

A Fool's Paradise

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BOB HERBERT

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We've been living for years in a fool's paradise atop a mountain of debt. The masters of the universe on Wall Street lost all sense of reason, no doubt. But most of us have been living above our means through the magic of easy credit, ever lower taxes, ever rising property values, stock market bubbles and the gift of denial, which we used to assure ourselves that the bills would never come due. We've even put our wars on a credit card.

The burden of debt for a typical middle-income family, earning about \$45,000 a year, grew by a third in just the few years from 2001 to 2004, according to the Center for American Progress. The reason for this unsustainable added weight was the rising cost of such items as housing, higher education, health care and transportation at a time when wages grew only slightly or not at all.

In other words, work was not enough.

As for the debt burden of the federal government, don't ask. (But you might want to ask your grandchildren how they plan to pay for the wars in Iraq and Afghanistan.)

With reality now caving in on us — banks and brokerage houses falling like tenpins, a trillion dollars or so in bailout money being added to the nation's debt burden, families by the hundreds of thousands being driven from their homes by foreclosures — it might make sense to get back to basics. And in the United States, the basic economic component of a sustainable family life is a good job.

What we haven't paid close enough attention to for many years (a period in which we've been oddly obsessed with the financial lives of the rich and famous) is the fact that there haven't been enough good paying jobs to sustain what most working Americans view as an adequate standard of living. This is a fundamental flaw in the U.S. economic system.

With the latest financial meltdown, there has been widespread outrage over the excessive compensation of top corporate executives. Where has everybody been? The rich have been running the table for the better part of the past 30 or 40 years.

Example: The after-tax income of the top 1 percent of Americans rose 228 percent from the late 1970s through 2005. The story for working families over that same stretch was one of constant struggle to just stay even. As the Pew Charitable Trusts reported last year: "The earnings of men in their 30s have remained surprisingly flat over the past four decades."

Disaster was held at bay by the entrance of wives and mothers into the workplace, and by the embrace of colossal amounts of debt for everything from home mortgages, cars, clothing and vacations to food, college tuition and medical expenses.

Now middle-class and working families are up against the wall. With most other options exhausted, the only real way for the vast majority of Americans to continue financing a reasonable quality of life is through the proceeds from employment.

Unfortunately, we're retreating on that front. Nearly 160,000 jobs were lost in September. More than three-quarters of a million have vanished over the past nine months.

The economy won't be saved by bailing out Wall Street and waiting for that day that never comes when the benefits trickle down to ordinary Americans. It won't be saved until we get serious about putting vast numbers of Americans back to work in jobs that are reasonably secure and pay a sustaining wage.

And that won't begin to happen until we roll up our sleeves and begin the immensely hard and expensive work of rebuilding a nation that unconscionably was allowed to slip into a precipitous state of decline. We'll end up spending trillions for the wars in Iraq and Afghanistan and another trillion, at least, to clean up after the madmen on Wall Street.

Now we need to find the money and the will to put Americans to work rebuilding the nation's deteriorating infrastructure, revitalizing its public school system, creating a new dawn of energy self-sufficiency and rethinking our approach to an economy that remains tilted wildly in favor of the rich.

That's what the presidential campaign should be about.

Bob Herbert joined The New York Times as an Op-Ed columnist in 1993. His column comments on politics, urban affairs and social trends.