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Financial Terrorism and The Death of the Middle Class

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Middle Class Death Watch: As Poverty Spreads, 28% of Americans Who Were Part of the Middle Class Have Fallen Out of It

Overall Snapshot

Middle-Class Americans Often Fall Down Economic Ladder: Study – nearly a third of Americans who were part of the middle class have fallen out of it

> "The promise of the American dream has given many hope that they themselves could one day rise up the economic ladder. But according to a study released those already in financially-stable circumstances should fear falling down a few rungs too. The study… found that nearly a third of Americans who were part of the middle class as teenagers in the 1970s have fallen out of it as adults… its findings suggest the relative ease with which people in the U.S. can end up in low-income, low-opportunity lifestyles — even if they started out with a number of advantages. Though the American middle class has been repeatedly invoked as a key factor in any economic turnaround, numerous reports have suggested that the middle class enjoys less existential security than it did a generation ago, thanks to stagnating incomes and the decline of the industrial sector."

Downward Mobility from the Middle Class: Waking Up from the American Dream

> "The idea that children will grow up to be better off than their parents is a central component of the American Dream, and sustains American optimism. However, Downward Mobility from the Middle Class: Waking up from the American Dream finds that a middle-class upbringing does not guarantee the same status over the course of a lifetime. A third of Americans raised in the middle class—defined here as those between the 30th and 70th percentiles of the income distribution—fall out of the middle as adults."

Housing Crisis

More Americans 'double up' and share homes in tough economy

> "This spring, there were 21.8 million "doubled-up" households across the nation, a 10.7 percent increase from the 19.7 million households in the spring of 2007, the Census Bureau said. That means 18.3 percent of all households

were combined households."

The millions of Americans living in long-stay motels

"They are known as the last resort. Millions of Americans are staying in budget long-stay motels as the country's economic problems get worse. The grisly rooms are seen as the lowest of the U.S. housing ladder, only just above a cardboard box. In tiny rooms with paper-thin walls and nylon sheets, vulnerable Americans are making their homes for a few hundred bucks a month."

Homelessness could spread to middle class, Crisis study warns

"The economic downturn and the government's deep cuts to welfare will drive up homelessness over the next few years, raising the spectre of middle class people living on the streets, a major study warns. The report by the homelessness charity Crisis says there is a direct link between the downturn and rising homelessness as cuts to services and draconian changes to benefits shred the traditional welfare safety net."

In L.A., Homelessness Spreads to Middle-Class Families, As Underemployment Rate Hits 24%

"More than two years into the economic recovery, there isn't yet a light at the end of the tunnel for California's economy and stubborn unemployment. The number of job losses in the state is still much higher than the worst moments of the 2001 and 1990 recessions…. The state's jobless rate hit 12% last month, the second worst in the nation. A broader measure of unemployment — which also includes part-time workers and people outside the labor force who have been looking for a job — is 22% in California and 24% in Los Angeles, while the national average is only 16.5%, according to the Bureau of Labor Statistics. The impact on children has been brutal: since 2007, 7% of the state's children have had a foreclosure process started on their homes, the fourth-highest level in the nation, according to a study released this month by the Annie E. Casey Foundation. And families can rely less on welfare because state and federal budget crises have cut social services."

AMERICA TODAY: Stunning Pictures From Lakewood New Jersey's Homeless Tent City

"Doug Hardman wakes up every morning with a song in his head—a vague memory of his days on stage. Inside his tepee in the woods outside Lakewood, NJ, at the homeless Tent City, the roosters wake early and the mornings are already cooler. A musician who lost his Florida home in the housing crisis, Hardman says he floats in and out of Tent City, that he's proud of his kids, and misses the life he no longer has. He has a lot of company out here."

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US Taxpayers Own 248,000 Foreclosed Homes

"For sale or rent by distressed owner: 248,000 homes. That's how many residential properties the U.S. government now has in its possession, the result of record numbers of people defaulting on government-backed mortgages. Washington is sitting on nearly a third of the nation's 800,000 repossessed houses, making the U.S. taxpayer the largest owner of foreclosed properties. With even more homes moving toward default, Fannie Mae (FNMA), Freddie Mac (FMCC), and the Federal Housing Administration are looking for a way to unload them without swamping the already depressed real estate market. Trouble is, they haven't figured out how to do that. "They're stuck," says Karen Shaw Petrou, managing partner of Federal Financial Analytics, a Washington-based consultant that advises banks and other clients on government policy. "They don't know what to do.""

Foreclosures: Are the rich the biggest strategic defaulters?

"It would seem so from the statistics compiled by the New York Times. The article leads in by suggesting the rich are 'losing their home but given the talk about strategic default earlier in the year, you should wonder whether these are defaults due to distress or out of sheer financial calculation. This statistic jumped out at me: More than one in seven homeowners with loans in excess of a million dollars is seriously delinquent…. By contrast, homeowners with less lavish housing are much more likely to keep writing checks to their lender. About one in 12 mortgages below the million-dollar mark is delinquent. Why would there be this differential given the stress on budgets felt by homebuyers below the million dollar mark? It looks very much like strategic defaults at play."

There's No Bottom In Sight For Plummeting Home Prices

"At the end of June 2011, macromarkets.com released the results of a poll in which 108 leading economists and housing market analysts were asked to predict the direction of home prices from now until 2015. All except four of them predicted that housing markets around the country would hit bottom no later than the end of 2012 before climbing again. Only one of them thought that home prices would not hit bottom until the end of 2013. By way of contrast, a survey of consumers released in May by trulia.com and realtytrac.com found that 54% thought that a housing market recovery would not occur until "2014 or later.""

American Dream, downsized: Homeownership not a given

"For decades, Americans have aspired to own homes, and everyone from bankers to government officials has worked to make the dream accessible. But around the country, particularly in places hit hardest by the real estate bust, that's changing. Legions of homeowners remain underwater on their mortgages or unable to move because they can't sell their house. Plenty who want homes can't buy them because credit remains tight."

My job is to watch dreams die – We sell houses that were foreclosed on

"I work at a real estate office. We primarily sell houses that were foreclosed on by lenders. We aren't involved in the actual foreclosures or evictions – anonymous lawyers in the cloud somewhere are tasked with the paperwork –

we are the boots on the ground that interacts with the actual walls, roofs and occasional bomb threat. When the lender forecloses – or is thinking of foreclosing – on a property one of the first things that happens is they send somebody out to see if there is actually a house there and if there is anybody living there who needs to be evicted….

When I make first contact and explain that the lender is offering them money to leave sometimes they tell me that they haven't slept for months, knowing that something was going to happen but never knowing if tomorrow was the day when somebody kicked in their door and threw their kids out on the lawn. Their lenders won't tell them anything, they have nothing to go on but horror stories from other people that they never knew….

There is no difference between myself and these people other than the intangible twists of experience. And so I listen. I feign dispassion but I'm not fooling anybody. Somehow they can tell that I care and thank me even as they admit that it isn't my fault, that it isn't my responsibility to listen. I've stood inside another's dream for an hour as they spoke, not really to be heard but to say goodbye – to leave the ghosts behind. They go to the car and return…. The keys are peeled from a ring. They thank me. Sometimes they cry. And they're gone. I wait for their car to vanish before I put up the sign. To most everybody else it is just another house on just another block in just another city in just another financial catastrophe. But I was there. I saw the dream end. But at least I don't make them turn out the lights one last time as they leave. That's my job."

Unemployment

Initial Unemployment Claims Surge Again, Far Worse Than Consensus As Prior Revised Higher As Usual

"The BLS playbook in full force today: miss expectations of 405K – check, by printing at 414K; another weekly print over 400K – check (21 out of 22 weeks over 400K), revise prior week's higher – check (from 409K to 412K). Unfortunately, unlike two weeks ago when another blowout miss was reported, this time there is no striking phone carrier to blame it to. And as usual, those coming off their extended claims cliff keeps increasing, with 78K people dropping off EUCs and Extended claims: nearly 2 million people have been cut off from any extended government benefits in the past year. Overall, another weekly data set that confirms that next month's NFP number will most certainly not be positive… or zero. "

Unemployed face tough competition: underemployed

"The job market is even worse than the 9.1 percent unemployment rate suggests. America's 14 million unemployed aren't competing just with each other. They must also contend with 8.8 million other people not counted as unemployed — part-timers who want full-time work. When consumer demand picks up, companies will likely boost the hours of their part-timers before they add jobs, economists say. It means they have room to expand without hiring. And the unemployed will face another source of competition once the economy improves: Roughly 2.6 million people who aren't counted as unemployed because they've stopped looking for work. Once they start looking again, they'll be classified as unemployed. And the unemployment rate could rise."

A smaller share of men have jobs today than at any time since World War II

> "Employers are increasingly giving up on the American man. Men who do have jobs are getting paid less. After accounting for inflation, median wages for men between 30 and 50 dropped 27 percent—to $33,000 a year— from 1969 to 2009, according to an analysis by Michael Greenstone, a Massachusetts Institute of Technology economics professor who was chief economist for Obama's Council of Economic Advisers. "That takes men and puts them back at their earnings capacity of the 1950s," Greenstone says. "That has staggering implications."

More than 200,000 public employees laid off in 2010

> "Local and state governments axed more than 200,000 jobs in 2010, according to U.S. Census data that showed the growing threat of public employee layoffs to the economic recovery. According to the Census, local and state governments had 203,321 fewer full-time equivalent employees in 2010 than in 2009 and 27,567 fewer part-time employees. "

Uncle Sam Does(n't) Want You – America's Reserve Army of Labor Marches Through Time

> "Today, the question is: As the new unemployment "norm" rises, will the "99ers" remain just a number, or will anger and systemic dysfunction lead to the rebirth of movements of the unemployed, perhaps allied, as in the past, with others suffering from the economy's relentless downward arc? Keep in mind that the extent of organized protest by the unemployed in the past should not be exaggerated. Not even the Great Depression evoked their sustained mass mobilization. That's hardly surprising. By its nature, unemployment demoralizes and isolates people. It makes of them a transient and chronically fluctuating population with no readily discernable common enemy and no obvious place to coalesce. Another question might be: In the coming years, might we see the return of a basic American horror at the phenomenon of joblessness? And might it drive Americans to begin to ask deeper questions about the system that lives and feeds on it? After all, we now exist in an under-developing economy.
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> What new jobs it is creating are poor paying, low skill, and often temporary, nor are there enough of them to significantly reduce the numbers of those out of work. The 99ers are stark evidence that we may be witnessing the birth of a new permanent class of the marginalized. (The percentage of the unemployed who have been out of work for more than six months has grown from 8.6% in 1979 to 19.6% today.) Moreover, our mode of "flexible capitalism" has made work itself increasingly transient and precarious. Until now, ideologues of the new order have had remarkable success in dressing this up as a new form of freedom. But our ancestors, who experienced frequent and distressing interruptions in their work lives, who migrated thousands of miles to find jobs which they kept or lost at the whim of employers, and who, in solitary search for work, tramped the roads and hopped the freight cars (even if they could not yet roam Internet chat rooms), were not so delusional.
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> We have a choice: Americans can continue to accept large-scale unemployment as "natural" and permanent, even — a truly grotesque development — as a basic feature on a bipartisan road to "recovery" via austerity. Or we can follow the lead of the jobless young in the Arab Spring and of protestors beginning to demonstrate en masse in Europe. Even the newly minted proletarians of Ventura, California, sleeping in their cars, may decide

that they have had enough of a political and economic order of things so bankrupt it can find no use for them at any price."

The false promise of Obama's trade deals – won't help American workers – and will hurt foreign ones

"It is bad enough that President Obama is reversing his campaign pledge and supporting Bush-era trade deals with Korea, Colombia and Panama. Starting this week in Chicago, the US will be hosting the first major trade negotiations since the "Battle in Seattle" World Trade Organisation talks came here in 1999. This occasion is for the Trans-Pacific Partnership (TPP) with a wide range of industrialised and developing Pacific Rim countries. As part of his plan to revive the US economy and create jobs, Obama claims he will be unveiling "a trade agreement for the 21st century".

Ironically, though, he will be pushing the same "Nafta-style" trade pacts he campaigned against, and to howls of protest from his own electoral base. Let us not forget what he said: "I voted against Cafta, never supported Nafta, and will not support Nafta-style trade agreements in the future," Obama told Ohio voters in 2008. "While Nafta gave broad rights to investors, it paid only lip service to the rights of labor and the importance of environmental protection.""

A People's History Of The Great Recession

"She lost her job through no fault of her own. What she hadn't figured out was why she was still unemployed and why her husband had been bounced from one wretched low-paying job to another. Why, she asked, if they both finished high school, got some post-secondary education, had solid work histories and held off on having kids, was it such a struggle to pay for things like getting the car fixed and visiting the dentist? I think the thing that keeps me going is knowing that we are really lucky, even in spite of the challenges that we are facing," said Harris in an email. "I can't help but feel badly for those that I know are worse off than we are. And I am truly grateful. And knowing that we are not alone helps a great deal, too. But it seems to be getting harder. Harder not to worry, not to cry, not to give up hope. We did everything right, I thought."**"**

In U.S., Worries About Job Cutbacks Return to Record Highs | Gallup

"American workers' concerns about various job-related cutbacks have returned to the record highs seen in 2009.... In terms of the most significant employment risk measured, 3 in 10 workers currently say they are worried they could soon be laid off, similar to the 31% seen in August 2009 but double the level recorded in August 2008 and for several years prior."

Unemployed and Taking on Debt to Stay Afloat? Don't Expect to get a Job

"Anyone can lose their job and fall behind on bills in this economy. But now that may keep them from finding new employment. This week's credit check: Six out of 10 employers use credit reports to vet job applicants. More than 20 million Americans may have material errors on their credit reports.... Where should they turn when they've lost a steady paycheck, but still have to keep up

> with bills such as mortgage payments, student loans, and the basics like rent and food? With no money coming in, many understandably have to turn to debt. But taking on debt — and being unable to pay it back, or pay back any of the debt they may have took on when things looked better and they had a job — could be the exact thing that keeps the unemployed from becoming re-employed. In a massive Catch-22, many employers are looking to credit reports when they do background checks on prospective employees, and a bad mark due to an unpaid medical bill or lapsed student loan payment could make the difference in getting the job.... Marketplace recently told the story of Sarah Sholar, just one of those employees with bad credit who has been turned down by prospective employers. "I can't pay my student loans because I don't have a job," she told them. "I can't get a job because I can't pay my student loans.""

Debt

[U.S. Consumers' Credit Card Debt Rapidly Increasing]

> "According to a new study from CardHub.com, we're on track to increase our collective credit card debt by $54 billion in 2011. We added only $9 billion in new credit card debt in 2010, and actually reduced our credit card debt in 2009 — so this is a significant reversal. All told, Americans now have roughly $772 billion in outstanding credit card balances. "For millions, they were living in a bubble," says Odysseas Papadimitriou, CEO of CardHub, referring to Americans living on home equity and credit card debt five years ago. "If we end up overleveraging ourselves again, it's going to be the same thing repeated in a few years.""

[Student Loan Default Rates Rise Sharply in Past Year]

> "The share of federal student loan defaults rose sharply last year, especially at for-profit colleges and universities, where 15 percent of borrowers defaulted in

the first two years of repayment, up from 11.6 percent the previous year. According to Department of Education data released Monday, 8.8 percent of borrowers over all defaulted in the fiscal year that ended last Sept. 30, the latest figures available, up from 7 percent the previous year. At public institutions, the rate was 7.2 percent, up from 6 percent, and at not-for-profit private institutions, it was 4.6 percent, up from 4 percent. “Borrowers are struggling in this economy,” said James Kvaal, deputy under secretary of education. “We see a strong relationship between student default rates and unemployment rates.”

Majoring In Debt: College Students Struggle Under The Weight Of Loans

“Take Aleesha Nash, a graduate of New York University. “Logging into the Federal Student Aid website,” she writes… “I see that today my balance is $104,104.63 for a percentage of the information in my head.” And there’s Jaclyn Cabral, too. Jaclyn chose to attend Elon University in North Carolina because it’s “regarded as one of the most affordable private educations.” Still, she graduated $90,000 in debt. For many of these students, paying off their loans is a nearly unsurmountable challenge. Brandon Woods, a Hampton University alum, finds himself working two jobs — and hardly making a dent in his $58,000 deficit. “

Cash-strapped lawyer ‘Carla’ turns to exotic dancing to pay her debts

“A lawyer has told how she turned to stripping to pay bills after struggling to find a legal job in recession-weary America. The attorney, giving her name only as Carla, graduated from law school ten years ago. But after being made redundant in 2009, she had to take drastic action to avoid drowning in a sea of student loans and other debts. After working as a waitress and a cashier in a gas station, she became so desperate she took a job as an exotic dancer.”

Debt Slavery: If Aristotle Were Around Today, He’d Probably Conclude That Most Americans Were, For All Intents And Purposes, Slaves

“Instead of creating some sort of overarching institution to protect debtors, they create these grandiose, world-scale institutions like the IMF or S&P to protect creditors. They essentially declare (in defiance of all traditional economic logic) that no debtor should ever be allowed to default. Needless to say the result is catastrophic. We are experiencing something that to me, at least, looks exactly like what the ancients were most afraid of: a population of debtors skating at the edge of disaster. “

Inflation

Food prices stay near record high

“Global food prices remain near a record high, according to the UN Food and Agriculture Organization (FAO). The index reached 231 points in August, up 26% from the same period last year. The index hit an all-time record of 238 points in February. Cereal prices rose on anticipation of a shortfall in production this year, which is expected to be 6 million tonnes less than predicted in July. The FAO’s measure looks at a range of essential foods. Those include cereals, oilseeds, dairy, meat and sugar."

Savers stumped as inflation bites

"Rising inflation means there are now just a handful of accounts that will prevent savers' capital being eroded by the increasing cost of living. The Office for National Statistics said the cost of living, as measured by CPI, rose from 4.4% in July to 4.5% in August, meaning a basic rate taxpayer now needs to find a savings account paying 5.63% a year to beat inflation and tax, while a higher rate taxpayer needs to find an account paying at least 7.5%."

Deflation

Median Male Worker Makes Less Now Than 43 Years Ago – Women Make 65% of what Median Male Makes

"While the fact that a record number of Americans are living in poverty should not surprise anyone at this point, what should surprise many is that according to Table P-5 of the Census report on (Lack of) Income, the median male is now worse on a gross, inflation adjusted basis, than he was in… 1968! While back then, the median income of male workers was $32,844, it has since declined to $32,137 as of 2010. And there is your lesson in inflation 101 (which we assume is driven by the CPI, which likely means that the actual inflation adjusted income decline is far worse than what is even reported). The only winner: women, whose median inflation adjusted income over the same period has increased by 188%. That said, it is still at 65% of what the median male makes. So injustice all around."

Pension Time Bombs

California teachers' pension system labeled "high-risk issue" by state auditors

"The California state auditor issued a report last month branding the defined benefit program of the California State Teachers Retirement System (CalSTRS) a "high-risk issue." The pension fund is the eighth largest in the world and the largest teachers' pension fund in the US. Teachers and administrators contribute a portion of their wages to the fund each year so as to collect pension benefits when they retire. To be considered fully funded, the defined benefit program of CalSTRS must be funded by at least 80 percent. The current funding level is 71 percent. According to financial projections, in 30 years CalSTRS will be depleted of funds."

Analysis: $35 trillion pension funds in new crisis as deficit hole grows

"This year has been a nightmare for many in the industry — which controls $35 trillion, or a third of global financial assets — and funding deficits are posting double-digit rises. "We had a credit crisis and government bond crisis, and the third one we have is the pension crisis. This is the one where everything is going wrong and there's no obvious way out," said Kevin Wesbroom, UK head of global risk services at consultancy Aon Hewitt. The sharp retreat in stocks through the summer has hurt them again by weakening their asset positions and threatening to erode stock market recoveries seen since the equity collapse surrounding the 2007-2009 credit crisis. Recent data on pension deficits highlight the plight of many pension funds. In the United States, funding deficits of the 100 largest DB plans rose $68 billion to $254 billion in July, according to the Milliman Pension Fund Index. July marked the 10th largest deficit rise in the index's 11 year history. Even if these companies were to achieve an optimistic annual return of as much as 8 percent and keep the current benchmark yield of 5.12 percent, their funding status is not estimated to improve beyond 93 percent by end-2013 from the current 83 percent."

Healthcare

Number of uninsured climbs to highest figure since passage of Medicare, Medicaid

"Official estimates by the Census Bureau showing an increase of about 1 million in the number of Americans without health insurance in 2010 – to a 45-year high of 49.9 million persons, or 16.3 percent of the population, under the bureau's revised calculation method…. Employment-based coverage continued to decline. The bureau said 55.3 percent of Americans were covered by employment-based plans in 2010, down from 56.1 percent in 2009. It was the eleventh consecutive year of decline, from 64.2 percent in 2000."

Healthcare law could leave families with even higher insurance costs

"It's going to be a massive problem if it comes out that families have to buy really expensive employer-based coverage," said Jocelyn Guyer, deputy executive director at Georgetown University's Center for Children and Families. "If they don't fix this and by 'they' I mean either the administration or Congress, we're going to have middle-class families extremely unhappy with [healthcare] reform in 2014, because they'll basically be facing financial penalties for not buying coverage when they don't have access to any affordable options."

Employer-Provided Health Insurance Costs Skyrocket

"Newly published numbers from the Department of Health and Human Services show that American workers in 2010 paid average premiums of $4,940 for employer-provided health insurance to cover just themselves. That figure increased from $1,992 in 1996. Last year, the average family paid $13,871 for health insurance under employer-provided plans. For the average American household – whose median income is now about $50,000 – the rising price of health insurance is consuming a substantial part of paychecks."

Employers Look Towards Ending Health Coverage, Survey

"Nearly one of every 10 midsized or big employers expects to stop offering health coverage to workers after insurance exchanges begin operating in 2014 as part of President Barack Obama's health care overhaul, according to a survey by a major benefits consultant. Towers Watson also found in its July survey that another one in five companies are unsure about what they will do after 2014. Another big benefits consultant, Mercer, found in a June survey of large and smaller employers that 8 percent are either "likely" or "very likely" to end health benefits after the exchanges start. The surveys, which involved more than 1,200 companies, suggest that some businesses feel they will be better off dropping health insurance coverage once the exchanges start, even though they could face fines and tax headaches. The percentage of companies that are already saying they expect to do this surprised some experts, and if they follow through, it could start a trend that chips away at employer-sponsored health coverage, a long-standing pillar of the nation's health system."

Consumer advocates fear health law will favor business

"Publicly, consumer and patient advocates continue to cheer wildly for last year's health care law. Behind the scenes, however, some worry that they're losing a few key battles to the insurance and business communities. They point to a long-sought provision in the law that entitles patients to external reviews if insurers won't pay for a medical service, and they charge that recent regulations limit its effectiveness. One of their biggest gripes? It allows insurers to choose their own "external" reviewers. "Advocates who have dealt with the external review process believe that it's pretty clear that if (a reviewer) is being chosen by an employer (or insurer) it's not independent," said Timothy Jost, a professor at Washington and Lee University School of Law. "

How Does Growth in Health Care Costs Affect the American Family?

"To paint an accurate picture of how health care cost growth is affecting the finances of a typical American family, RAND Health researchers combined data from multiple sources to depict the effects of rising health care costs on a median-income married couple with two children covered by employer-sponsored insurance. The analysis compared the family's health care cost burden in 1999 with that incurred in 2009. The take-away message: Although family income grew throughout the decade, the financial benefits that the family might have realized were largely consumed by health care cost growth…. Had health care costs tracked the rise in the Consumer Price Index, rather than outpacing it, an average American family would have had an additional $450 per month — more than $5,000 per year — to spend on other priorities."

Driving the point home on health care costs

"It may be a little tough to see but there are four lines, showing long-term spending, as a percentage of GDP, on health care, Social Security, discretionary spending, and other mandatory spending. That blue line that shows the sharp increase? That's health care. As Sarah Kliff noted in response, "Even as someone who spends a lot of time writing about health policy, this new chart … is still one that gives me a bit of pause." This should matter in the context of the debate in Washington, because if policymakers want to address long-term debt issues, they should at least realize, to borrow Willie Sutton's line, where the money is."

98% Of Federal Funds To Help Uninsured Americans with Pre-existing Medical Conditions Go Unspent

"Though as many as 25 million uninsured Americans have pre-existing medical

> conditions like heart disease and diabetes, a year-old program to insure them has only 21,000 enrollees…. The Government Accountability Office reported that the government has so far spent just 2 percent of the $5 billion allocated by the health care reform law for the program, which launched last summer as the Pre-Existing Condition Insurance Plan. Administration officials initially said as many as 375,000 people would sign up in 2010 alone. The PCIP offers market-rate monthly premiums and caps out-of-pocket costs for any U.S. citizen who has a pre-existing condition and has been without "creditable" health insurance for at least six months. The GAO found that the six-month requirement is the biggest obstacle to higher enrollment in the program."

America's inefficient health-care system: another look

> "America's health-care system differs from its counterparts in other affluent nations in a number of ways: greater fragmentation among payers and price-setters, stronger incentives for overuse of advanced diagnostic and treatment technology, higher administrative costs, less access to care for some. We might therefore expect it to perform less efficiently to achieve poorer health outcomes for a given amount of expenditure…. The chart plots life expectancy at birth by per capita health expenditures as of 2007. Twenty affluent nations are included. Among these countries the U.S. spends by far the most money on health care and yet has the lowest life expectancy."

It Don't Come Easy: Changing Health Insurance in America

> "Several days ago, I wrote about the ordeal I have been going through trying to move my health insurance from Kentucky to Maryland. Because I had a health insurance policy with Anthem Blue Cross in Kentucky, the local Blue Cross was obligated to offer me what is called a guarantee issue conversion policy that does not require underwriting (a good thing since I have several pre-existing conditions that would otherwise make it difficult for me to obtain health insurance). As I reported earlier, the Maryland conversion policy was almost no insurance at all so one of the options I wanted to explore was what kind of policy CareFirst (the Blue Cross company that serves the Washington, DC metro area, including the Virginia and Maryland suburbs) would offer me if I lived in the District instead of in Maryland. I asked CareFirst to send me the information and when it arrived it was a stunner. We are talking about maybe a 15-mile difference in location and the same company. But the policies were radically different, which CareFirst attributes to insurance laws which vary by location."

Why Americans can't afford to eat healthy – The real reason Big Macs are cheaper than more nutritious alternatives? Government subsidies

> "Not surprisingly, the subsidies have manufactured a price inequality that helps junk food undersell nutritious-but-unsubsidized foodstuffs like fruits and vegetables. The end result is that recession-battered consumers are increasingly forced by economic circumstance to "choose" the lower-priced junk food that their taxes support. Corn — which is processed into the junk-food staple corn syrup and which feeds the livestock that produce meat — exemplifies the scheme. "Over the past decade, the federal government has poured more than $50 billion into the corn industry, keeping prices for the crop … artificially low," reports Time magazine. "That's why McDonald's can sell you a Big Mac, fries and a Coke for around $5 — a bargain.""

[Fast food restaurants want a piece of food stamp pie]

> "Now, restaurants, which typically have not participated in the program, are lobbying for a piece of the action. Louisville-based Yum! Brands, whose restaurants include Taco Bell, KFC, Long John Silver's and Pizza Hut, is trying to get restaurants more involved, federal lobbying records show. More retailers say yes to food stamps. That's a prospect that anti-hunger advocates welcome, but one that worries some current food stamp vendors and public health advocates. Federal rules generally prohibit food stamp benefits, which are distributed under the USDA's Supplemental Nutrition Assistance Program (SNAP), from being exchanged for prepared foods."

[Tying Health Problems to Rise in Home Foreclosures]

> "The threat of losing your home is stressful enough to make you ill, it stands to reason. Now two economists have measured just how unhealthy the foreclosure crisis has been in some of the hardest-hit areas of the U.S. New research by Janet Currie of Princeton University and Erdal Tekin of Georgia State University shows a direct correlation between foreclosure rates and the health of residents in Arizona, California, Florida and New Jersey. The economists concluded in a paper published this month by the National Bureau of Economic Research that an increase of 100 foreclosures corresponded to a 7.2% rise in emergency room visits and hospitalizations for hypertension, and an 8.1% increase for diabetes, among people aged 20 to 49."

[Unemployment Is Killing People]

> "When considering the effects of unemployment, and the desultory, really uncaring response of the current Democratic administration, as well as Republicans in Congress, to the human devastation of joblessness, it is important to consider the terrible emotional and psychological effects of such unemployment. Such effects are well-documented, but rarely mentioned in articles or blog postings. A well-regarded 2010 study by the John J. Heldrich Center for Workforce Development at Rutgers, the State University of New Jersey, "The Anguish of Unemployment," quantified the tremendous emotional suffering engendered by unemployment. "The lack of income and loss of health benefits hurts greatly, but losing the ability to provide for my wife and myself is killing me emotionally," wrote one respondent to the survey."

[Senator Sanders: Poverty Is A Death Sentence – Cuts 6.5 Years Off Life Expectancy]

> "In America today, people in the highest income group level, the top 20 percent, live, on average, at least 6.5 years longer than those in the lowest income group. Let me repeat that. If you are poor in America you will live 6.5 years less than if you are wealthy or upper-middle class."

Poverty & Inequality

[Over 56 Million Americans Live in Poverty – How Census Bureau Propaganda Ignores the Suffering of 10 Million Impoverished Americans]

"The new Census data reveals that a stunning 46.2 million Americans, 15.1% of the population, lived in poverty in 2010. This is an increase of 2.6 million people since 2009. While these are staggering statistics that represent the highest number of American people to ever live in poverty, and a dramatic year-over-year increase, it significantly undercounts the total. The Census Bureau poverty rate is a highly flawed measurement that uses outdated methodology…. We can estimate that at least 56 million Americans, roughly 18.5% of the population, lived in poverty in 2010 according to NAS methodology, approximately 10 million more than the Census Bureau is reporting."

[Living Wage Calculator]

"In many American communities, families working in low-wage jobs make insufficient income to live locally given the local cost of living. Recently, in a number of high-cost communities, community organizers and citizens have successfully argued that the prevailing wage offered by the public sector and key businesses should reflect a wage rate required to meet minimum standards of living. Therefore we have developed a living wage calculator to estimate the cost of living in your community or region. The calculator lists typical expenses, the living wage and typical wages for the selected location."

[The 10 States With the Worst Economies In America]

"The global economic crash hurt almost everyone, but not equally so… we'll consider 10 [states] that aren't faring so well. What accounts for their relatively poor performance? Three of the four states that saw the biggest real estate bubbles arise in the 2000s are on the list, beaten down by Wall Street hucksters promising them never-ending growth in home prices. People in California, Nevada and Florida, fueled by irrational exuberance, got badly "over-leveraged," and when the house of cards fell apart, millions were left underwater. These states saw extremely high rates of foreclosures, and steep job losses as people pulled back on spending while credit market tightened. States themselves invested pension funds and other reserves in mortgage-backed securities, thanks to AAA ratings bought from ratings agencies like Standard and Poors, and that, combined with a massive drop in tax revenues, led to budget crises and public sector cuts at the worst imaginable time."

[Capital gains tax rates benefiting wealthy are protected by both parties]

"For the very richest Americans, low tax rates on capital gains are better than any Christmas gift. As a result of a pair of rate cuts, first under President Bill Clinton and then under Bush, most of the richest Americans pay lower overall tax rates than middle-class Americans do. And this is one reason the gap between the wealthy and the rest of the country is widening dramatically."

[The Great Bank Robbery: Economy Will Transfer $5 Trillion To Banker Pay And Bonuses]

"For the American economy – and for many other developed economies – the elephant in the room is the amount of money paid to bankers over the last five years. In the United States, the sum stands at an astounding $2.2 trillion for banks that have filings with the US Securities and Exchange Commission.

> Extrapolating over the coming decade, the numbers would approach $5 trillion, an amount vastly larger than what both President Barack Obama's administration and his Republican opponents seem willing to cut from further government deficits. That $5 trillion dollars is not money invested in building roads, schools, and other long-term projects, but is directly transferred from the American economy to the personal accounts of bank executives and employees. Such transfers represent as cunning a tax on everyone else as one can imagine. It feels quite iniquitous that bankers, having helped cause today's financial and economic troubles, are the only class that is not suffering from them – and in many cases are actually benefiting."

The Richest 0.1% Have Launched A War On Us – It's Time To Fight Back And Hold These 400 Billionaires Personally Responsible For Our Economic Crisis

> "We have endured financial oppression for long enough. In a time of national crisis and shared sacrifice, the richest one-tenth of one percent of the population cannot continue on their merry way, living in obscene wealth and detached from reality, while the majority of the population desperately struggles to make ends meet… At this point, even the billionaires who haven't had a direct role in creating this financial crisis need to be held responsible. As a person who has benefited so greatly, and has acquired so many resources, whether they like it or not, they are now in a position of responsibility. The richest 400 Americans have as much wealth as 154 million Americans combined, that's 50% of the entire country…. If they are unwilling to put their immense power behind changing this dire situation, they too must be held personally responsible."

This roundup was compiled by AmpedStatus editor David DeGraw. His long-awaited book, The Road Through 2012, will finally be released on September 28th. He can be emailed at David@AmpedStatus.com.

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