

**The
Middle Class
AMENDMENT**

David Bly

ORGANIZING EDITION



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Union Made in the United States of America

WE KNOW THE PROBLEM— IT'S TIME FOR SOLUTIONS

The American middle class is losing ground financially and losing hope in what the future holds for themselves and their children:

- Home foreclosures are setting new records
- Personal debt is off the charts
- Essentials like energy, health care, and food get more expensive by the day
- Our schools and roads are deteriorating
- Wages are stagnant while unemployment creeps up

I could go on, but you know all too well from first hand experience what I mean. This is not the time for us to be talking about how awful things are. We want to know what we can do about our problems before it is too late. We can either let things go as they have been going, and say good-bye to our middle class society. Or, we can take aggressive, positive action to get us back on track.

In this little book, I'll tell you about some of

the things I've learned during my time in the Minnesota legislature. I'll show you what I think we need to do. And, most important, I'm going to ask you to help me before it's too late.

THE FIVE BUILDING BLOCKS OF A MIDDLE CLASS SOCIETY

What do I mean by a "middle class society"?

I'll begin by saying what it is *not*. A middle class society is not one in which every single person makes a certain amount of money. There will still be people who make much more money than we usually associate with being in the middle class. And, unfortunately, there will still be people who are poor.

Instead, what I mean by a middle class society is one that provides the most people the best opportunity to participate and develop their potential. Long ago, the Greek philosopher Aristotle thought that the most stable democracies were those with a large middle class. This belief that even someone born into poverty should have the opportunity to become prosperous and influential has persisted for centuries. The late Minnesota Senator Paul Wellstone was a master with words. We shouldn't be surprised that he best expressed the middle class ideal: "We all do better when we all do better."

Opportunity for all is the essence of a middle class society. In a middle class society opportunities for everyone rest on five building blocks:

- a safe, reliable transportation system
- quality education at all levels
- comprehensive health care
- living wage jobs
- a clean, safe environment

These are the building blocks of a middle class society. These building blocks provide the means for everyone to make the most of their talents and pursue their dreams for themselves and their families. Without these five building blocks, we move closer to what some have called a “banana republic.” More and more of us will fall out of the middle class and into poverty while a handful of very wealthy people get more powerful by the day.

The five building blocks of a middle class society are like a “playing field” upon which each of us, as individuals, pursues the opportunities we have been given. In any sport, good players do well. But those players must have the right playing field if they are to do as well as they can.

A STRATEGY FOR REBUILDING THE MIDDLE CLASS

The globalization of our world has brought success to some global businesses, but not to the American middle class. I think one of the reasons for this is that we simply don’t have a comprehensive strategy for remaining a middle class society

in the new world in which we live. Instead, we take the middle class for granted. We can no longer go on this way.

I want to maintain our middle class society by creating a high-quality, level playing field using the five building blocks: transportation, education, health care, jobs, and the environment. These are not “good ideas” that we pursue when the opportunity is right, and compromise other times. These are not things we “pick and choose” from, promoting one during one legislative session and another the next. Ignore any of the five building blocks, and the foundation of our middle class society will be in serious trouble.

Think of the tires on a car. When all of them are in good shape, we can reasonably expect the car to take us where we want to go. But if even one of the tires is flat, we aren’t going anywhere. Imagine calling a tow truck and having them say, “What’s the problem? Only one of your tires is flat. You’re lucky to have three good ones to drive on.” I hear conversations like this about the five foundations of a middle class society often. We need them all in good working order if we are to make progress.

CONVENTIONAL LEGISLATION IS NOT ENOUGH

As a member of the Minnesota House of Representatives, I often see good people bring forth

good ideas on what we can do to help the American middle class, but seldom do those ideas see the light of day as effective policy.

Why is this? I think the answer is very simple. We have the wrong priorities. When push comes to shove, the well-being of the American middle class has not been a political priority.

During my first term in office, this is what I saw:

- A transportation bill vetoed
- A health care bill vetoed
- A minimum wage bill vetoed
- An education bill vetoed

I am tired of hearing that we can't afford health care, transportation, good jobs, a clean environment, and quality education. When we say that, we are saying we cannot afford a middle class society. If we can't afford that, we are in worse shape than I want to think about.

To say "we can't afford" the essentials for a middle class society is simply another way to say "cutting taxes is the only idea we have to offer." I don't agree with that. I think fair taxes and a government focused on maintaining our middle class society are by no means "burdens." Instead, they are absolutely essential to our way of life.

We simply can't go on this way and make the progress we so desperately need to make. We need the strong, enduring statement of our core

values that only a constitutional amendment can provide.

THE MIDDLE CLASS AMENDMENT

I wouldn't be in the Legislature if I didn't think we could do our share to help the middle class. But we need to move faster, and with clearer purpose. We need to make the middle class a true legislative priority. There are times when we must make a strong, enduring statement of our core values. In those times, we often choose the route of amending the constitution rather than passing more conventional laws. Now is one of those times.

The original ten amendments to the Constitution are the Bill of Rights. Those amendments guarantee fair trials and free expression of our religious beliefs for example. Since the Bill of Rights, 17 other amendments have been added to the Constitution. While some of these amendments are more procedural and technical, the most important ones state our core values and priorities. For example, the 13th amendment abolished slavery and the 19th amendment guaranteed women the right to vote.

Our middle class society is so threatened that I don't think we can fix things one bill at a time as we are trying to do now. We need stronger guidance.

That's why we need an amendment to the United States Constitution that would make it clear that maintaining our middle class society is, and will continue to be, central to our policy making.

Passing a constitutional amendment is difficult, but not out of the question. The effort is more than worth it. A constitutional amendment is enduring. It is very difficult to change. In fact, the only way to do so is to pass another constitutional amendment. In my view, it's the best way to express our core value that *the middle class is the backbone of our economy and of our democracy*.

DOING THE RIGHT THING AT THE RIGHT TIME

We are at a critical point in the economic development of our country. We can let our middle class society continue to decline. In doing so, we will erode both the foundation of our democracy and the engine of our economic growth. Or, we can make saving and rebuilding our middle class society an enduring, unequivocal legislative priority at all levels of government.

We've tried the conventional legislative approach long enough without getting where we need to be. It is time to try something new. For me, that "something" is the Middle Class Amendment.

LONDON BRIDGE IS FALLING DOWN—IN MINNEAPOLIS



A township supervisor in my district called to ask me, “Representative Bly, because the state failed to pass the 2007 transportation bill to help us with our roads, does that mean that the bridge on 140th Street is not going to be repaired? You should take a drive by there sometime and have a look at it.”

I contacted the county transportation engineer who told me that funding was tight and that repairs on the bridge would have to wait a few years. When I called the township supervisor back to fill him in on what I had learned, he said, “That’s what I was afraid I’d hear. I hope that bridge can hold. God forbid somebody should be on that bridge when it fails.” When he said that I knew he was thinking of his neighbors who crossed the bridge everyday.

Two days later, the I-35 Bridge in downtown Minneapolis collapsed into the Mississippi River during rush hour. Thirteen people died, another

130 were injured, and countless more around the country worried if any of their loved ones were on the bridge when it went down. Even though there were design problems with the bridge, this tragedy and reports of numerous other bridges in disrepair opened our community's eyes to how far we have let our transportation system deteriorate. As the national news coverage of our tragedy unfolded, we learned that we haven't been doing any better at the national level.

A SAFE, RELIABLE TRANSPORTATION SYSTEM IS SOMETHING WE CANNOT DO WITHOUT

As the replacement bridge was being built in Minneapolis, retired Army General Barry R. McCaffrey wrote an article in the *StarTribune* (April 21, 2008). In that article, he said that "While safety rightly has been the central concern of Minnesotans following last year's collapse, the threat of inadequate infrastructure not only places citizens at risk, it threatens the economic vitality of the state." Calling our transportation problems "as serious as a heart attack," he went on to say that as a percentage of gross domestic product, our nation now spends less than half as much on infrastructure as it did in the 1960's.

When I joined the Minnesota legislature in 2007, we were certainly part of the problem that General McCaffrey talked about. Our infrastructure

was deteriorating at an alarming rate, and the gas tax, one of the principal means of financing road building and maintenance, hadn't seen an increase since 1980. Everyone knew, deep down, that this was not a problem we could ignore or borrow our way out of, but not everyone was willing to face up to what we were up against.

Representative Bernie Lieder of Crookston, Minnesota, said it better than I could in an editorial for his local newspaper: " We've spent the last decade avoiding the hard choices when it comes to transportation and in the process have threatened one of the state's most valuable investments. We cannot continue to avoid these tough choices. Otherwise, we risk serious damage to our state's economy and the quality of life here in Minnesota."

The more you look at transportation statistics, the more you come to see how important it is to our economy. In 2005, passengers traveled almost 5 billion miles on highways, 580 million miles in the air, and nearly 50 million miles by transit. In 2002, more than \$10 trillion of freight, weighing almost 16 billion tons, was shipped in the United States. The economy of every state, not just Minnesota, depends upon this transportation system staying in good shape.

Unfortunately, the transportation system is not staying in good shape. We are losing ground every day we refuse to take care of and improve what we have. Here's what CNN.com had to say

about the state of our nation's bridges in an article posted on July 28, 2008:

It would cost at least \$140 billion to repair all the nation's bridges if work began immediately, and the cost would only rise the longer repairs are delayed, a nationwide safety organization said in a comprehensive report Monday. "States simply cannot keep up with bridge maintenance," the report warns, adding that 73 percent of U.S. road traffic—and 90 percent of truck traffic—travels over state-owned bridges. Nearly one in four bridges needs repairs, and the average age of America's bridges is 43 years—seven years shy of the maximum age for which most are designed, according to the report, titled "Bridging the Gap." One in five U.S. bridges is more than 50 years old, the report says.

Here in Minnesota, the situation is deteriorating by the day. A Minnesota 2020 report found that "nearly three-quarters of county engineers surveyed say the roads and bridges they maintain have deteriorated in the past decade as costs and traffic demands have risen while state support has stagnated." Worse yet, "4% of county engineers surveyed say they have even returned 20th century paved roads to 19th century style gravel or dirt roads". Surely, we can do better than this.

OUR CURRENT LEGISLATIVE APPROACH IS NOT UP TO THE TASK

What transpired after the I-35 bridge tragedy has been difficult to watch, much less be involved in the legislative response. Clearly, we needed more money to get our transportation system back in shape.

After an initial promise to call a special session and consider a gas tax increase, the governor backed away from that plan. By insisting on agreement on an income tax cut for the wealthiest Minnesotans, the governor assured the special session would never happen. This reluctance to meet on the issue almost prevented him from calling a special session to provide relief to hundreds of communities suffering from flood damage.

When we went back into regular session, the Legislature passed a small increase in the gas tax. The tax increase would have gone entirely into servicing roads and helping state and local governments in their efforts to upgrade and repair the roads they oversee. In spite of widespread endorsement of the increase from such business-oriented groups as the Chamber of Commerce, the governor vetoed the bill. Fortunately, there were enough votes to override the veto, so the bill became law. In the aftermath, several moderate Republicans who supported the Chamber of Commerce and others in passing the gas tax

increase were hounded out of office by “no new tax” ideologues.

WE MUST DO BETTER AND MOVE FASTER

I’ve talked to constituents who have had to pay for car repairs due to damaged roads. Others I talked to saw investing in roads and public transportation as a great way to create well-paying jobs at a time our economy desperately needed a boost. One young constituent told me about sitting in traffic for over an hour on her drive to work each day and how much she paid for the gas wasted while she sat in traffic.

In spite of these sensible and obvious reasons my constituents have given me for improving our roads, bridges, and public transportation, the anti-tax forces have resisted and delayed what we needed to do at every turn. They make it seem that we have a choice to make: adequate infrastructure or lower taxes. Can these people seriously believe what they seem to be saying, that is, that the transportation system we have all come to depend upon is no longer sustainable? In my mind, we don’t have that choice to make. General McCaffrey said that our poorly maintained transportation threatens the economic vitality of the state. This, in turn, makes things even more difficult for the middle class. The middle class cannot

thrive without a safe and reliable transportation system.

If we had the Middle Class Amendment in place, we could have moved much more quickly to fix transportation problems. Furthermore, there wouldn't be so many problems to fix because letting things get as bad as they are now would not have been an option. Maintaining the middle class would have been front and center in all discussions.

We need to address the transportation needs of our workforce. People need to get to work safely and in a timely manner. Businesses need cost-efficient ways to move products from place to place. When we do the right thing for our transportation system, we do the right thing for the middle class. This basic principle guides my legislative decisions. When the Middle Class Amendment becomes law, many more will have reason to do likewise.

QUALITY EDUCATION IS THE KEY TO FUTURE PROSPERITY



I've been a teacher for 30 years. I've taught students in a small town high school, in a private adolescent psychiatric treatment center, in a public elementary school, and in a public alternative high school. There is no way you can have the experiences I have had and not come away believing that every one of our children deserves an education that allows him or her the opportunity to participate in and contribute to our society. It's good for them, and it is good for our middle class society as a whole.

QUALITY EDUCATION VS. EDUCATION ON THE CHEAP

For too long, we have been told that our education system is wasteful and inefficient and cannot produce the results we need. Political leaders have chosen to deal with this by withholding funds and instituting costly accountability measures

such as the *No Child Left Behind* initiative that essentially assure the failure of schools.

If the *No Child Left Behind* program could live up to its title, it could solve many of the problems of our educational system. Some supporters see it as a way to deal with those at-risk students who fall through the cracks. The problem is that the policy proposes getting “tough” with schools and teachers to make them deliver what students need without providing additional funding. If the schools fail, they are given resources to help them become successful. Once successful, however, resources are taken away and the schools are put back on the road to failure.

State funding for education has increased about 1.5% per year during the last ten years. Inflation has always been at a 2–3% level during those years. The author Clayton Christianson, who wrote *Innovator's Dilemma*, believes that cost increases in education are really about 8% per year because education is so labor-intensive. Because of this, schools cut staff positions and class size has grown to 30–40 students in many schools in Minnesota. At the same time, schools are required to meet performance expectations that only make sense with smaller class sizes and individualized programming.

No Child Left Behind is not capable of creating the reforms our system may need because it can't tell us what's wrong. We should strive to make

sure every child is educated to the best of his or her ability in a way that meets their own, their parents', and their community's expectations. We've been misled by politicians whose lack of experience in the field of education is so profound that they actually seem to believe that quality education comes cheap.

QUALITY EDUCATION SHOULD NOT BE LIMITED TO THE WELL-TO-DO

I have served on both the early childhood and the higher education committees of the Minnesota legislature. I heard testimony from experts and from citizens about the importance of education at all levels and the damage being done by misguided budget cuts.

For example, Art Rolnick at the Minneapolis Federal Reserve and Professor Arthur Reynolds of the University of Minnesota told us that money spent on early childhood intervention to help families better prepare their children for school is the best investment we can make. They both cited studies showing a return on this investment at 8 to 12 percent, but even this has not been enough to convince knee-jerk tax cutters to join us in advancing our middle class society.

I particularly remember the testimony of Monte Bute, an English professor at Metro State University. Monte received his high school di-

ploma from the Minnesota Correctional Facility in Red Wing, nearly 44 years ago. He told us, "In 1963, if anyone had predicted that Monte Bute would be testifying in front of the Minnesota House of Representatives as a college professor, they would have insisted that the person making the claim was crazy. After being paroled, I headed for the Twin Cities and soon found myself making notepads in the basement of the Pillsbury Company. By chance, I met a company attorney who took a paternal interest in me. One day, he said to me, 'Kid, you really aren't as stupid as you sometimes appear to be. Have you ever thought about going to college?'"

Monte described his college career, which began at Austin Junior College, where a credit hour was \$7.50. A humanities teacher named Rodney Kellar, "saw in me a potential that had been invisible to my family, my K-12 teachers, and, most of all, myself. For the next couple of years, he became my teacher and intellectual mentor, buffing off some of my rough edges and polishing my raw talent."

"If I were to be paroled from a correctional facility today," Monte continued, "the chances of my acquiring the public education needed to become a college professor would be little better than my chances at winning the Minnesota State Lottery. The \$7.50 per credit hour I paid in 1963 in Austin, has now escalated to more than

\$130. The \$8.25 per credit hour I paid in 1965 at Minneapolis Community and Technical College, has spiraled to more than \$141. The \$10 per credit hour I paid in 1967 at the University of Minnesota, has soared to \$275. Since 2002, public college students and their families have been swamped by a tuition tsunami.”

Mr. Bute’s story reminds us that a college education is increasingly something only people with means and wealth can pursue. As Monte said, “Students at the state universities usually come from humble origins and possess modest means. Make no mistake, these students are as intelligent and capable as their counterparts at private colleges and the University of Minnesota. However, our students routinely experience difficult circumstances. They work far too many hours, usually at low wages, face conflicting family obligations, take more credits than they can handle, given the state’s tuition policy, and end up with debt that seems as insurmountable as that of the Ford Motor Company. In Minnesota, quality education should not be limited to the well-to-do.”

WHEN YOU ASK THE WRONG QUESTION, YOU GET THE WRONG ANSWER

I keep a picture of a constituent’s autistic daughter in my legislative office. In the photograph, her daughter holds a monarch butterfly on her

finger. "I want you to know about my daughter," my constituent said, "and our family's struggle to help her emerge from her cocoon of autism." I think of that picture as I sit through endless debates on whether we can fully fund quality education for all of our young people. "It's all about choices", some say. "We have to remember that our resources are limited."

Once we begin to look at things this way, we have lost way more than I care to lose. There are no choices to make on educating this student or that student. It is an obligation that a middle class society must assume as part of its nature. The question must not be "can we provide quality education for all of our students?" The question must be "how do we provide quality education for all of our students?" The Middle Class Amendment will assure that we ask the right question.

BUDGET CUTS AND MISGUIDED LEGISLATION ARE NOT WORTH DYING FOR



The more I visit with my constituents, the more I see how important health care is to them. Like most Americans, they are anxious about changes in coverage and whether or not they can continue to get their medications. The elderly are especially worried about whether skyrocketing medical costs will force them out of their homes or reduce the value of their estates.

One of my constituents is a small businessman and former minister. The high cost of health insurance forced him into the growing ranks of uninsured Americans for a period of time. He hoped he could pay less out-of-pocket than he would pay for insurance. “I learned when I went to the doctor I was charged a lot more than someone who has insurance. The insurance company could negotiate a lower fee. It doesn’t seem fair to me,” he said.

When we met one morning, however, he had a different story to tell. His sister-in-law’s husband

had had multiple symptoms which seemed like heart disease. As a farmer, he was unable to afford insurance and wouldn't go to the doctor without it. Unfortunately, he passed away. My friend told me that after the autopsy, the doctor said, "There was no reason for this 54-year-old man to die. We could have saved him if he had come to the hospital."

The truly sad thing about this story is that it is not unique. I've met several other constituents and legislators who've told me similar stories about people in our country who have suffered the consequences of the high cost of health insurance. Some things are worth dying for, but budget cuts and misguided legislation are not among them. We can, and should, do much better if we are to remain a middle class society.

THE CARE WE NEED SHOULD NOT BE HELD HOSTAGE BY INSURANCE COMPANY PROFITS

Most of us have heard some variation on a joke where a driver is lost and says, "We don't know where we are going, but we are making good time." We can say that about the health care system in Minnesota and at the national level. Unfortunately, there is nothing funny about it. A combination of "we can't afford it" and massive lobbying from insurance and health care conglomerates has us moving in the wrong direction at an ever-increasing pace. The results are tragic for far too many of us.

The economic incentives for our private insurance system are backwards. We, as clients, pay the insurance company to deny us the treatment we need. The original purpose of insurance was to make medical costs affordable. The profit motive for insurance companies lies in being able to deny coverage. Creating a large pool of people who paid into a system used to be a way for everyone to help cover the needs of those most in need. This reduced the risk for everybody in the system. We've drifted away from that goal and are letting profits for a few override the medical needs of both poor and middle class Americans.

Some proposed solutions come from the insurance companies themselves and further exacerbate the problem. The state government in recent years turned to insurance companies to help run public health insurance programs, with the promise of reducing the cost to government. Instead, costs have continued to rise 7 to 8% annually even though measures have been taken to reduce them. Some legislators have argued that our current public system is unsustainable and will cost us more than we can afford unless we change the system that we have. Turning to the private sector seems to only make things worse.

An often-proposed solution is a health savings account, which involves setting up a bank account into which you or your employer deposit money. You pay medical costs out of this account until a certain high deductible level. After that

level is reached, an insurance company will cover the remaining costs. The thinking behind this plan is that overuse is the problem. If people pay for their medical costs, they will be less likely to overuse the medical system. But it only works if you never get sick. A better name for these plans would be 'well savings accounts.'

Although some signs show that this kind of measure is an improvement over strictly private insurance, it has problems. One is that an individual has to have enough income to deposit money into the account or rely on an employer to cooperate with the system. Health savings accounts also encourage under use and discourage preventive measures, a goal most health experts endorse.

YOU HAVE A RIGHT TO QUALITY AFFORDABLE HEALTH CARE

While Americans struggle and live with the stress of not knowing if they will get good health coverage and care, other countries have developed systems to insure that everyone is covered. Critics of those systems complain about cost containment or long waiting lines. But a market model with the government as the single-plan provider makes it easier to watch for fraud and control payments to providers.

Such universal coverage within a Medicare type of system might have saved the life of the farmer who died at an early age because he felt

a trip to the hospital was not within his means. Once at a political forum, I expressed my support for a universal single-plan system. A business executive expressed some support for such a system, but he was critical because it “would put us in the position to have to play God and make decisions about who got care and who didn’t.”

Who can argue that the system we have now doesn’t cause some people to make difficult choices and play God? Insurance companies that deny individuals the health services that they need do just that. Unfortunately, it appears that in America an old truism is alive and well—if you have money, you matter. The rising costs of health care touch everyone. Many employees forfeit increased income because so much of their salary must cover health benefit costs. Premiums for governmental employees have increased by double-digits in recent years.

Public health nurses tell me that the best thing we could do for our health system is to enhance preventive care by helping instill healthy behaviors in citizens. To accomplish this worthy goal, we need to make sure that people are more aware of taking care of their health and aim public education efforts at helping them do that. I believe that with a comprehensive single-payer system, public education measures would be easier to institute. It would also support stability of coverage and allow recipients to continue with their current health care provider. Constant flux governs the present system, both when there are job changes and

when employees seek more affordable coverage. Changing to a new plan often means adjusting to new rules and a new assigned clinic.

HEALTH CARE SECURITY FOR EVERYONE

In our multi-plan system, citizens actually have fewer good choices and options for health care than they would under a single plan system. The plans develop networks with health providers who serve their clients in order to negotiate a better price for services in exchange for exclusive service. Market incentives built into the health system have discouraged citizens from taking care of their health needs and have made them less likely to seek help early on. We need a health care system that delivers what citizens want and deserve. We need a health care system that assures people they can get guidance and care from the health care providers they want. In short, we need a health care system that provides security for a middle class society.

Small business owners tell me they recognize the importance of a comprehensive and affordable health care system for their employees, their children, and themselves. They know healthy workers are productive workers. But until we establish health care as a right for our citizens, we won't make the progress we need to make. A middle class amendment would establish that right and put people's health ahead of insurance company profits.

PAYCHECKS, NOT CREDIT CARDS, SUSTAIN THE MIDDLE CLASS



The promise of America is that if a person works hard and uses his or her talents, that person will be rewarded and be able to prosper. This promise has been broken for too many in America. The lethal combination of stagnant paychecks and mounting debt is forcing more of us out of the middle class everyday.

I think of a woman I met who enjoyed working in a nursing home because she liked to help people. She loved to make the residents feel better by plumping their pillows, massaging their hands, easing chronic pain. But the price of gas became too expensive for her to afford to drive to work from a neighboring town where the housing was cheaper. The neighboring town had no public transportation, not even a taxi service. It was difficult to tell her boss why she had to quit a job she loved.

I also think of a woman who is a dedicated child-care worker. She isn't paid overtime, even though she stays late for the parents who don't

show up on time. She works hard all day taking care of children and thinks about them when she goes home at night. But the wages are too small to cover her expenses, and she, too, will have to give up the work she always dreamed of doing.

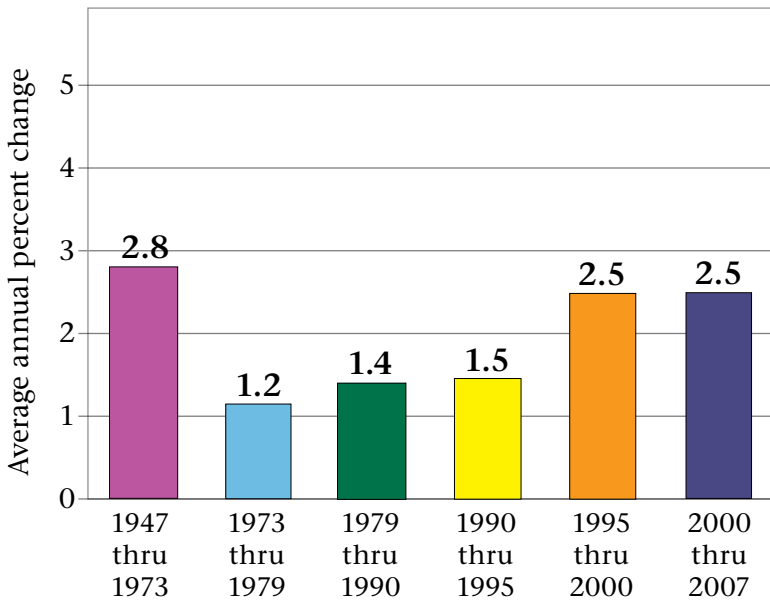
Economists have told me: “It would be good to be able to assure livable wages, but you can’t pay someone more than a person’s job is worth.” Why should a hedge fund manager’s job be worth millions while people like these don’t make enough to care for us and our children? We need to do better, much better. We have tried to build a middle class on a mountain of debt and all we have to show for it is an entirely predictable mess. We must recognize that jobs that pay middle class wages are absolutely essential to a middle class society.

THE LINK BETWEEN PAYCHECKS AND PRODUCTIVITY IS BROKEN

“Productivity” measures the goods and services produced for every hour people work. It’s an important number, because the more productive people are, the more they earn. At least that’s how it’s supposed to be. And that’s how it was for a long time. Recently, however, American workers haven’t been getting the benefits of their hard work and rising productivity.

The following chart shows that worker productivity has been growing since World War II. Sometimes it has grown faster than others, but it has always been growing.

Productivity change in the nonfarm business sector, 1947–2007



Source: Bureau of Labor Statistics

In his excellent book *The Conscience of a Liberal*, economist Paul Krugman notes that, even after inflation was accounted for, productivity has gone up almost 50 percent since 1973. But the good news for the middle class ends there. Krugman goes on to say that “the growing concentration of income in the hands of a small minority has proceeded so rapidly that we’re not sure whether the typical American family has gained *anything* from rising productivity.”

That’s right. Economists are actually debating whether most of us have anything at all to show for the growing economy we have worked so hard to maintain. In a nutshell, the argument is over whether any gains our families might have seen came from wages going up, or from working more hours and having more family members in the workforce. At least during the past several years, rising wages have done nothing to help out. No wonder American families now work more than families in any other developed nation. We have to.

WORKING TOGETHER FOR THE PAYCHECKS YOU DESERVE

There are some things government must do to insure that productivity gains go to workers instead of super-rich owners. There are also some things that are best done outside of the government. Let me talk about what you should expect from your legislature first.

The role of government here is to set the stage for middle class paychecks. We should be doing this in these ways at least:

- We must guarantee that trade laws are fair to all parties concerned. There is no way we can build a middle class if we allow countries with third-world wages to take away our jobs.
- We must have effective anti-trust enforcement. We cannot sit back and watch as corporations get so large that competition is compromised. As everyone who has studied economics knows, effective competition is essential to an economy such as ours.
- We must have minimum wage laws that insure that everyone who works full time can reasonably expect at least a modest standard of living.

As simple as these ideas are, we are making virtually no progress with any of them. So-called “free trade” policies continue to have far too many friends in Washington. Anti-trust enforcement all but disappeared during the presidency of George W. Bush. These are national issues, and largely something I can’t do much about as a state legislator. What I can do something about, or at least tried to, is the minimum wage in Minnesota. Once again, the political system was not up to the task.

During the 2007 session, we passed legisla-

tion that would raise the minimum wage by 50 cents per hour. We knew this was not enough, but we also knew that even that would be difficult to get past a governor who was on his way to setting a veto record. The bill was vetoed, so minimum wage workers got absolutely no help in their struggle to support their families. Senator Ellen Anderson said that the legislation would mean that someone making \$13,000 year would now make \$16,000 per year. Even that, she said, “was too rich for the governor.”

While there is much government can and should do, I think most of us would agree that government can't get involved in setting every wage for every worker in the country. We shouldn't, either. That's the job labor unions have done during much of the past century, and the job they must continue to do if we are to rebuild the middle class.

Labor unions have a unique role to play in the economy, that of making sure that day-to-day business decisions favor the middle class. Think of a sports event. One group makes the rules, and another watches the game to make sure that the rules are followed. Politics can, and should, make the “rule” that we should have fair wages that support the middle class, but unions are the “referees” that make sure every individual game is played according to the rules. Unfortunately, our current policies appear to be aimed more at eliminating labor unions altogether rather than building them into a strong force for economic reform.

We legislators must work to strengthen, rather than weaken, labor unions so they can do their essential work of making sure that productivity gains go to workers and not into excessive corporate profits. A good example of how legislation can support labor unions is the Employee Free Choice Act. The Employee Free Choice Act, without going into details, makes it easier for workers to join a union. The more of you that choose to be represented by labor unions, the more unions can do their job of negotiating middle class wages and working conditions.

WALL STREET, OR THE MIDDLE CLASS AMENDMENT?

We cannot do without a strong government commitment to a middle class economy built on living wage jobs. We have a lot of work left to do before we have the trade, anti-trust, and minimum wage policies in place that will insure prosperity. At the same time, we need someone watching over the day-to-day economy to see that things play out like they should. We can leave that to Wall Street. Or, we can empower labor unions to act in ways that keep wages and working conditions in line with middle class standards. Which way to go seems obvious to me, but recent history shows that we are not likely to make the right choices without the guidance of the Middle Class Amendment.

A MIDDLE CLASS SOCIETY TAKES CARE OF ITS VALUABLE RESOURCES



We all have dreams of what our lives will be, and even more of what we want for our children and grandchildren. Many of those dreams will only become real if we have the right policies concerning energy and the environment. Everyday brings me more reasons to think we have a lot of work to do in that department if we are to keep the middle class dream alive.

For example, I met with some residents in my district who through no fault of their own were forced to live with water that looked dirty and gave off an odor of sulfur every time they used it. A defunct oil company had a reserve tank that leaked into the aquifer that feeds most of the wells those citizens were using. Since the company was long gone, we looked to the Department of Health and the Pollution Control Agency for help. We got a promise for wells to be drilled into a different aquifer. After many frustrating months and far too much red tape, the new wells were in place. Guess what? More

contaminated water. The Department of Health told us that the water was obnoxious, but no longer a health risk. My constituents' property values, like their quality of life, remained compromised by irresponsible actions beyond their control.

On a more personal note, I always look forward to my annual summer trip to Lake Plantagenet with fellow teachers to fish for walleye. It's a great time and we enjoy catching and preparing our limit of fish. But I am increasingly wary of the warnings about mercury content in the fish we eat. The mercury in our beautiful northern Minnesota lakes comes from the coal-fired power plants that supply us with energy. As a boy, the last thing on my mind would have been the safety of fish taken from such remote lakes. Future generations will have to be far more careful.

The price of gasoline has been on everyone's mind. Many of my constituents drive 40 or 50 miles one way to get to work. During 2008, what used to cost them \$100 a month in fuel costs was \$400 a month. These are hard working people who don't expect to be millionaires. They only hope to live a comfortable enough life to leave a little for their kids and have a little something to retire on so they won't be burden. But to them the future looks bleaker and bleaker. The same policy shortsightedness that brought us gasoline we can't afford is now shown to also cause global warming that will be a problem for generations to come.

These stories, and many more like them, show

that when we don't have the right policies about energy and the environment, we all suffer. We must pay the cost of taking care of pollution and waste. On top of that, we lose the way of life so many of us have enjoyed and want to pass on to our children.

WHO OWNS OUR RESOURCES?

I introduced a bill to make it possible for homeowners to better afford a loan to put a solar panel on their roof to generate electricity. This would be accomplished by setting a rate of payment that an individual would receive from the utility company for the electricity they produced. The set rate of payment means they can predict income and show a bank they are good for the loan. As more of these roof-top solar collectors were brought on line, we would see less reliance on fossil fuel plants. We would be creating a safer, more reliable system of power generation. We would move our power system away from control of a few energy giants and into the hands of people like you and me. Along the way, we would create jobs and demand for new products as the demand for solar panels increased.

This is a clear example of how government can play a role in assuring that middle class citizens of moderate means can participate in the economy in a new and powerful way. It changes the thinking that only the rich and powerful can produce things and therefore have a right to

control and run things. I'm sorry to tell you that the bill didn't become law. I'm even sorrier to say why it didn't go forward. The utility companies said it offered too many opportunities for individual citizens to profit from energy production, and they couldn't have that. Their argument carried the day. Think about it—a bill that reduces our dependence on fossil fuel and protects the environment gets stopped because it allows too many people a chance to profit from energy production! We are indeed a long way from where we need to be in advancing the middle class.

To my mind, energy and environmental policies, more than any other, bring us to the relationship between opportunity and ownership. Surely, owning a home is a good thing. But there are bigger things we own, too. As a society, we own the environment and the energy sources it provides. In a middle class society, we must use and enjoy those opportunities in a way that benefits us all, not just the privileged few.

The alternative is simply unacceptable. Not that long ago, former Vice President Cheney met behind closed doors with the richest and most powerful energy producers to plan our energy future. He wouldn't say who was in the room, much less what was discussed. This is an example of the worst kind of abuse of power. One can only speculate what deals were made to assure continued control of our energy system by the rich and powerful. And I'd be shocked if anyone in the room apologized for our

foot dragging when we could have been leading the global effort to reverse global warming.

OTHERS ARE DOING IT—SO CAN WE

After the fuel crisis of the 1970's, President Jimmy Carter formed the Energy Department and began moving us toward development of renewables and synthetic fuels. Other difficulties his presidency faced forced him out of office and the opportunity was lost. Shortly after that, the Germans came to America to ask how to develop solar and wind energy. They left with a plan to become the world's leading solar and wind energy producers, even though their wind and solar resource is not nearly as good as it might be in many locations in the US, including Minnesota. The result has been a growing manufacturing economy that produced 150,000 new jobs to create all those wind turbines and solar panels. Now we are looking to them to see how it is done.

Just think what might have happened if back in the 1970s the American economy had been encouraged and turned loose on energy independence. We would not be held hostage by OPEC and would instead have a manufacturing economy that sold turbines and solar panels all over the world. We would be well on our way to solving the global warming problem and overall have a much cleaner environment. We would not have spent the 2008 summer struggling to fill gas-guzzling vehicles with \$4.00 gas while oil companies posted record profits.

During the summer of 2007, I joined a small group on a stroll through the green-pastured organic dairy farm of Dave and Florence Minar near New Prague. We stepped around the cow pies, petted the young calves, and watched small birds dart and fly around us. Conversation was as rich and lively as the pesticide-free soil we walked on. Dave described his choice to stop using chemical fertilizers and pesticides because he got sick every time he used them. The Minar farm and dairy survive against the odds because the family has found ways to get their organic products to customers who want them. They're able to control their destiny by processing their own milk and other products right on the farm. They've found a way to survive and thrive as family farmers where other farmers are forced out by markets they can't control, the pressure to grow ever bigger and more corporate in their practices, and the encroachment of urban sprawl.

We can learn a lot from the Minars and their family farm heritage. It's critical to the Minars that they take care of the soil that grows the grasses that feed their cows. The birds that fly about the pasture are a measure of the pasture's health. We need not look to distant corporate interests to dictate our energy and environmental policies. We can, like the Minars, realize that energy, the environment, and our middle class society are all part of the same picture, all too valuable to be managed by anyone but ourselves.

WORKING TOGETHER FOR A MIDDLE CLASS SOCIETY



I'm going to end this little booklet by repeating something I said at its beginning:

We are at a critical point in the economic development of our country. We can let our middle class society continue to decline. In doing so, we will erode both the foundations of our democracy and the engine of our economic growth. Or, we can make saving and rebuilding our middle class society an enduring, unequivocal legislative priority at all levels of government.

Passing a Middle Class Amendment will take all of us working together. I'd like to ask you to help me spread the word by telling your neighbors. If you need extra copies, or want to learn about bulk sales to organizations, please go to:

www.middleclassamendment.com

This is a going to be a big job, far too big for one person like me to do by myself. Working together, however, we can get this done. And when we do, we will all have something that we and future generations can be very proud of. Thanks for your help.



Representative David Bly is serving his second term in the Minnesota State Legislature. He has been an English teacher in Minnesota schools for the last 30 years, living most of that time in Northfield, Minnesota self described as “a community of cows, colleges and contentment.” He received a BA from St. Olaf College in Northfield, Minnesota and a MA from St. Mary’s University in Minneapolis, Minnesota.

Join the Campaign
to **SAVE** our
Middle Class
Society



*"We know the problem,
it's time for solutions!"*