

The logo for the Center for American Progress, featuring a blue background with white stars and the text "Center for American Progress" in white serif font.

Center for American Progress

**SPECIAL PRESENTATION**

***“THE BIG SQUEEZE: TOUGH TIMES FOR THE  
AMERICAN WORKER”***

**FEATURED SPEAKER:  
STEVEN GREENHOUSE, *THE NEW YORK TIMES***

**MODERATED BY:  
GENE SPERLING, SENIOR FELLOW,  
CENTER FOR AMERICAN PROGRESS**

**FEATURED PANELISTS:  
STEWART ACUFF, ORGANIZING DIRECTOR, AFL-CIO**

**GERALD SEIB, ASSISTANT MANAGING EDITOR  
AND EXECUTIVE WASHINGTON EDITOR,  
*THE WALL STREET JOURNAL***

**RUY TEIXEIRA, SENIOR FELLOW, CENTER FOR AMERICAN  
PROGRESS AND THE CENTURY FOUNDATION**

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MR. GENE SPERLING: Welcome to the Center for American Progress for a book discussion on *The Big Squeeze: Tough Times for the American Worker* by Steve Greenhouse. Let me say a little bit about our discussants here and then I'll say just the tiniest bit about Steven's book and then I will let us get started here.

Steve Greenhouse has been at the *New York Times* for – into his third decade now and has been covering labor and workplace issues for the *New York Times* since 1995. He has spent two and a half years as Midwestern business correspondent in Chicago and five years as the newspaper's European economic correspondent based in Paris, but I remember him mostly when he was covering us in our first couple of years in the Clinton administration in 1993 and '94.

Steve will start today with his talk and then we have three, I think, really terrific panelists who will comment not just on his book, but on the issues that he is raising in them.

Our first commentator will be Stewart Acuff, who was named director of organizing for the AFL-CIO in October 2002. He coordinates strategies to help working men and women join and form unions across the Federation's 53 member unions. He too has a long background, with my resume here of his, going back to '77 when he was a committee organizer in Missouri, Texas, Tennessee and New Hampshire with ACORN and Citizen Action. He was elected president of the Atlanta Labor Council in '91. In 2000, he joined the AFL-CIO staff as deputy director of field mobilization for the Midwest and has just one of the top, top reputations as a labor organizer in the country right now and we are really privileged that he would be here.

Our second commentator is Jerry Seib, who is the assistant managing editor and executive Washington editor of the *Wall Street Journal*. He is also a TV pundit, a regular commentator for – I guess it's – I can't do all the distinctions between CNBC and Fox Business News now, but a frequent, frequent TV commentator, and really – heads the Washington bureau chief and is regarded in Washington as one of the top people at combining the policy and politics of Washington, D.C.

And then finally, Ruy Teixeira, who is a senior fellow both here at the Center for American Progress and the Century Foundation – oh, are you a triple fellow – and fellow of the New Politics Institute. I thought I was pretty –

MR. RUY TEIXEIRA: I – (inaudible) – also Brookings Institute. (Laughter.)

MR. SPERLING: I go around telling people that I'm unusual because I'm a senior fellow at both Center for American Progress and Council on Foreign Relations, but clearly, I am just a piker in the multiple hats. He is co-author of five books, including *The Emerging Democratic Majority*, *America's Forgotten Majority: Why the White*

*Working Class Still Matters* and *The Disappearing American Voter* and he has done a lot of great work here at the Center for American Progress again, on the intersection between policy and public opinion.

Before I bring Steven up, I guess the one thing I would just want to say is that this is a great book. And this is – in some ways, the title, *The Big Squeeze: Tough Times for the American Worker*, doesn't quite tell the full story of the stories he tells here because if you just saw *The Big Squeeze*, you could think that this was just another of the type of policy books that people like me write, that it would be just filled with all the different statistics showing the degree of wage stagnation in the United States, all the statistics and policies that we need to have.

And what's great about that book is it does do those things. If you read through here, you will see the key statistics on stagnant wage growth, growing inequality, the declines of the safety net, the difficulties of the union movement.

But what brings this to life is the just top-notch and compelling and human reporting in here. The heroes in this book are workers; the compelling victims in this book are workers. This brings the policies to life and it is compelling and it is heartbreaking at times.

And so you will read, and perhaps you will discuss, the blue-collar workers like Cathy Samia, who is of tremendous courage, the undocumented immigrants like Julia Ortiz, Myra Bronstein and even a CEO, James Sinegal from Costco. It is through these stories – it is through the discussions of specific workers at places like Wal-Mart, illegal immigrants, people in the manufacturing base, the stories behind the scenes at Maytag that brings this book to life.

So I truly, truly encourage anyone and everyone interested in these issues to read this book. It is not just your – another policy book. It is a compelling series of very – of personal stories that bring the issues to life in ways that are – often are not in our white papers and policy papers here in D.C. So with that, let me turn the floor over to Steve Greenhouse. (Applause.)

MR. STEVEN GREENHOUSE: Thank you, Gene. I'm honored and humbled by your very nice remarks. Thank you for inviting me to speak here. Thanks to John Podesta and the Center for American Progress. Thanks to all of you for being here and I'm honored that Stewart, Jerry and Ruy took their time to read my book and formulate some, I expect, intelligent comments about the book.

So once upon a time, I was just a regular reporter in Washington. I covered the – I covered economics for two year, where I wrote about Gene Sperling and Larry Summers and Robert Rubin and the Treasury. And when I write about all these workers complaining that they work 80 hours a week, Gene, who used to work 120 hours a week, probably thinks what are they complaining about?

And so I covered the economy – economic policy in Washington for two years and I covered the State Department and then I wanted to change, and I requested the labor beat at the *New York Times*. And the *New York Times* is thankfully, one of the – is one of the few papers that still has a labor beat and thinks that it's important to have someone writing full-time about the nation's workers.

So when I told some friends that I was going to transfer from the State Department beat to the labor beat, they thought I was out of mind. They thought it's like covering dinosaurs or covering bowling, though we all know now that bowling is pretty important. (Laughter.)

So I've been covering labor and workplace matters for more than a decade now and a few years ago, I thought I've really developed expertise in this field. I think I have something to say. And I grew increasingly convinced that something was wrong out there and as a newspaper reporter, maybe we're not supposed to think – say that something is wrong out there. But I was convinced that something has increasingly been out of whack, been out of balance for the nation's workforce.

And in the book, I really try very hard to convey to readers, to public, to the nation, that we really have to take a look at what's happening to the nation's 140 million workers. And unfortunately, I thought until this campaign and the primary really heated up in Iowa and Pennsylvania and Ohio, the nation's politicians were paying very, very little attention to what was happening with the nation's workers – mainly Paul Wellstone, but he was terrific on these issues.

So in my book, I tried to convey that there's something wrong, something off with how corporate America is treating its workers and in ways – if there was any general theme in the book, it's something from this great Republican president – what this great Republican President Teddy Roosevelt once said: "Our aim is to promote prosperity and then to see that prosperity is passed around."

Now unfortunately, American corporations don't seem to be passing the prosperity around as much as they used to. And in the 1950s, 1960s, there was this wonderful social contract created by great companies like General Motors and U.S. Steel and Ford, and great unions like the United Auto Workers and the United Steelworkers. And these companies, these unions, really reached an agreement that provided very good wages and good benefits and real job security, and it helped create the world's largest and most prosperous middle class and that was wonderful.

And since the 1970s, '80s, '90s, in many ways, things have gotten more competitive, tougher for American corporations, and in turn, things have gotten far, far tougher for America's workers. And companies, by many measures, are not sharing their prosperity as much as they used to. And one index of that is since the last recession ended in November 2001, since the last economic recovery began, corporate profits have essentially doubled, employee productivity is up 15, 20 percent. Yet, the main measure for employee wages has been up only 1 percent since November 2001. And this comes

after the burst in wages in the late 1990s when we were enjoying the high-tech boom, the high-tech bubble, and unemployment went down to its lowest level in about three, four decades.

So we're at this point where wages, unfortunately, have been stagnant, where benefits have generally been getting worse. We're seeing the percentage of uninsured Americans is going up. A lot of Americans – a lot of workers no longer have the really good pensions of old that provided a good retirement for decades after one stopped working.

Now, people have generally 401(k)s, which I often call Swiss cheese retirement plans. Many workers don't have them; about one-fifth of workers don't even have them. Many who do have them have no idea how to invest. Many with 401(k)s, when they're laid off from a job, how do they survive for the next year or two? They totally – they empty out their 401(k)s. So for many workers, the retirement system is broken.

And at the same time that wages are stagnant and benefits are getting worse, job security has been declining, as my colleague at the *New York Times*, Louis Uchitelle, wrote in his very good book, *The Disposable American*. Again, in the '50s and '60s, Americans generally had very good job security. If you were a white-collar worker, you generally were not going to be laid off unless your company went bankrupt or unless you really screwed up royally. And blue-collar workers, yes, they'd be laid off when there was a recession, but you'd be called back as soon as things picked up.

And if, God forbid, there was a mass layoff of 2,000 or 5,000 workers in the 1960s or '70s, that was a huge front-page story. And now every two days it seems some company is announcing it's laying off 2,000 or 4,000 or 6,000 people and it's like page D18 in the *New York Times* or the *Wall Street Journal*. It's like we've become inured to it. And it's part and parcel of this whole notion that workers – we don't pay as much attention to workers and what is happening with them.

So in addition to wages being fairly stagnant, benefits generally getting worse, workers are also being pushed to work harder, and there's this phenomenon that many people talk about called job creep. And it used to be that the end of your work day was 5:00 p.m. or 6:00 p.m. and you went home and you could relax. But now, we have our Blackberries and cell phones and pagers and you check your e-mail at home at night. And when you go away on vacation, you take your laptop with you to make sure that you're up-to-date with what your boss wants.

And unfortunately – this all increases productivity and that's all for the good, but on the other hand, Americans just are working much harder than before. They don't have the downtime they used to have. The typical American worker works about 1,800 hours a year, 135 hours, three and a half weeks more than the typical British worker, six full-time weeks more than the typical French worker, nine full-time weeks more than the typical German worker – 360 hours more.

So when I talk about the big squeeze, in many ways, workers are being squeezed. And I should note that there are many companies that do a terrific job in how they treat their workers. In the book, I cite – I have a chapter about several model companies that do a great job that can serve as a model for the rest of corporate America. I write about Patagonia, Costco, Ernst & Young, the hotel casinos of Las Vegas that have good wages, good benefits. They really try hard to balance work and family.

And one of the things that struck me in working on this book was I see that – I learned that the United States is the only advanced industrialized country that doesn't have universal health coverage. It's the only one that doesn't have paid sick – a federal law for paid sick leave for all workers. It's the only one that doesn't have – the only of four countries in the world, and the only advanced industrialized country, that doesn't have paid maternity leave. And we're also the only industrialized country that doesn't have paid vacation.

In the European Union, every worker is guaranteed at least four weeks paid vacation. I think in Germany, it's five weeks; in France, it's six. And unfortunately, many workers I've interviewed over the years get absolutely no paid vacation in their first year or two or three on the job. So unfortunately, there's a situation where many workers are not making economic gains and are really facing huge stresses.

Another big theme I hit in the book is that unfortunately, many well known, respected multi-billion dollar corporations break the law. It's good that the press has written a lot about how Enron and other major companies have ripped off their shareholders, and that's terrible, but many, many companies very quietly do the same thing with their employees and I think that deserves just as much attention. And if some of these big companies are cheating workers who make \$7.50 an hour, \$17,000 a year, I would argue that's worse than what Enron did in cheating a million – they're both terrible. I shouldn't compare who's worse.

And in the book, I really try to shine a spotlight on some companies that really do fairly dastardly things with their employees, and I write about well known companies: Wal-Mart, Toys R Us, Pep Boys, Family Dollar, Rent Way, where the managers force a lot of employees to work off the clock. And that means maybe your shift ends at 6:00 p.m. You clock out and your boss kind of leans on you and says, well, you really didn't finish your job or we really need you to do this or that and I need you to do it without pay. And also many companies, far too many companies, managers break the law by shaving time, erasing time from employees time records.

And in the – and I write about an Air Force veteran, Drew Putters (sp) in Indiana. Indiana is, I think, in the news today. He served in Somalia. He served in the first Iraq War. One of his first jobs after leaving the armed forces is running an electronics department at a Toys R Us store in Albuquerque. So he's in the manager's office one day and he sees his supervisor at a computer fiddling around and he sees the supervisor erasing hours that he had worked. He saw that his computer records of his time card and

he confronted the manager and said, you can't do that; that's illegal. The next day, he was demoted, and soon, he was out. He left.

Then he went to work at another company, Family Dollar, which is a discount dollar store. There are more than 5,000 Family Dollar stores across the nation. He was the manager. He was given a – he was told his payroll cannot exceed 5 percent of sales. So he really could not have many other employees working. So he was working 100, 120 hours a week. He used to go to sleep there at 2:00 in the morning, in a storeroom in back and wake up at 7:00 and go back to work. And his wife said sometimes, the only way I could see him was to show up at the store at 9:00 or 10:00 at night and help mop the floors and clean the toilets. At least that way, we could talk. And this is an Air Force veteran, right?

So unfortunately, many companies – and I write about how some companies break the law by hiring undocumented immigrants as a way to reduce their wage costs and squeeze down costs for native – for other workers. And I write about how some companies – Mike Michelle (sp), who worked for Wal-Mart in Texas, was a security guard. In a two-year period, he caught 180 shoplifters. One day, he has to chase a thief into the parking lot. The thief's accomplice guns the accelerator, crashes into Mike. Mike suffers two herniated discs and a broken kneecap and a torn rotator cuff.

He returns to work the next day, but two weeks later, he says, I really have to file for Worker's Comp because I need an operation, and they tell him, if you do that, we're going to demote you and he still went ahead. And not only did they demote him, but they fired him. So it's, of course, illegal to retaliate against someone for filing for Worker's Comp. So illegalities is a theme I look at.

And a third general broad theme I look at is how unfortunately, many companies show a surprising lack of dignity to their workers. Of course, many companies treat their workers well, but far too many do not. And one thing that really stuck in my craw is, I guess, two years ago, a company we all know, Radio Shack, announced that it was laying off 400 – laid off 400 workers at its headquarters in Texas. How did it do it? It did it by email. And so people were sitting at their desk and they get this email and it says, "The workforce reduction notification is currently in progress. Unfortunately, your position is one that has been eliminated."

Another well known company, Circuit City, well, last year or the year before, it laid off 3,400 workers and the reason was they're making above-market rates. And these are people who are generally making, what, \$13 an hour, \$14 an hour? Some of them committed the sin of making 90 cents more than the market rate and they were still laid off. And adding insult to financial injury, Circuit City said, "We're willing to rehire a lot of you, but only if – 10 weeks later, we'll be willing to rehire you, but only if you come back at the market rate."

Last story about lack of respect, lack of dignity – Northwest Airlines, like many airlines, understandably has to periodically lay off people with low-wage competition –

low-cost competition like JetBlue and high fuel prices. So they sent on a booklet to laid-off employees called *101 Ways to Save Money*. So among the tips in this booklet were, “Borrow a dress for a big night out. Shop at auctions or pawnshops for jewelry, and don’t be shy about pulling something you like out of the thrash.” (Laughter.) I realize most companies are not like this, but on the other hand, too many respected companies do this type of stuff. And sometimes I wonder whether managers are just missing some synapses or genes or something.

And I often – in writing this book, I often thought about the golden rule: Do unto others as you want them to do unto you. And I wonder what got into the heads of many of these managers to do these types of things?

So I should talk briefly about – I should talk – I could talk at length about some of the forces that are creating this squeeze. And I could talk for about an hour on this, but I’ll try to do it in three minutes.

One is globalization. In the 1950s and ‘60s, in the golden age for American corporations and American workers, it was a cosseted, insulated period when there was very little foreign competition. Many companies were regulated. The airlines, communications companies, trucking companies, they faced little competition. And in the 1970s and 1980s and 1990s, there was the hot wind of competition coming from imports and from deregulation.

And I have a line in the book that in the 1980s, globalization only hit the Bud crowd, the Budweiser crowd. Now, globalization has also hit the Starbucks crowd. And by that I mean in the ‘80s, it was blue-collar workers, factory workers, the folks in Indiana and Ohio and Pennsylvania who were really hit by globalization in the form of steel imports, auto imports, tire imports, and there were apparel imports and shoe imports, and they really felt it. And only in this decade did white-collar workers really start to feel the sting of globalization as well, especially from India with engineering jobs and accounting jobs and architecture jobs going overseas.

Forrester Research estimates that over a 12-year period, the nation’s going to lose like 3.4 million white-collar jobs to off-shoring. So that’s one thing creating the squeeze. Not only does off-shoring and globalization mean we might lose some jobs, but as someone like Paul Samuelson, the economist, says, “You have to believe in the Tooth Fairy if you don’t think that off-shoring doesn’t also cause companies to push down wages. Those companies can tell their workers, we face competition from overseas. You’d better be ready to settle for lower wage increases.” And the companies are going to also say, “Look, if you don’t accept lower wage increases, we’ll move the call center. We’ll take away your job and we’ll move the call center to Ireland or India.”

So globalization, of course, is one factor for the squeeze. Deregulation is another. The nation’s labor unions have grown a good deal weaker than they were. Now, just over 7 percent of private sector workers are in unions. In the 1950s, there was over 35 percent. And back then, unions could apply real pressure against corporations that were

trying to hold down wages and benefits. Now, unions are far weaker. Now in many companies, there's no real resistance, no real counterweight, when a corporation says, "We're just going to give you – we're going to freeze wages or just give you a 1 percent wage increase," when inflation is 4 percent.

I should also mention what's happening with health costs is also having a huge and deleterious effect on corporations and workers. And health costs comprise 16 percent of GDP now, up from 5 percent in the 1960s. That's great. We have sophisticated health technologies, but the cost of health is really eating into wages and also really squeezing many corporations in myriad ways.

The last reason for the squeeze that I'll discuss now is in ways the nature of American capitalism has changed. It used to be a more industrial form of capitalism. Now it's a more financial form. I think back when it was more industrial, there was much more emphasis on maximizing production and maximizing market share and really treating workers as assets. This is somewhat over-simplistic; I will acknowledge that.

But as we've moved to a more financial capitalism, it seems that Wall Street has much more control than the industrialists of old. And Wall Street is pressuring companies to maximize their share prices and maximize – which means trying to maximize profits, which often means trying to minimize or lower costs and that also means labor costs. And as a result, we're seeing many companies clamp down on wages and benefits and they're downsizing as well.

Last point, I realize my book is in ways somewhat depressing, and I try to explain what's happening through the tales of many workers, but I try to hold out some hope. There's a chapter where, even though I'm a *New York Times* reporter, I try to make some recommendations that seemed logical, and that won't get me in trouble.

And I do cite several companies that – I do discuss at length several companies that do a wonderful job in how they treat their workers and in doing well as businesses. And I try to make the point that you could do well by your workers and also do well as a company. And I also write about the Service Employees unionization drive in Houston, where they organized 5,300 janitors and I used that as an example of how there are ways to lift wages and benefits and improve the lives of low-wageworkers.

When the SEIU unionized these 5,300 workers, many of them had worked for 10 years as janitors. I focus on this woman, (Oselia?) Sandoval, an immigrant from El Salvador. She worked 10 years in a luxury office building and after 10 years, she was still earning just \$5.25 an hour. And so I explain how, through this unionization drive, the workers' wages went up 60 percent. Their hours increased from 20 hours a week to 30 hours week, plus they got health benefits. So in effect, their total wages more than doubled. And when you think about it, 5,300 workers are probably in households with 15,000, 20,000 people, so just one good successful unionization drive in ways lifted living standards for 15,000, 20,000 people, which is like a real small town.

Anyway, I could go on. Thank you very much. I hope you buy the book. I hope you enjoy it. I hope you tell your friends about it. Thanks. (Applause.)

MR. SPERLING: Stewart, the floor is yours.

MR. STEWART ACUFF: Thank you, Gene. Thank you, Steven, for inviting me to be on this great panel. It's an honor and a privilege to be on this panel at this wonderful and very important place, the Center for American Progress. And it's good to be today with so many friends from the American labor movement, as I look across the audience.

All of us who care about workers and working families in America, and who care about the American economy, owe Steven Greenhouse a debt of gratitude for this excellent book, *The Big Squeeze*, he has written. This should be required reading on planes, buses, van-travel reading for everyone running for federal office this election year. And all of us who are voting this year should read this book to measure the candidates and their messages against Steven Greenhouse's analysis.

*The Big Squeeze* very accurately describes a squeeze on the American middle class and the forces pushing families from the middle class into poverty. And Steven does it in the best, most effective way possible, by demonstrating what it means to people's lives, real individuals' lives, real families' lives. Some of these stories are nothing short of heartrending. Thirty years of deregulation, deindustrialization, outsourcing, part-timing, wage (step?), pension blowing, union busting, and the steady abolition of any real freedom to form unions and bargain collectively has created more inequality in our country and our society than we've seen since the 1920s.

In 1980, the average CEO in the United States made 40 times as much as the average worker. Today, the average CEO makes more than 500 times as much as the average worker. We have 20 percent more people living in poverty today than we had at the end of the last century when George Bush took office. We have 47 million of us, and growing, without health care in the richest country in the history of the world. That is more than we had in the mid '60s when we created Medicare.

And while the productivity of American workers has gone up by 80 percent since the mid '70s, our wages have flat-lined, stagnated, and in too many cases, even declined. In fact, this wage stagnation and the borrowing produced by it, created because working families have borrowed to keep up, is in part responsible for today's recession.

And we are about to be the first generation in the history of this country across lines of race, ethnicity, gender, region, across every line – we're about to be the first generation in the history of this country to leave our kids and grandkids less than what was left to us, less opportunity, more inequality, less justice, more avarice, less compassion, more greed, and a meaner America.

At the core of this assault and this crisis for American workers is the destruction of workers' freedom to form unions and bargain collectively. Workers in America no longer have the right to form unions. Steven gives us a Cornell scholar's, Kate Bronfenbrenner, data on this. Ninety percent of American employers, when faced with an organizing campaign, hire anti-union consultants and attorneys to frustrate the will of the workers. Seventy-five percent put workers through one-on-one supervisory sweat sessions. Fifty percent threaten to close the facility. Twenty-five percent actually fire the worker union leaders.

The CEPR did a study last year which shows one in five workers, activists trying to form a union, will be fired for their efforts. And the National Labor Relations Board will tell you that every year for the last 20 years, more than 20,000 workers had been fired for legally – fired, or otherwise discriminated against, for legally protected union rights. American Rights at Work will tell you that's one every 23 minutes, seven days a week, 52 weeks a year.

This assault on workers' freedom and workers' rights has greatly weakened the power of workers to deal with the other aspects of the big squeeze. The destruction of the freedom to form unions and bargain collectively is, in part, the cause of the weakness in the American economy. More and more economists and public policy experts, from Paul Krugman to Dean Baker to Robert Reich, have now linked our economic crisis to the destruction of workers' rights.

All this is why the labor movement and its allies, like American Rights at Work, NAACP, Sierra Club, Leadership Conference for Civil Rights, and 2,000 elected public officials and many others are pushing so hard for the passage of the Employee Free Choice Act, to make it harder for employers to retaliate and intimidate and punish workers who are trying to form unions.

That act would do three things: real penalties on employers who violate the law, one; two, no more running away from a first contract, the ability to get mediation and arbitration for a first contract; and three, allowing workers to join a union just like business can join the Chamber of Commerce, by simply signing a card or a petition.

Right now, the labor movement is building a million-member mobilization to demand the passage of the Employee Free Choice Act and to elect a Congress and a president who will enact it.

We've been through all this before. In 1935, there were one million workers in the American labor movement. That year, with the passage of the Wagner Act, workers were given the right to form unions for the first time in the United States. In the next 20 years, 12 million workers organized into unions. They built the modern American labor movement. They also created the broad, deep, and strong American middle class.

And we became the first country in the history of the world, where if you worked by the strength of your back, the hardness of your hand, or the sweat of your brow, you

could aspire to raise your kids in the dignity of the middle class. It is past time to remember and relearn that history and to act on it.

*The Big Squeeze* tells us about the assault on the middle class and what we can do about it. Please read this book. Thank you. (Applause.)

MR. SPERLING: Jerry?

MR. GERALD SEIB: Thanks. Let me just start with my own – a couple of thoughts about the book itself, and then a point that I wanted to make and a couple of questions I wanted to raise on the book.

It is – as my predecessors here at the mike have said it, it's a fabulous book. It really does point out something that's kind of been missing in the vernacular of the economic debate, which is that there's a lot of attention paid to people who don't have jobs, who lose jobs; relatively less attention paid to people who have jobs that really aren't very good. The working poor, I guess, is the term of art, but it's not a very covered part of the economic debate in Washington. And I think Steve has pointed that out to us.

The second thing that I would say about the book, just in terms of trade craft is that, as I read it last night, it occurred to me – my colleague, John Harwood, and I just finished a book as well, which is about Washington. It's called *Pennsylvania Avenue* to sort of at how things either get done or don't get done in this town. And as we wrote that book, it was a sort of fat with lots of what we thought was really brilliant political analysis. And when our editor read it at Random House, she said, "This is all really good, but you know what? What I really want to know are the stories of the people you have in here. Take out all that brilliant political analysis and just tell me about the people." And she was right. It's a much better book.

And that's really what Steve's done. If you look at the book, it's just a fabulous collection of stories about people and the stories of the people tell you the stories of the stories. And that's good journalism; it's good writing and it's good reading. And I compliment Steve for that because it's really the best way to get a point across, as any journalist knows, and that's what Steve's really pulled off here.

On the topic itself, let me just establish my own credentials here, and they don't really have anything to do with working for the *Wall Street Journal*, I think, as I think about *The Big Squeeze*. You might argue that because I'm a journalist, I know what a big squeeze is, when you look at what's happening to my industry right now. We're in our own big squeeze.

But more to the point of the stories that Steve's got in the book, I come from a small town in Kansas. Neither of my parents went to college. The only real manufacturing plant that ever existed in my hometown closed about 20 years ago. My dad was a printer and my mom actually worked a Kmart store, not a Wal-Mart store,

Steve, a Kmart store. My father-in-law is a carpenter. My brother's a postman. My brother-in-law's a county maintenance worker.

And so I think in sort of the life that I've seen my family live, you've seen this evolution. A lot of my family's from Kansas City and it used to be that in Kansas City, if you got a job at either the General Motors plant in Fairfax, where they just went on strike yesterday, I believe, or the Claycomo Ford Plant over on Missouri side, you really were sort of set for life. You had a ticket into the middle class and it was comfortable and it was a lifetime ticket to a reasonably good existence.

Well, that doesn't really exist anymore and nothing has really taken the place of that. And so the economy really has changed and the security that once existed in working-class families like my own doesn't really exist anymore and it's not really been replaced by anything.

But it's also a more complicated story than that because when I look at my own family, my brothers who went to college are very comfortable. One's an engineer; one's an accountant; one's a high school principal. And they've graduated out of the sort of the insecurities of the working class today, as my brothers-in-law, who were in financial services in Kansas City, have done the same thing.

And so it's a complicated story, which comes across in the book as well, but I think it's one of the reasons it's difficult for people to grasp the story of the big squeeze. And the point I would make is one that comes through over and over again when you write about this, when you look at it journalistically, which is that education is really the key to a lot of what's going on in the economy today. And it's something that can't be overlooked as you try to analyze what's happening in the sort of the workplace of America today.

But the two questions I wanted to raise, and maybe we can discuss a little bit further, are these. The first one, and the one that I find most perplexing, is whether a lot of what we're discussing here today, and what Steve discusses in the book, is a sign that there's some kind of a change in the issue on the table. Are we talking about a wealth-producing machine in America that is winding down in some fashion? Is the issue now not so much wealth production or struggles over wealth distribution and redistribution; is that really what's happening in the American economy because it's now part of a global economy where the rules have changed?

I don't know the answer to that question, but I guess I would propose to say that that's actually one of the issues that ought to be on the table in this election year. It's a complicated question, but I do wonder if something fundamental is changing before our eyes here that we're not really putting our hands on.

The second question I wanted to raise is sort of more where I live right now, which is the politics of this particular issue. Why is it that the issues that Steve raises in the book, why is it that the pressures on the working middle class have not become a

bigger political issue? It's not because workers are not anxious. They're plenty anxious. I pulled out some numbers from a new *Wall Street Journal*-NBC News poll, which was just finished last week, and the working-class people in America are not stupid. They know they're squeezed. They point to a couple of numbers that jumped out at me when we did this poll.

We asked people, "How satisfied are you with your own financial situation today?" And of the people who made \$30,000 or less, 5 percent said they were satisfied; 45 percent said they were very dissatisfied. By contrast, people who made \$75,000 and more – and that's not rich obviously, that's middle class – 26 percent said they're very satisfied and only 6 percent said they're very dissatisfied. So you can see the squeeze coming through in numbers like that.

The one that really startled me was in this poll, we asked people, "Do you think the United States is an economic recession or not?" And 95 percent of the people making \$30,000 or less said, "I think we're in a recession." Now, folks, you can't get 95 percent of the people in most polls to agree the sun is going to rise in the East tomorrow. So this is a stunning number to me; 95 percent of those people said, "We're in a recession right now, regardless of what you guys in Washington might want to call it."

But it's not just the working class. It think even people who are doing reasonably well in the economy have a sense that it's not working as well as it should. And I'll point to third set of numbers to back that up. We asked people, "How satisfied are you today with the U.S. economy, not with your situation, but with the U.S. economy overall?" And you had 90 percent of the people who make \$30,000 or less saying that they were dissatisfied, not particularly surprising – more surprising, you had 85 percent of the people who make \$75,000 and above also saying they're not satisfied with the way the U.S. economy is performing.

So I think there's a sense that something's not right here, but it hasn't really sort of crystallized in political terms. And I guess that I would postulate – and I think Ruy can pick this up because most of what I know on the subject I know from reading him – that one of the reasons this hasn't crystallized as a political issue as much as it might is a divide that's emerging among the working class. There are people like my brothers and brother-in-laws, who I was referring to a minute ago, who have gotten far enough out of the working class that they're really in a what is an emerging and growing upper-middle class, and that the working class is actually shrinking as a percentage of the electorate in the terms that we think of it, and so they're suffering more, but probably have less impact than they did 20 years ago.

And I won't attempt to make the explanation any more completely than that, except to finally note that this might be the election year in which that is changing because the working class, the white working class, and particularly, white working-class males, are sort of emerging as a really important swing constituency this year. They matter a lot in a lot of states. They matter right now in the Democratic primary battle. They're going to matter equally as much in the fall general election.

And they matter because these are the very people who left the Democratic Party in the early 1980s. They are the Reagan Democrats. They departed. That's been well documented. They stayed out of the Democratic Party largely for cultural, not so much economic reasons, all through the '80s. And when George W. Bush ran for re-election in 2004, he won the white working-class vote by 23 percentage points. So all the way through 2004, this audience was a Republican constituency.

Interestingly, that started to change in 2006 in the congressional elections. In that congressional vote, Republicans won still among white working-class women, but won only by 5 percentage points. That was down from 15 percentage points in 2004.

White working-class men also started to come back to the Democratic Party, but didn't really come as far, and they still voted Republicans by a 14-point margin in 2006. So I say all that to say that I think that that really is the constituency that is affected most by the pressures that Steve has written about in the book. They happen to be a constituency that is emerging as one of the key constituencies in this election year and suggest to me that Steve's written not only about an important economic issue, but we're going to increasingly see is an important political issue this year as well. Thanks. (Applause.)

MR. SPERLING: Ruy?

MR. RUY TEIXEIRA: Well, let me add to the general chorus of praise about the book. I do think it's a superbly written book, very compelling, very detailed, very vivid. In fact, let's face it, there's been a lot of books written about things that are sort of like the big squeeze, about how the typical American isn't doing well. Workers are really getting screwed. But I'd have to say that of all the books that have been written, this could be the best. It could be the easiest to read, the most compelling. The stories are sort of both very hard to read and very hard not to read because you want to stop reading because they're so terrible, but you've got to keep on going because they're done so well.

So if anyone out there was harboring any lingering doubts about whether things have gone a bit awry here in America, perhaps reading Steve's book will convince them it really is going on.

But it does raise a series of very interesting political questions and Jerry was kind of alluding to this and I might sum it up by saying if they're so miserable, why aren't we rich? In other words, if people are suffering as much as they appear to be suffering, why isn't the center-left in this country doing better? Why don't progressives have broad and deep support for the kinds of steps they'd like to do to alleviate these problems?

And in reality, the only constituency out there that really acts like – does what we would think they would do if they're miserable – they support very progressive measures – is minorities, Hispanics, black working-class people are very, very solid on both

supporting progressives against conservatives and in most of the policy steps that we might choose to try to put into place. So that's good.

The problem is they're outnumbered by the white working class, which Jerry was just alluding to. These voters, moderate-to-low income, modest skilled, modest credentials, who are suffering a lot of the problems that Steve described so vividly, they don't tend to be with the progressives. As Jerry was mentioning, white working-class voters in 2004 voted for the conservatives by 23 points. That's a lot and that's a big problem.

Looking forward to 2008, you make some reasonable assumptions about what the structure of the electorate is going to be. Progressives can't afford to lose the white working class by more than somewhere in the nature of 10 to 12 points. So you've got to cut that deficit in half, and if you don't, it doesn't really matter how – it's not going to matter that much how well you do among the other constituencies. You've got to keep the deficit below landslide proportions. That doesn't seem like it should be so hard to do, but it does appear to have been a challenge in the past.

Thinking more about white working-class voters, it's kind of interesting to think about what do these people – do they really – do they buy into the big squeeze? And on some evidence, yes, they do.

Greenberg Quinlan Rosner asked an interesting question the other day, basically gave people a choice. Most people today face increasing uncertainty about employment, with stagnant incomes, pay more for health care, taxes, and retirement, while those at the top have booming incomes and lower taxes. It sounds like the big squeeze.

The second choice was our economy faces ups and downs, but most people can expect to better themselves, see rising incomes, find good jobs, and provide economic security for their families. The American dream is very much alive. So by about two-to-one, white working-class respondents took the big squeeze interpretation of the economy as characterizing what's going on. So that that sounds positive.

On the other hand, if you ask the same voters, "Do you think you will – you have attained or will attain in the future, or never attain the American dream," by about a similar margin, two-to-one, people think that – these white working-class respondents thought they would – either had or would attain the American dream. So it's interesting that the very same people who think there's a big squeeze going on, also see themselves as somehow progressing through that big squeeze and managing to attain the American dream, which would kind of maybe give us some clues as to what's going on.

But let me go back for a second to how progressives typically saw this conundrum or deal with this puzzle. They say the reason why voters in general, maybe white working-class voters in particular, haven't supported progressives is, on the one hand, it's cultural befuddlement. There's other things that are brought up that distract people away from the real economic issues that we know are important, are really important for them.

They're not voting their interest. They've been bewitched by anti-government rhetoric and because it's all been done so well and so persistently over time, they don't wind up voting for progressives. They vote for the other side and that's the real problem.

And closely linked to this is the idea – the other answer, which is okay, well, the problem is, is even as they've been befuddled, we haven't been presenting to people enough the actual solution. We haven't been populous enough. We haven't been forthright about pointing out the problems with the American economy. We haven't been sufficiently vocal about our solutions. If we turn up the volume and take a kind of a hard populous stance about what's going on in this country, that, combined with trying to clear away some of these cultural detritus, will no doubt get people on our side.

And I don't mean to belittle either one of these explanations. In a sense, I think there is some truth to them. I think they do describe some of what's going on and they're perhaps part of the solution, but I guess I want to suggest that there's, dare I say it, a third way that we might want to think about, a third approach that has some promise.

And it gets back to that thing I was saying about white working-class voters and how they have – not only think there's a big squeeze, but they also remain incredibly optimistic about their ability for they and their families to get ahead. And that's the way it is. People are optimistic. They're simultaneously pessimistic and clear-eyed about how the economy is working. On the other hand, they do have the sense that they will struggle through the problems. They will succeed. They and their families will succeed and that's how they view themselves. That's how they view their lives.

So they don't necessarily want to be told that they're miserable. They already kind of know what a lot of the problems are they have to deal with are. They need to be convinced that because what they really want to do is get ahead, and they believe that given the right tools, they can get ahead, that they need to be convinced the government and progressives sort of are part of that solution, part of that solution set. And at this point, they've got some real questions about that.

And progressives need to be able to put that third approach, that third way, what I would call sort of aspirational populism, in front of people. People need to see the kinds of programs that progressives have in mind, be it in the area of health care, retirement, education, training, and so on as a part of – not just something that's going to help them not fall, something that's not just going to bind the wounds, but something that's going to actually help them get ahead, help them move ahead, help them accomplish the kind of things – they could even get rich if they want to, that they really aspire to – they really believe they can do if they get the right kind of help.

And make no mistake about it, the kind of programs that progressives have in mind, and the kinds of things Steve retells in a good chapter in his book, will have to be put in the right context and they will have to be motivated because there's going to be a lot of resistance there. With the exception of raising the minimum wage actually, which is one of the most popular, least controversial things progressives can advocate, virtually

everything else will involve a larger role for government, may involve higher taxes or new taxes. It's got to be funded in some way.

And taxes and government are not something – people feel differently, especially these white working-class voters feel differently about them today than they did in the great era of the post-war social contract, when they did see a connection between what government and progressives did, and the rising living standards and the kind of life they wanted to lead. That connection has been severed and to reestablish it, progressives have to convince people that the kind of programs we have in mind fit into that kind of aspirational track that they want to get at in terms of moving ahead in this quite different situation.

And in a sense, you could argue that – I'm not saying this is what Steve intended, but you could be tempted to read the book, look at the stories, and say, "All we got to do is repeat these. This is like solid gold, just kind of remind people about the big squeeze," but I guess the argument I'm trying to make is people already know they're in a big squeeze. What we have to be able to do, it seems to me, is connect what we say to the big expansion, that we want to go from the big squeeze to the big expansion.

We want to get back to a situation where, instead of being squeezed, the typical American can actually kind of get back in that post-war escalator to the middle class and beyond and even to the upper-middle class if people want – that we've got solutions and ideas that can help ordinary people do it. So I would say getting from the big squeeze to the big expansion is, in fact, the task that progressives face and I think is underscored by Steve Greenhouse's very good book. Thanks a lot. (Applause.)

MR. SPERLING: I'd like to take the moderator's prerogative to maybe ask each of our panelists one question for themselves and then perhaps open it up. And Steven, because perhaps I worked on the '92 and 2008 campaigns, I often get asked the question that you do. What's different then versus now? And I don't think I'd quite coined it as well as the – we had the Bud versus the Starbucks, but I think it is the experience that it was often – the issue of globalization was often an issue of the major manufacturing centers, communities that were very dependent in steel, in auto, in textiles, et cetera; and that probably, the most significant thing, as you said, is the spreading of anxiety that goes beyond – that goes further.

And it seems to me that it's even changed since the '90s, that there was a little bit more optimism in what Jerry said on education, and I think what President Clinton's message was as well, which is maybe the social contract just needed to be updated, needed to be more technological literacy, et cetera.

And then, you have the story of Myra Bronstein in here, which is kind of a – a little bit of service sector horror story in the way they were treated, but it also is a very vivid sense of somebody who essentially, did things right in terms of education, et cetera, and still feels themselves caught. How, as you're doing this, do people feel – this message that comes often from D.C. in policy is higher education, stronger education.

How are people in the white-collar service sector looking at their own kind of education versus the kind of pressures they're seeing even in some of the service sectors? What do you pick up when you're talking to real people as you're doing this book?

MR. GREENHOUSE: Thanks. I think people are confused. Ten years ago, 15 years ago, clearly, a lot of kids just entering college, kids about to graduate collage, thought engineering, engineering, engineering, software engineering is the way to go. That's a way to a secure future. And then we see the rise of India, new competition from Russia and Hungary and the Czech Republic and we see all this off-shoring of jobs. And I think a lot of kids were thinking, well, maybe software, maybe high-tech is not the way to go. And I think people are very confused.

I know when 18-year-olds, 20-year-olds ask me, "What should I do? What should I study?" Again, 10 years ago, you would have happily said, "Software engineering, computer engineering, electronic engineering." Now, it's very unclear.

Talking about how things have changed, I write a little bit about H. Ross Perot, who, when he ran for president, his main issue was the giant sucking sound of jobs going to Mexico. Now, he plans to double his company's workforce in India to 7,000. And I quote two professors at Berkeley, your former colleague, J. Bradford DeLong, and Stephen Cohen saying, "If the logic of foreign out-sourcing is so overwhelming that Ross Perot can't resist it, what American CEO will be able to?" So we're in a really difficult time in terms of off-shoring, and this ties in with what Jerry was saying. Is it wealth production or is it wealth distribution? I think it's both.

In terms of wealth distribution, in one of the latest statistics, the top 1 percent had 9 percent of overall national income in 1980, I believe, and now it's up to 21, 22 percent.

Gene's former boss, Larry Summers, says, "Were it not for the increased inequality, the bottom 80 percent of Americans would be doing much better. Income for the bottom 80 percent of households would be \$670 billion more a year or \$8,000 for each family," which, for a family making \$30,000, \$40,000 an \$8,000 boost ain't bad.

And the last thing on wealth production – I'm going on too long. Steve Pearlstein, Pearlstein- Pearlstein – I don't even know how to pronounce it – who won the Pulitzer Prize for the *Washington Post*, wrote about Intel building a \$2.5 billion chip fabrication plant on China's northeast coast encouraged by \$500 million in subsidies from China. Steve wrote, "We can all agree this plant will be a boon to the Chinese economy and we can be pretty sure it will be in the interest of Intel's shareholders, but is it really in the best interests of the U.S. economy? Can you really say" – I'm skipping – "by what reasoning is this a net plus for an American economy that is supposed to prosper in this globalized world on the basis of high-tech know-how? Can you really say that in such a high value-added industry, the lower cost of imported computer chips will offset the forgone economic output, jobs and profits that Intel's move entails?" So I think the problems are both production and distribution.

MR. SPERLING: Stewart, I was trying to think what came through so much in Steve's book that comes through so much more than when you just read the stats, and I think the thing that comes through in the book, that kind of does get you is – it's really powerlessness of people on the job. You constantly wish that the person – and some of the people are amazing heroes – but what you see over and over again is just people going through having to train their replacements, horrible sexual harassment, et cetera, in situations where there's just not much they can do about it because it is not a tight job market, because they can't do the take your job and shove it notion.

And I guess one of the things I'd ask, maybe taking off a little more on the policy's hat and your organizing hat, is when you are organizing, what is it successfully? And I realize all of the policy reasons and the tilted playing fields that make it possible. But I'm saying, when you actually do have that moment with workers, what breaks through? Is it the wages? Is it the respect? Is it the power? What is it that's most effective?

MR. ACUFF: In every successful organizing campaign, every single one, respect is one of the top two or three issues. Wages are usually important. Benefits are very important. But in every campaign, respect and dignity are one of the top two or three issues for every worker, particularly today, when workers have to go through so much to form a union.

I like to tell organizers, people aren't going to fight as hard as they have to fight for simply a wage increase or a better benefit package. And as hard as it is, some 400,000 new workers enter the American labor movement every year. Last year, we had the largest increase in the American labor movement, net increase in a generation, 311,000 net increase in the American labor movement. So respect and dignity is – and a sense of some say in what happens to you every day and in the future of your kids.

Can I just say two quick things about other points that were made? I don't want us to get – globalization is very important, but I don't want us to misunderstand globalization. There is manufacturing investment going on in America today. Unfortunately, many foreign investors are beginning to treat parts of the United States like a country in the developing world. Thyssen-Krupp is going to create 2,000 new jobs, shipbuilding jobs, along the Gulf coast, a German company.

Mercedes, BMW, Nissan, Honda, continue to invest in manufacturing in the United States. They just don't give people the freedom to form unions or to bargain. And so it costs \$1700 more to build a GM, Ford, or Chrysler product in this country than it does a Honda or Nissan product just for health care because the big three provide health care and those others don't. So let's not misunderstand all of the factors in globalization.

And finally, on the question of who gets what or – it is critically important to understand that forming a union gives workers the opportunity to bargain for more power on the job and a bigger share of the wealth that they produce. That is what's so important

and that is really the fundamental reason why things have gotten so out of whack that we no longer have that opportunity, have that freedom, or have that power.

MR. SPERLING: This is one question for both Jerry and Ruy to answer. If you read Steven's book, what comes through that is – I would say that isn't just what's on the – as much on the policy agenda right now, are very kinds of worker rights issues – one, the compelling case he makes that people are systemically breaking the law and I think that there is a very strong – it's not surprising to me that Stewart likes this book. You kind of – you want to go organize if you read the book.

My question is for both of you – and Ruy, you were talking about kind of the tensions and the contradictions and how particularly some working-class families are. Stewart has to do it in a particular plan. The presidential candidates have to go out at a message level. And someday – it may not happen in the next seven years – but someday, the primary in the Democratic Party will end – (laughter) – and there'll be a general election.

And I could imagine at this point that this could be a real dividing point. And so message-wise, not just on the substance-wise, message-wise, how is talking about unionization, organizing, worker rights, how would you tell a Senator Obama or Senator Hillary Clinton to talk about these issues, or which policy aspects would you bring up? Is it just the Employee Choice Act? How would you recommend, based on what you're seeing in public opinion, that you would tell them to talk about it or not talk about it?

MR. SEIB: Well, let me go first. Since I'm a journalist, not a policy advocate, I won't tell them what to say. I'll offer a bit of analysis, though, which is that my theory of American politics – and this does actually go to your question, Gene; it just doesn't tell them what to do, but it tells them why the question that you raise is a difficult one.

So my working theory of American politics is that everything that's happening now is still essentially a ripple effect of what happened in 1980. I think 1980, it was the election that changed the political alignment and climate for a generation. We're near the end of that generation. This is a – potentially a transitional election to whatever comes after the phase that began in the 1980 election.

In the 1980 election, the issue that worked in appealing to the middle class was addressing middle-class anxiety in economic terms and cultural issues as a matter of values. And that worked for Reagan; it worked for whole succession of Republicans. It worked for a lot of Democrats. What wasn't in the equation was worker rights or union rights. That was sort of passed then and I think it's been seen ever since as an impediment to the economy and something that got in the way of middle-class advancement as much as it helped middle-class advancement. I think that's a fair – I'm not advocating that. I'm just saying I think that's a fair description of the way the political climate developed.

And so as a result, I don't think you've seen – Walter Mondale tried a little bit, but not very hard. And since then, I don't think anybody in the Democratic presidential campaign has tried all that hard to make any of these issues front and center. That wasn't the point. That wasn't how you won elections, in my estimation.

It may be different this year. I do think this is a year in which the cycle that began in 1980 is coming to an end, and what comes next will be determinant, and maybe that those questions are back in the mix, but I don't think they've been fruitful on a presidential campaign level for a generation.

MR. TEIXEIRA: Well, specifically on unions, the data suggests that there are a lot of people out there who are interested in joining unions. Hart Research has asked the questions for quite a long time and it's around its highest levels. It's been, I think, where – it's actually substantially more the majority said they'd be interested in joining a union if there was one in their workplace.

Now, of course, what does that mean? I think probably what that means is that the economy has evolved in such a way, and the workplace evolved in such a way, that the kind of the general concept seems good to people; sort of it could be part of the toolbox if it was available to them, so they're willing to entertain it.

I think organizing is hard for many reasons. Certainly, one of the main ones is employers make it hard, but there's also some resistance on the part of your ordinary worker, including many workers, I think, who would say in the abstract, they're for a union, because when they think about real, actually existing unions in the real world, they tend not to see them as vehicles for middle-class advancement. They tend to be associated too much with the old – it's particularly true for white-collar workers to associate with the old economy, with rules, with restrictions, with bureaucracy. Arguably, unions need to kind of have a new image, to put forward a new image to people, so they'll be more interested in joining unions, particularly again these white-collar workers.

And in fact, the Center for American Progress did an interesting study a couple of years ago, I guess, that Jim Grossfeld wrote for us, that was based on focus groups and a number of other things, basically trying to figure out where does that resistance come from? We know a lot of people are interested in unions, but when it comes down to getting them to actually sign up, it's much harder. And, yes, one thing we certainly found is that people were scared, but on the other hand, it was also that they had images of unions that – of real, actual, existing unions that were not kind of what they had in mind. They didn't see it as a part of the toolbox to help them make it into and stay in the middle class.

So I think that – and that's kind of what Jerry was saying – if you can get people to see unions in that context as a choice they could make, that would help them do that, I think the selling job would be a lot easier, but that's not to take anything away from the – (unintelligible) – which is essential as well. So I think it's a kind of a combination – two

track. You want a different image and then you want the employers not to be basically crushing people who want to have a union.

MR. SPERLING: I want to open it up, but I just want to – I don't know if Stew or Steve have anything quick you wanted to add to that.

MR. GREENHOUSE: One quick thing. For me, an interesting change is in 2000, when Gore ran for president, when he ever talked about regular workers being squeezed, screwed and things favoring the wealthy, he was crucified, right, for speaking of class war. There is a big change this year and Hillary – if Gore said one-tenth of what Hillary has been saying in recent days, the press would have taken him to task, but now, for reasons I'm not sure, the news media didn't take Edwards to task or Hillary to task for really talking in populous terms.

MR. ACUFF: Yes, just a couple of quick things. Restoring the freedom to form unions is not the labor movements' only solution. Clearly, we're campaigning hard for fair trade. We're campaigning hard for more access to education, including lowering the costs of college and university for middle-income people and working folks. We're campaigning hard for universal health care.

But the right to form unions is at the core of the fight because that's where working people get enough power to change things. And so that's – is not exclusively the solution, but it's arguably the most important part of the solution. And I would just say to Ruy that Jim Smith, the organizing director of ASMI, was in the back of the room a while ago. He tells his organizers "When you're going through an NLRB election campaign, 70 percent have to sign cards before you file for an election," right, because it is the employer campaign.

Once you file for the election, those six weeks to six months that it takes to get an election where that union support is diminished, and it is because of the employer campaign of intimidation, firings, and retaliations. So I just want to make sure that we make that clear. The employer campaign is the most significant detriment to workers forming unions today by far. And it shows in our polling numbers – in Peter Hart's polling numbers as well.

MR. SPERLING: Well, I have one big question for all of them, but I want to go to the floor first. Do we have any questions? We have a few. Okay. I'm going to be geographically fair and go to the way back. Yes, could you identify yourself too please?

Q: (Inaudible) son of the working class. The reason why – I'm struck by this conversation and I'm struck by the conversation in society right now. People talk – people always use racial modifiers now to describe working class. And I'm really wondering if the attitudes of the white working class, the black working class, the Hispanic working class, and so forth, are they really that much different? And has anyone actually looked at attitudes of the working class across races?

The second question I have is related. Is – Gene, mostly, you talk about sort of white workers deserting the Democratic Party for the Republican Party. Is that really what’s happening or are white workers basically deserting the political process entirely?

MR. SPERLING: Okay. Well, actually, I didn’t make that comment and since I’m the moderator and I didn’t make that comment, why don’t I let Jerry or Ruy answer, since you’re basically asking a public opinion question.

Q: (Off mike.)

MR. SPERLING: That’s okay.

Q: (Off mike.) (Laughter.)

MR. TEIXEIRA: It's true that black and Hispanic working-class folks tend to be more liberal on a lot of these policy issues, and even controlling for income than white working-class folks. This is a – and if you look at things in the role of government actually, generally speaking, about the role, the most liberal constituency in the United States is Hispanics by a long shot. White working-class folks actually tend to be – when you bring up the role of the government, how large a role should it have – could it have? How much good do government programs do? Should we have more services or less? Hispanics are remarkably – Hispanic working-class people are remarkably positive about it, and blacks somewhat less so, but again, whites are kind of towards the end of the spectrum there.

And I think part of what that tells you is that everybody believes they’re going to get ahead. Actually, minority workers are incredibly optimistic, despite the fact their conditions tend to be worse, and their pay lower. They’re even more optimistic than whites of the same income level of education, that they’re going to get ahead. But they also, as I said, tend to be more sympathetic to the government playing a role in it. And I think what that tells you is that for historical and other reasons, minority working-class people have this kind of image that the government could actually like do stuff that’s good.

And so they’re optimistic too, but they see – they connect their optimism to what the government can do. The problem, again, does lie with these white working-class folks who, while optimistic in many ways, don’t connect their optimism to what the government could do or could do for them.

And in terms of your question about is it they don’t vote or they actually did turn against progressives and Democrats, the answer is the latter. They definitely turned against the Democrats and progressives. There was like a 20 point – it was basically a 20-point drop from 40, 50 years ago in terms of the white working-class support for the Democrats. That’s a huge drop. It’s not just that they’ve dropped out of the voting pool. They just started voting for the other side. And we may not like it, but that’s – by George, that’s the way it was.

MR. SPERLING: All right. I will take these two questions here in the second row. We're trying to give our microphone runner as much exercise as possible. (Laughter.) You want to work out here, don't you?

Q: Hi, my name is Eleanor Lauderdale and I'm with AFGE Local 12. I'm the vice president and we represent all the employees at Department of Labor, OSHA, Occupational Safety and Health Administration, the Mines Safety and Health Administration, Employment Training Administration, and the Bureau of Labor Statistics. Anyway, that's what we do.

But my question is this. I don't know how many of you have studied W.E.B. DuBois and what he said back in early 20<sup>th</sup> century that the history of America, American politics would be the color line and that it would define politics in the 20<sup>th</sup> century. Little did he know it would define it in the 21<sup>st</sup> century as well – that when you say that these white working-class employees – workers have now turned against progressives, do you think that part of it happened because they perceived as progressives as helping minorities, as opposed to being on their side, that there is an element of race – and I believe that – and every time you see a progressive, or you see someone like Barack Obama, then a boogiemer has to come up. Like Reverend Wright is a boogiemer and they show you the boogiemer.

And that has been used so much that I think in the last election, in 2004, they said, "Oh, my goodness, the black thing is becoming hackneyed. We need something else. Let's do the gays." And so then it's like – the boogiemer became a gay and – but now, they're back to the boogiemer being a black. So I just wonder, have you guys considered that because I have not heard that mentioned?

MR. ACUFF: Well, I'm from Tennessee. My home is Atlanta, Georgia. I watched the Republican strategy change the politics of the South dramatically from solidly Democratic to solidly Republican. I'm not a political scientist, and so I'm over my head in terms of the data. But I can tell you that as late as the year 2000, Republicans in Georgia were campaigning on race. And I spent the fall of 2006 running the AFL-CIO's effort for Harold Ford in Tennessee, my native state. I saw the commercial with the blonde, call me Harold. And there were tons of racial dynamics that got played out in the Harold Ford campaign against Ford down the stretch.

I do think that it is not as effective as it's been in the past. For instance, Harold Ford's polling at the end of that campaign was not off as much as it's been in other campaigns in the South of African American men or women running statewide. So fewer white voters were lying to pollsters, I think, by the end of that campaign. And I do think we're slowly chipping away at the effectiveness of the politics of race, but it's not just that some white working-class voters are bigoted. It is that that has been worked, that that has been – there's been a strategy to work on that. That's my observation.

MR. SEIB: I would just add it's naïve to say that that's not a factor. It is. Clearly, it is. And we're – it's either a virtue or a vice of the campaign right now that it's back on the surface and being discussed. It's very hard to quantify it because it's complicated. But Harold Ford went through it again in 2006, so it's –

MR. TEIXEIRA: But he did almost win. It just shows you how much things have changed and the very fact that we could be worrying about the race factor for Barack Obama, who is probable at this point nominee for the Democrats, I think, is just amazing – that we could even be worrying about it, that he could even be running for one of the two major parties as the candidate for president.

So things have changed a lot. There's no question, race had something to do with the original defection of the white working-class from the Democratic Party. And even that was complicated because if you study – the economic history is described well by Steve in his book, there came a point from the '70s onward where the American sort of political economy really changed.

And for the typical – sort of the median white workers started doing a lot more poorly than they thought they had in the past and they wanted to do. And that was associated in their minds with a failure on the part of government to address it and with money that was going to sort of help people a lot poorer – less well off than they were, particularly minorities. So welfare, obviously, was a huge issue there for 20 years.

So that – it's involved with race, but it's not just race. It has something to do with the experiences that these folks had in the '70s, '80s, and '90s. And I think we are actually coming out the other end, so – but we nevertheless have to deal with the residue of that period and the kind of image in these voters' minds of what government does and does not do.

MR. SPERLING: Let me take right here.

Q: Hi, I'm Paula Brantner with Working America, the community affiliated with the AFL-CIO, but my background is as an employment lawyer with Organization Workplace Fairness. And when you talked about illegality, I was familiar with most of the situations you talked about and I think it's a very real technique to use because the illegalities are still very rampant in the workplace.

And it's something that resonates with people, but not until it happens to them. A lot of people think it's only bad employees that are getting fired, or their rights are being violated. And so it's not something they understand until it happens to them.

And then problem is also that in a lot of cases, you have rights without a remedy in that it's hard to get lawyers to represent you. We have conservative courts that throw out a lot of meritorious cases. So I was wondering, in the course of researching your book, and looking at these cases, what is the solution to get more people aware of their

rights, enforcing their rights, caring about what goes on in the workplace, and whether or not these laws are being violated?

MR. SPERLING: Let me just say, I'm going to let Steve answer that and that's also going to be our final word, so that we can end on time as promised. But Steve has promised that anybody who would like to purchase his book, or if you've bought a book from somewhere else and would like it signed, he will be available. So, Steve, I will let you both take this answer and then anything else you'd like to add as the final word.

MR. GREENHOUSE: One point I make in the book is that there's been a decline in workforce and in workplace enforcement over the past decade or two. The number of workers has gone up by 50 millions since three decades ago, yet the number of federal wage and hour inspectors investigators is down. That's part of the whole deregulatory period we've gone through.

A lot of people have said to fix a lot of what's going on, we need more government intervention. I think it would be good if there was more government enforcement, but I think some important things can be done outside the government. I think a subtext of my book is that there's been a real decline in business ethics. We've seen that in Enron. We see that with Countrywide and mortgages and we've seen that in a lot of ways that employees have been cheated, abused.

And I'm hoping, praying that some of these subjects I discuss in the book will really be discussed in business schools because I write a lot about low-level and middle-level managers who systematically break the law. And they don't feel good about it, but they're under such pressure to minimize costs that they often do the wrong thing, rather than the right thing.

And the second issue, when I was a reporter in France, the French unions often used the word the "revalorization of labor of the worker." And my sense is there's something in American culture that's gone over the past two or three decades where just very little attention has been paid to workers qua workers. There's been a lot of talk about entrepreneurs and CEOs and brilliant 23-year-old founders of Google. And there just isn't enough, I argue, respect paid to workers and the people who really get the jobs done.

And it would be – I don't know how to do this, but I think it would be really important if the culture, the society, really tried to look at workers with more value. You see some churches, some clergy, really trying to do this, but I think it should be done on a broader basis because as long as workers are not discussed or invisible, it becomes that much easier for corporations and their managers to squeeze workers.

MR. SPERLING: Well, with that, I'd really like to thank what I think it has been an excellent panel, Steven, Stewart, Jerry, Ruy. Thank you very, very much. Thank you all for coming. Buy Steven's book and he'll stay around. Thank you. (Applause.)

(END)