

SOCIAL INSECURITY: THE ECONOMIC CRISIS AHEAD

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Millions of Americans are deeply worried about their economic futures. The signs of the economic crisis ahead are literally everywhere, if one bothers to look at the statistical evidence.

The first, and most important indicator, is the unprecedented concentration of wealth within American society. According to USA Today columnist Yolanda Young, in 1970 the bottom one-third of all U.S. households (today, about 96 million people) "earned 10 times that of the top one percent" of all households. By 2004, the upper 1 percent "made as much as the bottom third of Americans."

The vast destruction of millions of manufacturing jobs and out-sourcing of U.S. businesses have pushed growing millions of black, brown and working-class whites into what can be described as "the fringe economy." Over half of all Americans, according to Young, now "live from paycheck to paycheck."

Hundreds of multibillion dollar companies are renegeing on their past promises to workers to cover health care, transferring those costs to their employees, past and present. On March 15, 2006, for example, Ford Motor Corporation announced that it would "charge the spouses of its workers to participate in its health care plan, if another health care plan is available." The new fees for spouses, \$110 per month, will force hundreds of thousands of Ford retirees to make hard decisions between their health care vs. home mortgage payments, food, and college savings for their children.

The same day, Chrysler announced that it would eliminate 10 to 15 percent of its salaried employees in the U.S. Starting in 2006, Chrysler employees must come up with 31 percent of their total health coverage costs based on their salaries.

About 56 million Americans, nearly one-fifth of the total population, are unable to afford maintaining a checking account. On payday, millions of low-income Americans cash their paychecks at thousands of check cashing stores that are located today in most urban neighborhoods.

The check-cashing establishments normally charge 3 percent of a check's total value, as a service fee. For a check worth \$800, for instance, the check-cashing company would skim off \$24 dollars. Those exorbitant transactions generate millions of dollars daily for financial institutions and banks, taking unfair advantage of the poor.

What practical political measures can be initiated to reduce the economic insecurity of low wage, working families? Maryland's legislature came up with one excellent solution, when in January, 2006 it passed a state law requiring employers with 10,000 or more workers to pay at least 8 percent of their payroll toward their employees' health care coverage. The only corporation in Maryland with at least 10,000 employees is Wal-Mart, a corporation that has 1.3 million workers across the U.S., over one-half of whom have no health insurance. In New York State, the progressive Working Families Party proposed in early March, 2006, an even more ambitious healthcare proposal than Maryland's. Called the "Fair Share For Health Bill," it would tax all employers with more than 100 employees the equivalent of \$3 per hour per worker, unless it provides health

coverage worth that much. Similar legislation has also been proposed in New Jersey and in more than 20 other states.

These progressive health care reforms indicate that the economic crisis for the working poor has become so intense that even the established political parties are finally addressing in modest ways aspects of the human misery which affects millions of uninsured Americans. It also indicates that a new political agenda could be constructed around a "social insecurity index." Because, if you have no health insurance, no checking or savings account, no home ownership, no pension or individual retirement account, you are economically relegated to the edge of society.

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