

## **Closing Speech, Jan. 28, 2016 League Luncheon on Income Inequality**

I was talking online with a lot of former and current journalists, and I asked the question, “Can anyone explain income inequality and what it means for the middle class?”

Usually, these 500 or so correspondents are eager to discuss timely topics, but this time, only two writers answered. Even they were not sure how to talk about income inequality. What is it really? Most people think of income inequality as having severe consequences only for the poor. It is hard to pin down once we apply the term to the middle class.

One of the journalists tried to pin it down by describing changes in the economic landscape in the town where he lives.

The parking lot outside the university football stadium used to fill up with families who gathered for tailgate parties. No more. Now the parking lots have been given over to wineries and the whole leisure and recreation industry that hogs the blacktop with big elaborate rigs to lavishly entertain elite clients. In the same West Coast city, this man sees many highly skilled, upper middle-age people out of work after decades of steady employment. They have slipped from homeowner status to apartment renters, and they are desperately trying to hold on.

He sees elegantly dressed patrons of the arts leave the city parking garage and walk hurriedly past a sea of young street people. These are not your traditional homeless, he writes. They are mostly kids from homes where incomes have disappeared and families have disintegrated, a surging population.

Meanwhile, the university heavily recruits foreign and out-of-state students. As states throughout our country have reduced their percentage of funding to public colleges and universities, these schools have come to rely on out-of-state tuition to keep afloat.

That means less space for in-state students who can afford the tuition, and very little help for in-state students who can't afford it.

The second journalist who answered my question offered a pretty mainstream definition of the middle class. He said “the middle class are the people who can afford to buy a house, own two cars, take a vacation now and then, send their kids to college and maybe even save a little for their retirement.” But that definition is becoming outdated as the income gap in this country gets worse.

Everywhere we look, we can see evidence that discretionary income among the middle class is disappearing. When I say “discretionary income,” I mean income that is left over after all necessities that could place an individual or family at risk are taken care of.

What are those necessities for people like us? Adequate insurance – because most of our children do not have the means to care for us when we are infirm. Mortgage payments for homes that should have been paid off by the time we retired, except that we used our equity several times to pay for things our income did not cover – home repairs, college tuition, health care not covered by insurance, and with increasing frequency, the care of grandkids or other extended family.

As our income dropped or stagnated, there were large increases in the cost of utilities, water and sewer, banking, credit, and phones. (These increases do not even count the unfair charges, miscalculated fees, and penalties from consumer contracts that are so hard to unravel, we just pay the money and move on.)

Our grocery bills have gone up, user fees have replaced free entry to parks and public activities, parking fees have increased, moving violations have become a form of highway robbery, rapid transit is more expensive and yet falls far short of public need, and relief from congested roads is now being offered through toll roads on land we once called “public.”

Meanwhile governments are selling public land, infrastructure, and oversight of critical public services to private, profit-making entities, partly to close the gap in state and local budgets that have been starved for federal funding. Meanwhile, almost two-thirds of the federal budget is consistently devoted to war and all it entails.

Many people who once envisioned the mellow golden years with time to realize some simple dreams have found themselves working for less money, long past retirement, just to keep going.

As the wealthy sucked dry our financial system, and then relied upon everyday taxpayers to keep our country's economic boat from sinking altogether, the middle class watched its savings, home ownership, and credit go down the tubes. Without missing a step, Wall Street found other types of financial products to buy, slice, and dice, while candidates for public office implied, or told us outright, that the widespread economic failure was caused in great part by the profligacy of our own middle class.

Perhaps after a nice lunch, you are tired of hearing this litany of despair. But I'm not done yet.

Some of us still take refuge in the fiction that even if the middle class is afflicted, we could still save ourselves, if it weren't for the poor dragging us down. And perhaps we are only a breath away from saying we could help ourselves still more if it weren't for the old clinging to Social Security, if it weren't for the disabled constantly needing health care, if it weren't for the unions who always crying about wages and benefits.

"We are the middle class," we lament, "and everyone is picking us apart. Yet we are the people who built this economy, who fought the wars, who financed the bailouts. We do everything, and nobody helps us. We haven't got any tears to shed for the poor."

But here is the middle class's mistake. We did not build this economy alone, for all the low-wage jobs in it – and there are millions more of those than of any other kind – are performed by low-income persons.

We did not fight the wars alone, for much of the heaviest recruitment of new warriors is among low-income families. Young adults who have no money for college roll the dice to see whether they will die, become wounded, or survive to collect benefits to pay for their education.

The middle class did not finance the bailouts alone, for every low-wage worker pays taxes, just like we do; when the taxes are regressive, as in sales tax, the burden upon the poor is greater than it is for us.

Yet, the middle class is the rising cusp of the new poor. All the forces that are shoving people down the economic scale into poverty are the same ones that have robbed the middle class of its economic buffers, damaged the economic vitality of its offspring, and completely undermined the balance of our mainstream economy and political system. There is no balancing of these forces, because neither our voices, nor those of the poor, are taken seriously by people who seek or hold power.

Today's political candidates do not come to us first to find out whether they are wanted. They go to Rancho Mirage, Las Vegas, Hollywood, or any of the haunts of the privileged, hat in hand, offering their eternally attentive ear for the blessing of monetary support to start and complete their campaigns.

But when **we** think of why the middle class is losing ground, we do not grasp what it means to be cut off from people in power. It means we do not make the rules that govern our lives – certainly not the rules that govern our economic lives. So when we see ourselves being closed in by economic burdens that seem to grow heavier each day, we look to other forces to explain our predicament.

We name technology, because it has stolen so many jobs. We can see this in the hardware store or supermarket, where one employee watches over two or three self-checkout counters. We can hear it on the phone when we call our cable company about a problem, and an imperturbable computerized voice helps us fix things. We can see it in computerized systems that draw doctors away from their patients, replacing the transcription and support jobs that once allowed women to get a foothold in the service economy.

We point to globalization, because nearly all our manufacturing, and now, even our professional and skilled service jobs, can be done by lower-paid professionals in other countries where college debt is not crushing them. We see manufacturing jobs moving to other countries

where wages are so low even American prisoners cannot compete with them.

But what is the main force taking away the economic strength of the middle class? We have lost our influence on the democratic process. We have lost our place as participants in the democratic dialogue. We have given over our democracy to a ruling class of the wealthy. And we have been hoodwinked into blaming the poor for our economic woes.

In reality, our present political environment is not so different from what has existed throughout our history. It has always been “pay-to-play” in America. But never more than now, and never more to the complete exclusion of everyday Americans, whether they are middle class or poor.

Sure, the rich have always pushed their weight around the political arena, but today, their weight has been blessed by Congress and the Supreme Court with unlimited private access to political candidates and institutional power.

Furthermore, the rules that once broke the chokehold wealth had on public policy and market practices have been undermined or even thrown aside. What we have now are single-minded aggregates of power in major industries.

In the media, for example, this has transformed our news, narrowed our understanding of what is happening around us, and allowed our reasoning to be sculpted by carefully chosen facts and outright fiction. While all this is going on, our minds are being picked with every computer keystroke we make, to reveal any inclinations that can be harvested to further the interests of money and power.

It is not that wealth should be silenced. It is that when the middle class and the poor are absent from the public dialogue, our own interests are consistently outweighed and outshouted by the overwhelming influence of great wealth. And in this lopsided battle, you – a member of the middle class -- are as poor as the poorest person living in America.

What is the remedy that will bring this balance back? Dare I say the League of Women Voters? As a starting point, absolutely. This is the organization that believes every voice counts. Every voter counts. Every fact should be aired. Every truth should be told. This is the organization that people look to for fairness in the midst of controversy, for common sense in the midst of hyperbole, for accuracy in the midst of pretense.

And the beauty of this organization is that none of us has to stand alone. We can stand on the history, the credibility, and the commitment of thousands of members who have built the League's reputation for decades.

Years of public deception have taught the middle class that income inequality mostly affects the poor, who are thought to have neither the desire nor the means to protect themselves. But the forces we see at work decimating the poor, adding to the ranks of the deeply poor, and obliterating their chances to escape poverty are the very forces arrayed against the middle class. Yet here we are, the middle class, fighting the poor over the scraps left by governmental budgetary policies that are crippling all of us.

If you take nothing else away from these presentations, take this. This is not some flimsy female garden party. This is the League of Women Voters, intelligent, well-informed members in a broad-shouldered, mainstream organization not affiliated with political parties. We have the heft to take on the job of correcting the public understanding of what this growing income gap means to all of us. It means we are all in the same boat, some still bailing water, some already under water. We will all sink if we don't fix the boat, make it bigger and bring everyone we can on board.

And that goal just happens to coincide with the mission of the League of Women Voters.