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## **Take Back America Conference**

**Campaign for America's Future / Institute for America's Future**

### **Plenary Session: An Economy that Works for Working People**

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Thank you, thank you very much. My concern this morning is with the 30 percent of the workforce, approximately 30 percent anyway, that lives in poverty. Working people living in poverty. These are disproportionately women, single mothers often, and people of color. Now this is not a big concern to our leaders. For example, the President has said that welfare reform, which you know threw 4 million single moms into the workforce, "a resounding success." Or let's put that more accurately, the, "President" has said that welfare reform is a resounding success. He doesn't say a whole lot about poverty, but when he does it's kind of interesting. Here's a quote, you have to listen carefully to this now. This is from the President, "There are pockets of poverty in America which we cannot let them remain, I mean I refuse to allow them to continue on." I actually love a man who can stand up to the English only movement! You know, just say what you want!

Besides, what would the Bush administration do if they decided to do something about poverty anyway? Bomb it? Anyway, what I want to talk about briefly, is what kind of programs or demands we put forward in a time of rising unemployment. Because with high unemployment, those of us on the left, the liberals, tend to focus on one thing: the need for more jobs. Economic growth, job creation. Everything we talk about tends to narrow down to that. The reasoning behind that is impact, or it looks like it anyway. The tighter the labor market, presumably the more valuable labor becomes. It gets easier to leave a bad job, it gets harder for management to replace you so they think twice about firing you. So wages should rise if there is decreased unemployment. Now, this is true to an extent. Wages did rise in the '90s, including for the poorest and least-paid workers, up about \$1.00 an hour for those who were paying, getting \$5.50 an hour in 1996. But the surprising thing, and this is what I want to emphasize, is how little they rose in the 1990s. That is how poorly the law of supply and demand seemed to work. Greenspan, in 2000 was happily reporting that the economic law linking low unemployment to wage increases seemed to have been repealed. You know, nothing, inflation wasn't happening. From wages anyway. Now this was great news for the business class. But the low unemployment economy of the late 90s was not an economy that works for working people.

When I did research for my book, *Nickel and Dimed*, I went out and worked in different low wage jobs because that's all I could get, frankly. With my background, an ancient

Ph.D in biology gets you, maybe, onto the floor of Wal-Mart. I worked alongside women who were homeless. Full-time working people who were homeless. You know the interesting thing, they didn't consider themselves homeless because in America today we have a hierarchy of homelessness and if you have a vehicle to sleep in, you don't call yourself homeless. I also worked alongside people who were not getting enough to eat during the workday, anyway. And I will admit my middle class bias when I saw women skipping lunch or just eating a little bag of Doritos, was to say, "Oh, she must be dieting." Was I wrong. They didn't have money, they didn't have food. Now this was in the boom years, this was in the best of times when unemployment was only four percent.

Why didn't low unemployment work better for working people? Well, I've got some speculations. One, the immobility of so many workers. You know, if the law of supply and demand is going to work, you've got to be able to move to the slightly better paying jobs. People can't get there often. Transportation is a wage issue, too I would say. Also, you lose a week's pay, maybe two weeks' pay, if you change jobs. That's not possible for a lot of people. Second guess, this is not a guess though, the *New York Times* actually reported in 2000 that employers will do anything to avoid raising wages. Because if you raise wages, people are going to expect to get that all the time. So what employers often did was add some teeny tiny benefit. For example, when I worked at Wal-Mart in Minnesota, once a week if you could arrange your break at the right time you could have a free donut. Seven dollars an hour doesn't look so bad, right, if you get a free donut every now and then! And then another reason why it doesn't work so well is a lack of information. People don't have information, often, that they need to make informed choices about jobs. Many companies do not even mention wages or benefits or anything like that until you've actually got your uniform on. They don't want to talk about that. They'll do anything to prevent that subject from coming up. Some bosses even forbid discussion of wages among workers. Now that's illegal, but they forbid it. In fact, many employers I ran into actually forbade talking among employees. So it's hard to get the information you need. So I would say, for one thing, how about a campaign to publicize dismally low wages? I would like to see billboards showing the starting pay at some of our major corporations along with the CEO pay and all the benefits!

At Wal-Mart, you start at \$7 an hour. The CEO makes, let's see, if you go with Arianna Huffington's wonderful book, *Pigs at the Trough*, not a book about agriculture, you know! He makes well over \$10 million dollars a year, the CEO of Wal-Mart. If you go with *USA Today's* estimate, with stock options he makes \$66 million dollars a year. At \$7 an hour it would have taken me only 5,000 years to make what he makes in one year! In all that time, I'd probably have never gotten a promotion because I'm a woman, anyway. So I would like to see that, I would like to see a living wage bill passed in every city and town. I would like to see the minimum wage raised to be a wage you could actually live on, minimally, but live on. I would like to see, of course, it become possible for American workers to organize into unions, which it is not now. Finally, I want to say one other reason why just saying, "more jobs, please give us more jobs" is not a sufficient economic program. That is because it leaves out those people who cannot take a job because they're already working. And I mean they are working taking care of

children. Taking care of children is a lot harder in poverty, is a lot harder than taking care of them in a middle class suburb too. Or taking care of the elderly or sick spouses. The tragedy of welfare reform was its complete dismissal of this kind of care-taking work that goes on in the home, perhaps because it is women's traditional work. I think we need to honor and respect that too.

So, yes, we need more jobs, definitely. But we cannot measure our success in terms of the number of jobs, we cannot measure it in terms of productivity, we cannot measure it in terms of the growth of the GDP, and we certainly cannot just measure it in terms of corporate profits. The only true measure of our success in the agenda we want to promote is the ability of America's working people to live with dignity and security even when they're unemployed. Thank you.