

Community Dialog on Economic Inequality
At the Haven 112 West Market St. Charlottesville
Sponsored by Clergy & Laity United for Justice and Peace
Thursday, 6:30 pm, May 25, 2017

Bob McAdams, on behalf CLUJP, welcomed a group of 26 to the second CDEI. Like the first one on April 27, he described the event as “part of a learning process,” preparing for the next step, which will extend the Dialogue out into the community.

Bob then introduced Chip Sanders the following report on the book, *Toxic Inequality: How America's Wealth Gap Destroys Mobility, Deepens the Racial Divide, & Threatens Our Future* by Thomas M. Shapiro, **given in Sander's own words:**

Thomas Shapiro is Professor of Law and Social Policy at the Heller School of Brandeis University. He is also Director of the Institute on Assets and Social Policy. This book is a report of a 2010 follow-up with scores of families in three cities who were first interviewed in 1998.

The Great Recession, which began in 2007 with the housing market crash, provided Shapiro and his team with an unexpected opportunity. They realized that they could provide a longitudinal analysis of data on the effects of inequality on “ordinary families.” Shapiro uses the stories of those families to illustrate the various themes of his analysis.

Shapiro commends the work of two economists we have discussed in the last year and a half, Thomas Piketty and Emmanuel Saez, citing Piketty's opus magnus, *Capital in the 21st Century*, as a major source on economic inequality. But Shapiro then insists that the inequality debate include disparities of race as well as of class. In chapter one, he asserts that the broader data on economic inequality by income quintiles masks even greater disparities between races.

Shapiro cites data that shows that the gap between white families' wealth and that of black families has increased nearly threefold just from 1984 to 2013. This racial disparity persists not only because of continuing racial discrimination but also by senseless policies that protect existing wealth.

“Wealth is not just a matter of money,” Shapiro asserts. Channeling Wilkinson and Pickett in *The Spirit Level: Why Greater Equality Makes Societies Stronger*, Shapiro discusses the many impacts of inequality on people's health and well-being and writes, “... wealth is also about power, status, opportunity, identity, and self-image.” (p. 14)

Early in chapter one, entitled “Wealth Matters,” Shapiro asserts “... that the wealth inequality and racial wealth gap puzzles are actually one and the same, with wealth inequality and racial inequality inextricably linked, as they have been throughout our history.” (p. 27)

In 2013, he reports, “... the average white family owned \$13 for every \$1 owned by a typical black family and \$10 for every \$1 owned by the average Latino family.” (p. 33) In another measure he writes that in 1963, when Martin Luther King, Jr. led the March on Washington for Jobs and Freedom” – note the inclusion of “jobs” in that march title – “... African American home ownership stood at 38.1%, 26.2 % lower than the rate for white families.

Black Americans were four times more likely to live below the poverty line; ... median family income was 60.5% of white families; and 27% of blacks held high school degrees versus 51% of whites.” (p. 34) A “... cluster of policies [especially but not only federal policies] created vast wealth-building opportunities for whites while tethering blacks to segregated, lower-resourced, inner-city neighborhoods.” (p. 35)

Regarding opportunity in America, Shapiro comments, “A deeply held, popular ideal maintains that in America a person can start with little, work hard, and become rich. Closely related is the belief that wealth rises and falls based on hard work, personal character, and individual merit. Rigorous research on economic mobility tells a different story.” (p. 41) We have seen data in Stiglitz and elsewhere that America has lower social mobility than even the supposedly sclerotic nations of old Europe.

Shapiro contrasts “high-opportunity neighborhoods” with “low-opportunity neighborhoods” in support of the data on limited mobility. “Families living in high opportunity neighborhoods see real gains in financial, social, and physical wellbeing. . . . In contrast, those living in low-opportunity neighborhoods with poor quality schools and high crime rates face challenge after challenge – less home-value appreciation, fewer mental and physical health services, lower educational outcomes – inhibiting their capacity to live well and move ahead.” (p. 69)

Those neighborhood differences affect measures of wealth. Consider that “Two-thirds of net wealth held by the middle 60% of families is home equity.” (p. 45) Now consider the impact on wealth accumulation by middle-class families of the Great Recession, in which the lower income families and families of color also held the most damaging mortgages. Foreclosure is an economic disaster to them.

Shapiro also addresses the disparities of the workplace, where the higher paying jobs are usually accompanied by a set of benefits that add wealth and limit economic damages of serious illness. Those in lower income jobs usually do not have benefits to protect them or to enhance their wealth, and those jobs are held disproportionately by women and people of color. What chance do they really have to improve their economic or social condition?

Then Shapiro discusses the impacts on inequality of inheritance and the laws protecting inheritance from taxation. Families enjoying even a modest inheritance demonstrate “. . . wealth’s power to transform lives and sustain advantages, to provide near-immunity against failure, and to supply multiple second chances.” (p. 125) Of course, if a family is unable to generate and retain wealth, inheritance cannot even be considered as a factor.

Bob McAdams then gave the following report on Report on Jennifer Silva’s book, *Coming Up Short: Working Class Adulthood in an Age of Uncertainty*, **given in McAdams own words:**

“I feel like I was sold fake goods. I did everything I was told to do and I stayed out of trouble and went to college. Where is the land of milk and honey? I feel like they lied. I thought I would have choices. That sheet of paper [his degree] cost so much and does me no good. Sure, schools can’t guarantee success, but come on; they could do better to help kids out. You have to give Uncle Sam your first born to get a degree and it doesn’t pan out!”

The speaker is a thirty-four-year-old black man with a college degree in criminal justice, \$80,000 in loans, and a low paying job as a night-shift manager of a clothing chain. He is one of a hundred young people, ages 24 -34, interviewed by Jennifer Silva for her book, *Coming Up Short: Working-Class Adulthood in an Age of Uncertainty*. The focus of her book is achieving adulthood and how adulthood is perceived by working class young people today. We often hear statistics about economic inequality in a broad view from 30,000 feet. Jennifer Silva depicts the real effects of economic inequality on young working-class people as they try to enter adulthood.

I was born in 1946, so my idea of adulthood was clear. I could see it in my parents. I could watch it on TV: Leave it to Beaver, Father Knows Best. Adulthood meant finishing school, leaving home to start your own home, financial independence, marrying, and having children. For many young people, today those markers of adulthood are delayed for years or never attainable.

The economy when I came of age had much lower levels of inequality than the economy young people face today. Since 1980 the ever-intensifying concentration of income and wealth in the richest levels of our economy has left everyone else with less. Middle and low-income people have watched the industrial jobs filled by their parents or grandparents disappear as a result of automation, re-location to low wage countries, and the relentless reduction in employee compensation.

I have spoken before about the effects of economic inequality on our society as described in Wilkinson and Pickett's book, *The Spirit Level*. Higher levels of economic inequality drive higher levels of social division and distrust, mental illness, drug use, infant mortality, adult obesity, low educational scores, high school dropout rates, teen pregnancy rates, homicide rates, children's expression of conflict, rates of imprisonment, lowered life expectancy, and less social mobility.

Last month I asked you to think of our local economy as a mosaic. By stepping back, we can see the general, statistical patterns of the mosaic that reveal economic inequality and all the general harm that comes with it. By stepping all the way forward, we can see the individual tiles, the individual people and how they interact. Those interactions reveal the mechanisms that enforce inequality in people's lives.

The individual people in Jennifer Silva's book are examples of those mosaic tiles. We learn from their experiences that each problem they face ties to other problems. Rob is twenty-six years old. The training he received in school to be a machinist was obsolete the day he graduated. Just back from his second deployment to Afghanistan, he has no job, his car is broken, and his only income is \$400 - \$500 a month he receives for National Guard drills. Rob asks how can you find a job without a car? How can you pay first month, last month and a deposit to rent a place on \$500 a month?

Sandy and Cody tried to save on housing expenses by renting a one bedroom trailer in a rural part of the state. Sandy's sister moved in with them to help pay for the rent. They soon found that there were no jobs anywhere near where they lived. With one car shared by three adults they had to drive 45 minutes in one direction to get to one person to a job, then 45 minutes in another direction to get another person to their job. They couldn't get to work on time which meant lost jobs.

When you add the burden of racism to these problems, the frustration grows even higher. The internet applications that disappear into cyber-space, the job interviews that never lead to a call back, the efforts made to impress potential employers that lead nowhere pile up in despair. Grace, a 26-year-old black woman who had graduated from a state college describes her frustration:

"Yeah. There's been plenty of jobs and I'm, like, no this is the last job I'm interviewing for. Because I've been on a lot of interviews. Out of state, in state, wasting gas. Buying suits, spending money I didn't have. You know, to make sure I look appropriate and all this etiquette, and all this other stuff and I just felt like it was a waste. You know, preparing for it mentally,

Comment [HH1]:

I'm, like, okay they're going to ask me these crazy ass questions. So sometimes I do feel like..." Jennifer Silva finished Grace's sentence with "You just want to give up?"

The overwhelming pressure of an economy, where risk is pushed down to the people least able to manage it, leads to a hardening and isolation of those people. They turn inward and blame themselves. Silva quotes Jay, who has a degree in communications but has worked in a series of food service and coffee shop jobs:

"Well, to be honest, one of the great lies that I was fed was the magnificence of my brilliance. I feel like, you know, I was always straight A's and honor society and stuff like that. They were just blowing smoke up my ass-the world is at my fingertips, you can rule the world, be whatever you want, all this stuff. When I was fifteen, sixteen, I would not have envisioned the life I am living now. Whatever I imagined, I figured I would wear a suit every day, that I would own things. I don't own anything. I don't own a car. If I had a car, I wouldn't be able to afford my daily life."

As we move in our habitual circles of associations, we are blind to the realities created by an unequal, unjust economy. We must ask ourselves, "What kind of society are we creating? What are we doing to our young people?"

David Shreve then gave the results of the five Learning Circles of the April 27 meeting:

The 48 who attended the first Dialog responded to two questions: "**What concerns about our economy brought you here tonight?**" and "**What do you hope will happen as a result of our work together?**"

The **most frequently noted** concern or hope related to **community building and overcoming distrust between diverse groups**. This couples with racial and ethnic discrimination and biases in law enforcement and the criminal justice system. They all speak to broad social dysfunctions that people want to overcome.

The **second most frequently noted was housing**, which, of course, relate to the cost of the basics: food, rent, and utilities, followed by child care, education, and health care.

The **third was the need for political system reform and maintaining the social safety net currently provided by government**. Several brought up low wages, poverty in rural and urban areas, the lack of upward mobility especially for young people, and empowering workers through union organizing. Some noted that economic inequality is a moral issue, a heart issue.

Haunting the April evening were questions about the people who were not there.

How many poor people attend something like this?

How can the Dialog involve the 'Haves' as well as the 'Have nots'?

What concerns would a group of business owners or college students or senior citizens have expressed?

"The concerns recorded show the problem of economic inequality as seen through the lens of people like us. We attend such meetings and work for progressive causes. Many people do neither of those things. For us to continue to learn, we must have the courage and patience to see through the lens of other groups of people and the experiences that shape their perspectives. Among our next steps in this learning process will be outreach to many organizations, congregations, and the unaffiliated." (See Addendum for the actual account.)

McAdams returned to explain the forms handed out to the assembled. Each referred to five task force groups which the participants were asked to sign with their E-mail address and circle those on which they want to serve:

1. Gather statistics related to economic inequality in our area
2. Reach out to civic organizations
3. Reach out to congregations
4. Reach out to the unaffiliated
5. Research concerns identified in this process so far

Task Group 1 will research statistics while Task Group 5 will start with the concerns expressed in the Learning circles, defining problems from which they will develop proposed solutions, with Dave Shreve and Ridge Schuyler leading the effort.

Task Groups 2,3, and 4 are essential to fulfilling CDEI's commitment to include all segments of the community at large, gathering information from those who, for whatever reason, will *not* be attending CDEI meetings, forwarding what the three groups have learned to Task Group 5.

Folks were encouraged to commit themselves to one or more of the 5 groups, both for the remainder of the evening and **for the long term**. Meeting in the small groups throughout the building, the sense was that so many were so deeply involved in their discussions that there was a reluctance to meet the adjournment scheduled for 8:00 p.m.

Respectfully Submitted by Hal Horan, Recording Secretary

ADDENDOM: FACILITORS COUNT OF CONCERNS FROM SMALL GROUP DIALOGUES APRIL 27, 2017

Concern/Problem	Occurrences
Community building vs distrust between diverse groups	12x
Housing	9x
Political system reform, maintaining safety net	8x
Education cost, access	7x
Racial/Ethnic Discrimination	7x
Low wages	6x
Poverty rural and urban and lack of upward mobility	6x
Transportation	6x
Involve 'haves' in process / wealth sharing	5x
Youth education for jobs	5x
Moral issue / heart issue	4x
Youth positive future paths	4x
Day care / child care	3x
Health care / mental health	3x
Localities' power to act	3x
Cost of Basics-rent/food/utilities	2x
Including people "not here", the poor	2x
Law enforcement/criminal justice bias	2x
Employee / worker empowerment - unions	1x
Women's issues	1x