Introduction
According to many people, the American Dream is dead. For the last few years, the majority of people in the United States have seen their living standards grow worse, not better. Getting through college has become more expensive than ever before.

Assignment
Read the following sources (including any introductory information) carefully. Then, in an essay that synthesizes at least three of the sources for support, take a position that defends, challenges, or qualifies the claim that the American dreams is dead.

Refer to the sources as Source A, Source B, etc.; titles are included for your convenience.

Sources:
3. Census Bureau, 2002
4. Wolff, Edward and Jared Bernstein's "Inequality and Corporate Power,"
5. "Waking Up from the American Dream" Business Week. December 1, 2003,

SOURCE A: JamesTruslow Adams Epic of America, 1931.(214-215)

"The American Dream is "that dream of a land in which life should be better and richer and fuller for everyone, with opportunity for each according to ability or achievement. It is a difficult dream for the European upper classes to interpret adequately, and too many of us ourselves have grown weary and mistrustful of it. It is not a dream of motor cars and high wages merely, but a dream of social order in which each man and each woman shall be able to attain to the fullest stature of which they are innately capable, and be recognized by others for what they are, regardless of the fortuitous circumstances of birth or position."


"I don't see anything getting any better around here," said Roger Giboney, 59. He once earned $19 an hour plus benefits in a union job moving and fixing heavy machine equipment in a small Missouri town. "It might be getting better for the rich people. They might be trying to make like they are helping us. But round here, seems nobody has a chance left."

In April 2002, Giboney lost his job when the factory he had worked in for 38 years shut down for good. Four months later he found a job unloading trucks and moving merchandise. But the new job pays $8 without benefits. He and his wife Joyce were forced to tap the $40,000 in savings they had gradually put away. Now, they said, their $40,000 was practically gone.

Giboney's son, Rick, 31, also lost his job when the wire factory he worked in closed. He and his wife Sherry are struggling to support themselves and their three children on her $9-an-hour position as a McDonald's manager and his $200 per week unemployment check.

The Giboney family's problems mirror those of tens of thousands of others in the Midwest, which suffered a greater increase in poverty and reduced income last year than any other area. In Missouri alone 77,000 jobs disappeared.
But on Wall Street in December 2003, year-end bonuses made headlines. The biggest reported bonus went to Philip Purcell, chairman and chief executive of Morgan Stanley, the investment banking firm, who took in $12 million. In New York there were reports of fancy restaurants with waiting lines and President Bush said, "This economy of ours is strong and it is getting stronger."

The plight of the Giboneys versus that of Philip Purcell and his big bonus reflect what social and economic critics see as growing wealth inequality in American life. "The people in the middle are stagnating in terms of their earnings, the people at the top are gaining ground and the people at the bottom are losing," said Robert Frank, an economics professor at Cornell. Nobel laureate and University of Chicago economics professor James Heckman, said, "The big finding in recent years is that the notion of America being a highly mobile society isn't as true as it used to be."

"...The gap between rich and poor has widened under the Bush administration, through recession, jobless recovery and grotesquely lopsided tax cuts," wrote political columnist and author George Packer. "The level of inequality in America today is staggering. The top 1 percent now own 38 percent of the nation's wealth, while the bottom 40 percent own 1 percent. In other words, the richest 3 million Americans put together are nearly 40 times richer than 113 million of the rest of us." Bill Moyers recently reported that "American executives are now paid 475 times more than factory workers."

**SOURCE C**: - Some other facts and figures for 2002 (the last year for which this information is available from the Census Bureau):

1. **Poverty** - The number of poor people increased by 1.7 million to 34.6 million. This is the second consecutive year for an increase in U.S. poverty. The official poverty line is an income of $18,392 for a family of four. By this standard there were 3 million more poor people in 2002 than in 2000. And those who were poor became even poorer. The average amount by which the incomes of those who are poor fell below the poverty line was greater than in any other year according to records going back to 1979. The number of poor children rose by 400,000. At the same time, the safety net for the poor has become weaker. Unemployment benefits and child care assistance have been reduced.

2. **Middle Income Families** - The median household earned income fell $500 to $42,409.

3. **Health Insurance** - The number of Americans without health insurance increased by 5.7% to 43.6 million people.

(Facts for #1, #2, and #3 above come from the Census Bureau as reported by the Center on Budget and Policy Priorities, [www.cbpp.org](http://www.cbpp.org).)

4. **Low Pay and Few Benefits** - More than 30 million Americans, or 1 in 4 workers, earn less than $8.70 per hour in jobs that provide few benefits, such as health care insurance, sick pay, disability pay, paid vacation, and retirement benefits.

5. **Inequality** - The United States ranks last in terms of income equality among industrialized nations, according to the Organization for Economic Cooperation and Development. (However, to put this statement in a global perspective, the OECD also reports that in 1993 the poorest 10% of the U.S. population was still wealthier than people in two-thirds of the rest of the world.)
SOURCE D:
Economists Edward Wolff and Jared Bernstein in their article "Inequality and Corporate Power," available at www.inequality.org.

Being an average union worker means earning 28% more than the average non-union worker and also having substantial benefits like health insurance. But the collective power of unions means even more. "When unions represent a higher proportion of the workforce--when there is greater 'union density'--in a particular industry, unions can raise the overall industry wage rate, including for non-union workers. Even more importantly, when there is greater national union density, unions can exert the political power, to ensure that benefits and pain in the national economy are more equally shared."

The U.S. economy has emerged from a recession and stock prices are up on Wall Street. But the number of jobs has not increased, resulting in "a jobless recovery," a product of increased technological proficiency and the migration of jobs overseas. The official jobless rate of 5.7% does not include workers who have looked for jobs in the past year but have given up because they haven't had any offers, part-time workers who want full-time jobs but can't find them and workers who have settled for jobs that pay significantly less than jobs they once held. Since the Bush presidency began, the U.S. has suffered a net loss of more than two million jobs. Giant companies like Wal-Mart are able to employ people willing to work in low-paying, non-union wages -- and so keep unions out.

Declining Minimum Wage

The minimum wage in the U.S. is $5.15 per hour. But the minimum wage has remained unchanged since 1997 despite the inflation that in the past seven years has made the $5.15 of 2004 worth 25% less--more like $3.88 in 1997 dollars. But even if one ignores the inflation that has sharply reduced the value of the minimum wage, $5.15 per hour comes to about $10,000 per year, an unlivable wage that forces many Americans to get second jobs or find some other way of getting by.

Low-wage jobs are not just jobs at McDonald's and Burger King. They include, according to author Beth Shulman, "nurse's aides, security guards, child care workers and educational assistants, maids and porters, 1-800 call-center workers, bank tellers, data-entry keyers, cooks, food preparation workers, waiters and waitresses, cashiers and pharmacy assistants, poultry, fish and meat processors, laundry and dry cleaning operators and agricultural workers." Such jobs are not necessarily low-skilled and they are not necessarily jobs for teenagers. They are jobs held mostly by those who are "white, female, high school educated and with family responsibilities." And they are usually dead-end jobs. But they are the jobs of 30 million Americans earning less than $8.70 per hour with few benefits.

Benefits for the Rich

Bill Moyers in an interview recently stated that "the wealthiest Americans have become wealthier. The gap between rich and poor has more than doubled in the last 20 years. The after-tax combined income of the 110 million poorest paid Americans is less than the combined income of the richest 2.8 million Americans. Here are three major reasons:

- a series of tax cuts during the past three years provided the most benefits for the wealthiest Americans
- sharp reductions in corporate taxes since 1960 from 22% to 7%
- a soaring stock market for much of the period since the mid-1990s that has benefited the rich more than others
There is recent research showing the growth of wealth inequality in the U.S. and the decrease in opportunity and social mobility that have been key elements in the American dream. Some sources blame the 'Wal-Martization' of the economy, the proliferation of low-wage jobs and the loss of jobs that used to usher people into the middle class.

Paul Krugman, a New York Times columnist and an economics professor at Princeton, notes that public policy is being designed "to further entrench the advantages of the haves against the have-nots" and pointed to the Bush administration's elimination of the estate tax, reduced tax rates for corporations and the rich, cut-backs on healthcare for the poor and educational quality, anti-unionism and privatizing of government functions so that low-wage private employees replace well-paid civil workers. Krugman concluded, "Goodbye, Horatio Alger. And goodbye, American Dream."

The Declaration of Independence states: "We hold these truths to be self-evident, that all men are created equal, that they are endowed by their creator with certain unalienable rights, that among these are life, liberty and the pursuit of happiness. That to secure these rights governments are instituted among men, deriving their just powers from the consent of the governed."

The men who signed the Declaration did not believe that all men were created equal in ability, but they did believe that all men had equal rights to life, liberty and the pursuit of happiness, that men formed governments to ensure these equal rights, that therefore a just government's power had to have men's approval. As imperfect human beings, these founders lived with contradictions. The African slaves most of them owned did not have any rights. The government they would create would not have the consent of these slaves or of women, including the founders' own mothers and wives.

The founders well understood that the kings and nobles of Europe were an aristocracy living richly on inherited wealth while great masses of people lived in squalor. They, like many other Americans, also understood that democratic ideals would not co-exist with great concentrations of wealth. Inevitably, the power of money would subvert the power of democracy.

Why? Because great wealth creates great power. That power undercutts democracy's promise that everyone should be treated equally. The rich can and do buy the influence, laws and loopholes they want from legislators and presidents. Not necessarily with envelopes full of money, although they are not unknown, but more often in other ways these days--large contributions to political campaigns, the threat of financial support to opponents, the promise of cushy, well-paid positions after they leave office, favors and freebies of various kinds like trips to exotic places and luxury suites.

Most Americans understand the connections between wealth, power, influence and inequality. But few Americans complained about the Bush administration's recent tax cuts and its elimination of the estate tax that mostly benefit the rich and contribute to growing wealth inequality. And few demand government policies that would promote greater equality. Why? David Brooks, a senior editor at the Weekly Standard and a regular columnist for the New York Times, explained on the op-ed page of the Times (12/1/03):
"Americans live in a culture of abundance. They have always had a sense that great opportunities lie just over the horizon, in the next valley, with the next job or the next big thing. None of us is really poor; we're just pre-rich....Many Americans admire the rich. They don't see society as a conflict zone between rich and poor. It's taboo to say in a democratic culture, but do you think a nation that watches Katie Couric in the morning, Tom Hanks in the evening and Michael Jordan on weekends harbors deep animosity toward the affluent?

"....You go to a town where the factories have closed and people who once earned $14 an hour now work for $8 an hour. They've taken their hits. But odds are you will find their faith in hard work and self-reliance undiminished.... Americans resent social inequality more than income inequality. As the sociologist Jennifer Lopez has observed: 'Don't be fooled by the rocks that I got, I'm just, I'm just Jenny from the block.' As long as rich people 'stay real,' in Ms. Lopez's formulation, they are admired....

"Americans do not see society as a layer cake, with the rich on top, the middle class beneath them and the working class and underclass at the bottom. They see society as a high school cafeteria with their community at one table and other communities at other tables. They are pretty sure that their community is the nicest and filled with the best people, and they have a vague pity for all those poor souls who live in New York City or California and have a lot of money but no true neighbors and no free time.

Conservative economists like Bruce Bartlett, who worked in several Republican administrations, believe the American dream still lives. "There's a great deal of mobility," he said. "People do move up and down the income ladder with great regularity."

The American dream has been the rags-to-riches Horatio Alger story, the story of a person who rises to fame and fortune because of the freedom and equality of opportunity America offers. Americans salute the self-made individual who works hard, takes risks and overcomes obstacles and believe such a person deserves whatever money and position he or she attains: Bill Gates, Oprah Winfrey, Michael Jordan, Jennifer Lopez.

"....it's in this territory of increasing equal opportunity, not forcing equal results that the case against the status quo has to be made. The American instinct against leveling is matched by an American instinct for fairness. When results grow as vastly disparate as they have in recent years, equal opportunity becomes an empty promise, a nice phrase without substance. And the race is becoming less fair by the day, as the administration and the Republican Congress seek to remove any mechanism that might give working people a chance to prosper.

"To finance the administration's tax cuts, the House majority's main spending bill for the coming year cuts funds for economic development, for housing, for child care, for transportation, for job training. The Republican leadership has broken its own promise to increase education spending next year by $3 billion, lowering the amount to $2.3 billion. The list goes on, even to the minor decisions that the administration hopes won't be noticed. Earlier this year, after Bush slashed taxes on the richest Americans, his Department of Education issued a regulation cutting the amount that college students and their families can deduct from state and local taxes under the financial-aid eligibility formula. It's the kind of detail that reveals a whole philosophy of governing.

"What Bush and Congress are doing only accelerates, by conscious decision, the long-term demise of equal opportunity. One by one over the past three decades, all the means that traditionally worked to level the playing field have grown weak or disappeared: the decent public school, the labor union, the progressive income tax, the federal social program such as the GI Bill, Head Start, job training....
“The disappearance of equality can't be entirely proved with charts and graphs, but people know it when they don't see it, and I would maintain that most Americans are aware that we are tolerating a chronic, low-grade national scandal. Ultimately it threatens the basic sense of justice and unity on which democracy depends.