

Example of essay on the most unequal society in the western world: poverty racism...

[Family](#), [Parents](#)



ABSTRACT

No other country in the Western world has as high a level of inequality of wealth and incomes compared to the United States and none offers less opportunity for intergenerational mobility. Just the opposite, mobility has been decreasing greatly over the last thirty years while inequality has increased, and young people earn less than their parent's generation. All of this is a result of conservative tax, budget and economic policies since the 1970s that have left the U. S. as more of a class-stratified society than Great Britain. Children born into poverty are very likely to remain in poverty all their lives while those born with wealth and economic and educational advantages are very likely to transmit these to the next generation. For blacks, the economic and social conditions are worst of all and no other group has been so downwardly mobile over the last three decades.

Contrary to its self-image as a meritocratic society with equal opportunities for all, the United States has the highest level of poverty and inequality of wealth and income in the Western world. It also has the lowest level of intergenerational mobility of any country in the Organization for Economic Cooperation and Development (OECD) and this is strongly related to issues of race and overall economic inequality. Although the U. S. was not always this 'exceptional' compared to other Western nations, mobility has declined significantly over the last thirty years while inequality of wealth and incomes has increased to levels not seen since the 1920s. These trends were already quite clear before the recession that began in 2008-09, but have worsened still further as a result. Even with the increase of two-income household, about one-third of American families are worse off than their parents in an

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absolute sense, and men in their 30s today earn less than their fathers a generation ago.

In the U. S., children who are born to wealthy parents tend to stay wealthy just like those who are born into poverty tend to remain there.

Intergenerational inequality had little to do with the transmission of superior genetics and IQs from parents to offspring but more to do the transmission of wealth, better medical care and education (Bowles et al, 2003, p. 1). Past reports of high intergenerational mobility in the U. S. were incorrect because of faulty data, particularly estimates of parental incomes relative to their children and inaccurate reports of permanent incomes. Children born into the poorest decile (lowest 10%) had only a 1. 3% chance of reaching the highest decile and a 4. 3% chance of moving into the highest quintile (upper 20%) in their lifetimes, while those in the highest decile had only 1. 5% chance of downward mobility into the poorest 10% and 3. 5% of moving down the into the poorest 20% (Bowles et al, p. 7).

One possible explanation for the high intergenerational transmission of economic status and social class is superior genes passed on from parents to children, and there is great similarity between the IQs of parents and children. Yet there is only a 2% correlation between genetics and IQs and “ IQ is just not an important enough determinant of economic success” (Bowles et al, p. 10). In any case, performance on IQ tests may not indicate greater cognitive abilities but just superior test taking skills, persistence and work ethics. In Sweden and other countries, twin studies have shown that “ the heritability of earnings appears substantial” and environmental effects are also very great, but this is not strongly related to IQs (Bowles et al, p.

15). More important than genetics by far is the intergenerational transmission of educational opportunities, health care and other environmental factors. Only 2-4% of children born in 1960-95 received a large enough monetary bequest from their parents to be subject to inheritance tax, so that intergenerational transmission of wealth is important only at the very highest levels of society (Bowles et al, p. 18). Education, race, health and overall environment are more important in the intergenerational transmission of higher income and social class status than genetics or IQ.

In comparison of Gini Coefficients, the U. S. has the highest level of income inequality in the Western world, a fact that has been well-known for quite some time. Indeed, its pattern of income and wealth distribution has become much more like that of a ' Third World' nation over the past thirty years. In intergenerational mobility, the U. S. also scores lower than any other OECD country, with the highest level of economic advantage passed on from parents to children. Contrary to its reputation as a meritocratic country, the U. S. is even more of a class society than Great Britain. If anything, current data underestimates this reality, but studies also indicate that higher levels of inequality lead to less mobility across generations (Wolfers 2012).

Both at the bottom and top quintiles in the United States there is less intergenerational mobility than in the middle ranks. Income and wealth have become less widely shared since the 1960s and far more concentrated at the top, and " a number of advanced countries provide more opportunities to their citizens than does the United States" (Isaacs et al, 2008, p. 2).

American men in their 30s born in the 1960s also earned 12% less than their

father's generation, and family incomes would have declined absolutely during this period if more women had not entered the workforce. Given the decline in male incomes, though, it is generally no longer possible for the average family to "depend on a single earner to move them up the economic ladder" (Isaacs, et al, p. 3). Yet the decline in marriage rates in recent decades is also leading to downward mobility given the necessity of two income earners to keep a family in the middle class. About 42% of children born in the bottom quintile will remain there all their lives, while nearly the same number of children born in the highest quintile, although those born in the middle ranks still have an equal chance of moving up or down (Isaacs et al, p. 4). Even with two incomes, though, at least one-third of U. S. families are economically worse off than their parent's generation (Isaacs et al, p. 6). Overall, the United States and United Kingdom have the lowest intergenerational mobility while Canada, Norway, Denmark and Finland have the highest and Germany, France and Sweden fall somewhere in the middle.

Compared to all other Western nations the U. S. is highest in every category in the transmission of wealth, income, education and social class status across generations. "Mobility in earnings, wages, and education across generations is relatively low in France, southern European countries, the United Kingdom and the United States", but relatively high in Australia, Scandinavia and Canada" (OECD, 2010, p. 3). Educational and wage mobility across generations is also especially low in the UK, US, France and Italy. Educational levels of children are highly correlated with those of their parents, and highest of all in the U. S., followed by France and Belgium.

There is a 20% wage premium for tertiary education and a 16% deficit for low education, and the correlation for higher education between parents and children is very strong in the U. S., France and Belgium (OECD, p. 5). In the U. S., Italy and France, a 40% economic advantage is transmitted from fathers to sons compared to less than 20% in Australia, Canada and Australia (OECD, p. 7). Less than one-third of parents surveyed in 2008 thought that “ life would be better for the next generation” (Isaacs et al, p. 6).

Blacks in the U. S. have been the most downwardly mobile groups since the 1970s and have the highest levels of transmission of intergenerational poverty. Even black children born to middle income parents in the 1960s have “ less family income than their parents did” (Isaacs et al, p. 5). In America, the poverty trap is simply “ much higher for blacks than whites” (Bowles et al, p. 7). According to a study in South Africa in 1993, race accounted for two-thirds of the intergenerational transmission of earnings, but this had nothing to do with intelligence, personalities or human nature but was a matter of public policy under the apartheid regime (Bowles et al, p. 13). In spite of major gains since the civil rights movement of the 1960s, including the creation of a large black middle class for the first time in American history, the U. S. is hardly a post-racial society. Segregation, the slave trade and lynching taught blacks to hate themselves, and the violence directed against them was not only physical and economic but also psychic. Nor did government successfully curb this violence in the years 1776 to 1965, except for a very brief period of Reconstruction after the Civil War. Over the last forty years, racial discrimination has been driven underground and become less overt, but it still exists, although white America has long

since given up even trying to deal with these problems, except through increased reliance on prisons and police since the 1970s.

Racism has always been related to other social and economic problems, especially poverty, police brutality, social class and lack of economic and educational opportunities. From the early-1970s, poverty and inequality in wealth and incomes have also increased, and this affected blacks more than any other group. By 2000, 1% of the population had almost half of the wealth in the United States. Police abuse and violence in the segregated ghettos increased and was “ disproportionately used against poor communities of color” (West, 1993, p. viii). Nearly 10% of young black men were in prison and 40% of black children lived in poverty, but this was hardly part of the national political agenda (West, p. 4). Blacks consumed about 12% of the drugs in the U. S. but were 70% of those convicted on drug charges (West, p. xii). Police targeting of minority groups has always been the norm in the U. S. and blacks are “ disproportionately stopped and searched by police” all over the country (Cooper, 2006, p. 25). Blacks and whites use drugs at the same rate in the United States, but young black males are ten times more likely to be stopped, searched and arrested on drug charges, and in many parts of the country, one-third to one-half of young black men are in jail or on parole or probation, a far higher number than are in college (Cooper, p. 28). They were also imprisoned all out of proportion to their actual numbers in the population. Even educated and middle class blacks frequently experienced discrimination and racial profiling in everyday life, from taxis that refused to pick them to being frequently stopped and searched on the highways (Driving While Black) and commonly suspected of theft and shoplifting

(Shopping While Black). White America only noticed this occasionally, such as the riots that occurred in Los Angeles in 1992 after the acquittal of the white police officers who beat Rodney King.

In the United States over 75% of blacks still live in segregated neighborhoods that are often crowded, dangerous, lacking in social services, employment and educational opportunities. In fact, these segregated areas are racially profiled and redlined, not only by law enforcement but by banks, insurance companies and other businesses and government agencies. Police do not enforce civil rights and open housing laws in this country, nor do they protect blacks from violence and discrimination if they attempt to move into white areas. Segregation in residential and economic life “ makes it difficult to solve other problems connected to poor communities, such as crime, violence, poor health, high mortality, and abandonment of houses”, all of which have worsen greatly in the current recession (Ihewulezi, 2008, p. 47). Black children are over nine times more likely to have a parent in prison than whites, and three times more likely to live in single-parent families, and the high number of these is one of the major reasons about half of them live in poverty (Ihewulezi, p. 43). Of the minority women in prison, over 80% are mothers, and their children often end up in foster care. Less than half of black single mothers receive child support “ due to unemployment or the incarceration of the father of their children”, and this also means that a shortage of marriageable black males exists (Ihewulezi, p. 44). All of these factors together lead to higher levels of poverty among blacks, and a higher likelihood of being racially profiled by to police, and thus the cycle of poverty and crime continues.

Black communities had become alienated and demoralized over the last forty years due to drugs, gangs and massive police crackdowns. Angry, alienated youth in these ghettos realize that there is no place for them in American society, and adopt music, culture, lifestyles and sexual behaviors that emphasize their separation from white, mainstream society, even though black conservatives condemn this. These communities are morally and spiritually impoverished, but there was no real political and economic transformation of America in the era of Ronald Reagan, Bill Clinton and George W. Bush. Breaking the cycle of intergenerational poverty would require a new type of affirmative action that was based on income and social class rather than gender or color, while recognizing that no such change was likely in America at this time (Steinberg 1998).

In the current recession, with levels of poverty and unemployment higher than at any time since the 1930s, blacks are once again being affected disproportionately. This is just another example of the racial caste system and institutional racism that goes far beyond that of social class, and has always been the case in recessions and indeed with every other social and economic problem in American history. Black wealth and incomes, which were already far lower than whites, have been disappearing in the past few years, although little or nothing has been done about this. In the absolute sense, the present generation is economically worse off than their parents, and the level of intergenerational mobility has been declining over the last three decades. This type of 'American exceptionalism' is hardly complimentary to the nation's self-image as a democracy with equal

opportunity for all, and in fact the U. S. offers less chance for upward mobility than any nation in the Western world.

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