Record high income in 2017 for top one percent of wage earners in US

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In 2017, the top one percent of US wage earners received their highest paychecks ever, according to a report by the Economic Policy Institute (EPI).

Based on newly released data from the Social Security Administration, the EPI shows that the top one percent of the population saw their paychecks increase by 3.7 percent in 2017—a rate nearly quadruple the bottom 90 percent of the population. The growth was driven by the top 0.1 percent, which includes many CEOs and corporate executives, whose pay increased eight percent and averaged $2,757,000 last year.

The EPI report is only the latest exposure of the gaping inequality between the vast majority of the population and the modern-day aristocracy that rules over them.

The EPI shows that the bottom 90 percent of wage earners increased their pay by 22.2 percent between 1979 and 2017. Today, this bottom 90 percent makes an average of just $36,182 a year, which is eaten up by the cost of housing and the growing burden of education, health care and retirement.

Meanwhile, the top one percent has increased its wages by 157 percent during this same period, a rate seven times faster than the other group. This top segment makes an average of $718,766 a year. Those in between, the 90th to 99th percentile, have increased their wages by 57.4 percent. They now make an average of $152,476 a year—more than four times the bottom 90 percent.

Decades of decaying capitalism have led to this accelerating divide. While the rich accumulate wealth with no restriction, workers' wages and benefits have been under increasing attack. In 1979, 90 percent of the population took in 70 percent of the nation's income. But by 2017 that fell to only 61 percent.

Even more, while the bottom 90 percent of the population may take in 61 percent of the wages, large sections of the workforce today barely pull in any income at all. For example, the *World Socialist Web Site* 's own analysis of the Social Security Administration data found that the bottom 54 percent of wage earners in the United States, 89.5 million people, make an average of just $15,100 a year. This 54 percent of the population earns only 17 percent of all wages paid in America.

However unequal, these wage inequalities still do not fully present the divide between rich and poor. The ultra-wealthy derive their wealth not primarily from wages, but from assets and equities—principally from the stock market. While the bottom 90 percent of the population made 61 percent of the wages in 2017, they owned even less, just 27 percent, of the wealth (according to the *World Inequality Report 2018* by Thomas Piketty, Emmanuel Saez, and Gabriel Zucman).

The massive increase in the value of the stock market, in which only a small segment of the population participates, means that the top 10 percent of the population controls 73 percent of all wealth in the United States. Just three men—Jeff Bezos, Warren Buffett and Bill Gates—had more wealth than the bottom half of America combined last year.

Wages are so low in the United States that roughly half of the population falls deeper into debt every year. A Reuters report from July found that the pretax net income (that is, income minus expenses) of the bottom 40 percent of the population was an average of *negative* $11,660. Even the middle quintile of the population, the 40th to 60th percentile, essentially breaks even, with an average of only $2,836 a year.

As the Social Security Administration numbers show, 67.4 percent of the population made less than the

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average wage, $48,250 a year in 2017, a sum that is inadequate to support a family in many cities—especially with high housing costs, health care, education and retirement factored in.

For the ruling class, though, workers' wages are already too high. The volatility of the stock market and the deep fear that the current bull market will collapse have made politicians and businessmen anxious of any sign of a wages push by the working class.

In August, wages in the US rose just 0.2 percent above the inflation rate, the highest in nine years. Though the increase was tiny, it was enough to encourage the Federal Reserve to increase the key interest rate past two percent for the first time since 2008. Raising interest rates helps to depress workers' wages by lowering borrowing, spending and hiring. As the *Financial Times* noted, stopping wage growth was "central" to the Federal Reserve's move.

Further analysis of the Social Security Administration data by the WSWS shows that in 2017, 147,754 people reported wages of 1 million dollars or more—roughly, the top 0.05 percent. Their combined total income of $372 billion could pay for the US federal education budget five times over.

These wages, however large, still pale in comparison to the money the ultra-rich acquire from the stock market. For example, share buybacks and dividend payments, a way of funneling money to shareholders, will eclipse $1 trillion this year.

Whatever the immediate source, the wealth of the rich derives from the great mass of people who do the actual work. Across the United States and around the world, workers, young people and students have entered into struggle this year over pay, education, health care, immigration, war and democratic rights. This growing movement of the working class must set as its aim confiscating the wealth and power of this tiny parasitic oligarchy. Society's wealth must be democratically controlled by those who produce it.

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