

District 7 Scholarship Essay

To answer this question in full, it is important to first take a detailed look at the 1970's where this problem first arose. For, it was in the 1970's that market restriction, heavy dependence on large corporate shares for supply chains, lacking antitrust enforcement, and buyer power groomed the problem we are now facing. Overall, it can be overtaken from looking at the way buyer power in the competitive market from the 1970's to today, has caused a robust increase in corporate wages and almost none for the workers.

Statistically speaking, every year since 1947 up until 1979, workers wages increased by 2 percent every year for the bottom 90 percent of American workers; despite an impromptu rapid growth in the late nineties, workers wages have stagnated at .5 percent every year. The root cause, if you follow the money, lies within the shareholders of the locally sourced companies. When corporations use their monied alliances to contribute the needs of a smaller, but growing, company in their start. However, once those companies start growing into corporations and making more money for their investors it becomes an issue. The workers of these corporations or growing companies are the ones to suffer. Of course, not all of this can be directly blamed on the large corporate shares, it can also be attributed to the decline in productivity growth among middle range skill workers. When companies decide to automate the manual labor jobs or other jobs that could be done by robots they often choose that route because, it is easier on the company and they have less of a salary to pay. In other words, that saved money goes more directly to the 'man in charge', so to speak. Even more so, when manufacturing workers face the threat of imported goods, the value of their skills goes down even more, causing rapid job loss and again, wage stagnation.

Another cause of this wage stagnation is the lacking antitrust enforcement during the 1970's. The market structure in the 1970's allowed for pay premiums to take a decline. The

market structure allowed for corporations to buy into employers of low and middle skilled workers. The ambient buyer was then allowed to dominate and establish their control into these growing companies, but it was through the lack of antitrust enforcement that the buyer was allowed to hold large shares into these companies and become their main source of income. Then, when these corporations held the threat of taking away their shares in these companies, they were forced to make a choice between letting their investor keep supplying to their company and taking away from their workers or, letting their investor take out their money and potentially lose their company.

By this point the question is probably being asked, "How are wages affected by the buyer power?" The answer lies in recent research conducted on the forces of buyer power. For example, buyers with concentrated sales groups to specific demographics have low return on sales and other assets. Recent surveys have concluded that in manufacturing jobs, it is often the buyers who benefit from the monies savings in the corporations, not the workers. Now, to their credit this research does focus mostly on profits rather than wages, but it comes to the same conclusion; that workers are being left behind in the economy if not for a collegiate level of education or a more highly ranked disposition. Overall though, as buyer's enter the competitive market of course they find allegiance within a certain company. So, again as the competitive buyer enters the market, there is really no way of controlling how or where they will find their allegiance, so when that buyer finds it, it is easy to see how social dynamics of dependence and dissonance could undermine the original source of a wage premium and cost benefits.

In a final tribute to an attempted answer for wage stagnation, the aforementioned brings a conclusion that the dominance of the competitive buyer, a lack in antitrust enforcement and the large portions of corporate shareholders have caused and are still fueling the problem that most of our non-collegiate workers are facing. It is my proposed solution that we fix these

problems and the economy will rebuttal with support for those involved. When wages are being shifted to the people who are not deserving of them, the already present wage gap deepens.

This problem in specific helps to contribute to America's disappearing middle class. It is with the future in mind that generations such as my own should look to those in power and find a way to rebuild our middle class, grow the wages of the standard american worker and look ahead to a monied alliance system that will make sense to all.