

The (Rigged) Economy

A Tale of Two Americas



in America own as much as the bottom 50 percent of Americans.

Horry County

Horry County workers share in the inequalities produced by the rigged economy.

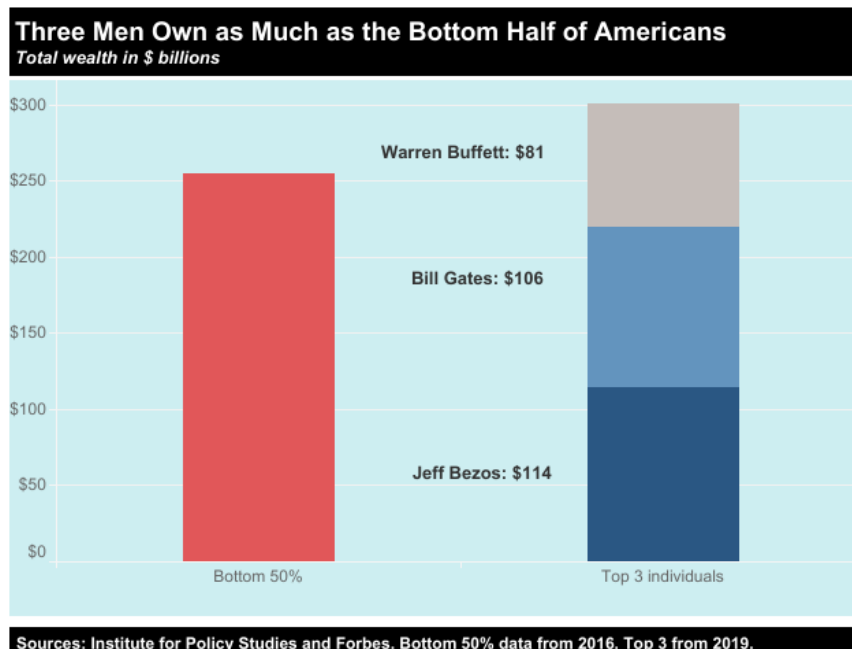
In 2019, the unemployment rate was 5.4 percent during the third quarter. Low unemployment should mean higher demand for employees with employers offering higher wages. That is not the case in Horry County.

Despite the low unemployment rate, the average weekly Horry County wage of \$600 was only 60 percent of the national average of \$1,093. Low wages are often associated with poverty and that is the case locally. For those with a job, the poverty rate was 7.5 percent, and for part-time workers, 16.6 percent. For families with children under 18, the poverty rate was 20.6 percent. For Black or African American-only households, the poverty rate skyrocketed to 24.7 percent.

Until the Covid-19 pandemic brought the economy to a halt in March 2020, the US saw the longest economic recovery in history – 128 months since the end of the Great Recession. The economy was expanding, unemployment was lower than it had been in decades and the stock market was at record levels.

The good news masks what is really the tale of two Americas. One, the land of wealth with record executive salaries and stocks and bonds. Two, insecure wage earners who live paycheck to paycheck and who cannot afford a \$400 emergency.

In 2019, CEOs of the largest companies made 320 times more than their typical workers. Real hourly earnings for production and non-supervisory employees was the same in 2019 as it was in 1973. The richest 5 percent own two-thirds of the wealth, the top 1 percent owns more than half of the stock, and the three richest men



Food insecurity goes hand and hand with poverty. One in 13 working families in Horry County received food aid from the Supplemental Nutrition Assistance Program (Food Stamps). During the 2018-2019 school year, 17 of the county's 50 schools provided free meals that were the only meal of the day for many students.

Thousands rely on donations and food banks like the Community Kitchen of Myrtle Beach that served nearly 160,000 meals in 2019.

How to Unrig the Economy

One of the most effective ways to improve wages is to increase the minimum wage to \$15 per hour.

South Carolina does not have its own minimum wage, so increasing the Federal minimum wage to \$15 per hour more than doubles the \$7.25 minimum wage in Horry County. Increasing the minimum wage puts money in the hands of those who need it most for food, shelter, and other basics. When workers spend more on basics, the local economy gets a boost from the additional sales.

No one should have to choose between their job and caring for family members. Workers need the security of paid family and medical leave to care for loved ones. Affordable childcare, including universal pre-K programs for three- and four-year-old children is an investment that benefits current workers and helps secure a stable future for the next generation.

Recognizing that the “economy was rigged against working families and the middle class” even before the Covid-19 pandemic, the 2020 Democratic Party platform includes raising the minimum wage to \$15, funding for affordable healthcare and additional policies. Democrats commit to “forging a new social and economic contract with the American people—a contract that invests in the people and promotes shared prosperity, not one that benefits only big corporations and the wealthiest few.”

The economic playing field can be leveled by reforming the tax code to benefit working families. The wealthy must pay their fair share of taxes, investors must pay the same tax rates as workers, and the 2017 Republican corporate tax cut must be reversed to restore historic tax rates. A progressive and equitable tax system is essential for a healthy economy.

Curtailing Wall Street abuses and corporate concentration will also help. Federal regulators

will review mergers and acquisitions to assess whether the impacts on consumers, workers, racial inequality, and competition. Potential impacts on low-income and marginalized communities and racial equality of future mergers will be considered. As a last resort, regulators might need to break up corporations that are abusing their market power.

A rigged economy is not the only possible outcome. A booming stock market owned by a minority of the population is not a measure of economic well-being. Job insecurity, poverty and hunger are measures of failure, not success. Much work will be needed to undo the recent decades, but programs are available to start moving forward.

Sources

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WPED News 15 ‘The only meal that they may get: “17 of 50 schools in Horry Co. provide free meals

Deevon Rahming Friday, March 8th 2019 <https://wpde.com/news/local/the-only-meal-that-they-may-get-17-of-50-schools-in-horry-co-provide-free-meals>

CommunityKitchenmb.org <http://communitykitchenmb.org/>

HORRY COUNTY DEMOCRATIC PARTY