

OUTLINE FOR TV SHOW ON “THE TWO-INCOME TRAP”

- 1(a). Describe the increase in bankruptcy filings, and briefly explain some of the reasons for this increase. (We will subsequently get into a lot of the reasons in depth.)
 - (b). Explain that the increase is a middle class phenomenon.
 - A. Are there statistics showing this?
 - B. Are there statistics showing the percentages of bankrupts who are poor? African American? Hispanic American?
 - ©). Explain why you say the people who go bankrupt are ones who “played by the rules.”
 - (d). Explain why you say that children are the best indicator of people who will suffer economic difficulties and/or bankruptcy. (Isn’t this perfectly obvious even without statistics? I.e., just by living?)
 - (e). Explain why you say that women are the ones hardest hit by divorce and/or bankruptcy.
 - A. Even though *statistics* show women to be more affected, isn’t the *tone* of your statements often somewhat dismissive of the hardship suffered by men? Especially since, as you show in one of your own examples, men can be far closer to the poverty line than women after a separation. (Of course, one can say that a particular guy, having had five children by two women, had shown himself in this respect to be irresponsible, albeit he did continue to struggle to make a living. But wasn’t at least the second wife somewhat irresponsible too? -- she did have three children by him, after all, despite his previous obligations.)
 - B. There is also, is there not, a devastating psychological effect on men who are unable to earn enough to keep their families out of financial trouble.
- 2(a). Explain how it is “fixed costs,” not overconsumption, that causes people to get into economic difficulties, i.e., fixed costs such as paying for a home, for pre-school, for medical care, for needed cars, for kids’ clothes, etc.
 - (b). Explain your disagreement with those, like Juliet Schor and Orrin Hatch, who say it is

overconsumption and irresponsibility that causes economic difficulty.

- A. At various points you say that people should sometimes treat themselves or their kids at restaurants, with fancy basketball shoes, etc., because it is not these things but the “fixed costs” that cause economic difficulties. Don’t you think, though, that these kinds of statements weaken your argument with lots of people. For it can be argued, and I do argue, that what is involved here is a fundamental philosophy of life, and, speaking from personal experience, I may say, one should not be going out to restaurants or buying 100 dollar gym shoes or Prada bags, or buying home entertainment centers, etc., when one’s finances are close to the bone. And, again as a matter of a fundamental philosophy of life, this is true *even if*, as you argue, people are spending a lesser percentage of their income these days on appliances, household furnishings, clothes, etc. Don’t you think that there are lots of people who feel this way, and doesn’t your argument lose attractiveness because it ignores -- indeed brushes off -- a (Puritan) philosophy of life?
 - B. Even with regard to “fixed costs,” isn’t it true, for example, that one can buy used cars considerably cheaper than new ones, and that the used cars work beautifully because of vast improvements in the quality of automobiles in the last 20 years or so? Isn’t it equally true -- I think it is, because I see it now and again -- that people buy “more house” than they need, thereby paying a lot more money than they would have to in order to buy a smaller or older house in a good school district?
- 3(a). Explain why the rise of the two income family, i.e., of women in the work force, has led to the current situation by causing families to undertake much larger financial burdens.
- (b). Explain how this result is the very opposite of what was expected (albeit, as you indicate at one point, the feminists did not much care about the possibility of such an unexpected result because they were deeply concerned instead with getting a fair break for women).
- A. Apparently the potential economic difficulties of the two income family don’t arise very often when the woman is a doctor or lawyer, correct? It is people in lesser paid professions or occupations that usually experience the problem, correct? And lots of the feminists were aspiring (or later simply were and/or are) doctors or lawyers, aren’t they?
- ©). Explain how the two income family leaves families with no safety net if one of the partners loses his or her job (an event with a relatively high statistical probability

because of increased joblessness (discuss)), were to get sick, etc.

- A. Shouldn't people have been saving as much as possible of the second income instead of spending up to the limit?
 - B. If everything families buy is a necessity, i.e., is a fixed cost, then people are between a rock and a hard place, aren't they? If they don't spend every nickle of both incomes, they will lack necessities. If they spend every cent, they will lack a safety net.
- (d). In the book you mention here and there the fact that the rise of the two income family has led to higher costs for housing or for other things. Isn't the real underlying problem not necessarily the two income family per se, but inflation? You give an example in which a family's inflation adjusted, two earner income is 75 percent greater than a family's one earner income in 1973. But the consumer price index rose from 531 in 1973 to 2059 in 2000, or nearly 400 percent, and from 354 in 1960 to 2059 in 2000, or nearly 600 percent. So to keep up with changes in the price level, the family would have had to earn not 75 percent more than in 1973, but 400% more (and 600% more than in 1960). Therefore, isn't the problem really inflation plus the fact that some people (e.g., lawyers in big firms, criminal and/or morally crooked executives who run many of our major corporations, banks and mutual funds), are able to stay ahead of inflation far better than others can?
- 4(a). Explain how deregulation of the banking and credit card industries has contributed to the current problem.
- (b). Describe how usurious interest is now being charged.
- ©). Explain why the credit card/bank companies love people who can barely make their minimum monthly payments.
- (d). Explain why people who are in financial trouble or have gone bankrupt are besieged with offers of credit cards.
- (e). Explain the dunning of post bankrupts for payments they no longer owe.
- (f). Explain which debts *cannot* be discharged in bankruptcy.
5. I assume it that the credit card/banking industry argues that, on *balance*, the vast increase in credit in this country has done tremendous economic good for a vast majority of the people. I presume they might also argue that, by focusing on the

pathology in order to argue for re-regulation -- by focusing on those in or approaching bankruptcy, who are not the majority -- you are promoting ideas which, if adopted, would leave the country as a whole much worse off because a drop in credit would lead to a drop in production and great loss of existing value. What is your response to such arguments? (It's a little hard to believe, isn't it, that requiring interest to be non-usurious, and thereby forcing bankers to loan money only to people who are good risks -- instead of to people whose houses they quickly seize and then resell at a profit -- can result in overall detriment to the economy? On the other hand, bankers clearly did act very badly, before deregulation, towards people who needed and deserved credit, (e.g., women, minorities, middle class whites who were good bets but have few assets, etc.) and this kind of unjustified denial of credit might be expected to recover if there is re-regulation.)

- 6(a). It seems that some, perhaps even a lot, of your ideas for solving the problems you speak of revolve around spending more governmental money -- e.g., on pre-kindergarten, education vouchers, healthcare, etc. Doesn't this make you subject to the charge that you are a 1960s liberal who sees "throwing money" at problems to be the solution to them?
- (b). Doesn't it also make you subject to the charge that governments all over the country, federal and state alike, cannot be forever spending more money on things?
- A. On the other hand, governments waste scores of billions, hundreds of billions, maybe trillions, on the military, pork barrel projects, etc. And every year 250 billion dollars in taxes owed are not paid, while corporations are allowed to manage their affairs so that they don't even owe taxes. Isn't what is necessary a thoroughgoing overhaul of the way our nation operates? (Efforts at mere piecemeal change do not seem to work). If women should unite behind things that affect them (in ways that sometimes are not even realized), as you suggest, isn't this what they should be uniting behind in their own interest?
- 7(a). Tell the story of Hillary Clinton and the two bankruptcy bills.
- (b). I assume from what you have said about her in your book that you don't think much of her and see her as just another opportunist politician. Yet it seems to be a fact that women generally love her, probably because she talks the talk. Bluntly speaking, how is the situation for women to improve, and how is this country as a whole supposed to improve, when immoral, dishonest and sometimes dumb opportunists (e.g., Clinton, Bush and the future President Clinton) are elected to the highest offices by a process which constitutes legalized bribery?

8. Discuss the existence of and reasons for the unbridled -- and, to my mind, totally immoral -- increases in the price of higher education.
9. Describe the insurance policies that a person should buy to safeguard, as much as possible, against economic disaster.
10. Shouldn't prefab home builders, whose homes are far less expensive than conventionally built homes, see a marvelous opportunity (as the Levitt brothers did in the 1940s), and begin building prefab communities complete with schools whose operations are financed, by contractual agreement with home buyers, from community assessments?
11. Explain how people are able to buy houses for only three percent down, the extra points and fees these buyers pay, and their increased chances of losing their homes.
 - A. Tell the story of the speech you made at Citybank.
 - B. Explain the second or third mortgage scam.
12. Don't you think, and don't you in fact end up saying at length, that your advice not to have children is unreal?
13. Describe the problems that children face when their parents declare bankruptcy.
14. Has your book had, or is it in the process of having, any significant practical effect?

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