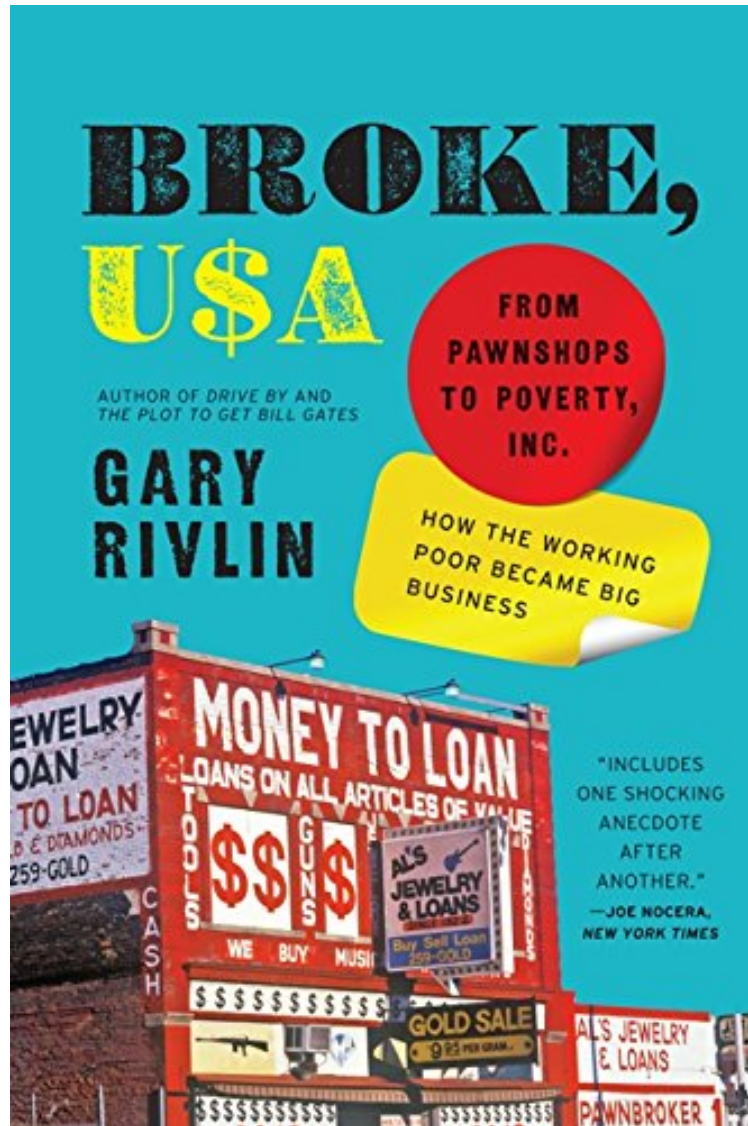


Broke, USA: From Pawnshops to Poverty, Inc. How the Working Poor Became Big Business

Gary Rivlin

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Gary Rivlin : Broke, USA: From Pawnshops to Poverty, Inc. How the Working Poor Became Big Business before purchasing it in order to gauge whether or not it would be worth my time, and all praised Broke, USA: From Pawnshops to Poverty, Inc. How the Working Poor Became Big Business:

2 of 2 people found the following review helpful. A Modern Classic By MOVIEKIDZ LLC If you want to find out why

the United States has been in decline, a political train wreck and a banking system out to charge you for just existing this is the book to read. If you wonder why your kids can't afford college or perhaps you're up to the neck in debt, read this book and get pissed off. You may have made the right choices to save what little you make or go into hock for a worthless college degree and wonder why you just can't get ahead. This is a textbook case on the widespread vulture capitalism of our age. The story of 21st century Robber Barons, Bernie Madoffs and the kleptocracy. This is what I consider an illustrated version of Thomas Pickety's Capital in The 21st Century. Not quite Studs Terkel or Charles Dickens, but some of the stories bring a few tears to my eyes. The stories are true, alarming and sad. It could be you with that tin cup in your hand pawning that wedding ring to put food in Tiny Tim's belly. Historians will reference this work to find out how the United States became less than what it could have been.1 of 1 people found the following review helpful. Broke USA is an excellent look at the finances Americans in or near povertyBy Little Feat FanBroke USA is an excellent look at the finances Americans in or near poverty. It also explains how good, solid middle class people can find themselves on the street with next to nothing after a lifetime of work because they made one big financial mistake or signed papers they did not understand. People getting rich off the backs of poor people is nothing new, but the depth and breadth of Poverty, Inc., is stunning. Never have so few profited so handsomely from those who had the least to spend. Rivlin tends to repeat himself a little bit, but the opening few chapters are fast-paced and tell a consistent story. The two things I'll take away from this book are that poor people become payday loan customers because they are treated kindly there, Barbara Ehrenreich writes in Nickle an Dimed that maids are viewed with scorn and derision when they shop; Rivlin shows that poor people are often made to feel inadequate wherever they are. The other point I take is the answer to a question: Why would anyone pay 125%-250% interest on a "loan" on their tax refund when in a few short weeks they can have the full amount? Answer: because finances are always in a state of chaos for those in poverty. They can't wait six weeks to get the car fixed, the lights turned back on, or the baby fed. Good book; part or all of it should be in college economics classes.1 of 1 people found the following review helpful. Heavy On Pay-Day Lending, But A Bit Light On Other Consumer Finance TopicsBy Gregory McMahanBefore the rise of feel-good, micro-finance, we long had poverty finance. Although generally characterized by some form of usury, the many different flavors of poverty finance catered to those on the economic fringes and for the longest time, operated on the margins where the more high-brow, mainstream banking and financial institutions feared to tread. That all changed toward the close of the twentieth century, with many of the leading financial institutions either abetting the key players in poverty finance or in glaring and egregious cases, diving whole hog into poverty finance themselves. Broke USA chronicles this steady (de)-evolution and vicariously shows how a marginal business catering largely to the working poor not only became very big and profitable business, but also how this marginal business became a mainstream business that now reaches virtually every rung of the North American socio-economic ladder. There's a lot going on between the pages of this book, which mostly is devoted to re-telling, blow-by-blow, the rise of the pay-day loan industry and how a few states (North Carolina and Ohio in particular) and advocates for social justice sought to restrain this financial juggernaut in the face of wily, withering and very well-capitalized opposition. The author delves into some of the mechanics of and profiles a few of the more colorful characters in and around what he (rightfully or wrongfully) dubs the poverty industry. In this book, we learn a little something about the more standard consumer finance industry (which revolves around the origination of unsecured loans, usually for debt consolidation or for run-of-the-mill consumption), the plain-vanilla check-cashing operations, the bill payment and money transfer intermediaries, the tax preparers and the infamous RALs (refund anticipation loans), the various and sundry rent-to-own outfits, the pawnshop operators, and the sub-prime mortgage lenders. However, missing from its pages are in-depth analyses of the car title lenders, the sub-prime credit card lenders, the sub-prime auto finance shops and the purveyors of pre-paid debit cards. One stand-out insight in the book that I liked very much is its example- right off the bat- of how these consumer financial products destroyed the lives of people who, by the way, were almost always older, either gainfully employed (albeit at low wages) or on a fixed income, had a modicum of assets and a modest net worth, and this above all, not necessarily of color. One of the prevailing myths of sub-prime finance is that its largely a problem of financially unsophisticated, minority borrowers who habitually run up debts and don't pay their bills. Although Poverty, Inc. is pretty well entrenched in poor, inner city neighborhoods, this financial Medusa has quickly morphed into an entity whose tentacles now reach into just about every neighborhood in the country. This book goes to great length to chronicle just how Poverty, Inc. evolved from its inner-city roots to become an emerging, global phenomenon (indeed, household names like Wal-Mart are now seeking to actively export the key tenets of the Poverty, Inc. model). The author does a good job of providing example after example of borrowers from all walks of life that were hapless victims of Poverty, Inc. Another notable merit of the book is the author's insistence on letting the various sub-industries of Poverty, Inc. tell their side of the story. As one would expect, each goes to great lengths to portray themselves as kindly white knights and saviors to the financially down-trodden who, they like to quickly point out, have been shunned by the high-hat, fancy-pants, suspenders-wearing three-piece suits that run the 'respectable' mainstream banks and the more venerable Wall Street financial institutions. Their take is that they are there to provide a helping hand in a customer's time of need. However, more than a few turncoats- industry insiders who have either left the Poverty, Inc. camp or have demonstrated an uncommon level of restraint (for reasons both moral and

economic)- tell a very different story- one that is a bit more consistent with those of the consumer activists who rail against the industry (and are generously profiled in the book as well) and the ever-growing trail of bodies left in Poverty, Inc.'s wake. One key demerit of the book is that the author failed to make the distinction between sub-prime borrowers and sub-prime loans (whether we are talking about mortgages, personal loans or some other financial lending product). For that matter, he neglected to carefully distinguish between conventional lending backed by clear and strict underwriting standards, opportunistic lending and predatory lending. This demarcation would have done much to strengthen the book. Overall, I found the book to be at once informative, entertaining and at several points disturbing and very distressing. Although a bit slow-going towards the middle, the book is very readable and ultimately is a very worthwhile use of one's time. Readers whose interest has been piqued in the topics raised in this book should also consider reading one or more of the following excellent books on consumer finance gone horribly wrong: Maxed Out, Credit Card Nation: The Consequences of America's Addiction to Credit, The Fragile Middle Class: Americans in Debt, and The Two-Income Trap: Why Middle-Class Parents are Going Broke.

From the author of the New York Times Notable Book of the Year Drive By comes a unique and riveting exploration of one of America's largest and fastest-growing industries: the business of poverty. Broke, USA is a Fast Food Nation for the poverty industry that will also appeal to readers of Barbara Ehrenreich (Nickel and Dimed) and David Shipler (The Working Poor).

From Publishers Weekly Journalist Rivlin (Fire on the Prairie) offers a superb exposé of the poverty business: the flock of companies that cater to (and prey on) the working poor. For people living paycheck to paycheck and sometimes falling behind with rent, car payments, and grocery bills, fringe financing and the ubiquitous Rent-A-Centers, Jackson Hewitt, payday lenders, pawnshops, and check cashers may seem like their only safety net. These businesses may tout themselves as a necessary service and force for economic development in low-income communities, but Rivlin reveals their dark underbelly: punishing rates of interest and customer service reps explicitly trained to mislead customers who appear gullible. He delves into the effect of financial deregulation on fringe financing, predatory subprime lending, and the major players in this unsavory world, including Allan Jones, a debt collector, worth \$200 million, and the activists and advocates like Bill Brennan who've faced them down in the courts. A timely, important, and deeply disturbing look at the cycle of debt of the nation's most vulnerable. (June) Copyright Reed Business Information, a division of Reed Elsevier Inc. All rights reserved. From Booklist *Starred* Long before subprime lending and its role in the near-collapse of the U.S. financial system, a critical mass of businesses aimed at the working poor had been growing across the nation and exerting power in Washington. Award-winning reporter Rivlin chronicles the boom in the fringe financial sector as pawnshops, pay-day lenders, and rent-to-own stores have blossomed, gone public, and gained a measure of respectability, all by targeting their overpriced services to the working poor. Whether they have been exploiting their customers or merely providing them with desperately needed services is a matter of perspective to the gallery of characters Rivlin interviewed: borrowers who lost their homes, small-town debt collectors who moved into the cash-advance business, and consumer advocates fighting to curb the abuses of Poverty Inc., which has generated an economy of at least \$100 billion a year compared to \$60 billion for casinos. This is a powerful analysis, detailing how the financial sector has come to its current state of crisis and including personal stories of some among the millions of working Americans who have been exploited along the way. --Vanessa Bush [A] scathing, important book, Broke, USA... includes one shocking anecdote after another. (Joe Nocera, the New York Times) Mr. Rivlin brings to his subject a genuine gift for storytelling. (Wall Street Journal) Rivlin strives to portray the people behind Poverty Inc. in a fair light but his sympathy and the readers steadily evaporate with his well-chosen tales of the industry's coercive tactics and its leaders' astonishing wealth. Rivlin is the consummate tour guide, quick with a memorable anecdote or telling statistic. (New York Times Book Review) An exhaustive exposé. (Washington Post) [Rivlin] offers a superb exposé of the poverty business... A timely, important, and deeply disturbing look at the cycle of debt in the nation's most vulnerable. (Publishers Weekly) [A] fascinating book. (Fortune) Gary Rivlin rivets readers. (Fast Company) [An] incisive, important new exposé, Broke, USA... is engaging, but Rivlin's work also is scrupulously fair.... [W]hat makes Broke, USA so readable is Rivlin's skill at telling a complex story through engaging characters. (Cleveland Plain Dealer) This is a powerful analysis, detailing how the financial sector has come to its current state of crisis and including personal stories of some among the millions of working Americans who have been exploited along the way. (Booklist (starred review)) To understand American finance, you need to understand Ace Cash Express as much as you need to understand Goldman Sachs. Which is why Gary Rivlin's Broke, USA is a necessary companion. (Ezra Klein, Washington Post) Gary Rivlin's Broke, USA is a necessary companion... (Newsweek) Broke, USA is vital reading for those seeking to deepen their understanding of the economic crash of the past few years. (Associated Press) This thorough and thoughtful piece of reporting has much to teach us about the challenges the U.S. faces today, especially when it comes to improving financial literacy. It should be required reading for legislators and lenders across the land. (Bloomberg News) In Broke, USA, Rivlin lays out this depressing story in rich detail.... [H]is riveting look at the calamitous effects on America demands attention. (Charlotte News Observer) A fascinating and

very important work of investigation and explanation, which I hope gets the wide attention it deserves.... This is a book with the potential to stimulate outrage and political reform. (James Fallows, the Atlantic author of *Breaking the News*) With revealing stories, Gary Rivlin spotlights the systematic, widespread economic abuse of the poor by supposedly respectable corporations whose predatory conduct breeds misery and undoes many efforts by taxpayers to alleviate poverty. (David Cay Johnston, Pulitzer prize-winning author of *Free Lunch* and *Perfectly Legal*) *Broke USA* will leave you mad as hell. Thanks, Gary Rivlin, for introducing us to folks like Bill Brennan, who early on saw it coming: the predatory lending that has destroyed communities. If only we had listened. (Alex Kotlowitz, author of *There Are No Children Here* and *Never a City So Real*)