



FAIR PLAY

FALL 2008

The Moment We've Been Preparing For

When we started to think about this edition of Fair Play last spring, we had no idea how historic the election would be. Our plan was to focus on the long-term struggle for economic fairness and the value of social movements in achieving fundamental economic change.

Then Obama's team built a strong grassroots and netroots coalition with new voters, and Wall Street imploded. The economy was the number one issue, and change won the day.

In his victory speech, Obama said, "This victory alone is not the change we seek. It is only the chance for us to make that change."

As a former community organizer, Obama knew he was taking on a massive challenge, and if he were to succeed, he would need a massive amount of support.

We often talk about teachable moments, and the economic crisis is such a moment. Teaching about how we got here helps folks understand what rules need to be changed to make the economy more secure and fair in the future. And the election of Barack Obama is also a teachable moment, one that demonstrates the power of coalition and activism.

At this moment of incomparable potential, we believe that the country is poised to make decisions about fundamental economic issues such as:

- Who's the economy for?
- What would a fair economy look like?
- What political and economic rules need to be changed to achieve an economy that works for everyone?
- What's the appropriate role for government in setting and monitoring the rules for the economy?

This is the moment that UFE has been preparing for. During our 13 years, we have developed a way of explaining the economy that allows everyone to participate in creating a vision of a fair economy. And we have followed an educational approach that is inclusive and empowering. As a result, we make sure all voices are heard and all needs considered.

A key first step is to build a shared understanding of the concrete possibilities for creating a fair economy. People are hungry for information that helps them make sense of what is happening and tools that help them take action to create a fairer economy.

With our unique analysis, educational resources, and support for movement building, we're ready.



A demonstration of UFE's Ten Chairs exercise.

Gotta Keep on Talkin' and Keep on Walkin'

By Steve Schnapp,
Senior Education Specialist, UFE

Educating and organizing: we at UFE are not alone in wrestling over how to do both at the same time.

It was one of the questions on everyone's mind at the National Organizers Alliance (NOA) gathering last spring. Participants were buzzing from the tremendous energy generated by the Obama campaign. Energy the elders in the group hadn't seen since the Civil Rights Movement—and the talk was all about how to keep this momentum going beyond the election. In other words, how can we use these teachable moments to deepen understanding and build the movement infrastructure for the long-term struggle?

The short answer is to *make* the road while we walk. The complete answer, however, lies in reflecting on how organizing and education can support each other.

In preparing for my workshop, "Educating and Organizing for Economic Justice," I re-read the debate between Paulo Freire and Myles Horton published in *We Make the Road By Walking-Conversations on Education and Social Change*.

In the 1950s, Freire, a social justice activist and seminal educator, taught peasants in Brazil to

read. The campaign was to qualify them to pass the literacy requirements to vote. His goal, however, was more than literacy and voting rights. He sought the liberation of the oppressed from the grinding violence of poverty and inequality. Freire believed that in order for people to liberate themselves, they must first grasp the nature of their oppression, and then engage in transforming their circumstances.

I also turned to the campaign known as Freedom Summer. The immediate goal of Freedom Summer was to register Southern Blacks to vote in order to challenge the legitimacy of the all-white Mississippi delegation to the Democratic National Convention. The long-term aim, however, was to transform the racist power structure of Mississippi and the South.

In the summer of 1964, 41 Freedom Schools opened in churches, porches, and back yards throughout Mississippi. Organizers not only taught basic educational skills (reading, writing, math), but also encouraged students to name the reality of their lives and question the institutions of white supremacy. Through this process students were transformed into activists and organizers for the Civil Rights Movement.

Using models that combine educational activities with organizing and mobilizing campaigns is not always easy. Electoral campaign efforts tend to focus solely on the short-term goal of winning an election. Consequently, when the campaign is over, everyone goes home and the potential to build con-

sciousness that will sustain a broader movement is squandered. Yet it is this campaign-centric



A UFE Training of Trainers Institute, April 2008.

approach that has become standard practice for organizing.

In Massachusetts, for example, a coalition of unions and advocacy groups successfully organized to roundly defeat the latest ballot initiative to eliminate the state income tax. The leaders, however, designed a limited, message-based campaign. Building a knowledgeable and engaged base, the foundation of a social movement, was dismissed as a digression and the opportunity was lost.

We know from experience that placing a campaign in the broader picture offers important advantages. The most significant is that long after the specific campaign is over, the seeds of empowerment can grow. After all, in order to advance the fundamental changes necessary to achieve social and economic justice, people must be educated, passionate, and engaged for the long haul.



**"Power concedes nothing without demand. It never did and it never will."
— Frederick Douglass**

Q & A with Susan Williams

Executive Director
of the Highlander Center

Highlander Research and Education Center, based in Tennessee, was founded in 1932. In its early days, it helped build a progressive labor movement in the South. During the Civil Rights era, groups such as the Southern Christian Leadership Conference and the Student Non-Violent Coordinating Committee used Highlander as a place to meet and make plans. We spoke with Susan Williams recently by phone.

What has Highlander's role in social movements been?

Highlander is really just a gathering place. Back in the Civil Rights era there were few places for people to gather. Highlander was such a place, and was closed down by the state in the late 1950's for this radical democratic work of having people meet together.



The Civil Rights movement became visible in the 50s, but actually had roots that started much earlier. The Center had decided that they wouldn't do Labor workshops that weren't integrated. They knew that the South would never change unless black and white people could work together as equals. So, there were people who met at Labor workshops at Highlander in the 40s, who went on to be involved in the Civil Rights movement.

How are social movements today different?

Today, it's much easier to communicate, and now there are many places where people can meet to discuss important social issues. Even though lots of people are organized, that doesn't add up to a movement. We have lots of ways of communicating, but that doesn't add up to a strategy.

What we do at Highlander, you can do anywhere, but the philosophy and approach we use are important. The way we bring people together and have people respect each other and learn from each other – that comes from popular education methodology.

Also, we try to bring cultural aspects into the work. In the Civil Rights movement, singing helped people put their voices together and helped them deal with their fears and overcome what was often terrifying. We help people connect with each other – not just with their heads, but with their hearts. This, in turn, enables people to come together with people who are different from them.

What do you see as the role of social movements in being able to change rules (such as legislation or policies)?

If you look at the civil rights movement, rules were changed, but also the dominant frame was changed. It's not just about changing a policy but

about changing our mindsets. Policy change can then come out of that.

What do you see as the missing ingredients in social movements today?

We're not so good at connecting our issues with others. We need to work harder to see our own interests as broader, in a more community and global way. People are certainly capable of doing that, but often they need help.

What do you think of economic justice as a cause for a movement?

I've always thought that the overall frame of economic justice offers a really useful unifying vision for bringing disparate groups together to work for social change. Now, with the meltdown of the economy, we have a powerful moment to learn, understand, organize and look for alternatives. UFE's frame of wealth distribution is a great example of a vision to stay focused on while

we work for specific policies.

What should political candidates do to encourage social movements?

Well, I don't believe that politicians are in the business of creating social movements. It's more the other way around. They will respond to pressure from social movements.

What Barack Obama did so well in his campaign was to make people feel part of a larger connected whole, with a positive vision of possibilities for change. We need to be helping people have conversations about the change they want to see, and build strategies that go beyond the particular candidates. Then we need to mobilize people to push for that change.



Rosa Parks prepared for her nonviolent civil disobedience by attending a training session at Highlander in the summer of 1955.

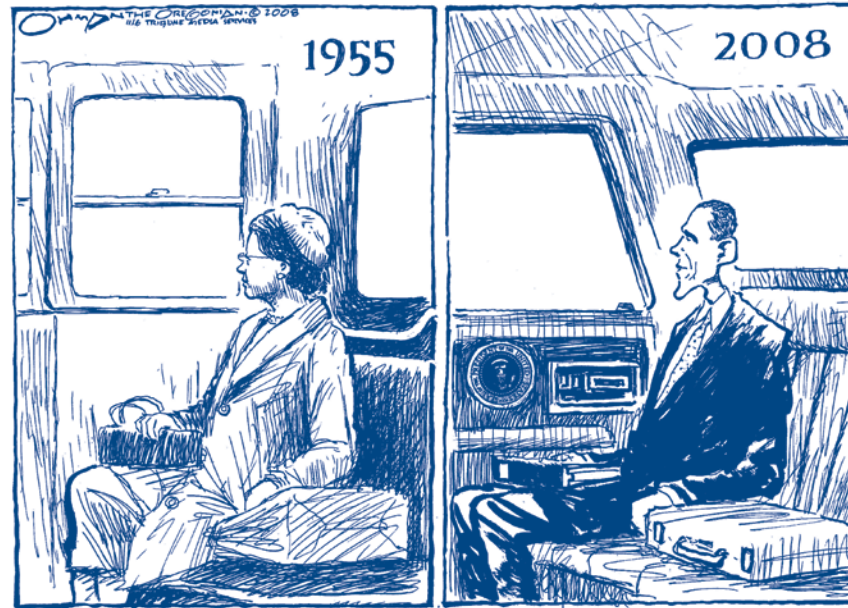
Presidents and Fundamental Change: The Lessons of History

Barack Obama's historic victory was due to many factors, including an energetic, sophisticated, and nationwide grassroots and netroots mobilization. But nothing contributed more to the voters' decision than the economic disasters that burst upon the country and the world in the final months of the campaign.

Obama now faces enormous difficulties in making good on his promise of fundamental changes to the economy. Almost immediately, commentators started dismissing the progressive populist mandate, saying that we're still a "center-right nation." And the economic downturn itself will make it increasingly difficult to move legislation and government programs in new directions.

There is no simple way to predict how a president will act in challenging times, but history shows us that even our most powerful presidents needed strong support – and even pressure – from organized groups in order to achieve success.

Before the Civil War, Lincoln opposed the effort to declare slavery illegal, citing the doctrine of states' rights. Only after the war started going badly and he feared losing the support of the abolitionists did he change his mind. According to historian Richard Hofstadter, Lincoln was like "a delicate barometer [recording] the trend of pressures, and as the Radical pressure increased he moved toward the left."



In the 1930s, massive numbers of people, organized into labor unions, tenant groups, and unemployed councils, put tremendous pressure on Franklin Roosevelt to improve their lot and halt the excesses of the wealthy. Roosevelt responded brilliantly with the New Deal, which he broadened into a unifying solution not only for unemployed and low-income workers, but also for significant numbers of wealthier people who became allies, providing important ideological and political support for FDR.

During the 1960s, Lyndon Johnson was busy twisting the arms of his colleagues so that they would accept the notion of civil rights as "an idea whose time has come." Bill Moyers, Johnson's press secretary, noted at a meeting between Johnson and M.L. King that, "[LBJ] ... said, in effect: 'OK. You go out there Dr. King and keep doing what you're doing, and make it possible for me to do the right thing' So King marched and Johnson maneuvered and Congress folded."

The parallels between the tipping points for previous social change movements and today are many. But can today's electoral coalition grow into a movement for fundamental economic change rivaling the power of past movements for social change?

Let us hope so. But let us do more than hope. Let us expand our efforts to educate ourselves about the rules that underlie the economy, and use our voices and actions to inspire others to join the cause.

Turning from 30 years of economic rules that resulted in a vast transfer of wealth upwards will be a challenge. But a large, strategic grassroots movement could carry the same power of previous ones and succeed in moving us to a more equitable approach. It's up to us.

Although the 1960 lunch counter sit-ins were the most influential, the Congress of Racial Equality sponsored sit-ins as far back as 1942 in Chicago, 1949 in St. Louis and 1952 in Baltimore.

The Winning Tax Ideologies

This year's Presidential campaigns presented stark contrasts between the leading candidates' approaches to taxes.

Gone were the typical controversies of whether the major party candidates were pro-tax or anti-tax, or even pro-tax-cuts vs. anti-tax-cuts. Both favored tax cuts. The distinction was about whose taxes should get cut.

Although McCain worked hard to promote what he called tax cuts for everyone, Obama made clear his intent to increase taxes on the wealthy, in order to give more tax cuts to the non-wealthy.

In one stroke, Obama's team showed its support for two key aspects of progressive taxation: fair and adequate. Adequate with its commitment to raising revenue to accomplish policy goals. Fair in that increasing taxes on the wealthy makes the structure more progressive.

McCain and his supporters pushed back hard, calling the approach socialism and redistributionist. A clear majority of voters went for it anyway.

In hindsight, we could have predicted this response based on our work to preserve the estate tax and our work with tax advocates at the state level.

As our nation's most progressive tax, the estate tax is a bellwether for how progressive our broader societal values are. We think this is why the right attacked it so vehemently and why our fight to preserve and strengthen it has been increasingly

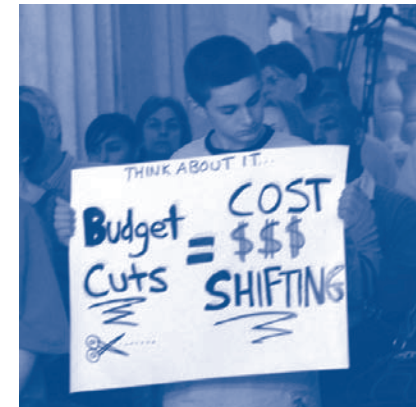


Estate tax supporters spent the day meeting with Congressional staff in March 2008.

successful. By last spring, the opposition had given up hope of abolishing the tax outright and instead focused efforts on minimizing it. For the first time, progressive legislation that we support, the Sensible Estate Tax Act of 2008 (HR6499), was introduced by Rep. Jim McDermott.

Meanwhile, the revenue and budget picture at the state level has become dire. States are facing crippling revenue shortfalls and an ever-increasing demand on safety nets and services as the economy tumbles in free fall and people lose their homes, jobs and benefits. Through the 27 member organizations of our Tax Fairness Organizing Collaborative, we are hearing that support is increasing for keeping adequate revenue in place, and for ensuring that lobbying by special interests doesn't use the crisis to make the tax structures more regressive.

Fair and adequate taxes are back on the table!



A demonstration supporting tax increases in Rhode Island.

The Four Bs

Bankers, Brokers, Bubbles and Bailouts: The Causes and Consequences of the Financial Crisis.

That's the title of our new, interactive workshop, which looks at trends in income and wealth and the rules that led to the current meltdown. Included are human graphs that dramatize the unfair economy and its impact on all groups of people. To download the materials for free, or request a presenter, visit our website: FairEconomy.org.



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**"Our lives begin to end the day we become silent about the things that matter."
— Martin Luther King**

Breaking Down Racial Barriers to Wealth:

A Profile of UFE's Racial Wealth Divide Program

"Wealth is used not just to pay the rent or buy groceries, but to create opportunities, to free you to pursue your dreams."

— Rev. Jesse Jackson

Though it has been forty years since Civil Rights laws outlawed discrimination, the unfortunate truth is that people of color today have only 15 cents for every dollar of wealth that white people have.

We think of wealth as a reservoir that can be tapped during tough times or used to invest in one's future. It can be the difference between more education or less, or between buying a car that allows you to commute to a job or not. Wealth is the basis for a bright economic future for children today and the generations to come. It is a major advantage for folks who otherwise live from paycheck to paycheck – and it is a key determinant of upward economic mobility.

Understanding the roots of the racial wealth divide in this country is crucial to understanding how racial inequality plays out in today's society. UFE's Racial Wealth Divide (RWD) program strives to address these very issues and deepen understanding of the historical and contemporary barriers to wealth creation among communities of color.

The RWD program offers resources such as workshops, reports, policy initiatives and community empowerment strategies for the media and the public at large. The ultimate goal is to create a



network of people and groups working to abolish the racial wealth divide. We believe that successful movement building must bring together grassroots organizations and public officials to address local, state and federal policy.

By focusing on the vast racial inequity of wealth, we hope to create an understanding that economic policies have been – and continue to be – tilted in favor of those who already have wealth and assets. We believe that to address such inequality, the government needs to invest in people and communities from the bottom up. To be specific, we need to create and support policies that help people of color build assets and strengthen their communities.



Teen girls participate in a Racial Wealth Divide workshop, July 2008.

To find out more about the Racial Wealth Divide program and how you can help, visit our website, FairEconomy.org.

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The Montgomery NAACP and Women's Political Council began planning a bus sit-in and boycott years before Rosa Parks refused to give up her seat.

Bubbling Bailouts

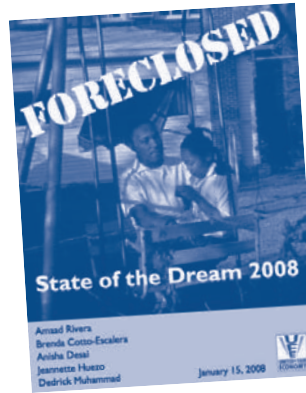
The government's \$700,000,000,000 bailout for Wall Street incited people all over the country to voice their disgust for the status quo and their desire for change. Here at UFE, we worked 'round the clock – tracking the financial crisis, updating our website with current analysis and producing a new workshop (see sidebar on page 5: The Four Bs). Our goal: to create activities and materials to help people understand the crisis, what led to it and the government's response. As always, we want to lead people to actions they can take.

As the Wall Street crisis and the slew of bailouts continue to scream about what's wrong with our economy, we will continue to use the opportunity to point out the underlying rules of the economy that need to be changed.

Race and the Sub-Prime Crisis

When we published our January 2008 report on the greatest loss of wealth for people of color in modern history, we expected to make waves. And we did. The media interest in *Foreclosed: State of the Dream 2008* was intense, with more than 200 stories, radio and TV appearances in just the first few months after its release.

We knew we were part of a larger story and would have to work hard to bring the focus onto predatory lenders for the havoc that they had wreaked on individuals and communities of color. And we predicted that the sub-prime crisis could be the beginning of a much broader economic meltdown, but we were hoping it would not happen. Unfortunately, the inequality at the root of the disaster did escalate to have a devastating



impact on the entire country. crowded out by coverage of the impact on Wall Street and investors.

In the broader crisis narrative, while the general impact on homeowners continues to receive media and government attention, the voices and stories of borrowers, especially people of color, have been crowded out by coverage of the impact on Wall Street and investors. So it is fortunate that our sixth annual *State of the Dream* report on racial inequality will be published on Martin Luther King Day (five days before the inauguration). As our first African-American President takes office, we will again call attention to the vast racial economic divide that has caused a depression for people of color in our country, and the need for targeted policies that give more wealth-building opportunities to all communities.

\$20 Billion Small Potatoes

From *The New York Times* to the *Kansas City Star*, CEO pay was a hot topic in early September due to our report entitled *Executive Excess 2008: How Average Taxpayers Subsidize Runaway Pay*. The 15th annual Labor Day report co-authored with The Institute for Policy Studies sparked a bit of outrage about the \$20 billion per year in tax subsidies that we found directly support limitless pay for top executives.

Then a much bigger outrage happened over the \$700 billion Wall Street bailout proposal. But CEO pay remained in the news, with even John McCain and Sarah Palin jumping on the bandwagon.

Keeping attention on out-of-control CEO pay focuses policy and solutions discussions on the failure of the so-called market to reduce excesses in compensation. Instead, the obvious conclusion is that we need to reform the rules – both formal and informal – that support and enable such excesses.

Our report found five direct, very formal rules in the federal tax code that could be reformed to save the \$20 billion per year. The legislation to close the associated loopholes has been stalled, but we hope that with the new administration, new members of Congress and renewed pressure from the public, such measures will find their way into law.

For the report and other info on CEO pay, visit our CEO Pay page: FairEconomy.org/issues/ceo_pay.



Over 250,000 people attended the March on Washington on August 28, 1963, at that time, the largest demonstration ever seen at the nation's capital.



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FAIR PLAY

The Newsletter of United for a Fair Economy

FALL 2008



How to build the momentum for
fundamental economic change.

See page 2 inside.

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