American Dream – American Nightmare?

Target Task: Evaluate whether the American Dream has turned into a nightmare nowadays. Your evaluation should include the following terms: slump, reset, recession, revaluation, tent cities, foreclosure, debt ceiling.

Sources:
S1 SB, pp. 137-140
S2 Saima Shah, “The American Nightmare: No Exit, No Entry”
S3 David Brooks / Gail Collins: “Is the American Dream Over?”
S4 William Warren: “The Obama Dream”

S2 The American Nightmare: No Exit, No Entry
By Saima Shah, Nov 16, 2005

The American Dream is turning sour. It was turning sour for years but now its faithful followers are more disgruntled than ever. For the greater part of this century, Americans thought productivity and efficiency were the two core values they could live by. Be efficient, be productive and earn the right to a big house, a big car and a happy family. Get a job, sell yourself, sell well, and thou shall reap.

But when the lion’s share of the big house, and the big car goes to a finance company, and all the nice things have a higher price than what you paid, Americans feel the terrible trap of consumer debt. Whenever the economy shows signs of weakening, the spending numbers are emphasised – retail spending is an index that all mainstream media faithfully follow. If people spend, the American economy will create jobs. If the American economy creates jobs, you will have money and then you can buy some nice things that will make you happy. Or as in the past few decades, the jobs will help you pay off your credit card, car, store card and loans for things you consumed today. […]

The American dream of liberty turned into an American nightmare of debt. With falling or static incomes, debt is a nasty thing to have. The American nation created amazing universities that Americans don’t have the money or time to attend anymore. An American’s life is a graph of lifetime earnings in which education is a terrible expense that reduces credit worthiness. […]

The American Dreamer Is Clueless
Quite unlike many less developed countries, which find conspiracy in all global events, the average American does not see the foreigner as a threat to his system. […] At heart, the American is sure that others in the world are exactly like him with the same American dream. There is proof of that in the way so many people used to make their way to America to earn the right to be an American. In his open generosity, the American just wants the whole world to be like him. Crack the same jokes. Have the same concept of what’s fair and good, take the same responsibility for the good life that he does and just get on with it. To the American, this is at the heart of the democracy that he wants the world to have. America wants the world to be like America, and is unwilling for America to follow the same rules as the rest of the world. […]

The Result: The New Iron Curtain Country
In a cruel twist of fate, America is closer to being the new Russia of the world than the dream of liberty that it was. In the wake of the Patriot Act, and increased surveillance, it is harder for foreigners to live in America than ever before in history. But, in fact, the American population is heavily skewed toward Mexican, Asian and Indian. The new policies will marginalize naturalized Americans. […]

In the American melting pot, the immigrant sacrifices their first identity for the American identity. Somehow the American identity seems big enough
to take care of the first. But becoming American is a long journey with many phases. [...] 
The American system has a life of its own. The bird has literally flown the coop. Years of propaganda have taken the place of facts, people lack the language, the concepts and the tools to acknowledge, describe or address political problems. Perhaps numbed by the American lifestyle, Americans cannot even think. [...] 
[http://www.chowk.com/articles/print/9955; 9/23/12]

Is the American Dream Over? 
By David Brooks and Gail Collins, Dec 9, 2009

Gail Collins:
Here’s my version of modern American history. Before World War II, you had a country in which most people lived pretty simple lives. Working-class, rented homes. Living without indoor plumbing was not regarded as the end of the world. Getting an education involved finishing high school. Then came the war and when it was over, the United States was the last economy standing. And it boomed. The government spent a ton of money to send the returning veterans to college, helped them buy their own homes, and created jobs with huge, ambitious projects like the interstate highway system. Meanwhile, the cost of living was pretty low, especially when it came to housing. So suddenly you had a country in which most families enjoyed an absolutely unprecedented standard of living: A home of your own, a car, a TV. The occasional vacation. Kids in college. 

Then in the 70s, things went sour. Prices spiked. Unemployment rose. I think of this as the moment that we realized that the rest of the world had developed economies of their own, although I know it’s more complicated than that. Middle-class families had an increasingly hard time maintaining their middle-classness. And the way they adapted was to add another paycheck. Wives went to work. Not that there hadn’t been a lot of married women working all along, but the old ideal of Ozzie-and-Harriet family model went out the window. When young people planned their futures together, it was under the assumption that there would be two incomes. But as the years went by, even two middle-class incomes weren’t enough. So the families borrowed. They still had homes, but the mortgages were bigger. They had cars, TVs and credit card debt. Their kids were more determined than ever to go to college, but by the time they got their diplomas, they were in hock to Sallie Mae or one of the other student loan factories. 

When the bubble burst last year, I didn’t see it as the end to our economic power. But I did wonder if it was the end of the American Dream, or at least the version we’ve come to regard as practically a national birthright. [...] 

David Brooks:
Some things about the American economy haven’t changed all that much. We work really hard and switch jobs more frequently than anybody else. The average American works 9 weeks longer per year than the average Western European, which is insane but does mean our standard of living is higher. 

To me the big thing that changed is the cognitive revolution. Because of economic and technological change, there’s greater and greater demand for people who can manipulate ideas and abstractions (except philosophy professors, of course). This has been good for certain sorts of people, namely those with unique
mental skills, the superstars in any field. It’s also been good for women, who can compete equally in a cognitive economy. 
It’s been bad for other groups — men without advanced degrees, anybody without advanced degrees, people with decent but fungible\textsuperscript{fungible} mental skills. Suddenly they’ve become commodities\textsuperscript{commodity} with comparable pricing power in the labor market.

The end result is widening inequality, not only of income but also of skills, as highly educated people marry each other and pass their skills to their kids. Educated Americans live in a stable Ozzie and Harriet world and the uneducated live in a much more disrupted world.

Nonetheless, people in the educated sector have tremendous cultural influence. Every TV network and publication is competing for their eyeballs. Cultural norms are thus set by the lucky 20 percent. Everybody else (we’re Americans, we don’t acknowledge class differences) measures their lifestyle according to the standards set by those top 20. To get the bigger house (which now seems normal) or the multiple cars or the flat screen, they go into debt. Pretty soon, kablooie\textsuperscript{kabooie}.

As the economy recovers the upper middle class will probably be fine. This economy still rewards ideas with income. They will still have tremendous cultural capital, the ability to unwittingly\textsuperscript{unwitting} set the norms everybody else must live up to. The consumption merry-ground\textsuperscript{merry-ground} will begin again.

Maybe there’s a way out of this boom-bust\textsuperscript{boom-bust} cycle, but I don’t see it, frankly. This is an energetic country, and so G.D.P.\textsuperscript{G.D.P.} growth will be fine. It’s the throttling back that we’re not so good at.