

The Unwinding: An Inner History of the New America Study Guide

The Unwinding: An Inner History of the New America

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Summary

George Packer is an old-fashioned muckraker in 21st Century America. But unlike those crusading journalists a century ago who tackled a single issue like child labor or slaughter houses, Packer takes on the whole country. He probes far and wide to find out what's rotten in the U.S.A., defines the problem broadly and through individual stories, connects the dots and pulls no punches. Throughout, his work has the ring of truth.

His territory is the soft underbelly of America—not the fruited plains or bombs bursting in air of an idealized America—where greed, cynicism, political bankruptcy and broken dreams find solid nourishment. Packer doesn't have any real press-stopping news, but he delves deeply into contemporary issues in a way few journalists can and comes up with some positively frightening scenarios—snapshots, as it were, of the galloping cancer that eats at the bowels of America.

Wall Street, Washington, Tampa, Silicon Valley, the banks, Wal-Mart and Big Pharma are some of the targets in Packer's crosshairs. He portrays an America where only fools and suckers believe in its mythology of equality, justice, economic fairness, good government and apple pie.

Thus, The Unwinding of our social and civic contract, our simple decency, our Bill of Rights and just about every institution intended to sustain a humanist democracy. In contemporary America, "We're all in this together" has been supplanted by, "Every man (woman and child) for himself."

This book raises the question whether it is possible to have a true democracy supported by a capitalist economic system.

In surveying this scene, it is not enough for the reader to ask, "Would the Founding Fathers approve?" but rather "Would the Founding Fathers believe what has happened?"



Part I (p. 7-175)

Summary

Dean Price:

From a young age, Dean Price tells himself he will work hard to escape his family's pattern of self-defeat and poverty. Dean sees his father rise from his Tobacco Road environment to become a worker in North Carolina manufacturing plants. But his father also is caught in a pattern of losing or quitting jobs, and he is a violent alcoholic. Dean works himself through college then heads north for a sales position with Johnson & Johnson in Pennsylvania.

Disgusted with his job, Dean determines to become an entrepreneur. He marries and has two sons, but his marriage falls apart as he drinks more and more heavily. He quits his job just before getting fired and moves back to North Carolina in 1997 at the age of 34. As the tobacco and textile industries flourish, Dean builds a gas station, convenience store and Tastee Freez franchise on land he's inherited from his grandmother close to Route 220 to service long-haul truckers who pass continuously between North Carolina and Virginia.

Dean opens another retail operation about an hour's drive from his first and soon learns that a large Pennsylvania chain called Sheetz plans to open a truck stop convenience store only one mile from his operation. He worries, loses sleep and reads a self-help book called *Think and Grow Rich* by Napoleon Hill, who claims to have been a protégée of Andrew Carnegie.

Dean grows bored with the convenience store business. He contacts an old friend in Florida and asks him to come join his business as a partner. They work together several years, until Dean finds that Chris is an addict/alcoholic who has been robbing him all along. He sells his original store for \$1.5 million and purchases a Back Yard Burgers franchise. Dean learns that Wal-Mart plans to open three stores in the vicinity, which would wipe out practically every small entrepreneur. When hurricane Katrina hits the Gulf coast, prices of fuel rise and then deliveries of fuel stop.

Previously a Republican, Dean realizes that Bush is a servant of the oil companies and multinationals. He hears about bio-fuels produced from homegrown oils, and goes into the bio-fuel business with a friend. He sees his future in canola oil.

Tammy Thomas:

As a 47-year-old black woman raised and living in Youngstown, Ohio, Tammy Thomas recalls the slow death of the urban neighborhood into which she was born as well as the broader decay of industry in the Rust Belt. As a child Tammy sees her mother frequently in and out of prison for drugs, check fraud and robbery.



By the age of 15, Tammy is pregnant and with the baby comes a steely resolve to finish school and escape the projects and the poverty that are all too familiar. Forced onto welfare because the father of her child disappears, Tammy earns an associate degree at a technical college and works for two years as a cashier. Meanwhile, she has two more children.

In Warren, Tammy secures a unionized assembly line job for a decent hourly wage. Although the work is boring, Tammy makes enough to support herself and three children. She likes being a member of the union and socializes often with fellow workers. As crime and urban decay spread, Tammy moves to another neighborhood but the blight follows.

But her three kids turn out well, without serious scarring from being raised in Youngstown. Tammy is pleased that all her hard work is rewarded in her family.

Jeff Connaughton:

An idealistic Alabaman, Jeff Connaughton is an undergraduate at the University of Alabama when he falls under the spell of Joe Biden, Democratic senator from Delaware. Although raised in a conservative family, Jeff pledges his allegiance to Biden if he ever decides to run for president.

After business school at the University of Chicago, Connaughton goes to work for a Wall Street firm where he makes more than \$100,000 a year but is unsatisfied. When he learns of Biden's bid for the presidency he pulls some strings and gets a job with the campaign, intent on riding Biden's coattails into the White House.

Jeff is rebuffed every time he tries to get closer to Biden; his role in the campaign is that of \$24,000-per-year fundraiser. But he presses on because he believes in Biden, until Biden is attacked by journalists for having plagiarized a speech from a British politician. Almost instantly, Biden announces his withdrawal from the race and is reduced to "a national joke."

Connaughton leaves Washington to earn a law degree from Stanford University. He then joins the staff of President Bill Clinton as his sex scandals begin to erupt. During his tenure, though, Jeff becomes fiercely loyal to Clinton and believes he has the right motives for being in politics. In 1996, Connaughton leaves the White House to return to lobbying.

Connaughton joins Quinn Gillespie & Associates as vice chairman with a good salary plus incentives. The firm is philosophically liberal and predominantly Democrat. He organizes a fund-raiser for Joe Biden, who seems to snub him once again. But then he gets a personal note from Biden thanking him and saying "I will always be there for you." After the firm is sold to a London company, Connaughton cashes in all his chips and leaves a wealthy man.

Oprah Winfrey:



As Oprah becomes not only famous but also the wealthiest black woman in the world, she begins to see herself as an inspirational model for other black women. She declares that she'll not be mugged because she helps people "be all that they can be." As a survivor of childhood sexual molestation, Oprah cries when a white, middle-aged woman tells of being an incest victim. Meanwhile, Oprah feels herself becoming distanced from the people she identifies with most—poor, black and disadvantaged—as she showers destitute viewers with houses, diamond watches, expensive clothing. Her philosophy of success is that there is no random suffering, thus people who are hurting just aren't aligned with their divine self.

Sam Walton:

Growing up in the Dust Bowl during the Depression, Sam Walton is very careful about money, "just plain cheap." The cheapening down of America begins when Walton starts buying up small stores that cater to the poor and turning them into high-volume, low-priced profit centers. His idea takes hold and by 1980 there are 276 Wal-Marts with sales of more than \$1 billion. The only problem is that Wal-Mart employees, who work part-time and receive no benefits, must often receive public assistance. The only place they can afford to shop is Wal-Mart, so the vicious cycle of poverty begins to spread.

Newt Gingrich:

As a child, Little Newtie Gingrich is "a pudgy, garrulous boy—a weird, myopic kid with no close friends." He seeks refuge from the harsh realities of the world by reading sweeping global histories. The only way to save America from the rot that threatens it, Gingrich figures, is to return to simple values under the leadership of a great historical figure: Gingrich himself.

Unfit for military service in Vietnam, Gingrich works on a PhD in history at Emory University in Atlanta, while his wife Jackie supports him. Gingrich gets elected to the House of Representatives in 1978. He delivers fire-breathing speeches in the House after all the members have gone so his words will be captured and broadcast on TV. At one point, Gingrich says he wants "to shift the entire planet...and I'm doing it."

Gingrich even comes up with a powerful vocabulary intended to advance his Republican agenda while denigrating the Democrats. Good words for the opposition: betray, cheat, decay, destroy, shame, and stagnation. Good words for the Republicans: crusade, courage, family, freedom, liberty, light and truth.

Colin Powell:

As a light-skinned African-American youth growing up in the Bronx, Colin Powell learns how to obey orders. So when he joins ROTC as a college sophomore, the military seems like his own family and he thrives. His pride as a soldier is linked to his pride as an American of the fact that equality, fairness and cohesion can be found in the military. Powell rises through the ranks to major general and collects medals at his various assignments: Vietnam, South Korea and finally Iraq.



It only begins to dawn on Powell after his 75-minute speech to the United Nations in 2003 identifying “weapons of mass destruction” in Saddam Hussein’s that he’s been set up by the Bush administration—used the same way plantation owners once used their slaves. He realizes afterwards that his speech has destroyed his military career and probably his chances of ever being elected president.

Analysis

The first section of the book demonstrates how centrifugal force is beginning to spin off parts of the American dream, as everyone tries to get their own piece. The old-fashioned virtues of honesty, hard work, unselfishness and team spirit are shown to be dysfunctional in today’s fast-paced, narcissistic world.

The story of Sam Walton of Wal-Mart provides a good case study to understand how the ever-widening vortex of financial insecurity both nurtures and feeds upon low-income people. In many communities, it is viewed as good economic news when a Wal-Mart opens. But before long it is evident that Wal-Mart—far from paying a living wage—actually depresses wages by paying its employees so little that they, too, are forced to shop at Wal-Mart. So this dynamic engine of capitalism becomes, in effect, a powerful engine to generate and perpetuate poverty.

And Tammy Thomas, a native Ohioan who watches the factories and businesses that once sustained a middle class life for many, shutter their doors and go out of business or move overseas. The life that she enjoys with a unionized factory job is threatened, then disappears, along with jobs for so many others in the Rust Belt. The pigeonhole into which she’s fitted herself opens up into a dark chasm of despair as she spends most of her middle years on the run searching for a job with a decent living wage. Finding none, she gets involved politically for change.

Even those who are well-prepared and well-situated in a career—such as Gen. Colin Powell—can and are disgraced, demoralized and discarded by the churning blades of the new economic meat grinder. Only a gifted, hard-working and unique personality such as Oprah Winfrey seems able to not just survive but prosper in this post-apocalyptic, post 9/11 world.

Vocabulary

transpontine, semiliterate, dogmatism, entrepreneur, paleontologist, arbitrage, forsythia, methadone, a cappella, lowball, epiphany, philanthropy, consigliere, vermilion, neoconservatism, coercion, ubiquitous, triglycerides, reparations, exponential.



Part II (p. 176-276)

Summary

Dean Price:

“They’d grown dependent on the corporations and lost their independent spirit,” Dean Price thinks as he watches the endless stream of trucks and cars on Route 220, where he’s constructed several truck stop convenience stores. “They were supposed to be Americans, not Americants, but democracy was in one of those stages of decline.”

Once a Republican, Dean becomes an environmentalist as he watches fevered construction of shopping malls, fast food restaurants, chain drugstores and more gas stations. He’s come to believe that “all the country’s problems had started with the Republicans.” Dean invests in starting a biodiesel truck stop with two others, but he neglects his other businesses.

Because all of his enterprises are under one corporation—Red Birch—when some of them begin to fail the biodiesel operation feels the pinch and he is unable to bail it out as it too fails. “I made a million dollars, and I lost a million dollars, Dean declares. Dean backs an upstart Democratic lawyer named Tom Perriello who challenges redneck Republican incumbent Virgil Goode for Virginia’s Fifth Congressional District, which overlaps with his business service area.

Dean sees a kindred spirit and potential backer of biodiesel in Perriello. In the same election that brings Barack Obama into the White House, Perriello wins the Fifth District. Dean hopes to get an economic stimulus grant, to buy more machines to increase his production of canola oil. When he is awarded a \$750,000 federal stimulus grant, county officials collect \$85,000 in back taxes owed by Dean’s truck stop. He’s ordered into bankruptcy court, where Red Birch is dissolved and the truck stop is sold to a national chain. Four days later, he’s indicted by a county court for failure to pay \$10,000 in collected meal taxes.

Alice Waters:

While endorsing the communal spirit of locally grown food in the interest of better health for all, Alice Waters also admits to being a gourmand willing to pay extra to have what she wants. This apparent contradiction reflects her days as a Berkeley student in the late 60s as well as her long love affair with France. Chez Panisse, Waters’ breakaway restaurant in Berkeley is responsible for starting a revolution—a food revolution, that is.

In the 90s Waters turned her eyes away from her slow food crusade long enough to notice the stark urban ugliness around her. She enlisted the support of school officials in teaching school kids how to create and nurture healthy food by turning empty or littered spaces into community vegetable gardens. This marked her transition from restaurateur



to food crusader. The organic movement that she helped to energize is now an accepted part of middle class American life.

Robert Rubin:

Rubin is a man of great intellectual gifts who has always underestimated himself. On Wall Street he finds his niche as an arbitrage trader at Goldman Sachs, but there is a part of him that remains bohemian and always suspicious of a “sure thing.” He’s comfortable in the world of high risk/returns knowing that, basically, it’s meaningless in the long scope of history. Rubin can “hedge his ambition with humility, his risk-taking with expressions of worry.”

Oddly enough, Rubin is a Democrat in the world of speed, greed and the need for ever-greater sums of money. From his inside position, Rubin is able to raise millions for the Democratic Party and its candidates. As an advisor to President Clinton, Rubin dispenses dispassionate and realistic views on the economy and how it affects day-to-day political decision-making.

But on Wall Street as well as in the White House, Rubin’s expertise doesn’t do much to shift the fact the upper one percent of the income spectrum triples their share of national wealth in the early 2000s. Inequality becomes ingrained in the fabric of American life. In 2009 testimony before Congress on the financial meltdown, he disavows any responsibility for the reckless financial practices on Wall Street that brought on the financial crisis.

Jeff Connaughton:

In 2007, Jeff Connaughton does the same thing he’d done for 15 years—raise millions for Joe Biden’s presidential campaign. Early on, Biden’s performance on the campaign trail is spotty, and he fares poorly in the Iowa caucus. Meanwhile, Connaughton sells some Mexican property and buys speculative land in Costa Rica. As the primaries move on, Connaughton decides he’s done with Biden.

Connaughton meets with his architect and an American developer who tells him Lehman Brothers and Merrill Lynch are both insolvent. But he holds onto his land and stocks, hoping for a minor correction in the market. By September, his stocks and land holdings are worth only half their original value. In November, Biden is elected vice president and within a couple of months Connaughton is headed back to Washington and politics.

Tammy Thomas:

Tammy meets a community organizer named Kirk Noden who asks her to interview for a job as an outreach coordinator with the Mahoning Valley Organizing Collaborative. She is hired but refuses to work on the east side of Youngstown because of all her family connections in that area. Instead, she is assigned the north side where she encounters a fellow traveler in another black woman named Hattie Wilkins.



As Youngstown declines in population, hundreds of residences are abandoned and the mayor campaigns for speedy demolition of these structures. Against this background of decline, Tammy and her coworkers focus on slumlords and the seemingly crippled city government. She becomes an enthusiastic supporter of Barack Obama.

Jay-Z:

Shawn Carter is a poor black kid who grows up in the Brooklyn projects

who becomes enamored of hip-hop music and decides to write some of his own lyrics. A very intelligent young man, he becomes known as Jazzy and develops a hatred of the stench of poverty in which he lives. He determines to become famous, a high roller. His father abandons the family when he is 11 years old and Jazzy withdraws into himself. At 15, he becomes a crack cocaine dealer and works with another rapper, Jaz-O, to improve his rhymes.

His career as a rapper advances along with his drug dealing. He becomes popular in clubs and starts his own record company called Rock-A-Fella. He follows with a clothing line that brings in hundreds of millions, then his own movie studio, his own line of Reeboks, his own brand of vodka and his own shade of blue. He opens a chain of sports bars and hangs out with celebrities such as Quincy Jones. Jay-Z buys a piece of the Nets basketball team and feels he's left the projects far behind and is "getting away with murder."

Tampa:

Tampa becomes a real estate boomtown in the late 80s as speculators, developers, bankers and the average Joe cash in on rising home values. This inflation continues unabated until 2005, when the balloon starts to deflate—slowly at first but then with dizzying speed. Vacant or abandoned properties, some of them in expensive developments, are signs of the "collapse of the Ponzi scheme" that had everyone hustling for instant riches.

A Ponzi scheme is "a confidence game that succeeds only when enough people are willing to put aside common sense. Everyone involved [is] both being taken and taking someone else." Then foreclosures blossom like desert lilies in cow pies. Countrywide, Bear Stearns, Deutsche Bank and many other financial institutions are involved in the collapse, as well as law firms, processes servers, courts and judges. "Millions of pages of legal documents" are generated.

Usha Patel, a native of India, fights back as her American bank tries to foreclose on a loan she took out to buy a Comfort Inn. She tries to negotiate a new payment schedule with the bank because of the sharp decline in business, but the bank double crosses her and refuses to negotiate by placing the loan in receivership. She goes through four attorneys fighting the bank and the court; just before the trial the bank accepts a new schedule of payments. Despite the obvious fact that "banks make their money by bullying little people," Usha continues to believe in a bright future.



Analysis

Those with exceptional talents and a discipline for work sometimes make it to the top in America, regardless of where they started. Three profiles in this section portray the lives of Oprah Winfrey, Robert Rubin and the rap artist Jay-Z. The author leaves open the question whether these three are the exceptions that prove the rule—shrinking opportunities for the masses and the aggregation of great wealth and power among the top one percent.

Robert Rubin seems an unlikely candidate for his meteoric rise—a Democrat and a Jew who chronically underestimates himself while excelling in school and in his work career. Perhaps Rubin's self-effacement is the real reason for his success in finance and in politics because he doesn't become enamored of his own ego and is able to look facts squarely in the eye and provide rational, unbiased insights into the way the world works. Unfortunately, this combination of gifts is rare in contemporary society.

Oprah Winfrey is a black woman whose success is manifested with both wealth and fame. Starting as a local broadcaster for a small television station, Oprah rises to network TV and becomes a mega-star in her own right. Her humanitarian impulses take the form of a book club intended to get chronic viewers reading substantive literary works, and occasional huge gifts to those in need such as purchasing a house for someone who is on the ropes and facing homelessness. In her universal appeal, Oprah is non-political which may also help to account for her success.

Jay-Z's story is a kind of ghetto Horatio Alger story: poor black kid from the projects stumbles upon something he really likes and turns his passion into a profitable career. The fly in this ointment is Jay-Z's pride and arrogance that leads him into being a drug dealer as well as a hip-hop performer. His approach to life contrasts sharply with, say, the life of Robert Rubin and the reader is left to wonder whether Jay-Z's ego will destroy all that he's worked for.

Vocabulary

chateau, agrarian, biodiesel, patronize, glycerine, gastronomic, boomburg, excruciating, prosecutorial, contraband, credulousness, doldrums, paradox, emulate, reciprocate, audacity, juggernaut, derivative, substantive, foreclosure, canvass, boisterous, slumlord, backbencher, whitewash, laconic.



Part III: (p. 279-430)

Summary

Jeff Connaughton:

In 2009, as the financial crisis unfolds, Connaughton makes a complete political turnaround. He begins to see the world through the eyes of the have-nots and understands how the elite and powerful hold onto power in America. He is disgusted as he witnesses the ethics and standards of conduct he learned in business school and law school violated, ignored and renounced by the behavior of greed-heads on Wall Street.

Connaughton sees the reflection of this corruption in the political process which forces even outstanding public servants to pimp themselves before the rich and powerful. He sees his former classmates becoming lackeys of the commercial banks, the investment banks, Wall Street. As the financial crisis worsens, Jeff notices that the highest-level executives in financial institutions seem immune to the probes of the FBI and SEC—agencies that focus on systemic failure rather than individual guilt for fraud.

Connaughton, on behalf of Biden, works to bring Democrats and Republicans together for a bipartisan financial oversight law. Often, speeches by Democratic senators are delivered to an empty chamber or one where Republicans are reading the newspaper, playing with their iPads or doing their nails. Finally, the bipartisan Dodd-Frank Wall Street Reform and Consumer Protection Act is enacted into law in the spring of 2012, then signed by President Obama.

Jeff begins giving talks about the new law before subcommittees and special interest groups. Connaughton bemoans the fact there have been no individual high-level prosecutions because of the financial rout on Wall Street. Before a Senate committee, he says: “these are questions that go to the foundations of the rule of law and America’s future economic success.”

To simplify his life, Connaughton buys a large Victorian house in Savannah, gets a rescue dog, and begins writing a book, “The Payoff: Why Wall Street Always Wins.”

Andrew Breitbart:

Andrew Breitbart is the adopted Irish-American son of a Jewish couple, the Breitbarts, in Los Angeles. After college, he returns to LA and is disowned by his parents for drunkenness, so he does odd jobs from being a script messenger in Hollywood to work as a waiter. Born after the golden prime of both print and broadcast American journalism, Breitbart nourishes his need for news and his liberal bent on the Internet.

As he drifts to the right, politically, Breitbart becomes enamored of the Drudge Report then finds jobs with Drudge as well as the columnist Arianna Huffington. Breitbart also



works with videos for and against various politicians and develops a cavalier attitude toward both parties, to the public and to life in general. On the same day in 2012 when he releases a self-photograph of Congressman Anthony Weiner's erect penis, he drops dead from heart failure at the age of 43.

Tampa:

Reporter Mike Van Sickler of the St. Petersburg Times witnesses his community splintering into small interest groups over the national issue of Obamacare, and the local issue of whether to build a light rail in an effort to revitalize the local economy. Far right and left clash angrily, mirroring the political dysfunction in Washington.

The combination of political brain washing and factual distortion leads to a kind of crowd psychosis rife with name-calling and paranoia. Van Sickler reflects, "There were no longer any facts that everyone in America would agree on at the start." Van Sickler decides to visit Carriage Pointe, the most distressed county in the area that had become blighted and abandoned following the financial crisis.

He finds that low-income people are reclaiming the neighborhood although they are renters rather than homeowners, for example. He reflects that the political and economic changes mean "the rich would live in the cities, the poor would live in the exurbs, and Tampa would wait out the slump until the growth machine started up again."

The worsening economic situation in Tampa is personified in the lives of the Hartzell family. Father Danny and mother Ronale have two kids—Brent, 12, and Danielle, 9. The retinue also includes Dennis—Danny's younger brother. When the 2008 recession hits Tampa, Danny loses his \$10-an-hour job. All family members have serious health problems. When Danny can't find work, they move briefly to St. Petersburg, then back to a shabby two-room apartment in Tampa.

Danny gets a job with a shipping company, which helps them survive along with disability payments for Danielle who has a hearing disability and anxiety. After a few years, Danielle is diagnosed with bone cancer in her left leg and Danny loses his job. Hoping to leave their disgusting, roach-infested apartment, the Hartzells move to Georgia where Danny gets a \$12.50-an-hour part-time welding job. But living conditions once again become unbearable and they return to Tampa. Danny gets a job at Wal-Mart where his brother Dennis works and they move into a public housing unit.

Tampa becomes a war zone, reminiscent of Chicago in 1968, as the \$123 million Republican national convention kicks off in 2012. Newt Gingrich, sporting his politician's ample girth, smiles mischievously as he faces the press with wife Callista by his side. Strangely absent from the proceedings is any mention of how Wall Street had plunged the country into economic crisis, the ghost subdivisions in Tampa, mortgage fraud, homelessness or bankruptcy. Libertarian Ron Paul and his delegates are effectively frozen out of the convention.

Dean Price:



Although still an Obama supporter, Dean Price begins to second-guess the president and wonders whether Obama is bought off by the large corporations. As he watches the advance of the Tea Party in southwestern Virginia, Dean also faces personal catastrophe in the form of bankruptcy of Red Birch Energy. His former business associates shun him outright, and Dean fears for the security of his family.

In 2008, Republicans scout several prospects to run against Democratic Congressman Tim Perriello, a moderate representing Dean's district. Dean sees how the Tea Party Republicans smash his reputation then eviscerate him at the polls. Dean loses everything to unpaid back taxes and the devaluation of his Red Birch shares by the new owners. By filing for personal bankruptcy, he is able to hold onto his house and discharge more and \$1 million in debts.

Dean visualizes a new business collecting used cooking oil from restaurants, schools and other sources to be converted into a new form of bio fuel. He tries, but fails, to sell his idea to the conservative Rockingham County Board of Commissioners. Dean suspects his old rival, Reid Teague, is behind the commission's rejection.

Then he sees his scheme as a way to provide jobs for local African-Americans who live in abject poverty. A wizened politico named Teresa Lewis advises Dean to use the term "alternative sources" of fuel rather than the politically loaded "sustainability" in dealing with local officials. He presents his idea as an environmental benefit and as a jobs program to the Warren County Board of Commissioners but they take no action.

Dean forms a partnership with Stephan Caldwell to produce bio fuels from used cooking oil. Caldwell's plan reminds him of Red Birch Energy by sight and by smell. At last, he gets some traction for his newly simplified idea with officials of Pitt County, in eastern North Carolina. As the business picks up, Dean dreams of building a huge white mansion in the Blue Ridge Mountains where abandoned children would live and learn how to farm the land and become independent.

Tammy Thomas:

Tammy finds empowerment and a degree of satisfaction in street protests and organized political action, such as a day of demonstrations at United Healthcare and Bank of America in Mason, Ohio. She's angry at "the system" that forced her to retire and bails out banks with her tax dollars. She starts a campaign for wholesome, fresh foods throughout the neighborhoods of Youngstown, a "food desert" where most markets sold cigarettes, liquor and fast food.

Through this work Tammy meets Steve Fortenberry, pastor of a white evangelical church who operates a cooperative farm on 31 acres near Youngstown, and Kirk Noden, a white crusader for the rights of the poor. She joins forces with these two and defends them against charges of racism in the black community. Meanwhile, Tammy is so engrossed in her political life that she spends less time with her family; the factory where she used to work is permanently closed.



A distant relative convinces Tammy to turn over the proceeds from the sale of her house —\$48,000—so he can invest it and get her a 10 percent return on her money. The checks come regularly each month for a year, then he negotiates the rate of return on the loan to five percent; the payments come late then stop altogether in 2009. She threatens to file charges with the police and he writes her a bad check for some of her money then disappears. Because of lack of medical care, her mother dies at 61 from congestive heart failure.

Elizabeth Warren:

Born Elizabeth Herring to a lower middle class family in Oklahoma City, Warren watches her father work as a janitor because a business partner has run off with the money saved to start a car dealership. She also watches as her mother goes to work as a phone clerk at Sears. At 16, this budding Republican wins a full scholarship to George Washington University.

With other students, she works on a research project to demonstrate how unethical people use the system of social and financial laws to gain an unfair advantage. She concludes that, to the contrary, the system of social programs enacted during the Depression to ensure financial stability actually save the country from financial crises. Then in the 1970s Warren sees how relaxation of those rules set the stage for the savings and loan debacle.

After two decades of research into financial law and behavior, she's hired by Harvard and becomes convinced that the banks and financial institutions are parasites whose feeding on the lifeblood of American middle class families is the most important issue of our times. By now a firebrand Democrat bent on consumer protection, Warren makes enemies in both parties and President Obama appoints Warren's deputy to head the newly created federal consumer protection agency she helped to create.

Warren returns to Massachusetts to run successfully for Congress.

Wall Street:

A native New Yorker, Kevin Moore gets a job on Wall Street and within a couple of years is making \$1 million a year. From his office window, he sees the planes crashing into the World Trade Center on Sept. 11, 2001 and, defying the instructions of his boss, runs for the elevators instead of waiting for the fire marshal to arrive and do a fire drill.

He sticks around long enough to figure out that the entire financial sector has grown bloated, feeding on its own greed. He eschews squishy investments such as the fictitious mortgage-backed securities that later threaten the world's entire economic system. Kevin exits Wall Street just ahead of the financial crash of 2008 and spends time traveling and visiting friends. By 2010, he joins a European bank and lands back on Wall Street.

Nelini Stamp, an aspiring young black actress who makes \$30,000 a year as a political canvasser, decides to join the Occupy Wall Street movement and is soon arrested with



700 other protestors on the Brooklyn Bridge. She works hard to get labor unions and progressive social coalitions involved in what she sees as “the start of a revolution.”

When New York Mayor Michael Bloomberg announces that Zuccotti Park will be cleared so that it can be cleaned, tons of more protestors show up covering every square inch of the park and making it impossible for police to remove them. Elizabeth Warren takes credit for laying the foundation for Occupy Wall Street, as Newt Gingrich denounces the demonstrators for their attitude that “we all owe them everything.” Dean Price gets involved in planning for Occupy Greensboro.

In mid-November as nerves of the occupiers become frayed and their spirits dampened, New York City police launch a vigorous assault on Zuccotti Park. They take down all the flimsy structures and arrest dozens. Once the park is cleared, the police erect a metal fence around the perimeter as rain begins to fall.

Analysis

This section of the book might well be called “The Awakening,” as numerous persons profiled therein realize the dark side of American society and finances, and begin to make major changes in their outlook, their employment, and even their residence. In that sense, the book ends on a positive note with more people aware of “the system” and the price it exacts on people who want to live peaceful, balanced lives.

Their resolve and determination demonstrates that all is not yet lost in America.

Fleeing Wall Street and its insensate pursuit of riches, Jeff Connaughton cashes in his chips, moves to Savannah, buys an old house and tries to reclaim his humanity. He is driven by “the stunning realization that our government has been taken over by a financial elite that runs the government for the plutocracy.”

Elizabeth Warren, the brainy child of a struggling Republican family in Oklahoma City, goes to Washington with her childhood ideals and soon learns how the economic system ravages people, communities and social institutions. She becomes a Democrat and works hard to draft a proposed federal consumer protection agency, which is then enacted into law.

Part of the message of this section seems to be that, however broken and maimed our democracy has become in America, it still is capable of some degree of change regardless of the pressures, problems and imbalances that arise in society. It may not be perfect, the book suggests, but it’s probably far better than the next best.

Vocabulary

redemption, delusional, cloche, temperance, elitist, ethos, snowbird, liposuction, permeability, flipping, subprime, contraband, benign, stanch, precipitously, insolvent,



downdraft, methane, dually, bodega, prognosis, consign, triathlon, apocalyptic, shamefaced, intimidate, securitization.



Important People

Dean Price

The ever-optimistic entrepreneur who tries over and over to get an alternative fuel business off the ground in the Virginia-North Carolina area.

Newt Gingrich

Ever the chatterbox, Newt Gingrich is shown in this book as an apologist for the financial system, the banks, Wall Street, the upward shift of wealth and the Republican party.

Jeff Connaughton

Obsessed with and ever faithful to Sen. Joseph Biden, Jeff goes to law school and enjoys a successful career on Wall Street before he is once again sucked into Washington politics.

Tammy Thomas

Believing she has a secure, union-backed job in a factory, Thomas is shocked when her world falls apart because the factory is closed. She deals with her anger and powerlessness by becoming political.

Oprah Winfrey

An exception to the rule that everyone's life is being ruined by corporations and banks, Oprah sails on clouds of money above the trench warfare that is called survival in America.

Sam Walton

The founder of one of the most potent enforcers of poverty in the U.S. (Wal-Mart), Walton is a simple man who is a product of the Depression, a simple man with unwavering stinginess.

Colin Powell

This decorated war hero and Army general meets his Waterloo not on the battlefield but in politics, when he is used as a lying mouthpiece of the Bush Administration on Iraq.



Robert Rubin

Self-effacement serves this brilliant financial operator well as he rises through the ranks on Wall Street and becomes a presidential economic advisor.

Alice Waters

This former Berkeley hippie radical pursues slow food, community gardens, and nutritional awareness. Ironically, her wildly successful Chez Panisse restaurant in Berkeley is an expensive yuppie spot.

Elizabeth Warren

This prairie idealist gets her notions about government shattered when she goes to Washington, but nevertheless designs a workable structure for a new federal office of consumer protection.



Objects/Places

Wall Street

As the center of American capitalism, Wall Street symbolizes all that is right and all that is wrong with the economy. In the time period covered in this book, Wall Street has become the provenance of the super-greedy and the amoral to the extent that it represents, to many average Americans, a moral canker on the body politic. The "occupy" movement is a symbolic protest against the exploitation and dishonesty of Wall Street that has little lasting effect on business-as-usual.

Canola oil

After quitting his job and opening a highway convenience mart and gas station, Dean Price decides to cash in on the move toward renewable energy sources. He identifies canola oil as the most likely of these fuels to become a viable alternative to oil and tries to get into the business.

Zuccotti Park

Zuccotti Park is the spot on Wall Street where the "Occupy Wall Street" protest is centered. The protestors, in 1960s style, camp out in and around the park but are careful to remove litter and dispose of human waste properly. The New York police display a tolerant attitude toward the occupiers for a while but eventually move in to clear the park—not unlike the People's Park experience of earlier decades in Berkeley, California.

Johnson & Johnson

Johnson & Johnson is the Pennsylvania purveyor of healthcare items such as band-aids and prosthetic devices where southerner Dean Price goes to work after college. Gradually he realizes that he's in the wrong place geographically and professionally. After seven years, he moves back to North Carolina with his wife and family.

Chez Panisse

Chez Panisse is Alice Waters' wildly successful "slow food" restaurant in Berkeley, California. She becomes the high priestess of eating locally-produced fresh food, cooked in a European style to preserve nutrients. Her individuality and creativity make her a "success story" within the context of the book.



Youngstown, Ohio

This is the dying town in the Rust Belt where Tammy Thomas raises her children as a black single mother. She make a safe and nurturing environment for her family by becoming a political activist and community organizer in the style of Cesar Chavez and Barack Obama.

Tampa, Florida

Tampa is a boom-and-bust town that thrives in the 1990s but declines precipitously as speculation in real estate collapses by the start of the new millenium. It is emblematic of how laissez faire fiscal policies produce wealth for some but misery for many others.

Wal-Mart

The chain discount store is shown to be responsible for depressing local wage markets while dispensing poor quality goods. Wal-Mart is a cancerous growth on the economic backbone of America.

Think and Grow Rich

This is a get-rich-quick instruction manual for would-be entrepreneurs like Dean Price, who opens a string of businesses in North Carolina and realizes that "the system" is stacked against the little guy because of Republicans like George W. Bush.

Comfort Inn

Usha Patel, a recent immigrant from India to Tampa, scrapes to buy a Comfort Inn then is practically foreclosed on by her bank when she gets behind in loan payments. Despite her ruinous dealings with banks, lawyers, and creditors, she continues to believe in "the American way" and hopes things will improve.



Themes

Disillusionment

The disillusionment experienced by the people profiled in this book begins, in most cases, with a nagging sense of something having gone kilter in their lives. Many of them go through years of disappointments and hardships before it dawns on them that there are real inequities in America that make it more difficult for them to succeed no matter how hard they work.

Tammy Thomas, for instance, after she loses her long-term union job in a Youngstown, Ohio factory is stunned that the business to which she has devoted many years of faithful service is willing to let her go as simply as turning off a light bulb. She finds that her labor union is basically powerless to prevent her layoff or to find other work for her, and begins making drastic cuts in her standard of living to feed her children.

When Tammy sees the collapse of factories, the loss of good jobs for hundreds of workers, and reads in the newspaper about high-flying Wall Street firms that receive billions in government taxpayers' money for bailouts, she is thoroughly disillusioned. She transforms her disillusionment into political action as she works in campaigns to help the poor and defenseless who have become, like her, disillusioned and feel betrayed by "the system."

Jeff Connaughton, a bright and promising young man from Alabama, devotes his life for several years to working for Vice President Joe Biden. In all that time, he is hardly even noticed by the politician, and he becomes disillusioned by politics. He attends business and law schools to end up with a lucrative job on Wall Street, but before long he becomes disillusioned with the generally nonexistent code of ethics in the financial world. After a few more years on Wall Street, Connaughton takes his millions and effectively drops out. But before long, he's back in politics again working again for Biden. By this time his disillusionment has become realistic skepticism and he drinks the elixir of power to salve his spiritual wounds.

Elizabeth Warren, too, becomes disillusioned with politics once she sees through the rhetorical smokescreens that swirl around Washington, defeating and deflating every kind of noble impulse. She puts her brainpower to work designing a new federal agency to provide some protection for consumers against the endless, parasitic practices that primarily hurt the less advantaged of society. Just when it seems she has worked for and won a victory for goodness and fair play, she is passed over by President Obama for an appointment to head the new agency. Disillusioned, she returns to Massachusetts to seek elective office.



Betrayal

What Dean Price, Jeff Connaughton, Tammy Thomas, Gen. Colin Powell, real estate investors in Tampa, stock investors on Wall Street all have in common is a sense of betrayal. Their sense of betrayal is real because it's based on real betrayal—by the corporations, by banks and investment firms, by government and by the whole fabric of society stitched together with goodwill, honesty, faith and the expectation that hard work and good behavior bring success in America.

Gen. Colin Powell seems like the butt of some kind of sick racist prank when he trades his honor in support of President George W. Bush. Powell is fed the Republican line about weapons of mass destruction in Iraq, about the imminent threat of terrorism, about the need for swift military action. He so testifies before the United Nations in support of Desert Storm then is discredited when it becomes obvious there are no weapons of mass destruction in Iraq.

Dean Price establishes and loses a profitable alternative energy corporation because of unpaid back taxes. He feels betrayed by his employees, then by the Republican Party in which he was raised. He buys Obama's message of hope for the downtrodden and poor, but then questions whether the president, too, has been bought by the corporations and bankers. But he persists with his dream of alternative energy, and finally launches a new company with a partner selling refined used cooking oil.

Jeff Connaughton is a straight arrow, idealistic young man who lands on Wall Street more by default than plan. Brimming with noble ideas about American business, Jeff is distraught when confronted by the cynicism, greed and double-dealing of speculative capitalism. His values are offended and he feels betrayed by his own dream. He soon joins the cynics and works long enough to pocket a few million before he leaves in search of his integrity.

Tammy Thomas is a down-to-earth black single parent who struggles to make the American Dream work for her although she is betrayed by her employer, the legal system, and even a close friend who defrauds her of all her money. She takes all of her frustration and puts it to work in the political arena in the decaying city of Youngstown, Ohio. As a catalyst for change, Tammy energizes other blacks to vote for Barack Obama and work for change.

These and other stories of betrayal serve as symptoms of the unraveling of American society with its promise of equality, opportunity and fair play.

Disintegrating social contract

Disillusionment, betrayal and the unwinding of the American social and economic contract are all points on a spectrum from well to sick. There is a disease in the body politic and its symptoms are unabashed greed and selfishness, the lack of a moral

compass and increasing inequality between the wealthiest one percent and the barely-surviving 99 percent of the population.

Other symptoms include a widespread sense of hopelessness among the long-term unemployed in the wake of the 2008 financial crisis. It's almost like a trip back in time to an America before the 1929 stock market crash; before enactment of Social Security, Medicare and Medicaid; before the 1960s love generation. The contours of this retrograde society are harsh and harmful and seem to eat at people's souls.

The Occupy Wall Street movement briefly seems to reinvigorate the sense of injustice that motivated so much social and political change in the 1960s. But it seems to wither for lack of broader support and under the Billy clubs of Mayor Bloomberg's New York City Police Department. The Occupy movement, at its most basic, is a cry for reinstatement of fairness, equality and hope in American society focused more on financial institutions than on the government, as was the case with the Vietnam War in the 60s. The book views these as signs of disintegration of the unwritten social contract that has held America together for two centuries.

Styles

Structure

The setting of this book ranges geographically from New York to Savannah, Berkeley to Paris, Oklahoma to Washington, D.C. Its social setting is primarily the middle and lower middle class of American society that is severely battered by the huge shift in wealth and power of the last two decades. As the comfort and security of middle class life deteriorate, more wealth is concentrated at the top one percent. The setting is the troubled lives of Americans caught in this receding tide of prosperity.

Perspective

The author employs a journalistic voice while reporting on deep fissures within American society. The point of view is thus that of the detached observer, although this does not prevent the author from using salty language on occasion to describe some of the hellish quandaries created by the many inequities of this system.

Tone

The tone employed is mostly middle class American English that helps to authenticate the meaning of this book: an economic revolution is tearing our society apart from within.

Quotes

Our country probably prospered as much as it's ever going to prosper, right there in that era. They had cheap energy, they had oil in the ground, they had working farms.

-- Dean Price (chapter 1 paragraph p. 12)

Importance: The quote is important because it captures a kind of wistfulness about the past typical of people who feel their present is intolerable.

Gingrich's memos included vocabulary lessons: if you discussed your opponent with words like betray, bizarre, bosses, bureaucracy, cheat, corrupt, crisis, cynicism, decay, sick, stagnation...you had him on the defensive.

-- Author (chapter 2 paragraph p. 23)

Importance: This observation by the author shows the rhetorical mechanisms used to degrade or demean one's political opponent that have become too familiar in modern politics.

As a southerner, Connaughton believed that whenever an investment banker from New York came down saying, 'We can save you money,' there needed to be someone in the room saying, 'Bullshit.'

-- Author (chapter 3 paragraph p. 33)

Importance: This insight into the behavior of Jeff Connaughton is based on the residual skepticism of southerners who, in the wake of the Civil War, were suspicious of outsiders and particularly Yankees.

Tammy got off her mother's check and signed up for her own. She hated being on welfare—the agency workers were nasty—but she needed it to pay for food and childcare. She finished high school on time in 1984 and became the first person in her family to get a diploma.

-- Author (chapter 5 paragraph p. 55)

Importance: This quote indicates the importance of people to maintain their human dignity, even in the face of extreme poverty.

She [Oprah Winfrey] wanted to get the whole country reading again. She wanted to destroy the welfare mentality and lift 100 families out of the Chicago projects. She wanted to lead a national conversation about race and heal the wounds of slavery.

-- Author (chapter 6 paragraph p. 57)

Importance: This quote shows that, for one African-American woman, success means helping to heal the wounds of slavery by attacking "the welfare mentality" that can become simply another form of dependency or slavery for other African-Americans.



He [Biden] didn't hang out with the permanent class in Washington, but left his Capitol office every evening, walked across Massachusetts Avenue to Union Station and took Amtrak home to his family in Wilmington. Remaining Ordinary Joe became a point of aggressive pride. He was as incorruptible as he was ungrateful.

-- Author (chapter 7 paragraph p. 65)

Importance: The quote goes to the heart of what seems enigmatic about Vice President Joe Biden: his abiding personal arrogance despite a political stance as a progressive warrior in all the usual Democratic issues including poverty, race, political disenfranchisement and civil rights.

Dean continued to pursue his goal of owning a chain of stores across the region, because it was the closest he had ever come to freedom. So Route 220 became his chain, linked all along that 35-mile stretch of highway between two states. Dean [Price] had a word for it: the oil companies had him hog-tied.

-- Author (chapter 11 paragraph p. 84)

Importance: This quote goes to the central theme of the book: it is nearly impossible for the common man to stand on his own two feet in the world and operate a small business when confronted by the power and endurance of the major corporations.

People were cheap. They'd never pass up a rock-bottom price. It was true in the little all-white towns around Arkansas and Oklahoma and Missouri after the war. It was true everywhere all the time.

-- Author (chapter 13 paragraph p. 101)

Importance: The reader is given a glimpse into the mentality of the time.

The [attorney] job was boring. If he were a Marxist, Peter Thiel would have called it alienated labor—working 80 hours a week at something he didn't believe in so that eight years on he might make partner, with the next 40 years of his life laid out for him.

-- Author (chapter 16 paragraph p. 127)

Importance: The schism produced in the mind of Peter Thiel by the prospect of a legal career that violates his values is the meaning of this quote. Thiel's "unwinding" begins almost as soon as he realizes exactly where his life has taken him. Disillusionment and an amount of revulsion are products of his awareness.

He [Gen. Colin Powell] could have been the first black president. Instead, he took himself out of the running and volunteered his time for poor kids in poor schools. His message was always the same: hard work, honesty, courage, sacrifice.

-- Author (chapter 21 paragraph p. 160)

Importance: This passage reveals the admirable quality of Colin Powell's character, and at the same time the reason why he isn't a politician—he's too sensitive to the needs of others to become the typical ego-driven politician.



Dean Price was an optimist, a latter-day Horatio Alger. There was no Armageddon without the Rapture. He fervently believed that out of this collapse would come a new birth—a whole new way of life would emerge.

-- Author (chapter 23 paragraph p. 176)

Importance: Persistence of the knee-jerk optimism and blind faith in American capitalism that has been the desired norm for many decades, is the point of this quote. Without much prompting, the reader can foretell where these beliefs will lead Dean Price.

It is impossible to buy a toaster that has a one-in-five chance of bursting into flames and burning down your house. But it is possible to refinance an existing home with a mortgage that has a one-in-five chance of putting the family out on the street.

-- Elizabeth Warren (chapter 35 paragraph p. 349)

Importance: The down-to-earth, didactic tone of this utterance reflects Elizabeth Warren's standing as a populist politician—one who is keen on the rights of consumers and the responsibility to consumers of the corporations.



Topics for Discussion

Transformation

What book becomes transformative in the life of Dean Price? How does it affect him?

Childhood trauma

What is the childhood trauma that Oprah Winfrey sometimes shares with guests on her TV show? How did it affect her life?

Ugly politics

How does Jeff Connaughton feel about his relationship with Sen. Joe Biden? How does it affect his own career?

Political organizing

What does Tammy Thomas do when the economic and social pressures become too much? Do her actions help improve her life?

Elizabeth Warren

How does Elizabeth Warren leave her mark on Washington, D.C.? Do her actions have any lasting impact?

Greed

What causes the downfall of Tampa? Is this a phenomenon unique to Florida? To Tampa?

Alternative fuels

What does Dean Price call his alternative fuel business? Why does he pick that name?

Occupy Wall Street

How do the Occupy Wall Street demonstrators communicate? Why do they pick that method?



Occupiers

How does the City of New York deal with the Wall Street occupiers? Is this reminiscent of an earlier time in politics? When?

Robert Rubin

What was Robert Rubin's profession before becoming an advisor to President Clinton? Did it prepare him for a high position in government?