

"It's the Economy, Stupid"

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In November, 1992, Arkansas Governor Bill Clinton defeated Republican incumbent President George Herbert Walker Bush for the presidency by running his campaign on a simple theme: "It's the Economy, Stupid." The Bush Recession of 1990-1991 had largely disappeared by late 1992, but millions of manufacturing and middle-class jobs had disappeared, replaced largely by fast-food and service employment at minimum wages and without health care for workers. All Clinton had to do was to call for the federal government to create employment growth opportunities.

Sixteen years later, we now have another Bush in the White House, who presides over a failed economy. What's truly bizarre is that all of the Republican presidential candidates who are running to replace Bush are in deep denial that America has lurched into an "economic recession."

Technically, an economic recession is when, over a period of at least several months, there is a major slow-down or decline across the economy, which would represent significant drop-offs in wholesale-retail sales, real gross domestic production, and in the number of people employed. Historically, there's an easier way to judge whether we're in a recession.

According to the U.S. Labor Department, during the past sixty years, there have been nine times in which unemployment rose 13 percent or more from year to year. In eight out of these nine cases, a recession had already begun when the increase in annual joblessness reached 13 percent. In the other case, the economic recession started within ninety days.

What's significant about this is how economic history has a way of repeating itself. Back in December, 2006, the U.S. Labor Department reported that 6,760,000 Americans were out of work. Last December, 2007, the total number of officially jobless Americans had risen to 7,655,000 – a 13 percent annual increase. Of course, that figure does not count the millions of unemployed Americans who have dropped out of the labor market entirely, or who have accepted

half-time and part-time jobs at minimum wage levels because they cannot find full-time employment. Based on history, as well as the current economic hardships suffered by every-day working people, it's clear that the "Bush Recession of 2008" is already here.

The continuing crisis in the housing markets has made matters worse throughout the economy. Over one million American families are projected to have their homes foreclosed in 2008. Predatory lenders and subprime lenders got millions of people into houses they couldn't afford, and now when their mortgage interest rates are scheduled to increase, there's no rescue for most of them.

The growing number of mortgage foreclosures has provoked fears that a surge in homelessness will soon occur. There is already evidence that this is happening throughout America. The National Alliance to End Homelessness estimates that about 1.2 million American families are homeless for some portion of any year. About one-half of these families, 600,000 households, have a total of 1.35 million children. Despite the stereotype that most homeless individuals are single males with substance abuse or alcohol

problems, the overwhelming majority of homeless people are in families who simply cannot afford housing.

Many municipal governments have scrambled to come up with solutions – but most lack the planning and resources to address the problem. An interesting study at the University of Pennsylvania may provide part of the solution. The study tracked thousands of homeless people in New York City for several years. Researchers discovered that an average homeless individual used \$40,000 annually in public services, including hospitalization and jail time. However, when homeless people were offered free public housing and human services such as job placement, health care, and counseling, the result was a dramatic improvement – fewer homeless, less crime, at no extra cost.

What's missing from the Bush administration is a comprehensive federal policy to eradicate homelessness. And that can only be addressed by establishing a federal commitment to provide decent shelter or housing to every U.S. citizen or permanent resident. Because when markets alone dictate the quantity and price

of housing, millions of low income Americans are confined to sleeping in the streets and gutters of this country.

The Bush Administration has also recently proposed a \$145 billion "tax relief" package to stimulate the sagging economy. But the problem here is that Bush's paltry proposal doesn't put enough money into the hands of low income people and the working poor, who are the most likely to spend the money immediately, providing the greatest stimulus to the economy. The Center on Budget Policy and Priorities, a liberal think tank, also has some excellent economic ideas for stimulating the economy. For example, why not give part of the tax relief as an additional tax credit for children? Or, perhaps, a tax credit that compensates workers for part of the Social Security tax deduction that comes out of their paychecks?

These are the practical economic ideas that Democratic presidential and congressional candidates must talk about this year to defeat the Republican Right and the remnants of Bush's corrupt regime. This election is about "Recession" and "War" – and what it will take to stop both.

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