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BILL MOYERS: Welcome to the JOURNAL.

Once upon a time the Federal Communications Commission — the FCC — was a sleepy bureaucracy on a quiet street in Washington. The FCC is the government body that sets the rules for media. And for a decade now, it's become a citadel of power, swarming with media tycoons, high priced lawyers and well placed lobbyists, finagling to make sure the rules and regulations are shaped and bent to allow big media to get even bigger.

A handful of mega-media corporations have gained unprecedented control over radio ... television ... publishing and the Internet. They determine what music you hear, what stories get covered, whose opinions get expressed.

Until five years ago, people like you — the public — didn't matter very much at the FCC. Then, when the FCC Chairman Michael Powell announced that the commission was about to change the rule and allow a few media giants to own even more television and radio stations in one town, you said enough's enough. And somewhere between two or three million of you spoke up and deluged the FCC and Congress with phone calls, emails, letters, and postcards.

Now, a new chairman of the FCC Kevin Martin is pushing all over again to reward the Rupert Murdochs, the Time Warners, the Viacom, General Electrics, and other conglomerates with what they want. And he wants it done by Christmas. What's at stake is the subject of our report, produced by Peter Meryash and reported by Rick Karr.

RICK KARR: Melody Spann-Cooper is one in a million. Literally: There are just over a million African-Americans in Chicago, her home town.

MELODY SPANN-COOPER: And I really want people to come out because...

RICK KARR: But she runs the city's only black-owned radio station.

RADIO: The talk of Chicago 1690 WVON.

RICK KARR: WVON airs talk radio that's nothing like what you'll hear from Rush Limbaugh.

RADIO: We're talking about the justice system in America and how that justice system applies the law to black folks.

RICK KARR: Spann-Cooper says, the fact that she's African-American makes a difference on the air.

MELODY SPANN-COOPER: I'm not trying to entertain first. I'm trying to educate first. So that makes it a little different for me. I want people to-- everyday, you have to learn something from listening to this radio station. Something that's going to make a difference in your life. I want black folks to have intelligent conversations when they go to their dinner parties. And they'll be able to say something they learned on VON.

RICK KARR: Things that they can't learn from other media outlets.

CLIFF KELLEY: Unfortunately it is the only African-American owned station in the city of

Chicago, and as a result, I think we have a definite responsibility because we cover things that you won't hear on other stations.

CLIFF KELLEY ON AIR: Good afternoon, good afternoon, I am Cliff Kelley.

RICK KARR: Cliff Kelley is a former Chicago Alderman who hosts WVON's afternoon show.

CLIFF KELLEY: There are other stations that are directed toward the quote unquote urban community, but it's mostly music. We have very little music; we try to get out information.

RADIO: And here are some of the stories we are working on.

RICK KARR: Information that includes the kind of in-depth local news that most commercial broadcasters don't do anymore.

RADIO: Cook County board president Tod Schroder will publicly lay out his 2008 budget today.

RICK KARR: And topics that are particularly important to Chicago's African-Americans.

CLIFF KELLEY ON AIR: Studies have shown that when African American women follow the same preventative measures as white women their death rates from breast cancer are very similar. However, African American women are more likely than white women to be diagnosed at later stages in the disease and are more likely to die from it.

RADIO HOST: We have talked about how many lawsuits the city has settled with African Americans who have been violated and abused by the Chicago police department.

SANTITA JACKSON ON AIR: No one really has a lock on the black vote.

RICK KARR: Santita Jackson, the host of WVON's mid-morning show says, white America needs to pay attention to what the station's saying.

SANTITA JACKSON: My great grandmother put it this way, when white America gets a cold, African Americans already have pneumonia. And so, we really are the bell weather. For example, the Iraq War-- African Americans overwhelmingly felt this was a horrible idea. That it was just a really bad move. Not for lack of or for want of patriotism, but, really, because of patriotism. We said, "We're a better nation than this." And WVON put that message out there. Now, the rest of America has simply caught up.

RICK KARR: The rest of America's been catching up to WVON for more than forty years. When the station went on the air in 1963 ... the call letters stood for "The Voice Of The Negro". Even though its signal was weak, it soared in the ratings, popularized Blues and R&B music, and gave voice to the Civil Rights movement. Afternoon host Cliff Kelly says, the station still has the same ideals.

CLIFF KELLEY: There are so many things that need to be addressed and hopefully people will not only hear about it but they will take some action.

RICK KARR: Consider how WVON persuaded its listeners to take some action regarding the conflict in Jena, Louisiana: That's where, last year, some white high school students hung nooses from a tree — symbols that some people in the community saw as an effort to intimidate black students. The white students were suspended from school. As racial conflict increased, black students assaulted a white student and found themselves charged with attempted second-degree murder and conspiracy. In the meantime, Jena suffered from arson, beatings, and an escalating climate of racial tension.

The story first got a lot of attention from Louisiana's media, and from bloggers. Then Santita Jackson and other hosts on Black owned radio stations nationwide started talking about it.

SANTITA JACKSON: Everybody, once they heard the story that was the key. People needed to know the story. And once they knew it, the story really just took on a life of its own.

RICK KARR: What did the callers say that first day that you were telling Chicago about this story? What was their reaction to it?

SANTITA JACKSON: Tell me more. I've not heard anything about this.

RADIO: This trial has strong racial undertones.

RICK KARR: While most of the national "mainstream" media wasn't paying much attention, WVON and other black owned stations helped to keep the story alive, and used it as a rallying call for African-Americans.

PROTESTOR ON RADIO: Once we get off the buses every one will march from there to the court house...

RICK KARR: The station even told listeners how they could get down to Jena to join thousands of other protesters on a march through the town.

PROTESTORS ON RADIO: No justice, No peace!

MELODY SPANN-COOPER: To see young people come out in droves, buses, walking, it was an incredible day for us. And we don't need the white media to validate that. We've got to validate that. We have got to be able to validate and believe that what we bring to our listening audiences, everyday across this country, is real. Because we said it was real. Not because FOX said it was real or Clear Channel said it was real. Because we said it was real.

RICK KARR: Why do you think it is, though, that our colleagues in the, quote unquote, "mainstream media" ignored this story for so long? I mean, why was it down to VON to pick it up?

MELODY SPANN COOPER: It's not their story. It's not what they're passionate about.

RICK KARR: African-Americans aren't too passionate about the mainstream media, either, according to WVON program director Coz Carson.

COZ CARSON: There's a great deal of mistrust for mainstream media when it comes to African-American issues. So when we approach people, when we ask them to come and speak to us, they feel like they're speaking with family, they're speaking with people who understand their plight.

RICK KARR: Chicago's TV newscasts offer evidence of that disconnect on the air every night: According to a recent Northwestern University study, reporters interview three whites for every minority. And the imbalance is even worse in political stories, where whites outnumber minorities nine to one.

SANTITA JACKSON: You have media that does not look like woman. It does not look like African Americans and Asians and Latinos - really, what America and the world looks like. And so those views are very, very narrow. And as a consequence, you miss not just the Jena story. But, so many Jenas.

RICK KARR: African-Americans and Hispanics make up just over a quarter of the population in the United States — that's about eighty-five million people. Yet out of more than 10,000 radio stations nationwide, they own only 635 - or just about six percent. And African-Americans and Latinos own only 33 of the nation's 1350 TV stations. Hundreds of people showed up to vent their anger about the way that minorities have been shut out of the media. When the Federal Communications Commission came to Chicago for a public hearing in September.

FCC EVENT COORDINATOR: First line which is going to be this line. Just stand up and come around, sign up and give them your name.

RICK KARR: The public showed up hours beforehand for a chance to speak to the five commissioners who set the rules for broadcasting. They heard that the mainstream media not only under-represent minorities --but that even when they do talk about African Americans and Latinos, they get the story wrong.

WOMAN ON PANEL: If the FCC is here wanting to know if Chicago's residents are being well served? The answer is no. If local talent is being covered? The answer is no. If community issues are being covered sensitively? The answer is no. If minority groups are getting the coverage and the input that they need? The answer is no, the answer is no.

DOROTHY LEVELL: If you look at the major broadcast outlets in Chicago, there is not one single political talk show hosted by an African America.

ANNE BLAND: We are represented as less intelligent than we are, less caring than we are, less ambitious than we are, and less moral than we are. Please make the concept of fair and balanced more than just a slick advertising cliché

PUBLIC COMMENT: As I look at the composition of even this panel it indicates that you do not reflect the diversity that exists within America.

KRS-1 (LAWRENCE PARKER): Our culture is being criminalized by the radio stations.

RICK KARR: Lawrence Parker, better known as KRS-One, is a politically active rapper who told the Commission that he can't get his message across on the radio.

LAWRENCE PARKER: We're not gangsters; we're not pimps, 'hos, thugs. This is not who we are. But this is what we're being advertised as, and I think it's a public safety issue, because police officers listen to the radio as well, and if they're going to keep hearing ... I'm a criminal, I'm a pimp I'm a this... when I walk down the street, they're going to think that's me. It's a public safety issue, and I beg the FCC to help us. Thank you.

RICK KARR: The FCC knows that it has a minority problem. A Duke University study posted on the Commission's own Web site concludes that "minorities and females are clearly underrepresented" in the media. Another study found that, in the Chicago area, minorities own even less of the media than they do nationally: just one TV channel and four radio stations out of nearly a hundred.

COMMISSIONER ADELSTEIN: It's unbelievable how the diversity that is the strength of this community is not reflected on the airwaves. And that's the way it is all across the country.

RICK KARR: Jonathan Adelstein is a member of the FCC.

COMMISSIONER ADELSTEIN: And it's been an historic problem for the FCC. It began in the early days with all kinds of discrimination against minorities that wanted to buy their own outlets or get them from the government. And now, it's really almost institutionalized where it's so difficult because of the cost of these outlets, for minorities to have their own voices heard on the airwaves.

RICK KARR: In 2003 the FCC eliminated the only rule on the books intended to help minorities buy more radio and T-V stations. A Federal Appellate Court chastised the Commission for that decision, calling it "inconsistent with the Commission's obligation to make the broadcast spectrum available to all people 'without discrimination on the basis of race'." Yet FCC member Jonathan Adelstein says the Commission continues to ignore the problem.

COMMISSIONER ADELSTEIN: It's been 15 years now we've had various proposals on the table that we haven't done anything with. We have 44 different recommendations that

have been made by our own diversity committees, by expert outside organizations that we have done nothing with. They are sitting on the shelf at the FCC, just gathering dust.

COMMISSIONER ADELSTEIN: I am calling on all my colleagues and our chairman to join me in creating a bipartisan, independent panel to...

RICK KARR: At the Chicago hearing, Adelstein called for a task force to plow through the backlog and make recommendations. But that's about all he can do to help minorities because he's in the minority on the FCC — one of two Democrats on the five-member panel. Republican Chairman Kevin Martin sets the Commission's agenda and he was noncommittal about Adelstein's task-force idea.

FCC CHAIRMAN MARTIN: I'll try to see if I can understand a better, what he's proposing. But I think that what we've been doing is actually trying to, in a bipartisan way, go out and gather information and try to work together in a collegial fashion and try to determine what the rules should be, and whether any changes are warranted or not.

FCC CHAIRMAN MARTIN (SPEAKING AT MEETING): The decisions we are going to make about media ownership rules will be as difficult as they are critical.

RICK KARR: But Martin is pushing for a change that critics say would make it even harder for Black and Hispanic media: He wants to let big media firms get even bigger, and he wants to do it soon — by mid December.

If Martin succeeds in changing the rule, it will set off another wave of industry consolidation. The latest since Congress passed the Telecommunications Act of 1996. That law got ride of a bunch of longstanding limits on how many radio and Television stations a single company could own. As soon as the law passed, conglomerates went on a buying binge. One firm, Clear Channel, ended up owning more than a thousand radio stations, and dominating the dial in some cities. Merger mania drove the cost of stations through the roof. That made it harder for minorities to become broadcasters.

MELODY SPANN-COOPER: You are in a city where a radio station — an FM station will cost you two hundred million dollars — I don't know one of us that can go to the bank and get two hundred million dollars.

RICK KARR: But conglomerates can raise that kind of money. And that's the heart of this story: Who owns the media? Six huge media firms control the major broadcast networks, more than a hundred TV stations, dozens of cable channels, major newspapers, magazines, and publishing houses, film studios and some of the Internet's most popular Web sites. In radio, says WVON's Melody Spann-Cooper, consolidation has changed everything.

MELODY SPANN-COOPER: Radio has moved from being in the business of empowering and educating people to Wall Street, to making money. And that's not the big corporate conglomerates, you know, that's not their fault. They were allowed to do this. This is the fault of government who did not put the proper checks and balances so that this could not happen.

COMMISSIONER MICHAEL COPPS: We can't make that same mistake again.

RICK KARR: The FCC's other Democrat, Michael Copps, has been fighting to restore some of those checks and balances. For example, he wants the Commission to require broadcasters to prove that they're serving their communities and take away their licenses if they can't.

COMMISSIONER MICHAEL COPPS: It used to be that every three years we required a station owner to come in and demonstrate that they were serving the public interest. And we had a little list of 12 or 14 guidelines. We'd look at it and see what the performance of the station was. And say, "Well, that sounds like they're making a good faith effort. Fine, lets give them their license back." Every three years. Now fast forward. Every eight years we say, "Send in a postcard and we'll send your license back by return mail." All of the old

guidelines are gone. All of the old public interest expectations are gone.

RICK KARR: Copps doesn't have the power to bring that kind of accountability back to broadcasting because he and Adelstein are in the minority on the FCC. But on Capitol Hill there's growing anger that Big Media . has gotten too big. During an October hearing North Dakota Democratic Senator Byron Dorgan blasted FCC Chairman Martin's plan to put the conglomerates' wish list on the fast track:

SENATOR BYRON DORGAN (D-ND): I was flabbergasted the other day to learn that there is now something under way that will end in December and will come out with all of these new media rules. This is unbelievably important.

RICK KARR: Dorgan said the FCC chairman's moving at a "full gallop" and that won't give enough time for experts and the public to weigh in.

SENATOR BYRON DORGAN (D-ND): If in fact the chairman indicated that he intends to do media ownership by December of this year, there is going to be a firestorm of protest and I am going to be carrying the wood.

RICK KARR: One of the Senate's top Republican leaders agrees: Mississippi's Trent Lott has joined Dorgan's battle with the FCC.

SENATOR TRENT LOTT (R-MS): We feel like there is a rush to judgment here. We don't think they've had enough input before beginning to move to make this decision. I personally think that more media concentration and further deterioration of localism is the wrong way to go.

RICK KARR: Lott and Dorgan have stood side-by-side on this issue before: The last time a Republican-led FCC tried to allow Big Media firms to get even bigger, in 2003, the lawmakers persuaded a majority of their Senate colleagues to vote to reverse that decision.

SENATOR BYRON DORGAN (D-ND): When the Federal Communications Commission, on the last occasion, issued their rule, I said that it was the most complete cave-in to big corporate interest in the shortest amount of time I had ever seen.

RICK KARR: And the FCC's doing it again, Dorgan said, caving in to pressure from Big Media firms.

SENATOR BYRON DORGAN (D-ND): There's a push at the FCC by some, not all, to satisfy the interests of very big business here. And--I mean, I believe that we only have about six big companies in this country that affect largely what most Americans see, hear and read every single day. And I think the bottom line here is, what will best serve this country's interests, not what will best serve the interests of big companies that own a lot of radio, television stations or newspapers.

RICK KARR: Dorgan says the FCC needs to push broadcasters to serve their communities' interests. And, he says, the Commission should do more to help women, African-Americans, and Latinos buy radio and TV stations. But until Washington does something to fix the problem. Melody Spann-Cooper of WVON says minorities need to find their own solutions.

MELODY SPANN-COOPER: As African Americans, we have got to find a creative way to make some lemonade out of lemons. And if you're stuck with an old model of doing business, you won't survive. Understand that my growth — I've got to survive. And it is contingent on me finding some creative ways to do some strategic alliances to grow my business.

RICK KARR: To do that, she struck a complicated deal to lease a station with a better signal from the conglomerate that reformers accuse of ruining local radio — Clear Channel. That worries some African-Americans in Chicago. They fear that they'll lose their only outlet on the radio dial if Spann-Cooper can't afford to pay up and buy the station from

Clear Channel when the lease ends. But Melody-Spann Cooper says the deal's worth the risk.

MELODY SPANN-COOPER: James Brown said, "I don't want nobody to give me nothin'. Open the door, I'll get it myself." That's where I am. And we've got to turn-- we've got to-- we've got to find some beauty in that which we have been successful with thus far. African Americans have made tremendous strides since the civil rights movement. We have to embrace that. VON is a terrific platform. We need more VONs.

WVON: Join the conversation now. The talk of Chicago - 1690- WVON.

BILL MOYERS: Good to have you here.

RICK KARR: Thanks, it's good to be here.

BILL MOYERS: Evidence is clear that media concentration leads to less local news and less local community service. So why is Chairman Martin rushing to closure on this before Christmas?

RICK KARR: Well, he's made it clear from the day that he became chairman of the FCC that this is something that he wanted to do, this cross-ownership, allowing newspapers, radio, and television to combine. The other thing is he has political cover from the federal courts. Back in 2003, the court said this was the one thing that the FCC could do. Didn't have to do but could do. The other thing, though, is there's a political concern here. He wants to get this done before the primary season really heats up next year. Because he knows that there are Republicans out there who don't like media consolidation either.

BILL MOYERS: Oh, yeah. There have been a lot of conservative groups that have joined in this protest.

RICK KARR: Exactly. Well, the Republicans don't want that part of their base to get excited again, get angry about consolidation.

BILL MOYERS: I would not want to run for Congress or president by -- on a platform of getting Rupert Murdoch or Time Warner or Viacom more local control over my community.

RICK KARR: Which is exactly the thing about this. There's no constituency out there saying we want more consolidation. It's essentially just the big media companies. There are no citizens groups out there saying we want more of this.

BILL MOYERS: I even saw a study this week that showed 70 percent of the respondents said that media conglomeration is a problem.

RICK KARR: Yeah, exactly. People understand it intuitively. They get it-- you know, Jonathan Adelstein of the FCC said to me when we were in Chicago, he said, "People know. They know that it's changed." They used to bump into the people who ran their local station at the grocery store, getting their car washed, whatever. Now it's some far off corporate chiefdom. So they understand.

BILL MOYERS: I mean, it isn't hard to understand why the big media companies, the news divisions and the network and so forth don't cover this so that people don't know about it because they have so much to gain from just letting it happen in the middle of the night, right?

RICK KARR: Well, and a lot of people also, you know, in the industry say this is a boring story. It's not interesting. Who cares? It's in the background. But, you know, what we're trying to do is, of course, show how it affects people's lives.

BILL MOYERS: So how do people, whatever your opinion on this issue, how do people make themselves heard?

RICK KARR: Well, get in touch with the commissioners at the FCC. You know, the FCC's Web site allows you to file public comments there. Send letters, e-mails, faxes, whatever. Also get in touch with your members of Congress. When we were down in Washington covering that press conference with Byron Dorgan and Trent Lott, it was clear that they were interested in hearing from constituents.

BILL MOYERS: But there's a window, isn't there? I mean, there--public-

RICK KARR: There is

BILL MOYERS: --this public comment period runs until when?

RICK KARR: Exactly. Well, right now Chairman Martin is saying that he wants to close this up by the middle of December, by December 18th. Now, that may not happen. He may be pushed into a position where he needs to take a little bit more time. But it certainly is clear that people need to get in touch with him soon, certainly by the end of November.

BILL MOYERS: Thanks, Rick Karr. You and Peter Meryash did a good job for us.

RICK KARR: Thanks very much, Bill.

BILL MOYERS: It's important who owns the press, as we've just seen and heard...but it's also important who decides what is news.

Why wasn't it news last weekend when more than 100,000 people turned out in 11 cities across the country to protest the occupation of Iraq? Los Angeles, San Francisco, Seattle, Chicago, Philadelphia, Boston, Orlando, Salt Lake City, New Orleans, Jonesborough, Tennessee. But if you blinked while watching the national news, you wouldn't have known it was a story. We found less than two minutes of scattered mentions on television.

Here in Manhattan, thousands of people took to the streets in a steady rain — but the national coverage was even damper than the weather. THE NEW YORK TIMES didn't even run a story at all. And local television coverage was sparse.

Forty years ago opposition to war was a big story. You couldn't miss what happened that October day in 1967 when more than 50,000 protesters moved en masse from the Lincoln Memorial across the Potomac river to the Pentagon...calling on their government to end the war in Vietnam.

This photograph by Bernie Boston of the WASHINGTON STAR circled the globe to become one of the most enduring images of the era.

But this one, too, speaks volumes. Secretary of Defense Robert McNamara peering out of his window at thousands upon thousands of his fellow Americans who just wanted to stop the killing.

Among them was sixteen-year old Maurice Isserman, a high school student making his first visit to the nation's capitol. By the end of the day he and other marchers would be tear-gassed and dragged away. Seven hundred would be arrested.

Isserman, forty years later, is a historian teaching at Hamilton College. In the CHRONICLE OF HIGHER EDUCATION last week I came across his essay reminiscing on that day. Press reports, he remind us, disparaged the protesters despite their solemn rendition of the Star Spangled Banner which they sang, "Wide-open, high notes and all." And despite the Secretary of Defense, above them, breaking down and weeping.

Isserman reminds us that only five months before the Pentagon protest, McNamara, one of the war's architects and defenders, had sent the White House a confidential memo outlining his 'growing doubts' about American involvement in Vietnam.

The march on the Pentagon was a watershed, Maurice Isserman writes, turning dissent into resistance.

Even so the war went on for another seven years...altogether almost 60,000 American soldiers died...and millions of Vietnamese...and America still lost, fleeing the country and leaving Vietnam to the Vietnamese.

In Iraq the war also goes on...despite the protests...despite public sentiment that has turned against it...despite almost 4,000 soldiers dead...another 28,000 wounded...and God knows how many Iraqi civilians dead or injured...and the war goes on.

Look at this story in the WASHINGTON POST. It appeared last weekend as those marchers took to the streets.

Reporter Joshua Partlow told of an American unit fighting in a southwest corner of Baghdad...a once middle class neighborhood now in ruins.

One officer told him: "People are killed here every day, and you don't hear about it. People are kidnapped here every day, and you don't hear about it."

The unit has lost 20 of their comrades during their 14 months at war. "The soldiers, Partlow writes, are tired, bitter and skeptical.

One of them told the journalist: "I don't think this place is worth another soldier's life."

Here at home, if you were watching the Sunday talk shows, you wouldn't know anyone was paying attention to either the soldiers or the protesters. The talk was all about politics, fires and Iran.

And if anyone in high office was weeping over yet another war with no end in sight...we'll have to wait until they write their books to know it.

The protest last weekend came almost exactly five years after Congress had backed the President's rush to war. Now, five years later the Capitol and the country alike seem once again to have their fingers in their ears.

In Philadelphia one puzzled protester looked around and wondered aloud why there's not more outrage...as the war machine rolls on.

BILL MOYERS: We turn now to some other people who don't often make the news — the missing class.

Those people we see every day — the fellow behind the coffee-and-donut counter, the day care worker, the check out lady at the grocery store, the crews cleaning the office at night or the airplanes and trains, the cabdrivers.

There's also the home healthcare aide who takes care of the elderly or disabled, the teacher's aide at school. Even that receptionist who keeps things moving at the doctor's office.

All around us every day people doing these important jobs making between 20 and 40 thousand dollars a year. They are missing from the presidential debates. Policy mavens in Washington seldom give them a thought. And unless the commercials are selling fast food or laundry detergent, advertisers ignore them. They make just a little too much to be considered poor and a lot less than what's needed to be called middle class. They're living on the edge — one sudden illness, one pink slip, one divorce away from free fall.

Katherine Newman has chronicled what it's like to work for low wages in America and to try to move up to the next rung on the ladder. She's produced a series of readable and revealing books. Here's her latest THE MISSING CLASS: PORTRAITS OF THE NEAR POOR

IN AMERICA, co-authored with Victor Tan Chen. Professor Newman teaches sociology at Princeton University, where she is also Director of the Institute for International and Regional Studies.

BILL MOYERS: Katherine Neman welcome to the Journal.

KATHERINE NEWMAN: Thank you.

BILL MOYERS: Two themes seem to run through your work with which I'm most familiar. One is the preoccupation with work. With people who are working for a living. And the second is their interior lives. You tell us what these people think. How they feel. Their desires. Their appetites. Their sense of failure. Their sense of aspiration. How do you do that?

KATHERINE NEWMAN: Well, you have to get to know them very well. The book that I published most recently took me seven years to follow these lives.

BILL MOYERS: The nine families you focused on, right?

KATHERINE NEWMAN: Those nine families we got to know them very well over those seven years. The earlier book that I published, that was over an eight year period. So some of these studies take a very long time to do. And you see their lives changing. So the person that you knew eight years ago is different eight years later. And the trajectory of their lives changes, in part, because opportunities change. The economy gets better. The economy gets worse. They're waiting there to grab the brass ring. And if you watch them long enough you'll see how their interior characteristics display themselves when the opportunity presents.

And so I'm very interested in getting to know people very deeply. But to communicate to the people who I want to read these books, you can't just present them with a forest of numbers. You have to give them a sense of the real people behind these numbers. And I think we know very little about the real people who constitute or the near poor in our country.

BILL MOYERS: Tell me, briefly, about Tamar and Victor Guerra.

KATHERINE NEWMAN: Yes. They are a very interesting couple. They live a very difficult life. She is the one who packs perfume bottles in --

BILL MOYERS: Oh yeah.

KATHERINE NEWMAN: New Jersey. So - it takes her about 90 minutes to get to work, where she works for a sub minimum wage. And they only belong in the missing class because Victor works as well. And, together, they earn enough to pull just above the federal poverty line.

They have three children. The oldest of whom I first met when he was about nine years old. And, at that point, he was doing reasonably well. He was never a brilliant student. He had his problems. But he was managing. And then Tamar began to get deeper and deeper into the workplace. And Omar, her son, began to go off the deep end. And, unfortunately, Omar is, today, in an upstate prison in New York.

The middle child in that family was doing so well in school when I first met him that his teachers recommended he skip a grade. And this is, again, coming from a family where the parents don't speak any English at all — could never help him with his homework. But I saw the reports from his math teacher who said, you know, "This kid is fantastic. He should skip a grade." Two years later he was getting warning notices that he would likely fail the high stakes test and was going to be held back in school because he just began running off the rails. He wasn't very well supervised during the day. And the family life was unraveling under the pressure of these two parents who were working so hard.

The youngest child was four years old at the time that I first knew him. And had been the victim of lead poisoning. They live in a neighborhood that has very heavy exposure to lead paint. They're old apartments, prewar apartments. And the lead poisoning with which he was diagnosed was not doing his development any good. He had attention deficit disorder. And, actually, a lot of these attention deficit problems may well reflect underlying problems of lead poisoning in poor neighborhoods. Lead poisoning is a form of brain damage, basically.

So this is a family that was sort of hanging on by the threads to their position in the missing class. And, as far as the adults were concerned, earning a living was very important to them. They were working so hard because they really didn't want to be dependent on anybody else. They wanted to be a self sufficient household. But without the kinds of supports those kids would need, the gangs in the neighborhoods...

BILL MOYERS: Yeah.

KATHERINE NEWMAN: The failing schools. The lead poisoning. These are problems that can unravel a family.

BILL MOYERS: And the moral of their story?

KATHERINE NEWMAN: Well, the moral of this story is if we could do better in terms of the kinds of public supports we provide, better schools, better healthcare, so that we didn't wait four years to find out this kid had lead poisoning problems, maybe he wouldn't have lead poisoning. Maybe he wouldn't be in so much trouble. We don't want to stop these parents from working. We just want to level the playing field so that their children have a shot at a better future — instead of being condemned to perhaps repeat the parent's early experience in poverty. Which is what I fear will happen to them.

BILL MOYERS: You described them as very productive people, but also very fragile.

KATHERINE NEWMAN: They are very fragile because 20 to \$40,000 a year for a family of four is not very much money. And if you have only one such earner in the household you're really very vulnerable. But, even when you have two, putting together two poverty level incomes in order to create this missing class, it's a fragile existence.

BILL MOYERS: So one accident, one illness, one unexpected event...

KATHERINE NEWMAN: One kid who gets sick.

BILL MOYERS: Yeah.

KATHERINE NEWMAN: One parent who gets sick. A health insurance plan that fails you, or no health insurance at all, which is true for many of these families. And you end up in trouble. And you could fall down below the missing class back into poverty. Which is what no one wants. They're absolutely desperate to stay out of that category. And if the economy's strong, they often do. And, in fact, can move up from the missing class up to the middle class if they get more education.

But it's a fragile existence because they don't really have the security that comes with owning a home, for example. Or having a savings account. Or any of the other buffers the rest of us have. And they don't qualify for federal benefits for the most part. So they don't have that safety net that we put in whatever patchwork ways underneath the poor.

BILL MOYERS: How many people are we talking about in this country?

KATHERINE NEWMAN: There are over 50 million Americans who are in the missing class or the near poor. And that's quite a bit more than the 37 million who are officially poor. And about whom we worry a lot more in terms of policy. And we should. But the missing class is a very large number of people. And it's over 20 percent of the nation's children as well.

BILL MOYERS: And, yet, you write that they are off the radar screen.

KATHERINE NEWMAN: That's right.

BILL MOYERS: Why?

KATHERINE NEWMAN: Well, they're too busy to cause trouble for the rest of us. They don't agitate. They're not politically organized. They tend not to be heavy voters. And they're not as desperately poor as those below the poverty line whom we correctly direct address a lot of our attention to.

They're not on the welfare system. So we don't worry about them from that point of view. But they can't get Medicaid, because they're too wealthy for that. They don't get food stamps. They don't get subsidized housing, for the most part. So we don't really think about them very much. We don't even track how many of them we have. I had to do some fancy footwork with census even to figure out how many people we have.

BILL MOYERS: They are missing, aren't they?

KATHERINE NEWMAN: They are totally missing.

BILL MOYERS: But you write very candidly about how unlikely it is that the children of the missing class will, in fact, do as well as if not better than their parents. Why is that? Why are they so vulnerable?

KATHERINE NEWMAN: Well, they're vulnerable because the conditions of their family lives, and the resources their parents can bring to bear, don't give them a very big leg up. And we don't equalize the leg up either, by providing them with really high quality early childhood education or by enriching their schools. Which would help correct for the things their parents can't do for them. Their parents cannot be there to take them to the library all the time, or teach them their multiplication tables. Even if they had the time, they might not have the skill.

But we expect all children to learn as if they came from equally well endowed families, and they don't. My children have had many privileges that the children in these families really don't have. And, evermore your fortunes depend on how well you do in the labor market by function of your education. If you don't do well in school, and you don't get a college degree, it's very difficult to become part of the middle class today.

BILL MOYERS: Right.

KATHERINE NEWMAN: These kids don't have the money.

BILL MOYERS: You say in here that it's clear that if that parent has an education the child benefits from being in a house with a single parent who is educated.

KATHERINE NEWMAN: Absolutely. We know that this pays off, not only in the lives of the adults who earn more when they get a college degree, but in the way they raise their children and the skills they can give their children, because they are better educated themselves. It's a huge boon. And it breaks the cycle of intergenerational poverty when we educate one generation and let them help educate the next one. Parents are hugely important in how children turn out. That's no great shock is it?

BILL MOYERS: I mean it's marvelous how you're able, as a writer, to put a human face on people. I remember George Bernard Shaw said, "It's the mark of a truly educated person to be deeply moved by statistics." But you go beyond the statistics and actually draw profiles in words of these people. Tell me, for example, about Julia Coronado from the Dominican Republic. A woman with big dreams.

KATHERINE NEWMAN: Julia Coronado came to the mainland US when she was about 19 years old. And she didn't speak any English at all. And was pretty desperate straits — had

some difficult times with her husband. Found a job working in a factory where she cut her fingers everyday because it was a leather working factory. And had two children that she was then responsible for almost entirely, because her husband turned out to be not such a good egg.

She was on welfare for a time with her children who were dependent on it. But Julia has tremendous determination. She went back to school — at a time when we allowed people on welfare to go back to school, and we helped to cover their expenses that way. She got some training in computer programming. And eventually landed her dream job, a white-collar job working at a doctor's office here in Manhattan. And these doctors were apparently not so good at scheduling their patients. So it wasn't a very efficiently run office. But Julia is very efficient. So she organized an entirely new system for booking these patients and organizing that doctor's office.

BILL MOYERS: Right.

KATHERINE NEWMAN: She's working so many hours. She wants something to show for it. She'd like a new dress occasionally. And so all those credit card applications that roll into her mailbox every week, she tends to exercise them in ways she really shouldn't. So Julia is a mixture of someone with tremendous drive and discipline — without a completely clear understanding of what credit cards really mean, and what it means to pile up debt. So she has significant debts that could be very undermining in the long run. But she cut those cards in half during the period that I was studying her life intensely. And is trying to work her way out of debt.

But that's just one small piece of the financial problems the near poor run into. They also pay over the mark for just about everything they purchase.

BILL MOYERS: Everything.

KATHERINE NEWMAN: Because the big box stores don't operate in their neighborhood. So everything they buy, whether it's a car or a grapefruit, costs more in their neighborhood than it does in my neighborhood. So they're served poorly by stores. They are often the victims of this sub prime lending system, or predatory lending. So when they try to purchase something — either through credit cards or if they're just trying to buy a house like the rest of us would try — they are likely to sign paperwork that's going to obligate them to usurious mortgage rates. They're not very well educated consumers. And there are firms out there that are going to benefit from that ignorance.

BILL MOYERS: So it is accurate and fair to say the system's stacked against them?

KATHERINE NEWMAN: I wouldn't exactly put it that way. I would say, at some point in our history, especially the late 90s and the early part of this decade, the system, meaning the economy, worked very well for them. It permitted a degree of upward mobility that was really unprecedented in many respect. And it allowed people like Julia Coronado and some of the other families I profiled, the make that move up.

But the commercial system, the sort of mercantile system, that doesn't work very well for them. And the educational system is marginal for them also. Because they don't understand things like credit and they can get into trouble as a result.

And I'm not at all sure that our infrastructure for their children is going to work very well. If we really, really wanted to be sure that Julia Coronado's children were going to exceed her standard of living, or just match it, we would make sure they went to schools where we were certain they would be learning what they need to learn. Where we would give them after school academic assistance. So the fact that she's not around wouldn't hurt them so much.

But we actually don't. We don't even really invest in a solid system of daycare, much less early childhood education. And when we look at our competitors, in Western Europe, for example, they all do. They all do this. They offer early childhood education more or less from the cradle onward. In Italy. In countries that are much poorer than ours. And, as a

result, their children start school with much more skill than our children do if they come from poor and near poor households.

So I do worry about whether their kids will be able to follow behind them. Not because they wouldn't be capable. But because if their parents are not there to do what you did for your kids and what I do for mine everyday.

BILL MOYERS: But you do make it clear, I mean, one cannot finish THE MISSING CLASS without realizing that that old American cliché, you know, get a job is not the last word.

KATHERINE NEWMAN: A job alone is not enough if it only pays you \$20,000 a year. Then you need more earners in your household, or a higher income, or more education so you can qualify for a better job. Or living wage bills that will increase the earnings that you have. Or-

BILL MOYERS: Making work pay.

KATHERINE NEWMAN: Making work pay better, certainly. You know, this is a mantra that goes back to the Clinton administration. But nobody should be working and still poor in the United States. That's a travesty. These people are not poor. Technically speaking.

BILL MOYERS: Right.

KATHERINE NEWMAN: But they are quite vulnerable because it's not enough.

BILL MOYERS: I even remember Ronald Reagan making a speech saying, "Nobody in America should be taxed into poverty." And, yet, as you make clear, in THE MISSING CLASS, a lot of these hard working people are taxed.

KATHERINE NEWMAN: Oh.

BILL MOYERS: Almost back or if not back into poverty.

KATHERINE NEWMAN: If you live in the deep south, the chances that you will be paying income tax, even if you have a family and you earn less than \$5,000 a year, are quite high. And I have to say some courageous Republican governors in the south tried to change this by lowering that tax burden and trying to inject more resources into the school system. And they were defeated roundly.

Which is a tragedy for our southern states. Because they're not going to pull into the modern world where education is critical for the future if they don't educate that vast majority of poor people in those states who need it.

But I think that until you have people who are better educated and able to follow the political debates themselves instead of being handed a spin version, they won't even understand. Even the poor in Alabama didn't vote very solidly for that bill. Which is, really, too bad.

So I think this is part of the story of inequality in our country. If people don't have the education it takes to read the newspapers and absorb these debates for themselves, and make their own considered judgment about political options out there, they will be more easily swayed by the spin that comes across, and ads. And that's not a very intelligent way to exercise the vote. But it's what many people end up dwelling on, unfortunately.

BILL MOYERS: I'm intrigued that you give us these human portraits of the missing class, the near poor. But you also advocate some policies that you think would make a difference in their lives that are not welfare.

KATHERINE NEWMAN: I'd like to see these people have a crack at low income home ownership, where it's sensible. It's not sensible for everyone. But it can be a very, very

important resource. Sixty-eight percent of Americans are homeowners. But these people tend not to be for the most part. And home ownership is a critical aspect of savings. Most of us don't save out of our paychecks. We pile up money in our bank accounts because the equity that we hold is increasing in value, most of the time. Not this year, but most of the time.

BILL MOYERS: Right. Right.

KATHERINE NEWMAN: And, but if you're in a near poor household the chances are that you won't be able to do that. Or, if you do, you're going to be a victim of predatory lending. But they need the same kind of opportunity to build equity that everyone else does. They need the opportunity to save. And that means they need banks in their neighborhoods. They don't have banks in these neighborhoods for the most part. So they go to payday lending. They go to check cashing, which takes a huge whack out of their paychecks. They need to be able to go to college. Their children need to be able to go to college, and adults need to be able to come back to college for more skill.

BILL MOYERS: And look what's happening to the college tuition.

KATHERINE NEWMAN: College tuition is out of sight. Every time the City University of New York, which is our main public university here in New York, raises tuition by \$1,000, 40,000 students drop out.

BILL MOYERS: Wow.

KATHERINE NEWMAN: Now many of those people eventually finish their college degrees. But it could take them ten years, 15 years. And that's lost earnings to them. Because they don't have the credentials to use in finding a better job. So anything we could do to increase the likelihood that people in the missing class would be able to go to college and finish their college degrees will help them. Retirement is important for them, just like for the rest of us. Healthcare. The S-CHIP bill would have been--

BILL MOYERS: Yeah.

KATHERINE NEWMAN: --a godsend for these people.

BILL MOYERS: So these are the kids who are affected adversely by the president's veto a couple weeks ago?

KATHERINE NEWMAN: Absolutely. Because these are the people who don't qualify for Medicaid. But tend not to work for employers who are either able to or willing to give them first class health insurance. So either they have something approximating catastrophic health insurance, which means they don't get preventative care.

BILL MOYERS: Right.

KATHERINE NEWMAN: Or they have no health insurance at all for themselves or for their kids. If you have a kid who gets sick and you don't have health insurance, you lose days from work. If you lose days from work, you lose your job. And so it sets into motion a cycle of withdrawal from the labor market. So it's just bad policy all the way around. And I don't think we've seen the end of this.

BILL MOYERS: How do you explain that we seem to have written off, or seem not to think of, you know, 50 to 60 million people who are vital to our economy, vital to our communities, and yet are not part of our thinking as a society. Or the policies that we enact in Washington. How do you explain that?

KATHERINE NEWMAN: The reason I wrote this book was to try to put these people on the radar screen so everyone would understand that we have a huge number of people in this kind of vulnerable situation. And I've been amazed, as I've done interviews around the country, and people call into radio stations, at the desperate cry for recognition from

people who call in to say, "Hey, that's me."

BILL MOYERS: Me.

KATHERINE NEWMAN: "That's my family. That's my life. My children are-- I'm worried about them. I don't know what's going to become of them. I don't think I can send them to college. I'm not sure where the next rental bill, you know, payment is going to come from." There's a lot of vulnerability out there, even with unemployment being relatively low.

So I think we need to put these people back on the radar screen. And understand that if we invest in them, we invest in the prosperity of the nation. This is not about welfare. This is not about handouts. We built the modern middle class on investments. The GI Bill. The Social Security system. Those were pri-

BILL MOYERS: Home ownership.

KATHERINE NEWMAN: Home ownership.

BILL MOYERS: Low cost.

KATHERINE NEWMAN: Low cost tax deductible mortgages.

BILL MOYERS: Right.

KATHERINE NEWMAN: These were investments in the prosperity of the nation. These people are just waiting for those investments. And, in the meantime, they're going to work themselves to death in order to do what they can for themselves.

BILL MOYERS: Is it because they have no political muscle? Or have we lost the moral compass?

KATHERINE NEWMAN: Well, they don't have a lot of political muscle. I mean, I'm hoping that candidates who focus attention on them will actually gain traction. But it's not clear that you can win an election focusing on the dispossessed in our country. I hope you can. That would certainly reassure me about the moral fiber of the nation.

We have a lot of unfinished business here. And it's understandable why we focused on our foreign policy in Iraq, and so on. All of which is absolutely critical. But all we had to do is see those pictures from Katrina to know that we have massive amounts of unfinished business. And these people are unfinished business.

BILL MOYERS: It's a very important book.

KATHERINE NEWMAN: Thank you.

BILL MOYERS: THE MISSING CLASS, PORTRAITS OF THE NEW POOR IN AMERICA. Real people. Katherine Newman, and your collaborator Victor Tan Chen. Thank you very much--

KATHERINE NEWMAN: Thank you.

BILL MOYERS: --Katherine, for being with me.

KATHERINE NEWMAN: Thank you, Bill. It's a pleasure.

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