

The amount of money in a savings account between the 'rich' and the 'poor' in America is the largest it has ever been in recordable history, causing the *current* Economic Disparity. Does this not matter at all? Or could this be signaling the beginning... Of laws like corporations are people. Perhaps this could lead to a societal unraveling similar to 1984? The point of this paper is not to agree or disagree about the repercussions of economic disparity, but rather to convince you that we are *currently* living in the most economically diverse time ever in history and how proper education for every human being is a necessity – not to close the economic gap, but to have consumers make proper decisions in the market place to drive capitalism in the right direction of world, and thus human preservation. In the following I attempt to present you with a few facts of the current corporate world and rate of pay. I challenge you to form an opinion.

Do you know what a Derivative is? Essentially, “a derivative is a contract that derives its value from the performance of an underlying entity. This underlying entity can be an asset, index, or interest rate”.ⁱ More than 80% of the World's wealth lies in financial derivatives since the creation of the Internet in the late 1990's. “Forget about the housing market, the real cause of the 2008 financial crisis was ‘Over The Counter Mortgage Back Security Derivatives’.”ⁱⁱ Credit default swaps (CDS) were invented in 1994 by JP Morgan, back before it merged with Chase.ⁱⁱⁱ A credit default swap is involves the transfer of the risk of the bonds to a third party, often an insurance company. For a nominal fee, the purchasers of a bond may insure themselves against the risk of the bond defaulting. Credit Default Swaps are not traded on any type of financial exchange like the NYSE – meaning it is extremely difficult by any single governmental entity to regulate them globally.^{iv} How is it that almost the entire world's wealth (80%) is contained within these assets that nearly no one has heard of, almost no one understands, and mostly the wealthy own?

Since the Great Recession of 2008-2009, CEO compensation has risen more than 54%^v in both equity and cash payments. “Although equity based compensation has grown the most, its growth has *not* been accompanied by a reduction in cash compensation.”^{vi} The average pay raise for a Corporate America employee is between 2%-4%.^{vii} Inflation for 2014 was .8% and 2015 was .5% respectively. However, this last two-year average is also extremely low^{viii} – where the average national inflation rates are about 3% historically and have been remaining low because of the weak state of the economy. For example, the CPI increase percentage for food in 2015 was 2%^{ix}, meaning that food prices have increased 2% for the 2015 year. However, it is important to remember this is an average - for example, egg prices in 2015 have increased 15%, while pork prices increased 6%-15%.^x This is why the middle class of America is eroding –

the pay raises for employees are not enough to keep up with inflation. Keep in mind, if you are living in San Diego, inflation was 2%; which means employees average rate of pay was holding steady with inflation and no increase was theoretically given. Where do you work and what was your rate of pay increase?

With this vastly new digital age, we could find new invigorating stories and facts that develop and enlighten the reader to make an impact and demand change in this area. However with this new influx of data, stories are rapidly eaten up by new interesting tad-bits from reality celebrities. For example, did you know or do you even remember that despite all the positive LGBT changes done by Caitlyn Jenner, she actually killed someone in a car accident, by rear ending a car and sending the woman into oncoming traffic.^{xi} She was then struck by an oncoming vehicle in the intersection, settled out of court with the family, and will not be charged with manslaughter.^{xii} Meanwhile on May 14, 2010 New York resident Kalief Browder was arrested while walking home from school, and charged with robbery.^{xiii} His family could not afford the \$10,000 bail, and he subsequently spent 3 years, incorrectly, in jail for a robbery he did not commit or was connected to. A few years after his release, Kalief's mental health deteriorated, neither confirmed nor denied by his 3 years of proven beatings in jail by prison guards and inmates. A few years after his release, he committed suicide by hanging himself.^{xiv} The Jenner case was recently settled out of court, under an 'undisclosed financial amount' but is estimated to be around \$18.5 million.^{xv} Comparing this with the rising US court fees of over 700% in the last 10 years,^{xvi} it does not become an illogical question to ask 'How much Justice can you afford'?^{xvii}

What is the 'Answer' to this? Social Justice or Black Lives Matter? All of these temporary social trends are in fact, just that, temporary. For this reason, unbiased education is the answer. Education is 'preparing oneself for an intellectually mature life.'^{xviii} Making sure that an educational source is unbiased and truthful is very hard to do, especially when six companies own 90% of the media market^{xix} – compared to fifty companies in 1983. The world may need another incentive other than money to ensure a secure future, and individuals need to demand this change from the market; otherwise, companies attempt to dictate the market future with low cost, easy to reproduce, inept solutions. 'Teaching you how to think' and 'what to think about' are the two most crucial aspects of education, and the current mainstream media reinforces the exact opposite of what is important.^{xx} For example, 71% of current UCSD undergraduate students could not name only one of eight US Supreme Court Justice's, but in fact could recite who Caitlyn Jenner was.^{xxi} Do you think we focusing our attention in the correct social areas?

“Live for excess. It is the American way.”^{xxii} Is it possible to shy away from this notion? Is it possible to make monumental strides forward in world hunger, global warming, and disease without the guarantee of unlimited riches, in the event of a success? Absolutely not – extreme rewards are needed for impossibly daunting tasks. However, it is the education of each and every individual that must improve. So that once extreme riches are achieved, they will not be spent erroneously like the ‘Koch brothers’ spending \$900 million on the 2016 Presidential campaigns to ensure a proper political future, but instead as a world caretaker like Bill Gates, eradicating disease and donating nearly all of his fortune.^{xxiii}

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- ⁱ [https://en.wikipedia.org/wiki/Derivative_\(finance\)](https://en.wikipedia.org/wiki/Derivative_(finance))
- ⁱⁱ <http://www.businessinsider.com/bubble-derivatives-otc-2010-5>
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- ^{iv} [https://en.wikipedia.org/wiki/Derivative_\(finance\)](https://en.wikipedia.org/wiki/Derivative_(finance))
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- ^{vi} http://www.law.harvard.edu/programs/olin_center/papers/pdf/Bebchuk_et%20al_510.pdf
- ^{vii} <http://money.cnn.com/2015/08/10/pf/pay-raise/>
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- ^{xii} <http://www.cnn.com/2015/09/30/entertainment/caitlyn-jenner-accident-investigation/>
- ^{xiii} <https://www.youtube.com/watch?v=gJMR56H6MA0>
- ^{xiv} http://www.nytimes.com/2015/06/09/nyregion/kalief-browder-held-at-rikers-island-for-3-years-without-trial-commits-suicide.html?_r=0
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- ^{xvii} <http://wrongfulconvictionsblog.org/2015/07/13/equal-justice-under-law-well-just-how-much-justice-can-you-afford/>
- ^{xviii} <http://dictionary.reference.com/browse/education>
- ^{xix} <http://www.businessinsider.com/these-6-corporations-control-90-of-the-media-in-america-2012-6>
- ^{xx} <https://www.youtube.com/watch?v=vET9cviGJQw>
- ^{xxi} Survey study done by Brett Blazys @ UCSD
- ^{xxii} <https://www.youtube.com/watch?v=KhGyFkMirUg>
- ^{xxiii} http://www.nytimes.com/2015/01/27/us/politics/kochs-plan-to-spend-900-million-on-2016-campaign.html?_r=0