

## On the Political Costs of the Growing U.S. Income Gap . . .

"The "angry white male" idea threatens to become a dodge for U.S. conservatives and liberals alike who don't want to face up to the costs of rising income inequality. They want to highlight the economy's ability to produce economic growth and play down the fact that growth has recently been skewed toward the better off and the better educated. It's a lot easier...to say that angry white men want to get rid of gun control than to support changes in the economy aimed at lifting living standards at the middle and bottom rungs." -- E. J. Dionne, Jr., "Slandered White Men" (*The Washington Post*, May 2, 1995)

"The causes of both the income gap between rich and poor and the declining wages of countless blue-collar Americans are complicated and not entirely understood. Foreign competition has played a role and so has the inability of unions to maintain high wage rates. Technology has displaced many workers...And, yes, government policies have played a role. The tax breaks of the Reagan years certainly did not help the poor.

"Egalitarianism is a dirty word in some circles. It suggests government intervention on behalf of the less well-off... The trend nowadays is just the opposite...Tax rates are going lower, with the largest deductions possibly going to

those who need it least. Capital gains taxes are probably on the way down, too. This will benefit those among the poor who own stocks, bonds, art, property and the occasional market derivative. The tax rate may even go flat, so that everyone will pay the same percentage -- the rich and the poor sleeping equitably under this fiscal bridge. As for the very poor, they are being driven off welfare and told to seek jobs that usually pay even less.

"None of this, of course, attacks the problem of income disparity. It only makes it worse...The unsettling conclusion is that a whole lot of Americans are in boats that are not being lifted by the general economic prosperity. In due course, they will vent their unhappiness at the polls. Before that they will turn, as they have been doing, on the poor, the black, the immigrant and others -- seeking the scapegoats that their political leaders say, falsely, are at the root of their misfortune. Maybe later they will reject the notion that government is good for nothing, that it should not intrude in the nation's economic life.

"Franklin Roosevelt, claimed by almost all politicians now as their hero, knew something that much of the present political class has forgotten: It takes a little socialism to make capitalism work." -- Richard Cohen, "As the Gap Widens" (*Washington Post*, April 20, 1995)

Courtesy of *Labor's Heritage*, (Winter 1995)



"I suppose that in order to be considered even minimally successful, a society must keep its population healthy, peaceful, and contented. All members should have sufficient food to eat, a place to live, and a sense of participation in a shared community purpose. Everyone should have access to the collective wisdom and knowledge of the society, and should expect that life will be spiritually and emotionally fulfilling for themselves and for future generations." -- from "In the Absence of the Sacred" by Jerry Mander (*Sierra Club Books*, 1991)

**Fact:** Earnings for U.S. black men without a high school diploma fell by 50% between 1973 and 1989. **Fact:** Median income of all U.S. men between the ages of 25 and 34 has fallen by 26% since 1972 after adjustment for inflation. **Fact:** In 1990, almost 5 million U.S. children were living in neighborhoods where the majority of working-age men had been unemployed for most of the year. In the same neighborhoods, 45% of families were without fathers at home, twice the U.S. average. -- from "Kids Count 1995," Annie E. Casey Foundation

### **Robert Reich, Secretary of Labor:**

"Broad trends that have converged and accelerated since the middle 1970s have split the old American middle class into three new groups: an *underclass*...increasingly isolated from the core economy; an *overclass*... positioned to profitably ride the waves of change; and in between, the largest group, an *anxious class*, most of whom hold jobs but are justifiably uneasy about their own standing and fearful of their children's future." -- August 1994

"Never underestimate the political potency of a declining paycheck. Much of what we see in politics today is a consequence of economic stress. Insecurity doesn't exactly bring out the spirit of generosity." -- April 1995