

Isabel Sawhill interviewed on Lou Dobbs Tonight  
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LOU DOBBS: Record corporate profits and record levels today for the Dow Jones Industrials. Corporate America is riding high, but for many working Americans the war on the middle class is intensifying. Lisa Sylvester reports.

(BEGIN VIDEOTAPE)

LISA SYLVESTER, CNN CORRESPONDENT (voice-over): Health costs have been rising for middle class families. Nearly one in five Americans cannot afford health insurance. Contrast that with health insurance companies that are in great financial shape. UnitedHealth Group's profits up 38 percent this quarter. The company's CEO, William McGuire, is leaving with a reported \$1.1 billion golden parachute, even amid reports of a stock option scandal.

The gap between the wealthy and the working is expanding.

RICHARD TRUMKA, AFL-CIO: It's been the greatest transfer of wealth from the middle class to the elite class we've ever seen in our history.

SYLVESTER: Corporations are handing out profits to their shareholders and pink slips to their American employees. IBM reported a 47 percent jump in quarterly profits, meanwhile the company announced layoffs of 400 U.S. engineers. IBM has hired more than 4,000 workers in India this year alone.

JOHN CHALLENGER, CHALLENGER, GRAY, CHRISTMAS: You wonder how long companies can go, shifting jobs overseas, reaping the gains, the cost gains, and yet causing people to lose their jobs. We have consumers that are not as strong. At some point that's got to come back around to bite us.

SYLVESTER: The Dow Jones Index jumped above the 12,000 threshold for the first time. But for middle class workers, job growth is sluggish, the housing market cooling and paychecks shrinking.

ISABEL SAWHILL, THE BROOKINGS INSTITUTION: We've always viewed ourselves as a country that provides upward mobility to everyone who works hard, and that in America, you can achieve the middle class dream if you do so. And right now, the middle class is not doing very well.

SYLVESTER: Higher earnings for the corporate class, less security for the middle class.

(END VIDEOTAPE)

SYLVESTER: According to the AFL-CIO, the average CEO, now these are just -- not the CEOs at the top, but the average chief executive officer, makes 431 times the salary of a median worker in the United States -- Lou.

DOBBS: That would work out to mean that a CEO would make in one day what it would take that so-called average worker two years to earn. That seems just a little disproportionate.

SYLVESTER: A little unfair indeed, Lou.

DOBBS: Lisa, thank you very much.