FILM SUMMARY

INSIDE JOB examines the U.S. financial services industry’s corruption and recklessness that led to the 2008 financial crisis and triggered a global economic meltdown. Through extensive research and interviews with financial insiders, politicians, journalists, and other professionals, filmmaker Charles Ferguson traces the rise of a corrupt financial services industry that gained increasing lobbying power and influence in the White House and Federal Reserve. In the years leading up to 2008, the deregulated financial institutions engaged in fraud, money-laundering, and tax-deduction schemes that benefited the rich. In direct betrayal of customers they were supposed to serve, investment banks deceptively bet against their investors and supported a dangerous sub-prime lending spree, thereby gambling carelessly with billions of dollars to generate profit for themselves.

The film argues how this culture of greed, high risk, and self-interest grew rampant and wild, encouraging more irresponsibility among those who profited at the expense of others. When the banks filed for bankruptcy in 2008, tens of millions of Americans lost their savings, their homes and jobs. But in the aftermath, the CEOs who had engineered the meltdown were bailed out and walked away even richer than before. Instead of being prosecuted for massive fraudulent crimes, some were hired as government officials, empowering them even more to create laws that served themselves.

Important and enraging, INSIDE JOB is necessary viewing. The solutions may not be within easy reach, but being informed and holding those in power accountable are the first steps in bringing about change.
FILM THEMES

INSIDE JOB argues that the U.S. financial services industry is motivated by short-term profit at the expense of long-term consequences.

CONFLICTS OF INTEREST
Economics professors who receive consulting fees and serve on the board of directors for financial companies clearly have conflicts of interests. In teaching economics, these professors with corporate ties embraced the deregulatory movement, which encouraged greater risk-taking. These conflicts of interests within academia extend to other disciplines and industries, including agribusiness, healthcare, telecommunications, and energy. Academics are paid by consulting firms, speakers’ bureaus, and industry lobbying groups to advocate for their interest in government policy.

FINANCIAL CORRUPTION
Fraud. Inappropriate risk-taking. Offshore accounting. Tax evasion. Deceit. Reckless banking. Private mergers and acquisitions. These are but a few of many accusations directed toward financial institutions. They promise political and financial reform, which seldom or never occurs. One important reason for this is that major players in the financial sector often go on to serve in influential roles in the White House and the Federal Reserve.

RISING INEQUALITY
The film shows a great rift in American society as the economic inequality continues to grow. This inequality touches every aspect of life from education and healthcare to jobs and opportunities. As a result, social mobility in the U.S. has decreased. With a destabilized middle class and rising costs of college education, Ferguson argues that the current generation of children will be less educated and earn less money than their parents, unless the children have wealthy parents. This social inequality is further exacerbated by an oligarchical structure, in which the ruling elite hold positions of power and act in their own self-interest, such as moving their businesses overseas and taking advantage of cheaper labor and resources.

GLOBALIZATION
Globalization offers a multitude of benefits from international trade and declining global poverty to the exchange of culture, ideas, and information. Much more is being shared, but that also means that we’re sharing an inter-connected economy. The damage caused by the U.S. financial crisis in 2008 spread worldwide. A globalized economy has its strengths as well as vulnerabilities, and usually those most negatively affected are the poorest and least protected. A globalized economy also means that governing authorities move from a national scale to an expanded worldwide scale, making it harder for them to be tracked, questioned, or ever opposed.

“We know now that Government by organized money is just as dangerous as Government by organized by mob.”
Franklin D. Roosevelt

“We why do we have big banks? Well, because banks like monopoly power... banks like lobbying power... banks know that when they’re too big, they will be bailed.”
Willem Buiter, Citigroup chief economist
**FURTHER DISCUSSIONS:**

1. How were you personally affected by the 2008 financial crisis? How has this film affected your understanding of the crisis and your response to its aftermath?

2. Who benefits from deregulated financial markets? Who pays for the consequences?

3. How much responsibility does a government have in protecting its citizens, and how does this function in a free-market economy and individualist society?

4. What are the arguments for and against regulation in other industries, such as agribusiness, media, pharmaceutical, oil and gas?

5. INSIDE JOB exposes the U.S. financial system’s political entanglements, but does this exist in other nations? What are the cultural-historical explanations for the fervor and greed of Wall Street? How does the U.S. economic culture compare to that of other countries?

6. Although American investors were portrayed as victims of fraud and deception, do you think they were responsible in any way? How were they complicit? Will this film impact your investment choices?

7. Is the financial service industry ethically responsible for its investors? Or is it a profit-motivated business? If they were playing within the rules of the system, who is ultimately responsible?

8. In regards to exorbitantly high executive salaries and bonuses, should a salary be based on the work done or by the resulting financial return? How do high pay and bonus incentives motivate people?

9. Who benefits most from a globalized economy, considering that 75% of all third-world profits are made by just a few giant industrial-financial corporations? How has globalization improved the lives of people? How has it made them more vulnerable?

10. The film shows how several economics professors were employed at universities, teaching policies that benefited them while receiving consultation fees from financial institutions. What are other examples of “conflicts of interest” when academics are employed by the government or by private businesses?
FILM FACTS:

- Director Charles Ferguson interviewed 42 people from various backgrounds, each with a different perspective on the 2008 crisis.

- The 2008 financial collapse hit Iceland hard. Instead of bailing out the banks, Iceland began investigating criminal conduct and arresting the responsible bankers. Bailout packages were given only to those most affected by the collapse—the average Icelandic resident. As of 2013, Iceland has rebuilt its financial industry and is experiencing a strong, healthy economy.

- Since 1986, CEO salaries have risen by 965%.

- 75% of all third-world profits are made by just a few giant industrial–financial corporations.

- Director Charles Ferguson wrote and published “Predator Nation,” a book that explores the financial systems more in depth.

- The chairman of the Department of Psychiatry at Brown University admitted to being paid over half a million dollars in drug-company consulting fees in just one year. This situation is hardly unique. The boundaries between academic medicine and pharmaceutical companies have been dissolving since the 1980s. Even their mission statements are becoming blurred.

- Former U.S. President, Abraham Lincoln, wrote in 1864, “As a result of the war, corporations have been enthroned and an era of corruption in high places will follow, and the money power of the country will endeavor to prolong its reign by working upon the prejudices of the people until all wealth is aggregated in a few hands, and the republic is destroyed.”

- In 1913, bankers were able to get their Federal Reserve Act passed. As a result, Congress relinquished its power to create its own money (as stated in the U.S. Constitution) over to private bankers who called themselves the Federal Reserve.

- U.S. President John F. Kennedy believed the Federal Reserve System was corruptive and destructive. He took back his constitutional right to create his own money. Many believe he would’ve repealed the Federal Reserve Act of 1913 if he hadn’t been suddenly assassinated in November of 1963.

- The Eurozone economy fell two–tenths of 1% between January and March 2013, putting the 17–nation currency bloc in recession for 6 consecutive quarters, which is even longer than the deep recession that followed the global financial crisis in 2008.

WAYS TO INFLUENCE

1. Share this film. Give others the opportunity to learn about the economic system in which we all participate.

2. Learn more about the inner workings of Wall Street in Charles Ferguson’s book, “Predator Nation.”

3. Never take your power as a consumer for granted. Be a responsible citizen who is content to live within your means. This alone will give the financial system less control over your life.

4. Save money. Place your savings in small local banks, credit unions, and mutual funds. Invest prudently and ethically. And above all, educate your children.

5. Stay informed, stay involved. As Margaret Mead said, “Never depend upon institutions or government to solve any problem. All social movements are founded by, guided by, motivated and seen through by the passion of individuals.”