Issues … But No Answers

Broad questions kept popping up while I was working on this issue of *The Ledger*. They didn't come from any particular philosophical, political, or ideological direction. They just kept circling back into my head during walks home from the train station at the end of each day.

Are they the major questions regarding poverty? Maybe not. Do they have answers? None that I could come up with. Which is why I'm hoping you will share your thoughts.

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Question One:

How effective can antipoverty initiatives be in an economy characterized by insecurity in the labor market and wage stagnation?

Shipping jobs offshore in large numbers created a labor surplus, and technology added to that surplus, especially in the types of jobs that once offered low-income people an entryway into the middle class. On top of that, the balance between labor and management has skewed so far in management's favor that many workers just keep their heads down and try to cope as best they can because they know there's a large pool of job-seekers—both here and in other countries—willing to take their place. Given all that, what hope is there that antipoverty measures can do anything more than provide temporary, short-term relief?

Question Two:

Are degrees the new bootstraps?

Most of the people who make public policy are well-educated holders of many degrees. Education has been their path to success, so maybe it's only natural that they should believe so strongly in the power of education, particularly higher education, to have a similar effect on others.

But what if we've moved into a world where some of our old assumptions no longer hold true? What if, instead of being a vehicle out of poverty, education has become a gate—a barrier to upward mobility? What if the inability to purchase credentials in the education marketplace keeps poor people out of jobs for which they might otherwise be qualified? What if the inability to finance higher education, even a two-year certificate program—now consigns poor people to a lifetime of low-wage service jobs? Or, even worse, what if they acquire the necessary credentials after going deeply into debt and still end up in low-wage service jobs?

Follow-up Question: Some policy experts say there is a mismatch between the available jobs and the skill level of potential employees. But even if that's true, how long will it be before many of those jobs are performed by machines or lower-wage workers in other countries?

Question Three:

Do large multinationals, many of which started as American companies, still care if there is a strong American middle class? If not, what are the implications for low-income Americans who aspire to middle class status?

In 1914, Henry Ford introduced a plan to pay autoworkers $5 a day, nearly double the rate that most had been earning. His rationale was that higher wages would reduce turnover, increase productivity, and put workers in a better position to buy a Ford car.

But in the current American economy, higher productivity has not led to higher wages. In fact wages for U.S. production workers have been fairly stagnant for the past 30 or 40 years. And large multinationals have focused increasingly on the rapidly growing number of middle class consumers in developing countries. It's enough to make one wonder if companies still care as much about the buying power of American consumers. And if they don't, what does that mean for low-income Americans who aspire to become middle class … or for moderate-income Americans struggling to remain middle class?