

Economy isn't broken

Middle-class wage stagnation is the biggest economic fact driving American politics. Over the past many years, so the common argument goes, capitalism has developed structural flaws. Economic gains are not being shared fairly with the middle class. Wages have become decoupled from productivity. Even when the economy grows, everything goes to the rich.

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This account of reality, which I've certainly repeated, explains why the Democratic Party has moved from the Bill Clinton neo-liberal center to the Bernie Sanders left. It explains why the Republicans have moved from the pro-market Mitt Romney right to the populist Donald Trump right.

On both left and right, movements have arisen to fix capitalism's supposed structural flaws, either by radically interfering in the marketplace (Bernie) or by clamping down on global competition (Trump).

But what if there are no structural flaws? What if the market is working more or less as it's supposed to?

That's certainly the evidence from the last two years. Over this time, the benefits of economic growth have been shared more widely.

In 2015, median household incomes rose 5.2 percent. That was the fastest surge in percentage terms since the Census Bureau began keeping records in the 1960s. Women living alone saw their incomes rise 8.7 percent. Median incomes for Hispanics rose 6.1 percent. Immigrants' incomes, excluding naturalized citizens, jumped more than 10 percent.

The news was especially good for the poor. The share of overall income that went to the poorest fifth increased 3 percent, while the share that went to the affluent groups did not change. In that year, the poverty rate fell 1.2 percentage points, the steepest decline since 1999.

The numbers for 2016 have just been released by the Census Bureau, and the trends are pretty much the same. Median household income rose another 3.2 percent, after inflation, to its highest level ever. The poverty rate fell some more. The share of national income going to labor is now rising, while the share going to capital is falling.

In a well-functioning economy, workers are rewarded for their productivity. As output, jobs and hours worked rise, so does income. Over the past two years, that seems to be exactly what's happening.

The evidence from the past two years strongly supports those who have argued all along that income has not decoupled from productivity. A wide range of economists, in-

cluding Martin Feldstein, Stephen Rose, Edward Lazear, Joao Paulo Pessoa, John Van Reenen, Richard Anderson of the St. Louis Fed and a team from Goldman Sachs, have produced studies showing wages tracking very predictably with productivity.

The problem of the middle-class squeeze, in short, may not be with how the fruits of productivity are distributed, but the fact that there isn't much productivity growth at all. It's not that a rising tide doesn't lift all boats; it's that the tide is not rising fast enough.

For those interested, Shawn Sprague has a good summary of the data at the Labor Department's "Beyond the Numbers." He shows conclusively that during this recovery we've endured a historically low labor productivity growth rate of 1.1 percent.

If productivity itself is the problem, not distribution, radically different politics is demanded than we're seeing today. If productivity is the problem, we need more dynamism, not less, more openness, not less, more growth-oriented policies, not more dirigiste and redistributive ones.

There are a few things government can do to help boost productivity: Increase market competition with more antitrust enforcement and fewer licensing regulations; admit more skilled immigrants; invest more in human capital; deregulate urban land usage back to the 2008 levels; introduce more market incentives into the low productivity sectors, like health care and education; fund more research into promising technologies like new energy storage systems.

Today politics is polarizing to the populist left and the populist right. But if productivity is the problem, what we actually need is a resurgence of the moderates. The moderate-left policies of Barack Obama must have had something to do with the middle-income gains of the last two years. Moderate Democrats can plausibly argue that government should not be interfering in the markets, but it should be addressing the inequalities that are the result of deeper social forces. There is still a yawning gap dividing the median Asian-American household, which makes \$81,000 a year; the median white household, which makes \$65,000; and the median African-American household, which makes \$39,490.

Moderate Republicans can argue that while government should be active in boosting human capital, and in helping rural America, most of what's needed is more dynamic capitalism — more trade, more immigration, more free competition, fewer regulatory burdens, more growth.

Right now moderates are in retreat. The populist extremes are on the march. But the fact is they are basing their economic and political agendas on a story that is fundamentally untrue.

“I did not realize the extent of suicide until it affected me so personally. Since I lost my dad to suicide three years ago, I have learned a lot about suicide and mental health. Most mental illnesses can be effectively treated and most of those suffering from mental illness do not die by suicide. Unfortunately, my Dad's story did not have a good ending. That is why I am passionate about this cause and want to shed light on suicide prevention, awareness, and support.” —Samantha Damsky

Damsky, a resident of Telluride for the past year, has become a local advocate for suicide prevention in the years since she lost her father, and is working in our community to reduce the stigma associated with mental illness and to help those who might be considering suicide.

When we talk about suicide, we tend to focus on the impact of suicide — the lives lost and the devastating effect on the family, friends and community of those that complete suicide. We also continually hear about the high number of deaths by suicide in our region, state, and country.

Suicide is overwhelming, heartbreaking, scary and intimidating. But, it's also preventable. For every person who dies by suicide nationally, there are almost 280 individuals annually who think seriously about suicide but do not die. Studies show that approximately 90 percent of individuals who survive a suicide attempt do not go on to die by suicide — suicidal feelings pass over time.

September is Suicide Prevention Month. This month, let's honor Ms. Damsky and the memory of her father, as well as others who have lost their lives or family members to suicide, by challenging ourselves to learn more about suicide and what we can do to help prevent it.

Despite a rise in the number of young adults who die by suicide, there are important facts to remember about suicide and prevention efforts:

- There are actions that people can take to help prevent suicide.
- Prevention works.
- Resilience and recovery are possible.
- Effective programs and services exist.
- Help is available.

Individuals and organizations in our community and across our region are making

meaningful contributions to the efforts around preventing suicide that have helped to reduce the number of individuals completing suicide.

While suicide remains a concern in Colorado — over 1,000 individuals died by suicide in 2015 across the state — research has shown that the availability of resources like the Colorado Crisis Line — 844-493-8255, or text “TALK” to 38255, and the National Suicide Prevention Line, 800-273-8255 — do help to reduce the number of individuals who attempt suicide.

Mental Health First Aid training, considered to be “CPR for the mind,” provides community members with the tools to assist someone with a developing mental illness or who may be in crisis. Graduates of the program act as a bridge to care, helping individuals work through their crisis until professional help and treatment are available.

Tri-County Health Network frequently offers the evidence-based Mental Health First Aid and Youth Mental Health First Aid programs. Please call 970-708-7096 or email info@tch-network.org to sign up for an upcoming Mental Health First Aid session.

You can also help individuals who may be thinking about suicide by knowing the five steps promoted by the organization “bethelto.com.” They are: ask, keep them safe, be there, help them connect, follow up. These five steps can enable you to be the one to help someone who might be considering suicide. More information about these steps can be found at bethelto.com.

In addition, it is important to know some of the warning signs associated with suicide. Suicide rarely occurs without warning — knowing the signs can help you to be aware when a family member, friend, or community member is considering suicide. They include: talking about wanting to die or to kill themselves; talking about feeling hopeless or having no reason to live; increasing use of alcohol or drugs; sleeping too little or too much; withdrawing or isolating themselves; or talking about being a burden to others.

To learn more about the warning signs, see the American Foundation for Suicide Prevention website at afsp.org.

Colorado has a Suicide Prevention Commission that is working to reduce the number of suicides in our state by increasing awareness about sui-

cide prevention and educating community members about the subject. One initiative that is expanding across the state was piloted in Montrose — education for gun shop owners about the subject and steps they can take to help reduce access to guns. In about half of all suicides in our state, the person completing suicide died by firearm. Gun shops and shooting ranges are involved in an effort to educate customers and staff about the warning signs for suicide.

On Sept. 30, Telluride is hosting the first Walk Out of the Darkness in Town Park, an effort to raise awareness in the community and to raise funds to support the AFSP's goal of reducing the number of suicides by 25 percent within the next decade.

Damsky is organizing the two-mile walk in Telluride after doing the same successfully on her college campus in North Carolina. Damsky says, “The AFSP is the leading national not-for-profit organization dedicated to understanding and preventing suicide through research, education, and advocacy. As a community and as individuals, we fight through our pain and continue our path of healing together. I know that by partnering with AFSP, we are truly saving lives and helping others. As a newer member of our community, I am so excited to join forces and truly make a difference here in Southwest Colorado.”

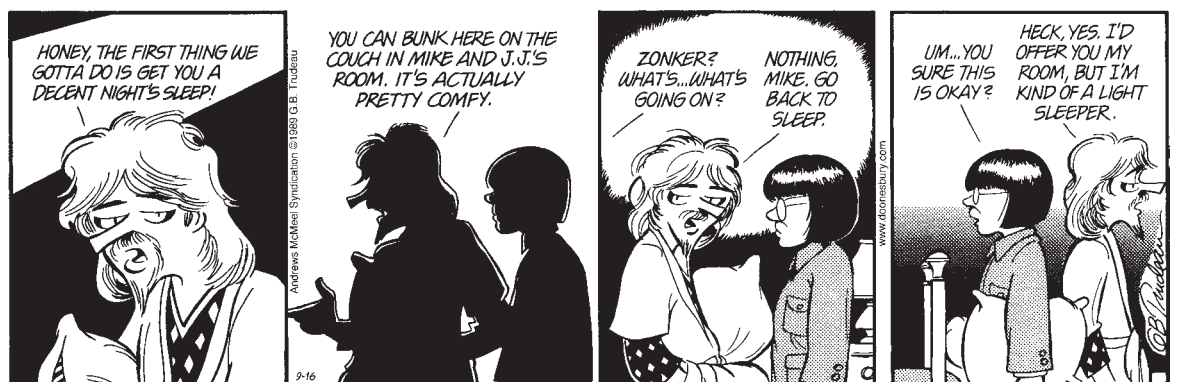
If you are interested in participating in the walk, helping to organize the effort, or volunteering on the day of the walk, please contact Damsky at samidamsky@gmail.com, or by visiting the website afsp.org.

During Suicide Prevention Month, please take the time to educate yourself about suicide prevention efforts locally and those available through online resources. Help reduce the stigma associated with suicide by engaging with family, friends and neighbors about the subject. Invest just eight hours of your time and attend a Mental Health First Aid class.

Finally, join fellow community members on Sept. 30 for the Walk Out of the Darkness event in the Telluride Town Park. Let's all come together to help prevent suicide.

Readers with questions may contact Paul Reich, Behavioral Health Program Manager at Tri-County Health Network, at 970-708-7096.

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