

The Great Marginalization: Planning for Poverty in America?

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The word from New York City Mayor Michael Bloomberg at last week's community meeting in the Bronx was disappointing, to say the least. After promising "good jobs" during a recent campaign, how could a man with so many billions, and now fresh from a re-election victory, oppose a \$10-an-hour wage? Did Hizzonor spend \$200 per vote - in the neighborhood of \$100 million all tolled - to win re-election, only to put forward a plan for poverty for his constituents?

That's exactly what he did when Bronx residents asked him to commit to the following: that businesses at a city-owned mall development promise to pay the prospective work force a minimum of \$10 an hour, plus benefits. Too much, crowed the vigilant mayor, ever fearful that business might be scared away by such an extravagant demand- a poverty wage.

Ten dollars an hour gets you very little in the Bronx, or anywhere in the country, as many can attest. Millions of Americans having been reduced to the status of working poor, or worse, competing for poverty wages in city after city. With the number of government jobs — a traditional source of better pay, especially for minorities — shrinking and the federal government banking on, well, banks to underpin a no-strings-attached market-driven recovery, a recovery that combines big pay-offs and low-wages, exploitation at the workplace is the order of the day. The Raid on the Treasury goes on, unabated, and poverty is growing by leaps and bounds. Adding jobs via tax credits, the liberal position, appears to be just another salvo in the longest Treasury raid in US history.

Baby boomers need to confront the reality that receiving 100 per cent of their social security is becoming more and more remote. Or, as the president might say, "Save more." Except the country can't "save more" because business needs those consumers and their wages now. There's a bind.

Still, you would think the mayor of America's largest metropolis might have some notion of what it takes to get by, or is that simply irrelevant to gaining elective office in America today?

Did the press simply forget to ask: Are you concerned, sir, that during your first two terms the city's poverty rate hovered unchanged at 20 percent? Despite the fact that 2006 was the biggest year for profits in modern Wall Street history? With 2009 close behind? And homelessness sky high? And where will those "good jobs" you promise be found? That would be the same press that anointed Bloomberg mayor many months before Election Day in one of the worst excuses for election coverage since Dewey defeated Truman.

The mayor barely eked out a majority, despite a compliant press, self-financed TV ads saturating the airwaves (including commercials with Bloomberg on camera touting “good job” promises) and a lackluster campaign by his Democratic challenger. Not to mention nice words about Bloomberg from President Obama and Al Gore.

As for the benefits, like health care, these outlandish Bronxites dared ask their mayor to support last week, the mayor should know that a \$10-an-hour wage earner qualifies for Medicaid now and under all versions of all health plans before Congress. But Medicaid is already strained to the max. How can a system with insufficient Medicaid resources today expect to add millions more Medicaid recipients tomorrow?

These Bronxites are the same people who live in areas where health clinics and doctors are few today, and few they will remain, as the health insurers, pharmaceutical companies and high-end clinic systems re-tool their gouging, sated with “innovation costs”, “return on research” and “platinum premiums”, leaving little-to-no health care access for the working poor — the impending newly-insured — near the bottom rung of the most stratified, expensive and inequitable health care system in the industrial world... the latest in the American elite’s obsession with everything pyramid.

Mayor Mike and President Obama appear to be removed from the realities of the pervasive, deep poverty to which they, and the US Congress, are consigning a galloping number of American families. Today, 35 percent of African American children are poor by official count. In Bloomberg’s New York, upwards of 1.4 million residents now receive food assistance. And there is really no relief in sight.

How to shake poverty? Well, what about new technology and all its promise? What about expanded broadband, beaming ubiquitous wifi, connecting us all? Surely that’s a way around living poor? The connection between the Web and anti-poverty is hard to establish, as students attending community colleges — not just in the Bronx — can testify. They are reportedly lining up by the hundreds, waiting hours, just to go on-line at campus libraries. Could it be that as the \$10-per-hour jobs go, so goes the laptop? The unemployment rate for people under 25 is off the charts. Again, no relief in sight.

One way to stay clear of poverty is to seek a career in real estate. A quarter of U.S. homes are underwater, that is, worth less than their mortgages, a sure sign that the upper estimate of impending foreclosures, 5 to 6 million in 2010, might well be achieved. In one of the most grossly irresponsible and disingenuous acts in US corporate history, the rescued banks have largely failed to apply the taxpayer money and credits we gave them to offset unfairly burdensome mortgages. Injecting that aid would keep people in their homes, neighborhoods together, poverty at bay. But it turns out that the lessons of moral hazard are for poor people to learn, not Wall Streeters.

Worse, there’s money to be made in the unraveling of neighborhoods— in the fields of law enforcement, asset seizure, the auction trade and more. Maybe the evicted, the theory goes, will get opportunity as the money made in the process of their evictions and aftermath filters back through the community. Shades of a NAFTA relocation re-employment strategy, the equivalent of an economic boomerang — a disgraced theory put forward by Bill Clinton and Bob Rubin in the Great Scam of 1993.

Whatever it takes. These times call for creative solutions— “pick yourself up” is the way Obama put it in his run up to the presidency. Along those lines, why not get Medieval? In far

off Ghana there's a gold rush under way, right now, with five times the gold uncovered this year compared to last. With gold prices over \$1,100 per ounce (some estimate it'll top \$2,500), anyone can join in one of the oldest of anti-poverty efforts known to man.

Gold mining would be a hard sell back at that Bronx community where moms, dads and teenagers came to ask their mayor – one of the richest individuals in the world — for a pledge of \$10 an hour. Most know nothing about the part gold plays in the mayor's mighty fortune.

Mayor Bloomberg's company, Bloomberg LLP, makes billions in profits providing information for the trading of commodities and precious metals, including gold. The small black box his company rents out, by the many thousands and at a cost of up to \$20,000 per month, is located on the desk of every commodities trader worth his weight in gold. That box holds the magic key: to data, multitudes of it, reported by Bloomberg LLP minions every micro second. It gives meaning to the words: Buy low, sell high. Speculate. Bet on demise. Go for the gold.

Let's face it: Planning for poverty is not what Barack Obama, Michael Bloomberg and the others do best. Or is it?

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