**Mini-Lecture on Racial and Economic Inequality**

**[Slide 1: Title]**

Today, we will discuss why racial and economic inequality is a challenge to democracy.

[Slide 2: Racial and Income Divisions]

We are divided by race and income in America as is the world more generally.

**[Slide 3: Salaries by Race]**

**Inequality Today**

Perhaps the greatest challenge, which engenders many of our other political problems, is our level of income and racial inequality.

When the gap between the wealthiest and the rest of us grows too great, democracy itself is threatened. When the middle class disappears, so does the bedrock of democracy. When discrimination between Blacks, Whites, Latinos, and Asians continues from past slavery, segregation, and discrimination, democracy is compromised. When income and wealth are closely correlated with racial identity; political equality, upon which democracy rests, is undermined.

In a democracy every citizen must be equal before the law. Their votes must count equally in elections and their voice must be heard, either directly or through their representatives. Political equality isn’t possible if racial discrimination and economic inequality grant some individuals and organizations greater clout and political power.

One obvious measure of the inequality today is the difference between what different races and genders earn. This chart shows that most racial minority females earn only about half of what Asian and White males earn.

[Slide 4: Growing Income Gap

There is an ever-growing divide between the super-rich and the poor. In 21st century America there is a very wealthy 10% with another 20% or so pretty well off, but a few super-rich 540 billionaires who have greater wealth and income than most of the rest of us combined.

This graph vividly demonstrates how the rich are rapidly growing more rich while the poor are growing poorer. Just a few other figures. The top 5% of Americans obtain 22% of the income, while the bottom 60% earn only 26%. The wealth disparity is even greater than the income disparity. The top 1% own 40% of the wealth in America today.

[Slide 5: Disappearing Middle Class]

**Economic and Racial Inequality in Chicago**

One of the most frightening facts of all is that America’s middle class is shrinking, almost disappearing, at the same time that the gap between the rich and the poor is growing.

This plays out most obviously in our cities and states.

[Here faculty may substitute census maps of their city or state which will show the same patterns as Chicago. If such maps don’t exist, you can show the Chicago maps and make it a student exercise to create similar maps for your community or state.]

But this economic inequality is directly related to racial inequality. To take Chicago as an example. Chicago has a segregation index of 72% which means that 72% of Chicagoans would have to move to be in neighborhoods with the same racial distribution as the Chicago metropolitan region. Nearly all Chicagoans live in neighborhoods segregated by race, income, and wealth.

[In these sections, faculty can substitute maps of their city or state showing their racial disparities or a student exercise can be to use racial and income data from the 2020 census to create similar maps for your communities.]

[Slide 6: Richest Chicago Communities]

11. As this map shows, the 10 richest Chicago communities in 1966 were all White suburbs and that has not changed now in the 21st century more than 55 years later income and wealth averages are pulled down by Cabrini-Green on the west end of the community.

[Slide 7: Poorest Communities in Chicago]

As the next map shows, the 10 poorest Chicago communities are all Black down the Chicago Public Housing corridor that originally existed along the expressways on the Chicago’s South and West Side. Those communities used to have more than 40% unemployment. After the public housing high rise buildings were torn down, the poverty became more dispersed and now runs at 30% unemployment even before the pandemic.

[Slide 8: Hitler]

**Times of Crisis**

Tyranny and demagoguery are most likely to occur in bad economic times as seen in the famous examples of Hitler, Stalin, Mussolini, and Franco in the 20th century. On the heels of the Great Depression, there was the rise of Fascism and Communism and radical movement growth.

Racial and income/wealth inequality and discrimination have led to political turmoil and instability in our nation today.

[Slide 9: Tax the Rich]

**Challenge to Democracy**

The United States is undergoing a transition perhaps no rich and stable democracy has ever experienced: Its historically dominant group is on its way to becoming a political minority—and its minority groups are asserting their co-equal rights and interests…. Sometime in the next quarter century of so, depending on immigration rates and the vagaries of ethnic and racial identification, non-whites will become a majority in the U.S.

At the same time, the rich have the dominant voice in government and affect government policies at all levels. We will be exploring that in the next lecture.

There are solutions but they cannot be simple slogans nor will they be implemented easily.

The first step is to eliminate, or at least narrow, existing racial and economic disparities.

The second step is to ensure that communities, neighborhoods, and individuals are not left behind in the new economy which will be created after the pandemic and economic recession.

Our goal is not government laws and policies which cause everyone to have the same possessions, but we also don’t want the gap between rich and poor to become too extreme. Nor do we want to eliminate the middle class.

So, we need to raise taxes on the wealthy; provide benefits and assistance to help raise the poor out of poverty; and enlarge the disappearing middle class. It will not be easy to develop these policies and it is not easy to get the votes and power to enact them.

**Bibliography of Books on the Topic**

Dick Simpson, *Democracy’s Rebirth: The View from Chicago.* (Urbana: University of Illinois Press, 2022). Chapter 3. (Exam copies can be requested at [UI Press | Dick Simpson | Democracy's Rebirth (uillinois.edu)](https://www.press.uillinois.edu/books/?id=73gtp7se9780252044304).)

Larry Bartels, *Unequal Democracy: The Political Economy of the New Gilded Age.* (Princeton: Princeton University Press, 2008).

Stephen Caliendo, *Inequality in America: Race, Poverty, and Fulfilling Democracy’s Promise,* 2nd ed. (New York: Westview, 2018).

Ta-Nehisi Coates, “The Case for Reparations,” *Atlantic,* 2014.

Benjamin Page, Jason Seawright, and Matthew Lacombe, *Billionaires and Stealth Politics.* (Chicago: University of Chicago Press, 2019).

William Julius Wilson, *The Truly Disadvantaged: The Inner City, the Underclass, and Public Policy.* (Chicago: University of Chicago Press, 1987).

**Possible Exercises:**

1. Have students collect from the 1970 and 2020 census the information on each census community within the state or metropolitan area you wish to study. They should get the information on the median family income and the definition of the middle-class levels for those two years. They should

Then plot on a census community map all the middle-class communities and color or shade those communities. When they then count up the number of middle-class communities and make a percentage of the total number of communities they can compare the two. In nearly every city and state the number of middle-class communities will be drastically smaller. (In Chicago they have dropped from 42% - 16% of the communities.)

1. Have students collect the census data for 2020 of the figures for income and wealth for each of the communities (which may be up to 250 communities for an entire metropolitan region). They can collect data like average income, average property value, and average rent.) Then plot on a census community map the 10 richest communities which will generally be in rich white suburbs (or downtown).
2. Have them repeat the same exercise for the 10 poorest communities which will usually be in minority neighborhoods downtown or in nearby segregated suburbs. And then have them discuss these findings.