



EDITORIAL BOARD MEMO

To: Editors and Columnists
From: Frank Clemente, Executive Director
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THIS LABOR DAY, WORKERS STILL WAITING FOR THEIR PROMISED \$4,000 PAY RAISE FROM TRUMP-GOP TAX CUTS

WASHINGTON, D.C. – As you prepare editorials and messages to honor American workers this Labor Day, we urge you to consider the enclosed research and data showing how the Trump-GOP tax cuts are affecting workers and how they are faring in the current economy.

President Trump promised that employers would use their large tax cuts to give working families a [\\$4,000 pay raise](#). But it hasn't happened. Meanwhile, wealthy CEOs and corporate shareholders are enjoying a different Labor Day this year because of Trump's tax law, which will [cost \\$1.9 trillion](#) according to the Congressional Budget Office and blow a big hole in the deficit. And when the law is fully implemented, [83% of the tax cuts](#) will go to the richest 1%, per the Tax Policy Center.

After the first eight months of the Trump-GOP tax cuts, according to an ongoing [Americans for Tax Fairness analysis](#):

- Only 4.4% of workers have gotten a pay hike connected to the corporate tax cut—just 7 million out of a total workforce of 155 million. Most of those are getting a one-time bonus, not a permanent wage increase. Corporate tax cuts are not trickling down; very few workers have more money in their pockets.
- Wages after inflation for all workers have actually fallen over the last year, declining 0.2% for all employees (private non-farm) from July 2017 to July 2018. [[Bureau of Labor Statistics](#)] And even for workers that got a raise, it's being eaten up by higher prices for prescription drugs, insurance premiums and gasoline.
- Just 411 businesses out of the nation's nearly 6 million employers are providing their workers with one-time bonuses and/or wage hikes due to the tax cuts.
- CEOs and rich shareholders have benefited the most from the corporate tax cuts. Since the tax cuts passed, corporations have announced stock buybacks of [\\$712 billion](#)—100 times more than the \$7.1 billion corporations have promised workers in pay hikes. Stock buybacks [overwhelmingly benefit the wealthy](#) because they own the vast majority of stock.
- [Corporate profits are up, and corporate tax revenues down](#). Between the last quarter of 2017 and the first quarter of this year, after-tax corporate profits were up 8.2% from \$1.8 trillion to \$2 trillion, according to the Bureau of Economic Analysis. Annualized federal corporate tax revenues were down 44%, from \$264 billion to \$149 billion.



Source: [Corporate profits](#) and [corporate taxes](#) from Bureau of Economic Analysis, retrieved from FRED, as of August 20, 2018

- [Job creation under Trump is below Obama record](#) (Figure 3): In the 18 months since President Trump took office, 3.4 million jobs have been created, well under the 3.7 million jobs created in President Obama's last 18 months.
- The average [tax cut for the richest 1% is \\$51,000](#) this year. That's about what an average sole proprietor [earns in a year](#), according to the Small Business Administration. There are 30 million small businesses; more than 8 out of 10 ([25 million](#)) are sole proprietorships.

To help reduce the deficit caused by their tax cuts, President Trump and the House GOP have called for cutting health care—Medicare, Medicaid and the Affordable Care Act—by [\\$1.3 trillion to \\$2 trillion](#), or roughly the cost of the tax cuts.

A better way to celebrate American workers this Labor Day, would be to repeal Trump's tax cuts for the wealthy and corporations and use the money to invest in America—to repair roads and bridges, expand broadband to rural America, make healthcare more affordable, improve public education, and ensure seniors a more secure retirement.

In other words, let's help working families get ahead instead of rich CEOs, Wall Street banks, drug companies, health insurers, and Big Oil, who are getting the lion's share of the benefits from the Trump-GOP tax cuts.

WHAT OTHERS ARE SAYING

Bloomberg: [Why Americans Are Making Less Money](#)

Reuters: [U.S. buyback announcements slow, but on track for \\$1 trillion: TrimTabs](#)

The New York Times: [End Stock Buybacks, Save the Economy \(OPINION\)](#)

The Wall Street Journal: [Rising U.S. Consumer Prices Are Eroding Wage Gains](#)

The Wall Street Journal: [Wage Stagnation Is Everyone's Problem \(OPINION\)](#)

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