



## **Hard Times: I'm Sick of Everything**

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November 6, 2011

The sign read “I’m Sick of Everything! Where Should I Start?” It appeared at an early Occupy Cincinnati rally. This sign really sums it up for me. I am sick of everything in my and our financial world (personal, local, state, federal, and international). The news coming out of Greece is just one more seemingly insurmountable problem that I can only vaguely understand, but understand enough to know with certainty that Greece will never be able to pay off its debt at the current rate and this threatens every country that uses the euro, and even those (like American that don’t). It is an unending litany of circular, financial woe, and we are all connected.

In preparation for this sermon I looked back in my sermon files and saw that we have been facing this financial crisis for three years now. November 2008 I preached a sermon on how to cope with financial hard times. It has been four years of moral, emotional, financial, and mental attrition. I can say that I don’t know anyone who has been untouched by the financial crisis precipitated by the subprime mortgage crisis of 2007 and bank failures of 2008. It is like being at war without being certain of who we are fighting – ourselves, personal greed and credit overextension, banks, the government, the President, Congress, lenders? I look at a sea of characters that bear responsibility and all I know is that I am sick of everything. And that I am angry, really angry.

Last spring a levy failed in my West Clermont school district. To balance the budget the district cancelled bus service for high school students. My stepson is in high school. His father and I are now responsible for getting him to and from school. If he wants to play a sport at school, we must pay \$500. When my stepdaughter was hospitalized twice this summer, we ended up with thousands of dollars in medical bills. This after, we pay \$7000 a year in premiums. We also paid for Earl’s grandmother’s hearing aid, when she could not afford it herself.

My stories are burdensome to me and so unremarkable in the scope of things that I don’t know where to start. School levies are failing. Health care is expensive, even with coverage. In order to complain, I would have to get in line, a long line, and I would not be in front. I have been on the “We Are the 99% website – go and read the stories). They are

heartbreaking; veterans without jobs, students with crushing debt, disabled people who cannot get the care they need. Go and read the stories. It will stretch your heart and mind.

And I hear from you. Some people here lost jobs or were downsized, took on a second job. Some of you can't find a job. One of you told me that 1/3 of your department has been cut and you regularly work 12 hour days five days a week (essentially a job and a half). I know someone who used to work until he was shot working at his convenience store job. He was out of work for months while he recovered and his family took a major hit and a year later teeters on financial collapse.

And it is not just those of us caught in the middle and working classes. I know someone who works in an executive job for a major corporation. He took a 1/3 salary cut three years ago. He told me that five years ago all his business trips were on a corporate jet. Now, when he travels, he flies coach on a regular commercial carrier.

Yes, there is a major difference between needing to recover from gunshot wounds received at work (essential) and not flying private (non-essential). Yet, my friend's situation also made me think about him and his family. My guess is that they purchased a home and other things in line with his original salary, not 1/3 pay cut. I didn't ask, but it is possible that he is trapped with a mortgage he can't afford. There are millions of Americans, with a range of salaries, who can't afford their homes, cars, debt, and many other "in retrospect financial mistakes" that were made during what we thought were the good times (do you remember when banks gave out credit cards and equity loans like Halloween candy?). We are in a new financial reality that will be with us for several years, not always, but for several years.

One of our big problems is that almost everyone got poorer in the last three years, even the 1%. Really, most of them lost net worth. And no, I don't feel deep concern for someone who dropped from being a billionaire, to a mere millionaire. However, what I do understand is that that former billionaire feels stress and fear and obligation, just like me and you. So to some degree, almost everyone in America has been frozen by fear, anxiety, and financial restraint. We need compassion for ourselves and other human beings. We need to offer kindness, help, and hope whenever possible. We need to offer this to people in Avondale and Indian Hill. Don't become so callous that you cannot hear the suffering. Don't let this recession reduce your humanity. Yes, share your tale. Absolutely listen to the stories of others. Yes, speak the truth in love, and always have compassion.

Let's have compassion for people. And let's be honest about our broken institutions, and their need for change. While having compassion for the people who work in our broken institutions, I demand accountability. Compassion also means speaking the truth in love, not meanness, in love, but the truth. American is swimming in corporate greed, a government controlled by large corporations, and a government unable to support the common good.

The one group with lower ratings than President Barak is Congress, which I believe has a 9% approval rating. They really earned that the hard way. As much as I think President Obama has been too conciliatory, too patient, too flexible, Congress has been willfully negligent. Will we get a badly needed Transportation Bill or a new Jobs Bill? Not if Congress has anything to say about it.

I heard Republican Minority Leader and Kentucky Senator Mitch McConnell say that President's Obama was "campaigning early" with his proposals. I know this conversation is in the name of politics, but we don't have time for those games right now because the common good of American is at stake. We are in the midst of the worst recession we have had in decades. Unemployment is over 9% and this might be the new normal for a while.

I would like the Congress and President to work together and use their nice hands and words. Is this too much to ask? Do you remember that just three months ago Republicans would not agree to raise the debt ceiling; that an issue was made out of a non-issue (America has raised the debt ceiling many times with no problem in the past). And that although a last minute deal was reached, for months other government business was put on hold, and the haggling caused the loss of triple A ratings. At times I think I have gone crazy. I am no finance whiz, but this is not logical, and it can't be healthy or financially sound. There just had to be a more prudent and clarifying way to point out that we have a debt ceiling problem.

As of three weeks ago, Mitt Romney was the only Republican candidate for President who did not favor a flat income tax rate for everyone. Mr. Romney rose in my esteem. But I do wonder if I am crazy. I must, we must be trapped in a Catch-22 like novel with Major Major issuing irrational, impossible orders. Let's be clear, the tax as proposed is not flat. It is 9% (the Herman Cain proposal), and if applied equally to everyone, is regressive. Under our current system, due to income tax credits, some people are so poor they do not end up paying taxes for the year. Under "flat tax" proposals these people would now be charged some percentage on their meager income. I do not want to raise money by making the poor poorer. Unemployment is 9% and the poor are poor enough already. This is broken. We are broken. It is also a case of living with the consequences of past decisions – the cost (emotional, mental, physical, financial, moral) of two wars. We reap what we sow. We are broken.

One legislator I truly respect at the moment is Sherrod Brown, the United States Senator from the State of Ohio. Over and over he represents working Americans, even refusing to take the generous health care plan offered by Congress because other Americans don't have this privilege.

When I hear that groups are attempting to repeal President Obama's health care legislations, I become so angry. As I mentioned, Earl and I recently paid for his grandmother's hearing aid – she is on Medicaid and food stamps. We may soon be paying for her glasses. I don't understand how we live in a country this rich, and someone who worked all her life but is still poor cannot afford glasses – not a heart transplant – glasses. I know, America will raise money to help her by taxing her 9%. Our greed has undermined our human dignity and this, this is not acceptable, not healthy, not the basis of a vibrant, moral, ethical society.

I do find many of us responsible, to some extent, for the situation in which we find ourselves. My sister, licensed as an actuary, has been like the Greek seer Cassandra for over a decade about American finances. Since before 2000 she has said to me and others (though I did not like to listen) that things cannot go on like this, that credit debt cannot remain so high, that we are buying things we don't need and homes we can't afford).

So before I move on to corporations, I have to rest a minute with the American people. My question for you this morning is: "To what extent are you part of the problem we face today? To what extent are you part of the problem you seek to fix?" Let's sit on that one. Think about it.

I am part of the problem. My husband and I determined that we have too much debt, in particular an equity loan that is six years old and is now biting us in the behind. We reap what we sow. So we decided to pay for major purchases in cash and if we can't pay in cash, we don't make the purchase. The only new acceptable debt is Earl's school loans. My upcoming trip to Europe to see my sister was paid for by planning for this trip four years ago and saving for it during that time.

I invite you to also consider to what extent you are part of the problem you are seeking to fix and what you can do to change. The change is hard. Lots of things I don't buy or do, lots of things I miss that I used to have that are gone for now – HBO, fine dining, theater, manicures, coffee drinks – all gone. In their place I shop for items at Aldi's and look first for Earl's jeans at Goodwill and my work clothes at the Snooty Fox. My son asked me if we were poor (noticing the changes). I explained that we are not poor – we are disciplined. I explained to him where our money goes and how discipline now makes us financially stable in the long run. I have been part of the problem and I want to clean up my act because America needs me at my financial best. And you at yours too.

And that of our institutions. My greatest disillusionment is with our financial institutions and federal government. The fact that several banks were “bailed out” with taxpayer dollars while millions of homeowners faced foreclosure, and still face foreclosure alone, just infuriates me. I note how quickly people say the homeowners got themselves into this mess. Well, so did the financial institutions, and they took the rest of us down with them.

Sometimes it is all so surreal that I forget significant things that happened, like the debt ceiling debate – I forgot about it until I wrote this sermon. There have been so many incidents of financial insanity and malpractice that I can't keep track of them. Last Sunday I was reminded of something I had forgotten in a *New York Times* article “A Deal That Wouldn't Sting.” Financial reporter Gretchen Morgenson wrote

Cutting to the chase: if you thought this was the deal that would hold banks accountable for filing phony documents in courts, foreclosing without showing they had the legal right to do so and generally running roughshod over anyone who opposed them, you are likely to be disappointed. This may not qualify as a shock. Accountability has been mostly A.W.O.L. in the aftermath of the 2008 financial crisis. A handful of state attorneys general became so troubled by the direction this deal was taking that they dropped out of the talks.

Apparently according to the deal on the table, the banks will be charged only a few billions, other banks will get billions in credits (CREDITS), Fannie Mae and Freddie Mac loans will not be included, and the settlement would prevent big banks that are members of MERS (an electronic mortgage registry) from other suits. Apparently MERS was sued last week by Delaware's Attorney General, and the New York Attorney General subpoenaed their records. So why are banks getting away with it again?

It's clear to me that I don't understand what is going on, that few do understand what is going on, and that those charged with keeping an eye on what has been going on, have not been doing due diligence. I note that it is State's Attorney General that have been suing. The federal government seems strangely absent, except for bailing out financial institutions. The last four years have convinced me that the federal government is terribly compromised and unethical when it comes to monitoring financial institutions. I tend to trust until given evidence that proves the contrary. The actions of the federal government have proved the contrary to me and I am angry.

The most unpleasantly eye-opening article I read on the financial crisis was printed in *The New York Times Magazine* this past July. The article, entitled “Sheila Bair's Bank Shot” is an exit interview with Sheila Bair, former Chairwoman of the FDIC (Federal Deposit Insurance Corporation). Ms. Bair is the kind of Republican who takes financial ethics and

her job very seriously. As Chairwoman of the FDIC, her job was to look out for the interests of the taxpayers and bondholders.

According to Bair, when she became Chairwoman in 2006 she was immediately concerned by two things. First, the budget of the FDIC, which insures bank deposits and closes failing banks, had been cut and many employees released. Second, she was alarmed by the increase in subprime mortgages. She explains “All the practices that we looked at back in 2001 and 2002, which we thought were predatory –things like steep payment resets and abusive prepayment penalties – had gone mainstream.” Before the housing bubble burst, she was pushing mortgage servicers to modify mortgages. However, it is easier for banks to foreclose than modify, and foreclosures generate more bank fees.

There is this point, though we may deny it, that we are interconnected. Enough abusive mortgages can bring down an economy. The bank might have extra money from foreclosures, but no one is going to have much else. And as much as homeowners signed onto these deals, it was like the deals came from scam artists. In the last decade America needed the Consumer Protection Agency to advise us on financial matters. Money became more important than people, and in this equation we lost our humanity and ultimately economy. America does not have it back yet. And until I see some legislation akin to limiting the robber barons of old, I do not trust our financial institutions or federal oversight of these institutions.

Bair was often in opposition to the actions of the Treasury Department and Federal Reserve. Apparently she was one of the few hold outs, despite intense pressure from the Federal Reserve, who disagreed with a reduction in bank capital holding in the United States. European banks went ahead and reduced their capital holdings and faced deeper pain when the financial crisis came.

As the article explains

Bair views her disagreements with her fellow regulators as a kind of high-stakes philosophical debate about the role of bondholders. Her perspective is that bondholders should take losses when an institution fails. When the FDIC shuts down a failing bank, the unsecured bondholders always absorb some of the losses. This is the essence of market discipline: if shareholders and bondholders know they are on the hook, they are far more likely to keep a close watch on management’s risk-taking. During the crisis, however, Treasury and the Fed were adamant about protecting debt holders, fearing that if they had to absorb losses, the markets would be destabilized and a bad situation would get even worse. “What was it James Carville used to say?” Bair said. “When I die I want to come back as the bond market.” “Why did we do the bailouts?” she went on. “It was all about the bondholders.”

This past summer the *New York Times* also ran an article on the invisible unemployed, and the question asked by many at the time, why Americans had not taken to the streets to protest unemployment and financial abuses. What a difference three months make. When Occupy Wall Street appeared I was not totally clear what they stood for (I am not sure they were either) but I was glad they appeared. Many of you have written about your visits to them, Donna Hoffman and George Vila here in Cincinnati, and Dick Bozian and Larry Bullock in other cities. Ambiguous agenda aside, you were all impressed by their use of democracy, diversity of membership (people from all walks), and open talk about financial abuses.

A recent *Washington Post* article by Ezra Klein noted that many people playing by the rules are facing insurmountable financial burdens. Klein writes

You look around and the reality is not everyone is suffering. Wall Street caused this mess, and the government paid off their debts and helped them rake in record profits in recent years. The top 1 percent [account](#) for 24 percent of the nation's income and 40 percent of its wealth. There are a lot of people who don't seem to be doing everything they're supposed to do, and it seems to be working out just fine for them.

Klein points out that the Occupy movement isn't anarchist, anti-capitalist, or looking for punitive measures against the wealthy; participants just want a fairer economic system in which to live and work. They want college debt, years of hard work, and military service to be worth it. Recent polls show that the Occupy Movement is more popular than the Tea Party.

Economic indicators show that the income gap in the United States has increased dramatically since the 1970's. In 2011 CEOs are making more than they did in 2007, before the recession began. In 2005, the top 300,000 Americans owned almost as much income as the bottom 150 million Americans. This is the largest income disparity since before the Great Depression. It is not a sign of societal health or economic prosperity.

I am interested in learning more about Occupy Cincinnati. I like their statement that I read earlier. You can go on line and read about them. You can view their nightly General Assemblies (they are video recorded and placed online), you can view their list of needs and make a donation to their legal aid fund. They have thousands of dollars in fines for protesting past time limits. I contributed to their fund. Earl and I are going to find a time to go down and listen to them.

I wonder about this congregation. What is your interest in learning more or doing more? Do you have an interest? Do you have concerns? Please stay after the service to share your thoughts. Do you have interest or concern about going together as a group from First Church? Come share your thoughts and feelings. Our UUA Standing on the Side of Love campaign has begun to publicize their cause.

You might not think that the Occupy movement is an answer or the answer, but it is surely a sign that things are as bad as we thought. Other than being compassionate and becoming more fiscally responsible in our own households (which, by the way, can be impossible to do if you are swimming in debt), what is our moral response. I am concerned about the economic viability of our country because we cannot go on like this and succeed. This is not the America I want and I am sick of it.