Unions gave them the bargaining lever. It was a virtuous circle. Good checks were big enough to allow us to borrow when they're losing their jobs and their incomes are dropping. Tax cuts for working families, as President Obama intends, can do more to help because they extend over time. But only higher wages and benefits for the middle class will have a lasting effect.

In August, 65,000 Verizon workers, represented by the Communications Workers of America, won wage increases totaling $250 million per year in a 4-year contract. No one, not even the company's analysts, had predicted keeping only by going into debt. This was possible as housing bubble expanded. Home-equity loans and refinancing made up for declining paychecks. But that's over. America's families no longer have the purchasing power to keep the economy going. Lower paychecks, or no paychecks at all, mean fewer purchases, and fewer purchases mean fewer jobs.

Why is this recession so deep, and what can be done to reverse it? How back about 50 years, when most Americans were unionized, and wage agreements spelled out to nonunionized workplaces as well. Employers knew they had to match union wages to compete for workers and to retain the best ones.

Fast forward to a new century. Lower, less bargaining power, and less bargaining room. So there must be some other reason for this decline.

But put that question aside for a moment. One point seems clearer to me than all the rest. The number of unionized workers means less bargaining power, and less bargaining room in lower wages. Its no wonder middle-class incomes were dropping even before the recession. As our economy grew between 2001 and the start of 2007, most Americans didn't share in the prosperity. By the time the recession began last year, according to an Economic Policy Institute study, the median income of the typical household headed by those under age 65 was below what it was in 2000.

It's no wonder middle-class incomes were dropping even before the recession. As our economy grew between 2001 and the start of 2007, most Americans didn't share in the prosperity. By the time the recession began last year, according to an Economic Policy Institute study, the median income of the typical household headed by those under age 65 was below what it was in 2000. It's no wonder middle-class incomes were dropping even before the recession. As our economy grew between 2001 and the start of 2007, most Americans didn't share in the prosperity. By the time the recession began last year, according to an Economic Policy Institute study, the median income of the typical household headed by those under age 65 was below what it was in 2000. It's no wonder middle-class incomes were dropping even before the recession. As our economy grew between 2001 and the start of 2007, most Americans didn't share in the prosperity. By the time the recession began last year, according to an Economic Policy Institute study, the median income of the typical household headed by those under age 65 was below what it was in 2000.

The way to get the economy back on track is to boost the purchasing power of the middle class. One major way to do this is to expand the percentage of working Americans in unions. Tax rebates won't work because they don't permanently raise wages. Most families used the rebate last year to pay off debt — not a bad thing, but it doesn't keep the virtuous cycle running. Bank bailouts won't work either. Business wouldn't be the only one hit. They'd be in even worse shape this year. But that's illegal. I saw this when I was secretary of Labor over a decade ago. We need to persuade employers that bind the labor, but the lines are munici- pal. Too many employers consider them a cost of doing business. This新sight. The most important feature of the Employee Free Choice Act, which will be considered by the just-signed ILWU Congress, threatens penalties against companies that violate their workers' rights. The sooner it's enacted, the better — for U.S. workers and for the U.S. economy.

The American middle class isn't looking for a bailout or a handout. Most people just want a chance to share in the success of the companies they help to grow. Making it easier for all Americans to form unions would give the middle class the bargaining power it needs for better wages and benefits. And a strong and prosperous middle class is necessary if our economy is to succeed.

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