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'Inequality for All' documentary a political tract for justice

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NCR Today

Last week, I attended a screening of the Robert Reich documentary "Inequality for All." It's a great movie.

The fact is that the income gap between the rich and the poor in the United States is as big as it was in 1929 -- and growing. Reich says this is bad for the economy because 70 percent of economic growth is driven by consumer consumption. When middle-class wages fall, consumption lessens, taxes drop, investment in education and infrastructure lags, and we fall into recession or worse. It's a vicious cycle.

Reich uses a suspension bridge to illustrate the data, a clear and easy tool that develops his reasoning about the implications for us in our growing inequality.

Turns out the good years in regards to income equality were right after World War II, when the gap dropped to 7 percent. The best years were the '70s, when middle-class earnings were at their highest, though that gap was growing. The '90s, when the economy boomed, weren't bad because that growth masked the decline of wages. But starting in the '50s, when we began to lower taxes on the very rich, the income gap began to expand. Now we have the biggest gap between rich and poor in the developed world, and we feel the impact in our wages, our schools, our health care, the quality of our goods and services, and our very life expectancy.

Reich says it's nonsense that the rich are job creators. He says it's the middle class that creates jobs exactly because its members are the consumers. It's when we have more money in our collective pocket to spend that new jobs are created, and we all benefit from those new jobs. When most of it goes to the rich, they can't buy enough goods to employ the rest of us. Wages fall and we fall prey to the vicious cycle.

Reich is not just a good teacher. He is a charmer. He is very short, and he uses his shortness to illustrate economics and human empathy and to explain his passion for justice. That last is not just charming. It's a personal revelation that touches the heart.

See the movie. It's not a political tract for the Democrats. Everybody's fingerprints are on the deregulation of the banks, the reduction of the capital gains tax, the decline of wages. Reich's point is that we don't have to endure this situation. We can change our system, and we'll all be the better for it. It's a political tract for justice.

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