged” and part-time workers were included, would stand at well over 15 percent, a near-Depression level.

The cost of living has risen steadily over the past five years, even as workers' real wages have stagnated. The price of a gallon of gas has risen by more than 50 percent, from \$2.40 in 2009 to well over \$3.60 in most parts of the country today. The employee share of health insurance premiums for family coverage has nearly doubled over the last decade, from \$2,412 in 2003 to \$4,565 last year. As for food prices, anyone who shops in a supermarket is aware of the ever-rising cost of milk, meat, fresh fruit and vegetables, and other essentials.

Working people have to take on more and more debt just to keep up with their daily expenses. Household debt rose \$241 billion in the fourth quarter of 2013, reaching \$11.52 trillion. One-third of all households were unable to save a dime last year.

The biggest single increase in debt came from student-loan balances, which surged \$114 billion compared to the previous year. The younger generation is absorbing an enormous increase in the cost of education, while facing a job market that offers a grim future of low-paid, insecure employment.

The disparity between the fortunes of the super-rich and the struggles of the vast majority has become so stark and so wide that the corporate-controlled media and the corporate-controlled political parties cannot avoid discussing it. Obama and the Democrats are even seeking to raise the issue of economic inequality

against their Republican opponents, albeit half-heartedly and without any serious policy proposals.

The Obama “campaign” against inequality is entirely cynical and insincere, because the five-year record of this administration is summed up in the figures presented above. The 10,000-point rise in the Dow Jones average is not an accident, or merely the result of blind market forces. It is the result of policies deliberately engaged in, by the Democrats and Republicans, by Bush and Obama, to bail out the banks and speculators and make the working class pay for the crisis of American capitalism.

Inequality infects every aspect of economic and political life. It plays no small part in the relentless drive for war, which has become a permanent feature of the political ideology of the ruling class. Aware of the deep social divisions at home, the corporate and financial elite seeks to direct tensions outward—now in the form of a conflict with Russia over Ukraine that threatens to devolve into civil war and a military clash between nuclear-armed states.

And inequality is at the root of the collapse of democratic rights in the United States. While coverage has largely been dropped by the corporate media, each week brings new revelations of massive police-state spying programs from NSA whistle-blower Edward Snowden. It is the broad mass of working people who are the main target of these programs.

The working class can expect nothing from the big business politicians, whether Democratic or Republican, other than a continuation and acceleration of the policies of class warfare and social counterrevolution that have been carried out for the past five years.

Only the independent political mobilization of the working class against the capitalist system and its defenders offers a way forward. This requires the building of a new revolutionary party of the working class, based on a socialist and internationalist program.



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