

# CSAI – Escalating Inequality

Session #5 – Exploring the Myths that Promote Inequality

UUCF – September 21, 2015

Presenters: Rod Paolini and Peter Clark

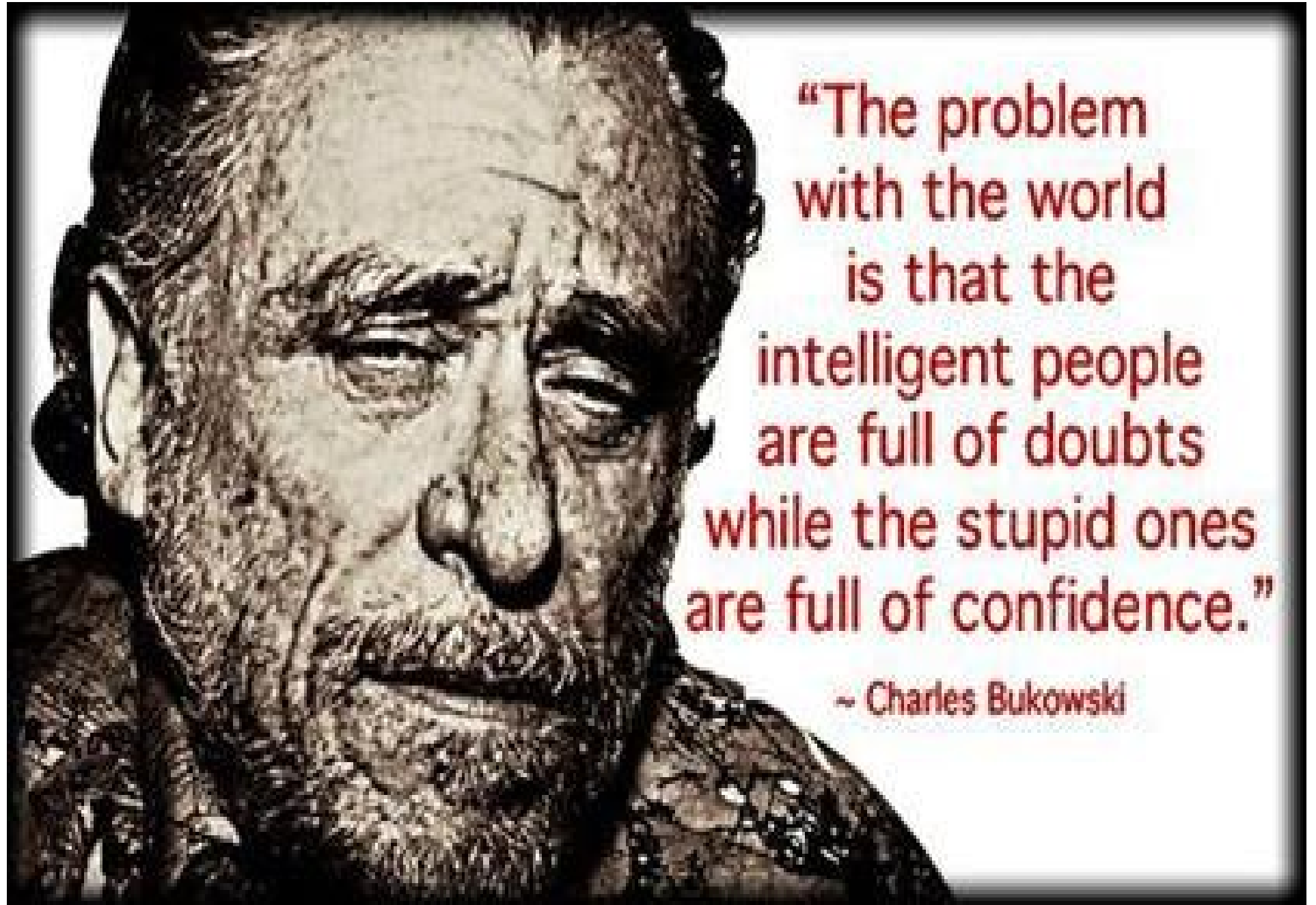
# What is a CSAI?

- “Congregational Study/Action Issue”
- Bi-annual selection by UU General Assembly
- Usually leads to “Statement of Conscience”
- Four year duration (3 plus SOC)
- Recent CSAIs:
  - Escalating Inequality (2014; est 2017 SOC)
  - Reproductive Justice (2012; 2015 SOC)
  - Immigration as a Moral Issue (2010; 2013 SOC)
  - Ethical Eating (2008; 2011 SOC)
  - Creating Peace (2006; 2010 SOC)



Not everything that is faced can be changed, but  
nothing can be changed until it is faced.

(James Baldwin)



“The problem with the world is that the intelligent people are full of doubts while the stupid ones are full of confidence.”

~ Charles Bukowski

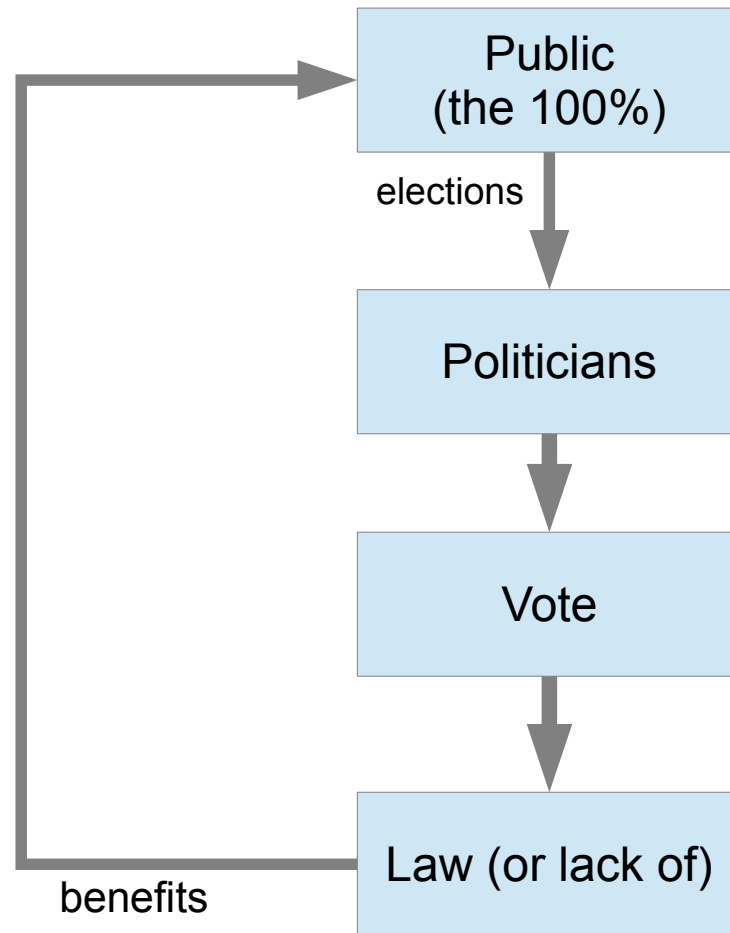
# Seminar Session Overview

- ~~Scope of Escalating Inequality (EI)~~
- ~~Economic and non-Economic Consequences of EI~~
- ~~(Inadequate) Conventional Explanations of EI~~
- ~~Deeper Reasons for EI~~
- Powerful Role of Myths in Perpetuating EI
- Past Reform Attempts and Results
- Lessons Learned (what doesn't work)
- Identifying Parameters of Possible Solution(s)
- Identifying and Zeroing in on Solution(s)
- Advocating for Chosen Solution(s)
  - External (good governance) groups
  - Grassroots - UUCF->UU->Faith

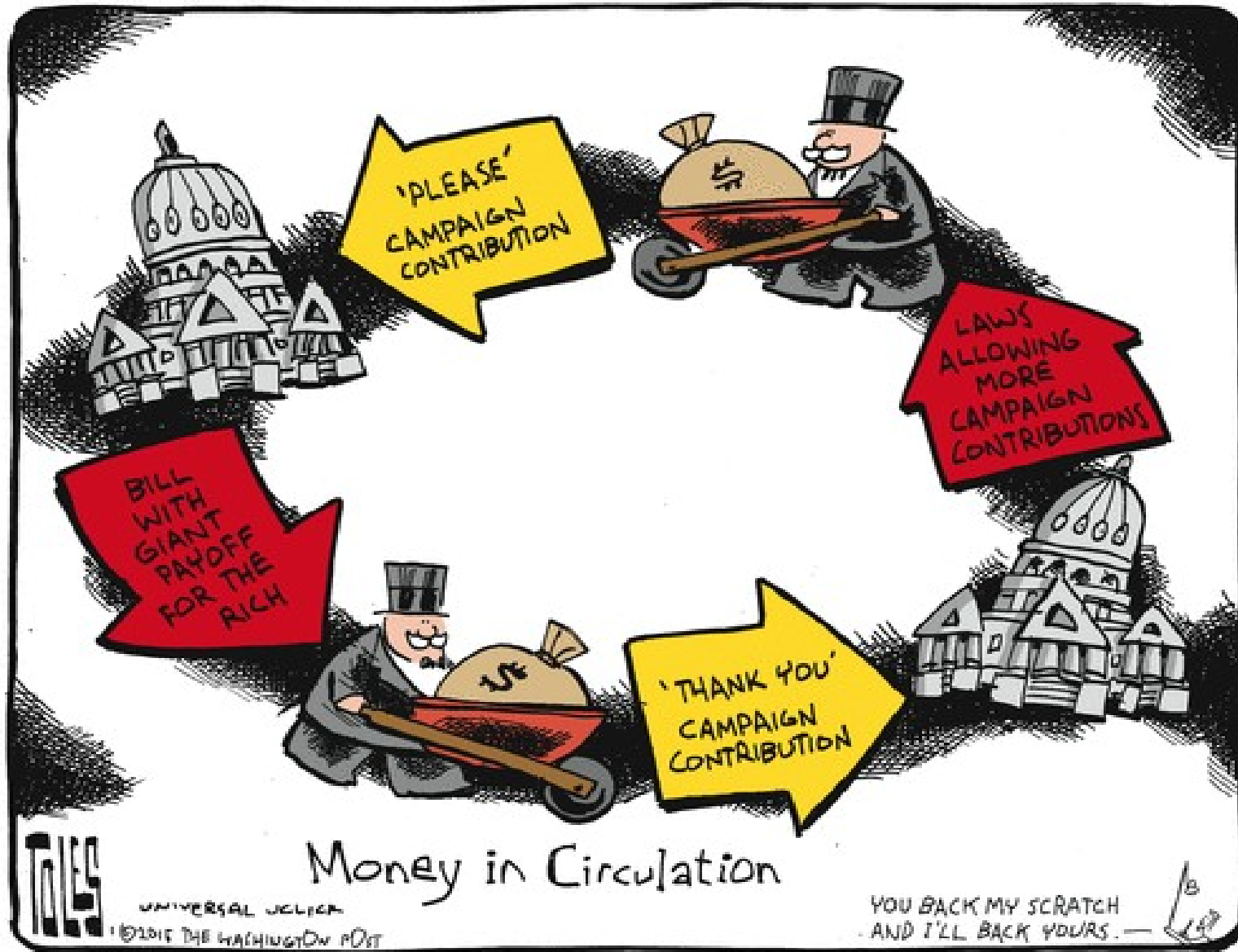
# Seminar 4 Session Overview

- CSAI Discussion
- Escalating Inequality Project Discussion
- Exploring the Real Reasons for Escalating Inequality
- The Powerful Influence of Special Interests
- The Great Disconnect that Exists

# Representative Democracy: Civics 101

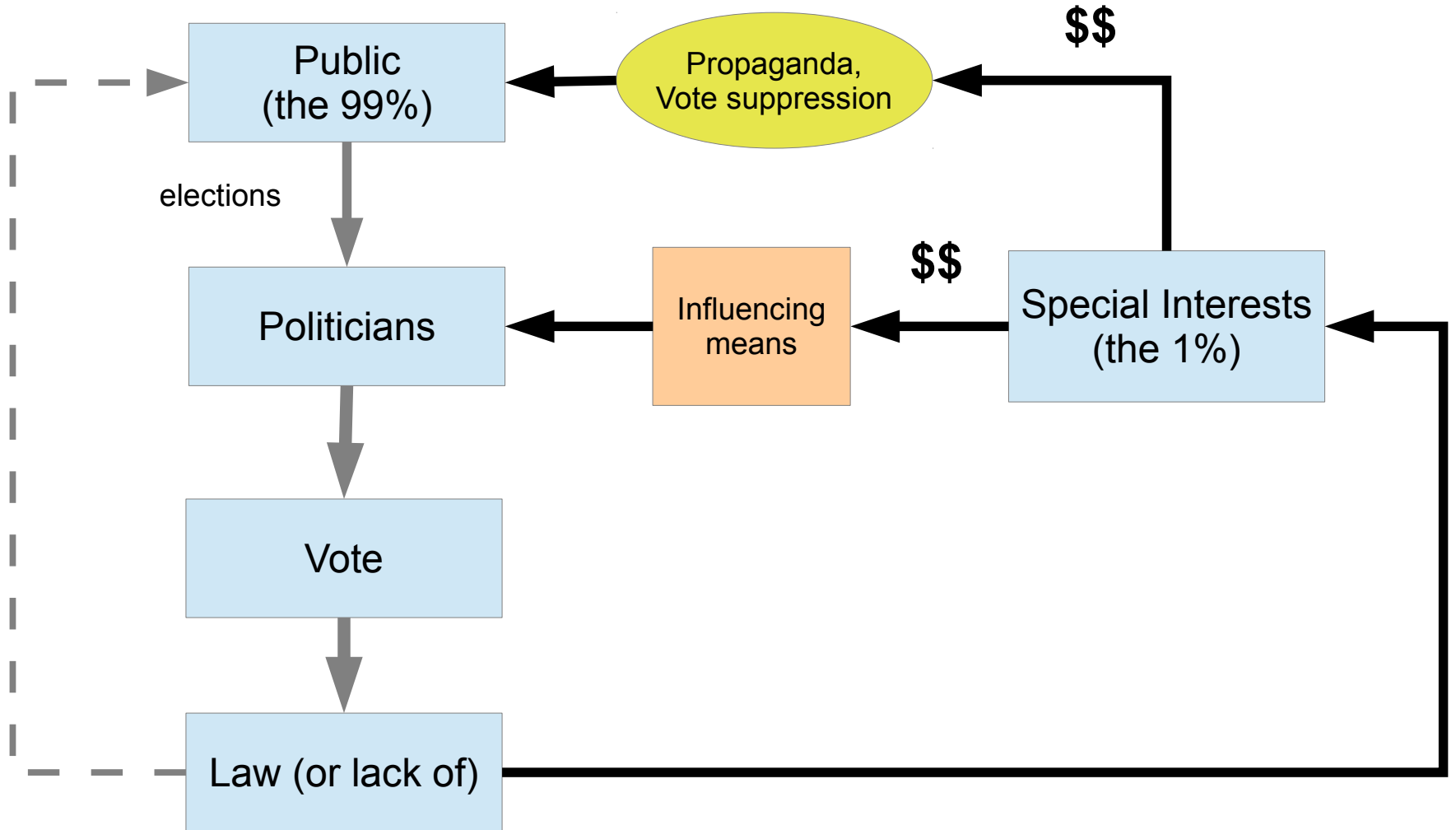


# The "Real World" Works Somewhat Differently





# Representative Democracy: Civics Politics 101 102

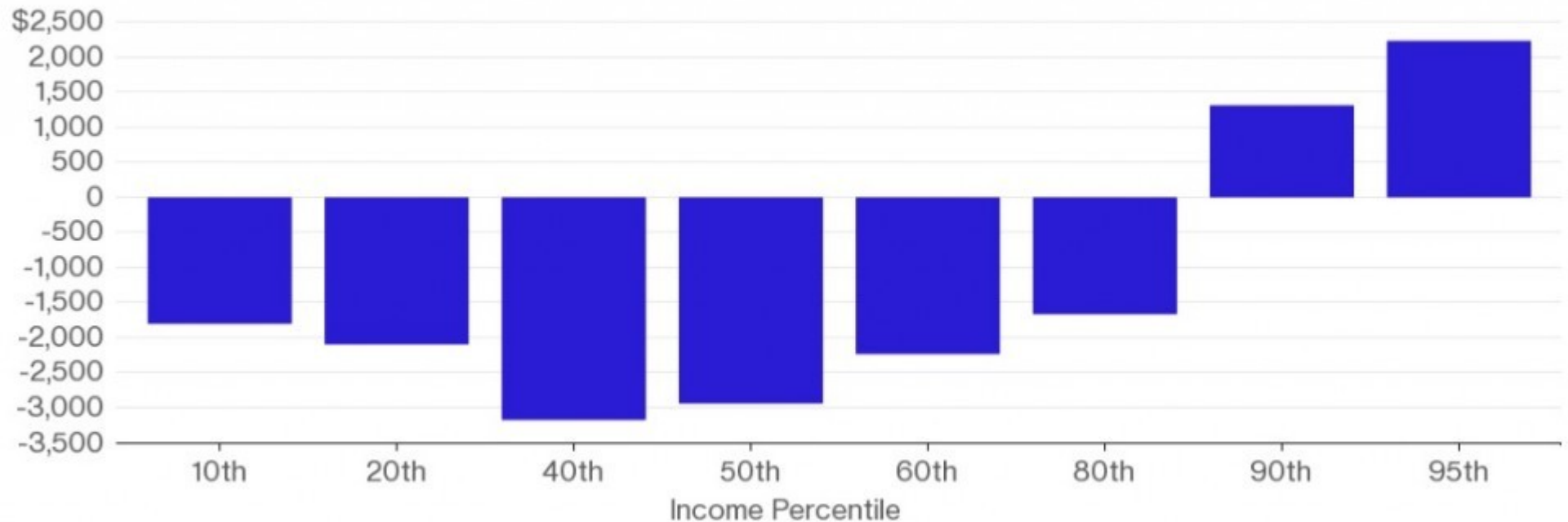


# And It Really Does Work

## A Recovery for the Rich

Only the richest have seen their incomes climb from 2006, the last full year before recession

■ Change in Household Income From 2006 to 2014



Source: U.S. Census Bureau

Bloomberg 

## Criteria for Selecting the Myths

- 1) Rationalize/Condone Escalating Inequality
- 2) Common, Familiar
- 3) Appear Reasonable, but Actually False

Also:

- (a) the choice of these myths is not dispositive,
- (b) there is no such thing as a “slam dunk” challenge – so your input is important, and
- (c) challenge statements intentionally terse

## Preferred Approach to This Discussion

As each myth is discussed, please keep comments focused on clarifications only. Keep track of myths for later comment.

At the end of the list of myth descriptions, we will open the floor to a full discussion:

- 1) disagreements with listed myths/challenges
- 2) suggested refinements to myth/challenge statements
- 3) additional challenges for a listed myth
- 4) additional myths to include in list (per criteria)

Also, slides will be available online in a day or so.

Email comments welcome – [terry@topiccentral.com](mailto:terry@topiccentral.com)

**We told them the wealth**



**would "trickle down"!**



## *12 Myths About Income Inequality*

1. The rich play a vital role in providing jobs.
2. The rich work harder and therefore deserve their high incomes.
3. Globalization helps everyone.
4. Unions were good once, but we don't need them any longer.
5. Unions used to be effective, but they're not any more.
6. Unions are bad for the economy.
7. Everyone has an equal chance to better themselves.
8. The degree of inequality isn't nearly as bad as some say it is.
9. Government austerity measures will help reduce inequality.
10. Redistribution of earned income is unfair.
11. Simplifying our tax code will improve inequality.
12. Regulations are job killers.

## Myth/Challenge # 1

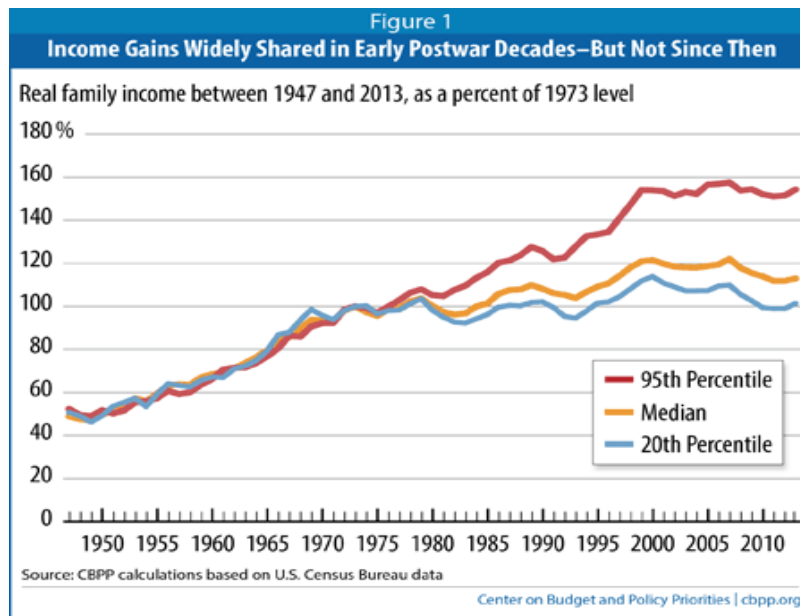
**The Myth:** The rich play a vital role in providing jobs

**The Challenge:** Demand generates the incentive to create jobs, and the small number of wealthy persons do not generate any significant demand by themselves.

## Myth/Challenge # 2

**The Myth:** The rich work harder and therefore deserve their high incomes

**The Challenge:** The rich sometimes work longer because they want to (rather than need to), but in any case, they are paid outrageously more.





## Myth/Challenge # 3

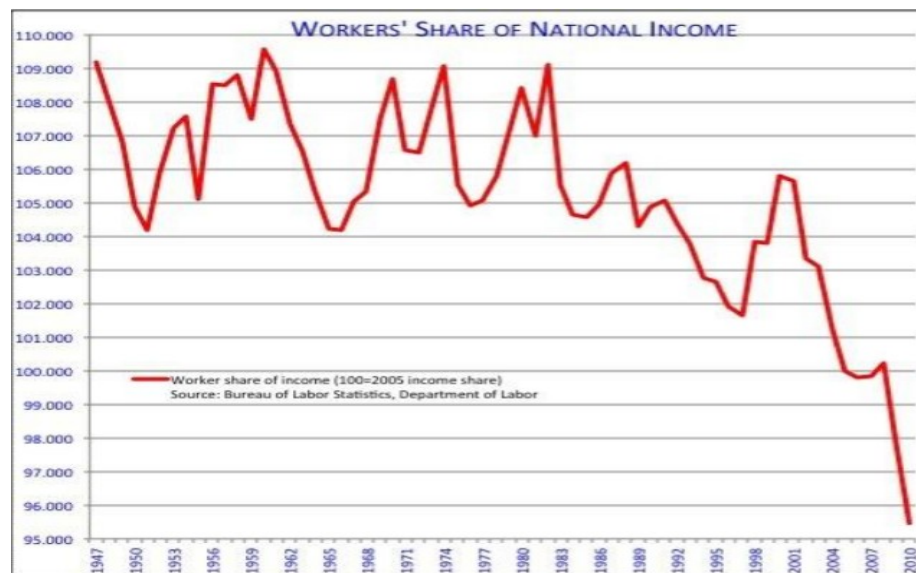
**The Myth:** Globalization helps everyone

**The Challenge:** Globalization causes many to lose jobs and/or to accept lesser-paying jobs - they aren't helped.

## Myth/Challenge # 4

**The Myth:** Unions were good once, but we don't need them any longer.

**The Challenge:** Many of the societal benefits that came from unions (child-labor laws, decent working conditions, etc.) are disappearing.



## Myth/Challenge # 5

**The Myth:** Unions used to be effective, but they're not any more.

**The Challenge:** Membership in unions is characterized by significantly greater wage levels, superior benefits and more discrimination protection. So it is still quite valuable.

## Myth/Challenge # 6

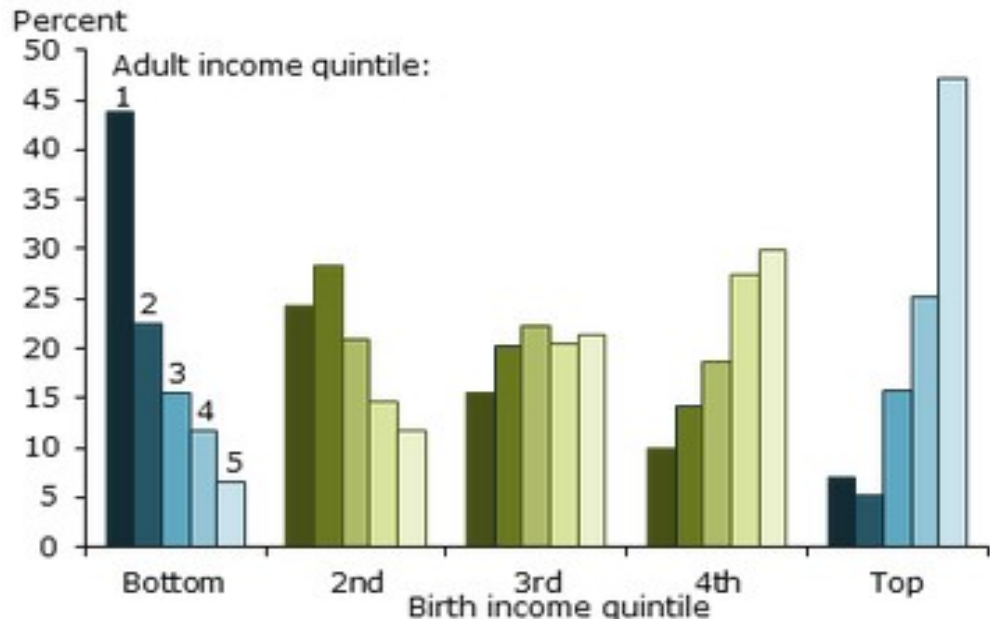
**The Myth:** Unions are bad for the economy.

**The Challenge:** Employers move off-shore to reduce labor costs and improve profit margins. Otherwise, the jobs would stay here.

## Myth/Challenge # 7

**The Myth:** Everyone has an equal chance to better themselves

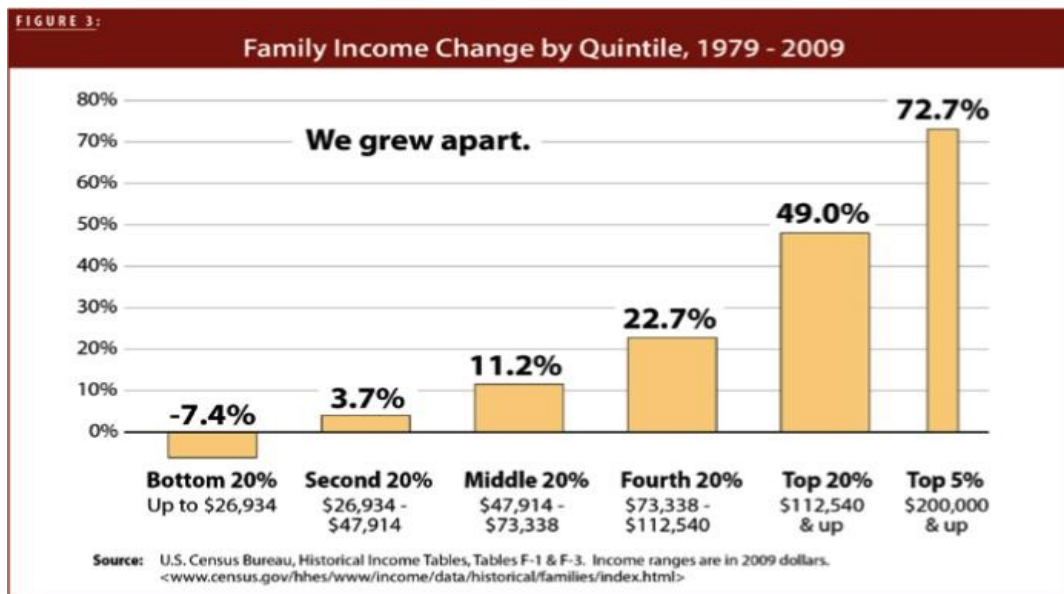
**The Challenge:** That is no longer true - people in one income bracket find it exceedingly difficult to move to higher ones.



## Myth/Challenge # 8

**The Myth:** The degree of inequality isn't nearly as bad as some say it is.

**The Challenge:** Just look at the charts showing trends in national income and wealth and you can see that inequality is bad and worsening.



## Myth/Challenge # 9

**The Myth:** Government austerity measures will help reduce inequality.

**The Challenge:** Austerity, a code word for reducing social programs, invariably drives income down for the non-rich, but increased income for the rich (through reduced taxes)

## Myth/Challenge # 10

**The Myth:** Redistribution of income is unfair.

**The Challenge:** If the income is obtained through tax loopholes and other benefits, then a redistribution is the only fair thing to do.



## Myth/Challenge # 11

**The Myth:** Simplifying our tax code will improve inequality.

**The Challenge:** Our tax code is full of benefits for the rich; changing it will offer huge opportunities to expand these benefits even more.

## Myth/Challenge # 12

**The Myth:** Regulations are job killers.

**The Challenge:** Many regulations are essential to a decent quality of life, the number of jobs that are lost are offset by new jobs being created as part of compliance to the regulations.

# Discussion

The floor is now open for discussion, including:

- 1) disagreements with listed myths/challenges
- 2) suggested refinements to myth/challenge statements
- 3) additional challenges for a listed myth
- 4) additional myths to include in list (per criteria)

Also, slides will be available online in a day or so.

<http://tinyurl.com/escalating-inequality>

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# Forward-Looking Overview

## **This Session**

The power of myths (aka, propaganda)

The mythical nature of the myths

## **Next Session**

Many solutions have been attempted – all have largely failed.

The future prospects for any succeeding aren't great.

The ultimate barrier is the Catch-22.

## **Next + 1 Session**

To be effective, the solution must bypass the Catch-22 legislative/legal process.