

The Moral Measure of the Economy

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Part One

In times of terror and war, of global insecurity and economic uncertainty, of disrespect for human life and human dignity, we need to return to the basic moral principles. Politics . . . should be about fundamental moral choices. How do we protect human life and dignity? How do we fairly share the blessings and burdens of the challenges we face? What kind of nation do we want to be? What kind of world do we want to shape?

— U.S. Conference of Catholic Bishops, *Faithful Citizenship: A Catholic Call to Political Responsibility*, 2004

Chapter One

Economics As If People Mattered

A Human Face on the Economy: Six Families

We begin with several stories of real families as they live and experience the economy. Names and places have been changed, but the stories are true. As you read these stories, consider the ways in which larger economic forces touch, shape, and dictate the seemingly private struggles and opportunities of these people. Also notice your personal response to these stories. You may feel a temptation to make judgments about individual choices or to offer advice. Listen for both the emotions and judgments these stories stir in you — as well as the larger economic forces at work.

“We Lay Up Cash for the Long Winters”

Lucy LeBlanc wears a headset as she sits in front of a computer terminal. “I feel like an airline pilot wearing this,” she laughs. “Not that I’ve ever flown on a plane.”

For eighteen months, Lucy has worked at a recently built “call center” for a major credit card company, based twenty-five miles from her home in southern Maine. She fields calls that come in from all over the country. “Sometimes people try to guess what my accent is,” she chuckles again. “We’re lucky these jobs came here. They almost went to Bangalore, India. And who knows, maybe they’ll move there tomorrow.”

Lucy LeBlanc is in her late fifties and lives with her husband, Leo, a former paper mill worker. The paper factories closed in the 1990s and Leo lost the unionized job that enabled them to buy a house in the 1970s and to support their family while their children were growing up. The LeBlancs now survive on about \$27,000 a year from a patchwork of jobs. Lucy now earns the steady paycheck, though it is only for the Maine minimum wage of \$6.50 an hour, which is higher than the \$5.15 federal minimum wage.

The LeBlancs live up a dirt road and heat their home with wood in the winter. It’s a forty-five-minute commute for Lucy, as it is for many of the

workers at the call center. “During the winter, I leave the house in the dark and drive home in the dark,” quips Lucy. “I work in a windowless office building, so it isn’t until April that I start to see the sun again.”

Leo works part-time driving a delivery truck and does some mechanical work. Three months a year, during the summer tourist season, both Leo and Lucy take second shift jobs working for area hotels, Lucy as a kitchen worker and Leo as a security guard. “That’s the fat time,” says Lucy. “That’s when we lay up the cash for the long winters.”

The LeBlancs’ four children are all adults in their twenties and early thirties. Two are married, and all of them live on their own except their daughter Elsa, who is retarded and lives at home. “We worry about what will happen to Elsa when we get too old to take care of her,” says Lucy, in a more somber voice. “But her sister and brothers are all still in the area, thank God. We don’t worry about our retirement. We know we’re both working until we die.”

“We Are an Immigrant Success Story”

Nestor and Letty Rodríguez sit at their dining room table calculating the payroll for their family’s ranch. Against one wall is a colorful family altar observing the festival of All Saints and the Mexican tradition of Day of the Dead. It is covered with colorful yellow and orange flowers, votive candles, and a large picture of Our Lady of Guadalupe. “We’ve been U.S. citizens and lived in east Texas for three generations,” Letty says proudly. “But we are still Mexicans when it comes to honoring our ancestors.”

Nestor Rodríguez inherited the ranch from his father, who worked over his lifetime to buy several parcels of land and build the business. The ranch now has over twenty employees, and the Rodríguez family find themselves with all the joys and headaches of owning a medium-sized business. “We try to be good to our workers, and we expect them to be good to us.”

They’ve been subject to several raids and fines by the Immigration and Naturalization Service for employing illegal immigrants. “Now we do a better job of checking people’s papers,” says Nestor. But the topic of immigration is uncomfortable for the Rodríguez family. “We see people every day who cross the border because their family in Mexico or Central America is starving. We need to do something to change the laws. There is something out of balance.”

They have five children, all of whom went to Catholic schools. The three oldest have attended college, including their oldest son Hector, who is now in law school in Massachusetts. Pictures of these children adorn the dining room wall, next to the altar. “We are an immigrant success

story,” Nestor reflects. “My grandparents were migrant workers, and I was the first person in my family to go to college, thanks to the GI Bill. Now all my children are going to college, thanks to our family business. We have been blessed.”

“We’re Living the Re-Lo Life”

It is Friday night and Jim Murray is sitting in the United Airlines executive lounge, saying goodnight to his three children on a cellular telephone. When he finally arrives home later, it will be well past bedtime. Rita Murray is used to Jim traveling two to four nights a week for his job as a regional sales manager with a national real estate company.

“We’re corporate nomads,” observed Rita. “We’re living the ‘Re-lo’ life,” referring to frequent relocations the family has made. Jim’s salary is over \$150,000 a year and it affords them a very good life, albeit at a frenzied pace. The Murrays have moved three times in the last ten years.

The Murray family currently lives in Naperville, Illinois, a suburban city of subdivisions, apartment complexes, and recently constructed large houses forty minutes from downtown Chicago. They own a four-bedroom house in a recently developed subdivision, and many of their neighbors are families like their own — also living the “re-lo life.” Many have lived in the new sprawling transient suburbs of the booming Sun Belt. These are communities that don’t have town centers or Main Streets, but generally have good schools, green lawns, and plenty of parking.

The neighborhood is homogeneous: almost entirely white, higher-income professional families who aren’t able to put down deep roots in any community for long, but make the best of their situation. The Murrays have a few friends, but none they would consider close relationships. They don’t know anyone well enough to do child care swaps. Both Jim’s and Rita’s extended families live in other states. “We try to get involved in a new church community and local soccer leagues for the kids,” observes Rita. “But it’s difficult knowing we’ll be packing up again in a few years. It is hard on the kids, especially as they get older.”

She has spent the week shuttling kids through heavy traffic in her Eddie Bauer Edition Ford Explorer between school, soccer games, music lessons, and tutors. Each child has a different schedule, but she finds a few hours each day to squeeze in exercise classes, volunteer work at their church, and social gatherings.

To make up for the busy life, the family splurges on several vacations a year, including a recent trip to a Club Med in Mexico. With a big mortgage, two car payments and steep recreation expenses, the Murrays don’t save a lot of money for the future. “When you move around a lot

in the fast lane,” Rita reflected, “you tend to think about the moment, not the future.”

“The Bright Future Has Been Slow in Coming”

Candice Charles sits at a tidy desk in her living room, doing her homework on a computer that she bought at a church rummage sale. Her teenage son, Martin, is also doing his homework, though at the moment he is composing a love poem to the girl who sits near him in his ninth grade classroom. “He used to write his poems to me,” jokes Candice in his presence. “But he is a bit distracted these days!”

Candice emigrated from the island of Trinidad to Jersey City in 1992, when her daughter Cleo was only four years old. Cleo’s father had abandoned them in Trinidad—so Candice moved to be closer to her mother, who was living in New Jersey. Martin was born a few years later to an out-of-wedlock relationship that also soured. “Of course, it would be nice for these children to have a father in their lives,” says Candice frankly. “But not those two men. We are better off without them.” She leaves it at that, but adds that she gets no child support from either of the fathers.

Candice gets some welfare assistance for the children, but not for herself, as she is not yet a U.S. citizen. Candice has gone in and out of the labor force, attending community college when she’s been unemployed. Life is a constant struggle and as she pulls out two letters threatening to shut off her electricity and telephone.

Her daughter now attends college at the state university, and her son is still in Catholic school on scholarship. She proudly shares that this week she successfully sold forty raffle tickets for her son’s school. “I don’t have much money,” she says, “so I try to volunteer all I can. The parish has been so good to our family.” Candice says she is hopeful for her children, but not so sure about her personal future. “I’m studying accounting, so someday I pray I’ll get a good job. But I try not to think too much about the future. It just keeps me awake at night. The bright future has been slow in coming.”

Tale of Two Families after Hurricane Katrina

Hurricanes Katrina and Rita hit the Gulf Coast in September 2005, exposing the serious race and class fault lines that exist in our nation. This is well illustrated by two contrasting family stories.

On the day before Katrina hit New Orleans, both the Rice and Preston families evacuated their homes. Donald and Renee Rice have three children, ages seven, nine, and twelve. John and Lenore Preston also have

three children, ages four, six, and seven. Both are long-time New Orleans families and are of African American heritage. Hurricane Katrina uprooted both families, causing enormous heartache, dislocation, and trauma. But despite their many similarities, their experiences were very different.

A week after the hurricane, Donald Rice unpacked several boxes in a newly rented apartment in Alabama. "This has been hell," Donald remarked. "But we're lucky that Renee's family was only a few hours away and her uncle found this house we could rent." The Rices immediately enrolled their children in a school that several of their cousins attend. "We wake up every morning and wonder where we are," said Donald.

The Rices had loaded up their two cars, one with valuable objects, and drove in caravan north and east to Alabama, where Renee had family. There they were able to ride out the storm. When it became apparent that their house was badly damaged, they made arrangements to stay in Alabama.

The fate of the Preston family, however, was quite different. "I would like to take a long, hot shower," growled John Preston, as he sat forward on a folding chair. One week after Hurricane Katrina, the Preston family was living in the Houston Astrodome and waiting for a more permanent placement. The Preston children dozed on cots, except the youngest, who wrestled to escape from his mother's sweaty grip.

The Prestons had no car, so as Hurricane Katrina approached they walked with hundreds of other families to the New Orleans Superdome, the giant football stadium that would become a notorious symbol of mismanagement in the aftermath of the hurricane. "My children have seen and heard things I'd never want them to see," said Lenore, describing dead bodies, screams in the night, and crushing crowds. Later, they were bused with thousands of other people to Houston. "We don't know anybody here in Houston, and it was scary to leave home, but we had to get out of there."

The Prestons have no clothing or mementos and little money. They started their journey with \$150 in cash and two garbage bags of rapidly assembled clothes and toys, but shared what they had with even more desperate families they met along the way. Now their future is uncertain. They have no relatives they can turn to, as most of their extended family lives in New Orleans and is suffering the same fate. They are still trying to find John's mother, who lived with his sister. "We write messages and read the postings, but haven't learned anything yet," said John somberly.

Both the Rice and Preston families have suffered trauma, but the Rice family was buffered from major discomfort by their larger family connections and financial resources. The Rices have cell phones, two cars,

credit cards, a bank account, health insurance, and an extended family and social network outside of New Orleans. They are not rich, but Donald works as a ticket agent for a major airline and Renee is a public school teacher. Donald's employer has continued to pay him and will be transferring him to another job in the region. The national affiliate of Renee's teachers' union is working with her to find a placement for a teaching job.

The Preston family, on the other hand, has no car, no bank account, no cell phone, and no credit card. They are not destitute, but they have little to fall back on. Lenore ran a home day-care center and John worked at a convenience store. Like many low-income working families, they have no health insurance or savings safety net to fall back on.

The Rice kids come home from school with their knapsacks and colored papers flying. They head for the new swing set that several of Renee's cousins brought over and assembled for the kids. "We're confused, but lucky to have family," says Renee. "Tonight, we're invited to dinner at another cousin's home. We're on the dinner guest circuit." Donald shakes his head in amazement. "Renee is planning a big party to thank everyone," he says. "But I can't get over that we're here in the first place."

Meanwhile, the Prestons are still waiting in Houston for various overstretched government and charity agencies to help them with their next move. "Yes, I'm angry," said John Preston. "You would be too if you suffered such indignity and watched your children go through what they have."

Perhaps you can identify with the experiences of some of the families — or know families with similar situations and struggles. Most of these families share a feeling of not being in control of their economic lives. Even an affluent family, the relocating Murrays, seem to feel like they are leaves being tossed by the wind.

Did you feel any judgments stirring inside you about the choices that different families were making? Did you feel critical of some families' consumption habits or decision to have children out of wedlock? Did you want to offer advice? Our Catholic tradition is very clear that individuals are responsible for their own lives and that individual morality and choices make a difference in terms of individual economic prospects.

Were you able to listen for the changes in the economy that were beyond anyone's control? One challenge of Gospel economics is to try to understand how individual choices and decisions fit into a set of larger — even global — economic forces and frameworks that shape our individual lives.

Changing Signs of the Times

Underlying these human stories is a narrative about the evolving and changing U.S. and global economies. In the two decades between 1985 and 2005, there have been dramatic changes. Here is a brief comparative sense of the signs of the times, trends that we will examine in much greater detail.

- ◆ In 1985, the U.S. savings rate was 9.0 percent. In 2005, it was *negative* 0.4 percent, which means that for the first time since the Great Depression, Americans spent more than they earned.¹
- ◆ In 1985, the number of people in the United States in poverty was 33 million, or 14.0 percent of the population. By 2005, the number of people in poverty had increased to 36.95 million, although as a percentage of the population, it had declined to 12.6 percent.²
- ◆ In 1987, 31 million people in the United States did not have health insurance (13 percent of the population). By 2006, over 46.6 million had no health insurance (16 percent of the population).³
- ◆ In 1985, the ratio between average CEO pay and average U.S. worker pay was 76 to 1. By 2005, it was 411 to 1.⁴
- ◆ In 1985, the wealthiest 1 percent of households had 131 times the wealth of the median household. By 2005, they had 190 times the wealth of the median U.S. household.⁵
- ◆ In 1985, the average income of the top 5 percent of families was 13.5 times as much as the average income of the bottom 20 percent. In 2004, the top 5 percent made almost 21 times as much as the bottom 20 percent.⁶
- ◆ In 1985, there were fourteen billionaires on the Forbes 400 list of wealthiest Americans. The average wealth held by a member of the Forbes 400 was \$335 million. By 2006, there were four hundred billionaires on the list, with an average wealth of \$3.13 billion.⁷
- ◆ In 1985, the number of children in poverty was 12.4 million, or 20.7 percent of all children. By 2005, the number of children in poverty was 13 million, or 17.8 percent of all children.⁸

Overarching trends of the last several decades include the following:

- ◆ The economy has been largely stable, with low inflation and without rapid upheavals or depressions. As a result, unemployment rates have stayed relatively low.

- ♦ There is a growing gap between rich and poor. The economic prosperity of the last several decades has been unevenly shared, with enormous wealth and income flowing to the top 10 percent and even 1 percent of households. Wages have been stagnant or even fallen for the middle class and poor.
- ♦ Rising fuel costs, and the high cost of basic needs such as housing and health care, are squeezing many working families.
- ♦ The nature of work has changed, as more people are working in insecure temporary and part-time jobs, without health insurance or other benefits.
- ♦ People are working more hours and extra jobs to survive, leaving people with less free time.
- ♦ Individuals have taken on mountains of personal debt, using credit cards and borrowing against home prices. At the same time, our country has undertaken massive public borrowing leading to unprecedented federal debt and annual deficits.

Part of our challenge is to learn how to read these signs of the times through a biblical lens and strengthen the national dialogue about the economy. We will now turn to exploring some of the biblical principles that can guide us in our reflection and choices.