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## WORK AND LIFESTYLE

# Poverty conference sees endangered middle class

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The Associated Press

CHAPEL HILL, N.C. | Economic changes have narrowed America's middle class, increasing the divide between the rich and poor, according to speakers Friday at an anti-poverty conference staged by a think tank led by past vice presidential candidate John Edwards.

Changing government policies to help the working poor was proposed frequently by speakers during the two-day conference, which was presented by the Center on Poverty, Work and Opportunity at the University of North Carolina's law school.

Edwards - a former Democratic U.S. senator and millionaire trial lawyer - said tax cuts backed by the Bush administration lowered the rates his affluent friends pay on many kinds of investment profits to below the rate on worker's wages.

"When we raise the minimum wage, ... make it easier for labor to organize the workplace, it's good for the economy as a whole," Edwards said.

Globalization gets the blame for moving jobs in manufacturing, service, and even medicine offshore, and pushing U.S. workers into unemployment.

A panel discussion involving Edwards and economists argued that, while globalization can't be fought, its disrupting force can be eased.

UNC-Chapel Hill economist Patrick Conway said America's free-trade policy is designed to maximize the opportunities of consumers and innovating businesses.

The country also could adopt a related "economic security policy" that includes more help for people laid off due to foreign competition and more help retraining for new jobs, he said.

"We're a very rich country. We have the resources to do this. We just don't have the will," said James K. Galbraith, who teaches economics at the University of Texas.

The first conference speaker Thursday was Elizabeth Warren, a Harvard law professor and author of a pair of popular books about why two-income, middle-class families have dropped below their parents' economic standing despite the decreasing costs of food, clothing and cars.

"There's a little problem," Warren said. "The little bit more to the story are the fixed expenses" facing families.

Mortgage costs for a median family in the 21st century are 80 percent higher compared to the 1970s, she said.

Out-of-pocket health care costs - even with employer-subsidized insurance - is up 70 percent.

Additionally, child care expenses that didn't exist when one parent stayed home and one went to work now reach thousands of dollars a year.

In fact, about three-quarters of the median American family's income is committed to fixed costs, leaving little leeway for emergencies or savings, Warren said.

"This is amazing about how the rules have changed. In the 1970s, if you worked hard and didn't outspend your neighbor, you could expect that your family would get ahead. That is no longer true today," she said. "It's up to us to change the rules back."

About 200 people participated in the conference, which could inspire attendees to translate ideas into action, said Chris Fitzsimon, director of NC Policy Watch, which is a liberal political watchdog in Raleigh.

"Ideally, the people here understand ... they're not going to change the world or improve people's lives simply by talking to each other about great ideas," he said.

"There has to be a connection between the ideas and the people in line today at the Good Shepherd soup kitchen in Raleigh. So I hope that that's what happens."

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