LET THEM EAT KETCHUP
The Politics of Poverty and Inequality

SHEILA COLLINS

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ACKNOWLEDGEMENTS

My initial interest in poverty as a function of politics was ignited by the ten-year in-your-face education I got in the subject while living and working in East Harlem (New York City) during the critical years of President Johnson's War on Poverty. I am forever grateful to my husband, John, for sharing those tumultuous years with me.

I came to know some of poverty's other faces in the late 1970s and early 1980s, when I worked for United Methodist Voluntary Service, a program providing small grants and technical support to poor people's organizations across the country. To people like Ron Chisom, Barbara Major, Diana Dunn, Anne Braden, Diana Ortiz, Arnette Lewis, and the late Jim Dunn, among others, I owe a deep debt of thanks for an incomparable education in how the systems of oppression feed each other and operate to thwart human potential and democratic possibility. From them, I also learned how the poor can and do continually resist their oppression.

My colleagues in New Initiatives for Full Employment and the National Jobs for All Coalition have helped me to combine experience with rigorous academic analysis, theory with action. I am particularly grateful to Trudy Goldberg, Helen Ginsburg, Sumner Rosen, and June Zaccone for turning me on to research I might not have known about and for the intellectual stimulation and critique that has been so valuable a part of my growth over the last eight years.

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1

CLASS AND POVERTY: MYTHS AND REALITIES

President Bill Clinton came into office claiming to be a "new kind of Democrat," who would address the needs of an embattled middle class. Before him, President Ronald Reagan said he spoke for "middle America"; in 1972 President Richard Nixon posed as the champion of what he called the "silent majority"—the "man in the middle."

President George Bush once asserted that class "is for European democracies or something else—it isn't for the United States. We are not going to be divided by class."[1] From sitcoms to the local classroom, we have grown used to thinking of the United States as a classless society. While it is sometimes acknowledged that some are "rich" and others "poor," most of us, most of the time, think of ourselves as belonging to one big, comfortable middle class. A popular U.S. government college text reinforces this image when it declares: "Economic resources are better distributed in America than in most other societies today. Most Americans are in the middle class. . . . "[2] Even in the midst of the Great Depression, when the unemployment rate soared to over 20 percent, eight out of ten Americans claimed to be middle class.[3]

What do we mean by "middle class?" And how do we know we are in it?

I grew up in the 1950s in a middle-sized northeastern city in an all-white neighborhood of small homes. We owned our own home (or rather, the bank did) and we had a car (also owned by the bank) which had to last us for a lifetime. My father and my friends' fathers all had jobs, while our mothers, for the most part, were housewives. In the postwar years we were enjoying the American Dream: a house, a car, and "a chicken in every pot"—at least on Sundays. Those I grew up with—whose fathers (many of them World War II veterans) were painters, printers, plumbers, carpenters, and machine tool operators—took for granted that they were part of the great American middle class. For most, I suspect, being middle class meant having the promise of continuous upward mobility—at least having the chance, if not to attend college yourself, to be able to send your son to college so that he could move beyond a life of manual labor. (In those days, when you had money for only one college education, it was usually assumed it would go to the son!)

Yet beneath the surface of this glorified Dream lurked a more sobering reality. The death of a father or the chronic illness of a member of the family could easily wipe out whatever equity was in that house or car. My father, whose job as a commercial artist was a bit less secure than the jobs held by my friends' fathers, never got out from under the constant worry about where the next paycheck was coming from. He died of a heart attack at the age of fifty-two, having taken only a single five-day vacation in his entire working life. I was one of only two of my childhood friends to go on to college—and only because I got a large enough scholarship. My girl friends graduated from high school and got jobs as secretaries and bookkeepers, while their boyfriends followed their fathers into the skilled crafts or joined the army or police force.

On the south side of town—literally on the "other side of the tracks"—was a community that was far less comfortable than ours. There, people mostly rented run-down apartments and traveled by public transportation (if they had cars, they were ancient). If they didn't live on welfare grants, they worked as maids in the large homes of the corporate executives that sat on acres of artfully landscaped lawns in the north end of the city, or worked from early morning to late at night in their own small businesses, catering to the almost completely isolated community residents. Almost none of their children expected to go to college.

The existence of this community (overwhelmingly black) as well as the existence of the (completely white) community that lived in comparative splendor to the north, was completely unknown to my friends and me until we were all brought together in the city's only high school. All of us—the children of corporate executives, machine tool operators, and maids—thought of ourselves as middle class.

THE MIDDLE MUDDLE

It is typical of the mental gimcrackery that passes for a public philosophy these days that our rulers are suddenly frantic to grant boons to the middle class. And what is it, this middle class, which all statesmen from President to Congressional doorkeeper now yearn to pelt with blessings?... It is an abstraction, a fragment of a campaign slogan, a piety on a demagogue's tongue, an insoluble calculus problem for demographers, a verbal crutch for economists and political writers required by the cruel nature of their trades to sound eloquent while waiting for an idea to pull into the station.—*Russell Baker*[4]

The idea that our society is composed of one big middle class has been used to sell everything from life insurance to presidents. But it is a myth—a fiction that energizes our national ideals while obscuring the real differences in income, wealth, and power that exist in the United States. Yet millions of immigrants each year leave families and risk lives to get here. For them, the myth is the stuff of their most heartfelt dreams. Since conditions in many developing or war-torn countries are so much worse, most immigrants are able to do better here than they did at home. But for everyone, sooner or later, dream clashes with life in a moment of truth.

CLASS: THE GREAT TABOO

The truth is that the United States is a deeply divided society. The movements that erupted over the last thirty years exposed the unacknowledged (but ever-present) fault lines of color, gender, and sexual orientation. But there is another source of division that cross-cuts all of these—that of class.

The concept of "class" is used by sociologists and economists to describe differences between people that are based on economic position—income and wealth, occupational group, etc. Class differences imply differences in power. Yet one rarely hears the term mentioned in this country except in relation to the *middle class*. In fact, some have called *class* the most taboo subject in the United States. This is not so in Europe or in many other parts of the world, where the reality of class is openly acknowledged and political parties and campaigns are forged around class interests. For example, if my parents had lived in England, they would have belonged to the Labor Party. In Italy, they might have voted for the Communist Party, which in that country claimed a huge base among ordinary workers during the post-World War II era. Instead, they considered it natural to back the Democratic Party, which can claim the loyalty of organized labor along with that of super-rich and powerful corporate types.

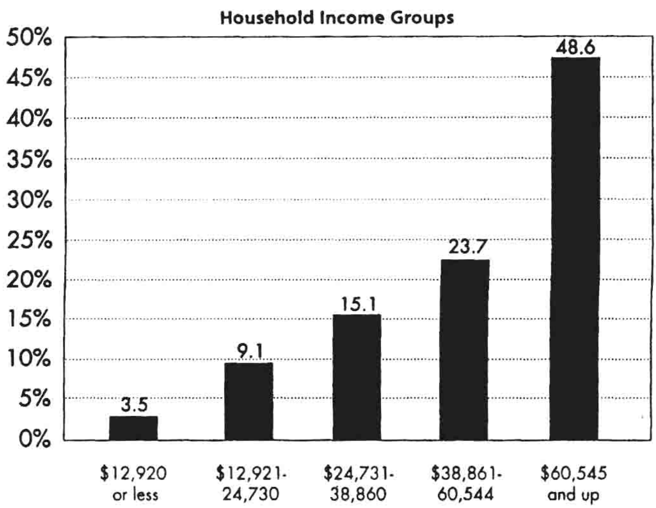
It should be obvious that differences in income and wealth go a long way in determining our life chances: where we live; how much we have to spend on luxuries; the kind of health care and education we receive; the amount of leisure we can enjoy; the amount of control we have over our work; and what kind of recognition we can expect from public officials. People here, like everywhere, are grouped in society by all these factors, as well as by how we survive—whether on wages, salaries, or access to accumulated wealth. We all take our place in society as part of one or another class, know it or not, like it or not.

The government's own statistics on income distribution say a lot about the nature of class inequality. Each year, the Census Bureau surveys a representative sample of 60,000 households, both families and individuals, asking them questions about their pre-tax incomes.[5] From this sample all kinds of information are derived, such as the gender, racial, age, and geographical distribution of income, the sizes of families dependent on certain levels of income, and so on. The government currently includes as income not only wages and salaries, but money from dividends, interest, royalties, net rental income, Social Security, welfare payments, pensions, and such other miscellaneous sources as alimony. It excludes such sources as inheritances, gifts, capital gains or losses, the value of fringe benefits, in-kind income such as free meals, or the value of government transfer payments such as food stamps or Medicaid/Medicare.

There are two ways that the Census Bureau measures the distribution of income, and therefore income inequality. The first is by ranking all households (or families) from lowest to highest on the basis of income and then dividing the population into equal groups, called *quintiles,* each representing 20 percent of the total.[6] The aggregate income of each group is then divided by the overall income to determine each quintile's share. This picture of income shares gives us a fairly adequate (though not completely accurate) measure of income inequality in the United States.[7]

The second method of measuring income inequality involves incorporating more detailed income data into a single statistic, called the *Gini index*. This statistic summarizes how all income shares are dispersed across society's whole income distribution, using a standard of total equality as its measure. The Gini index ranges from zero (perfect equality), where the total income is shared equally by everyone, to one, which indicates perfect *in*equality—where all the income is received by only one recipient. The Gini index is normally neither zero nor one, but somewhere in between. In 1993 the measurement for the nation's households was .447.[8] This index is most useful in measuring long-term changes in income inequality and in comparing inequality across geographical boundaries. Both these ways of measuring inequality provide important information about the structure of U.S. society and the relative amounts of power held by various groups.

Figure 1-1
Shares of Total Income Received by Household Income Groups (by percent)



Source: U.S. Bureau of the Census, Current Population Reports, Series pp. 60-188, *Income, Poverty, and Valuation of Noncash Benefits: 1993* (Washington, D.C.: U.S. Government Printing Office, 1995), Figure 1, p.xii