

# Review of Elizabeth Warren's 2003 "The Two Income Trap"

20230105

Jan 5, 2023

*I wanted to link to my Amazon review, but it is no longer up. Here's what I wrote 20 years ago, before Fauxcahontis was totally corrupted and ousted. Anyhow, when I wrote today that Elizabeth Warren may have gone to Washington with good intentions, this is what I had in mind. Here is a link to my review of Ben Sasse's [The Vanishing American Adult](#).*

One mark of a good book is that there are already several thorough and complementary reviews here on Amazon. Consider these points merely as supplements.

To reiterate the authors' primary point, middle class families are increasingly stretching to buy houses in neighborhoods with good schools. They put themselves in a position in which they depend on both parents' incomes. Any disruption of family life -- an illness, taking care of an elderly parent, losing a job and certainly a divorce -- throws the system out of balance and often puts unbearable financial pressure on the family. The theme of the book is bankruptcy among families with children and how to prevent it.

The sharks gather when they smell blood in the water. "Loan consolidators" and "loan to own" mortgage lenders press money on these weakened families at usurious rates. The all-too-frequent result is that the lenders foreclose on the house and drive the families into bankruptcy.

The authors advocate government action to prevent predatory loan practices. In my (conservative leaning) mind this pits two principles of government against one another. One says that citizens are adults and should be able to make informed decisions about their own lives; we don't need the Government to protect us from getting fat eating at McDonalds. The other says that citizens must be protected from dangers they cannot adequately evaluate; we need the FDA to protect us from untested drugs. In the case of lending, given the great harm that unscrupulous lenders can do to families, and the difficulty a family must have in evaluating the risks of taking on loan obligations, I must agree with the authors that a regulated loan environment makes sense. We need usury laws such as were commonplace until a couple of decades ago. Not coincidentally, Citibank is the most profitable corporation in America this quarter, surpassing every company such as Exxon, GM and Microsoft that actually makes things. What DOES Citi do to make that money? For a major clue, examine the flood of credit offers that show up daily in your mailbox.

The authors make a point of documenting Hillary Clinton's duplicity on this loan issue. They say she was uncommonly bright, able to grasp the issue immediately when they presented it to her as First Lady. As a senator from New York, however, she quickly abandoned the interests of the little guy for the financial support of New York bankers.

Though the "two income trap" affects women somewhat more than men the authors show an appealing sympathy for the poor guys in the equation. They emphasize that most men do fulfill their child support obligations. Divorced men are seldom a whole lot better off than the wives who (for the most part) make the choice to leave them. The answer is not to squeeze more money out of the missing dads but to keep families from getting into trouble in the first place.

The search for good schooling is the most significant factor driving families to overcommit themselves financially. This ties directly to the question of why public schools are failing. In my view the courts' and government's fingerprints are all over this mess. It is a classic case of elites in Washington, whose own kids are not affected because they go to private schools, attempting to eliminate longstanding and yet little understood problems they perceive in society by mandating solutions from above. Solutions imposed on

schools have involved using busing to disrupt the integrity of neighborhood schools, imposing sex education, removing any mention of religion, Title IX rearrangement of boys' and girls' athletics, imposition of standardized testing, homogenizing textbooks into a bland pap offensive to nobody. Bottom line, nowhere are public schools what they used to be, and parents are involved in a spending war trying to find the closest remaining approximations by buying into the right neighborhoods. Other reviewers have suggested home schooling and private schools as an alternate remedy. Washington D.C. leads the way. Washington D.C. doesn't have much of a middle class, but such as there is mostly sends its kids to private school. Home schooling is burgeoning in Washington's suburbs, especially among African Americans.

I'll close with a minor point of disagreement. The authors go out of their way to exculpate two-income families from the crime of consumerism. Nah. Those SUVs, bass boats, kitchen makeovers and the like are not essential. All kinds of people succumb to the unrelenting pressure of advertising and the search for status. How many dads show up with a new Mercedes or Miata a few months before the family breaks up? America today defines itself by what it consumes. It is unrealistic to assume that people's habits will change, that we will return to the thrifty habits of our grandparents, but many of the "Two Income Trap" problems would disappear if we recaptured their frugality, their sense of community, and perhaps their commitment to the institution of marriage.