Teaching Guide
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SYNOPSIS

HEIST is a groundbreaking documentary about the roots of the American economic crisis and the continuing assault on working and middle-class people in the United States. HEIST unflinchingly reveals the crumbling structure of the US economy – the result of four decades of deregulation, massive job outsourcing, and tax policies favoring mega-corporations and wealthy elites, implemented by both Republican and Democratic parties.

The theft and events leading up to it constitute a deliberate “HEIST,” an armed robbery with a degree of stealth, of the American Dream. This theft was something that was long planned, required time and resources and devastated the middle-class. The idea that life did not need to be nasty, brutish and short but could and should be better and richer for everyone is deeply embedded in the American ethos. It took 30 to 40 years of an elaborate conspiracy, brilliantly executed to set up the crime and make us doubt our dream.

The American Dream of freedom and security was realized in the post-World War II America of the 1950s and 60s. In those years the New Deal delivered on the American Dream and created a secure middle class. The New Deal and the provisions of the G.I. Bill made education and housing a large part of the dream. It all came together in a good steady job, a house in the suburbs, good neighborhood schools, a car in the garage and economic security in old age. The American Dream had a lot to do with consumerism but most Americans also knew that it had a spiritual component and that hard work was essential to make the Dream a reality. Now that Dream is fading.

The theft began with a 1971 memo written by Lewis Powell, soon to be a justice of the US Supreme Court that raised the fear that the American business system was in danger from “leftists.” The Memo proposed that for the American free enterprise system to survive, it was necessary for the business community to manage the media, our educational system and our politics. Working with government and unions was not considered the right thing to do.

Fearful businessmen seized on the Powell Memo and its long-range program to transform the consciousness of the American public to accept the values of a market-driven, antiunion, anti-government society. The corporate activists began, as Powell suggested, focused on the media and education. They set up a range of think tanks like the Heritage Foundation, the Cato Institute, and Accuracy in Academe to push the ideology of market fundamentalism. That doctrine preached free markets, small compliant government, low taxes on business and the rich and no organized opposition like labor unions. Freedom from government meant an anything-goes ticket for business and for the middle-class, a loss of the safety net that had been provided by government.

A wide variety of business-organized groups spent billions of dollars to convince people to vote against their interests. The principal targets were the independence of the media, the commitment to universal education and organized labor. They used their media advertising expertise
to sell a supply-side, trickle-down, anti-government ideology that starved the government and impoverished the middle-class.

It all came together under Ronald Reagan in 1980. He preached balanced-budgets and ran the greatest deficits in history. He promised lower taxes and raised the taxes on the poor while cutting them for the rich. He sold the lie that cutting taxes for the rich created jobs for the middle-class. Ronald Reagan brought the war on unions and the government into the op http://en. That war continues to this day with the attack on the freedom and bargaining power of police, firefighters and all of public school education.

The successful selling of free-market economics left the middle-class working longer hours, going deeper into debt and unsure of their future. Organized labor was crushed, the good jobs were outsourced. Pensions, healthcare and other benefits were reduced or eliminated. Public welfare was condemned but corporate welfare continues to be provided by tax loopholes and earmarks.

Market fundamentalism replaced a more American pragmatism. The ideologues believed, implemented and sold the idea that prosperity depended only on private property and free markets. The business community promised security and prosperity would trickle down to the working people. Instead wages stagnated, jobs were outsourced and savings evaporated.

At the same time the corporate elite with specific and careful planning bought the politicians necessary to win the war on government and unions.

Presidents Bush, Clinton and Obama pushed free trade and NAFTA. The president of GE, one of the biggest outsourcers, was appointed chairman of Obama’s jobs commission.

The end of the Dream meant losing middle-class status. The economic downturn that is called Depression 2.0 began in 2007 and the accompanying financial crisis finished the HEIST and the American Dream. The bursting of the housing bubble slashed the value of homes by 40%. The house was the asset that was supposed to provide for old age. Ten trillion dollars of middle-class wealth just evaporated.

People gave up on the dream. Now the young no longer believe Social Security will be there for them. A majority are doubtful their children can achieve a standard of living comparable to their own. The American Dream demands a sense of security that is just no longer there.

The final HEIST was embedded in the financial crisis. First, the Greenspan/Bernanke Federal Reserve policy of easy money fueled the housing bubble and led the people deeper into debt. Then the government and the Federal Reserve’s refusal to regulate derivatives and the banks created a shadow banking system that enabled the banks to gamble with those debts. Finally, the repeal of Glass-Steagall permitted the banks to gamble with and lose the people’s savings. In the end, profits were privatized and went to the few, losses were socialized and the middle class paid the bill with the American Dream. Fifty years of stability and the American Dream were surrendered in the name of deregulation.
HEIST does not hesitate to name names and call for action. Their rogues’ gallery of culprits is a roundup of the usual suspects: Scaife, Koch, and Coors as well as the presidents and politicians of both parties. The politicians joined these very rich individuals to carry out the HEIST to enrich and empower themselves.

But the film does not just explain the crime and those who committed it. HEIST offers a robust Take Action section with real-world solutions and up-to-the-minute footage from the current Occupy Wall Street movement – an essential primer for everyday Americans to participate in the restoration of economic fairness and our democracy.

The Take Action program that HEIST suggests recognizes more than anything else that the people must be involved. First, it notes that there are two kinds of power in America: organized money and organized people and that i-s why there is a class war. That is the reason that organized money has so viciously attacked organized labor. It is the reason that the bargaining rights of public sector unions are now under attack. It is the reason we need a grassroots democracy that demands room for co-ops at the production and distribution level and credit unions in the financial sector. The people have to organize to fight that war.

The film HEIST puts the pieces together for us. The loss of the middle-class dream is reported by the people themselves. The planners, bureaucrats and bankers who did the deed are shown playing their part using the money of the superrich to manipulate the media, the schools and politics. It documents the loss of the American Dream that comes with foreclosure. The message to organize is personal and direct. That is the only way to recapture the dream.

BACKGROUND INFORMATION

The Making of the Middle-Class Crisis

In the 30 year period from 1950 to 1980 the American economy produced and distributed the goods and services necessary to create, support and make secure a vibrant middle class. At the same time, the economy was fundamentally transformed from a manufacturing to a financial and service-technology based economy. In these years the economy experienced a cycle, first of long-term growth up to 1980 and then a slowdown turn from 1980 to the financial crisis of 2008. Now a lingering jobless recession and an unsolved financial crisis are threatening the American economy and impoverishing the middle-class.

The American economy came roaring out of the 1940s. War time savings fed pent-up consumer and investment demand, making the1950s and 60s a time of growth and prosperity for all. Gross national product grew in real terms in the 1950s
by 38%, in the 1960s by 45%.

The Korean War in the early 1950s was the beginning of a string of wars in Asia, of the Iron Curtain in Europe and of a global Cold War. At that time, the US government specifically decided that the US economy was productive enough that it could provide both an increasing standard of living and the armaments necessary to contain the Soviet threat. Thereafter, for the next 60 years, American defense and space race spending expanded steadily, acting as a source of new technology for the private sector and an economy-wide stimulus that became known as military Keynesianism. Despite Pres. Eisenhower’s warning, the Cold War also brought a military-industrial complex. Politicians, the military services and defense contractors divvied up the defense spending politically but it still steadied the economy over the long term.

These were the good times, particularly for the middle-class and working poor. The economy was growing fast enough to provide families with a steadily rising standard of living. It was a time of mass production, industrial unions and economic expansion for all. It was the time when America established the middle-class.

In the 1950s and 60s almost a third of American workers were members of unions. In the late 1940s, the unions and management agreed, in an informal understanding referred to as “The Accord,” that wages would be tied to productivity. It was the security of the union contract with regular wages, vacations and benefits that made these workers middle-class. They had the discretionary income to realize a standard of living never before achieved by a working class. Union security was fundamental to the creation of the middle-class.

The economic stress of the 1970s led to a time of political and economic turmoil with Watergate and Vietnam. Students took to the streets to protest the war and economic conditions. The student demonstrations at times turned violent. For several reasons, the economy slowed up in the 1970s and grew by only 31% over that decade. The Accord lasted only until the early 1970s when first GM and then other firms followed in refusing pay increases that workers thought were their due.

Corporate America reacted as though the American system of government and business were under attack and vulnerable. Lewis Powell, a corporate lawyer and later a member of the US Supreme Court, wrote his famous memo suggesting that the American business community had to protect the American system with a major effort to control the media, education and politics. What had been a fringe effort by a handful of super-rich individuals to fight unions and “leftists” became a mainstream effort to control the society. A wealthy few financed, created or strengthened a string of conservative think tanks such as the Heritage Foundation, the Cato Institute and the American Enterprise Institute.

The Business Roundtable was formed shortly thereafter by the CEOs of the most powerful corporations with a mandate that read as though it came straight from the Powell Memo. America’s
largest corporations thought of themselves and the system as under siege and in danger. At the same time the economy was changing fundamentally from manufacturing to services. There was a turning to international sourcing and international finance that later became known as globalization. Europe and Asia, particularly West Germany and Japan, recovered from the devastation of World War II and became effective competitors. This beginning of globalization was also the beginning of the hollowing out of American manufacturing as manufacturers moved production offshore in search of lower wages.

The year 1980 was a tipping point for the American economy and middle class. Real GNP grew by only 29% in the 1980s. Union membership started dropping from 30% of the workforce in 1970, to 20% in 1983 and to only 11% by 2011. Wages also began to drop so that average hourly earnings of American workers, even in 2012, are no higher than they were in 1980. The number of families in the American middle class began to decline as access to income and education fell.

The 1980s also brought Ronald Reagan and the selling of the ideology of market fundamentalism. Again, taking off from the Powell Memo, government became the problem and free markets became the goal. Deregulation, repeal of the New Deal, and a fierce attack upon unions followed.

After 1980, labor unions collapsed under the pressure of the management and federal government attack. This can be seen most clearly in the fact that major work stoppages (strikes of 1000 persons or more) dropped from an annual average of 269 in the 1970s to 69 in the 1980s and 34 in the 1990s. In the face of changing labor-management rules and mostly illegal management pressure, unions could no longer afford to strike. As a result, they no longer had the power to affect wages. Workers deserted the unions which could not help them. The highly unionized industries like steel and autos began their long decline.

As unions collapsed, wages stagnated and benefits were taken away. The middle class had to scratch to find the money to maintain their standard of living. First, Americans began to work more hours so that in 2006 Americans worked seven weeks more per year than the French and 10 weeks more than the Germans. Next, women who previously stayed at home entered the labor force as two incomes became necessary to support a family.

The middle class then maxxed out their credit cards with revolving debt doubling from 1980 to 1990 and doubling again to 2000. Such debts now total over $2.5 trillion. Finally, beginning about 2000, families began to tap their housing value for living expenses. That left them extremely vulnerable when the housing bubble burst and the value of their home dropped.

In 1990 the Soviet Union collapsed politically and economically and the Cold War ended. For a short time there was a peace dividend, money available because defense spending was cut, but the military-industrial complex had bought enough political clout to quickly revive defense spending.

The economy, without the defense burden, revived some in the 1990s when GDP increased by 40% over the decade. In this time period, wages actually rose for a while, to fall back again after the turn-of-the-century. In 2000, when George Bush was elected president, he came into office with a budget surplus and expectations by some of paying off the national debt. The surplus was given back to predominantly wealthy taxpayers in a handout of checks. The federal government
quickly went into deficit again following the Bush tax cuts that are still part of our disputed political heritage.

The September 11, 2001 attacks on the World Trade Center and the Pentagon led to wars in Afghanistan and Iraq and a very costly Global War on Terror. These events had a significant economic impact on both the private and government sectors. Resources and attention shifted away from domestic problems and to anti-terrorism and homeland defense. This became the occasion to further ignore the problems of the middle class.

The national debt soared as a result of the wars, the increasing cost of Medicare and the Bush tax cuts. This strengthened the hand of the business community that wanted to cut spending, downsize the government and dominate the economy with a pro-business agenda.

Following the 9/11 attacks, the huge federal deficit and growing debt, many people began to doubt that the American economy could afford healthcare and support for the elderly. But Medicare and Social Security had become central to the security of the middle class. The attempt by the Bush administration to replace Social Security with a private pension system based on 401(k)s was not successful. The continuation of the security provided by these programs now became questionable.

The pressure on the middle class continued to grow through the 2000s. Deregulation meant the withdrawal of government support for the vulnerable and the end of the monitoring of market abuses. Deregulation, which began in transportation, moved on to communications and then the whole alphabet soup of protections the economy had come to count on. The free-marketeers wanted to deregulate the FDA, OSHA, the SEC, and all the agencies that protect the people and the commons. Finally, deregulation reached the financial sector, where it led directly to the housing bubble and the financial crisis.

The housing bubble is central to understanding the economy and the decline of the middle class after the year 2000 for easy money and deregulation were a dangerous combination. The Federal Reserve was maintaining a low interest rate because the threat of inflation had long ago evaporated. But the easy money made it possible for even amateur speculators to play in real estate markets. At the same time deregulation of financial markets encouraged financiers and speculators to gamble with borrowed money on a grand scale.

Wall Street invented new and dangerous ways to gamble with all that money. The Federal Reserve and the administrations, both Republican and Democratic, refused to regulate the banks and the financial sector took over the US economy. Before 1980, the financial sector rarely accounted for more than 20% of US domestic profits. By 2001, in the midst of the financial bubble the financial sector accounted for 46% of domestic profits. Even today it still accounts for almost a third of all profits.
But wages were still stagnant and, after the bubble burst, the middle class now had no place to go for money to maintain its living standards. It was the inability of middle-class homeowners to meet their ballooning mortgage payments that bankrupted the financial firms. The mortgage-backed securities those firms ended up holding were based on these properties. The banks were caught holding huge amounts of toxic assets, mortgages and securities that had fallen so low that there was no longer a market for them. In many cases, there was no way to know the value of these assets. In other cases, there were no supporting documents and no way to legally clear up the mess.

In September and October of 2008, the financial system came near to collapse under the weight of all of the fraud and speculation. The banks and investment houses had leveraged their capital 30 to 50 times and the drop in values of their financial holdings was far more than enough to wipe out their capital. Virtually all the large financial institutions were insolvent as well as illiquid.

The economy turned down sharply in 2009 because the middle class no longer had the money to support aggregate demand and buy the things it was producing. The unemployment rate soared, officially, to over 10% and probably as much as 16%, and output dropped 6%. Most importantly, however, the total value of American housing dropped by $10 trillion. Millions of homeowners were, in effect, bankrupt when they could not make the mortgage payment or were under threat of foreclosure. Millions of others were underwater, their mortgage greater than the value of their property.

The story of government action and industry response is confused and at times comical. The industry had no idea of the value of the “toxic” assets or mortgages it was holding. The government had no idea of what to do. In effect, the government gave hundreds of billions of dollars to the industry with no strings attached, hoping this would make the banks solvent and liquid.

The willingness of the government to spend $700 billion without plan or purpose and the willingness of Chairman Ben Bernanke of the Federal Reserve to inject trillions more dollars reassured financial markets. The system survived and credit began to flow again. The banks were bailed out.

The American middle class was not bailed out and it is expected to continue to pay its mortgages and accept the bulk of the economy’s losses. They have lost a lot of money but more importantly they have been stripped of their last assets and their financial security.

What happened to the American economy over this period is best exemplified by what happened to income distribution. During the 1930s and 40s there was a leveling of income in the United States called the Great Compression when incomes became substantially more equal. Between the 1940s and the 1970s the median household income actually doubled.

Since 1980 we’ve experienced what has been called the Great Divergence, when income inequality increased dramatically. From 1980 to 2010, the share of income going to the top 20% of the population increased by 10 percentage points, with most of that going to the top 1%. The shares of all other groups declined by 2 to 3 percentage points. Over that same period, the median income of the bottom 90% of households increased by only 5% when output of the American economy more than doubled. The banks, the central operators in this drama, may have been the villains but they got bailed out by the taxpayers. The
bankers learned no lessons and are continuing to gamble with their depositors’ money, continuing to take huge bonuses and expect, should they fail, to be bailed out again.

The political system continues to accept the campaign donations of their clients and the politicians continue to fawn upon the financial industry.

Whatever measure you use, the American middle class is declining in numbers, wealth and status and has been since 1980. America was quintessentially a middle-class society. With the decline of the middle class we have to fear the decline of America. At the same time, the emerging nations of the world are surging toward economic wealth, political stability and military strength.

**The Middle Class**

The definition of the middle class is not a settled matter. Analysts and pundits usually use an income range but the middle class can also be defined in terms of the function it plays in society, the standard of living that it enjoys or the way it spends its money. Most importantly, America defines itself and thinks actively of itself as middle-class.

Thomas Jefferson is in a very real sense the father of the American middle class for his American Dream was a nation of economically efficient and politically independent farmers. The important point for Jefferson was that the American yeoman farmer should be independent and secure enough to oppose tyranny.

The most common definition of the middle class is in terms of income or wealth. Analysis using income as an indicator confers middle-class status on those with incomes greater than $20,000 but less than $250,000. The middle-class could constitute anywhere from 25% to 75% of households but it is usually accepted that the middle class is about 50% of the population.

More recently the middle class has been defined as those families who have roughly 30% of their income available for discretionary spending, after they have paid for the basic necessities such as food and housing. Such middle income people can choose which consumer goods, healthcare and education to buy for their family.

The middle class today is often defined in terms of function and status rather than income. In terms of status, it includes people with a comfortable standard of living, significant economic security, considerable work autonomy and who rely on their expertise to sustain themselves. That leaves room for a great deal of argument.

Common to all of these definitions is the degree of security and freedom, sometimes implied by the amount of income or wealth, sometimes measured by the job and the security it provides and sometimes determined by the community of which the family is a part.

The middle class is important economically because of its discretionary purchasing power. It is important politically, because the opinion makers tend to be middle class and because of its large number of educated members who tend to vote.

The middle class has not shared proportionally in the income growth of past 30 years. In fact, the difference since 1980 between the middle class and the top earners has been called the Great Divergence. After World War II income of both the top 1% and the remaining 99% grew at a similar rate until 1980. After 1980, income of the top 1% increased by 176% while the income of the rest increased by about 20% and income of the lowest 20% declined.

In 1980 the share of income of the top 1% was about 8%. The share of the top 1% increased to about 20% in 2010, the highest it has been since the 1920s. This kind of inequality is confirmed by the fact that average hourly earnings in 2012 are
DISCUSSION AND ACTIVITIES

BEFORE VIEWING THE FILM

The discussion and activities prior to the viewing of the film are intended to make the students aware of the political and economic context that led to the story they will see in the film. The Background Information that is provided in the Guide gives a description of what happened to the economy and middle class between 1980 and the present. The notes on the middle class will help understand what it means to be middle class.

The discussion should expose the level of awareness and the information bias that exists. Asking students to talk about the who-what-when-why and -how of the principal actors, the major institutions and the historical model should indicate the appropriate direction for the discussion. Mostly, the discussion will uncover the pre-existing knowledge, attitudes and values that they may or may not want to see change with the viewing. The students should be prepped for the fact that the film will expose them to ideas that are not part of their mainstream education or media presentation.

DISCUSSION

The discussion points and questions are intended to give the students an overview of an economy struggling to provide the American Dream. The discussion should suggest the causes and effects of the present economic problems but not try to tell them what’s in the film. Discussion can be organized historically or analytically along the list of questions directly below. Depending upon the time available, the questions can be assigned to individuals or to groups in class. Groups would have a chance to discuss the question among themselves prior to a general discussion where they would compare answers.

The topics and questions can also be assigned ahead of time and the students can then present for discussion in class what they have found prior to the viewing. The summation question is intended to be presented but not addressed until they see the film.

1. What is the American Dream?
   - Is it income or education or job or wealth or fame or family or some combination of these?
   - Does it still exist, that is, can the youth of today realize the American Dream?
   - Do you think you will achieve (or have achieved) the American Dream?
   - What do you think they mean when they say the American Dream has been stolen?

2. What is the middle class?
   - How is membership in the middle class measured or determined?
   - Do you know anyone who is not middle class?
• How is the middle class related to the American Dream?
• What is the status of the middle class now?

Do you think that the huge disparity between the rich and poor in this country is a big problem or just the way the system works? Is there class warfare in the United States today?

3. What is the “business community” or the “financial sector?”
   • Is there a separate business community that works together?
   • What role do they play in our society besides the provision of goods and services?
   • What is the Business Roundtable?
   • Who or what are lobbyists?
   • What is “Citizens United” about?
   • Are the superrich different than the business community?

4. What is the present state of the American economy?
   • What is the present employment situation in the United States?
   • What is a recession?
   • How does it differ from a depression?
   • Are we presently in a recession or depression?
   • Do you know anyone whose home has been foreclosed or who has lost their job?

5. What happened to the banking system in the fall of 2008?
   • What changes have been made to avoid a reoccurrence of the crisis?
   • What is Glass-Steagall?
   • What is a financial bubble? What was the housing bubble?
   • How can money just disappear?

6. What is a heist?
   • Are there people who try to control the economy and society?
   • Why would they want to?

7. Summation question: The subtitle of this film is: “Who stole the American Dream? – And how we can get it back” Who did it, how, why and what can you do about it? And that is what this film is about.

**Vocabulary and Concepts Discussion**

The list of topics in the glossary or some subset of them could also be assigned for individual research before class and discussion in class. These are more general topics and probably would require more teacher guidance. Yet, the students have to understand most of these basic concepts in at least a general way to understand the content of the film.
ACTIVITIES

Well before a scheduled class discussion, the students can be assigned to do interviews with people on how their economic status might have changed and how those they interview feel about the viability of the American Dream. Hopefully the students could interview someone whose job or economic status has been affected by the recession and financial crisis. Since this includes virtually everyone, families should be a good place to start. Parents have lived through the period when the American Dream was stolhttp://en. They could also interview union members, even teachers or the teacher’s union steward about the problems faced by workers, particularly public-sector workers.

Questions and techniques that could be used in the interview.

First, as in any interview, establish a shared interest even if just with small talk. Ask for some employment history, job changes and unemployment, if there is any. Then get specific in regard to the American Dream and the American middle class.

The American Dream.
1. What do you understand to be the American Dream? Has it changed since you were a child or when you first heard of the concept?
2. Do you think you can still justifiably expect the American Dream for your children? Why or why not?
3. How has your life changed as compared to your parents in regard to job, income and security?
4. If the dream is gone or in doubt, who can be held accountable?

The American middle class.
1. What does it mean to be middle class in America?
2. What income level puts one in the middle class? In the future, will individuals be able to be middle class if they do not have a college education?
3. How is the American Dream related to the middle class?
4. What is the future of the middle class?
5. Do you think it is fair or justifiable for there to be such a huge gap between the earnings of CEOs and those of workers?
5. What do people mean when they talk of class warfare?

Organized labor

First, educate yourself about the people you are interviewing. Ask the labor union member or officer about the local and national unions. Find out who the union represents, who the union negotiates with and what union negotiating goals usually are. Ask, in general, what the atmosphere is under present conditions. Have conditions changed recently? Then go to the topics of interest.

1. How does organized labor relate to the American Dream?
2. How is labor related to the existence and growth of the middle-class?
3. Has there been any give-back of negotiating rights or wage gains?
4. How does the American Dream relate to public-sector workers?
5. What are the most serious economic challenges facing America labor unions today?
6. Do you feel you are being unfairly blamed for the economic crisis?

AFTER VIEWING THE FILM

Viewing the film should make students more aware of what the American Dream is, what it means to lose it and hopefully instill in them some incentive to action. There are actually two tasks for this section. First, you’ll want to review the original set of questions and see how their views might have changed. Only then would you have the opening to shift to the story and the film. The viewers will have received information on the dream, who stole it, how they organized the HEIST, and what the devastating results were. Now is the time to put all of the parts together in discussion so they see it as a whole.

The HEIST story is easy to tell: Fearful businessmen seized on the Powell Memo and its proposal to manage the media, academia and politics. The academics and ideologues supplied the business community with market fundamentalism as a convenient doctrine to guide their effort. That doctrine preached small compliant government, low taxes on business and the rich and no organized opposition like labor unions. The business community sold the American people the free market Kool-Aid even though all of those policies would cost the American middle class income and security. The deregulation, tax cuts for the rich and globalization further cut income to the middle-class and put them ever deeper in debt trying to maintain the American Dream. Soon they couldn’t. They went deeper into debt. The dream had been stolen.

The idea is to find out what impact the film had and what the discussion can build on. The discussion of the narrative should begin with a restatement of the Summation question.

DISCUSSION

Review Questions

1. What is the American Dream?
   What is your view of the American Dream now? Has it changed?
   Do you think the American Dream will survive?

2. What is the middle class?
   How is the American Dream related to the middle class?
   What is the economic state of the middle-class?

3. What happened to the banking system in the fall of 2008?
   Why were the banks bailed out?
   Are they the culprits who stole the dream?

4. What role do corporations or the superrich play in our politics?
   What is the Business Roundtable?
   Who or what are lobbyists?
   What is “Citizens United” about?
Final Discussion

Summation Question: The subtitle of this film is: “Who stole the American Dream? – And how we can get it back” Who did it, how, why and what can we do about it? And that is what this film is about.

1. Who stole the American Dream?
   • Who leads in implementing the plan: corporate CEOs, bankers, the financial sector, the politicians and/or the superrich?
   • Why did business feel they had to go on the offensive?
   • What were the political and social conditions in the 1970s?

2. What was the plan in the Powell Memo?
   • Is that what it ended up doing?
   • Why did he feel it necessary to manage the media, academia and politics?
   • Why did he want business to dominate public policy?
   • Is this an appropriate role for the business community?

3. What is the “business community?”
   • Why did the business community welcome the Powell Memo?
   • How do the business-controlled think tanks fit into the Powell plan?
   • What is the Business Roundtable? What does it stand for?
   • How does the agenda of media firms relate to the business community?
   • Is business influence and power increasing or decreasing?
   • What is a lobbyist?

4. What is market fundamentalism?
   • How does market fundamentalism relate to the Powell agenda?
   • What are the policy imperatives of free markets?
   • Why does business want small government?
   • How does Ronald Reagan relate to the business community agenda?
   • What part have other presidents and politicians played?

5. What part did market fundamentalism play in the narrative?
   • Why did the American people buy into this and go into debt?
   • Why was the business community so intent on cutting taxes?
   • What did they expect to accomplish by attacking unions?

6. Why did the middle-class go into debt and what were the consequences?
   • Why are wages, real average hourly earnings, lower than they were in 1980?
   • What role did that debt play in the financial crisis?
   • Why did middle-class mothers go into the workforce?
   • Why are millions of homes being foreclosed on?

7. What did the financial crisis do to the banks?
   • What mistake did Alan Greenspan make?
   • Why did this crisis occur?
What is a bubble? The housing bubble?
$10$ trillion was lost: where did it go?
Why are some banks considered too big to be allowed to fail?
Why were bankers not jailed for felonies?

8. What did the financial crisis do to the middle-class?
   • Is this how the dream was stolen or what role did the crisis play in stealing the dream?
   • How is the American dream related to money and finances?
   • Why do the American people not control bankers and corporate power?

9. How do we get it back?
   • Organize: but what do we organize?
   • What have the Tea Party and Occupy Wall Street organized to do?
   • Will the United States be governed by an oligarchy?
   • What is grassroots democracy?

GLOSSARY

1. American Dream.
   An American set of ideals in which freedom includes the opportunity for prosperity and success and upward social mobility achieved through hard work

2. Ben Bernanke.
   Chairman of the Federal Reserve System during the financial crisis. Previously academic expert on the financial problems of the Great Depression.

   A group of chief executive officers of major US corporations promoting pro-business public policy because they are concerned about the power of unions and the growing public hostility toward corporations as evidenced by popular support for government regulation of the work place and the environment.

   A libertarian think tank known for its willingness to take positions other than its sponsors.

3. Conspiracy Theory.
   The belief that a small group of people are secretly coordinating and controlling historical events.

   A government bestowal of money grants, tax breaks or other special favorable treatment on corporations.

5. Credit Union.
   A member-owned financial cooperative operated for the purpose of promoting thrift, providing credit at competitive rates and providing other financial services to its members.
6. **Deregulation.**
The movement to reduce the role of government in the economy and allow industry greater freedom from market constraints that arise in law, in judicial decisions and in market failure.

7. **Financial Crisis.**
A situation in which financial institutions or assets suddenly lose a large part of their value as in stock market crashes, financial bubbles, currency crises and sovereign defaults.

8. **Free-Market.**
A market in which economic intervention and regulation by the state are limited to tax collection and enforcement of private ownership and contracts but no consideration is given to use of the commons.

9. **Free-Market Fundamentalism.**
A strong belief in the ability of free-market or laissez-faire policies to solve economic and social problems.

10. **Glass-Steagall.**
A depression-era, New Deal law to control speculation by banks by disallowing gambling with depositors’ funds, in common parlance to separate Main Street from Wall Street.

11. **Globalization.**
The process of international economic integration, associated with outsourcing, the integration of world labor markets and the increasing connectivity and interdependence of the world’s markets and businesses.

12. **Great Depression.**
The worldwide economic collapse that extended from 1929 to 1939 where the stock market dropped 90%, the unemployment rate was 25% and national output dropped over 50%.

13. **Alan Greenspan.**
Chairman of the Federal Reserve prior to the financial crisis. Maintained the low interest rates that led to the housing bubble but the only one to admit he made a mistake.

14. **Heist.**
Armed robbery with violence or stealth.

15. **Heritage Foundation.**
Washington-based think tank that promotes conservative public policies. Prominent in the Reagan Administration and publisher of the Mandate for Leadership.

16. **K St.**
The lobbying firms in the United States, many of whom have their offices on K St. in Washington DC.
17. Labor Union.
An organization of workers who have banded together to achieve common goals such as protecting the integrity of its trade, achieving higher pay, increasing the number of employees and better working conditions.

18. Medicare.
A national social insurance program, administered by the U.S. federal government since 1965, that guarantees access to health insurance for Americans ages 65 and older and younger people with disabilities.

A corporation that manages production or delivery of services in more than one country. They have played an important role in globalization.

20. NAFTA.
The North American Free Trade Association. An alliance between Canada, the United States and Mexico to integrate markets and settle international trade disputes. Its decisions supersede US law.

An international protest movement against economic inequality, particularly that created by large corporations and the financial system.

22. Oligarchy.
A form of government in which all power is vested in a few persons or in a dominant class or clique; government by the few.

23. Outsourcing and Off Shoring.
The process of contracting an existing business process out of one’s own business and relocating it in another business. Off shoring is outsourcing to another country.

A 1971 confidential memorandum from Lewis Powell to the US Chamber of Commerce that described a roadmap to defend and advance the concept of free-enterprise capitalism against real and/or perceived socialist, communist and fascist cultural trends.

25. Privatization.
The process of transferring ownership of a business, enterprise, agency, public service or property from the public-sector (the state or government) to the private sector. Or the government outsourcing of services to private firms.

26. Reaganomics.
Economic policies promoted by Pres. Ronald Reagan, particularly supply-side, trickle-down economics.
27. **Social Security.**
Old Age, Survivor, and Disability Insurance. The federal retirement/disability program.

28. **Think tank.**
A policy institute that conducts research and engages in advocacy in areas such as social policy, political strategy, economics, military and technological issues.

29. **Too Big to Fail – Too Big to Jail.**
The belief that some banks are so large that their failure would threaten the financial system, along with the practice that the officers of these banks have too much political power to face criminal prosecution.

30. **Wall Street.**
A name for the United States financial markets as a whole or the New York-based financial sector.

31. **WTO.**
World Trade Organization. International organization designed to supervise and liberalize international trade, protect intellectual property and act as a dispute settlement mechanism. The decisions of its dispute settlement mechanism supersede US law.

32. **401(k).**
The type of retirement savings account with defined contribution and deferred taxes. It is intended to create a privatized and individualized replacement for the American pension system.

**RESOURCES**

**Books and Articles**

The US and the world economy.


How America’s bipartisan elite lost our future and what it will take to win it back.

How to Renew the Promise of Homeownership For America’s Working Families.


Web Resources

• HEIST -- http://www.HEIST-themovie.com/


• “Middle class” - Wikipedia -- http://en.wikipedia.org/wiki/Middle_class


• Powell Memo: Text and Analysis -- http://www.reclaimdemocracy.org/corporate_accountability/powell_memo_lewis.html

• The Powell Memo -- http://commonwealinstitute.org/archive/the-powell-memo-and-the-teaching-machines-of-right-wing-extremists

• “A Call to Arms for Class War: From the Top Down”, Counterpunch -- http://www.counterpunch.org/2012/05/11/a-call-to-arms-for-class-war-from-the-top-down/
• Workers’ Voice Speaks For the 99% -- http://www.aflcio.org › AFL-CIO Now › Political Action/Legislation

• “How to Starve Too Big to Fail Banks”, Mother Jones -- http://www.motherjones.com/politics/2011/11/how-to-move-money-big-banks-credit


• Matt Taibbi’s Taibblog on Politics and the Economy -- http://www.rollingstone.com/politics/blogs/taibblog

• The American Prospect -- http://prospect.org

• Teresa Ghilarducci -- http://teresaghilarducci.org/blog.html

Alternative Media Outlets

• AlterNet -- http://www.alternet.org
• BuzzFlash -- http://www.buzzflash.com
• California Progress Report -- http://www.californiaprogressreport.com/site/
• Common Dreams -- http://www.commondreams.org
• Democracy Now! -- http://www.democracynow.org
• The Dylan Ratigan Show -- http://www.msnbc.msn.com/id/31510813/
• ProPublica -- http://www.propublica.org
• Reader Supported News -- http://www.readersupportednews.org
• The Real News Network -- http://therealnews.com/t2/
• Salon -- http://www.salon.com
• Thom Hartmann -- http://www.thomhartmann.com
• Truthout -- http://www.truth-out.org

National Organizations

• AFL-CIO -- http://www.aflcio.org
• Americans for Financial Reform -- http://ourfinancialsecurity.org
• American Rights at Work -- http://www.americanrightsatwork.org
• Campaign for America’s Future -- http://www.ourfuture.org
• Campaign for Labor Rights -- http://www.clrlabor.org/wordpress
• Center on Budget and Policy Priorities -- http://www.cbpp.org
• Center for Economic and Policy Research -- http://www.cepr.org
• Chelsea Green Publishing -- http://www.chelseagreen.com
• Economic Policy Institute -- http://www.epi.org
• Green For All -- http://www.greenforall.org
• Help the 99ers -- http://helpthe99ers.blogspot.com
• Jobs With Justice -- http://www.jwj.org
• Media Matters -- http://mediamatters.org
• National People’s Action -- http://www.npa-us.org
• Occupy Wall Street -- http://www.occupywallst.org
• Rebuild the Dream -- http://rebuildthedream.org
• Showdown in America -- http://showdowninamerica.org
• Strengthen Social Security -- http://strengthensocialsecurity.org
• The Other 98% -- http://other98.com
• Transition United States -- http://www.transitionus.org
• US Federation of Worker Cooperatives -- http://www.usworker.coop/front
• US Uncut -- http://www.usuncut.org

Local Organizations

• American Independent Business Alliance -- http://www.amiba.net
• BALLE – Business Alliance for Local Living Economies -- http://www.livingeconomies.org
• This Way Out: A Step by Step Guide to Starting a Worker’s Cooperative -- http://http://www.youtube.com/JJnoire
### Related Titles from Bullfrog Films

**THE FLAW**
- 82 minutes • DVD • Grades 10-12, College, Adult
- Directed by David Sington • Produced by Stephen Lambert & Christopher Hird

Taking for its title Alan Greenspan’s admission that he’d found a flaw in his model of how the world worked, THE FLAW tells the story of the credit bubble that caused the financial crash of 2008, and clearly explains how excessive income inequality leads to economic instability.

**LET’S MAKE MONEY**
- 107 minutes • DVD • Grades 10-12, College, Adult
- Directed by Erwin Wagenhofer • Produced by Helmut Grasser

Erwin Wagenhofer’s incredible odyssey tracking our money through the worldwide finance system. As soon as we open an account, we’re part of the worldwide finance market—whether we want to be or not. We customers have no idea where our debtors live and what they do to pay our interest fees.

**THE AMERICAN RULING CLASS**
- 89 minutes • DVD • Grades 10-12, College, Adult
- Directed by John Kirby • Produced by Libby Handros
- [http://www.bullfrogfilms.com/catalog/arc.html](http://www.bullfrogfilms.com/catalog/arc.html)

The world’s first dramatic-documentary-musical satire explores our country’s most taboo topic: class, power and privilege in our nominally democratic republic. Renowned essayist, author and longtime *Harper’s* magazine editor Lewis Lapham guides two young ivy league graduates through a tour of the real halls of power.

**WHAT’S THE ECONOMY FOR, ANYWAY?**
- 40 minutes • DVD • Grades 7-12, College, Adult
- Directed by John de Graaf • Produced by John de Graaf and Dave Batker

Ecological economist Dave Batker presents a humorous, edgy, factual, timely and highly-visual monologue about the American economy today, challenging the ways we measure economic success—especially the GDP—and offering an answer to the question: What’s the economy for, anyway?

**THE LOVE OF MONEY**
- 3x52 minutes • DVD • Grades 10-12, College, Adult
- Narrated by Alex Jennings • A Co-Production of the BBC, ZDF, and the Open University

In September 2008, capitalism looked like it was on the brink of collapse. This is the story of what led to the crash, what happened behind closed doors during the crash, and how generations to come will be affected by its legacy.

**THE NEW RULERS OF THE WORLD**
- 53 minutes • DVD • Grades 10-12, College, Adult
- Directed by Alan Lowery • Produced, Written and Presented by John Pilger

John Pilger goes behind the hype of the new global economy and reveals that the divisions between the rich and poor have never been greater -- two thirds of the world’s children live in poverty -- and the gulf is widening like never before.

**THE EMPEROR’S NEW CLOTHES**
- 53 minutes • DVD • Grades 10-12, College, Adult
- Directed by Magnus Isacsson • Produced by The National Film Board of Canada

An impassioned look at the effects of economic globalization on workers in Canada, the United States, and Mexico. Filmed over a three-year period, the film looks at life before, during and after the signing of the North American Free Trade Agreement.

**SUPER-COMPANIES**
- 57 minutes • DVD • Grades 9-12, College, Adult
- Directed by Boyce Richardson • Produced by The National Film Board of Canada

Using the aluminum industry in Australia, British Columbia, Jamaica, and Norway as a case study, SUPER-COMPANIES documents the effects that the industry has had on the economic and physical well-being of people in those countries.