The Growing Divide
Inequality and the Roots of Economic Insecurity

Trainer’s Manual

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I. Introduction

A. Why We’re Doing This

In the middle of the second decade of the 21st century, the gap between rich and poor in the United States remains as wide as it has ever been. We want to shine a spotlight on this disparity, which is particularly pronounced for people of color, for women, and for immigrants, because we are convinced that economic inequality is at the core of many of our most persistent social problems, with profoundly negative impacts on our health, our democracy, and the environment.

In 2014, the share of net wealth owned by the wealthiest one percent of the U.S. population stands at 40 percent. They own a greater share of the wealth pie than the bottom 90 percent. Real (adjusted for inflation) wages have fallen or remained stagnant for most workers since the early 1970s. Yet compensation for the CEOs at the top publicly-held securities and investment companies—which include banks, hedge funds, money-management firms, and securities exchanges—averaged $22.6 million.

Some of the results of this economic picture are alarming. Official unemployment remains high and in many communities of color unemployment is twice that of white workers; there have been nearly 4 million foreclosures since 2007; most households need two wage-earners to make ends meet; savings have diminished; employee benefits continue to disappear along with the safety net for low-income households, who are disproportionately Black, Latino, Native American, and headed by women. Behind the yo-yo gyrations of the stock market are some disturbing trends. Americans have piled up more debt than disposable income. Nearly 40% of white families, 73% of Latino families, and 79% of African American families have savings that will last three months or less! Our public infrastructure is crumbling and a media-generated fear of violent crime results in calls for increased reliance on prisons and punishment. Public education systems are in decline; homelessness and hunger are rampant; drug and alcohol abuse are rising, as are stress-related illnesses. Most of us are left with a growing disillusionment with government and increasing anxiety about the future.

Our ability to analyze and understand the current situation is hampered by attitudes, policies, and institutions that offer coded racist explanations for our economic and social problems. The prevailing myths about our "classless" society and the belief that our economic system is fair and open to any person who is willing to work hard—"The American Dream" of economic prosperity for all—is often associated with democracy and our political system of representative government. This equation of democracy to capitalism confuses political and economic discourse in such a way that critiques of the economic order are immediately perceived as opposing democracy itself, thus preventing consideration of alternative economic policies and structures. The psychological investment most Americans have in “The American Dream” makes it difficult to challenge and address these issues clearly.

During periods of economic and social upheaval, and in the absence of a framework for thinking clearly about the economy, people often turn to scapegoats. Thus, the underlying factors that create vast inequalities in wealth, and the beneficiaries of these policies, remain largely obscured. Instead, public sector workers are blamed for busting state budgets; foreign-born workers are blamed for taking away jobs; working women, gays and lesbians are held responsible for the breakdown of the nuclear family and the moral decay of society; Asian and European economic interests are blamed for stealing American markets; and government spending is targeted as the source of most economic woes. Public policy debates center around deficit reduction or getting tougher on “illegals” while constructive proposals such as restoring

A Reminder

★ You can be a messenger of hope, reminding people of their potential power, their interconnections with others, and their deep caring.

★ You are messengers of faith, reminding people that they can invest in their highest ideals and dreams.

★ Imagine 10,000 of you traveling the city streets and country lanes across the U.S. engaging folks in dialogue about the economy and inspiring people to action.

This training manual is intended as a tool to help people feel comfortable and confident leading the UFE workshop: The Growing Divide: Inequality and the Roots of Economic Insecurity.
taxes on the wealthy to Reagan-era levels or investment in rebuilding our crumbling infrastructure, are dismissed as “class warfare” or special interest pleading. The beneficiaries of the upward redistribution of wealth are rarely held accountable for refusing to act responsibly.

The Growing Divide workshop is designed to help participants explore the consequences of economic inequality, look at the true beneficiaries of wealth redistribution, and examine the underlying factors that contribute to persistent inequality in our country. The workshop then helps participants consider strategies and campaigns for creating a more just and healthy society.

B. Framing the Growing Divide
In our experience, teaching about issues of class, race, gender, income, wealth and inequality presents some unique challenges to facilitators, particularly in the way we frame the content of the workshop. Some of the issues to be considered are addressed below.

Taboos about class and the myth of the classless society
In the U.S., discussions involving issues of class and money are often more taboo than discussing sexuality. Deep-seated inhibitions about disclosing the facts of one’s class identity are learned quite early in our lives. This silence powerfully maintains the invisibility of class and supports the dominant mythology that we live in a largely classless society, or at least one in which class does not matter very much because all are assumed to be able to move up the ladder if we only work hard enough.

The work ethic and the myth of class mobility
The American Dream is that anyone in this country can become wealthy if they work hard enough. The fact that most Americans can point to at least one example where this is true reinforces the myth of class mobility and the assumption that those who don’t move up lack a strong work ethic. While it is true that there is some class fluidity in the U.S. and that class status may change over the lifetimes of individuals, the reality is that class is much less fluid than most people think. A 2005 series in the NYTimes showed that it has become increasingly difficult to move up (or down) a class in the U.S. Over the last 35 years, government policies have rewarded big asset holders at the expense of wage earners, making it even more difficult for the latter to maintain, much less improve, their standard of living.

Class as a continuum
We find it very useful to look at class as a continuum marked by categories that move from poor/lower class, to working class, to middle class, to owning class and ruling class. These relative rankings are defined by income and wealth, but also by status and power. Because class is a continuum it is often unclear where and on what basis to draw the line between “haves” and “have-nots.” The prevailing ideology has successfully drawn a line between the poor (characterized as “undeserving”) and the rest of society (“hard-working Americans”), focusing attention on the immigrant workers or single mothers or youth of color as the cause of our economic problems. Too often, the “have-a-little-want-some-mores” are pitted against the “have-nots” in a struggle that serves no one but the “haves.” The Growing Divide workshop attempts to re-focus our attention on the beneficiaries of “trickle-down economics” and the fact that the rest of us—despite important social and economic differences—have far more in common with one another than we do with the super wealthy.

Race and Gender
As important as examining and understanding class and

A Note on Statistics & Sources
Whenever possible, we use government sources such as the U.S. Census Bureau (e.g., family income), the Federal Reserve Bank (e.g., household wealth), the Bureau of Labor Statistics (e.g., unionization rates), etc. Even with their well-documented flaws, government statistics are generally the most comprehensive, frequently updated, and widely cited. In addition, for a variety of reasons we believe that the government actually understates the growth of economic inequality. Often workshop participants are surprised or doubtful that inequality is as bad as we say it is. By using government statistics, we can confidently say that not only is it this bad, it’s probably worse. In some cases we use raw data, in other cases we draw on the analyses of scholars (e.g., Edward Wolff). If you are interested in exploring the data further, we encourage you to check out the resources and suggested readings listed in Section IX (page 63), as well as specific citations at the bottom of each chart.

the factors that tie together the vast majority of the U.S. population, are acknowledging racism and sexism and the varied forms of institutionalized oppression that are bound up in the economic rules and social structures of our society. Not all of us bear the consequences of the growing divide the same way. A single mother forced to work outside the home in a minimum wage job that offers no benefits, a small farmer in the Black belt of the deep South competing with agribusiness, an immigrant picking fruit for a non-union grower, a Native American trying to maintain a traditional way of life on tribal lands, and many others whose age or sexual orientation or skin color or gender or level of physical or mental ability is exploited by those with wealth and power, experience economic inequality in unique and profound ways. The challenge for us as educators and organizers is to identify and build upon what we have in common without obscuring or failing to address the differences.

**Hidden history**

History is usually taught from the perspective of privileged elites. Much of what we learn in school, for example, is told from the perspective of political and military leaders and other famous individuals who usually are members of the upper classes. The perceptions and realities of everyday working people are rarely explored. For example, the era of industrialization is typically taught as a positive transformation of society. From the perspective of the average worker at the time, that era brought loss of control over working conditions when factories and assembly lines replaced craft guilds. The history of resistance to classism also remains largely invisible. From the populist movement in the 1890s to the Share Our Wealth Societies of the 1930s, mass movements rose up to break up the concentrations of power, redistribute wealth, and reduce inequality in our country — but few of us have learned about them.

**Economic mystification**

Issues of class may be more unfamiliar than other issues partly due to the secrecy about personal economic data — how much do you earn? how much have you saved? — and the confusion surrounding societal data. Economic concepts often feel overwhelming for folks who are unfamiliar with even the basics (e.g. the difference between gross and net income, GDP, profit, or the difference between income and wealth). Math anxiety and math phobia contribute to a feeling of disempowerment or distrust of statistical information.

**Hopelessness and helplessness**

The intensity of feelings of hopelessness and helplessness that arise when we focus on the vastness of inequality can be overwhelming. Many strategies just seem too insignificant in comparison to the immensity of the problem. The need to work against economic inequality on a structural level is overwhelmingly evident. This can lead to an enormous sense of helplessness.

People stop feeling helpless when they see practical things that can be done that sensibly change bad situations. We see the educational work we do as part of the process of building a social movement. In the past, such movements have made real differences in people’s lives. That is what keeps our hope alive.

**C. How to Use this Trainer’s Manual**

This manual is designed to help you present workshops on the issues of growing and persistent economic inequality in the U.S., the impact this situation has on our quality of life, and initial strategies for addressing the situation.

You will find far more information in this trainer’s manual than you will use in any given workshop, so please don’t feel overwhelmed. We have tried to present a framework for planning and designing workshops, various activities that address different goals, sample agendas, copies of handouts, as well as basic training tips. We hope you don’t feel limited by the suggestions that we’ve made in this manual; instead try to think of it as a cookbook containing recipes from which you can improvise. Different ones will work best for different audiences or for different trainers. And, as in a cookbook, there are many ways to prepare the same item on the menu, many ways to add spice to taste. So let your creativity and imagination flow.
Most of all, trust your deepest knowledge that excessive inequality is bad for our communities; it damages our collective possibilities and reinforces the worst human tendencies. Trust your vision that people can be more than toilers, more than consumers and materialists. Trust that we can change what seems like an impossibly entrenched system, and that we can build a new grassroots movement to increase democracy and the quality of life for all of us and for future generations.

The Presentation Guide (Section VII, pages 20-61) is organized by activity in the following format:

1. Title of activity
2. Trainer’s goals
3. Description of the activity
4. Trainer’s instructions to the participants
5. Accompanying chart (if applicable)
6. Talking points (if applicable)
7. Background information (if applicable)

Remember, a trainer does not have to be an expert in all the information in this manual in order to present an interesting and useful workshop. Invite dialogue and questions and support the efforts among the participants to struggle together to gain a better understanding of economic issues and how to achieve a more just society.
Through their control of society’s institutions, and its cultural and ideological development and the media which disseminates it, the dominant sectors of society protect their own privilege. When we conduct educational experiences on issues of inequality we confront deeply entrenched ideological beliefs. Our task is to facilitate a process of consciousness-raising or enhancing critical consciousness.

In general our approach to training fits within the umbrella of popular education. We call our attempt to apply some of the principles and practices of popular education to the situation of persistent economic inequality “popular economics education.” This approach is often counterpoised to the “banking” method of education where the teacher “deposits” the information into the “empty head” of the student. David Reed, author of Education for Building a People’s Movement, defines this pedagogy as “an approach to reconstructing social awareness whose form and content can provide a radical humanizing experience embodying the democratic society we seek to forge.” Quite a tall order!

Basically, we must attend to both the content of what we present as well as the process or form of presentation. Learners are not empty vessels into which we should pour information, but co-creators in the process of learning. Our role is to provide structure and experiences with which learners can engage and create meaning. This takes the pressure off the facilitator to be the “expert.”

The following may help you think more clearly about your role as a facilitator.

Our approach to Popular Education
There are a number of approaches to popular education which share the belief that the learner should be the active subject in learning, not an empty vessel to be filled. Some popular educators avoid “lectures” or presentations. This is difficult to do if the time is short. We believe trainers must be flexible. Each program should have a variety of ways of teaching since people learn differently. The essence of Popular Education, regardless of technique, is to draw on the experience of learners, foster dialogue among participants and trainers, and stimulate action and reflection.

Involving participants
Engaging participants in active learning is a primary challenge for the trainer or presenter. This manual offers a number of possible questions that you, as a trainer, can pose to stimulate discussion. Some are open-ended questions and others have specific answers. The more dialogue that occurs, the more opportunities there will be to learn about economic inequality.

People need space to talk in workshops. Inviting people to talk in pairs or in small groups is a good method for involving more participants without taking too much time.

An ideal workshop also includes kinetic learning activities—these are activities where people physically move around. We have developed several experiential activities that help communicate some of the content of this training. We are in the process of developing others. Practice and modify the ones suggested here, and create new ones of your own. Please let us know if you create or learn any others; we’ll add them to future versions of this manual!

It doesn’t take much information to give people the picture
We have put together a variety of resources for you to pick and choose from. There is much too much information in this manual for anything but the most academic presentation. Your challenge is to pick and choose the facts and methods which you think will most powerfully communicate the gravity of the situation with each particular group of participants. It may only take 3 flip charts and a couple of activities to get people wound up and ready to talk about “what to do about this.” One of the basic mistakes many trainers make is to give too much information or input. It is not the pure information that is most significant, but what meaning the learners make of it and what they do with it.
Math anxiety
How much is a billion? or “X percent have X percent?” Graphs and charts, means and medians. This is where many of us get lost. One way many of us are kept powerless about the economy is through feeling mystified and stupid. We don't want to contribute to this widespread feeling. So, it is important to think about a mix of ways to communicate statistical information. For example, when talking about CEO salaries, it helps to break them down into weekly amounts. (In 2014, Jamie Dimon, CEO of JPMorganChase, raked in over $20 million in total compensation, which is $384,615 a week, or $76,923 a day, or $9,615 an hour!) In general, make it real, concrete, and specific. The less abstract the better.

Countering hopelessness.
The inequality picture has worsened considerably in the last three decades. And while people may have some grasp of the gap, it is usually worse than they think it is. The challenge of your presentation, therefore, is not to get all the information across, but to get people motivated. It is important to find that delicate balance between raising consciousness and empowerment. Much of this information is overwhelming. We don't want to leave people with a sense of “I'm mad, but there is nothing I can do about it.” It is important to help people develop a grounded vision of how it could be different and how we can get from here to there.

We suggest that less than half of the time be devoted to understanding the problem — and that most of the time be allocated to discussions of strategy and action. This is easier said than done. As a trainer you need to pay attention to time early on in the workshop to make sure there is time enough later on to discuss solutions.

Implicit in this workshop is the principle that education in and of itself will not bring about the kind of change — a reduction of economic inequality — we seek. Nor will action without critical examination by the actors achieve lasting progress. Instead we advocate what Paulo Friere described as praxis — a cycle or spiral of reflection and action in which a community through study, discussion, action, and reflection learns from its failures as well as successes.

R - E - S - P - E - C - T
Malcolm Knowles, a psychologist and researcher who studied adult learning for many years, emphasized respect for the learner as the prime factor contributing to successful learning experiences.

As trainers and educators, one way we can demonstrate respect for learners is by conducting a pre-training assessment of participants, whenever possible, to learn their expectations, what knowledge and experiences they can share, and how they hope to use the information you will teach.

During the training, we can affirm learners’ efforts to participate, the ideas they share (affirmation is not necessarily the same as agreement), and questions they raise. Be careful not to judge people's knowledge and experience based on how they express themselves.
III. Basic Skills for Presentations

**Be positive!**
You must be positive in addressing these issues. You are there to promote a positive and empowering message. You are not there to voice your fury at rich people, the government, or “apathetic middle America.” Many of us have worked for social change for decades and we are burnt out or hopeless ourselves. We must deal with these feelings or they may leak out when we present.

**Be honest**
Be honest about your experience. It is fine to say you are not an expert or don’t know the answer. Let the group know exactly why you are taking your personal time and energy to present the workshop. There is great power in each of our own personal stories.

**Presentation skills**
Be aware of any concerns you have about speaking before a group. For example, there may be participants you know and therefore you may feel shy or embarrassed. If you have such concerns, try to do workshops with a more experienced trainer until you feel more comfortable. It is always useful to talk with your co-presenter/facilitator about concerns before doing the program. The following are some basic presentation tips:

- **Speak slowly and clearly.**
- **Keep the style interesting.** Use a variety of tones, speed, and volume in your voice.
- **Consider your attitude and tone.** Generally a non-confrontational, nonaggressive, and positive approach is best received by listeners. Audiences value openness and honesty as well.
- **Make eye contact with all the participants.** Keep scanning the crowd in order to notice confusion, boredom, etc.
- **Do not use words, phrases, or abbreviations that people may not understand;** avoid the use of rhetoric, unexplained abbreviations, or jargon.
- **Have a dialogue with your audience;** ask open-ended questions to stimulate involvement.
- **Do not take hostile remarks personally.**
- **Keep the focus in mind, and keep control of the group;** it is okay to set a direction or limit discussion.
- **Don’t make assumptions about the background (class, race, ethnicity, educational level, etc.) of your audience.** Making assumptions can make people feel invisible or alienated.

- **Let them like you.** Assume that they are interested and friendly, and don’t be afraid to smile.

**Nonverbal communication**
It is important to pay attention to nonverbal communication. Research has found that approximately 70% of communication is non-verbal, and only 30% is verbal. Eye contact is a key part of nonverbal communication, so are other aspects of facial expression. Body language is language. Your posture conveys something about whether you are open or closed, e.g., hands across your chest probably suggest you are unavailable. You can use your hands for emphasis and to draw attention to what you are saying. You can also pay attention to nonverbal messages to get a sense of the group.

**Doing programs under challenging conditions**
Even with the best of planning, we are often conducting these programs under less than ideal circumstances. People's lives are stressful and overextended. The resources of our host organizations are limited, the chairs are falling apart, the rooms are small. These are symptoms of inequality: the decline of free time and the lack of resources facing our civic organizations. This is what we are up against. Few trainers have the luxury of ideal conditions.

Some of the challenges that you may face are logistical and have to do with room set up, noise, too small a space, or too little time. Some will be because of the group you are working with. People may come in late and/or leave early. They may come in and out. There may be children present who need attention. Members of the group may need translation. Knowing what the situation will be and planning in advance will help with some of these issues, however the key will be flexibility to deal with the inevitable challenges that you can’t foresee or can’t control.

Some of the challenges you face will be in the group dynamics you encounter. First, it may be helpful for you to try to gauge the audience in terms of their level of acceptance and openness to what you are saying. Are they actively listening and interested? Are they sitting up and concentrating on what is being said, or are they looking around, fidgeting, being very quiet, etc.? By observing, you might get some indication of how engaged the group is. Remember that these issues are not fixed; an audience can open up considerably over the course of the program. It is also true that some individuals are more responsive
and more accepting of what you say than others. Following are some typical situations you may encounter in working with groups, along with some potential strategies you can use.

**Working with a difficult or hostile audience**

You may at times encounter audiences, or more likely individuals, who exhibit animosity, sarcasm, or hostility. At these times it is important to remember your goal—you are trying to educate. It is also important to remember that most of your audience will be sympathetic, or at least neutral. You can use that fact to your advantage when dealing with aggressive and hostile audience members. Let’s consider different situations:

**Hostile question:** Try explaining (to the whole group as well as to the person who asked the question) what assumptions you think the questioner is making, and why you may not share them. It is important to try to answer questions honestly and seriously.

**Hostile statement:** You can say, “Thank you for your opinion. It isn’t always easy to express a divergent opinion. Does anyone else have a thought about this?” or “Thanks for your input; I don’t agree and here’s why . . .”

**Persistent hostility:** In the case of on-going hostility you can say, “We have a difference of opinion that I don’t think we can resolve here today. Since we’re all here to learn, let’s move on to other people’s questions/thoughts.” Or, “I think I’ve already answered that, let’s give some other people a chance to ask their questions.” Or, “Perhaps we could discuss that later. Right now we need to move on so we’ll have time for the action portion of the agenda.”

**Disruptive hostility:** Very rarely the hostility will be so severe that it is disruptive to the workshop. In that case you might say, “You obviously have a point you want to make. Rather than turn this discussion into an argument, let’s be fair about it. Why don’t you take two minutes to say whatever it is you want to say without interruption, and then we’ll go back to the general discussion (or presentation) without further interruptions from you. Go ahead, you have two minutes.”

**Racist, sexist, classist, homophobic comments:** Occasionally you will hear a participant express a sentiment or state a “fact” that is disrespectful to another group. “Welfare moms are lazy.” “Black teenagers are more interested in sneakers than in studies.” “Members of the Teachers’ Union only care about their jobs not about their students.” “Immigrants are taking all our jobs.” These comments require a direct yet respectful response.

Most of your audience, even if they disagree with you, don’t want to see you harassed. If you can diffuse a potentially hostile situation without getting defensive, you will win some points. One hostile person does not mean you are alone out there, but you are in charge. If you think the group may be a difficult one, try getting agreement about the use of guidelines at the beginning of the workshop. Here are some **suggested guidelines:**

♦ Speak from your own experience; and use “I” statements.

♦ Listen carefully to each other. Respect each other and where each of us is in the process of learning.

♦ Questions are important, through them we all get information.

♦ It is okay to disagree with each other and to share diverse perspectives. This is an exercise in listening and respect.

♦ Participation by each of us is critical. We are all resources for each other. We are also responsible for sharing “air time” with everyone.

♦ Set your own limits, you have the right to pass.

**Ambivalence or apathy:** While this kind of reaction can be discouraging, remember that it is not always easy to engage an audience, especially if they feel that the subject is not their problem. If you are working with a group that is especially apathetic or ambivalent, you might want to address it directly. Some of the most common reasons for this response include:

♦ fears for their own security and a desire to individually solve the problem;

♦ a sense of hopelessness, they’ve been active for years and they’re burnt out;

♦ a sense of powerlessness, they feel like the problem is too big to tackle;

♦ feelings of guilt if they are more on the “have” side;

♦ identification with the wealthy and a belief in the meritocracy.
While these reactions are not the rule, they can be difficult to deal with when they arise. Keep your composure! Do not buy into people’s negativity. People often sound the most negative in response to the most hopeful ideas. Also, take advantage of your co-presenter. Perhaps they would like to answer the question or will better know how to deal with the situation. You’re not “out there” alone.
Planning ahead can make for a much better workshop for the participants and you. There are several areas to pay attention to in the process of planning:

**A. Working with the Host Organization**

**B. Working with a Co-Facilitator/Trainer**

**C. Assessing the Participants**

**D. Planning or Designing an Agenda**

**E. Publicity and Outreach**

**F. Materials, On-Site Logistics, & Set Up**

**G. Evaluation and Follow-up**

**A. Working with Your Host Organization**

Things will go better the more closely you work with the person who is organizing the workshop. The person making the initial arrangements may be someone at the UFE office, someone in your local area who is arranging the event, or you may be doing this on your own. It is helpful if arrangements for a *Growing Divide* workshop are begun at least a month before the actual date. It is also important to be clear about who is doing what. If the host organization is making copies of the handouts, call a day or two before to make sure they are done. Also discuss with your site host/contact which materials will be necessary (e.g., blank flip chart paper, markers, folding chairs, UFE brochures and books, etc). They may be able to provide for a variety of your needs, or offer substitutes.

When the workshop is over it is nice to send a brief thank you note to your host for their effort and work. This aspect of appreciation often gets lost in the crunch of our hectic lives. In reality it takes only a couple of minutes and is a wonderful way of helping to sustain energy.

**Good Questions for Trainers and Local Coordinators to Ask Workshop Hosts**

Not all of these questions will be applicable to all situations.

- What is the name, address, phone, fax, e-mail, web site of host organization?
- What is the name and contact info of the person requesting the workshop?
- How did they hear about UFE or this workshop?
- What is the date(s)/time(s)/length of workshop? (We recommend setting a date at least four weeks in advance.)
- What is the location of the workshop and directions for getting there?
- Will the room be accessible to people with disabilities; have good acoustics and lighting, comfortable chairs?
- How many people are expected to attend?
- What's the type of event (*Growing Divide* or other workshop, performance, talk, etc.)? Is this a one-time event or is this event part of a series of events?
- Information on the audience (group’s key issue, campaign involvement, economic sophistication, level of literacy, gender, race, class, age, religious affiliation, occupation, primary language, particular expectations, needs, concerns and interests).
- Is there a specific action step the group would like included in the presentation?
- What are the preferences for the focus of the training (e.g., labor, the environment, gender, immigration, housing, etc.)?
- How much will the organization pay for honoraria, materials, and travel expenses? (See p. 16: UFE Workshop Fees.)
- Is the event open to the public? Can UFE publicize this event to members in the area (or on the UFE website)? How will the group publicize this workshop?
- Will the group provide easels (one or two); ten armless chairs; literature tables?
- Can the host organization make copies of the participant packet for all the participants?
- Will child care be available?
B. Working with a Co-Facilitator/Trainer

In many cases you will be presenting *The Growing Divide* workshop as part of a training team. Your co-trainer/co-facilitator is one of your most valuable resources.

- Do you have the name and phone number for your co-facilitator?
- Have you met with your co-facilitator (in person or by phone)?
- Are you clear on who is responsible for what? Have you shared any feelings or concerns you may have?

Your co-facilitator will hopefully complement you in terms of style, experience, background, social identity, and knowledge. As in every other relationship, however, developing trust takes attention and effort. Here are some suggestions to help you develop a powerful team.

**Get to know each other as people**

- Meet beforehand if just for a cup of coffee.
- If impossible to meet face-to-face then have a phone conversation.
- Find out why each of you is doing this work and a bit about what else you do in your lives.

**Think about the presentation**

- Share information about the group you will be working with (assessment information).
- Decide on an agenda.
- Are there certain topics one of you is more or less comfortable discussing?
- Who will facilitate which parts of the agenda?

**Be aware of the following process issues**

- Get to know each other’s issues/needs. Do you have any particular problems you want the other speaker to help with. For example, “I lose track of time and go on and on, so could you let me know when there’s about five minutes left to my time?”
- Talk about how each of you are likely to respond to conflict or hostility, silence, apathy, etc.
- Develop a signal you might use to communicate during the workshop.
- Decide if one of you will be designated to call on questions from the audience.

After the workshop, you can get invaluable feedback from your co-trainer. See *Some Guidelines for Receiving Feedback* (page 17).

C. Assessing the Participants

The more you know about the participants, the more effective the workshop will be. The more you know about participants’ expectations for the workshop, their experience, their knowledge about economic issues, etc., the more you will be able to tailor the workshop to respond to their’ concerns. Conducting an assessment in advance is always preferable but not always possible. Sometimes starting a workshop with a naming of participants’ expectations, familiarity with economic issues, etc., is time well spent.

★ Have you spoken directly with your host/contact to assess the group’s expectations, and gathered details about the presentation (see “Good Questions for Trainers to Ask Workshop Hosts” on page 12)?

★ Think about how participants can get involved in an economic justice campaign or action — introduce information about a local action or hand out a UFE action alert. Contact the host organization or UFE for ideas and/or support.
D. Planning or Designing an Agenda

In the next section, we have provided a few sample agendas, but it is useful to understand the underlying principles so that you can create an agenda appropriate to your specific audience and the time you have available. We also offer a basic framework below that you can use to think about how to design an agenda for your workshop.

Planning an agenda takes a certain amount of forethought and self-forgiveness. Even the best-planned agenda will not always work. It is important to be flexible and respond to the emerging needs of the participants. Section V contains several different agendas you can use as samples as you design an agenda for each program you do.

A stock agenda might include:

♦ Introductions/Warm-up
♦ Agenda Review
♦ Presentation and/or Activities on What’s Wrong and How it Got That Way
♦ Discussion Groups or Check-ins on How this Information Affects Us and Others
♦ Presentation on Strategy/Campaign Ideas
♦ Next Steps
♦ Evaluation/Closing

---


A three-part framework that you can use to design a workshop agenda we call “What?, So What?, Now What?” The following describes each of the steps.

1. **What?** - This section of the agenda focuses on answering the question: *What is going on?* In our workshop this would mean focusing on describing what is going on in the economy in terms of income and wealth distribution, and how and why it has changed over time.

2. **So What?** - This section of the workshop focuses on answering the question: *What sense do we make of what’s happening?* In our workshop this would mean analyzing the various impacts that persistent inequality has on our lives.

3. **Now What?** - This section of the agenda focuses on the question: *Now that we know this, what do we do?* In The Growing Divide workshop this means focusing on reviewing and applying strategies for change, including what’s worked in the past, and what we can do now to address short and long term goals.
E. Publicity and Outreach

Workshops can only be as successful as the outreach and publicity done to promote them. Many times a pair of UFE trainers has prepared a wonderful workshop only to lead it for a tiny group or see it cancelled because little publicity had been done and few folks show up.

If the host group says that they will publicize the workshop, ask them what exactly they plan to do. In particular, ask them if they will take these steps, starting a month before the workshop if possible:

1) Make a bright, eye-catching flyer about the workshop (using humor if possible, such as a cartoon, or a title with puns) or copy the flyer on page 64. Mail flyers out, hand them out at meetings, and hang them on bulletin boards.

2) Create an e-mail announcement and send it to e-mail lists (see page 66).

3) Put the workshop on the organization’s website.

4) Contact progressive organizations and ask them to promote the workshop in their newsletters, mailings, e-mail listservs, websites and meeting announcements. Asking groups to co-sponsor the workshop can help increase their commitment to publicizing it, as well as adding to the credibility of the event in the eyes of the groups’ members and supporters.

5) Design a display ad; run it in the group’s own newsletter, and mail it to other groups with newsletters. If there’s a publication that reaches exactly the first choice of participants, consider paying for an ad.

6) Submit calendar listings. Find publications with community calendars (including the daily newspaper) and for each publication copy the format of their listings and submit the workshop in exactly the format the publication uses (see page 65).

7) Try to get some media coverage beforehand, not on the workshop itself (which probably won’t be seen as very newsworthy) but on the topic and the trainers. (This is more likely to work in small towns and/or out-of-town trainers than in big cities with in-town trainers.)

- Write and then call local radio or cable TV talk shows and public affairs shows to offer the trainers as guests. (To find out about shows, look radio and cable stations up in the Yellow Pages and call the switchboard to ask for show names and contact phone numbers.)

- Write and then call sympathetic feature writers in the daily or alternative weekly newspapers suggesting an interview with the trainers. Have a picture of the trainers available to submit.

- Ask that an announcement of the workshop be included in the interview.

8) Think of individuals who might be especially interested in the particular workshop, and call them to urge them to come.

If any of those steps haven’t been taken by the host, it will pay off to do them yourself. The last step is the most important, as most people attend events because they are personally invited by someone they know.
F. Materials, On-site Logistics, & Set Up

Have you asked or do you know:

♦ What is the physical space of the meeting room?
♦ Are there rigid easels that can accommodate flip chart pads available?
♦ Will you need: movable chairs without arms, round tables, laptop, projector, screen, monitor, DVD player or VCR, Internet connection, markers, post-it notes, etc.? (This changes depending on which workshop activities you will do.)
♦ Have you made enough copies of all handouts and resource lists, or will they be on hand at the site? Most handouts and charts can be ordered from the UFE office or originals can be provided to your host/contact who can have them copied on site (check if this is okay first). Always take an original for copying, in case something happens and you need more copies on site.

Preparation tips

♦ Arrive early so you will feel relaxed and can set up in a leisurely fashion.
♦ Set up the room, arrange chairs and tables the way you want them — a circle of chairs encourages participation.
♦ Do a dry run on any electronic equipment you will use.
♦ Put out handouts and other resources so they will be ready when you need them.

<table>
<thead>
<tr>
<th>Standard Workshop Tool Kit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Flip charts</td>
</tr>
<tr>
<td>Markers (use dark colors)</td>
</tr>
<tr>
<td>Masking tape</td>
</tr>
<tr>
<td>Props and placards for skits or activities</td>
</tr>
<tr>
<td>Sign-in sheets and Evaluation forms</td>
</tr>
<tr>
<td>Copies of <em>The Growing Divide</em> participant handout packet</td>
</tr>
<tr>
<td>Copies of UFE reports (such as the <em>State of the Dream</em>)</td>
</tr>
<tr>
<td>UFE promotional literature (brochures, newsletters, suggested reading lists, etc.)</td>
</tr>
</tbody>
</table>

Suggested UFE Workshop Fees

Organizations interested in sponsoring a Growing Divide workshop or other UFE popular economics education programs normally cover expenses for trainers such as travel costs, and materials, plus an honorarium (fee) based on a sliding scale.

Workshops conducted by UFE staff have fees as follows:

One to three-hour workshop for small, grassroots non-profits $250 to $500
One to three-hour workshop for larger organization $500 to $1,500
Two workshops or a full day education program $1,000 and up

In addition to staff based in Boston, there are about 400 UFE-trained volunteer workshop leaders throughout the country in our Trainer’s Network. Most trainers in our network will do workshops for free or very low cost. For volunteer trainers that UFE has identified as being particularly skilled and experienced, we would encourage organizations to pay fees similar to that for UFE staff.

Please do not let the cost of a UFE workshop prevent you from requesting one, we are flexible about fees and can usually find a volunteer to lead a workshop for free or very low cost, provided we have sufficient notice (at least six weeks or more).
**G. Evaluation and Follow-up**

In the spirit of *popular education*, we want to keep improving this presentation and making it more meaningful to people. So please listen to the words people use and pay attention to the information which seems most powerful. What questions did the group ask? Which activities drew the strongest responses? Evaluate the session at the end by asking people what parts of the workshop worked best for them; what changes do they suggest? We often put people’s responses on a sheet of flip chart to validate their input. We suggest that you also distribute the **Participant Evaluation Form** (page 70) to each participant and return them to UFE. *The Growing Divide* is a work in progress, and we are all part of that process. **We can keep getting better!**

We also request that you send us completed copies of the **Sign-in sheet** (page 69). We will send folks more information about UFE and actions for economic justice. You will probably also want to keep copies of the materials you send to us for your local use. You should develop a system of following-up with anyone who is interested in getting involved.

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**Some Guidelines for Receiving Feedback:**

Feedback from another person (other people) is one important source of data which helps tell you how your actions are affecting others. Even if you do not totally agree with the feedback, it is important for you to first clearly hear and understand it. Even if you don’t think it’s “true” it will give you insight into someone else’s “truth.” Since people act on their perceptions of your actions, it will be useful to know how you are coming across, this gives you the option to change if you are coming across in unintended ways. The following guidelines may help you be effective in receiving useful feedback.

1) **Remember that feedback is one person’s perception of your actions (or a few people’s perceptions), not universal “Truth.”**

2) **Actively check out the feedback you receive with others.** If many people give you the same or similar feedback, there may be a pattern in how you are coming across and you might want to consider it more strongly.

3) **Try not to offer explanations:** “I did that because...” or be defensive: “That’s not what I meant...” Instead ask clarifying questions in order to understand the feedback more fully.

4) **Good listening encourages feedback.** After you have heard all of the feedback try to paraphrase it back in your own words. This allows the giver of the feedback to know she/he has been heard and understood, and make it more likely that he/she will give more feedback.

5) **Ask for more feedback if you want it.** For example, ask for specific examples, ask for both positive and negative reactions. Ask in an open-hearted way, not in an attempt to prove the feedback inaccurate.

7) **Remember to separate yourself as a person from your actions, the two are not the same.** It is difficult to offer honest feedback; try not to make it more difficult for the giver by reacting defensively.

8) **Remember to acknowledge and appreciate the giver of feedback.**
V. Sample Agenda

The ideal length of time for a Growing Divide workshop is two and a half hours. The more time you can get for the workshop, the more effective it will be. Often, however, sponsoring groups will not be able to give you as much time as you would like.

On the next page is a table designed to help you choose activities and charts for three given time blocks. The most basic workshop is represented by Column 1 on the left side of the table. We suggest that every presentation, no matter how short, should include at least some part of each of the activities and charts in Column 1. Also, we strongly recommend that you reserve fully one-half of the time for discussions of solutions, policy options, and individual and group action planning.

If you have more time, add the charts and activities in Column 2. Charts and activities in Column 3 can be used to round out a longer presentation or to provide specific information in a shorter presentation. In all cases, for the suggested sequence of charts and activities, read down, moving from column to column as necessary.

### Basic Workshop Format

<table>
<thead>
<tr>
<th>AGENDA</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Introduction</td>
</tr>
<tr>
<td>2. Warm-up: Common Ground</td>
</tr>
<tr>
<td>3. The Current Situation</td>
</tr>
<tr>
<td>4. Trends in Income &amp; Wealth</td>
</tr>
<tr>
<td>5. Power Shift &amp; Rule Changes</td>
</tr>
<tr>
<td>6. What Happened in the Past</td>
</tr>
<tr>
<td>7. Building a Movement for a Fair Economy</td>
</tr>
<tr>
<td>8. Next Steps</td>
</tr>
<tr>
<td>Activity 1: Introduction and Agenda Review (Chart 1)</td>
</tr>
<tr>
<td>Column 1</td>
</tr>
<tr>
<td>30 - 60 minutes</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Activity 3: Signs of the Times (Charts 2, 3 or 4)</td>
</tr>
<tr>
<td>Activity 4: Income Quintiles (Charts 5 - 7)</td>
</tr>
<tr>
<td>Activity 5: Looking Through Gender &amp; Race Lenses (Charts 8 &amp; 9)</td>
</tr>
<tr>
<td>Activity 7: The Ten Chairs (Chart 13-15)</td>
</tr>
<tr>
<td>Activity 9: Causes of the New Inequality (Charts 19-20 + a favorite 21-30)</td>
</tr>
<tr>
<td>Activity 10: What Does it Mean for Us?</td>
</tr>
<tr>
<td>Activity 12: Changing the Rules (Charts 32 &amp; 33)</td>
</tr>
<tr>
<td>Activity 13: How Do We Get There? (Chart 34)</td>
</tr>
<tr>
<td>Activity 15: Action Planning (Chart 35)</td>
</tr>
<tr>
<td>Activity 16: UFE Membership Pitch</td>
</tr>
</tbody>
</table>
VI. Presentation Guide for *The Growing Divide*

This section is a step-by-step guide for trainers to use to lead a Growing Divide workshop. The Presentation Guide is organized by activity with a thumbnail (mini picture) of the chart to which trainers will refer during the presentation. Each activity is described from the trainer’s perspective and also includes an explicit “instruction” that the trainer gives to the participants to describe their learning task.

In any given presentation, you will use only a fraction of the activities and charts provided here. Refer to Section V: Sample Agenda (page 18-19) for our suggestions as to which activities and charts work best in various time frames. We are also providing more information in this Guide than you can possibly use so that you will have the resources upon which to draw to answer questions and feel grounded in the material.

The Presentation Guide is organized by activity in the following format:

1. Title of activity
2. Trainer’s goals for the activity
3. Brief overview of the activity
4. Trainer’s instructions to the participant
5. Accompanying chart (if applicable)
6. Talking points (if applicable)
7. Background information (if applicable)

**Activity 1: Introduction and Agenda Review**

*Trainer’s goals:*

a. Introduce yourself.

b. Frame the goals of the workshop.

c. Review the workshop agenda.

The opening activity is an opportunity to establish a framework for the workshop, state the goals clearly, and provide participants a sense of who the trainer is. See Section I, part B: Framing the Workshop, page 4-5.

*Instructions:*

Welcome the participants, state the goals of the workshop, and introduce yourself:

1. This interactive workshop looks at the growth of economic inequality in our country, its impact on our lives and what we can do about it.

2. Listen to this review of today’s agenda. What are your questions?”

**Chart #1: Workshop Title**
Activity 2: Warm-up (choose one of the four options)

Trainer’s goals:
- Have participants introduce themselves.
- Get participants actively participating.
- Get a sense of participants’ experience with and feelings about economic issues.

Option 2a) Common Ground
Participants stand in a circle and step forward when a brief statement or category named by the trainer is true for them. With a large group in fixed seating or without space to stand in a circle, have participants stand up when the statement is true for them. Start with low risk categories to help get them warmed-up and break the ice. Choose categories that you think participants would feel comfortable sharing. It is useful to use humor in choosing categories to help participants deal with their anxiety; for example, you could start with, “Common Ground for everyone who got five or less hours of sleep last night,” or “… everyone who would rather be asleep now.” After hearing a variety of responses to the statements you can invite participants to make a statement (true for them) and see with whom they share common ground. Thank everyone and invite them to sit. The responses of participants will help you to set the workshop context.

Instructions: 1. This activity, called “Common Ground” will help us begin to get to know each other. Please stand in a circle. Listen to the following statement or category. If it is true for you then take a few steps into the center of the circle and look around and see with whom you share common ground. “Take a few steps forward if you …
   • … are a first generation American”
   • … a citizen of another country”
   • … grew up outside the U.S.”
   • … believe that race or ethnic background is a key factor in economic status”
   • … believe that gender is a key factor in economic status”
   • … have lost benefits and security in the last ten years”
   • … have less free time now than you did ten years ago”
   • … see evidence of growing economic inequality in your life”
   • … have trouble balancing your checkbook.”
   • … glaze over when you hear statistics or see graphs”
   • … avoid the financial section of the newspaper because it seems too hard to follow.”

   2. Please describe the evidence of growing economic inequality that made you step forward. We will share a few examples.

Option 2b) Paired Sharing

Instructions: 1. In pairs, introduce yourself to someone you don’t know. Please share with each other:
   • your name; • where you live; • your work (paid or unpaid) and/or hobbies;
   • what groups or organizations you belong to;
   • why you came to the workshop/what you hope to learn;
   • one way you see inequality growing (or lessening) in your life or the life of your community.

   2. We will share your names with the whole group and a few examples of your responses to the last item: how you see evidence of inequality in your life or community.
Option 2c) Whole Group Round Robin

This activity takes a lot of time. It works best with a small group (less than ten) or if you have a lot of time for the workshop (at least two hours).

**Instruction:**
1. Please introduce yourself to the whole group, answering the following items:
   - your name, where you live, your work (paid or unpaid), and/or hobbies;
   - groups or organizations with whom you are affiliated;
   - why you came to the workshop/what you hope to learn;
   - one way you see inequality growing (or lessening) in your lives or the life of your community.

Option 2d) Quiz

One way to begin workshops while you are waiting for the whole group to gather is to use the quiz on page 71. As participants arrive give them a copy of the quiz to work on alone. The answers are provided so they can “correct” the quiz on their own. Prior to the start of the next activity, the trainer can ask the whole group: What surprised you about this information? or What did you learn? Thus, the quiz can help the trainer get a sense of participants’ understanding of the issues, etc.
Activity 3: Signs of the Times

Trainer’s goals:

a. Bring examples of how participants experience the economy into the workshop.
b. Get participants talking about economic issues important to them.
c. Establish links between participants’ concerns and the content of the Growing Divide workshop

This activity and the corresponding charts are designed to engage participants in a dialogue about what they feel are some key features and significant recent trends in our economy. Leafing through the local newspaper will give you an idea of the issues facing the community in which you are presenting. This familiarity will help you spark a discussion or offer examples to get the ball rolling and to make links among participants’ comments and between their comments and the main points highlighted in Charts #2, #3, and #4. Depending on the time you have for the workshop and the interests and experience of the participants, you may choose to review or highlight the information in one, two, or all of these charts. The discussion is what is important. Use the charts to support the dialogue, not the other way around. The facilitator should refer to the participants’ responses during the rest of the workshop whenever possible.

Instructions:

1. Based on what you actually see and experience as you go to work, or shop, or take your kids to school, name a word or phrase that you feel describes the “signs of the times” in terms of our economy. Summarize what you see with a word or phrase on post-it notes, one “sign” per note. [The trainer can model a response, e.g., “fewer job ads,” “long lines at the unemployment office” or “SUVs.”] Place the notes on the sheet of flip chart paper labeled “Our Signs.”

[One option is to have participants work first in pairs naming the “signs” of the economy they see. Then the facilitator writes a sample of responses on the chart.]

2. Listen to this review of the key features of the economic situation as listed in Chart #2: The Nation at a Crossroads. What connections do you see between the items on the chart and your “Signs of the Times?”

Talking Points

◆ Many of us are seeing the effects of an economy that appears increasingly out of kilter. We are working longer hours with less job security. Hunger and homelessness are on the rise. We see immigrants, youth of color, and public service workers scapegoated.

◆ Our public spaces and services — schools, public transportation, parks, etc. — are in decline. The cost of housing, health care, and education are steadily rising. We see an increase in two types of gated communities — private subdivisions with guardhouses and security guards, and prisons (according to Human Rights Watch, the number of people behind bars in the U.S. quadrupled between 1980 and 2002). Since 2007, more than 3 million homes have been foreclosed.
3. Listen to this mini-lecture about the economic trends between 1980 and today. We will consider each of these trends in turn, starting with a look at income. While we make a distinction between the richest 1% of Americans and everyone else (as opposed to “rich” vs. “poor”), we acknowledge that there are significant and very real differences among households all along the economic and social spectrums.

What strikes you about these trends? What are your questions?

Talking Points

◆ One of the most alarming trends is the loss of jobs and persistent double-digit unemployment in the wake of the financial crisis of 2008 that plunged the U.S. and eventually much of the rest of the world into the “Great Recession.”

◆ In most cases, periods of economic growth have resulted in greater equality, as in the 1950s through the 1970s. Over the past 30 years, however, the benefits of a growing economy have been concentrated in an extremely narrow elite at the very top. We haven’t seen this happen since the 1920s.

◆ Economist Wallace Peterson points out that three out of four U.S. workers have experienced a decline in their standard of living: either a drop in purchasing power, a loss of benefits, or a change in job security. More and more people have the experience of being “downsized,” “out-sourced,” “adjuncted” or “temped.” In the 1980s, contract workers made up less than half of one percent of all U.S. employment but now account for 2.3 percent. Economists predict contract workers will play a larger role in the years ahead.
Activity 4: Income Quintiles

Trainer's Goals: a. To engage participants in a discussion of income trends since WWII, through a *human graph* activity that illustrates the information contained in the charts: “Income Growth 1979-2014” and “1947-1979”

This activity compares income distribution in two recent periods of economic growth in the U.S. To demonstrate the growth and/or decline of incomes over time, five volunteer participants are asked to come up and stand in the front of the room. [For this activity to work well, the volunteers will need plenty of space to move forward and some space to move back.] It is important that the trainer focus the group’s attention on the top one to five percent of the population — the greatest beneficiaries of the growing divide. It is also important that everyone gets a chance to see where they fit, in terms of income distribution. Most folks think they are “middle income” and it is often a revelation to learn otherwise. We demonstrate the 1979–2014 time period before the 1947–1979 period because our experience has shown the activity to be more memorable that way. It also gets folks thinking about public programs that generally supported greater economic equality in the 1950s and 1960s (e.g., the GI Bill, appropriations for higher education, housing, and infrastructure projects, more favorable law enforcement, etc.).

Props: It is helpful to have 8.5” x 11” placards for each volunteer participant to hold, identifying the quintiles and showing the income range.

Instructions: 1. We are going to look at the changes in *family* income during two recent periods of economic growth. First, let’s talk a little about income. What are some examples of income? (wages, salary, savings account interest, social security check, rent from owning real estate, capital gains from selling investments, dividends from stocks, gifts, etc.) Now let’s have five volunteers come to the front of the room. Please stand shoulder to shoulder. [The trainer hands each volunteer a placard showing the income range — in pre-tax, year 2014 dollars — of the quintile they represent.]

2. Listen to this introduction to the concept of income quintiles. Economists often talk about the U.S. population in “quintiles” or “fifths” of the population. They imagine the entire population of the U.S. lined up in order, from the lowest income to the highest. They then divide that line into five equal parts. This activity looks at what happened to the incomes during two periods of economic growth: 1947-1979 and 1979-2014. Let’s look at some of the folks who are in these quintiles. What sorts of occupations or economic situations would you imagine fall into each quintile? Remember, this is *family* income. (A family is two or more related individuals living together.)

3. The following demonstration may seem like the childhood game “Mother May I” (also known as “Giant Steps”). Each volunteer, representing a quintile or fifth (20 percent) of the U.S. population, will step forward or back according to whether their income gained or declined. Each step equals a five percent change, so, for example, two steps forward would indicate an income gain of 10%.

4. Between 1979 and 2014 (Chart #5), here’s what happened:

<table>
<thead>
<tr>
<th>Quintile</th>
<th>Steps</th>
<th>Percent Change</th>
<th>Yearly Income Range (2014) (family income before tax)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lowest</td>
<td>2 1/2 steps backward</td>
<td>−12%</td>
<td>$0 - 29,100</td>
</tr>
<tr>
<td>Second</td>
<td>1/2 step forward</td>
<td>+3%</td>
<td>$29,101 - 52,697</td>
</tr>
<tr>
<td>Middle</td>
<td>2 steps forward</td>
<td>+12%</td>
<td>$52,698 - 82,032</td>
</tr>
<tr>
<td>Fourth</td>
<td>5 steps forward</td>
<td>+26%</td>
<td>$82,033 - 129,006</td>
</tr>
<tr>
<td>Highest</td>
<td>10 1/2 steps forward</td>
<td>+54%</td>
<td>$129,007 &amp; higher</td>
</tr>
</tbody>
</table>
5. Watch what happens when we break that top quintile down even further and look first at the richest five percent of the population. Rather than tear off the arm of our highest quintile volunteer, let’s have another volunteer from the audience represent the top five percent—people with incomes of $230,030 and up. From 1979 to 2014, the income of this group grew 78%! [From the spot where the top quintile is standing, the sixth volunteer takes 5.5 additional steps forward – 15.5 steps in total from the starting line].

And if we break down the top quintile even further and look at just the top one percent, we see exactly where the greatest income growth went. This small group gained 185 percent, 37 steps from the starting line. If we break out income growth further (not shown in the chart), we find that the top 0.1% gained 384% and the top 0.01% gained an almost unbelievable 685% (137 steps)!

<table>
<thead>
<tr>
<th>Quintile</th>
<th>Steps</th>
<th>Percent Change</th>
<th>Yearly Income Range</th>
</tr>
</thead>
<tbody>
<tr>
<td>Top 5%</td>
<td>15 1/2 steps forward</td>
<td>+78%</td>
<td>$230,030 and up</td>
</tr>
<tr>
<td>Top 1%</td>
<td>37 steps forward</td>
<td>+185%</td>
<td>$423,090 and up</td>
</tr>
</tbody>
</table>

6. Watch this demonstration of what happened to the quintiles during the post war years: 1947-1979. We will start with the top four quintiles. This time (for space reasons), for every ten percent gain, the volunteer will take a step forward. How well (number of steps forward or back) do you think the bottom quintile fared. How about the top five percent. What strikes you about these two periods in history?

<table>
<thead>
<tr>
<th>Quintile</th>
<th>Steps</th>
<th>Percent change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lowest</td>
<td>12 Steps Forward</td>
<td>+116%</td>
</tr>
<tr>
<td>Second</td>
<td>10 Steps Forward</td>
<td>+100%</td>
</tr>
<tr>
<td>Middle</td>
<td>11 Steps Forward</td>
<td>+111%</td>
</tr>
<tr>
<td>Fourth</td>
<td>11.5 Steps Forward</td>
<td>+114%</td>
</tr>
<tr>
<td>Highest</td>
<td>10 Steps Forward</td>
<td>+99%</td>
</tr>
<tr>
<td>Top 5%</td>
<td>8.5 Steps Forward</td>
<td>+86%</td>
</tr>
</tbody>
</table>

7. What conclusions do you draw about family incomes? What questions do you have?

8. Listen to this review of Chart #5 Real Family Income Growth from 1979 to 2014 and Chart #6: Real Family Income Growth from 1947 to 1979. What are your questions?

See Talking Points on the next page.
Talking Points

♦ From 1979-2014, there was much growth in income, but the distribution of that growth was extremely uneven. Although the top 20% as a whole did well, the ones who really made out were the folks at the very top. The top 1 percent gained 185% between 1979 and 2014 (37 steps), and the top .1 percent gained 361% between 1979 and 2014 (72 steps) — the divide between the top income earners and everyone else is enormous!

♦ Why this skew of income from 1979 - 2014?
  • At the top, the main source of growth was income from assets (capital gains from sales of property and investments, earnings from stocks, bonds and other investments, and rental income). Since asset ownership is heavily concentrated in the wealthiest 1%, it is not surprising that that's where the biggest gains were.
  • There was also explosive growth in CEO and top management salaries, particularly in the financial sector.
  • At the bottom, the real value of the minimum wage was allowed to fall during the 1980s and ‘90s.
  • A weakened labor movement was less able to prop up the wages of workers at the bottom of the scale.

♦ From 1947 to 1979, incomes for each quintile as a whole — from top to bottom — basically doubled. In fact, the greatest increase was experienced by the bottom 20%, while the smallest increase was experienced by the top 5%. In other words, the divide between top and bottom in America actually narrowed during this period of substantial income growth.

♦ However, while the rate of income growth from 1947 to 1979 was generally the same for everyone within each quintile — the significant gap between the incomes of African Americans and white Americans remained wide (see Chart #8). The purpose of Chart #7 is not to glorify the 1950s but to point out that we achieved greater income equity across the quintiles. Also, the chart reflects the positive impact of social programs from the 1950s through the 1970s.

♦ The period from 1947 to 1979 demonstrates that the great disparity in the distribution of income growth, as happened from 1979 to 2014, is not inevitable. Rather, it is in part, the result of deliberate government policies.

♦ One of the explicit goals of the federal government during the early post-war period was to build a middle class, people and families who could consume the output of the rapidly growing manufacturing capacity of the US. Programs such as the GI Bill of Rights — which enabled hundreds of thousands of returned veterans to go to college and purchase homes — were funded in large part by relatively high taxes on the wealthy (the top marginal tax rate was 91%). It is important to acknowledge that these programs disproportionally favored white men. For example, the VA and FHA loan programs for housing, both of which utilized racially-restrictive underwriting criteria, assured that hardly any of the $120 billion in housing equity loaned from the late 1940s to the early 1960s would go to families of color. These loans helped finance over half of all suburban housing construction in the country during this period, however less than two percent of this housing ended up being lived in by people of color.

♦ In contrast to the post-WWII period, the primary goal of economic policy since 1980s, was to let the rich accumulate great capital in the belief that it would trickle down (“Reaganomics”).

In 1979:

- Bottom: $9,861
- 20%: $16,215
- Middle: $22,972
- Fourth: $31,632
- Top: $423,090

Activity 5: Viewing Income Through Gender and Race Lenses

Trainer’s Goals:

a. To illustrate that the gap in income among racial groups overall remained approximately the same from 1947 through 2010.

b. To demonstrate that the narrowing of the income gap between men and women between 1973 and 2010 was due as much to the decline in men’s incomes than the growth of women’s incomes.

This activity shows that the concentration of income of those who own things rather than those who work for a living hit people of color and women especially hard, since these groups depend on labor for more of their income than do white males as a group.

Instructions: 1. Read Chart #8: Median Family Income by Race. What strikes you about this information. What do you feel is most significant? How would you explain the data?

Talking Points

♦ In spite of claims made by opponents of affirmative action, there remains a huge chasm among racial groups in terms of income. For example, the income gap between White people on the one hand and African Americans on the other has actually increased since 1947. Neither of the two periods we looked at in the Income Quintiles activity were times of increasing racial income equality.

♦ The data in Chart 8 are not inclusive of all families for 1947-2010 for several reasons. First, U.S. Census Bureau figures for white and African-American families go back much further than other groups; coverage of Asian Americans, Native Americans and “others” is spotty. Second, it’s risky to generalize about the Latino (Hispanic) population. The Census Bureau uses “Hispanic.” But many people so labelled don’t like it, and the population it’s applied to is diverse in origin, residence, and status. “Hispanic,” as statisticians always point out, is unrelated to race. (See comments by Michael Omi on the next page.)
2. Look at Chart #9: Median Annual Earnings for Women & Men. How would you describe the factors that have enabled women to make the modest gains reflected in the data?

**Talking Points**

- About 40% of the narrowing of the gender gap over the past 40 years has been due to the decline in men’s wages. About 60% is due to an increase in women’s wages.
- While there are more well-paid women in the professions than thirty years ago, there are many more women who have been forced to enter the low-paid service sector.
- Most of these low-paid service jobs are low-paid precisely because they have traditionally been classified as “women’s work” (cleaning, food preparation, child care, secretarial, etc.).
- Studies (e.g., Boston Globe, 10/9/05) indicate that even among senior level corporate executives, women earn less than 79¢ for every $1 earned by their male counterparts.

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**Race and Statistics**

“Racial and ethnic classifications are increasingly mediated by the Census Bureau. While originally conceived simply to provide consistent categories for use by federal agencies, the census’ definitions of race and ethnicity have had the unintended consequence of shaping the very discourse of race and the distribution of vast resources in the U.S. These categories have become the de facto standard for state and local agencies, the private and nonprofit sectors, and the research community. In addition, these categories inordinately influence group identities and forms of political mobilization.

Yet racial categories are inherently unstable and shifting. We can never have categories that will be conceptually valid, measurable, and reliable over time. Yet we cannot simply abandon the use of racial and ethnic categories. Without them, we cannot monitor and track racial inequity and discrimination — for example, racial profiling. However “unscientific” and imprecise these categories may be, some form of racial classification is needed to discern trends and discriminatory patterns.”

Activity 6: The CEO Pay Gap

Trainers Goals:  a. Dramatize the widening gap between the highest and the average paid workers in the U.S.
   b. Explore why the wage gap in the U.S. is wider than in other nations.

This activity is a “human graph” that illustrates the ratio between those who are paid the most—Chief Executive Officers (CEOs) and average workers. Six volunteers, each carrying an identifying sign, will role play CEOs and average workers from three different countries. The volunteers representing CEOs will move across the room in proportion to the difference between their compensation and their workers’ pay.

Props for this learning activity:
- Placards that say: “Japanese Average Worker” “German Average Worker” “U.S. Average Worker”
  “Japanese CEO” “German CEO” “U.S. CEO”

Instructions:
1. Let’s have six volunteers who will represent workers or CEOs from the U.S., Japan, and Germany line up in two columns facing the audience. One column represents the CEOs and the other column are average workers.* Please hold a sign identifying who you are so all can see.

   The U.S., Japanese, and German CEOs will move sideways step by step with each step equal to a five times ratio (therefore, if an average worker was paid $20,000 and the highest paid executive receives ten times that amount — $200,000 — then they would be two steps apart).

   The income ratio between the German CEO and the German worker is about 21 to one. The German CEO takes four sideways steps. Next, the Japanese CEO — a little less than the German CEO (9 to one): two sideways steps. In the U.S. the ratio is 44 to one: nine steps. (See Chart 11: The Wage Gap Around the World.)

* These comparisons are for industrial corporations with sales of approximately $500 million, surveyed by Business Week magazine in 2009.

   | U.S. Worker | U.S. CEO (9 steps) |
   | Japanese Worker | Japanese CEO (2 steps) |
   | German Worker | German CEO (4 steps) |

2. Now, if we look at the 365 largest U.S. firms as reported in the Annual Executive Pay report by Business Week, in 1980 the ratio of CEO pay to the average worker was 42 to one (8 steps apart). In 2004, the ratio was 431 to one (86 steps apart).

   | U.S. Worker (1980) | U.S. CEO (8 steps) |

3. What strikes you about the income ratio comparison? How would you explain the difference in income ratio between the U.S. and Germany and Japan? We will share some examples.
**Talking Points**

- CEO over-compensation hurts average Americans. It transfers wealth upward from employees and shareholders to already affluent top executives.

- Organizational management guru Peter Drucker believes that corporations should flatten out their structures — which exist primarily to justify excessive salary differentials. He speaks specifically of establishing a wage ratio between top and bottom.

- In recent years, shareholder activists have sparked public attention to the issue of the huge gap between CEO and worker pay. More than 350 resolutions on executive compensation were filed in 2007. Whole Foods Market set a positive example by limiting CEO John Mackey’s salary to no more than 14 times the pay of the average frontline employee. Contact UFE for more information about shareholder campaigns for pay equity.

- Angelo Mozilo, CEO of Countrywide Financial, a firm at the heart of the sub-prime mortgage fiasco, earned $102.8 million in 2008. That means he made $1,976,923 a week; $282,418 a day; $35,302 an hour. He earned 90 times the minimum hourly wage every minute! His compensation is about equivalent to 3000 well-paid account managers. Because of the cap on wages that are subject to the Social Security tax, Angelo was done paying into Social Security at 1:00 pm. on January 2nd, before the end of his first day of work, while most of us saw money taken out of every one of our paychecks.

- Some CEOs win big when their company outsources jobs to low-wage countries such as India. Despite the claim of former Bush Administration economic advisor N. Gregory Mankiw that outsourcing is a "good thing" that boosts efficiency and profits that will support jobs in the US, there is absolutely no evidence to support this. Outsourcing does indeed increase profits but they appear to be going into the pockets of chief executives.

- Also of note is that the CEOs of the 69 publicly-traded U.S.-based corporations that were listed as financial or in-kind sponsors of the two major political party conventions in 2000 enjoyed a 52 percent increase in average pay, compared to a 9 percent increase for the average CEO.

- In 2003-2004, among medium-sized corporations, the ratio of CEO pay to worker pay in Japan was 9 times; in Germany, 21 times. Yet there are no laws in Japan and Germany restricting or capping compensation.
Talking Points

♦ In Germany a strong trade union movement helps enforce a “social contract” which ensures that top and bottom wages don’t get too far apart. Employees are represented on over half of the corporate boards which allows them input in setting CEO compensation.

♦ In Japan, there is a strong value (some folks call it a “cultural compact”) that views an excessive pay gap as undermining the “team.” Top managers recognize that too large a gap is unhealthy for the sense of team work and shared commitment necessary to run a healthy firm. Many top managers also share the value that an excessive pay gap would be a cause for shame.

♦ In the U.S. we have neither a social contract nor a cultural compact. Trade unions are weaker here and employees are unable to enforce smaller wage ratios. CEOs frequently ignore the “team culture” within firms or the ways in which huge differences in payscales undermine employee solidarity.

♦ There is no culture of shame about excess in the U.S., in fact, since the Reagan administration, there’s been increasing adulation for the lives of the “rich and famous” in our popular culture.
Activity 7: The Ten Chairs

Trainers Goals:

a. Define and compare the concepts of “wealth” and “income.”
b. Dramatize wealth inequality and the dramatic shift in wealth from 1979 to 2012.
c. Demonstrate the disparity of wealth distribution by race.
d. Use humor and have fun while learning about a serious topic.

The first part of this activity (see Instruction 1) establishes the difference between wealth and income so that participants will have a solid frame of reference as they experience the dramatic Ten Chairs activity that follows. With a lot of time, the discussion about wealth and income can happen in pairs or small groups first, and then a sample of responses can be shared.

The Ten Chairs activity portrays the distribution of household wealth in the U.S. in 2012 between the top 10% and everyone else, and the dramatic growth in wealth for the top 1%, and engages participants in dialogue about wealth inequality. It works best with chairs that do not have armrests. The chairs can be lined up across the front of the room facing the participants, prior to the start of the activity. Each chair represents ten percent of all the private wealth in the United States. Each of ten volunteer participants represents ten percent of the population of the U.S. It is helpful to identify one person who is willing to represent the “top ten percent” who may have a sense of humor or theatrical qualities (i.e., a “ham”). This activity strives for dialogue between the trainer and the volunteers in their roles as well as dialogue and reflection among all the participants. Remember to encourage a round of applause for all the volunteers at the end of this activity.

Instructions:

1. Listen to this standard (economist’s) definition of wealth [see the first Q & A in the box below]. Name examples of assets that low-income, middle-income, and upper-income people might have. [The trainer can note that there are other ways to view wealth, and participants can be asked to share alternative definitions, e.g., “a person can be considered rich in education, experience, influence, children, etc.”]

What is Wealth?

Question: How is wealth different than income? What is wealth?

Answers: Wealth is private assets minus liabilities (debt). Simply put, wealth is what you own minus what you owe. Income is your paycheck or government benefit check or dividend check, or your profit from selling an investment, etc. Wealth is what you have in the bank and the property and investments you own.

Question: Is it possible to have negative wealth?

Answer: Yes. Eighteen percent of the population in 2012 had no assets or negative assets: they owe more than they own.

Question: What are examples of assets that lower-income people might have?

Answer: Cash (savings or checking account), furniture, a car.

Question: What are examples of assets owned by middle-income people?

Answer: Cash (savings or checking account), equity in a house, a small business, a little bit of stock and/or a retirement fund.

Question: What are examples of assets owned by the top one percent?

Answer: Real estate, large stock and bond holdings, businesses, artwork and other collectibles.
2. Let’s have ten volunteers stand in front of one of the chairs. We need one person who is willing to be the “top ten percent.” [Remember to try and select a person who is a bit of a ham.] Each person represents one-tenth of the US population and each chair represents one-tenth of all the private material wealth in the United States. If wealth were evenly distributed this is what it would look like—one person, one chair. [One variation is to have each person sit in a chair while the trainer makes the point that this picture of equal wealth distribution has never existed. When folks have to give up their chairs it ups the emotional punch of the activity.]

3. Currently (the most up-to-date data we have is for 2012), the top 10% owns 74% of all private wealth. The volunteer representing the top 10% takes over seven chairs “evicting” the current occupants and making himself comfortable on his expanded share of the wealth pie. The rest of the volunteers (representing 90% of the U.S. population) must share three chairs (about 34% of the wealth pie). [This may require some shepherding and encouragement. Groups less familiar with one another will cluster sitting and standing around the chairs.]

4. Even within the top 10% there is great disparity—a disparity that has increased significantly over the three decades. In 1976 the share of the top 1 percent was 22% (about 2 chairs). But by 2012, their share had increased to 40% of all wealth (four chairs)! That’s a bigger piece of the wealth pie than the bottom 90 percent have combined! [To illustrate this, the trainer can let the arm of the volunteer representing the top 10 percent represent the wealthiest 1% of the households or you can use a top hat or other prop representing ostentatious wealth.]

5. Notice the circumstances you are in and your own feelings about this. How are you feeling at the top? How about in the bottom 90%? If you were going to push someone off the chairs to make room who would it be? Why? What conclusions do you draw about the focus of public policy discussions—looking up the chairs (at the top one percent) or looking down the chairs at the disadvantaged? What questions do you have? [Often folks direct their anger at the person representing the top 10 percent. Yet in reality this group remains largely invisible to the rest while wedges based on race, gender, sexual orientation, age, and class are driven between folks and we all battle each other for more space on the few remaining chairs.]
Talking Points

♦ Wealth is private assets minus liabilities (debt). Simply put, it is what you own minus what you owe.

♦ The shift in wealth (from 1976 to 2012) is an alarming one in so short a time frame (less than 40 years). Although the total wealth “pie” grew, wealth is now more concentrated in the U.S. than at any time since the 1920s.

♦ The share of private wealth owned by the top one percent now is more than the bottom 90% of the population combined. In fact, one man, Bill Gates, all by himself, has as much wealth as the bottom 40% of all the households in the U.S.

♦ The greatest growth in wealth has gone to the top one tenth of one percent. Currently, the threshold for the top .1% is more than $20 million!

♦ In 1982, the wealthiest 400 individuals in the Forbes 400 owned $92 billion. In 2012, the net wealth of the 400 richest people in the U.S. increased to more than $1.7 trillion! To make this list, an individual needed to have at least $1.3 billion in assets.

♦ Too much wealth in too few hands fuels speculation from the top, de-stabilizing the jobs and security of many people. Besides, there are only so many race horses, works of art, or face lifts any one person can have. More money in more people’s hands would be a better fuel for the economy. As economist Randy Albelda put it: “Mink coats don’t trickle down.”

♦ The shift in the ownership of income and wealth — and the changing nature of work — will likely hit the next generation particularly hard. Many young people who grew up in middle class families may never have a standard of living approaching their parents — and therefore will increasingly be dependent on their parent’s savings (equity) to help them build any security. Lower income youth face the prospect of a lifetime of economic insecurity.

♦ Wealth begets wealth. The impact of compounding interest multiplies wealth for asset holders.
Talking Points

♦ Chart 14 examines net worth (assets minus liabilities, “what you own minus what you owe”) by race. “What you own” includes home-ownership, savings, investments, and all other forms of assets. The chart looks at the “median” net worth which is the experience of households in the middle. Thus in 2010, if we lined up all the White families from lowest to highest net worth, the family in the middle would have $110,729 in net worth. The Asian American household in the middle would have $69,590. The Latino household in the middle would have $7,424, and the African American household would have $4,995.

♦ White households have more than 22 times as much wealth as African American households and nearly 15 times as much wealth as Latino households. A Pew Research Center analysis published in July 2011 found that, in percentage terms, the bursting of the housing market bubble in 2006 and the recession that followed from late 2007 to mid-2009 took a far greater toll on the wealth of people of color than whites. From 2005 to 2009, inflation-adjusted median wealth fell by 66% among Latino households and 53% among African American households, compared with just 16% among white households.

♦ There are also vast differences along racial lines when examining households with zero or negative net wealth. For example, about a third of African American (35%) and Latino (31%) households had zero or negative net worth in 2009, compared with 15% of white households. In 2005, the comparable shares had been 29% for Blacks, 23% for Latinos and 11% for Whites.

♦ The financial markets are where the super rich make most of their money. This trend accelerated in the 1980s but even since the Great Recession of 2008-2009, financial managers and wealthy investors have had record earnings while many workers have struggled.

♦ We notice that when the stock market is rising, spokespersons for business (such as Business Week) extol the “people’s capitalism” that supposedly helps everyone. But when the market falters, as it did in the winter of 2007, these same voices say: “Don’t worry. The middle class isn’t really hurting because they don’t own much stock.” Well, which is it?

Stocks & Bonds

A stock is a share of ownership of a business such as General Motors, GE, or Microsoft. A bond is like an I.O.U. When you buy a bond, you are loaning money that will be paid back to you with interest, either a little at a time or all at once when you redeem the bond. Well-known federal government bonds include Savings Bonds and Treasury Bills. Local governments and corporations also issue bonds.
Activity 8: What’s Your Savings Cushion?

Trainer’s Goals:  
a. Personalize the wealth and income gap by demonstrating how precarious economic security is for most American families.

This activity leads participants through a process in which they calculate a rough estimate of their own “savings cushion.” We suggest you draw the Family Size/Poverty Line chart below on a large sheet of flip chart paper so that participants can refer to it during the activity.

Instructions:
1. Listen to this description of the economic situation many American families are in.

   What would happen to your family if you lost your job? The key to true economic security for most families is assets, particularly cash. Money stored up in a savings account can tide a family over through a lay-off, illness, or other financial emergency. In fact, financial planners say that a family’s first financial goal should be to accumulate a six-month emergency fund of ready cash.

   However, the goal of having an emergency fund is becoming harder and harder for many families to achieve. In fact, more and more families are going deeper into debt by using credit cards to pay for basic expenses such as food and medicare. Driven by the need to provide financial security for their families, many parents are forced to work extra hours or take on a second job.

2. Let’s look at our own situations. If you (or your family’s breadwinner) lost a job today, how long could the family survive at the poverty line before running out of money? To find out, estimate your cash savings and enter the figure on line a.
   a. ________________

3. Look at the Family Size/Poverty Line table below to determine your monthly poverty-level minimum. Enter that amount on line b.
   b. ________________

4. Divide line a by line b. The result is the number of months your family could live at the poverty level before your savings run out.
   a/b = _______ months

<table>
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<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
<th>8</th>
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<td>Poverty Line*</td>
<td>$1,311</td>
<td>$1,649</td>
<td>$1,988</td>
<td>$2,326</td>
<td>$2,664</td>
<td>$3,003</td>
<td>$3,341</td>
</tr>
</tbody>
</table>

5. Compare your answer with other families in America as described in Chart #15: Percent of Families with Savings of 3 Months or Less, on the next page.

6. What are some of the ways you might imagine that families survive financial crises?

* All figures are monthly amounts for the 48 contiguous states & DC, and are from the 2014 HHS Guidelines: <http://www.uscis.gov/sites/default/files/files/form/i-864p.pdf>.
Talking Points

♦ Forty-five percent of all families in the U.S. have about three months financial reserves. That's nearly fifty million families!

♦ The sub-prime mortgage crisis and the subsequent Great Recession of 2008 and 2009, had a dramatic impact on the number of families over or on the edge. The number of people in poverty rose to its highest level ever, 43.6 million. More than 15 million households have experienced foreclosure proceedings since 2006. The impact on families of color, disproportionately vulnerable with less than three months’ worth of financial reserves on which to fall back, has been catastrophic! As described in UFE’s 2009 State of the Dream report: Foreclosed, this is the “single greatest loss of wealth in African American communities in modern times.”

♦ As we have seen recently with hurricanes Katrina and Wilma, hundreds of thousands of families in the U.S. suffered — or at risk of suffering — the loss of everything (homes, possessions, jobs) due to natural disasters.
How is poverty measured in the United States?

During the mid-1960s, Mollie Orshansky, a social science research analyst at the Social Security Administration (SSA), began publishing articles with poverty statistics for the United States, using a poverty measure that she had developed. Like any poverty measure, Orshansky’s measure had two components — a set of poverty lines or income thresholds, and a definition of family income to be compared with those thresholds.

Orshansky developed her poverty thresholds by taking the cost of a minimum adequate diet for families of different sizes and multiplying the cost by three to allow for other expenses. (The minimum diet she used was the Economy Food Plan, the cheapest of four food plans issued by the U.S. Department of Agriculture. The factor of three was derived from a 1955 Agriculture Department survey.) Poor families were those whose yearly income was below the threshold for a family of a given size.

For the base year 1963, Orshansky’s weighted average poverty threshold for a family of four was $3,128. She used the Census Bureau’s definition of income — before-tax money income.

In 1965 the U.S. Office of Economic Opportunity adopted the SSA thresholds as a working definition of poverty for statistical purposes and for program planning. In 1969 the U.S. Bureau of the Budget (now the U.S. Office of Management and Budget) issued a directive that made the thresholds the federal government’s official statistical definition of poverty.

In 1967, the Census Bureau began to publish annual poverty statistics calculating the number and percentage of persons in poverty (the poverty population and the poverty rate) by comparing the Orshansky thresholds to families’ before-tax money income, using data from the Current Population Survey that is taken every year in March. For these tabulations, the thresholds are updated annually for price changes and so are not changed in real (constant-dollar) terms; in other words, the 2009 weighted average poverty threshold of $22,050 for a family of four represents the same purchasing power as the corresponding 1963 threshold of $3,128.

In 1995, a National Academy of Sciences study panel, the Panel on Poverty and Family Assistance, concluded that the current measure needs to be revised: “It no longer provides an accurate picture of the differences in the extent of economic poverty among population groups or geographic areas of the country, nor an accurate picture of trends over time.” The current measure has remained virtually unchanged over the past 30 years. Yet during that time, there have been marked changes in the nation’s economy and society and in public policies that have affected families’ economic well-being, which are not reflected in the measure.

The panel recommended that the official U.S. poverty thresholds should use actual expenditure data to develop a threshold for a reference family of four—two adults and two children, with that threshold updated each year to reflect changes in spending on food, clothing, and shelter over the previous 3 years and then adjusted for different family types and geographic areas of the country.

The U.S. Office of Management and Budget (OMB), which issued directives on the use of the poverty thresholds in 1969 and 1981 presumably has the authority to impose more fundamental changes in the way poverty is measured. Yet the NAS committee’s recommendations have failed to lead to any change in the measure.
Talking Points

♦ Debt is the amount owed to a person or organization for funds borrowed. Debt can be represented by a loan note, bond, mortgage or other form stating repayment terms and, if applicable, interest requirements. These different forms all imply intent to pay back an amount owed by a specific date, which is set forth in the repayment terms.

♦ As Chart 17 shows, the amount of mortgage debt held by individuals skyrocketed in the 1990s, especially as financial rules were changed allowing investment companies to bundle mortgage loans and sell them to other investors (derivatives).

♦ With little oversight or regulation, the mortgage lending industry began a rapid expansion of lending. This was especially true in the subprime mortgage market. Subprime refers to a borrower that is not ‘prime’ — borrowers who might be less likely to repay a loan due to bad credit or lack of history, low income or poor debt to income ratios, etc.

♦ Borrowers in the subprime category often pay more in interest. Because these loans are higher risk for a lender, the lender charges a higher interest rate. Subprime borrowers often find themselves with a limited selection of products and lenders. Additionally, subprime borrowers were often the targets of scam artists (predatory lending) because a subprime borrower is typically more desperate to get a loan (and they may be less aware of the fine print in the loan agreement).

♦ In 2011, total debt from student loans was about $1 trillion, about 14 times more than 15 years ago and well above the estimated total credit card debt of $798 billion. Individually, college seniors who graduated with student loans in 2010 owed an average of $25,250, up 5 percent from the previous year, according to a report by the National Association of Consumer Bankruptcy Attorneys. Out of a survey of more than 1,000 colleges, 98 colleges said their 2010 graduating class owed an average of more than $35,000, and 73 colleges reported that more than 90% of students graduated with some amount of debt!

♦ According to a 2012 study by the New York Federal Reserve, nearly 20% of student debt holders are unable to repay their loans.
Activity 9: Causes of the Leap in Inequality

Trainer’s Goals:

a. Establish the notion that there has been steady growth in the imbalance of power (more for corporations and the wealthy, less for middle- and low-income people) in the last thirty years.

b. Show that this power imbalance has resulted in changes in some key economic rules and policies which determine how wealth and income is accrued and distributed.

c. Demonstrate the interaction between power, rule changes, and wealth concentration.

This activity introduces participants to the idea that a significant shift in power has occurred in the last thirty years, to corporations and the very wealthy, on one hand, and away from workers, low-income people, and the middle class, on the other hand. This power shift is due to a combination of factors, including the decline of unions, the increasing impact of big money in political campaigns, and the weakening of many civic institutions. As power shifts, corporations and big investors continue to alter the rules (e.g., tax laws) and social policies (e.g., spending decisions) which resulted in the growing concentration of wealth and power. We think of this process as a circle or spiral of mutual influences. More power for the fat cats yields rule and policy changes which yields a concentration of wealth which yields more power and enables more changes, and so on. (See Chart #20: The Wheel of Misfortune.)

There are several charts and many talking points to help the trainers and participants look at the notion of the shift in power and the rule changes that have accompanied and strengthened the increasing power imbalance. Each of the seven types of rule changes listed in Chart #19: Rule Changes Since the 1970s are expanded and exemplified in Charts 22-30. It is up to the trainers to figure out which charts and talking points to use, how much detail to go into, and how many examples to present. This will depend on the amount of time for the workshop and the circumstances, needs, questions, and expectations of the participants, and your own experience and comfortability with the content. Use your judgement carefully here. Remember, less is often more in workshops that present lots of technical or complex information. Trying to use all the charts in sequence will put participants to sleep. Instead, participants can be encouraged to explore on their own the charts and talking points that were not presented. The trainers can also refer participants to the articles, books, and web sites listed in Section VII. UFE Resources and Suggested Readings (page 61) for further exploration.
Instructions:

1. Read the factors that are On the Rise and In Decline, listed in Chart #19: The Power Shift Since the 1970s. [If the group did Activity 3:] Look at the Signs of the Times we posted earlier. In small groups, decide which of these factors had the greatest influence on the Signs we identified. We will share some examples. What factors contributing to the “power imbalance” would you add? [If the group did not do the Signs of the Times activity, then:] Read the factors listed on Chart #19. What strikes you about this chart? What are your questions?

2. Listen to this review of some of the Rule Changes that have occurred as a result of the power shift since the 1980s. What strikes you about these rule changes? What are your questions?

Talking Points

♦ This frightening growth in inequality was not the result of sun spots, an act of nature, or some other great mystery. It is the outcome of specific policy choices, made by human beings.

♦ An “overclass” that is overwhelmingly white has succeeded in creating or changing economic rules that have, among other things, shifted the tax burden off corporations and the wealthy and onto workers. Those who hold assets have been rewarded at the expense of wage earners.

♦ The following Charts 22 - 30 provide many examples of the rule changes that have contributed to the enormous concentration of power and wealth at the top. Particularly devastating to democracy is the relaxation of controls on political campaign spending. In the 2014 midterm elections, for example, donors from Wall Street contributed a total of $184 million to candidates, parties, and outside spending groups — a $75 million increase over the last comparable election. One of the first items of business for the new Congress, was to push legislation to deregulate the securities and investment industry. According to a December 2014 report by Americans for Financial Reform (AFR), financial interests spend $1.8 million a day to influence the process!
Talking Points

♦ The overclass has succeeded in capitalizing on divisions in multicultural America by race, gender, sexual orientation, age, and nationality — unleashing a wave of regressive populism and scapegoating, as exemplified by the Tea Party. The dismantling of affirmative action, the War on Drugs’ criminalization of non-violent substance abuse, and the selective enforcement of immigration policies, are just a few examples. An institutionalized system of white privilege distributes wealth, power, and advantage to white people as a group, and distributes disadvantages and sets up barriers to people of color.

♦ As economic insecurity climbs up the economic ladder, reaching into formerly comfortable middle class homes, resentment and anger grows. Instead of these sentiments being directed toward the concentration of wealth and unbridled corporate power, people are looking down the economic ladder, scapegoating those less privileged than themselves.

♦ At one time in this country — especially between the 1950s and 1970s — a kind of “social contract” between many corporations and their employees: in exchange for thirty to forty years of loyal, diligent labor, corporations would provide job security and expanding benefits. In general, as the economy grew after World War II, many workers saw their standards of living rise. This “social contract” also benefitted corporations because they got a loyal workforce plus plenty of consumers who could afford to buy their products.

♦ This social contract was enforced by the strength of organized labor and by relatively high levels of political participation. There was more of a balance of power — both at the bargaining table and in the halls of Congress — between corporations and their (mostly white and male) employees that resulted in increased benefits for many workers and a stronger, more cohesive society.

♦ With the decline of this balance of power, we have unleashed a “wheel of misfortune” or a “cycle of inequality.” As working families are squeezed by stagnant incomes, and society becomes more economically insecure (even as some sectors prosper), we find that we have to work harder and longer just to stay in place. That leaves us less time to look after our families and our communities — our civic and political life begins to wither.

Corporations and wealthy ideologues have found ways to fill that civic vacuum, capitalizing on working families’s economic frustrations to tout economic policies that sound good at first but which will actually widen the growing divide in wealth and income.

They tell us that the “free market” will solve the problems of overwork, high college tuition and health care costs, crumbling schools, and disinvestment in public infrastructure. They denigrate government and other “non-market” solutions, further alienating people from the political and collective action that could bring real economic security and prosperity with a modicum of fairness.

Our challenge is to find places on this wheel of misfortune to enter the political struggle, stop the motion, and begin reversing the direction. This time, we must work to ensure that gains are shared across racial and gender lines in particular, and others as well.
Talking Points

♦ The decline of organized labor as a countervailing institution to the corporate power elite in the U.S. has paralleled the drop in wages and the increase in inequality.

♦ At one time in this country — especially in the 1950s and 1960s — there was a so-called "social contract" between many corporations and their employees: In exchange for thirty to forty years of loyal, diligent labor, corporations would provide job security and expanding benefits.

♦ This 'social contract' was enforced by the strength of organized labor. There was more of a balance of power between corporations and employees that resulted in increased benefits for many workers and a stronger, more cohesive society.

♦ Among the working class, the major beneficiaries of the "social contract" were white men. African Americans, Latinos, and other people of color, immigrants, and women in general, lagged far behind.

♦ Corporations have been chipping away at the gains made by organized labor since 1937, when the Wagner Act guaranteed the right of workers to organize and millions of workers across America joined unions. Legislators, on behalf of corporations, passed laws such as the Taft-Hartley Act, which made it difficult for workers to use the tools of the 1930s — such as industry-wide strikes and striking while a contract is in effect.

♦ Labor leaders themselves also changed. Rather than "organizing the unorganized," many unions began to focus on administering employee benefit programs for their members. As a result, when the nation's economy began to shift from the manufacturing to the service sector in the 1970s, labor unions found it difficult to organize the new legions of service workers.

♦ In 1981, President Reagan fired the striking air traffic controllers, breaking the PATCO union. This sent a strong signal to management that the federal government was less interested in standing up for the rights of striking workers. The number and effectiveness of strikes dropped throughout the 1980s and 1990s. For the first time in decades, employers began to replace workers who were out on strike with scabs.

♦ There were 14.4 million union members in 2012. In 1983, the first year for which comparable union data are available, the union membership rate was 20.1 percent, and there were 17.7 million union workers. In 2012, 7.3 million employees in the public sector belonged to a union (35.9 percent of all unionized workers), compared with 7.0 million union workers in the private sector (6.6 percent of all unionized workers).

♦ In 2012, among major race and ethnicity groups, black workers had a higher union membership rate (13.4 percent) than workers who were white (11.1 percent), Asian (9.6 percent), or Hispanic (9.8 percent). Black men had the highest union membership rate (14.8 percent), while Asian men had the lowest rate (8.9 percent).

♦ Because labor unions are weaker today, they no longer play as significant a role in pushing for wage and salary fairness, although there are signs that the labor movement is revitalizing itself. For example, in 2000, the AFL-CIO Executive Council unanimously adopted a resolution urging the end of sanctions against employers who hire undocumented workers. Union officials are also calling for amnesty for an estimated six million immigrants.

♦ A revived labor movement would go a long way to restoring the American economy to one that generates higher living standards and increased economic security for all.
Talking Points

♦ Why is inequality rising — in the US and around the world? One big reason is global trade and investment policies that carefully spell out the rights of corporations and investors, while ignoring workers, communities, and the environment.

♦ The GATS (General Agreement on Trade and Services), for example, spelled out how Time Warner could sue Malaysia if the government allows local bootleggers to peddle Jennifer Lopez CDs. Yet this comprehensive treaty says virtually nothing about human rights, conditions for workers, the right to organize labor unions, minimum wage standards, factory safety, or protections for the environment.

♦ So called “Free Trade” Agreements (FTAs) such as NAFTA and GATS have created governing bodies that float above the democratic institutions of nation states, while setting the rules for how the global economy will work. Officials of the World Trade Organization, elected by no one, meet behind closed doors and create rules that override our city and state laws. “The WTO is where governments get together to conspire against their citizens,” one WTO official told the Financial Times of London.

♦ Because there is no democratic accountability, large transnational corporations dominate the agenda of the WTO. The WTO committee that’s developing automobile standards for the planet had 26 industry representatives and only two consumer representatives trying to influence government regulators.

♦ NAFTA-style deals give multinational corporations unprecedented rights to sue a national government for compensation if the government takes action that reduces corporate profits. Any government regulation, including worker protections, environmental regulations, or safety standards, can be targeted under these rules. The proposed Free Trade Area of the Americas (FTAA) would extend this NAFTA rule to all the Americas except Cuba, and would apply it to public services like health, education, and water. Once these services are privatized, those who can’t pay will lose access to them. A powerful movement, led by several South American nations, has grown to stop the FTAA. This has led the U.S. to try to negotiate smaller-scale free trade agreements, such as CAFTA (with El Salvador, Guatemala, Honduras, Nicaragua, and Costa Rica), and bilateral trade agreements (with Peru).

♦ During the 1980s, U.S.-based multinationals such as General Motors and AT&T cut their workforce by almost 800,000. Meanwhile, they increased their overseas workforce by 345,000 jobs. And these job shifts occurred before NAFTA went into effect!
Talking Points

♦ Tax policy is one area where corporations and the wealthy have written the rules to benefit large asset owners at the expense of wage earners. In the last twenty years the tax burden has been shifted...
• off corporations and onto individuals;
• off the wealthy and onto the middle class;
• off big corporations and onto smaller businesses;
• off large asset owners and onto people who depend on a paycheck.

♦ In 2001, the Bush Administration and Congress passed a massive $1.35 trillion tax cut (estimated total of lost revenue over 10 years). The bill phases in tax cuts over several years. For example, the highest income tax bracket drops from 39.6% to 35% by 2006. The richest one percent of Americans will receive 38% of the tax cuts when the bill fully takes effect, an average of $53,000 each. On the other hand, the bottom 60% of Americans get less than 15% of the tax cuts, an average of $347 each.

♦ In August of 1997, Congress passed tax reform legislation — misnamed “middle class tax relief.” Not only did it make the federal tax code more complex, but almost half of the $85 billion in tax cuts went to the wealthiest 5% of households. The average taxpayer in the bottom three-fifths of U.S. households got an average tax cut of $8.

♦ In the 1950s, the effective top tax rate topped 80%, although that rate was charged only on income above $400,000. This high rate affected only the top one percent of Americans. The effective rate on the median family during the 1950s was between 5 – 10%.

♦ During the 1950s, government tax and spending policies worked to build the commonwealth of this country and strengthen the opportunity for many to have access to affordable education (the G.I. Bill, student loan and grant programs), homeownership (FHA and VA mortgages), and decent jobs (massive public works projects).

♦ The top tax rate declined slowly, but stayed in the 70% range through the 1970s. However, tax rates on the median family began to climb, fueling resentment against government among many.

Question: What was the rationale for the tax cuts in the early 1980s?
Response: In 1981 and 1982 it was part of “supply side” or trickle down economic theory that claimed tax revenue would rise because of economic growth to cover losses from tax cuts. Tax cuts would stimulate investment, creating an income and wealth explosion. The 1986 reform was supposedly aimed at simplifying the tax code, eliminating loopholes and lowering rates.

Question: Did trickle down work? What was the impact?
Response: Instead of wealth trickling down, it gushed up to the top. Real estate speculation during the 1980s was fueled by provisions in the tax code that encouraged the rapid turnover of investment properties. As a result, a majority of people now suffer from high rents, unattainable homeownership or hefty mortgages that require two incomes to support. Homelessness has soared.

U.S.-based multi-national corporations, using provisions of the tax code which they wrote and lobbied for, have taken their companies, jobs and tax payments overseas.

The tax cuts, coupled with continued high spending on the military, dramatically increased the national debt and annual deficit. And, the Reagan-era reforms did nothing to lower the tax rate for the median taxpayer.
Talking Points

♦ Chart #25 compares the changes in the top Federal tax rates on wealth with changes in the top tax rate on work. Since 1980, the capital gains tax rate has dropped 46%. The estate tax rate has dropped from 50%.

♦ It’s been a different story for workers who rely mainly on income from work. Since 1980, the main tax on wage income, the payroll tax, has increased 8.5%.

♦ This tax shift from investment to wage income means that a person who gets millions of dollars in dividend income solely from his investments now pays a marginal tax rate of just 15% (the marginal rate is the highest rate at which one’s income is taxed).

♦ The tax rate cuts on dividend and capital gains income that President Bush signed into law in 2003 saved people who made over $10 million in 2005 an average of $1,876,280 off their taxes. Nearly three-quarters of that year’s dividend and capital gains tax cut savings — 73.4 percent — went to America’s most affluent 0.6 percent, taxpayers who reported at least $500,000 in 2005 income (Source: Citizens for Tax Justice, www.ctj.org/pdf/cgdiv.pdf).

Talking Points

♦ Definitions:
  • Individual Federal Tax Collections includes individual income tax, Social Security, and Medicare taxes.
  • The chart does not include excise taxes (such as the tax on phone services, gasoline, and airline tickets) or tariffs (taxes on imports), which is why the percentages do not add up to 100.

♦ The share of federal revenue being paid by corporate income tax has been declining since the 1950s. This is because of lower rates and loopholes. As a result, the individual share has grown. Now that wealthy individuals are escaping high tax rates, the burden has been shifted onto working and middle class people.

♦ The personal exemption used to be a much higher percentage of people’s income. The falling real value of the personal exemption has hurt low- and middle-income tax payers.

♦ Two out of every three corporations paid no federal income taxes from 1998 through 2005, according to the General Accounting Office.
Talking Points

♦ Although Social Security Withholding is a positive program, creating a social safety net for elders, it is nevertheless one of the most regressive forms of taxation. Here's why:

First, only income from wages is subject to Social Security payments while income from investments is not.

Second, not all wages are subject to Social Security tax. Only the first $90,000 of wages are taxed. Someone who makes $88 million a year pays exactly as many Social Security tax dollars as someone who makes $88,000 a year.

Third, the solvency of the Social Security trust fund has been achieved by continuing to raise the percentage of wages taxed. This rate increased from 1% in 1950 to 6.2% in 1990. President Obama reduced the rate to 4.2% for 2011 & 2012. The rate returned to 6.2% on Jan. 1, 2013.

♦ The “effective” rate is the level at which a taxpayer would be taxed if taxing was done at a constant rate, not progressively. It is calculated by dividing the total tax paid by taxable income.

Talking Points

♦ The federal government shells out $341 billion a year in public assistance to corporations, from tax abatements to price supports to outright grants to protection of overseas investments in unstable countries, according to Mark Zepezauer in *Take the Rich Off Welfare* (South End Press, 2004).

♦ Corporate welfare helps pay for the costs of running ski resorts in Aspen, Colorado; hotels in Hilton Head, South Carolina; and casinos in Las Vegas, Nevada. Each year, the Forest Service spends about $173 million to build logging roads; over 360,000 miles of roads have been built. Corporate welfare also funds computer corporations, auto manufacturers, and just about any other industry that can get its hand out.

♦ In the 1970s, corporations and wealthy investors intensified their lobbying efforts in Washington to advocate for their narrow interests. Corporate PAC contributions exploded, while the political influence of organized labor declined. The result has been that our national economic policies tilt even more in favor of wealthy investors and corporations in a self-renewing cycle.

♦ Corporate welfare extends to CEOs and other one percenters. For example, the U.S. offers three kinds of subsidies to tycoons with private jets: accelerated tax write-offs, avoidance of personal taxes on the benefit by claiming that private aircraft are for security, and use of air traffic control paid for by chumps flying commercial.
Talking Points

♦ This chart looks at the federal minimum wage in 1968, 1979, and 2015, and compares it to a “living wage” in each of those three years.

♦ A living wage is the hourly amount a full-time worker needs to lift his or her family of four to the federal poverty line. It could more accurately be called a “poverty wage.” We use the term “living wage” because of its use by folks working for living wage rules in their cities and towns. These laws require that the city, and businesses contracting with the city, pay at least a poverty line wage to their employees. These campaigns are meeting with success around the country.

♦ The minimum wage law was finally amended in 2007. Still, even at $7.25 an hour, full-time, year round minimum wage earners get $15,080 a year. This is well below the federal poverty threshold – $24,300 for a family of four.

♦ The minimum wage is worth much less now than it was in 1968. The “cost of living” has increased more rapidly than hikes in the minimum wage; $1.60 could buy more in 1968 than $7.25 can now. The chart shows that in 1968, a minimum wage worker was making only 11 cents below a living wage. In 2013, the gap is $4.11, per hour.

♦ In 2005, 54% of minimum wage earners worked full-time. Only 21% were teens; 59% were women, and 40% were people of color. On average, minimum wage workers contributed 54% of the income their families earned.

♦ Few minimum wage jobs provide any health or retirement benefits.

♦ Many immigrant workers, including those with documentation, are paid less than the minimum wage.

♦ Numerous studies have shown that raising the minimum wage does not result in loss of low-income jobs. For example, labor economists David Card and Alan B. Krueger surveyed fast-food restaurants in New Jersey and Eastern Pennsylvania both before and after New Jersey increased its hourly minimum wage from $4.25 to $5.05 in 2004 and found an increase in employment of low-wage workers in the New Jersey fast-food industry as well as an increase in the number of fast-food outlets.

♦ The bottom 20 percent of American workers by income — 28 million workers — earn less than $9.89 an hour, according to the Economic Policy Institute in July 2013. That translates to $20,570 a year for a full-time employee. Their income fell 5 percent between 2006 and 2012. Wages for workers at the 50th percentile — their median pay is $16.30 an hour — have also dipped, falling 3.4 percent, while pay for the top 10 percent rose 3 percent.
Talking Points

♦ Privatization is a major piece of the “free market solves all” ideology. It is a strategy to shift public sector wealth to private hands.

♦ It’s important to reaffirm the value of the many institutions our nation has seen fit to create for the greater good of all—from a free public school system for children to Social Security and Medicare for seniors.

♦ In 2005, private prisons held an about 10.7% of the prison, most of them state inmates. Analysts expect the private share of the prison “market” to more than double by 2010. A report by Good Jobs First, “Jail Breaks: Economic Development Subsidies Given to Private Prisons,” found that 73% of the big privately-built and operated prisons have received subsidies such as tax-advantaged financing, property tax reductions or other tax cuts, infrastructure assistance and training grants/tax credits. Moreover, as in most industries, the first place corporations look to cut expenses is personnel. “The bulk of the cost savings enjoyed by the Corrections Corporation of America (CCA), the largest for-profit prison operator, is the result of lower labor costs,” PaineWebber assures investors. Labor accounts for roughly 70 percent of all prison expenses, and C.C.A. prides itself on getting more from fewer employees. “With only a 36 percent increase in personnel,” boasts the latest annual report, “revenues grew 41 percent, operating income grew 98 percent, and net income grew 115 percent.”

Chart #30: Privatization
Activity 10: What Does It Mean For Us?

Trainer's Goals:

a. Facilitate participants moving from knowledge to action.

b. Give participants an opportunity to share their feelings about the conditions they see and experience as a result of the growth in economic inequality.

c. Allow participants to make connections among the various consequences.

After the What's Wrong? and How Did It Get That Way? sections of the workshop, it is a good idea to bring people back to the context of all these changes, or the So What? element of the workshop. In other words, why should we care about all of these policy changes? At this point in the workshop, we hope to move the participants from knowledge to action because knowledge without action leads to despair. This activity provides a way for people to express why they care about the inequality problem, allows for a release of the anger and frustration people feel about the problem, and channels that release of energy into productive action.

If the room and size of the group permits, have participants work in small groups. If there is a large group (20 or more) or chairs cannot be easily grouped, have participants work in pairs. The first two parts of this activity can be accomplished in less than 10 minutes. Under a greater time crunch, participants can work individually. Also, if time permits, participants, engaging in dialogue with each other, can draw connections — literally, with a marker — between responses. Given time constraints, trainers can read some responses out loud, group things together, make connections, add missing consequences, etc.

The participants’ thoughts and feelings — now up on flip chart paper — will be re-visited in upcoming activities.

Instructions:

1. In small groups, tell your thoughts about the consequences of the policy and rule changes and the resulting growth in economic inequality for . . .
   
   ... our society? ... our families? ... our health?
   
   ... our democracy? ... our civic life? ... our environment?

2. Summarize your responses into short phrases and write them on post-it notes (one phrase per note) and post them on the flip chart labeled “Consequences.” Look at what other folks have written.

3. What connections do you see among these responses?

Consequences of Inequality *

- The burden of paying for the debt and for government services falls more heavily on lower and middle income people than on the wealthy.
- The more unequal the society, the more physical and mental health problems.
- Big money corrupts our democratic process.
- Less time for family and community life.
- Less-privileged people are scapegoated.

* A great resource on this is The Spirit Level by Richard Wilkinson & Kate Pickett
Activity 11: What’s Been Done in the Past?

*Trainer’s Goals:*

a. Elicit a few significant examples in U.S. history when workers, low-income people and others acted collectively to address the consequences and causes of economic inequality.

b. Foster a sense of empowerment in participants by showing that past social movements brought about changes in economic rules and policies that ultimately resulted in a more equitable distribution of wealth and income.

This activity demonstrates that we have a rich history of struggle in the face of growing inequality and all the negative consequences it brings to our society, communities, and families. The activity is a departure from the previous sections of the workshop that described conditions and offered an analysis. It aims to move participants out of moods of despair, hopelessness, and frustration by demonstrating that there are actions — some very successful — that folks took in response to extreme economic inequality. In fact, there are numerous examples that can inspire, educate, and challenge us to act. It is also important to point out that all the popular movements we cite were complex, with features that we can emulate and others that should be rejected.

*Instruction:*

1. That ends the despair portion of our program. Let’s see what we can learn from history. In pairs, name any examples of some of the organized responses of Americans when economic inequality became extreme — when those benefiting from the concentration of wealth and power “have gone too far” and masses of people rose up in struggle for a more equitable economy. We will hear a sample.

[See the Talking Points on the next page for some examples of economic justice movements as well as some of the criticisms of these movements.]

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**Question:** What do the following have in common?

- the weekend
- the 8-hour work-day
- the 40-hour work-week
- the minimum wage
- laws prohibiting child labor
- laws extending the right to vote for women and minorities
- Social Security
- Medicare

**Response:** They are all the direct result of people organizing to establish rules and policies that address economic inequality and maintain fairness; and they are things we sometimes take for granted.
2. How would you describe some of the shortcomings of these movements? What do you suggest be done to avoid these errors.

** Talking Points  

♦ The struggle to abolish slavery was a long one and, at the time of the Civil War, resulted in tremendously significant rules changes — the 13th amendment to the Constitution ended legal slavery; the 14th Amendment established the right of African Americans in the South to vote, hold office, and own property; and freed slaves were granted 40 acres and a mule enabling them to “get on the asset train.” The period of reaction and terror that followed Reconstruction, however, put in place Jim Crow laws that disenfranchised African Americans and were not overthrown until the Black Freedom Movement in the 1950s and ’60s.

♦ The Populists were unique in the ways in which they united rural farmers and urban workers. In the 1880s, the Populists began a campaign for the first income taxes. However, some Populists succumbed to racial and anti-Semitic views that contributed to their demise. But we do have a lot to learn about their commitment to creating real economic democracy.

♦ In the 1930s, the Share Our Wealth movement campaigned for a cap on excessive wealth & income, a 30-hour work week, and a universal retirement pension. New Deal legislation, and other laws and policies passed as a result of mass movements for economic justice, benefited working people across the board. Unfortunately, employers often found ways to circumvent the rules, discriminating against women and people of color, and driving wedges between natural allies.

♦ Although some unions and labor organizing efforts maintained overt racist and sexist practices, the more progressive unions fought for the inclusion of people of color and women in their ranks and fought for rule changes that would benefit all.
**Activity 12: Changing the Rules**

*Trainers’ Goals:*

a. Identify a wide range of policy ideas to close the income and wealth gap.

b. Explore the consequences for the various quintiles that the different policy ideas have on the income and wealth gap.

This activity is similar to the Income Quintiles activity (page 27). Six volunteers, representing income quintiles and the top one percent, will move closer to or further apart from each other as participants suggest policy remedies to close the income and wealth gap. After each suggested policy change, the trainer should check in with the group to make sure everyone understands the rule or policy suggestion. Treat this activity as a laboratory in which to test out ideas. Do not get too stuck on knowing exactly what the impact of each suggestion will be. Let the dialogue flow.

*Instructions:*

1. In small groups, brainstorm policy and/or rule changes that would close the income and wealth gap. [To save time, this task can be done by the whole group.]

2. Let’s have six volunteers — five representing population quintiles, and a sixth representing the top one percent — line up in the order that corresponds to the existing income spread. Let’s hear ideas to close the income gap. What impact do you expect each suggestion will have on the quintiles? [For instance, a suggestion to “raise the minimum wage” would likely lift the lowest quintile — but also raise the living standards of the bottom three fifths.] Let’s have the quintile volunteers move according to the impact of the suggested policy and rule changes.

<table>
<thead>
<tr>
<th>Lowest Fifth</th>
<th>Middle Fifth</th>
<th>Top Fifth</th>
<th>Top 1%</th>
</tr>
</thead>
</table>

**Suggested Policy Remedies for Closing the Income and Wealth Gap**

- Raising the minimum wage → bumps up the bottom three quintiles
- Promoting unionization → bumps up the bottom four quintiles
- Expanding college loans → lifts the second and third quintiles
- Progressive taxation → moves the top 1% closer to group
- Eliminating special tax loopholes → moves the top 1% down
- Raising the “no tax threshold” → raises the bottom two quintiles (if threshold raised to $20,000)
- Wealth taxation → moves the top quintile down
- Reparations (for slavery) → benefits African-Americans the largest percentage of whom are in the bottom quintile
- Amnesty for immigrants → lifts the bottom quintile, maybe the second quintile as well
- Increased spending on education, health care, etc. → lifts the bottom three quintiles, maybe the fourth quintile as well
- Maximum wage: linking the top tax rate to ratio minimum wage → lifts the bottom three quintiles and reduces top quintile
- Expand the earned income tax credit → lifts bottom two quintiles
3. Look at the policies and rule changes that we’ve proposed [see Talking Points, next page] that shrink the income and wealth gap. Group them according to the following framework:

- Policies that lift the floor.
- Policies that address the concentration of wealth and power.
- Policies that level the playing field.

4. What type of policies do you think might give the top 1% – 3% a self-interest in seeing the living standards of other Americans rise? What actions would you suggest can be taken to increase equality that don’t require using government intervention?
Talking Points

♦ Lifting the floor: These are strategies that seek to bring people at the bottom up to at least a level where they have the ability to make use of their talents and pursue their dreams.

- Increase the Minimum Wage to at least a Living Wage. A living wage would keep families above the poverty threshold. The level that would bring a family of three above the poverty line is $8.20 per hour. Many cities, including New York, Chicago, L.A., Minneapolis-St.Paul, Baltimore, and Boston, have approved living wage ordinances, and many local and statewide campaigns are underway. It’s simply an embarrassment that we have a system where people who work 40 hours a week cannot live above the poverty line.

- Support Family Self-Sufficiency projects (FESS). FESS is a measure of the real cost of living, working, raising a family and paying taxes. In contrast to the outmoded federal poverty guidelines, the FESS Standard presents an accurate picture of the real costs of living for families in today’s marketplace. There are 8 states participating in the State Organizing Project for Family Economic Self-Sufficiency, a national and state-level collaboration organized by Wider Opportunities for Women (WOW) and its national partner organizations.

- Help moderate and low-income families build assets. The key to long term economic security for most families is assets, even more than income. Since 1976, we have seen a great concentration of assets in the hands of the top 1%. The government should be doing everything it can to help families purchase homes and build their savings, as was done with the Federal Home Mortgage Assistance Program following World War II.

- Shorter work week. We have seen the advent of many labor-saving devices over the past few decades, yet we all seem to be working longer and longer. With a shorter work week people could spend more time with their families and communities. The Shorter Work Time Project, based in Somerville, MA has chapters around the country working on this issue.

- Institute National Health Care for All. Plain and simple: health care should not be rationed out based on the ability to pay.

♦ Addressing the concentration of wealth and power: These are strategies that seek to level the playing field by bringing people from the top down. Some examples:

- Wealth tax. Many European countries have a wealth tax. See Top Heavy, by Edward Wolff, for details.

- Progressive tax rates. This would raise the top tax rate and lower taxes on low- moderate-income workers. Remember, the top tax rate applies only to the top one to two percent of the country.

- A maximum wage that is tied to the minimum wage establishes some relationship between the two and insures that we as a nation grow together.

- Cut corporate subsidies, particularly when the recipients do not add jobs but pad their executives’ compensation.

- Increase taxes on inheritances.

- Tax investments at the same level as earned income.

♦ Cutting handouts to corporations and the rich will raise available revenue which could be used to:

1. Reduce the national debt.
2. Reduce taxes on everyone else putting buying and saving power into the pockets of ordinary people and fueling the economy.
3. Invest in jobs and a more productive and sustainable economy.
4. Invest in people through education, job training, and help for those in need.
Some Current Proposals Will Worsen Inequality

♦ You would think the “trickle down” policies of deregulation and tax cuts for the wealthy would be discredited by the bursting of the housing bubble and the onset of The Great Recession, but they persist. Advocates for the corporate power elite in Congress continue to press for rules that would further concentrate wealth and income at the top while lowering living standards for the middle class and low-income households:
  - maintaining income tax cuts for the top two percent
  - trimming capital gains taxes by half
  - permanently repealing the Estate Tax
  - privatizing Social Security
  - trimming the deficit by cutting spending on what remains of the social safety net
  - proposing a Flat Tax and a National Sales Tax.
Activity 13: How Do We Get There?

Trainers' Goal: a. Establish the context in which participants can think about taking action to address economic inequality.

Instructions: 1. Review Chart #32: Principles of a Fair Economy. How might these principles be applied in your situation?

Talking Points

♦ We are told that recent immigrants and poor people in general are the causes of our growing tax burden and economic insecurity. We need solutions, not scapegoats! At the same time that wealth has been propelled from our pockets into the vaults of the wealthy — we have been told to blame ourselves or others for our insecurity and inability to prosper.

♦ We need to build real economic security, not casinos, jails, and temp jobs. We need to build an economy which is environmentally sustainable, with jobs that strengthen our communities. We need to stop waiting for wealth to trickle down.

♦ But, to talk about many of the long-term strategies (both raising the floor and addressing the concentration of wealth and power) that will substantially reduce inequality, seems out of kilter with today’s reality.

♦ Proposals that will truly address economic inequality are currently not even on the political radar screen. In fact, things seem to be moving in the opposite direction toward policy ideas which will worsen inequality.

♦ So what should we do? We need to take a long view — perhaps ten to twenty years. It has taken a long time for the overclass to get so much power and it will take time for us to organize to get it back. We need to think strategically about what efforts today will help us build a broader movement tomorrow; a strategy that will address the root causes of inequality. Remember, the Christian Coalition didn’t arise full blown overnight.

♦ As a society

- Work to take money out of politics. Under the Fair Elections Now Act, federal candidates would run for office without relying on large contributions, big money bundlers, or donations from lobbyists, and would be freed from the constant fundraising in order to focus on what people in their communities want.
- Reframe current issues in terms of inequality
- Expand the power of working people by aiding the creation of movement-building institutions, including unions and independent political parties.
Activity 14: What Does It Mean For Us – Part 2

Trainers' Goals:  

a. Help participants identify specific and immediate actions they can take to address economic inequality.

This activity picks up the thread of Activity 10: What Does It Mean For Us (page 49). The activity is intended to bring forth from participants a variety of specific and concrete ways that people can take action. Each of the participants rips off a piece of the “Consequences of Inequality” chart which they made earlier. The trainers should model tearing off a chunk of the chart. If everyone at the workshop can commit to doing at least one thing, the process of change will have started. (Conversely, if they take no action, they will either increase their denial or increase their despair.) The trainers should encourage participants to commit to something manageable for them, so that they will actually do it, rather than making themselves feel bad for not living up to their intentions. Participants should be reminded that while no single person can eradicate inequality, each of us can make a difference if we act together. In fact, that is the only way real change will happen. Congratulate everyone for deciding to do something, even if it is small, because only together can we eradicate excessive inequality and its effects on our lives.

Instructions:  

1. Step up and rip off a piece of the “Consequences of Inequality” chart which you made earlier. Go ahead, tear it up! Now, on the back of the piece of paper you ripped off, write down one or two actions that you can commit to doing.

2. In addition to the actions you plan to take, write down any support you will need to take action and a target date for completing the action.

A Note About Organizing

Organizing means different things to different people. For some, “organizing” refers to a very specific set of activities, often undertaken at the community level, to build power and achieve concrete objectives, such as cleaning up a hazardous waste site. UFE is a “movement support” organization and an idea disseminator. We use the term “organizing” to refer to a broad range of political activity—writing letters to the editor, attending and speaking at public hearings, organizing legislative postcard and telephone campaigns, arranging and leading workshops, forming groups and community councils that bring coworkers or neighbors together to address issues of common concern. We hope that our materials and ideas will help these efforts.
**Activity 15: Planning Action**

*Trainers goals:*  
1. To explore a wide variety of immediate and specific action steps that participants can take to reduce economic inequality.
2. To bring forth ideas and commitments from participants about action steps they have identified for themselves.

In this activity participants review a list of possible next steps and then write their own steps that they will commit to doing.

**Instructions:**  
1. Look over the list of Short Term Action Steps (in Appendix, page 71). On a sheet of blank paper draft an “Action Contract” for your own use. List one or two next steps you can take to help reduce inequality and to create a fairer society. Remember, these steps can range from actions that will further your own awareness and understanding, (like reading a book or going to hear a speaker) to actions that involve other people (joining an activist organization or getting others to send post cards to their Congresspeople). Also, indicate what support, if any, you might need to take these steps, and target dates for taking the steps.

2. In pairs, share your “Action Contract”. We will share one action item from all participants, with the whole group.

**Talking Points**

- It is important to take action on these issues otherwise we are likely to fall into one of the twin pitfalls of denial and despair.

- Many of us feel overwhelmed and think that whatever small action we are capable of taking will not amount to much. Others of us feel burnt out or hopeless because all our years of organizing seem not to have gotten us anywhere. It is useful to acknowledge these feelings, perhaps talk a bit about why you are involved in a United for a Fair Economy workshop or event, why this feels different, hopeful, positive, etc.

- There are many ways that you can plug into economic justice efforts, and there are many people like yourself across the country attending workshops such as this one and taking actions each day.

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**Chart #35: What You Can Do Today**

**Educate Yourself and Others**
- Host a UFE Popular Economics Education workshop.
- Learn to lead UFE workshops.
- Distribute education materials and/or booklets.
- Educate yourself—look at the resources on our list.

**Influence the Media**
- Write articles or letters to the editor.
- Organize a media campaign.
- Stage a flash mob creative action.

**Build Power**
- Use your religious congregation as an organizing base.
- Join or support labor unions.
- Get involved in coalitions or civic groups.

**Support United for a Fair Economy**
- Make a donation and become a UFE member.
- Encourage friends and colleagues to join.
- Organize a fundraising house party.
- Help us reach out to a specific constituency.

**Join Campaigns to Change the Rules**
- Support progressive tax proposals, such as the Robin Hood Tax.
- Support local Living Wage campaigns and lowering the federal minimum wage.
- End deferral of taxes on income of US-controlled corporations abroad.
Activity 16: The Membership Pitch

Instruction: 1. Listen to this brief description of United for a Fair Economy. What are your questions?

United for a Fair Economy

United for a Fair Economy (UFE), a national nonprofit organization based in Boston, raises awareness that concentrated wealth and power undermine the economy, corrupt democracy, deepen the racial divide, and tear communities apart. We support and help build social movements for greater equality.

In its first decade, UFE was successful in getting the issue of economic inequality “on the map.” The concept of a growing divide was rarely mentioned before UFE pushed it into the spotlight. Now many social change organizations working on particular issues see economic inequality as a theme underlying and uniting their concerns.

UFE has played a key role in building some of the exciting new social change efforts of recent years, such as the living wage movement and the movement for fair global trade. When the Bush Administration introduced its tax cut proposals, we took the lead in successful efforts to block immediate repeal of the estate tax, the only tax on massive wealth in the U.S.

UFE’s most acclaimed contributions include:

♦ Popular economics education workshops, such as The Growing Divide, in which over 100,000 people have participated since 1995, with help from our volunteer trainers’ network;
♦ Replicable creative actions, such as the “Billionaires Against Regulating Finance (BARF)” at the Tea Party rally on the Boston Common in 2008;
♦ Outreach to broaden the economic justice movement to include immigrant groups, members of religious congregations, and labor unions, with whom UFE has formed partnerships;
♦ Organizing to build the Tax Fairness Organizing Collaborative (TFOC), a national network of statewide coalitions with 28 member organizations spanning 24 states.
♦ Media work that reaches millions of people a year with messages about reducing economic inequality;
♦ The Responsible Wealth project that brings in the unexpected voice of wealthy people calling for more shared prosperity;
♦ Research reports and other activist tools, in print and on the web, such as our annual State of the Dream reports on the racial wealth divide.

UFE needs your support!

UFE is a primarily a donor-supported organization. Individuals contribute whatever they can afford and in return receive action alerts, discounts on UFE workshop materials, and advance notice of new publications, workshops, and campaigns in which they can participate.

UFE accepts no corporate or government funding, and to date has received few large foundation grants but mainly small ones. Some make the assumption that UFE is funded by its Responsible Wealth project which is not the case; Responsible Wealth members pay dues of $150, and some (but not most) give an additional donation. The bulk of our funding comes from individuals like you – people who make donations, buy literature, host house parties, and pay workshop fees.

Please become a part of UFE – and please ask others to do the same. Your support makes a big difference.
WHEN HE COLLAPSES, YOU FOLKS CATCH HIM.
VII. Suggested Readings

**CORPORATE ACCOUNTABILITY**


*Graftopia: Bubble Machines, Vampire Squids, and the Long Con that is Breaking America* by Mike Taibbi (Spiegel & Grau, 2010).


**GLOBALIZATION**

*Alternatives to Economic Globalization* by John Cavanagh (Berrett-Koehler, 2002).


INCOME

The Trap - Selling Out to Stay Afloat in Winner-Take-All America by Daniel Brook (Times Books, 2007).


Nickel and Dimed: On (Not) Getting By in Boom-Time America by Barbara Ehrenreich (Metropolitan Books, 2001).


Raise the Floor: Wages and Policies that Work for All of Us by Holly Sklar, Laryssa Mykyta, and Susan Wefald (MS Foundation for Women, 2001).

RACE & GENDER


Policing the National Body: Race, Gender, and Criminalization by Anannya Bhattacharjee and Jael Silliman (South End Press, 2002).

Sweatshop Warriors - Immigrant Women Workers Take on the Global Factory by Miriam Ching Louie (South End Press, 2000).

* Unlevel Playing Fields: Understanding Wage Inequality and Discrimination by Randy Albelda, Robert W. Drago, and Steven Shulman (Dollars and Sense, 2004).

Slavery by Another Name: The Re-Enslavement of Black Americans from the Civil War to World War II, by Douglas Blackmon (Doubleday, 2008).

Women's Education in the Global Economy by Miriam Ching Louie and Linda Burnham (Women of Color Resource Center, 2000).


TAXES

American Taxation, American Slavery by Robin Einhorn (University of Chicago Press, 2006).


WEALTH


Free Lunch: How the Wealthiest Americans Enrich Themselves at Government Expense (and Stick You With the Bill) by David Cay Johnston (Portfolio, 2007).


Titles that are preceeded by an asterix (*) may be ordered from Dollars & Sense <www.dollarsandsense.org>. Other titles are available at Powells, the independent on-line bookstore <www.powells.com>. 
VIII. Sample Outreach Materials and Forms

A. Workshop Description/Sample Flyer/Sample Calendar Listing

United for a Fair Economy presents

The Growing Divide

*Inequality and the Roots of Economic Insecurity*

While Wall Street soars to new heights, many families in the U.S. struggle to stay afloat. Since the Great Recession began in 2008, most workers have had to tighten their belts. Incomes continue to stagnate for most workers, high unemployment persists, over 40 percent for youth of color! Housing, health care, and college costs steadily increase. Over-worked parents have less time to spend with their children and in their communities. Public infrastructure – schools & libraries, roads and public transportation, fire and safety — has deteriorated, particularly in communities of color. The *Growing Divide* workshop gives people the facts and analysis they need in this time of uncertainty to take action to make our economy work for all of us.

In this participatory workshop, participants will...

- identify how rising economic insecurity has affected our lives, our communities, and our society;
- review trends in income and wealth inequality since World War II;
- explore changes in economic policies that fuel this alarming inequality;
- explore strategies for collective action, as well as individual steps, to help build a nationwide movement for a fair economy.

**The Growing Divide** workshop features a variety of learning activities:

- Engaging “live illustrations” that show how rising inequality puts the squeeze on all of us;
- mini-presentations on tax policy, CEO pay, and popular movements;
- small group discussions

For more information about UFE's Popular Economics Education workshops or to arrange a workshop for your group, contact:
Steve Schnapp: 857-277-7868  •  <sschnapp@faireconomy.org> or
Jeannette Huezo: 857-277-7881  •  <jhuezo@faireconomy.org>
The Growing Divide
Inequality and the Roots of Economic Insecurity

Since 1980, the gap between the super-rich and everyone else has dramatically widened. Wealth is currently distributed more inequitably than it has been since 1929. This intense concentration of wealth and income has had a profound impact on our quality of life, the security of our jobs, the services we receive from our government, our collective security, our sense of hope, and the essence of our democratic process.

Yet this most recent round of economic inequality is rarely the focus of attention and public debate. Instead, the media and our leaders continually focus on the most vulnerable members of our society — new immigrants, people of color, gays and lesbians, welfare moms, etc.— or they blame important institutions — tax policies, environmental regulations, labor unions — as the cause of our nation’s economic anxieties.

_The Growing Divide: Inequality and the Roots of Economic Insecurity_ is an experiential workshop/presentation that...

- shifts the focus of discussion and strategizing onto the wealthiest 1% of our country rather than the most vulnerable (the wealthiest 1% now control about one third of our nation’s wealth, more than the bottom 90% combined!);

- looks at the depth of the inequality problem in terms of its impact on our lives and the lives of the people we care about, with a special focus on communities of color and immigrants;

- examines the policy changes in the last 30 years which dramatically widened the gap between the wealthy and everyone else;

- reviews the inspiring history of popular movements in the U.S. to reverse inequality;

- and discusses possible avenues for meaningful action.

The workshop is participatory and makes economic information accessible to a wide range of participants. It can be designed for audiences of various sizes. In fact, even groups of over 100 have found it to be a lively and engaging workshop. However, a 10-person minimum is necessary for many of the activities.
Sample Calendar Listings

Long Announcement:
On Monday, January 15, 2015, the Pleasantville Economic Justice Coalition will present a free, participatory workshop, “The Growing Divide: Inequality and the Roots of Economic Insecurity,” at Curry College, Milton, MA, from 4:00-6:00 p.m. in the Steiner Conference Room.

The workshop was developed by United for a Fair Economy, a national nonprofit organization based in Boston, that spotlights the dangerous consequences of growing income and wealth inequality in the U.S. and advocates positive solutions.

The experiential workshop gives participants the opportunity to look at recent income and wealth trends, reflect on the the impact of economic inequality on their lives, and explore practical steps for addressing this situation. The workshop is sponsored by the Office of Multicultural Affairs. Please contact Tim Sims at 555-555-5555 for more information.

Short Announcement:
The Growing Divide: Inequality and the Roots of Economic Insecurity, a lively, interactive workshop on the causes of economic insecurity in the U.S., will be presented free on Tuesday, August 6, 6:30 - 8:30 p.m., by United for a Fair Economy, at One Milk St, 5th floor, downtown Boston. Easily accessible by T (Park Street or Downtown Crossing stations). Call Jeannette Huezo at (617) 423-2148 x132 for more information.

Press Release Style Announcement:
United for a Fair Economy
presents
“The Growing Divide: Inequality and the Roots of Economic Insecurity” Workshop

What has happened to the economy in the last 30 years? Why is there so much anger directed at immigrants, public employee unions, and welfare recipients? Why is economic inequality on the rise, and why is it bad for our society? Most importantly, what can we do about it? A guaranteed jargon-free presentation that may change the way you look at our society. Tuesday, August 6, 6:30 - 8:30 p.m. at One Milk St, 5th floor, Downtown Boston. Take the T to Park Street or Downtown Crossing. Free. For more information, call Jeannette Huezo at (617) 423-2148 x132 for more information.
THE DISTRIBUTION of WEALTH IN THE UNITED STATES EXPRESSED AS PEANUT BUTTER in a SANDWICH
B. Participant Sign-in Sheet

Please fill out this Sign-in Sheet with the information that will help us contact you with notices of future workshops and events, campaigns and actions to address economic inequality, and updated information.

Name / Title / Affiliation / Address / Phone / Fax / E-mail

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UFE Participant Evaluation Form

Date of Training: __________________ Facilitator(s): ________________________________

Workshop Title: __________________________________________________________________
______________________________________________________________________________

1. How would you describe the clarity of the materials and the presentation?

2. What did you find most useful in the workshop?

3. What suggestions would you make for improving the workshop?

4. How did the workshop inspire and empower you to take action against growing inequality?

5. Anything else you would like to share?
A. Action Steps

Educate Yourself and Others

• Read books and articles such as the ones in the Suggested Readings List (page 63). Organize a study group to get support for learning more about these issues.
• Subscribe to online publications such as *Too Much* (www.cipa-apex.org/toomuch/inequality.html), or magazines such as *Dollars and Sense*, that give a different view on the economy.
• Sponsor a *Growing Divide* workshop or presentation for groups/orGANizations to which you belong.
• Set up bulletin board displays on growing inequality.
• Have informal discussions with friends, co-workers, classmates, and family about inequality issues.
• Offer alternatives or accurate information when you hear classist stereotypes or myths, e.g., welfare-bashing.
• Attend a Training of Trainers Institute to learn how to present *The Growing Divide Workshop*.
• Let all your friends and colleagues know about United for a Fair Economy’s work; encourage them to become members (www.faireconomy.org).

Influence the Media

• Write articles and letters to the editor on issues of inequality for local papers, newsletters, and periodicals.
• Critically review local media. Watch for a bias toward blaming the most vulnerable or keeping the issues of inequality invisible, then call, write to, or meet with editors with complaints and suggestions.

Take a Public Stand

• Support local struggles of poor, working-class, and communities of color for access to better housing, jobs, wages, transportation, legal assistance, quality education, food, energy, a livable minimum wage, and affordable health care. Subscribe to action alert listerves to get announcements of activities in your community.
• Attend rallies or marches that raise issues of economic and social inequality.
• Join campaigns to support (or oppose) legislation that will shrink (or expand) the income and wealth gaps.

Use Your Dollars and Resources to Make a Difference

• If you have money to invest, invest it in socially responsible ways. These can include investing in community loan funds (find one in your area by contacting the National Association of Community Development Loan Funds); banks that invest in local communities (e.g. Community Capital Bank or South Shore Bank); or in socially responsible stocks, mutual funds, money market funds, etc. (contact The Social Investment Forum to get information about socially conscious financial professionals and institutions).
• If you have excess money, give some away. Give to groups working for structural change and groups run by low-income people, not just to charity. The Funding Exchange is a national network of alternative foundations committed to funding progressive grassroots organizing. If you are able, make a contribution to United for a Fair Economy or another group that is working on the underlying problems.
• Buy Fair Trade items, and products from worker-owned businesses and cooperatives whenever possible. You can locate such products from Coop America (www.coopamerica.org). Buy from small, family-owned businesses, instead of giant chains such as Wal-Mart.
• Refrain from purchasing boycotted products when workers call for support, such as in the case of farm workers and grapes, or Campbell soup during the Hormel strike; write manufacturers and let them know why you are boycotting. You can find out about current boycotts from Coop America.
• in *Shopping for a Better World: A Quick and Easy Guide to Socially Responsible Supermarket Shopping*.
• Don’t cross picket lines, even if it’s inconvenient or this means spending a few extra dollars.
• Celebrate holidays and special occasions by making donations in someone’s honor to groups or organizations fighting for a fairer economy, instead of buying more stuff that is really not needed.

• If you sell property, don’t personally profit from “social appreciation,” (changes in the neighborhood or housing market). Only accept price increases that result from overall inflation or improvements you made; give the social appreciation away to an affordable housing group.

• Fundraise for United for a Fair Economy among your friends and colleagues who are able to contribute.

“Live Simply, So That Others May Simply Live.”

• Use resources like food, water, land, paper, energy wisely, as they are limited. Consult Taking Charge of Our Lives: Living Responsibly in the World, for concrete ideas. Recycle as much as possible.

• Think responsibly about money. Question patterns of over-consumption and collecting status symbols for status’ sake.
B. Quiz

Quiz on Economic Inequality in the United States

1. How many people in the U.S. had no health care coverage in 2007?
   a) 26 million
   b) 8 million
   c) 46 million

2. Historically, what’s the highest marginal tax rate on the top 1% in the United States? (The top marginal income tax rate is paid on just the amount of income above the cutoff for the top bracket; it’s not the average or effective rate for one’s entire income.)
   a) 35%
   b) 92%
   c) 70%

3. Which country has the highest tax rate for the top income earners?
   a) Israel
   b) Australia
   c) Germany

4. In 1990, the minimum wage was $3.80 an hour. In 2009, it increased to $7.25 an hour. If the minimum wage had gone up as fast as CEO pay did since 1990, what would it be now?
   a) $8.15 an hour
   b) $9.35 an hour
   c) $15.90 an hour

5. The successful candidates for U.S. Senate in 2008 spent an average of how much money on his or her Senate campaign?
   a) $1.1 million
   b) $1.8 million
   c) $2.9 million

6. In 2001, the the Bush Administration and Congress enacted the Economic Growth and Tax Relief Reconciliation Act. In 2010, as a result of this law, the average tax cut for the bottom 20% will be less than $350. What will the average be for the top 1%?
   a) Tax cut of $34,500
   b) Tax cut of $67,320
   c) Tax cut of $92,000

(Quiz continued on next page.)
7. In 2002, the richest 1% of American families paid an average of 7.9% of their income in state and local taxes. The middle 20% paid 9.8%. What percent of their income did the poorest 20% pay in state and local taxes?
   a) 0%
   b) 11.4%
   c) 6.3%
   d) 18.1%

8. In 1976, the wealthiest one percent of Americans owned 22% of the privately-owned wealth in the nation. In 2007, what percentage of all the privately-owned wealth did the wealthiest one percent own?
   a) 34%
   b) 22%
   c) 15%
   d) 29%

9. Adjusting for inflation, how did the wages of entry-level male workers with a high-school diploma change between 1973 and 2007?
   a) 10% higher
   b) 4% higher
   c) 12% lower
   d) 18% lower

10. Adjusting for inflation, how did the wages of entry-level female workers with a high-school diploma change between 1973 and 2007?
    a) 4% higher
    b) 1% higher
    c) 3% lower
    d) 11% lower

11. In 1968 the child poverty rate for African Americans was 43.1%. In 2007, the child poverty rate fell to 34.5%. At this rate of decline, how long will it take for the child poverty rate for African Americans to equal the poverty rate of White children?
    a) 34 years
    b) 68 years
    c) 111 years
    d) 1210 years

12. In 1980, Chief Executive Officers (CEOs) of U.S. corporations were paid an average of 42 times the wage of the average worker. In 2006 compensation for CEOs was how many times higher than the average factory worker?
    a) 364 times higher
    b) 281 times higher
    c) 180 times higher
    d) 79 times higher

(Quiz continued on next page.)
13. More Americans have been investing in the stock market. What percentage of all stocks are owned by the bottom 90% of Americans?
   a) 70%
   b) 49%
   c) 10%
   d) 4%

14. Net worth is one’s assets (what you own) minus debts (what you owe). In 2007, the median net worth for White families was $170,400. What was the median net worth for non-White or Hispanic* families?
   a) $11,458
   b) $27,800
   c) $88,650
   d) $102,300

* “Hispanic” and “non-White” are the terms used by the U.S. Census Bureau.

(Answers on next page.)
Answers to Quiz on Inequality in the United States
(with bibliographical references)

1. (c) 45.7 million people lack health insurance in the United States, 2007 (US Census Bureau). An equal number have insurance of such poor quality as to bankrupt any policy-holder who contracts a major illness. Indeed, the most frequent reason for personal bankruptcies continues to be unpaid medical bills (U.S. Census Bureau, Health Insurance Coverage, and Dr. Quentin Young, National Coordinator of Physicians for a National Health Program). The percentage of private-sector workers covered by employer-provided health insurance dropped from 70% in 1979 to 63% in 2007 (Lawrence Mishel, Jared Bernstein, and Heidi Shierholz, *The State of Working America 2008-09*, p. 337).

2. (b) In 1950, President Truman increased the top marginal income tax rate from 82.1 to 92.0 percent. In 1964 President Johnson signed the Revenue Act of 1964, reducing the top marginal income tax rate from 91 to 77 percent. In 2001, President Bush lowered the top marginal income rate to 39.6 percent.

3. (a) Israel’s top tax rate is 49%; Australia’s is 47% and Germany’s is 42%.

4. (c) In 1990, average CEO pay was $2.4 million. In 2008, average CEO pay was $12.8 million. That is an increase of 417% up to 2008. If the 1990 minimum wage of $3.80 had increased at the same pace, it would have been $15.80 in 2008 (*Business Week*).

5. (c) Center for Responsive Politics.

6. (c) Citizens for Tax Justice.

7. (b) Sales and excise taxes and property taxes fall disproportionately on lower-income people because out of necessity they use a higher proportion of their income on local purchases and on housing. (*Who Pays? A Distributional Analysis of the Tax Systems in All 50 States*, Citizens for Tax Justice, 2002.)


9 (d) Lawrence Mishel, Jared Bernstein, and Heidi Shierholz, *The State of Working America 2008-09*.


11. (c) wwwChildTrends.org, “Research Briefs”.


