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RACE, CLASS, AND CULTURE:
A CONVERSATION WITH
WILLIAM JULIUS WILSON AND J.D. VANCE

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P R O C E E D I N G S

MR. REEVES: Okay ladies and gentleman -- Oh wow, that is very loud, I apologize. I didn't mean to be that loud.

We're going to make a start. My name is Richard Reeves. I'm a senior fellow here at Brookings in Economic Studies, and co-director of the Center on Children and Families. It's my job simply to welcome you to this event today on race, class, and culture in America.

As well as those of you in the room, I'd like to welcome the I think approximately thousand or so people who are watching us live, thank you for joining us. You are every bit as valuable to us as the people in the room. That's not true of course. They actually came, but still (laughter). Fifty percent of you are in your pajamas, but that's okay.

Needless to say, we are podcasting, webcasting, Tweeting, Facebooking, Instagramming everything social media. Please, if you use any or all of those platforms, share using the #RaceinAmerica.

Usually at events like this, the introducer, will say something like, our speakers need no introduction, and then we'll launch into a very long introduction of our speakers. I'm not going to do that today. My job essentially is to say hello and welcome, and then get out of the way. So, I'll introduce the three people you're going to be hearing from over the course of this afternoon's event.

First, and on your right, William Julius Wilson, who is currently the Lewis P. and Lynda L. Geysler University professor at Harvard University on the leading sociologist of race and inequality in recent scholarship.

Secondly, and on your left as you look at the stage is J.D. Vance, he is the author of the best-selling book, "Hillbilly Elegy: A Memoir of a Family and Culture in Crisis."

Moderating the discussion and host of today's events, is a relatively new colleague at Brookings, Camille Busette. Camille is a senior fellow in Government Studies here at Brookings and she is the director of a new initiative at Brookings, the Race, Place and Inclusion Initiative [Editor's correction: Race, Prosperity and Inclusion Initiative] and she is going to be in charge of events from here on forth, so Camille, over to you and welcome to our guests.

MS. BUSETTE: Thanks Richard. I'm indebted to Richard who had the foresight to invite Bill and J.D. for this conversation well before I arrived at Brookings; and also, I want to thank Richard for his graciousness in inviting me to moderate this discussion as well.

I would also like to warmly welcome Bill and J.D. here to Brookings and welcome our audiences both here at Brookings and those who are following us by webcast and otherwise.

Bill and J.D., it's truly a pleasure to have you both here.

Before we get started, I just wanted to acknowledge that today is a very difficult day for the 800,000 American dreamers who are affected by DACA (applause).

Today we're going to be covering some very timely and sensitive topics. Topics that explore who we are as Americans and why we are still struggling with entrenched poverty increasing in equality and the tragic waste of significant human potential; some 30 years after Bill Wilson first published his watershed book, "The Truly Disadvantaged."

As we begin this conversation, I want our audience to understand the personal experiences you both bring to your perspectives on poor Americans.

Bill and J.D., I'd like each of you to share with us a personal experience from your childhood that had a profound impact on you and your perspectives on poverty, and Bill I'm going to ask you to go first.

MR. WILSON: Thank you. So, in answer to that challenging question, I should point out first of all that "Hillbilly Elegy" is a very important book and it also resonated with me in a very personal way because I also experienced the problems of rural poverty.

I grew up in a small town in Western Pennsylvania. My father was a coal miner. He worked in these coal mines of Western Pennsylvania and occasionally he worked in steel mills in Western Pennsylvania. He died at the age of 39, with a lung disease. Left my mother with six kids and I was the oldest at 12 years of age. My father had a 10th grade education, my mother had a 10th grade education. My mother who lived to the ripe old age of 94, raised us by cleaning house occasionally. Initially we were on relief. We call it welfare now. She got off welfare and supported us by cleaning house; and what I distinctly remember about growing up in rural poverty is hunger.

You know, I reviewed a book in the New York Times, Kathy Edin and Luke Shaefer's book, "Two Dollars a Day, Living on Almost Nothing in America." That book really captured my experiences, and I

distinctly remember the times when we went hungry because my mother did not have any money and it was during the winter time and sometimes she had to use her own creativity in coming up with food because she couldn't draw from the garden.

Now, given my family background, black person, black family in rural poverty; as one of my colleagues at Harvard told me, the odds that I would end up at Harvard as a University professor and capital U on University, are very nearly zero. Like J.D. I'm an outlier. An outlier in -- Malcolm Gladwell says in his book "Outlier, The Study of Success." We are both outliers; but it's interesting that J.D. never talks about holding himself up by his own bootstraps, and that's something that I reject. I don't refer to myself that way, because both J.D. and I, were in the right places at the right times, and we had significant individuals who were there to rescue us from poverty and enabled us to escape. We are the outliers being at the right place at the right time, and when I think about your question, that's one thing I think about; how lucky I was. I had some significant individuals who helped me escape poverty.

MS. BUSETTE: Thank you Bill. J.D.?

MR. VANCE: Well first, thanks Camille, thanks Richard for hosting this. It's really wonderful to be here and I'm a bit of a fan boy of William Julius Wilson as I wrote Hillbilly Elegy, so it was real exciting to be able to get him to sign this book.

I think that the story that stands out to me is, and there's a bit of a background here which is that you know, I was six or seven years old, and I remember my mom who was trying to get some sort of certification to become a nurse; and eventually after a couple of years, I remember being old enough that she sort of had to test how to draw blood on me, and that was sort of something I volunteered for because I thought it was really cool, because I was a weird kid; and I remember that eventually she made it and she was able to work as a nurse for a couple of years, and this just so happened to overlap with a period where she was married to a truck driver.

A guy who hadn't graduated from high school, but was able to drive a truck and so you think about those two incomes together, there was this period where I felt like we had genuinely made it where we had this financial stability that was pretty remarkable given the history of my family. And I think the way that it fell apart so quickly and the way that even in the midst of that financial security, life was so chaotic and so unstable and eventually when that very precarious middle-class lifestyle fell apart economically, all of the

instability that existed in our home sort of came crashing down upon us; and so, it felt like after this two-year period, we were in an even worse situation than we were going into it.

I think you know, one of the things that taught me, and one of the ways I think it influenced the way that I think about poverty and inequality and upward mobility, is that the problems that a lot of poor family's face aren't purely income related. That some of the lessons that you learn, some of the things that you acquire when you are really struggling, they follow you even when you're not struggling in a purely material sense. And then when a material sense returns, it can make all of those non-material things that much worse off, and I think that way of understanding these problems has really influenced the way that I think about a lot of the problems that I write about in the book.

MS. BUSETTE: Great, thank you very much. Thank you both very much.

You know I want to talk a little bit about the place of poverty in the American narrative. And that narrative is complicated. In a recent survey conducted by The American Enterprise Institute and the Los Angeles Times, white Americans linked poverty with laziness and lack of ambition, and when we think of the welfare reform debates from the 1990's, there were ungenerous terms used to describe the poor.

The National Opinion Research Center also released a survey that shows that over the last two decades, there has never been such a bigger divide between white Republicans and white Democrats when it comes to the views of the intelligence and work ethic of African Americans.

More generally, Americans think of poverty as an individual failure, and its opposite financial success is the result of hard work and smarts. I want each of you to reflect on these narratives of poverty and give us your perspective. Bill, I'm going to start with you.

MR. WILSON: Okay, that's a very challenging question and I'm going to try to answer it by also pointing out some differences that I have with J.D. It's really kind of a matter of emphasis. Not that we differ, it's just a matter of emphasis.

First of all, we both agree that too many liberal social scientists focus on social structure and ignore cultural conditions. You know, they talk about poverty, joblessness and discrimination, but they also don't talk about some of the cultural conditions, that grow out of these situations, in response to these situations. Too many conservatives focus on cultural forces and ignore structural factors. Now J.D. has

made the same point in "Hillbilly Elegy" and you also have made the same point in some subsequent interviews talking about the book.

Now where we disagree and this relates back to your question, Camille, is in the interpretation of these cultural factors. J.D. places a lot of emphasis on agency. That people even in the most impoverished circumstances have choices that can either improve or exacerbate their situation, their predicaments.

And I also think that agency is important and should not be ignored, even in situations where individuals confront overwhelming structural impediments. But what J.D., and I'd like to hear your response to this J.D., what you don't make explicit or emphasize enough from my point of view, is that agency is also constrained by these structural factors, even among people who you know, make positive choices to improve their lives, there are still constraints and I maintain that the part of your book where you talking about agency, really cries out for a deeper interrogation.

A deeper interrogation of how personal agency is expanded or inhibited by the circumstance that the poor or working classes confront, including you know, their interactions and families, social networks, and institutions, in these distressed communities.

In other words, what I'm trying to suggest is that personal agency is recursively associated with the structural forces within which it operates. And here you know, it's sort of insightful to talk about intermediaries and insightful to talk about people who aid, who help you in making choices, and you do that well in the book.

But here's the point, given the American belief system on poverty and welfare in which Americans as you point out Camille, place far greater emphasis on personal shortcomings as opposed to structural barriers and especially when you're talking about the behavior of African Americans.

I believe that explanations that focus -- don't get me wrong, you don't even talk about African Americans in the sense, I'm talking about people out there in the general public. Given this focus on personal shortcomings as opposed to structural barriers in a common for outcomes, I believe that explanations that focus on agency are likely to overshadow explanations that focus on structural impediments. Some people read a book, but they're not that sophisticated, the take away will be those personal factors and you know, I would have liked to have seen you sort of try to put things in context you know. Talk about the constraints that people have. Now this relates to the second point I want to make.

In addition, to feeling that they have little control over themselves, that is lack of agency. You point out that the individuals in these hillbilly communities tend to blame themselves -- I'm sorry, blame everyone but themselves, and the term you used to explain this phenomenon is cognitive dissonance, when our beliefs are not consistent with our behaviors.

And I agree, and many people often do tend to blame others and not themselves, but I think that when we talk about cognitive dissonance, we also have to recognize that individuals in these communities do indeed have some complaints, some justifiable complaints, including complaints about industries that have pulled off stakes and relocated to cheaper labor areas overseas and in the process, have devastated communities like Middletown, Ohio. Including complaints about automation replacing the jobs of cashiers and parking lot attendants. Including the complaints that government and corporate actions have undermined unions and therefore led to a decrease in the wages or workers in Middletown. You know, I just, I'm sorry, I'm going on too far, I'll let you respond.

MS. BUSETTE: That was interesting. Now, here's your chance.

MR. VANCE: Sure. So, I'll make two broad points. One hopefully more responsive to your initial question, second more responsive to Bill's concerns.

So, first this point about culture, which is a really, really, difficult and amorphous concept to define, and one of the things that I was trying to do with "Hillbilly Elegy" is try to in some ways draw the discussion away from this structure versus personal responsibility narrative and convince us to look at culture as a third and I think very important variable.

I often think that the way that conservatives, and I'm a conservative, talk about culture is in some ways an excuse to end the conversation instead of starting a much more important conversation. It's look at their bad culture, look at their deficient culture, we can't do anything to help them; instead of trying to understand culture as this much bigger social and institutional force that really is important that some cases can come from problems related to poverty and some cases can come from a host of different factors that are difficult to understand.

So, here's what I mean by that. One of the most important I think cultural problems that I talk about is the prevalence of family and stability and family trauma in some of the communities that I write about; and I take it as a given that that trauma and that instability is really bad, that it has really negative

downstream effects on whether children are able to get an education, whether their able to enter the workforce, whether their able to raise and maintain successful families themselves.

I think it's tempting to sort of look at the problems of family instability and families like mine and say there's a structural problem if only people had access to better economic opportunities, they wouldn't have this problem. I think that's partially true, but also consequently partially false. I think there's a tendency on the right to look at that and say these parents need to take better care of their families and of their children, and unless they do it, there's nothing that we can do. And I think again, that is maybe partially true, but it's also very significantly false.

What I'm trying to point to in this concept of culture, is we know that when children grow up in very unstable families that it has important cognitive effects, we know that it has important psychological effects, and unless we understand the problem of family instability and trauma, not just as a structural problem, or problem with personal responsibility, but as a long-term problem, in some cases inherited from multiple generations back, then we're not going to be able to appreciate what's really going on in some of these families and why family instability and trauma is so durable and so difficult to actually solve.

So, I tend to think of culture as in some ways, this way to sum all of the things that are neither structural nor individual. What is it that's going on in people's environments good and bad that make it difficult for them to climb out of poverty. What are the things that they inherit. It's not just from their own families, but from multiple generations back. Behaviors, expectations, environmental attitudes that make is really hard for them to succeed and do well. That's the concept of culture that I think is most important, and also frankly that I think is missing a little bit from our political conversation when we talk about these questions of poverty, we're really comfortable talking about personal responsibility, we're really comfortable talking about structural problems. We don't often talk about culture in this way that I'm trying to talk about it, in "Hillbilly Elegy."

MR. WILSON: Can I just --

MR. VANCE: Sure.

MR. WILSON: No, go ahead J.D.

MR. VANCE: (laughing)

MR. WILSON: No, no, I agree. It's a matter of emphasis, that's all I'm saying.

MR. VANCE: So this, yeah.

MR. WILSON: And let me also point out, here's where we really do agree. We both agree that there are cultural practices within families and so on and in communities that reinforce problems created by the structural barriers.

MR. VANCE: Absolutely.

MR. WILSON: Reinforce. Practiced behaviors that perpetuate poverty and disadvantage. So, this we agree. Too often liberals ignore the role of these cultural forces in perpetuating or reinforcing conditions associated with poverty or concentrated (inaudible).

MS. BUSETTE: So --

MR. VANCE: Absolutely. So, the second point that I wanted to make, and I'll try to be brief is this question of Agency and whether I over emphasize the role of Agency.

I think that for me, this is a really tough line to tow because I'm sort of writing about these problems you know, having in my personal memory, I'm not that far removed from a lot of them. I know that myself, one of the biggest problems that I faced was that I really did start to give up on myself early in high school, and I think that's a really significant problem.

At the same time, I understand and recognize the problem that Bill mentions which is that we have this tendency to sort of over emphasize Personal Agency and to proverbially blame the victim for a lot of these problems.

So, what I was trying to do with this discussion of Personal Agency in the book, and I may have failed, but this is the effort, this is what I'm really trying to accomplish. Is that the first instance, I do think that it's important for kids like me in circumstances like mine, to pick up the book and to have at least some reinforcement of the Agency that they have. I do think that's a significant problem from the prospective of kids who grew up in communities like mine.

The second thing that I'm trying to do, is talk about Personal Agency, not just from the prospective of individual poor people, but from the entire community that surrounds them.

So, one of the things that I talk about is as religious communities in these areas, do they have the, as I say in the book, toughness to build Churches that encourage more social engagement as opposed to more social disaffection. I think that's a question of Personal Agency, not from the perspective of

the impoverished kid, but from a religious leader and community leaders that exist in their neighborhood. So, I think that sense of Personal Agency is really important.

One of the worries that I have, is that when we talk about the problems of impoverished kids and this is especially true amongst sort of my generation, so this is -- I'm a tail end of the millennials here, is that we tend to think about helping people, 10 million people at a time a very superficial level, and one of the calls to action that I make in the book with this -- by pointing out to Personal Agency is the idea that it can be really impactful to make a difference in 10 lives at a very deep level at the community level. And I think that sometimes is missing from these conversations.

And then, the final point that I'll make is that there's a difference between recognizing the importance of Personal Agency and I think ignoring the role of structural factors in some of these problems, right? So, the example that I used to highlight this in the book is this question of addiction. So, there's some interesting research that suggests that people who believe inherently that their addiction is a disease, show slightly less proclivity to actually fight that addiction and overcome that addiction.

So, that creates sort of a catch 22, because we know there are biological components to addiction. We know that there are these sorts of structural non-personal decision-making drivers of addiction, and yet, if you totally buy in to the non-individual choice explanation for addiction, you show less of a proclivity to fight it. So, I think that there is this really tough under current to some of our discussions on these issues, where as a society we want to simultaneously recognize the barriers that people face, but also encourage them not to play a terrible hand in a terrible way, and that's what I'm trying to do with this discussion of Personal Agency.

The final point that I'll make on that, is that the person who towed that line better than anyone I've ever known was my Grandma, my Ma'ma who I think is in some ways the hero of the book. She always told me. Look J.D., like is unfair for us, but don't be like those people who think the deck is hopelessly stacked against them. I think that's a sentiment that you hear far too infrequently among America's elites.

This simultaneous recognition that life is unfair for a lot of poor Americans, but that we still have to emphasize the role of individual agency in spite of that unfairness and I think that's again a difficult balancing act. I may not have struck that balancing act perfectly in the book, but that was the intention.

MS. BUSETTE: Thank you.

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MR. WILSON: Camille, do you mind if I follow-up because I mean this is an interesting conversation and you just raised a point there about optimism which I think is very, very important. Because you know, one point that resonated with me in your book is that you pointed out, I think it was 2010-2011, by the way, I read your book twice you know so (laughter) that's how I remembered it, and I enjoyed it both times. I'm going to say --

MR. VANCE: That's good.

MR. WILSON: -- it's a great book.

You pointed out that in 2010 or 2011, you were overwhelmingly hopeful about the future, and that for the first time in your life, you felt like an outsider in Middletown, Ohio. And what made you feel like an alien as you put it, was your optimism. And I think that that's the key. People who have some hope for the future behave differently.

And I think that if there were some way to generate hope and optimism among people in Appalachia, or among the Appalachian transplants, you would see a change in their behavior, and this argument applies not only to those in distress rural communities, but also distressed urban communities. And I think immediately of the Harlem Children's Zone. The kids who are lucky enough to be a part of -- I assume all of you know about the Harlem Children's Zone. The kids who are lucky enough to be a part of the Harlem Children's Zone, are kids who develop in the process a hopeful feeling. A feeling that they have a future, and therefore they're not going to do anything to jeopardize that future.

You became optimistic. What factors led you to develop that optimism?

MR. VANCE: Yeah, that's a good question. I might ask you the same question when I'm done answering --

MR. WILSON: Right.

MR. VANCE: -- but you know, the first thing is definitely you know, going back to my grandma. I think if anybody had a reason for pessimism and Sinicism about the future, it was her. It's sort of difficult to imagine a woman who had lived a more difficult life and yet ma'ma had this constant optimism about the future, in the sense that we had to do better because that was just the way that America worked. I mean I think that she was this woman who had this deep and abiding faith in the American dream in a way that is obviously disappearing.

And in fact, as I wrote about in the book, was I started to see disappearing even you know, when I was a young kid in my early 20's. So, I think that my grandma was a huge part of that.

I also think that the Marine Corp was a really huge part of that, and this is sort of a transformational experience that I write about in the book.

The military is this really remarkable institution. It brings people from diverse backgrounds together, gets them on the same team. Gets them marching proverbially and literally towards the same goal, and for a kid who had grown up in a community that was starting to lose faith in that American dream, I think that the military was a really useful way to, as I say in the book, teach a certain amount of willfulness as opposed to despair and hopelessness.

So, I think that was a really critical piece of it. You know, at some level, in some cases I think it's impossible to reconstruct that in the past. I knew that I was a really hopeless and in some cases detached kid early in high school. I knew that by 2010, I feeling really optimistic about the future and I do sometimes wonder how easy it is to reconstruct what took me from point A to point B, but those two factors are my best guess.

MS. BUSETTE: Did you want to answer his question.

MR. WILSON: You know, even in extreme property, my mother kept telling me, you're going to college. And my Aunt Janice also reinforced -- my Aunt Janice was the first person in my extended family who got a college education, and I used to go to New York to visit her during the summer months, and I said you know, I want to be like Aunt Janice, you know?

MR. VANCE: Sure.

MR. WILSON: Key people in our lives --

MR. VANCE: Absolutely.

MR. WILSON: We are the outliers J.D.

MR. VANCE: Yep.

MR. WILSON: And Malcom Gladwell since.

MS. BUSETTE: Thank you both for that interchange. I think that was incredibly interesting and very illuminating.

I want to go back to something you mentioned J.D., which is this question of culture. You know Bill, I know that the term cultural poverty has a very divisive history and still conjures up very vitriolic debates today. But Bill, you have over an extraordinary career, created meaningful distinctions about poverty and within that jargon of poverty and you've also situated jobless poverty in particular within changes in the economy.

Could you tell us what the experiential differences are between jobless poverty and the employed poor?

MR. WILSON: Well you really see this when you look at neighborhoods. Neighborhoods, which an overwhelming majority of the population are poor, but employed is entirely different from neighborhoods in which people are poor but jobless.

Jobless neighborhoods trigger all kinds of problems. Crime, drug addiction, gang behavior, violence. And one of the things that I had focused on when I wrote my book, *When Work Disappears* is what happens to intercity neighborhoods that experience increasing levels of joblessness. And we did some research in Chicago and it was really you know, sad, talking to some of the mothers who were just fearful about allowing their children to go outside because the neighborhood was so incredibly dangerous.

And I remember talking with one woman and she says -- who was obese and she says you know, I went to the doctor he said that I should go out and exercise. Can you imagine jogging in this neighborhood? Because the joblessness had created problems among young people who were trying to make ends meet and they're involved in crime and drugs and so on.

So, I would say that if you want to focus on improving neighborhoods, the first thing that I would do would try to increase or enhance employment opportunities.

MS. BUSETTE: Great, thank you.

MR. WILSON: I have another story. This just reminds me. I was talking with a mother, young mother. Actually, she's young now from my point of view, middle 30's and her son had just been shot in the neighborhood, killed. Stray bullet from a gang fight. She said her son was not a member of the gang, that's one of the reasons why she was so fearful, so concerned about keeping her children indoors.

She said you know Mr. Wilson, no one cared that my son died. His death was not reported in any of the newspapers. It wasn't reported on the radio, TV. No one cared Mr. Wilson that my son died.

And I just keep thinking about these families who live in these dangerous jobless neighborhoods and what they have to endure.

MS. BUSETTE: Thank you.

One of the things that comes out clearly from your work Bill, and from your book J.D., is the erosion of social networks and social capital.

J.D., your book is really an extended love letter to your grandparents who raised you. Can you tell us a little bit about how the social connections that they had were important to their resilience they showed as parents, as your parents?

MR. VANCE: Sure. So, my grandparents lived in, I think grew up in a little town that had much more robust communities than the town that I grew up in. And so, a lot of the relationships they developed, my grandfather was a 35-year union welder, at Armco. Later, A.K. Steel. My grandmother was a little bit more socially isolated than my grandfather but still had built up a network of friends over that time, and you know, going back to Bill's point about having diverse networks of people who actually give you a sense of what's possible and what's out there, that was really, really, powerful for me right. So, you know, of my grandparents three kids, one obviously is my mom, but my uncle and aunt were doing pretty well when I was a young kid, and so that gave me this sense of what's out there, what's possible. That's really powerful. My grandfather had a number of friends most of whom were working class like him, but some of whom you know, owned the local businesses or owned local stores or mechanic shops, things like that. So that also gave me the sense of what was possible.

And I think ultimately though I went to the Marine Corp and then off to college. I also think the obvious implication is that some of those social networks and connections would have had really powerful economic benefits if I had eventually tried to rely on them. I think that what was so wonderful about my grandparent's social networks is that they were intact enough for me to still have relied upon them.

On the other hand, one thing I really worried about and one thing that I increasingly worried about as I actually did research for the book, is this idea of faith and religion, not just as something that people believe in, but as an actual positive institutional and social role player in their lives. And one of the things you do see, that this is something that Charles Murray's written about, is that you see the institutions of

faith declining in some of these lower income communities faster than you do in middle and upper income communities.

I don't think you have to be a person of faith to think that that's worrisome. I think you can just read a paper by Jonathan Gruber that talks about all of these really positive social impacts of being a regular participatory Church member. So, you know, I think I was lucky in that sense, but a lot of folks, and when I look at the community right now, it worries me a little bit that you don't see these robust social institutions in the same way that you certainly did 30, 40 years ago, and even when I was growing up in Middletown.

The last point that I'll make about that, is that we're in sort of these trends often take half a century or more to really reveal themselves and I do sometimes see signs of resilience in some of these communities that I sort of didn't fully anticipate and didn't expect when the book was published.

So, one of the things I've started to realize for example is when we talk about the decline of institutional faith, even though I continue to worry about that, one of the institutions that's actually picked up the slack are groups like Alcoholics Anonymous and Narcotics Anonymous. They almost have this faith effect. It brings people together. There's even a sort of liturgical element to some of these meetings that I find really, really fascinating and interesting.

So, people try to find and replace community when it's lost but you know, clearly, they haven't at least as of yet, replaced it even remotely to the degree that it has been lost which is why I think you see some of the issues that we do.

MS. BUSETTE: Alright, thank you.

Bill, I know you have something to say on that --

MR. WILSON: Sure.

MS. BUSETTE: -- but I wanted to kind of position the question in a slightly different way than I did for J.D.

The economy certainly became significantly since you first pinned The Truly Disadvantaged. And what, from your perspective, what effects have those changes had on social organization and poverty?

MR. WILSON: Well, I don't know if the conditions have changed that much, since I wrote *The Truly Disadvantaged*. The one big difference is that I think there's increasing technology and automation has created problems for a lot of low skilled workers.

You know, I mentioned automation replacing jobs that cashiers held, and parking lot attendants held. So, you have a combination not only of the relocation of industries overseas, that I talked about in *The Truly Disadvantaged*; but now you have increasing automation and technology replacing jobs, and this worries me because I think that people who have poor education are going to be in difficult situations increasingly down the road.

You look at intercity schools, not only schools in intercities, but in many other neighborhoods, and kids are not being properly educated. So, they're not being prepared for the changes that are occurring in the economy.

I remember one social scientist saying that it's as if -- talking about the black population. It's as if racism and racial discrimination put black people in their place. (inaudible) to watch increasing technology and automation destroy that place. So, the one significant difference from the time I wrote *The Truly Disadvantaged* in 1987, is the growing problems created by increasing technology for the poor.

MR. VANCE: Bill, could I ask a question --

MR. WILSON: Sure.

MR. VANCE: -- because this is something I was you know, looking through your book on my Kendall earlier today, and I kept on coming back to this question, and I'm curious what you think. Which is if the civil rights movement had happened in the early 20th century as opposed to the mid-20th century, do you think that black Americans would be more caught up than they are right now?

In other words, do you think that it happened, the civil rights advancements happened at a time when technology was just really starting to hammer the economies that they relied on, and if it happened in an area where there weren't quite the same premiums on human capital, that maybe they could have caught up a little bit better than they have over the past 50 years?

MR. WILSON: So what you're saying is that if civil rights movement had happened at this time?

MR. VANCE: Sorry, the early 20th century?

MR. WILSON: Oh, the early 20th century.

MR. VANCE: Yeah, that's right.

MR. WILSON: Right.

MR. VANCE: So, if it had happened when we were just transitioning from the proverbial farm to the factory, do you think it would have had a significant difference?

MR. WILSON: I'm not sure.

MR. VANCE: Right, what else can you say.

MR. WILSON: What do you think?

MR. VANCE: I do you know -- reading The Truly Disadvantaged today, I was thinking maybe the answer is yes, because part of what happened, with the civil rights movement is that the economy was rapidly changing just to some of these legal structures were you know, as black Americans were freed from some of these legal structures.

And I do wonder if the economy -- it was in some ways as these legal changes were happening in a very positive way, the economy hit black Americans super hard, and I wonder if those legal structures would have fallen at a time when the economy wasn't changing so rapidly. Maybe things would be a little bit different today?

MR. WILSON: This reminds me of the point that Bayard Rustin raised in the early 1960's. He said, you know, it's great to outlaw discrimination and prejudice, but it's also important to recognize that if you have a referee in the ring, and you say there will be no discrimination, but one fighter has had all of the training and the other fighter has not, which fighter is going to come out ahead? And so, he says much more emphasis has now got to be placed on dealing with these basic economic problems and he told Martin Luther King, Jr. he said look, he says what good is it to be allowed to eat in a restaurant if you can't afford a hamburger; so, we're going to have to address some of these fundamental economic problems --

MR. VANCE: Sure.

MR. WILSON: -- that are devastating the community. So that reinforces a point to.

MS. BUSETTE: That is a perfect segway to a set of question that I want to ask you both.

It's about the question of Race in America. We know that racism and discrimination have a long history in the U.S., and that the effects of that history are still experienced by individuals on a daily basis today.

When those experiences are aggregated, we can see large mobility, wealth and income gaps between white Americans and African Americans. We are also hearing, and reading and seeing about the culture of the sphere, the opioid epidemic and the disability culture in rural and west belt America.

So, I'm going to ask a sensitive question. Are there differences between being black, jobless and poor, and being white jobless and poor? And if so, what are they and why?

Bill, I'm going to give you the honor of tackling that first (laughter).

MR. WILSON: You know, that's a very interesting question because I was just -- you know J.D. you wrote in your book about the problems of poor whites and it seems that poor whites right now are more pessimistic than any group, and the question is why.

I was sort of impressed with your analysis of the white working class and the age of Trump. You know, you pointed out that when Barrack Obama became president there were a lot of people in your community who were really struggling and who believe that the modern American Meritocracy did not seem to apply to them. These people were not doing well, and then you have this black president who's a successful product of Meritocracy who has raised the hope of African Americans and he represented every positive thing that these working-class folks that you write about did not possess or lacked. And Trump emerged as candidate who sort of spoke to these people.

What is interesting is that if you look at the Pew Research Polls, recent Pew Research Polls, I think you pointed this out in your book, the working-class whites right now are more pessimistic than any other group about their economic future and their children's future. Now is that pessimism justified? I think they're overly pessimistic. I still maintain that to be black, poor and jobless is worse than being white, poor and jobless, okay? But, for some reason, the white poor is more pessimistic.

Now I think with respect to the black poor and working class has kind of an Obama effect you know. I think that may wear off and then blacks will become even more equally as pessimistic as whites in a few years.

MR. VANCE: I'd really like for you to run those numbers right now, and see if the rates among pessimism among working class blacks are changed or inverted relative to where they were a couple of years ago.

You know, people ask me what I see as the similarities between working class blacks and working-class whites, and what the differences are, and whenever they ask me what the differences are I always say, talk to Bill Wilson, he's a lot smarter about this stuff than I am.

But the thing that jumps out to me most when I think about the differences, is that housing policy, especially housing policy back in the 50's and 60's affects modern day black Americans much more than it does modern day white Americans. Especially the working and non-working poor. What I mean by that is that I think that you know, partially because of research that Bill has done it partially for research that a lot of other folks have done. Concentrated poverty is really bad. It's worse than just being poor. To be sort of socially isolated in these islands of all the other poor people and I think that's a much more common experience among black Americans because of the residuals effects of housing policy in the 50's and 60's, so I think that to me, if I was going to pick one single factor, that was driving the continued difference, I would probably say housing policy.

The sort of question of how you know, is it better or worse to be working-class or sort of poor, jobless and white, versus poor, jobless and black. I think all things being equal certainly poor jobless and black is sort of worse off if you look at wealth numbers, if you look at income numbers, that's still the case.

I do worry a little bit that we don't have the vocabulary to really talk about the full measure of disadvantage in the country right now. What I mean by that is that we're pretty comfortable talking about class, we're pretty comfortable talking about gender, we're reasonably comfortable talking about race, but when we talk about things like single parent families, family trauma, concentrated poverty.

All of these things that would go into what I would call the disadvantage bucket or the privileged bucket, it's not those three factors, it probably two dozen or three dozen factors. We're really bad about talking about everything except for race, class and gender. And I think that's one way that the conversation has really broken down, especially in the past few years.

MS. BUSETTE: Alright, thank you.

MR. WILSON: So, this reminds me of your points J.D., remind me of a paper that Robert Sampson, a colleague at Harvard and I wrote to the 1995 entitled Toward a Theory of Race, Crime and Urban

Inequality. A paper that has become a classic actually in the field of criminology because it's generated dozens of research studies.

Our basic thesis we were addressing you know, race and violent crime, is that racial disparities and violent crime are attributable in large part to the persistent structural disadvantages that are disproportionately concentrated in African American urban communities.

Nonetheless, we argue that the ultimate cause of crime were similar for both whites and blacks, and we pose a central question. In American cities, it is possible to reproduce in white communities the structural circumstances under which many blacks live. You know, the whites haven't fully experienced the structural reality that blacks have experienced does not negate the power of our theory because we argue had whites been exposed to the same structural conditions as blacks then white communities would behave - the crime rate would be in the predicted direction.

And then we had an epiphany. What about the rural white communities that you talk about. Where you're not only talking about joblessness, you're not only talking about poverty, but you're also talking about family structure.

So, here in Appalachia, you could reproduce some of the conditions that exist in intercity neighborhoods and therefore it would be good to test our theory in these areas because we'd be looking at the family structure. The rates of single parent families. We'd be looking at joblessness, we'd be looking at poverty. So, we need to move beyond the urban areas and see if we can look at communities that come close to approximating or even worse in some cases, and some intercity neighborhoods.

This reminds me, I was reading an interview, excellent interview. Remember I wrote to you that first time I read this interview, it was before I even read Hillbilly Elegy and I went and read the book after reading this interview; or maybe it was in Hillbilly Elegy where you refer to the research of the economist Raj Chetty who did some path breaking research on concentrated poverty, single parent families and mobility.

MR. VANCE: Yep.

MR. WILSON: And the reports in the newspapers focused on concentrated poverty and then talk about rates of single parent families which he also emphasized you see.

MR. VANCE: Yep.

MR. WILSON: But if you want to capture both, it might be good to focus on rural areas like the ones you wrote about, and see if some of the same factors are reproduced that I read about in *The Truly Disadvantaged*.

MS. BUSETTE: Oh there's no second book for you (laughter). So, my colleague Richard Reeves has recently published a piece that demonstrated that there's a century economic mobility gap between black and white men. So, in a sense, the historically lower rates of upward mobility have delayed the economic accent of black men by a century.

Should we be concerned?

MR. WILSON: Could you repeat that?

MS. BUSETTE: Yeah. The historically lower rates of upward mobility have delayed for black men, have delayed the economic accent of black men by a century compared to white men.

So, the question is, should we be concerned, and do we need differentiated sets of policies to address black economic mobility and on the other hand, white economic mobility?

J.D., I'm going to give that to you first (laughter).

MR. WILSON: You should have sent these questions to us ahead of time (laughter) --

MS. BUSETTE: No, no.

MR. WILSON: -- so we could have thought --

MS. BUSETTE: That's the fun (laughter). Yeah, no fun in that.

MR. VANCE: Well, I think you asked two questions. The first was should we be concerned. My answer to that is yes, and I'll let Bill take the second question (laughter).

So, you know, this question of should we have differentiated policies. I think it depends on what we mean by differentiated right. So, to take Bill's -- something he said earlier, this question of technological change and the way that it's impacting these communities, I think that requires us to fundamentally rethink the way that we approach higher education. That's been my persistent frustration, thinking about policy over the past couple of years.

Is we have this rapidly changing economy. We haven't changed our institutions or even our institutional thinking to match up to that rapidly changing economy. But if you're focused on sort of correcting those gaps or if you're just basically focused on giving help to the people who need it, then you're going to

have a differentiated application of help because black Americans need it, you know, maybe on average more than white Americans.

If we talk about sort of the negative effects for example of concentrated poverty, this is something that I really worry about, and back to Raj Chetty, a different paper that he published show that there are these really interesting positive effects of the Moving to Opportunity Study. But my guess is that concentrated poverty equally hurts black and white Americans, it's just that black Americans experience it more. So, there's going to be a differentiated effect if you try to rectify that problem, but not because you say we're going to try to help black people more than white people, just because you're going to say, I want to help the problem of concentrated poverty and because they're suffering from it more. That effect will at least be differentiated.

But I don't know, I haven't thought about sort of whether you should go into it sort of before the fact and try to apply these things differently. My guess is that that's probably politically not a great idea, and may not be necessary from a moral perspective either, but I'm curious as to what Bill thinks.

MR. WILSON: I agree. Certainly, in this day and age it's not a good idea. But, if you ask me what am I most concerned about right now in addressing problems of poverty and so on. I'm concerned about jobs.

Although I wouldn't phrase it this way, I wouldn't say that we need public sector jobs for black males, I would say we need public sector jobs for people who live in concentrated poverty and that would apply to white males, not only males, but females as well. As well as blacks. But which group would benefit disproportionately from a public sector's jobs program. It would be black males, because black males have these high prison records; and therefore because of their prison records, many of them find it extremely difficult because of the incarceration rates, many of them find it extremely difficult to find jobs in the private sector. Therefore, at least as a temporary as opposed to a permanent solution, I would like to see public sector job creation for those who have difficulty finding employment in the private sector.

When I speak of public sector jobs, I mean the type of jobs provided by the WPA during the great depression. Jobs that would improve the infrastructure in our communities, including the under-funded National Park Service, state and local park districts. I just feel that public sector jobs are very, very important

particularly for black adults who have been stigmatized by prison records and who thus find it virtually impossible to find jobs in the private sector.

Now, saying that. I'm on to no illusion that these programs and a program like public sector job program would garner widespread support in the current political climate, but I feel that we have to start thinking seriously, about what should be done when we have a more favorable political climate, and when people from both parties are willing to consider seriously policies that could make a difference.

MS. BUSETTE: We have time for one more question, and I'm going to start J.D. with you.

So, in a paper by Richard Reeves and another Colleague of mine, Eleanor Krouse, that was released today, the evidence is that rural areas with the best rates of upward mobility are the ones with the highest rates of out migration, especially among young people.

Should we just accept that some communities are essentially dying, and focus our efforts on helping people move on to other places with more opportunity, or should we be trying to turnaround these blighted areas?

MR. VANCE: That is a really tough one. So, I'm going to try to judicially split the baby here and I'll probably fail but --- (laughter).

When I think about should we try to fix these blighted areas, I think that it depends on how we define area, right? Because my concern with some of these out-migration arguments is that we say, if you can't find a good job in West Virginia, you should move to San Francisco, California, and they're two concerns with that.

The first is that try to convince somebody that they could afford a place in San Francisco, California when it's a two-bedroom apartment costs you \$4,500 a month. So, I think that again, going back to housing policy, that really makes this out migration pretty difficult.

The second thing is that you really do -- I think we have to understand there's a difference between out migration from let's say Eastern Kentucky to Southwestern Ohio verses Eastern Kentucky to San Diego, California, because the former allows you to preserve some important social contacts and social connections. It is cheaper to move there, it's less culturally intimidating to move there.

I mean I cannot imagine what my grandparents would have said if you would have told them in the 1940's that they had to move to modern day San Francisco. It really would have been, you need to move to an entirely different country. Maybe an entirely different planet. And I think that's important.

So, the way that I think about this problem is that we have to accept that while out migration has to be a part of the solution, we can't just say every single person in Breathitt County Kentucky has to leave, and Breathitt County Kentucky gets to close up shop. But if we can regionally develop big cities like Lexington, like Pittsburgh, like Columbus, Ohio, that obviously has downstream effects and that allows you to have out migration to places that isn't so culturally foreign and enables people to maintain those social connections even as they move to areas with higher employment; and oh, by the way, still play a positive role in the communities back home. I think that's the way that I approach that particular problem.

MS. BUSETTE: Alright, thank you.

MR. WILSON: You know my colleague at Harvard, Robert Sampson and former student Patrick Sharkey who is at NYU have argued for durable investments in disadvantaged neighborhoods to counter the persistent dis-investments in such neighborhoods, and I was wondering if you use that argument and focus on Appalachia for example, what would investments look like? And I'm going to put this question to you J.D., if you're talking about investments in these communities, would it include such things as hospitals, clinics, road construction, shopping centers, daycare centers, these kinds of things. Would that be helpful? Would those things be helpful?

MR. VANCE: Yes, so I think it would definitely be helpful. One of the concerns I have with what we've seen with regional economic development is that it very often happens through the avenue of let me provide you tax credit so that you can open up new retail, right? I don't think that's especially durable economic development right. I mean I think we have to think of local economies as sort of a pyramid. You need real industries, manufacturing, then you have retail on top of it, but you can't really rebuild some of these economic centers with just retail.

There is actually an interesting bill that's moving through Congress right now, that would in some ways place long-term capital investment at parity with short-term capital investment like tax credits. That would allow things like Venture Capital investment and much bigger longer-term patient capital to invest in some of these areas and create you know, more durable jobs in more durable sectors.

But I also think, and my thinking honestly has probably changed in the past few years, though maybe change isn't the right word, as I start to think about this a little bit more seriously.

When I look at you know, some of the work David Autor has done about the China Shock and the way that it's impacted some of these areas. I do think that we've been so caught up in thinking about long term well-being as purely as a function of consumption, that we haven't thought about the fact that if you pay three cents less for a widget at Walmart, but half of your community just lost its job, you're purchasing power is slightly greater, but your community has lost something really significant.

I think that's been missing from our conversations about economics in jobs, especially on the right, but I really think across the spectrum we focus too little on bringing good durable, high paying work into some of these areas. And consequently, if you look at just a policy across the board, we've congratulated ourselves, because purchasing power, even among the low income has gone up, not recognizing the purchasing power that comes from a government transfer is a lot different from purchasing power that comes from a good job.

MS. BUSETTE: Great. Thank you both very much.

We are now going to take questions from the audience. So, (inaudible) from Brookings. So, I'd like everybody to be able to say who they are and the organization they're coming from, and then ask your question please. Thank you.

And I'll take a couple of these. I'll take yours first and then we'll take a few more.

SPEAKER: First thing I want to do is thank both of you for such a thoughtful conversation. I mean Camille asked you really tough provocative questions, so it was a great conversation.

I think I want to add to the provocative question list here. We haven't talked much about our politics going forward and how they may play out in terms of things that you both might be in favor of.

Bill, you say you're for a public jobs program, but obviously that's politically going to be extremely difficult to convince much of the public including many of the so-called white working class that J.D. has been studying. They don't like government programs. They don't like handouts. They want I think, as I read it, the literature, including your book, they want real jobs, not government jobs. In fact, they really dislike a lot that they see in first line government workers.

With that background and thinking about you know, where does our politics go from here, I happened to have read this weekend, a new small essay by Mark Lilla who is arguing quite controversially that the Democratic party needs to put less emphasis on identity politics. That means staying away presumably from racial divides and culture and all of that. And, do you have any thoughts about generally how we bring the country back together again politically and specifically this notion that maybe the Democratic party is losing the white working-class by putting too much emphasis on immigrants, minorities, women etcetera?

MS. BUSETTE: I'll let you Gabby -- I'll let you gather your thoughts there.

MR. WILSON: I'll take a shot --

MS. BUSETTE: Wow, a brave man.

MR. VANCE: I hope that there's vodka in this (laughter).

MR. WILSON: So you know, I blurbed Mark Lilla's book.

SPEAKER: Oh, did you? That's right I remember.

MR. WILSON: I blurbed it. What's the title of the book?

SPEAKER: The Once in a Future Liberal.

SPEAKER: That's right.

MR. WILSON: The Once in a Future Liberal. Yeah, I blurbed the book. You know, Mark Lilla and a number of other post-election analysts observed that as you point out that the Democrats should not make the same mistake that they made in the last election, namely an attempt to mobilize people of color, women, immigrants and the LGBT community with identity politics. They tended to ignore the problems of poor white Americans.

I was watching the Democratic convention with my wife on a cruise to Alaska, and one concern I had was there did not seem to be any representatives on the stage representing poor white America. I could just see some of these poor whites saying they don't care about us. They've got all these blacks, they've got immigrants, they've got (inaudible), but you don't have any of us on the stage. Maybe I'm overstating the point, but I was concerned about that.

Now one notable exception, critics like Mark Lilla point out was Bernie Sanders. Bernie Sanders had a progressive and unifying populous economic message in the Democratic primaries. A

message that resonated with a significant segment of the white lower-class population. Lower class, working class populations. Bernie Sanders was not the Democratic nominee and Donald Trump was able to, as we all know, capture notable support from these populations with a divisive not unifying populous message.

I agree with Mark Lilla that we don't want to make the same mistake again. We've got to reach out to all groups. We've got to start to focus on coalition politics. We have to develop a sense of interdependence where groups come to recognize that they can't accomplish goals without the support of other groups. We have to frame issues differently. We can't go the same route. We can't give up on the white working class.

MS. BUSETTE: Okay, J.D., did you want to tackle that or --

MR. VANCE: Yeah, sure I'll --

MS. BUSETTE: -- shall we go for other questions?

MR. VANCE: -- I can briefly answer. I mean as a Republican who is deeply worried about the American right, this gives me a great chance to rift on the other side.

So, just a couple of thoughts as you ask the question and as Bill was responding. The first is that on this question of identity politics, I think that what worries me is that a lot -- it's not a recognition that there are disadvantaged non-white groups that need some help or there needs to be some closing of the gap you know.

When I talk to folks back home, very conservative people, they're actually pretty open-minded if you talk about the problems that exist in the black ghetto because of problems of concentrated poverty and the fact that the black ghetto was in some ways created by housing policy. It was the choice of black Americans. It was in some ways created by housing policy.

I find actually a lot openness when I talk to friends and family about that. What I find no openness about is when somebody who they don't know, and who they think judges them, points at them and says you need to apologize for your white privilege. So, I think that in some ways making these questions of disadvantage zero sum, is really toxic, but I think that's one way that the Democrats really lost the white working class in the 2016 election.

The second piece that occurs to me, and this applies across the political spectrum, is that what we're trying to do in the United States, it's very easy to be cynical about American politics, but we're

trying to build a multi-racial, multi-ethnic, multi-religious nation, not just a conglomeration, an actual nation of people from all of these different tribes and unify them around a common creed. I think that's really delicate. It's basically never been done successfully over a long period in human history and I think it requires a certain amount of rhetorical finesse that we don't see from many of our politicians on either side these days and that really, really worries me.

MS. BUSETTE: Okay, thank you both.

I'm going to take three other questions and then we can answer them.

So, this gentleman here, young lady here with her hand up, and then I'll take yeah, the person right in the back there. Okay, yeah, on this side first.

SPEAKER: Thank you very much. I've known Bill Wilson for years, I've known J.D. over the telephone (overlapping conversations) all over town.

MR. VANCE: A fellow Middletonian.

SPEAKER: Yes, I tried to catch you at the book fair on Saturday. The line, for those of you who weren't there, stretched all the way out of the DC Convention Center and down (inaudible) Avenue. I've never saw anything like it since the Beatles came to town (laughter). But anyway, yes, I'm a fellow middle, and from class of 65, so I went there before you were born. We just had our 50th anniversary reunion here a couple of years ago.

I'm delighted by your book. Folks ask me if I ever thought of writing a memoir, and I said my life was too dull, my (inaudible) was too quiet. When I grew up we were an all-American city. You may have read that in your history books. Back in the 50's we were one of the all-American cities in America.

A few years ago, Forbes chose Middletown as one of 10 fastest dying cities in America. This tells you what's happened over time. So, I have a lot of things I'd love to inject, but I'm just going to ask one question.

As you know I've talked before about when I came out of Middletown High in 65 I was able to work at the steel mill at Armco, and make enough money to pay my tuition at Ohio University, go Bobcats. For tuition in 1965 at Ohio U was \$770. With room and board \$1,240. It wasn't hard for me, the son of a mother who was a cook and a father who was a factory worker to move up to the middle

class, thanks to Ohio's excellent higher education system. Years later of course you went to the Marines to get a scholarship to go to Ohio State --

MR. VANCE: True.

SPEAKER: -- and so it was possible, but it certainly is tougher now to go from working class Middletown, we don't have the steel mill jobs in the summer anymore. The five paper mills that we used to have are all gone. All the industries up and down I-75, all the way to Detroit, General Motors, Frigidaire, GM, Delco Battery, Huffly Bicycle, National Cash Register, and I could go on and on and on, but what Bill Wilson writes about in the you know they've gone overseas or other types of chains have gone on. We were talking about automation back in the 50's, and the 60's and of course we see what has happened, and it's still happening.

But, my question really is we haven't talked much about those front row kids like yourself there who had a chance to go to college and found a way there. That route has gotten tougher.

Do you think we need to do something to make it easier to get higher education? Some schooling beyond high school?

MS. BUSETTE: Okay great, thank you. This woman here with the red sweater. Please, thank you.

MS. RISER: Thank you gentleman, it's extremely challenging --

MS. BUSETTE: Can you say your name please.

MS. RISER: I will say my name. It's Mindy Riser and I have worked and continued to with a number of NGO's across the world concerned with social justice.

My question is about a segment of the American population, you haven't talked about, and that is the aging baby boomers who come in all colors, shapes and sizes. Some of these folks will have social security, which isn't very much, some will not at all. We've talked about the challenges of jobs.

What is going to happen to these people, some of whom will not get jobs and will rely on diminishing social security and that is not exactly assured anymore either.

So, I'd like you to address that part of the population whose future does not look all that bright.

MS. BUSETTE: Great, thank you. And then we have one way in the back there. She has her hand up. Thank you.

MS. LEO: Hi, my name is Chin Leo and I'm a correspondent from China's Nu Hahn News Agency. Actually, I have two questions for J.D.

One is that you mentioned about (inaudible) which could be the third important element from the personal structural agencies to have those poverties. So, I just wanted to maybe categorize say more about this (inaudible) so what it could include.

Because when I just read about your book, first I thought it maybe something related to the peace treaty of American, like those people who used to work in the hill. The mountain or the farmers, but it turns out, maybe there is something more or different from that, so can you just say more about it.

And second question is about the globalization. I think both of the speakers just mentioned that the process of globalization just, the country being so large to the poverty or just make it a faster pace, for those working class in America no matter white or black to become obvious problem.

So, do you think what could be the solution for this or is it really necessary just like President Trump said that anti-globalization could be one of the solutions or a necessary one. Thank you.

MS. BUSETTE: Thank you.

So, we have a question on ways to make it easier to get a higher education, what about job opportunities for aging baby boomers and then a special set just for you, where you can you know, if you'd like to, maybe go into a little more about what you meant by culture, and then for both of you if you want to discussion globalization and its effect on poverty in the U.S.

MR. WILSON: Well I just -- to answer your question very quickly, forget the political climate, but I'd like to see us increase the Pell Grants to make it possible for folks who don't have much income, increase the Pell Grants.

MS. BUSETTE: Okay great. J.D., do you want to address any of these?

MR. VANCE: Yes, so my general worry with the college education is a book at large is sort of two things. So, the first is that, I think we've constructed a society effectively in which a college education is now the only pathway to the middle class, and I think that's a real failure on our part.

It's not something you see in every country, and I don't think it necessarily has to be the case here. There are other ways to get post-secondary education and I absolutely think that we have to make that easier, and I really see this as sort of the defining policy challenge of the next 10 years is to create more of

those pathways; because the second born on this is that college is a really, really culturally terrifying place for a lot of working class people.

We can try to make it less culturally terrifying, we can try to make for the elites of our universities a little bit more welcoming to folks like me, and this is something that I wrote about in the book, really feeling like a true outsider at Yale for the first time, in an educational institution.

I think that we also have to acknowledge that part of the reason that people feel like cultural outsiders is for reasons that aren't necessarily going to be easy to fix, and if we don't create more pathways for these folks, we shouldn't be surprised that a lot of them aren't going to take the one pathway that's there, that effectively runs through a culturally alien institution.

MS. BUSETTE: Thank you. Other questions.

MR. WILSON: Yeah, we have to --

MR. VANCE: Oh yeah sorry. There's a couple of others so yeah, on the baby boomer question I'll try to be very quick but I don't necessarily have a fantastic answer to this, but let me add one thought that I had while you were asking that question, which is that in certain areas, especially in Ohio, Kentucky, West Virginia and so forth.

I think the biggest under reported problem for the baby boomers is the fact that they are taking care of children that they didn't necessarily anticipate taking care of because of the opioid crisis. This is the biggest driver of elder poverty in the State of Ohio, is that you have entire families that have been transplanted from one generation to the next. They were planning for retirement based on one social security income, and now all of a sudden, they have two, three additional mouths to feed.

I think my concern for the baby boom generation is especially those folks of course because it's not just bad for them, it's bad for these children who are all of a sudden thrown into poverty because of the opioid addition of that middle generation of the parents, of the kids and the sons and daughters of the grandkids.

And then the very last question, culture, I think of as a way to understand the sum of the environmental impacts that you can't necessarily define as structural rights, so the effects of family instability and trauma that exists in people, the effects of social capital and social networks in people's lives, You know, all of these things I think add up to a broad set of variables that can either promote upward mobility or inhibit

upward mobility; and again I think we very often talk about job opportunities and educational opportunities, we very often talk about individual responsibility and Personal Agency. We very rarely I think talk about those middle layers and those institutional factors that in a lot of ways are the real drivers of this problem.

MR. WILSON: I just want to add just one point. I think that this is too radical to seriously consider right now, but at some point, I think we're going to have to think about it, and that is to give cash assistance to reduce the tax rate for those who are experiencing compound and deprivation.

At some point, we're going to be faced with a problem. We're going to have to rescue people and some economists are talking about the negative income tax and so on, but it's something that we're going to have to be thinking about.

MS. BUSETTE: Great. Thank you. I'm going to take three more. This gentleman here, this lady here. Ignacio?

MR. AARON: I'm Henry Aaron Brookings.

My question is for J.D. Vance, I've heard in your comments what strike me as a genuine and heartfelt sympathy for the economic and social circumstances, not only of blue whites in Appalachia, but also for the concentrated poverty in urban areas. You have a genuine sympathy for both.

You also stated that you come to this concern as a conservative and as a Republican. Now, in looking at the current political environment, which is I think where we need to start rather than our aspirations for a different environment, we would really like it in the future.

Starting from the current economic environment, I note that we've spent all of 2017 on a political debate which now seems, from my standpoint mercifully to coming to an end about doing away with The Affordable Care Act.

We are about to have a month long high stakes debate about the child health insurance program which President Trump's budget proposes significantly to cut.

We are confronting the possibility of a major fight over the national debt cap which at least some elements in Congress would like to use as a pressure tool to reduce the size and scope of the federal government.

We are debating whether to reform entitlement programs and notably disability insurance, which if one looks at a map of where disability benefits are most received, looks like the map for your book actually. Kentucky, Arkansas, Alabama, Mississippi, Ohio, Pennsylvania.

My question is, as a conservative Republican, how do you reconcile the concern you've expressed with the apparent agenda from those with whom you identify politically.

MS. BUSETTE: Okay, so we're going to take two more questions (laughter) in this round. This lady right here and then Ignacio.

MS. DANIELS: Hello, my name is Samara Robard Daniels, I actually married into an Appalachian family myself, so I've had a close look at the situation myself.

I'm wondering if you had to sort of envision of a not a political leader, but maybe more philosophical substantive role model, what qualities aside from the typical like you know, honesty and so forth. I mean what would be the sort of gestalt of that leader that would perhaps you know, mobilize.

I mean that can happen, but because of the technological age, we don't have that sort of you know, more renaissance minded philosophical temperament is not sort of percolating and I'm wondering if you had to envision it, what would be role model, and similarly for you, what do you see? What would be the gestalt of that leader?

MS. BUSETTE: Alright, thank you. Ignacio?

MR. PESO: Hello, thank you the three of you for the discussion, it was very fascinating.

MS. BUSETTE: can you say your name?

MR. PESO: My name is Ignacio Peso and my question actually starts with an article I read in the New York Times a few days ago. Maybe it was two days ago. It's about like the role of private firms also. It was a comparison between the job conditions and years ago, with a lady from Kodak who was able to rise and get an opportune job, get an education, and then in the end the same private firm rising to her position, and right now janitor in Apple, right.

I think in this conversation we talk a lot about like the power of stories and how they convey mobilities and talk about like more structural aspects. I was wondering, what is your opinion about like how -- what's the role of private firms in this discussion, and what sort of policies can you envision regarding that. Thank you.

MS. BUSETTE: Okay, thank you. So, we have a question about reconciling your concerns with concentrated poverty with the served agenda of the GOP.

A question around what do role models who are sort of embodying you know an un-way out sort of; and when we think about the poverty debate what do those people look like.

And then what's the role of private firms in economic mobility for poor and low-income Americans.

MR. WILSON: Could you repeat the second question?

MS. BUSETTE: What does a leader look like who could possibly lead us towards a set of solutions when we think about poverty in the U.S.?

MR. VANCE: I guess I'll start because the question about I think the GOP is directed specifically at me.

The first thing that I'll say about that is that I agree with many of the conservative critiques that are levied sort of against some Democratic policy. I very rarely, at least if we're defining Republican policies or what comes out of Congress, I very rarely agree with Republican Congress about how to answer those critiques.

The way that I broadly look at this philosophically is that there is a distinction and an important one between libertarianism and conservatism. So, I will partially try to answer your question about outsourcing.

I think that for example on this question of labor unions, I think that the sort of classic libertarian answer to this question which is really dominant on the right for the past 30 years, is that effectively for a whole host of reasons, labor unions are anti-competitive, they're bad for non-members and they're bad for actual firms. Consequently, for cartel reasons, they're sort of bad from a public policies perspective.

I think a better conservative answer to the fact that we've gone from 35 percent private labor participation to 6 percent private labor participation, is to recognize that labor unions can be economically destructive to recognize that labor unions as Burke would say, could also be incredibly important social institutions that play a positive role in communities, and so the question is how do we destroy labor unions, but it's how do we reform labor unions so they actually work in the 21st century and I think that would answer partially your question about outsourcing.

There's a really fascinating article by Oren Cass of the Manhattan Institute of Conservative Think Tank about how we might reform labor unions so that they actually accomplish something economically important, so that they can rebuild themselves and increase private participation, but I think that's a conservative idea. Has it come from a Republican Congress? No, it has not. Have I been a constant critic of Republican domestic policy for the past five years, because I think we're not thinking about these issues; absolutely.

The flip side of it, is that I think that much of what I see on the left is or at least sometimes thinks that these cultural problems that I write about and care about, are invisible and don't actually exist. Now, does that mean that sort of very thoughtful left of center think tank fellows don't care about these problems? Does that mean that Bill Wilson doesn't think about these problems? No, but I certainly think that the Democratic party in some ways thinks that these questions of culture and long-term multi-generational environmental effects are sort of invisible to a lot of their policy making.

So, I agree with the conservative critique there and I think the conservatives have to offer some alternative vision which we have failed to do, for not just the past five years, but maybe for a little bit longer than that. So, you know my view of my role in this ecosystem is to try to take us from criticizing a lot of what's been done in the past that's wrong, and a lot of those criticisms I agree with, to actually doing something that's different.

But I do think the last point I'll make about this, the fundamental hell that we have to get over. The fundamental problem that conservatives have to accept is that sometimes you have to spend money to solve social problems. Not always does that mean that government is always the answer. Certainly, it doesn't, but I think this sort of baseline constant refusal to accept that sometimes you have to spend money is at the core of our real problem, and if we can get past that, I actually think there might be some good ideas coming out of the right and hopefully I can be a part of that.

MR. WILSON: Let me address the question about the ideal leader. The leader (inaudible) move us forward.

For me, role model would be one who would use the bully pulpit to reinforce and promote the principle of equality of live chances. The philosopher James Fiscan coined the notion principle of equality of live chances, and according to this principle if we can predict with a high degree of accuracy, where

individuals end up in the competition for preferred positions, merely by knowing, their race, class, gender and family background, then the conditions under which their motivations and talents have developed must be utterly unfair.

Supporters of this principle believe that a person should not be able to enter a hospital ward of healthy newborn babies and predict with considerable accuracy where they will end up in life, simply by knowing their race, class, gender, family background, or the ecological areas where their parents reside. I repeat, for me, a rural ideal role model would be one who would use the bully pulpit to reinforce and promote the principle of equality of live chances.

MS. BUSETTE: Great. Thank you both. We're going to take a few more questions.

The gentleman in the back. The gentleman with the glasses and next to him the gentleman with the orange shirt.

MR. RAWLINS: Quincy Rawlins with the Institute for Educational Leadership here in Washington D.C.

You've addressed this tangentially, but I wonder, it seems that this may be overly simplistic, by the flip side of extreme poverty seems to be extreme concentration of wealth. Not only in this country but obviously across the world, and I wonder if we can address any of the problems that you guys have talked about without directly addressing the concentration of wealth, and the fact that many corporations and super rich in this country are not paying their fair share of taxes in my view.

MS. BUSETTE: So, we have the gentleman in the glasses and the suit here, next to the gentleman with the orange T-shirt.

MR. COLLENBERG: Hi, Richard Collenberg with the Century Foundation. You both have talked about the effects of concentrated poverty, and I'm wondering what you would advocate in terms of public policy, and I'll throw out one idea that Bill and I have talked about a little bit.

You know, in 1968, 50 years ago, we saw the passage of the Fair Housing Act and since then, racial segregation has declined to a similarity index of 79 to 59. So, 70 hundred would be pure segregation, zero would be perfectly integrated. Meanwhile we've seen an increase in economic segregation, and I'm wondering what you all would think about an Economic Fair Housing Act that would go after the issue of concentrated poverty by addressing the discrimination that goes on in terms of exclusionary

zoning, where certain neighborhoods are basically off limits for working class people because of apartment buildings or townhouses aren't allowed to be built there.

MS. BUSETTE: Thank you.

MR. ASHANAGA: Michael Ashanaga Trans Union.

Mr. Vance, you've put forward several different roads out of poverty. You know, better education, cultural change, job training, cheaper colleges I guess. But, the problem is I see that that does not create jobs. That just creates competition for jobs, so at the end of the day, even if everyone is well educated, wouldn't there still be a lot of poverty?

MS. BUSETTE: Okay, so we have our question on the concentration of wealth in the U.S., a question about an economic fair housing kind of policy to address concentrated poverty, and then finally, whether the policy prescriptions around creating a better and more educated -- more skilled and education workforce actually addresses the true cause of poverty.

MR. WILSON: Let me just say that addressing the problem of concentration of wealth and inequality, that is a major problem that we have to confront. I would say yes, we have to deal with that problem. That has to be high on our agenda, on the public agenda. That's all I want to say about that, because we could go on and on talking about that.

Addressing the question of increase in economic segregation. People don't realize that racial segregation is on the decline, while economic segregation is a segregation of families by income is on the increase. So yes, I would support your proposal of dealing with exclusivity zoning. Say a little bit more about that. I mean, you just probably said I'll bet piece on that so we (laughter).

MR. COLLENBERG: Well the basic notion is that you know, here we had some success through a legal policy The Fair Housing Act where we've seen this decline in racial segregation, and yet what replaced kind of the old racial zoning from the 1920's has been economic zoning, and so, it seems to me, that just as it should be shameful to exclude people from entire neighborhoods based on race, it ought to be as concerning to us in our culture and in our policy to have laws that in essence are excluding people based on class.

In Montgomery County Maryland where I live, there is an alternative to that policy. It's called Inclusionary Zoning, where the notion was that if people are good enough to you know, take care of

resident's kids, if they're able to teach the children, if they're able to take care of the lawns, they ought to be good enough to live in these communities as well.

MR. WILSON: That's why I wanted to give you the floor Rick (laughter).

MS. BUSETTE: Thank you very much.

So, J.D., did you want to address any of these questions around concentrated poverty, the Economic Fair Housing kind of Act --

MR. VANCE: Sure.

MS. BUSETTE: -- and creating a better skilled and you know, more education workforce, but whether or not that addresses the true cause of poverty in the U.S.

MR. VANCE: So, on the inequality and concentration wealth, the top thing, I'll say this one area where I actually think conservative senator Mike Leaf from Utah has had some really, really, interesting ideas. One of the tax reform proposals Senator Leaf has advocated for is actually setting the capital taxation rate at the same rate as the ordinary income rate. Because that's what's really driving this difference, right.

It's not ordinary income earners. It's not salaried professionals. Those Richard Reeve says that's a problem. It's primarily actually that folks in the global economy, especially the ultra-elite, folks in the global economy have achieved some sort of economic lift off from the rest of the country and I think that in light of that, it doesn't make a ton of sense that we continue to have the taxation policy that we do.

Frankly, that's one of the reasons why I am sort of so conflicted about President Trump because I think in some ways instinctively at least the President recognizes this, but we'll see what actually happens with tax reform over the next few months.

The question about job competition is absolutely correct. You can't just have a better educated workforce but hold the number of workers constant. At the same time, I do think there's a bit of a chicken and egg problem here right because you know, while the skills gap is overplayed and while it violates all of these rules of Econ 101, one of the things you hear pretty consistently from folks who would like to expand, would like to hire more, would like to produce more, is that there are real labor force constraints, especially in what might be called non-cognitive skills, right; and this is a thing that you hear a lot.

In my home state if you really want to hire more, and you really want to produce more, and sell more, then the problem is the opioid epidemic has effectively thinned the pool of people who were even

able to work. So, I do think that productivity is really important, but I also think that we tend to think of these things in too mathematical and sort of hyper-rational ways, but part of the reason productivity is held back, is because we have real problems in the labor market, and if you fix one, you could help another, and they may create a virtuous cycle.

MS. BUSETTE: Thank you both.

We're going to have to leave it there. I want to thank our administrative communications facilities and security professionals for all the incredible work that they've done, to make this event a success.

I wanted to let you know, that copies of Dream Hoarders by Richard Reeves and Hillbilly Elegy by J.D., are on sale outside.

Please join me in thanking Bill Wilson and J.D. Vance for sharing their final thoughts today (applause).

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