(Self intro, Iraq story, Jesselyn Radack, segue into min wage job and how I wrote this book)

TITLE SLIDE But we're not here to talk about me. We are here to today to confront the ghosts of Tom Joad, the ones left behind by a disparity of wealth gone mad.

BOOK COVER SLIDE Joad was the fictional everyman in John Steinbeck's *Grapes of Wrath*, a story of some of the darkest economic times in America, how our people and our souls were taken advantage of for others' profits, and how Tom Joad admonished us to become better people than we had become. We now confront Tom and ask that same question about our own times.

MURAL SLIDE The standard myth is this:

Following World War II, our nation unleashed the most powerful consumer economy that history had ever seen. Based on high wages that created a growing middle class, the rising tide lifted all boats.

HOUSE SLIDE However, after only about thirty some years, about a generation or two, high wages, driven by unions, coupled with low wages abroad, hurt American competitiveness. Dresden started to resemble the old Detroit, and the new Detroit the old Dresden. The hardworking foreigners outdid us, even as a rising welfare state in America made us softer.

BASEBALL KIDS SLIDE Competitiveness required sacrifice, lower wages and the dilution of benefits, especially pensions. Wealth would trickle down. With the unions gone, job growth would raise us back to where we belonged. Social benefits only served the lazy. The invisible hand of the economy would drive all this.

TEXT SLIDE (So how'd that work out?)

WALMART SLIDE It turned out that a rising tide lifted all yachts, as the boats were left to sink. Today the CEO of WalMart's hourly wage works out to $7412. An entry-level WalMart clerk in Arkansas makes six bucks an hour. In the last thirty years the share of national income of the top one percent of Americans doubled. For most of the remaining 99 percent of households the share went down.

MAP SLIDE We've lost most of our manufacturing to imports. That's how it worked out.

TEXT SLIDE By the way, there'll be a lot of numbers mentioned. You only have to pay attention to them if you don't believe me, actually I mean the conclusions I derive from them. If you want to fact-check the numbers, you can. You're supposed to have put your phones away, but if you sneak a peak, just go to my blog at wemeantwell.com and search for IDEA Festival 2014 and the links to the numbers I've mentioned today are there.

That invisible hand was far from the driver, and the myth is just that. Instead, we have one of the most powerful disparity of wealth-based economies that modern history has ever seen, a new apartheid of dollars that has done away with decades of economic progress for the middle class. This is a systematic and purposeful destruction of an entire class of people. How did this happen? This is the theme of my new book, *Ghosts of Tom Joad*, and here's what it says.

There are six realities in our modern economy.

TEXT SLIDE The Reality of Wealth

This sets the whole train in motion: More and more wealth is concentrated in fewer and fewer hands. Our inequality rate is higher than it ever has been since 1928, is growing, and is higher than in countries in Western Europe and Canada.

275 v. 18 SLIDE Even the Congressional Budget Office agrees: Between 1979 and 2007, income grew by 275 percent for the top one percent of households, compared to only 18 percent for the bottom twenty percent of us.

FACTORY SLIDE The simplest method for gaining all that wealth is to pay workers as little as possible, zero if you could. The right taxes, tariffs, currency and import laws assist, plus off-shoring. Changes to bankruptcy and pension laws in the mid-1970s made it easier. Society was convinced unions were bad for business. People were taught to act against their own self-interest. Business owners got to keep more of the money. An obscene amount more.

(Weirton example: 1983, $25 an hour.)

But you know all this.

LOUISVILLE SLIDE Here in Louisville, Kentucky, more than 5,500 people applied for what turned out to be just 50 factory jobs in 2013, some of them temporary, at Ford Motor Company's Fern Valley Road plant. State unemployment officials sifted through the thousands of applications and forwarded them to Ford staff, who narrowed the field by lottery (which may in itself say something about the skill levels of the jobs offered.) The wage offered to new employees was about half what union workers received.

In January 2014, Ford announced it would hire another 350 people, to be pulled from an existing pool of 10,000 applicants. State officials in Kentucky approved $290 million in financial incentives, using taxpayer money, to bring those jobs to Louisville. The impact of those jobs is shockingly minimal; unemployment in the area is 8.2 percent, much higher than the U.S. national average. There are some 52,763 people in the Louisville metro area unable to find work, not including those working part-time jobs or who have given up trying to find work at all.

> Also in Louisville, General Electric's Appliance Park once employed 23,000 union workers at its peak in 1973. By 2011, the sputtering plant held onto only about 1,800 workers. What was left of the union there agreed to a two-tier wage scale, and today 70 percent of the jobs are on the lower tier, almost $8 less an hour. Now sold to Electrolux, so even that is in flux.
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> A full-time worker makes about $28,000 a year before taxes and deductions. The poverty line for a family of four in Kentucky is $23,000. Food stamp benefits are available to people who earn up to 130% of the poverty line, so a full-timer in Kentucky with a family still qualifies.

Still, a lot of those people are doing better than a vast pool of Americans, who make only minimum wage and have less than 29 hours a week to do it, at least at their first job.

88 PERCENT SLIDE 88 percent of minimum wage workers are adults, with more than a third over age 40. These workers earn half of their families' incomes. The wage has not changed since 2009, but the people working for it have.

TEXT SLIDE At 25 percent, the U.S. has the highest percentage of low-wage workers in the developed world. (Canada and Great Britain have 20 percent, Japan is under 15 percent.)

We'll talk more about the minimum wage later, and my own experiences at age 52 in that new economy at a store I call Bullseye in my new book.

Crumbs are not better than nothing when your family needs a whole loaf of bread to survive.

But there are also larger forces shifting wealth upwards.

HOUSE SLIDE The Great Recession of 2008 stripped swaths of the middle class of their most valuable asset. Some five million homes were lost to foreclosure between 2008 and 2013. 8.2 million more foreclosure starts took place in that same time period. Another three million homes in the next three or four years will face foreclosure.

The value of those homes and their real estate migrated into the hands of those who controlled the banks. Many homeowners were turned into renters, shoving more money upward to those who controlled the property. America's the top earners' wealth grew even as those responsible for the collapse were never punished and the companies involved received federal bail-out money to cover losses, being too big to fail. In a neat closing of the circle, the money came from taxes paid in part by those destroyed in the Recession. Bank of America can write-off much of the fines it received for its part in formulating the crisis.

The result was in the U.S., the wealthiest one percent captured 95 percent of post-financial crisis growth, while the bottom ninety-nine percent became poorer. The recession represented the largest redistribution of wealth in a century.

This is the Reality of Possession.

TEXT SLIDE The Reality of Possession

So it was no accident, no invisible hand that lowered wages and drew wealth upwards. Thomas Piketty, in his bestselling book *Capital in the 21st Century*, wrote in the United States, the top one percent own 35 percent of all capital, and

TEXT SLIDE the top ten percent of wealth holders own roughly 70 percent. The bottom half of us have roughly five percent.

Note that until slavery was ended in the United States, the last modern industrial nation to do so, human beings were also considered capital.

The mathematical measure of wealth-inequality is called "Gini," and the higher it is, the more extreme a nation's wealth-inequality. The Gini for the U.S. is 85; Canada, 72; and Bangladesh, 64. Nations more unequal than the U.S. include Kazakhstan at 86 and the Ukraine at 90. The African continent tips in at just under 85. Odd company.

Inequality of possession is driven by two complementary forces.

The first is what we just discussed, wages for middle and lower income people are sinking. In 2012, corporate profits reached their greatest share of GDP in history. At the same time workers' wages fell to their lowest share of GDP on record.

TEXT SLIDE Here's another way to look at it.

– Walton Family, owners of Walmart, have $154.8 billion. They could buy all of Seattle, value $111.5 billion.

– Koch Brothers, holding $86.0 billion, could buy all of Atlanta, valued at $78.1 billion.

– Bill Gates, with his $77.5 billion, could buy Boston, for $76.6 billion.

– Warren Buffett, packing $63.5 billion, is able to purchase Charlotte, NC, for $56.1 billion.

– Sorry, Louisville wasn't listed, so make an offer.

The math part follows. By owning more and more of every thing (capital), rich people have a mechanism to keep getting richer, because the rate of return on investment is a higher percentage than the rate of economic growth. This is expressed in Piketty's now-famous equation

TEXT SLIDE **R > G**. The author claims the top of layer of wealth distribution is rising at 6-7 percent a year, more than three times faster than the size of the economy. You do the math.

And of course capital gains are taxed lower than wage income, and capital losses are deductible. Corporate costs, such as bonuses to senior executives, are deductible. Businesses can also offshore themselves to avoid much taxation. You get it.

As wealthy people pass on their wealth to their relatives, the children of rich people are born rich and unless they are Charlie Sheen, will inevitably get richer. They almost can’t help it. The gap between the one percent and the 99 percent must grow.

The past devours the future. The rich just get richer. It is the reality of the system.

TEXT SLIDE The Reality of the System

A key question for detectives trying to figure out who may have committed a crime is to ask *cui bono*, "Who benefits?" Who stands to profit from a murder, from a crime? That's often your perp.

Walmart is a common example, and as America's number one employer outside the Federal government, it is a good one.

Most associates make roughly minimum wage. Most associates are nowhere near full-time, so their take home pay is well below the poverty threshold.

TEXT SLIDE In return for paying below-poverty wages, Walmart makes over $18,000 per employee, including taxpayer subsidies of $5,815 per worker mostly in the form of food programs like

SNAP LOGO SLIDE SNAP paid by the government to keep the workers nearer the poverty line than below it. About one out of every three retail workers gets public assistance.

Actually, 73 percent of those enrolled in the country's major public benefits programs are from working families.

TEXT SLIDE Fast food workers claim public assistance at more than twice the rate of other employed people; McDonald's workers alone receive $1.2 billion in federal assistance each year. Overall, American taxpayers subsidize the minimum wage with $7 billion in public assistance, which is what makes it possible for huge companies to get away with paying people so little.

Add in the taxes you're paying, and there's nothing on the dollar menu that actually costs only a dollar.

Workers aren't employees, but corporations are people.

In Ohio, where I did some of the research for my book *Ghosts of Tom Joad*, the state pays out benefits on the first of each month. Pay Day, Food Day, Mother's Day, people call it. SNAP is distributed in the form of an Electronic Bank Transfer card, or EBT, which, recipients will tell you, stands for "Eat Better Tonight."

TEXT SLIDE In addition to having its labor costs subsidized by your taxes, Walmart and others have another reason to love food stamps: poverty is big business.

In a January 2014 filing with the Securities and Exchange Commission, WalMart was oddly blunt about what SNAP cuts could do to its bottom line. WalMart's business risks, the filing said, include: "changes in the amount of payments made under the Supplemental Nutrition Assistance Plan and other public assistance plans, [and] changes in the eligibility requirements of public assistance plans."

How much profit does WalMart make from public assistance? A lot. 18 percent of all food benefits money is spent at WalMart. That's about $14 billion.

Others also profit well from food stamps. JPMorgan Chase holds the EBT administration

> contracts in half the United States. In Florida, JPMorgan’s contract is worth $83 million, and in New York, it’s worth more than $112 million. Meanwhile, until recent changes, customer service for the JP Morgan EBT program was done via offshore call centers in India and Mexico.
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> The CEO of Kraft admitted that the mac n’ cheese maker opposed food-stamp cuts because beneficiaries were “a big part of our audience.” One-sixth of Kraft’s revenues come from food-stamp purchases. Pepsi, Coke, and the grocery chain Kroger also lobbied against SNAP cuts, an indication of how much they rely on the money.

Now one more thing. Those workers dependent on taxpayer-paid food stamps? Many of those workers, who need the benefits because their employer doesn't pay them enough, also pay taxes, of which they get a tiny percent returned to them for food, and of which a large percent return to their employer in the form of sales.

This leads to the Reality of Dependence.

TEXT SLIDE The Reality of Dependence

This year, the Ivy League college admissions acceptance rate was 8.9 percent. Last year, when Walmart opened its first store in Washington, D.C., there were more than 23,000 applications for 600 jobs, which resulted in an acceptance rate of 2.6 percent,

TEXT SLIDE making the big box store about twice as selective as Harvard.

There are 3.8 million Americans who have been out of work for 27 weeks or more, the country's long-term unemployed. Statistically, the longer you are unemployed, the less likely it is that you'll ever find work again. Think of it as a snowball effect: more unemployment creates more unemployable people.

That leaves a lot of people available in the wings to replenish the ranks should workers complain or demand food and lives.

TEXT SLIDE At the same time, more than 25 percent of American children under age five are food-at-risk. Almost 1 in 10 live in extreme poverty. Our system is trending toward asking kids to go to hell if they're hungry. Many are already there.

Credit card debt is the middle class' way of borrowing money. Poor people have payday loan, car title loans and rent-to-own. Data shows more and more credit card debt is moving to food and daily expenses and away from discretionary spending like vacations. Americans own over $1.2 trillion in college loans. Many students will work as essentially indebted servants to pay them off. Or maybe their parents will. Money to service debt-- interest-- is not money you can use to feed your family.

Now what happens when you become dependent on others for whatever job you can get, because jobs are hard to come by and so you'll accept whatever wages you can get, even if they keep you in poverty while you work full-time, a member of the "working poor?" And what if at the same time you are dependent on the government to feed your family? And what happens when you owe wealthier people a lot of money, maybe enough to dictate your job and life choices? What happens when systematic factors are in place to ensure the disparity of wealth, which allows others to create such dependencies, grows?

Those aren't necessarily rhetorical questions. They are more like predictions. And they are guaranteed to be right because of the Reality of Politics.

TEXT SLIDE The Reality of Politics

Over large swaths of the earth, there are no elections. In some of the wealthiest countries in the Middle East and Asia, there is not even the pretext of anyone choosing a government. Most governments are controlled by ascension, not unlike the scene in the Middle Ages. In many other places, elections are simply public stage plays, with the actual winners decided by corruption and manipulation. Under such circumstances, it is not surprising that power and wealth work together.

TEXT SLIDE Harvard's Lawrence Lessing, speaking at TED, the non-Midwest version of the IDEA Festival, said with the concentration of wealth, 132 people in the U.S. essentially control elections. They do so by donating, just that handful of people, over 60 percent of the SuperPac money. Those 132 people represent 0.000042 percent of the total number of voters; most other contributions to candidates are small, many below $200.

TEXT SLIDE How much is your vote worth?

By reducing the ostensible choices to two, and by making the choice a false one as both candidates will differ little in their practices toward wealth (though they'll argue violently over same-sex marriage to retain the allegiance of their respective bases), a tiny subset of even the vaunted one percent control the real issues. It is impossible under such circumstances for the government to create laws against the interests of the wealthy; after all, they work for them. There is no reason to change things because of The Reality of Change.

TEXT SLIDE The Reality of Change

Think of it all as a kind of "Game of Thrones" played out over many years. A super-wealthy few have succeeded in defeating all of their rivals— unions, regulators, the media, honest politicians, environmentalists— and now are free to do as they wish.

I hate to say it, but the world has seen this before, for the West, during the Middle Ages, when feudalism was the dominant social and political state. A very, very few owned most everything of value. The 99 percent majority– serfs then, Walmart associates now– worked for whatever the feudal lords allowed them to have. In our more modern version of society, even the skilled artisan class that helped lift us out of those dark times may not exist as those activities (programming, services to the rich, medicine) are largely outsourced to places on earth where the pay even for skilled work is even lower.

It remains possible, if not likely, that the progress and growth of the past 50 years or so was a mere historical blip. Greatest generation? Maybe the greatest exception.

TEXT SLIDE Still don't believe me? Remember, at the fall of Rome and the beginning of the Middle Ages only two thousand people owned all the land between the Rhine and Euphrates rivers. In 2014, 85 people own half of the world's wealth.

TEXT SLIDE Reality: Confronting the Ghost of Tom Joad

FACTORY SLIDE About the book.

TOWN SLIDE Non-fiction into fiction

DOOR SLIDE My own minimum wage experiences and people

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CLOSED SIGN SLIDE So in many ways, I am now, here, today, confronting the ghosts of Tom Joad.