


**Public Works**  
*Building Public Will for the Common Good*

**Inequality and Equity**  
From Individual Circumstance to Collective Challenge

December 3, 2013  
Marcia Kinsey (mkinsey@publicworks.org)  
Anika Fassia (afassia@publicworks.org)


# Why is Economic Inequality Wrong?




Public Works

2

## Pieces of the Inequality Puzzle




- Reality and Perception of Income Inequality
- Narratives and Ways we Think that affect understanding of Inequality
- Recommendations for Changing the Conversation




Public Works

3

## Pieces of the Inequality Puzzle



- **Reality and Perception of Income Inequality**
- Narratives and Ways we Think that affect Understanding of Inequality
- Recommendations for Changing the Conversation



Public Works

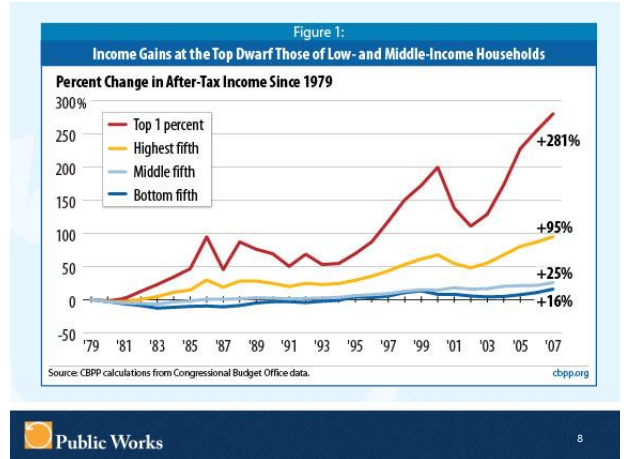
4

**U.S. INCOME TODAY**  
2005

**WEALTH**  
2007

Are the Rich getting too Much of the Economic Pie? Atlantic Monthly, August 19, 2013

Public Works 5



**AVERAGE CEO PAY VS. AVERAGE WORKER PAY**

CEO (185 times bigger)

WORKER

2009 data. Source: Economic Policy Institute

It's the Inequality Stupid, March 2011.

Public Works 10

**IF U.S. LAND WERE DIVIDED LIKE U.S. WEALTH**

1% WOULD OWN THIS

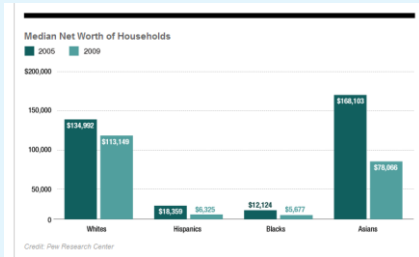
9% WOULD OWN THIS

THE REMAINING 90% WOULD OWN THIS

Via [think-progress.tumblr.com](http://think-progress.tumblr.com)

Public Works 11

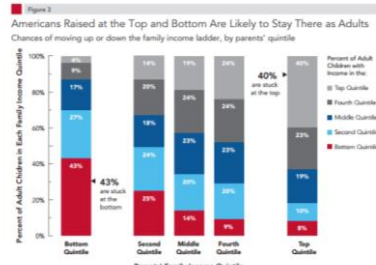
## Racial Wealth Gap is Dramatic



Study Show Racial Gap Grows Wider, NPR, July 26, 2011

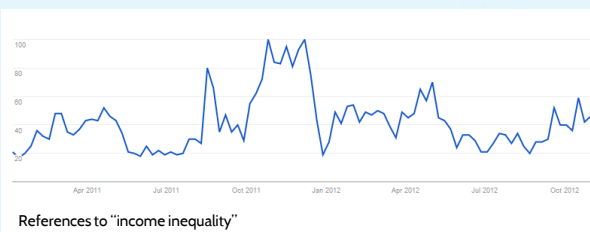
## Upward Mobility is Limited

For those at the Bottom

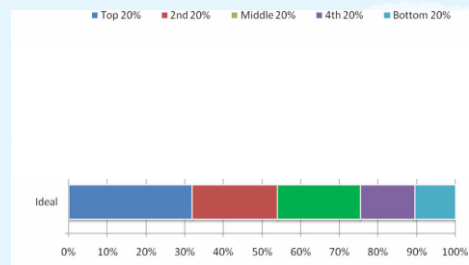


Source: Pursuing the American Dream, Pew Charitable Trusts, July 2012

## Spike in Attention Paid to this Issue



## Americans' Perceptions of Wealth Distribution



## Americans would prefer Sweden's Level of Inequality



Top Quintile has **84%** of Wealth



Top Quintile has **36%** of Wealth

*Perspectives On Psychological Science*

## Growing Sense that the Game is Rigged

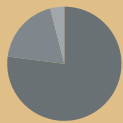


"... the American public's strong belief that you can be poor today but rich tomorrow.... Now it seems many Americans have decided that playing by the rules doesn't work . . . **It is not the outcomes they complain about but the fact that the game itself is not fair.**"

*Isabel Sawhill, Brookings*  
October 2011

## Views of Inequality, Fairness and Wall Street

Power



**77%** think too much power is the hands of rich people and large corporations

Economic system



**61%** think the country's economy system unfairly favors the wealthy

Wall Street



**51%** think Wall Street hurts the economy more than helps it

Occupy Wall Street and Public Opinion, Pew Research Center for the People and the Press, Dec. 2011

## Pieces of the Inequality Puzzle



- Reality and Perception of Income Inequality
- **Narratives and Ways we Think that affect understanding of Inequality**
- Recommendations for Changing the Conversation

## A Rough Subject for Americans



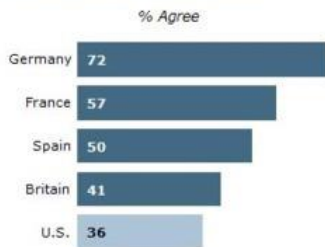
- Self-made man/woman
- Individual Actor
- America – the Land of Opportunity
- Understanding Poverty
- Narratives about Government
- Everyday Thinking – cause and effect

## Triumphant Individual



Independence

## Success in Life Is Determined by Forces Outside Our Control



PEW RESEARCH CENTER Q15a.

*The American – Western European Values Gap, February 29, 2012*

## Individual Actor Model

### Implications:

- A broadly shared model
- Moral qualities and personal choices shape economic actions and outcomes



## Inequality Happens



## American Dream -- Land of Opportunity



## Equation of Opportunity

**Economic Freedom +  
Culture of Work =  
Prosperity and Opportunity**

## Poverty is...



- a result of poor choices or bad morals
- not as bad as it used to be or as it is elsewhere
- a temporary state because of America's unique economic mobility
- not solvable and attempting to solve it will be expensive and will cause dependence

### Chauffer's Dilemma: Identifying Up



### Dominant Stories about Government

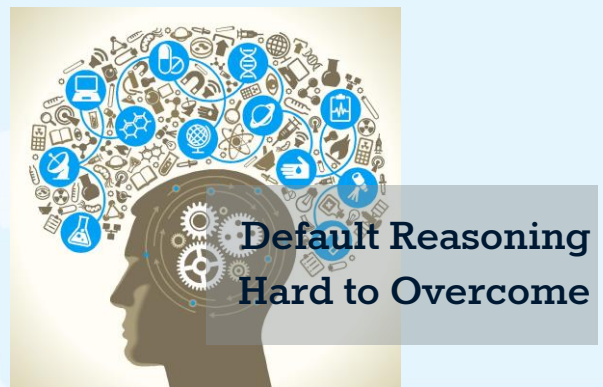


Just Politics

Bureaucracy

Vending Machine

### Cause and Effect



Default Reasoning  
Hard to Overcome

## Pieces of the Inequality Puzzle



- Reality and Perception of Income Inequality
- Narratives and Ways we Think that affect understanding of Inequality
- **Recommendations for Changing the Conversation**

## We need Inequality to convey:

1. intentionality
2. unfairness
3. detectability
4. alterability
5. not inevitable.

## 1. We cannot just explain inequality is wrong.

*We must WHY it Matters*



## Fairness: the trouble with it





## Morality of Reward & Punishment

"Here's the problem with fairness: **Fair is never really fair.** In order to put everyone on an equal footing, you have to take from one group to give to the other. **That means penalizing those who excel,** those who have put forth the most effort, those who often have made the biggest sacrifices and taken the biggest risks, and **rewarding those who have done the least.** It sends the message that achievement will be punished while apathy will be praised.

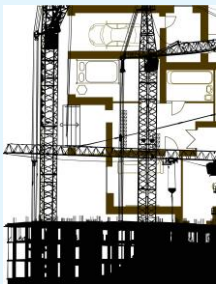
<http://www.tindog.com/2009/07/28/the-problem-with-fairness/>

We must explain **WHY** inequality matters to us all.



## 2. Give Structure to the Problem

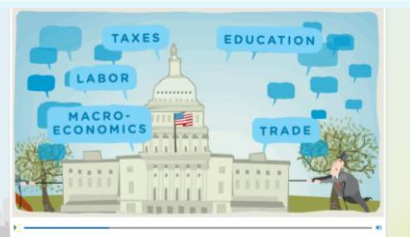
Systemic -- not Individual -- Causes and Effects



"Ultimately, inequality is about our society, not individuals. It needs to be seen as a structural problem: a matter of public policy, not just personal behavior."

*From: Provoking Thought Changing Talk: Putting it into Practice*  
Lori Dorfman, Dr.P.H., Berkeley Media Studies Group &  
Lawrence Wallack, Dr.P.H., College of Urban & Public Affairs,  
Portland State University

## Inequality: It was Created



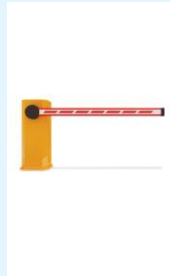
<http://inequality.is/>

## Inequality is a Barrier

-- Anat Shenker-Osorio



## Inequality is a Barrier, not a Gap



- Blocks people from getting resources
- Holds people back
- Sets in place obstacles for:
  - "access to resources"
  - "access to opportunities"
  - "participating fully in the economy"

## Inequality is a Barrier, not a Gap



- Implies all people are equally capable and deserving.
- Barriers are "man-made" - suggests structural, deliberate causes
- You can break down barriers -- suggests role for audience
- Tangible and part of lived experience.

## Excessive Inequality leads to Instability



### *Inequality as Vertigo*

*"An economy that has gotten off-kilter"*

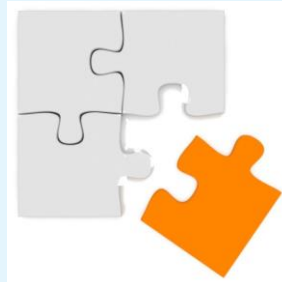
- Economic system that can be externally swayed or put off its axis
- We've all lost our balance

### 3. Focus on What Works



- Highlight practical steps that can be taken.
- Take advantage of people's interest in programs and ideas that work.

### Recommendations Summary



1. Don't just explain that Inequality is wrong. Explain WHY it affects us all.
2. Give structure to the problem
3. Focus on What Works

### 10 minute tutorial on Inequality

Besides the income tax, the government can also level the playing field with the federal estate tax.

The **Federal Estate Tax** (also known as the **Death Tax**) applies when a deceased person leaves more than \$5 million in wealth to his or her heirs. Wealth left to a spouse or charitable organization is exempt from estate tax.



Only 1 person out of 1000 is wealthy enough to face the estate tax.

Average Americans do not have anything close to \$5 million in wealth, so the estate tax does not affect them and they can pass on their property to their children tax-free.

Eliminating the estate tax would allow the very richest families to pass down all of their wealth to their children tax-free. Hence, children of rich people would also start off very rich themselves.

Increasing the estate tax is a way to level the playing field between the children of wealthy parents and children of middle-class parents.

[online 10-minute tutorial](#)

### Resources

Shenker-Osorio, Anat. [Narrowing the Gap, Leveling the Field: How we Talk About Economic Inequality](#). May 2010.

[You Can Get There from Here](#) - which includes

Grady, Joseph and Axel Aubrun. *Provoking Thought, Changing Talk: Discussing Inequality*. April 2008.

Dorfman, Lori and Lawrence Wallack. *Provoking Thoughts, Changing Talk: Putting it into Practice*.

[Nick Hanauer's TED Talk on Income Inequality](#)

[Economic Policy Institute's Inequality Is Video](#)

