

# How Poverty and Inequality Are a Threat to American Democracy

**Sasha Abramsky**

*Calvert Ellis Memorial Lectureship, March 16, 2017*

Sasha Abramsky is a freelance journalist, activist, and author of *The American Way of Poverty: How the Other Half Still Lives*.

I will be discussing poverty and its role in the political climate we find ourselves in. I will say upfront that I suspect not everyone will agree with me, because there is political diversity—as there should be. What I want to discuss is how poverty emerges, what it means, and what the dangers are to the culture and politics of a country when poverty is allowed to fester, expand, and define the life expectancies of millions of people.

*The American Way of Poverty* was published in 2013. It is a book that I spent years researching, so a lot of the research occurred in the years shortly after 2008. When I first began talking about the book, I went around the country to colleges and think tanks. Everybody knew what I was talking about because poverty in the wake of 2008 was omnipresent. You, yourself, and your family might not have been poor, but you almost certainly knew people who had lost their jobs, people who had lost their houses, or people whose life savings had evaporated. All of the measures of poverty were so present in so many different locations that it was easy for me to connect on the issue. It did not matter one's politics—liberal or conservative. It did not matter one's age—old or young. It did not matter one's race—black, brown, or white. Everybody was, or knew someone who was, living in poverty. That was the first go-around for this discussion.

Then in 2011 things started improving: the economy was getting better, people who had been unemployed started finding jobs again, the Gross Domestic Product and Gross National Product numbers began to grow, and the stock market began to rise again. In many parts of the country the housing market boomeranged back. The story of poverty became more complicated once again. Now people were working their way out of poverty, or it was not as pressing an issue as it had been two or three years earlier. This does not mean it did not exist or that it was not impacting millions of people, but it was slightly more subtle than it had been in 2007 and 2008. I had to adjust my discussion to talk about the good times, but also the ongoing bad times.

Now we are in the third turning of the wheel, and there is yet another iteration of this discussion. We are now in the Trump Era, and at least in part the reason Trump got elected and appealed to people,

especially in rural areas, was because so many people felt left out by the economy. They felt that the jobs that they used to have and the jobs that their parents used to have, in manufacturing and other sectors, had disappeared. They felt that the benefits that went with those jobs, such as healthcare benefits, paid sick leave, and pensions, had disappeared. They were looking for answers as to why.

As far as I am concerned, Trump got the answers absolutely wrong. He looked around and said that the reason people living in rural areas did not have good jobs was because of black people, brown people, Muslim people, and Mexican people. He began a politics of scapegoating that hurt a lot of people and in many ways tore apart the social fabric, but for people who were desperate and for people who felt ignored, it turned out to be a potent and powerful method of communication.

There has been a conversation that all poor people voted for Trump. It is just not true. The majority of working class Americans voted for Clinton. The vast majority of working class white Americans voted for Trump. You cannot separate out the economics and race here. If we assume that black and brown Americans are just as American as white Americans, which I hope people do assume, then all of the rhetoric about working class America going for Trump is deeply flawed rhetoric. Working class Asian-Americans did not go for Trump, working class African Americans did not go for Trump, and working class Latin-Americans did not go for Trump. There is a conversation to be had about race in this election as well.

The third generation, if you like, of this discussion is trying to explore the question of how somebody like this could get elected, not during a time of national collapse, but during a time of 4.6% unemployment. Not during a time of national bankruptcy, but during a time of economic growth. Not during a time of hyper-inflation, but during a time of almost invisible inflation. How could a man with the demagogic characteristics of Trump get elected in the year 2016? We are not a failed state, but the most powerful state on Earth. We are not a state whose political culture has disintegrated, but are a functioning democracy. We are not a country that has suffered military humiliation, but a country with the most powerful military on Earth, and arguably the most powerful military in history.

The reason that it is an important question to ask is because when you look at the history books, you find that people who appeal to people's fears in order to get elected tend to be most successful at moments of absolute national trauma. America as a whole in 2016 was not experiencing national trauma. For me as a journalist this creates a fascinating question: how does a country that ostensibly is doing okay fall for the narrative of a man like Trump?

I did a lot of reporting on Trump over the last year and a half. I went to caucuses and interviewed people around the country about it. I ended up talking to a lot of people who cast their democratic ballot for Trump. It fascinates me. One of the things that happened, not over the last five or ten years, but over the last forty or fifty years, was that the economy was remade in a way that the numbers at the top could

look good. The big picture headline could look good, but on the ground a lot of people were genuinely hurting and their hurt was not an illusion. The new economic model was not doing well for them. That “not doing well” created tremendous social tensions. These people might have gone over all of the economic numbers, but they knew that their prospects for economic success were dimmer than their parents’ prospects had been. They knew that their likelihood of earning a middle class income was lower than it had been ten or twenty years ago. They knew that their likelihood of going into debt if they had a healthcare emergency was higher. They knew that their likelihood of being able to fund their children’s college education, without their children going into ruinous debt, was lower. They knew that their likelihood of being able to retire with a secure pension was almost nonexistent. They saw all of this, and with good reason they got angry. One of the functions of a democratic government is to address the economic needs and economic security needs of the population. If a lot of people living on the margins know that one unexpected disaster will take years to recover from, eventually people decide that they want something different.

A couple months before the election, the U.S. Census Bureau released data on poverty and household incomes that showed some good news. Median income jumped from \$53,700 in 2014 to \$56,500 in 2015. That is good news when the median income goes up by \$2,000 for a family. The bad news was that it was the first time since 2007 that the median income had gone up. For most of the intervening years it had gone down. In case you are thinking that it is all Obama’s fault, the trend had been going on for about thirty years. That does not mean that there are not an awful lot of rich people. This country had more rich people in 2016 than it had ever had before.

We also have a tremendous number of poor people because the middle was dropping out of the economy. There was some more good news in 2015: the number of Americans living in poverty went down to 13.5% of the population. On the other hand, it still meant that well over one in six Americans, somewhere in the region of fifty million Americans, on any given day were defined by the government, which has a very cautious definition of poverty, as living in poverty. This meant they were so economically insecure they could not pay their basic bills. Half of those people live in what is called deep poverty, at less than 50% of the poverty line. I will give you some statistics. The poverty line for an individual is \$11,000 annually, and \$23,000 for a family of four. You cannot live on that in any state in the country, certainly not in high-income states like California or New York. Even in a low-income state like Mississippi, you are not able to live properly or healthily on a \$23,000 salary for four. You are certainly not going to be able to live properly or healthily if you are at half of that income, which half of people in poverty are at.

How did this happen? How did we end up with such extreme numbers in poverty? It was not because the entire economy seized up. We had low unemployment. It was not because of famine or

natural disaster. We grow more food than any other country on Earth, and it does not cost us very much. We have an economy that works at almost every level, except the distribution of income. It is not that we were not creating jobs. In fact, in this election cycle, we were at near full employment, 4.6% unemployment, which is about where economists say the economy is performing at full capacity. It was not that the government did not have enough revenue to perform services. In many states by 2014 or 2015 they did. One state after another in 2008 ended up cutting schools, libraries, roads, and environmental investments because tax revenues dried up. States like California had vast cuts to basic social services, but by 2014 tax revenues were coming back in and government revenues were going back up. This meant that services were now able to be performed.

In state after state, the unemployment numbers had gone down. So here is the question: how can the unemployment numbers go down and poverty rates remain so stubbornly high? The unemployment rate is 4.6% but 13.5% of the population lives in poverty, and if you do the numbers, something is wrong with that. Here is my scenario of two cases. The first is that the unemployment rate only measures the number of people who are out of work and actively looking jobs, but if you get depressed about your prospects of finding a job because you have been out of work for years, you stop looking for work. If you stop looking for work, you are invisible; the government does not consider you to be unemployed anymore. When you look at the numbers, 3% of the workforce disappeared from the workforce in the years around the Great Recession. They became statistically invisible. It did not mean they had jobs suddenly; it meant that they were not looking for work anymore. There are an awful lot of people who grew so discouraged that they stopped looking for work or they joined the informal economy, such as the black market.

Even with that, a lot of jobs were indeed being created. Year after year, from 2011 onwards, jobs were being created at a fairly healthy rate. In fact, for many months within that period, a quarter of a million jobs were being created each month. There really were jobs being created, and yet the people getting those jobs were staying in poverty. The second thing that happened, you see, was that the jobs that disappeared tended to pay more than the jobs that replaced them. The jobs that replaced them tended to be in service industries, non-unionized, non-benefitted, casual labor jobs. They were jobs that paid seven, eight, or ten dollars an hour, but did not provide living wages. This meant there were an awful lot of people whose life expectancies and economic prospects were going down.

Everybody who has ever experienced downward mobility knows that it is not just economically devastating, but also psychologically devastating because you feel you are worth less in the eyes of society than you used to be. There is nothing that fuels resentment more than a feeling of worthlessness, expendability, or invisibility. Millions of Americans, especially in rural, deindustrialized areas, felt that they were on the wrong side of what the Yale political economist Jacob Hacker called “The Great Risk

Shift,” and felt that all the burdens, failures, and risks of life were being placed on their shoulders. They were less and less able to deal with it as the economy was shifting, which meant that they became particularly vulnerable to a message like “Make America Great Again,” however over-simplistic and magical that message might be. It was seductive because if you are desperate, you grasp at straws. If you feel that your communities are being shut out of the economic conversation, you look for anything that brings you back into the fold, no matter how nebulous, how un-spelled out or nonspecific they may be. This is what was being sold in 2016: a general, almost magical incantation. “Vote for me. I am a strong man. I will make America great again. How will it happen? It will be big and it will be a beautiful thing.” That is not a policy. That is a spell you might hear in the Harry Potter books. But it is seductive and a lot of people bought into it.

I have travelled around the country for years interviewing people about their economic situations. If you go to somewhere like Riverside or San Bernardino, east of Los Angeles, you see vast pockets of poverty. You see counties with as much as 30% or 40% of residents living below the poverty line. You see one county after another with a tumbling median income. You see this not just in California but all over the country. Whenever I go to give a talk, I try to look up local poverty data. If you look at Pennsylvania, 13% of residents in the state are living in poverty, about the national average. That is not a good number, but it is also not a catastrophic number either. However, if you go to Philadelphia or Fayette County, you are looking at poverty rates of about 27%, and in some counties, above 35%.

One in three residents in poverty. In one county after another, you see one in four children in poverty. Our child poverty numbers are higher than in any other advanced, industrial democracy. In these communities, for at least a generation now, standards of living have been going down, infrastructure is crumbling, opiate addiction is skyrocketing, and perhaps the most devastating fact is that life expectancy for white working class adults with a high school education or less has gone down by five years in the last few decades. It has not just risen at a slower rate, but it has actually declined. No other country in the advanced world has a declining life expectancy among a significant sector of the population. The only countries that had that decline were the countries that emerged after the collapse of the Soviet Union in 1989-1990. Then you did see that in Russia, the Ukraine, and other areas that for men in particular, as alcoholism and depression went up, life expectancy declined.

What we are seeing in white working class America at the moment is an equivalent life expectancy collapse to what we saw in the Soviet Union when it collapsed thirty years ago. This is absolutely extraordinary and has all kinds of implications, not just for the economy but for the political society. For all of these men, women, and children that I am discussing, this new normal is profoundly insecure. It is a new normal that comes with all kinds of implications.

I visited a high school in North Las Vegas. A lot of people go to Las Vegas, and they go to the shows or to the casinos. They do not go to North Las Vegas to see poverty. It is about three miles from the Las Vegas Strip and it is an incredibly poor urban area with massive levels of unemployment and poverty. I went to the biggest high school and interviewed the principal. He said to me, "Look, I want you to meet my full time homeless counselor." I do not know about you, but I have never been to a school that had a full time counselor for homeless students. I sat down and talked with her. She said that in 2008 the school had about 2,500 students, with only about fifty homeless students. The next year it had a hundred, and then a hundred and fifty. By the time I interviewed her, they had over two hundred homeless students, 8% of the student body. Some of them were living on other people's couches, in garages, in basements, couch surfing, on the streets, or in cars. She said, "How on earth do our students have an equal chance, an equal shake?" They have nowhere to go after school for a safe meal and nowhere quiet to do their homework. Their life expectations are absolutely truncated. From the age of thirteen or fourteen, they were being told they were worthless, that nobody cared about them.

I went to a town south of Sacramento called Stockton, a poor, working class town. It has always had significant problems with gangs, violence, and poverty. I interviewed a man named Matthew Joseph, who was a middle-aged steelworker. He was a church deacon, and he owned a home. Two things happened in 2008: the value of his home went down by two-thirds pretty much overnight, and then he lost his job. Some people, if they are lucky when they lose their jobs, are able to refinance their homes and borrow equity to survive. But Matthew could not because his home was worthless. He said, "I went home and I curled up in a fetal position on my bed, and I began to cry because I didn't know how I was going to feed my wife and my kids."

I then went to New Mexico to a remote desert location, called Anthony. I met a couple who had a little plot of land they had been living on in a mobile home. He was doing construction, but he lost his job. They lost their mobile home when he could not make the payments. But they had a storage unit, a cinderblock storage unit. They kept the storage unit and moved in. It had no windows, no electricity, no gas. It was cold and damp, and it was stockpiled high with things they were trying to sell at flea markets to make ends meet. In the center of that room was a chair with a hole in the middle of it, and underneath that chair was a chamber pot. This was the year 2011, not the eighteenth century. This was modern America. At the end of the interview, I asked what their American dream was. The woman laughed, not the sort of happy laugh, but that nervous laugh where you are really embarrassed to say what you are about to say. She said to me, "My dream is that one day I will live in a home that has running water and a flush toilet." She was living without a flush toilet not by choice; she had no money and no options.

The final place I will discuss is Appalachian Pennsylvania, not too far from Huntingdon. I did several interviews in a food pantry. One of the interviews I did was with a middle-aged woman called

Luann Prokop. She had been an accountant, but when the recession hit she lost her job. She went through her savings. She took her kid out of all of the extracurriculars, the dance class, all the other things that middle class families do with their kids. She ran through everything. She looked for one job after another, but could not find anything. I interviewed her three or four years after she had lost that job, and she had finally found work at the community center, where the food pantry was. They paid one-third of what the old job paid. The only saving grace of the job was that because it was at a food pantry, she sometimes got free food as a part of her work. This was a woman in her fifties, and all of her expectations and calculus for what the rest of her life would look like had gone out the window.

In that same pantry I met a client named Joe; he only gave me one name. He was a middle-aged guy and he had run a lumber business. He had a heart attack, but did not have health insurance. Of course, if you have a heart attack but do not have health insurance, you are going to go bankrupt. Joe went bankrupt and lost everything. He lost his house and savings. When I met him, he was on disability and getting a few hundred dollars a month in assistance. He said to me—and it is sort of funny on one level, but on another level it is absolutely tragic because he meant it—“I am so poor that if it weren’t for my sons buying me toilet paper, I wouldn’t be able to afford to take a shit.” When he said that, I looked at him and thought to myself, this is extraordinary. This is not someone being hyperbolic. This is a man who has lost everything and feels that he has lost his dignity.

It is tempting to say that it is all the fault of 2008 and that everything before 2008 was good. This was not the case. Trends that accelerated after 2008 had been around since the Nixon era, the early 1970s, when I was running around in diapers. But for more than forty years, for the bottom 20%, maybe even the bottom 40% of the economy, things have gone in the wrong direction and gone in the wrong direction fast. If you are a working class guy in this country, in real terms your income peaked in the Nixon years and ever since then, your real income has gone down. For forty years, the bottom 20% of the economy has had a decline in their real income.

I say “since the Nixon years” because there was a period of about five or six years in the mid-1960s to the early-70s where the United States had what was called a “War on Poverty.” President Lyndon B. Johnson started it in part because there was a social justice writer and activist named Michael Harrington who was fed up with the narrative that ignored poor people. The narrative after World War II was that poverty existed in the past, but did not exist in the post-World War II narrative. But Harrington knew that it did exist because he lived with and worked with poor people in different parts of the country. He got angry that they were ignored. So he wrote a book called *The Other America* and it laid down a challenge. This time was one of self-congratulation, but Harrington said that if they wanted to be self-congratulatory, they needed to live up to their ideals. If you claim you are doing things for poor people,

then you need to do things for poor people. He embarrassed the Johnson administration into launching an ambitious anti-poverty program.

It worked by many different measures. Poverty halved during this time (1964-1974). You would think that this was an enormous success, but Johnson believed it had to be all or nothing. He framed it as if it were the moonshot. Not quite ten years before, in the early 1960s, President Kennedy had said that they would get a man on the moon within ten years, and that was an extraordinary challenge because you do not halfway get a man on the moon. You do it or you do not. The gamble is you do it, and America did it. By 1969, there were men on the moon. Johnson framed the War on Poverty the same way. He did not say that they would make a good-faith effort to attack poverty, but that they were going to end poverty. He turned it into a moonshot. But you cannot absolutely end poverty. Communist Russia did not end poverty and Mao did not end poverty in China. No country on earth can end poverty. But you can make a good-faith effort by putting your best minds to work on minimizing poverty.

In wrongly framing the War on Poverty, Johnson sowed the seeds for backlash because for ten years while these programs were doing great things, people still saw poverty. Most people do not know the numbers; rather they know what they see. If you are told poverty is going to end and you see homeless people, drug addiction, or urban blight, you assume that the War on Poverty is failing and your tax dollars are being wasted. By the mid-1970s, there was a tremendous backlash against the War on Poverty.

Since the end of the War on Poverty, the number of people living in poverty has skyrocketed. There was a sting in Harrington's tale; he said at the end of the book that this was a multi-generational project, but if we took our eye off of the ball, fifty years from now some young journalist would have to write the book all over again. Because I like a challenge and am probably a bit arrogant, I figured I would be that young journalist. I have been researching poverty from the early-2000s onwards. When people say that the rise in poverty came only from 2008, I can say that it is absolute nonsense. This has been festering for at least a generation, probably two generations. In festering, it has created all kinds of stresses on the policy environment.

When I started working on this book, I went to Harvard and met Marshall Ganz, who teaches at the Kennedy School of Government. Ganz is in his sixties now and he cut his teeth with a man named Cesar Chavez, who was one of the great folk heroes of post-World War II America. Chavez organized the California farm workers, and there was probably no group in America as marginalized, as impoverished, or as economically exploited as the farm laborers. He organized them, he got them to strike for higher wages, and got people to boycott California grapes until the laborers earned higher wages. It was one of the most remarkable organizing stories and civil rights stories in modern American history. Ganz had worked for Chavez and I said to him that because he had thought about these issues, I wanted him to help me with my book on poverty. He said, "You are not writing a book on poverty," and I said, "I am. I have

a contract.” He said I was not, and told me a story about the miner’s canary. The miner’s canary was an early gas warning because if we go back a hundred or two hundred years, there were not sophisticated gas monitoring devices. But miners knew from hundreds of years of folkloric experience that there was a pretty good chance of an explosion. So they developed techniques to recognize the risks. One of those techniques was to have a canary bird in a cage in the mine because if the bird was healthy, it would always be chattering away. But it is sensitive to toxic gases. If you are down in the mine and realize you have an axed canary on your hand, that means you are in trouble. You do not know it yet, but your atmosphere has been compromised.

Ganz said that modern-day American poverty was the miner’s canary. It was an advance warning sign, one you might not yet realize, but one that meant the political atmosphere had become toxic. You have to fix it because there are bad things coursing through the atmosphere. This helped me frame the issue because there are two ways to understand poverty. The first is to treat it like a natural disaster, something awful, but it is an act of God. It happens, you raise your hands, and feel terrible, but there is nothing you can do about it. This does not take into account the causes of the natural disaster. The other way of looking at poverty is as a man-made disaster, and you can think about the causes. There are fifty million people living in poverty not because crops have failed, but because the choices we have made or have not made have impacted millions of people.

You can ask, “Why do we have fifty million people who have nothing, but we have more billionaires than any other country on earth?” The number of billionaires in America is higher than the combined number of billionaires in Germany, China, and Russia, which are the next richest countries on Earth, in terms of numbers of billionaires. The combined wealth of those billionaires is several trillion dollars. Why do we have such extremes of wealth and at the same time such extremes of poverty? Why do we have a tax system that for the last thirty years has given back to extremely wealthy people, while making poorer people pay more in taxes? How we tax and whom we tax has consequences. What social things we fund and what social things we do not fund has consequences. What we invest government dollars in or do not invest government dollars in has consequences.

Looking at Trump’s proposed budget changes, you can see that the three areas of government that are scheduled for any kind of funding increase are the defense industry, veteran’s affairs, and national/border security. I am not downplaying any of those three, but let me put in one bit of context here. When Trump talks about a depleted military, one would think that this country has a completely non-functional armed forces. In actuality, this country already spends more on its military than the next seven biggest military spenders in the world, combined. There is nobody else in the ballpark when it comes to American military spending.

What is being cut from the budget? The State Department budget is being cut by 30%. Peace programs funded not by radical lefty groups but by the U.S. Department of State, are being entirely defunded. Environmental programs, like the cleaning of the Great Lakes and radioactive contaminated sites, are being gutted. Investments in rural healthcare are being gutted. How many people take Amtrak? They are out of luck. How many people take flights from regional airports? They are also out of luck because he is defunding regional airports. The things that generally help people the most in terms of opportunity are education, housing, and health care. On all of those fronts, there are massive cuts planned by the Trump administration. Trump plans to cut from housing programs and to cut from education funding, like Pell Grants. If he was serious about the economic populism that he pitched during his campaign, then he would not be gutting access to education, housing, or health care. What we fund and how we fund things is not an abstract game; it has concrete consequences for the life prospects, life expectancies, and well-being of you, me, and everybody else in this country.

When things that affect poverty, or the ability to get out of poverty, are regarded as radical lefty things that we should not fund, nobody benefits in the end. All we do is lock poverty into place. In locking poverty into place, we lock resentment, fear, and hostility into place.

Is poverty worse in rural areas like Huntingdon or more urban areas? Both. They manifest in somewhat different ways in rural areas and in urban areas. People will lack different things. For example, in a rural area, most poor people will still have a car because it is a vital part of life, as you cannot do anything without it. People will sacrifice pretty much everything in a rural area to make sure that they have access to a car. In an urban area of poverty, a lot of people will not have cars but the thing they absolutely will have might be a cell phone or a computer. It does not mean that having the cell phone is unnecessary; it just means that there are different things that in daily living are absolutely vital in an urban area or absolutely vital in a rural area.

There are also different services that are available. One of the real problems in a rural area in particular is access to health care. Even for people with insurance, there are not enough doctors, mental health professionals, etc. However, for people without insurance, there is no back up infrastructure. Whereas in urban areas there are often clinics. Not always, but often if you are poor in an urban area and fall outside the insurance system, there will be some back up.

Food pantries might be another case in point. Both urban and rural areas have these networks of food pantries, but in urban areas you might not have to drive forty or fifty miles to get there. In a rural area, it is entirely possible that someone has to gather money for gas to get to a food pantry.

Both urban and rural poverty are extremely dangerous and soul destroying. There has been a lot of conversation at the national level, not all of it helpful conversation, about urban poverty. Rural poverty, however, has gotten the short end of the stick. People thought that it did not exist anymore, and in fact it

has gotten worse with agribusiness because family farms are run out of business. I have done a lot of reporting in areas like Huntingdon and it is always surprising, on one level, that poor areas would vote for conservative politicians who are not looking out for their economic well-being. On the other level, it is entirely understandable that poor conservative areas of the country do tend to vote for conservative politicians because they pay them lip-service, if nothing else, to the needs of poor rural people. Lip-service makes people feel a little better. In terms of the politics we are seeing in this country, it is one consequence of the fact that rural America feels, with some justice, that it has been ignored in conversations of poverty in the last couple of years.

The good news is that when you understand poverty the way Marshall Ganz asked me to understand poverty, when you understand it as a product of human choice, what has been done can be undone. If we have large degrees of entrenched poverty because we are underinvesting in things like decent housing, healthcare, job training, or infrastructure, all of these things are fixable. There is no mystery to this. There are many countries on Earth, including smaller, less powerful, and less wealthy countries than America, that work out ways to get healthcare to all its residents. There is no reason this country cannot do the same. There are countries that have made homelessness the exception rather than something commonplace. You do see homeless people in Sweden, but you see them as individuals you can recognize by name. If you go to any city in this country, you see hundreds and hundreds of homeless people rendered invisible and rendered anonymous. There is no reason we cannot have a decent anti-homelessness program. If you have millions of young adults undertrained for the modern workforce, instead of blaming immigrants, we can get serious about investing in job training for young people. This is not a matter of Democrat or Republican. This is just common sense. If you want to live in the prosperous twenty-first century, we as a society have to make the effort to invest in programs that actually create that prosperity, instead of magic incantations that might sound good, but do not mean much. We are short-changing ourselves if we do not take these issues seriously.

Raising the minimum wage can help a lot, for a couple of reasons. If you are earning seven dollars an hour, every single penny extra that you get allows you to buy necessities. If you are only earning seven dollars an hour, at the end of each month you are working out which bill you skip that month. Which is less likely to result in a serious consequence? People juggle the bills that they pay.

People also go into debt because they borrow through pay-day loans. They are one of the most noxious forms of credit there is. If you have no credit and no cash savings, your access to credit is not through credit cards or banks, but through pay-day loans. It is paycheck-by-paycheck lending. You borrow little amounts, but it does not come with annual fees, but bi-weekly fees. Every two weeks you get money tacked on. If you borrow \$100 to pay for an emergency, with pay-day loans, you can end up with 400 to 500% interest on those loans. It is a complete poverty trap because once you borrow, if you are at

the bottom of the economy, there is no way out. Those extra dollars here and there from a higher minimum wage can stop a lot of people from going into pay-day loan debt.

People at the bottom of the economy also spend their money, so it cycles through a community. If I have a million dollars and you give me an extra ten thousand dollars, I am not going to go to the supermarket to spend that extra money. I will put it in a safe investment, which is how people get richer and richer. But if I am a poor person and you give me a few extra hundred dollars a year, I will buy more groceries and medicines that my kids need. The local supermarket and pharmacy will get more money. The money cycles through the community. There is a lot of debate about whether or not the minimum wage is effective, but there is little debate about whether or not poor people cycle their money through communities more than rich people. If you want a sure-fire way to rejuvenate a community that is economically depressed, raising the wage at the bottom of the community is as good as you can get because the money continuously cycles through the community.

What can you do to help combat this problem? Get engaged. Read newspapers. If you are not informed about the world around you, you are easy prey to manipulation. If you are informed about the world around you, you become much more difficult to manipulate. When Trump talks about the liberal media as the “enemy of the people,” it is easy to ignore phrases like that and say it is Trump’s bluster. But this phrase comes from Stalin. He used to call the press “enemies of the people” before having them shot. It was a phrase used by mid-century totalitarians. Hitler used to talk about the “lying press.” George Orwell, when writing *1984*, created the dystopia where enemies of the people could be disappeared or reeducated. Calling a group of people who investigate independently the “enemies of the people” is a way to delegitimize anybody who criticizes the administration. If you care about freedom of speech, you should be desperately concerned about the attacks on freedom of speech that are going on in this administration.

What else can you do? Do not stand silently by when people or institutions are denigrated. If you want the ability to read a newspaper, defend freedom of speech. If you value living in a tolerant society, do not stand by if you see someone being racially or religiously harassed. Unfortunately, this is not in the abstract. Racist graffiti is on the streets and women have their hijabs ripped off. Even if it does not affect you personally, it affects your moral being. If you stand silently by when this happens, you end up impoverished in character. There is a phrase from World War II: “First they came for the socialist, and I did nothing because I was not a socialist. Then they came for the trade unionists, and I did nothing because I was not a trade unionist. Then they came for the Jews, and I did nothing because I was not a Jew. And then they came for me, and there was nobody left to help me.” Whatever your politics, nobody wins when mob culture is unleashed. One day your grandchildren will ask you what you did when mosques were being burnt and when people were being beaten because of the color of their skin, and you

will want to have the right answer for them. You will want to be able to say you acted honorably during that time.