THE LOOTING OF AMERICA
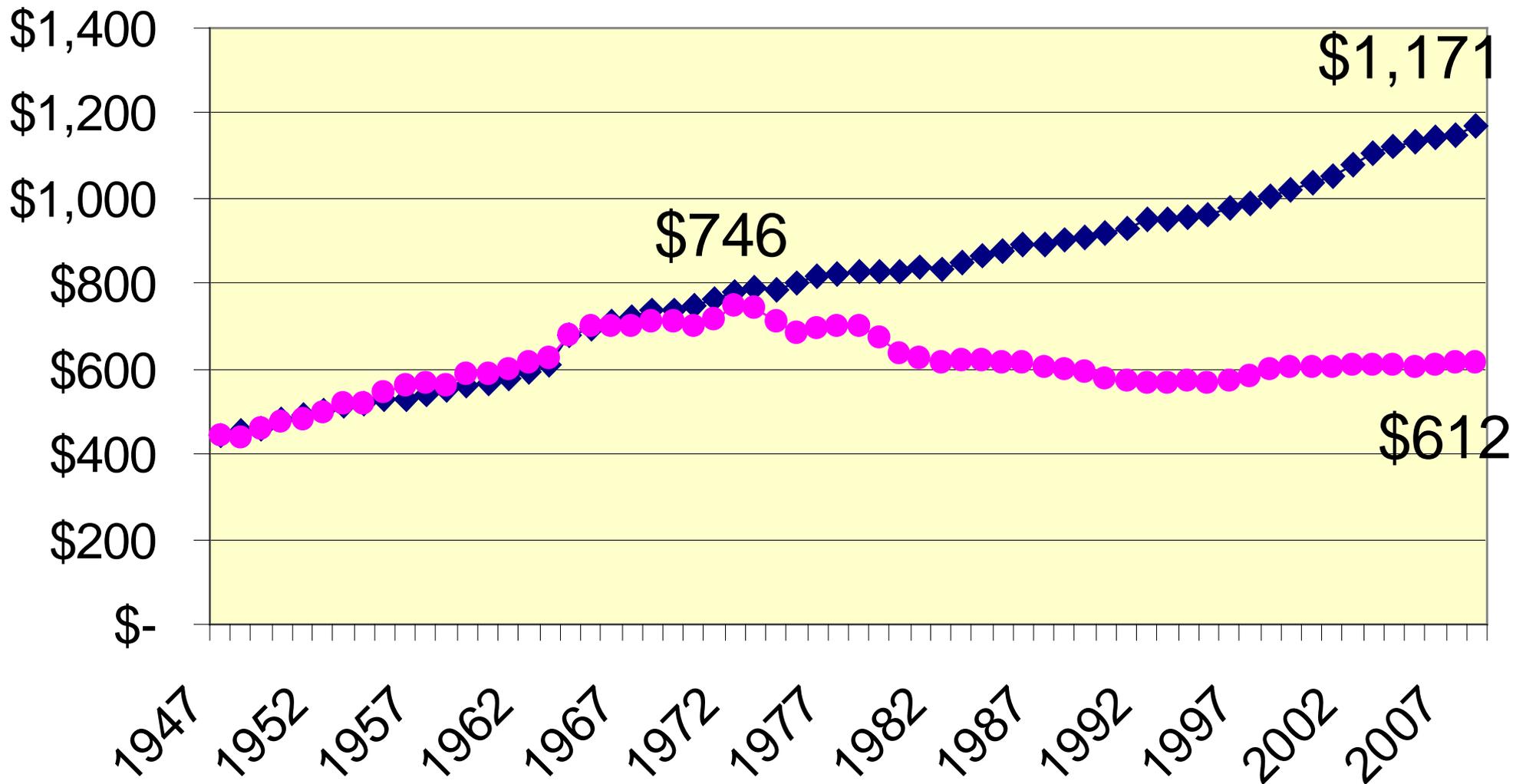
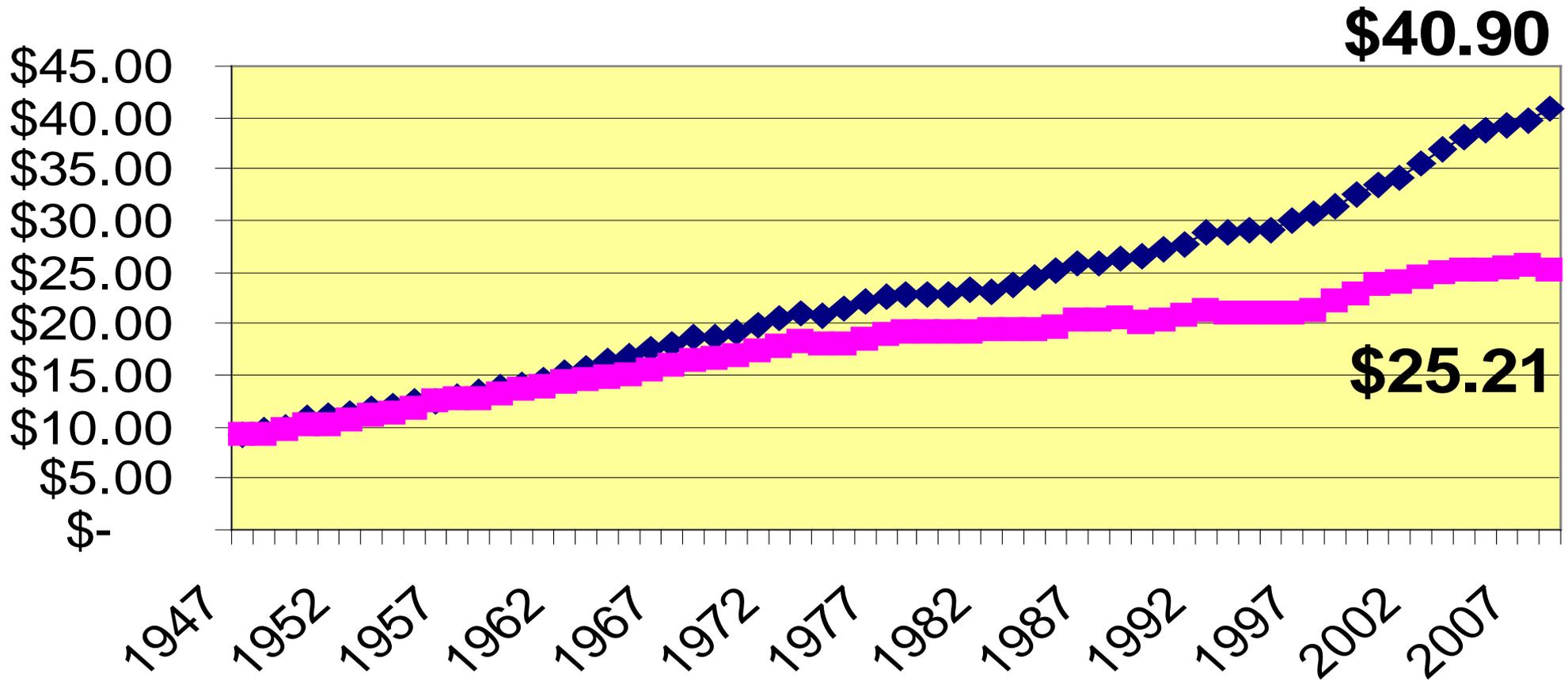How Wall Street's Game of Fantasy Finance Destroyed Our Jobs, Pensions, and Prosperity

AND WHAT WE CAN DO ABOUT IT

LES LEOPOLD

Real Wages vs Productivity Enhanced Wages

Real Hourly Total Compensation vs Productivity, Non-farm Business Sector 1947-2008 (3rd Q)
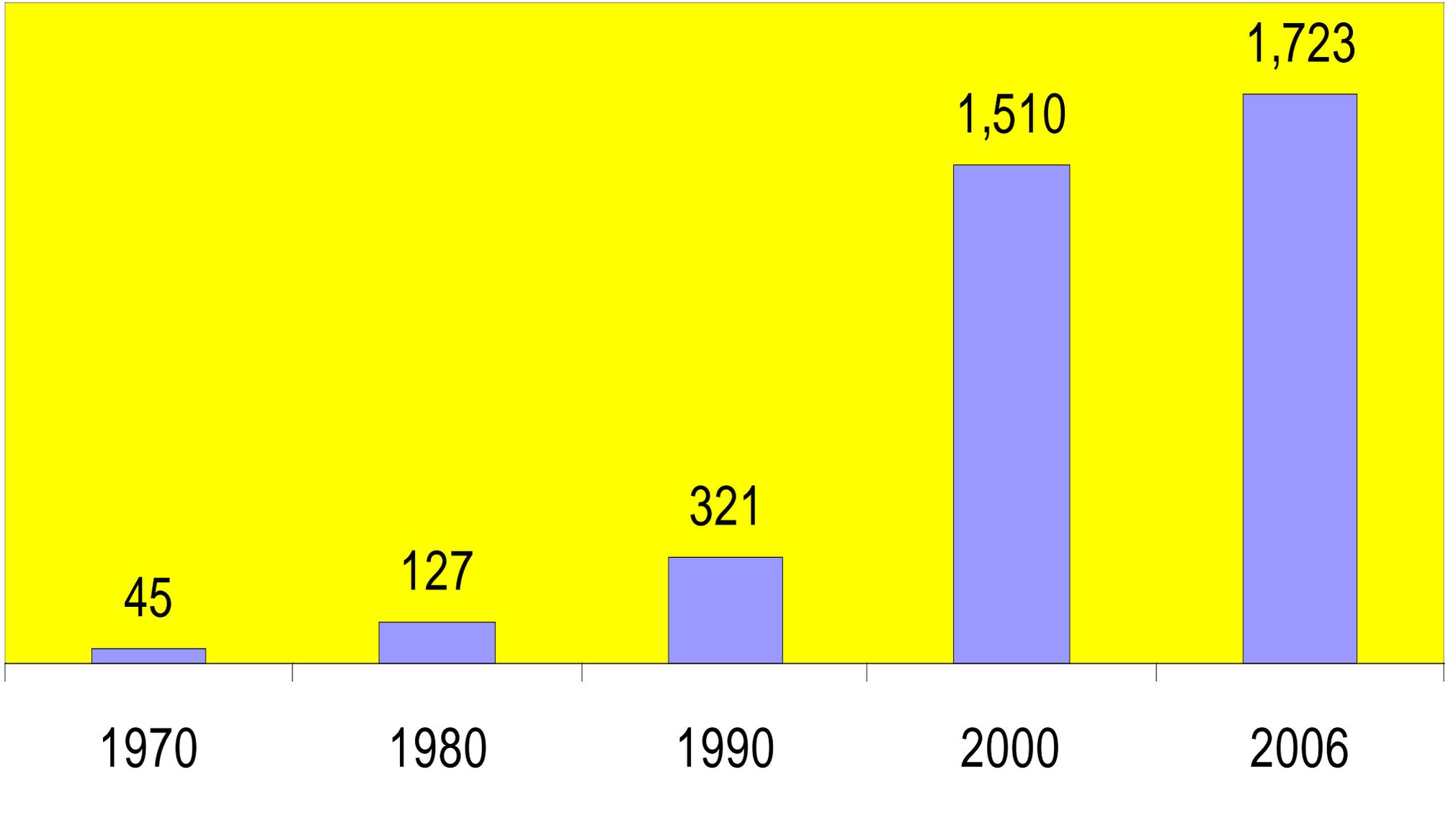

$40.90

$25.21

$45.00
$40.00
$35.00
$30.00
$25.00
$20.00
$15.00
$10.00
$5.00
$-

1947 1952 1957 1962 1967 1972 1977 1982 1987 1992 1997 2002 2007

Source: Bureau of Labor Statistics

Change in Real Family Income by Quintile and Top 5%, 1979-2006

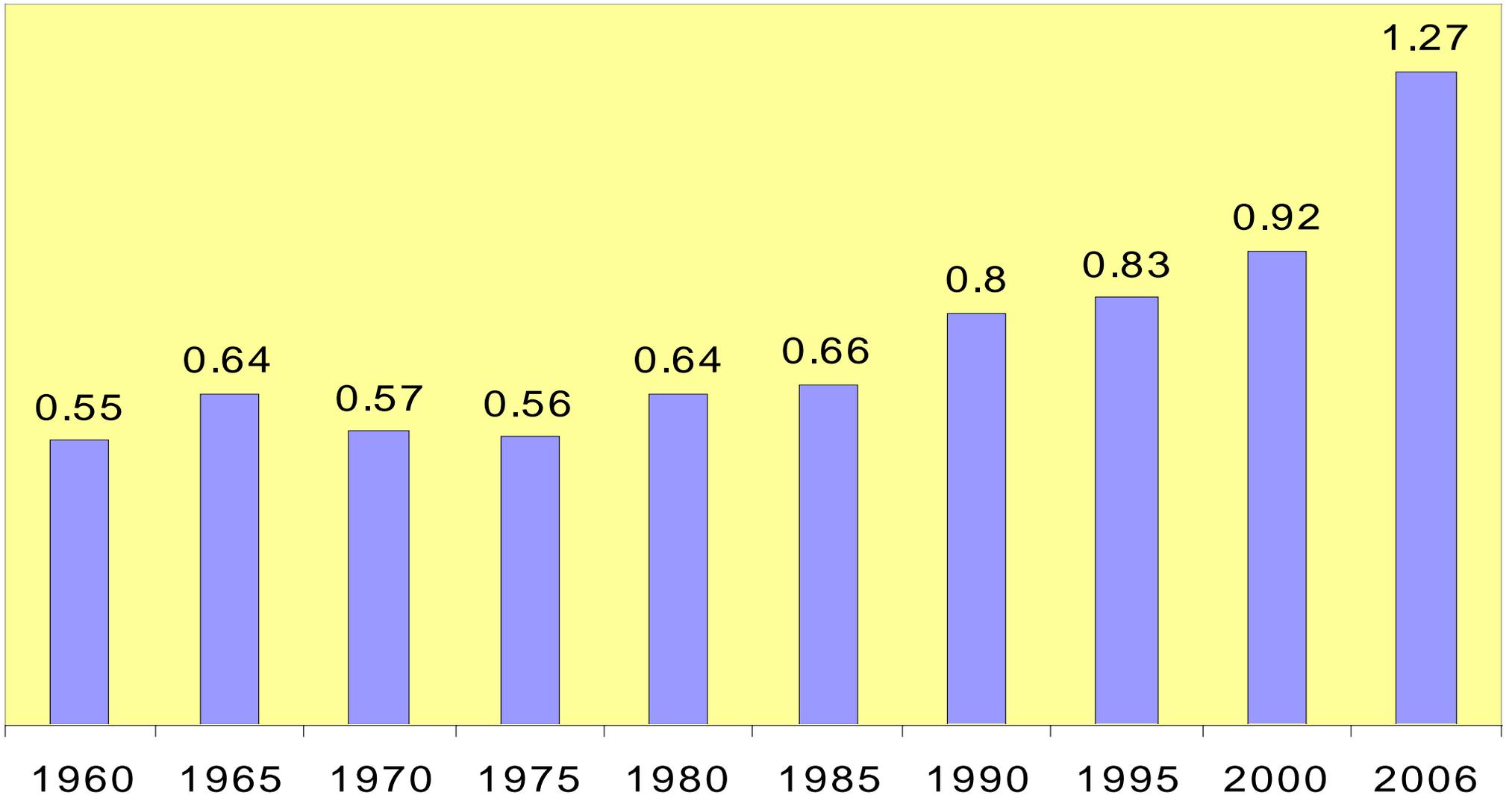|					
0%	+10%	+16%	+27%	+57%	+87%
Bottom 20% Less than $27,000	Second 20% $27,000 - 47,000	Middle 20% $47,000 - 71,200	Fourth 20% $71,200 - 109,150	Top 20% $109,150 and up	Top 5% $191,060 and up
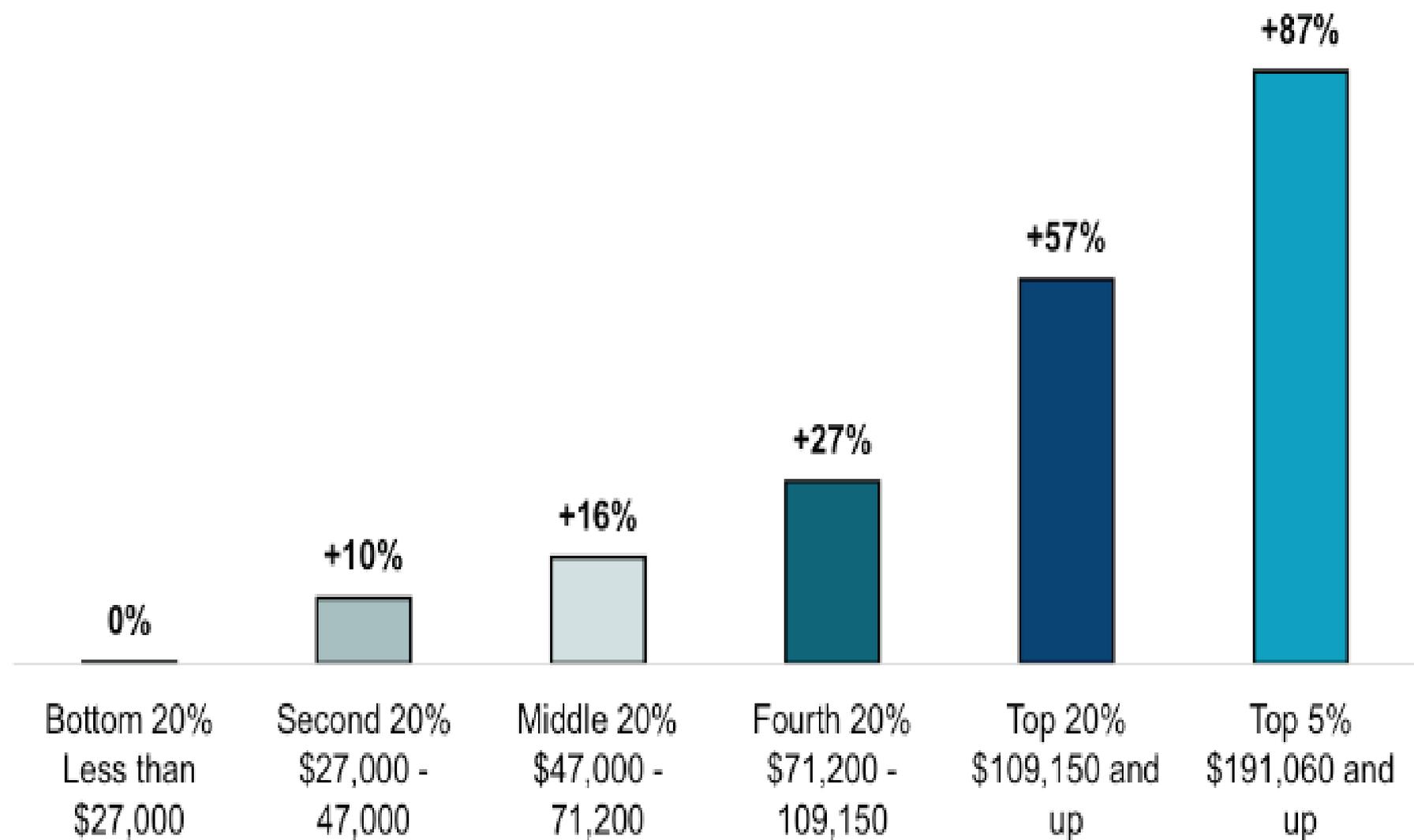
Source: U.S. Census Bureau, Historical Income Tables, Table F-3 (for income changes) and Table F-1 (for income ranges in 2006 dollars).

Ratio of Top 100 CEO Salaries per Average Worker Annual Earnings

Year	Ratio
1970	45
1980	127
1990	321
2000	1,510
2006	1,723

Household Debt to Income Ratio

Year	Ratio
1960	0.55
1965	0.64
1970	0.57
1975	0.56
1980	0.64
1985	0.66
1990	0.8
1995	0.83
2000	0.92
2006	1.27

Source: www.demographia.com

Percent of Private Sector Workers in Unions

Bar chart showing the percentage of private sector workers in unions by year:

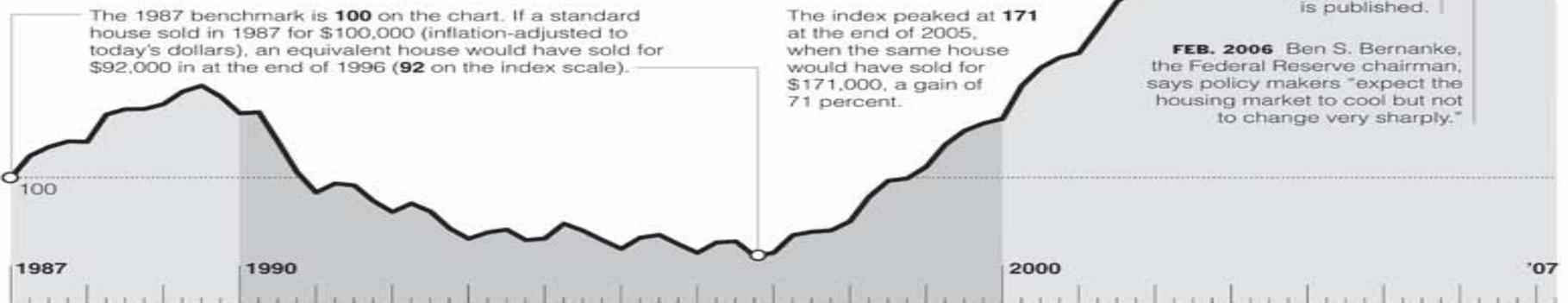| Year	Percent
1933	15.5
1939	22.8
1945	33.9
1953	35.7
1962	31.6
1970	29.1
1974	26.2
1978	22.5
1982	19
1986	14
1990	12.1
1994	10.9
1998	9.5
2002	8.6
2006	7.4
2008	7.6
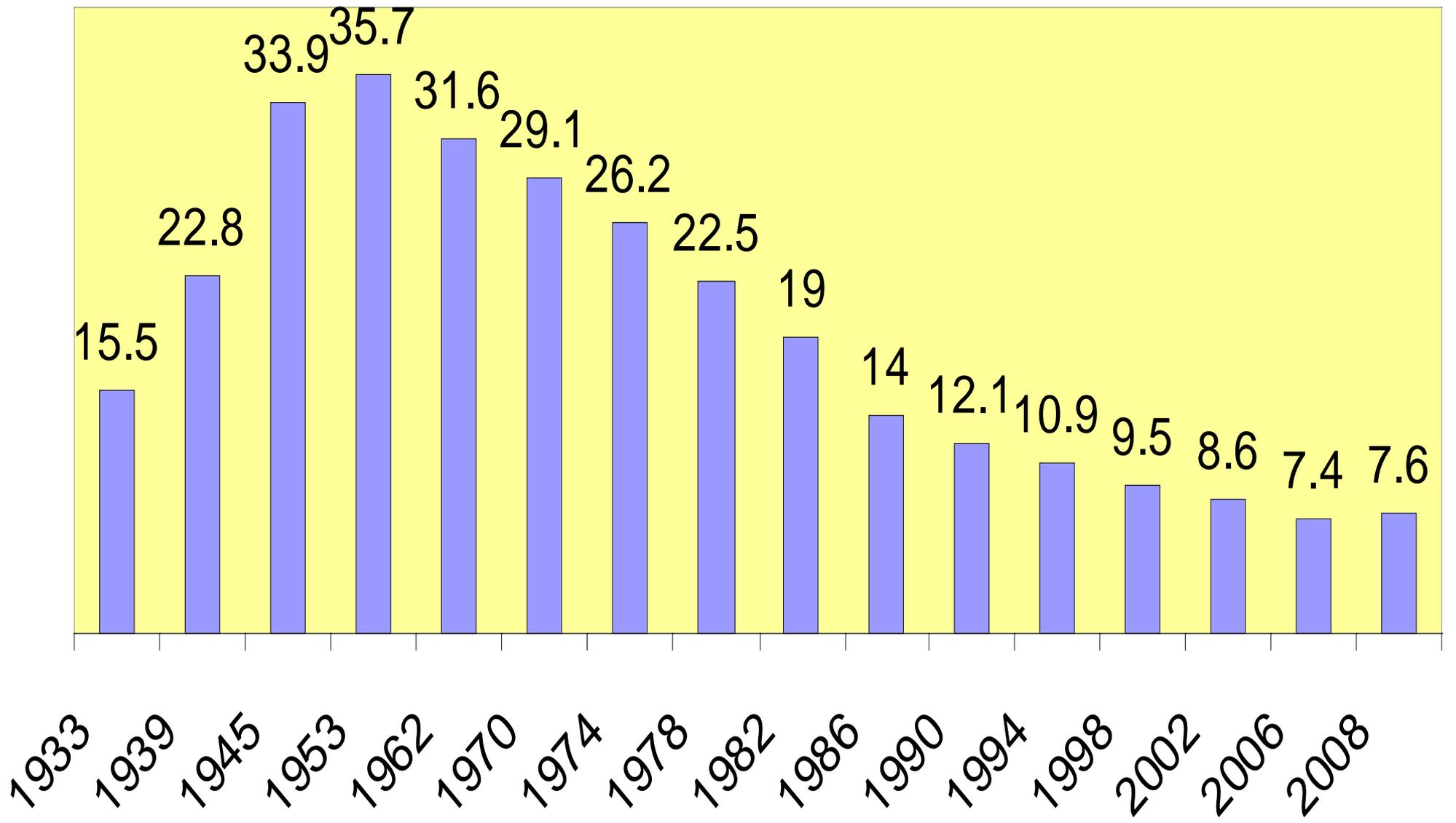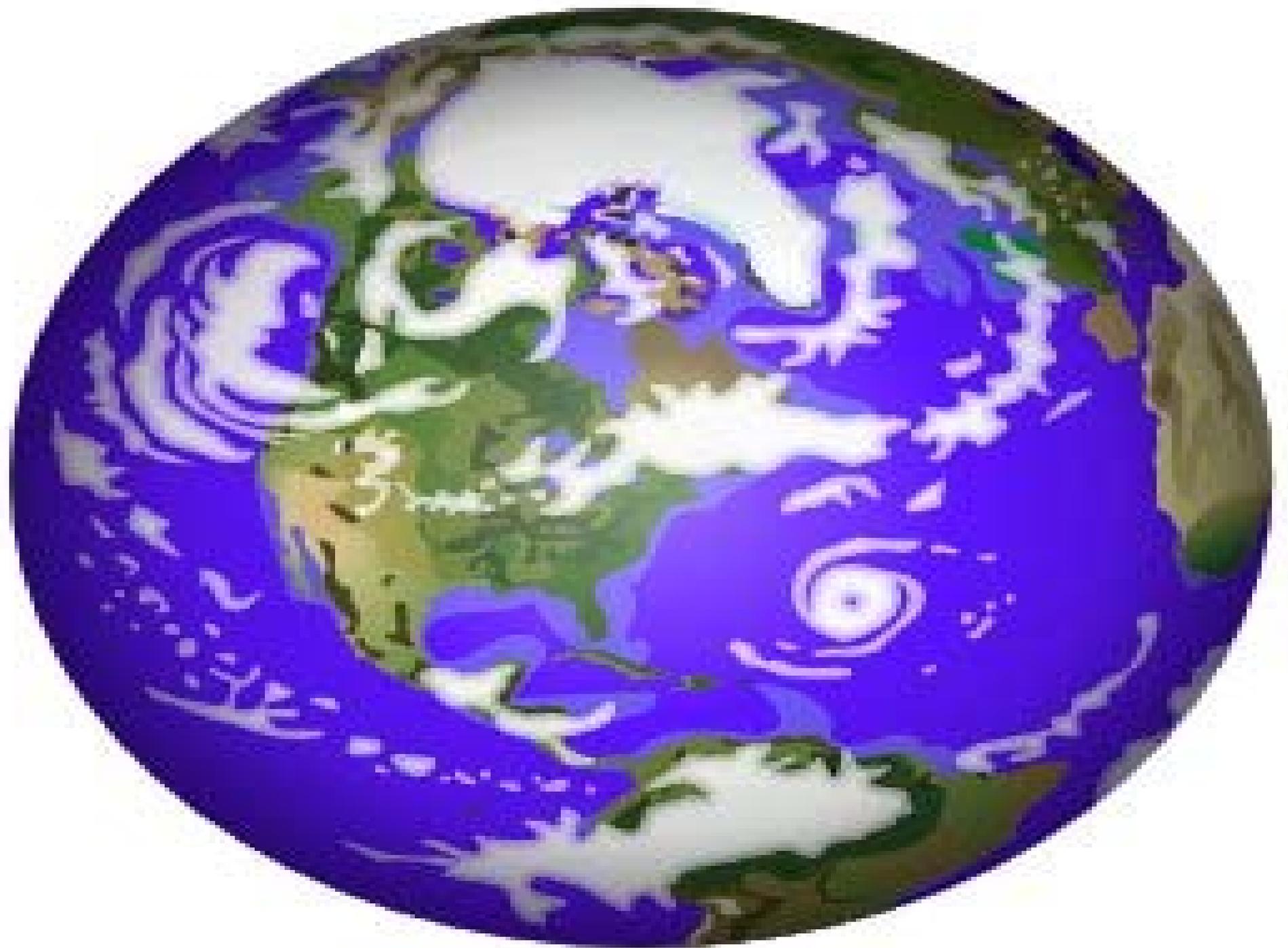
MAY 2003 The Economist magazine publishes a survey on global property prices, "Another Bubble Fit to Burst."

MAY 2004 The economist and real estate skeptic Dean Baker sells his two-bedroom condo in the Adams Morgan neighborhood in Washington because he believes the gains in home prices are unsustainable.

FEB. 2005 The second edition of Robert J. Shiller's book "Irrational Exuberance" is published. In it, he argues that the American housing market is a bubble.

MAY 2005 Alan Greenspan says: "Without calling the overall national issue a bubble, it's pretty clear that it's an unsustainable underlying pattern."

160 (as of June 30)

150

... But Reassuring Words, Too

FEB. 2005 David Lereah's book, "Are You Missing the Real Estate Boom?," is published.

FEB. 2006 Ben S. Bernanke, the Federal Reserve chairman, says policy makers "expect the housing market to cool but not to change very sharply."

U.S. HOUSING PRICES SINCE 1987 This index is based on sale prices of standard existing single-family homes (not new construction). It has been adjusted for inflation.

The 1987 benchmark is **100** on the chart. If a standard house sold in 1987 for $100,000 (inflation-adjusted to today's dollars), an equivalent house would have sold for $92,000 in at the end of 1996 (**92** on the index scale).

The index peaked at **171** at the end of 2005, when the same house would have sold for $171,000, a gain of 71 percent.

100

1987

1990

2000

'07

Sources: Standard & Poor's/Case-Shiller Home Price Index; Bureau of Labor Statistics

Derivatives: 15 million play Fantasy Baseball
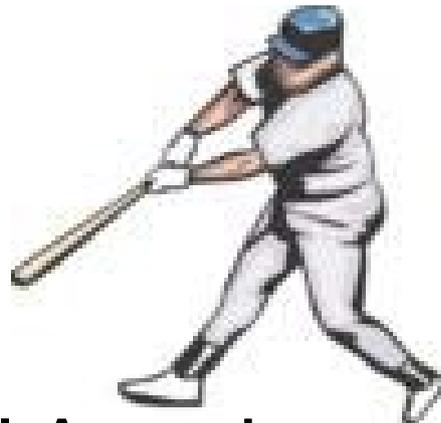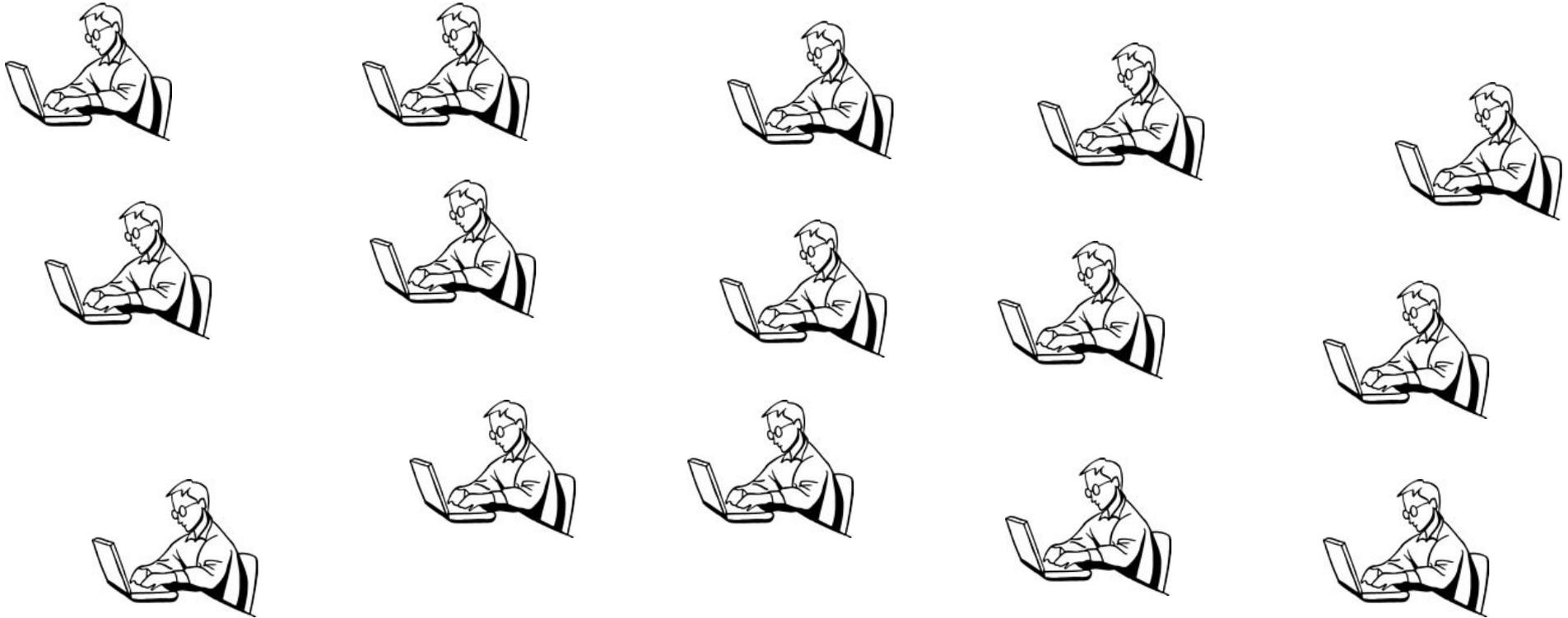
Based one real American and National League

Many Securities Based on a few Subprime Mortgages

Subprime Mortgage Wine

Senior Tranche

Mezzanine Tranche

Equity Tranche ("Toxic Waste")