

8-11-2017

A “Not-So Radical” Urban Political-Economic Narrative: Transforming Failed Liberal and Conservative Approaches to Poverty and Related Social Problems: A Thematic Poverty, Class and Inequality Working Paper

R. K. Piper
University of Nebraska at Omaha

Minshuai Ding
University of Nebraska at Omaha

Follow this and additional works at: <https://digitalcommons.unomaha.edu/cparpublications>

 Part of the [Public Affairs Commons](#)

Please take our feedback survey at: https://unomaha.az1.qualtrics.com/jfe/form/SV_8cchtFmpDyGfBLE

Recommended Citation

Piper, R. K. and Ding, Minshuai, "A “Not-So Radical” Urban Political-Economic Narrative: Transforming Failed Liberal and Conservative Approaches to Poverty and Related Social Problems: A Thematic Poverty, Class and Inequality Working Paper" (2017). *Publications since 2000*. 403.
<https://digitalcommons.unomaha.edu/cparpublications/403>

This Report is brought to you for free and open access by the Center for Public Affairs Research at DigitalCommons@UNO. It has been accepted for inclusion in Publications since 2000 by an authorized administrator of DigitalCommons@UNO. For more information, please contact unodigitalcommons@unomaha.edu.

**A “NOT-SO RADICAL” URBAN POLITICAL-ECONOMIC NARRATIVE: TRANSFORMING
FAILED LIBERAL AND CONSERVATIVE APPROACHES TO
POVERTY AND RELATED SOCIAL PROBLEMS**

A THEMATIC POVERTY, CLASS AND INEQUALITY WORKING PAPER

August 11, 2017

**Prepared for the Society for the Study of Social Problems
67th Annual Meeting 2017**

By:

R.K. Piper

Minshuai Ding

**College of Public Affairs and Community Services
University of Nebraska at Omaha
Omaha, NE 68182**

TABLE OF CONTENTS

I. INTRODUCTION.....	3
A. THE CONSERVATIVE PERSPECTIVE AND NARRATIVE.....	5
B. THE LIBERAL PERSPECTIVE AND NARRATIVE.....	6
C. THE “RADICAL” PERSPECTIVE AND NARRATIVE.....	7
D. ORGANIZATION OF REPORT.....	10
II. MEASURES/VIEWS OF POVERTY & RELATED SOCIAL CRISES 1977 & 2017.....	12
A. POVERTY MEASUREMENTS.....	13
B. RELATED SOCIAL-PROBLEM MEASUREMENTS.....	18
1. Healthcare Outcomes.....	18
2. Employment Outcomes.....	21
3. Race & Class Disparity Outcomes.....	23
4. Education Outcomes.....	27
5. Crime and Mass Incarceration Outcomes.....	28
6. Housing, Neighborhood & Segregation Outcomes.....	29
C. SOCIAL PROBLEM OUTCOME SUMMARY & OBSERVED PATTERNS...33	
III. DETERMINING THE VALIDITY OF POLITICAL-ECONOMIC NARRATIVES...44	
A. PATTERNS AND SOCIAL-PROBLEM INTERSECTIONALITY	38
B. CRITICAL MACRO-ECONOMIC TRENDS & HISTORICAL PATTERNS.....	40
C. SUMMARY, CONCLUSIONS & RECOMMENDATIONS.....	50
IV. REFERENCES.....	54

I. INTRODUCTION

This paper re-examines and updates a theoretical urban political-economic perspective, presented 40 years ago by David M. Gordon¹ and other scholars in his “Problems in Political Economy: An Urban Perspective (1977).” This theoretical understanding and narrative (termed “radical” at the time), maintains that both conservative and liberal approaches to poverty and related social problems, have failed and will ultimately continue to fail for a singular, underlying reason. That is, they share the view that the primary purpose and role of the State and government, is to support the continuing development, operation and successful economic-outcomes of the owners and investors in capitalistic, market-driven activities, ventures and institutions in society.

In this reader Gordon et al, provide significant evidence that urban poverty and the other six (6) inter-related urban crises (employment, race and discrimination, education, crime and incarceration, healthcare and housing²) are the inevitable consequences of the American capitalist class and the operation of its institutional structures, which include the State and government. They argue that any real and significant progress in addressing these problems cannot occur, until our current political-economic system is well understood, then vastly

¹ David M. Gordon received his Ph.D. in Economics from Harvard University upon completion of his doctoral thesis “Class, Productivity and the Ghetto” in 1971. He joined the graduate faculty of the Economics Department at the New School for Social Research in 1973, where he taught for 23 years, until his un-timely death in 1996. He was also the founder and director of the Center for Economic Policy Analysis at the New School and the Center for Democratic Alternatives in New York City.

Several of Gordon’s works are of particular relevance today in addressing the root causes of poverty and related social problems, vast disparities in wealth in and income, stagnant and declining wages and the economic impacts of globalization and climate change on the poor and middle class. “Theories of Poverty and Unemployment (1971); Segmented Work, Divided Workers: The Historical Transformation of Labor in the United States (1982); Beyond the Waste Land: A Democratic Alternative to Economic Decline (1983); After the Wasteland: A Democratic Economics for the Year 2000 (1983); and Fat and Mean: The Corporate Squeeze of Working Americans and the Myth of Managerial Downsizing (1996).”

² Gordon devotes a separate chapter to each social-problem area.

reformed. The authors (which include leading proponents of all three [3] competing narratives) provide detailed findings of how the empowered conservative and liberal approaches have defined and responded to the crises in each area in the decades leading up to 1977, as well as documenting the alternatives proposed by the radicals.

To understand and explain the core values and normative operationalization of these different theoretical perspectives, Gordon employs a political-economic framework. This academic discipline and field of inquiry, is best be defined and described as seeking answers to the fundamental questions of “How economic, political and social systems and institutions jointly function, to determine the allocation of resources in the production and distribution of all of society’s goods and services.” It is through this allocation process, controlled and dominated by a small class of wealthy owners and investors, according to the radical view, that social problems unavoidably emerge and persist.

This paper revisits the conservative and liberal policies, prescriptions and programs to address these social problems as of 2017, beginning with an analysis of changes in the most-important urban social-outcome measures, as identified by Gordon et al (1977). Our primary purpose in compiling these 40-year comparisons, is to help determine whether the so-called “radical” narrative (that of reforming the current capitalistic political-economic system and government role *a priori*), is more or less relevant and necessary to improve these outcomes moving forward, than it may have been in the past.

Finally, as part of our analyses of the outcome changes the patterns we were able to discern, we incorporate the critical findings of several recent political-economic studies of the vast disparities in incomes and wealth that have developed since 1980 in the U.S. and other rich countries around the world. While Gordon identified the first signs of this trend very early, these

new studies re-introduce the critical importance of a long-term context. This promises to provide greater clarity to the reasons behind the existence of poverty and related social problems, and for adequately addressing and resolving them.

Despite the challenges of introducing these additional materials and complexity to Gordon's original analyses, we hope doing so will help illuminate which of the three theoretical narratives under consideration are more valid, for understanding and addressing the conditions and problems our society faces today. The remainder of this introduction further describes the political-economic perspectives, assumptions and normative values of the liberal, conservative and radical theoretical narratives.

A. THE CONSERVATIVE PERSPECTIVE AND NARRATIVE

The conservative and liberal perspectives both assume the current and continuing superiority of the existing dominant, capitalist system of production and distribution. Although they admit the existence of economic and social problems, they do not propose or support remedies outside the present capitalistic political-economic arrangement, which has generated and maintains the status quo efforts to address them.

The conservative view maintains a strong and inflexible faith a private-sector market of buying and selling, with strict adherence to traditional social rules and enforcement of codified laws regarding individual responsibilities and personal liberties. In this narrative, the role of the State should be very limited, so much so, that many conservatives adhere to the notion that ANY government involvement and interference, other than in the most extreme cases, will only make living conditions for individuals and society as a whole, much worse. It suggests that all social-problems will essentially self-correct, but only through boosting individual and private-sectoral productivity, revenues and opportunities of access to a fair and free market.

The conservative theoretical narrative, in rare and very limited instances, proposes very-minor adjustments to public and private sector practices and institutions, to achieve improved performance and to reach an inevitable equilibrium in all aspects of the economic and social systems. Conservatives are typically adamant, that these goals are attainable, without making any significant reforms or changes in the foundation or free-operation of the capitalist mode of production. Both the conservative and liberal paradigms are principally, based-on the development, smooth operation and positive financial outcomes of capitalism for owners and investors in the existing organization and structure of production. In the conservative view, economic and social problems are merely temporary imperfections in the market-based system, primarily due to inadequate information or shortsightedness among individuals and groups, which comprise the working-class, government and the larger society.

B. THE LIBERAL PERSPECTIVE AND NARRATIVE

The liberal and conservative views, however, do differ on what the public sector can and should do, about economic disparities and the existing social problems. The liberal perspective argues that the State, through various public-sector interventions and programmatic responses, should function to reduce the excesses, harmful effects and failures of the free-market in providing sufficient wages and resources, essential goods and services, healthy living conditions and equitable levels of personal saving and wealth. To achieve these ends, the government should initiate and/or speed up processes and make moderate adjustments in the system, to alleviate serious harms to individual citizens and repair the structural deficiencies in inherently flawed free-market mechanisms and institutions.

In sum, the over-riding, primary purpose of the State in both conservative and liberal paradigms is to develop, maintain and improve the functioning and positive economic outcomes

of the capitalist political-economic system. Their shared attitude regarding social-problems is that, any necessary mitigation can and should occur via market-forces, in some combination of either slight or moderate public-sector interventions. These efforts however, should occur ONLY to an extent that guarantees the capitalist mode of production and distribution operates unencumbered.

At the core of both theoretical political-economic perspectives, which manifest in the U.S. through two major political parties, which alternate between themselves in control, power sharing and determining public policy and laws, dealing with social problems is not, and should not be, the primary purpose of the State and government. Public-sector actions and programs that are actually developed and undertaken, should principally serve as means to ensure that the economic system operates efficiently and profitably and that society does not erupt in major social conflicts or completely breakdown.

C. THE “RADICAL” PERSPECTIVE AND NARRATIVE

According to Gordon’s “radical” view, “the structure and evolution of any society depend principally on the society’s dominant mode of economic production and distribution,” which includes all physical and non-physical infrastructure and institutions: political, economic, legal, governmental, academic, religious, etc. For the modern capitalist society (the earliest forms of which emerged, coinciding with the collapse of the feudal system in Europe, approximately 650 years ago³), the core features are the organization of labor by means of a wage-contract and the distribution of income and wealth, via a “free-market” system of buying and selling.

The current form of capitalist production and distribution, involves two fundamental

³ See Gordon (1977), Chapter 1, pp.26.

components, operating in systematic market transactions: 1) workers who sell their labor for wages and 2) capitalists who own and invest their wealth in the means of production (for example, factories, buildings, industrial equipment, machinery, high technology and the hiring of workers, etc.). To order and orchestrate these components, capitalist-system mechanisms, practices and institutions aim to keep wages and costs as low as possible, while continually operating to increase the capital owners' and investors' profits, incomes and accumulation of wealth and assets.

The inevitable result of the unfettered operation of this political-economic system is that inherently, it MUST produce two very-disparate social classes that are perpetually in conflict. The first, a small class comprised of the owners of capital assets, who will continually come to own greater and greater proportions of all incomes and accumulated wealth. The second, the much larger class of workers who are relatively powerless and therefore will ultimately earn less and less income, becoming increasingly unable to support themselves.

As Gordon notes, the radical narrative draws on the initial observations and political-economic analyses of many 19th century European and 20th century critics of capitalism. Many of these early social scientists, who initially were reporting upon and trying to understand the reasons behind, the vast misery and horrific living conditions of the masses of workers in their times. Based on their findings and conclusions, many ultimately became ardent proponents of alternative, socialistic political-economic systems.⁴

According to these analyses, the capitalist mode of production and distribution itself, by its inherent design and nature, generates massive disparities in incomes and wealth, which are the basic systemic-problems that creates poverty for the multitudes of wage laborers and vulnerable

⁴ These include Stephen Hymer, Karl Marx and Paul Sweezy.

populations. Intentionally inadequate wages for workers, to keep production costs as low as possible are the root cause of myriad social dysfunctions in society. According to the radical narrative, these chronic societal problems in health, housing, education, employment, racial/ethnic discrimination and criminal justice, cannot be adequately resolved within the capitalist system, which created them in the first place.

Additionally, the considerable power and influence of capitalist system-dominated government and other institutions, primarily promote the interests of wealthy owners at the expense of middle- and lower-class workers and the poor. Because of these system-driven, endemic conflicts between the upper-elite, middle- and lower-classes, Gordon and the other radicals, naturally and emphatically do not agree, that the present capitalist political-economic system is the highest and best form humankind can achieve. The core “radical” argument is that only by fundamental reform and change of the capitalist system, can society make significant improvements in the living conditions and well-being of the vast majority of people.

The radical proponents argue that a truly democratic, humanistic, and socialistic society can solve today’s growing economic and social problems, in which increases in wage incomes and capital ownership by the middle- and lower-classes, complement the personal freedom and human rights of all individuals. According to the “radical” theoretical-narrative, a democratic socialist system can provide a better and more-equitable basis than capitalism, for an advanced, higher-functioning and more-ideal society. A society in which all people will be freer to develop themselves as fully as possible as human beings, and at the same time, increasingly cooperate with others (rather than constantly compete), in the production and distribution of all goods and services that are necessary, for improved living conditions and outcomes for the vast majority of people.

D. ORGANIZATION OF THIS REPORT

Chapter II, Sections A and B, present comparisons of the critical measures of changes in outcomes for poverty and the six (6) related urban crises between 1977 and 2017. For each specific social-problem area, we also provide a brief description and analysis of the pertinent aspects of the conservative, liberal and radical narratives. In section C, we summarize the outcome data in tabular form, including simple notations of whether the changes (or lack thereof) for each variable represented improved, worsened or static conditions (+, -, Ø) and the relative magnitude of the changes (++, --).

In Chapter III, we present our analyses of the outcome-measurement data, to help determine the relative validity of the conservative, liberal and “radical” political-economic theoretical narratives and their relevance and usefulness in addressing our current socio-economic problems. In Section A, we begin with an examination of the key changes in social-problem outcomes. In doing so, we also give particular attention to Gordon’s very early, initial observations of the most-important intersectional patterns between selected social problems. Specifically, we will be looking to see if any longitudinal outcome changes coincide with the patterns Gordon identified or if new patterns have emerged during the intervening four decades.

In Section B, we introduce and incorporate what we perceive as the most-important new, macro-economic factors and variables (as described above), which are most relevant to the documented changes in outcomes. Ultimately, the validity of each theoretical narrative will be ascertained, based on which best explains the observed changes in outcomes and the current conditions of observable social, political and economic “reality.”

In Section C, we summarize our findings and draw conclusions as to whether the evidence gathered supports the validity of the “radical” narrative. Finally, while Gordon and the

other proponents of this theoretical narrative did not offer any suggestions in 1977 as to the best political and economic strategies to pursue to implement the essential reforms and improvements to the capitalist system, we will offer some thoughts, ideas and recommendations along these lines. Some, we hope, will have merit and/or be starting points for additional, more-comprehensive research, investigations and academic involvement.

II. MEASURES/VIEWS OF POVERTY & RELATED SOCIAL CRISES 1977 & 2017

In this chapter, we present comparisons between the most-important social-problem outcome measures Gordon (1977) identified for poverty and six (6) related urban crises, and those we observe today 40 years later. We note here at the outset, that major social problems and crises in the 1960s and 1970s, usually were defined and described in terms of the differences in living conditions, circumstances and outcomes between black, other ethnic minority and white segments of urban populations.

Many of these measures remain the same and are equally important today, however, the reader should be aware of instances and areas where exact comparisons are not feasible here, due to the limited time and resources available for this paper. For example, some important government data compilations and reports, focused on inner-city populations and conditions, are no longer similarly compiled, produced or are not readily available or accessible⁵. Similarly, certain demographic and living conditions have changed so dramatically of the past 40 years (such as vastly larger urban populations and proportions of Hispanic and other minorities and the “gentrification” of urban areas, such as is occurring near Silicon Valley, California), that adjustments in the measures and reporting changes were necessary.

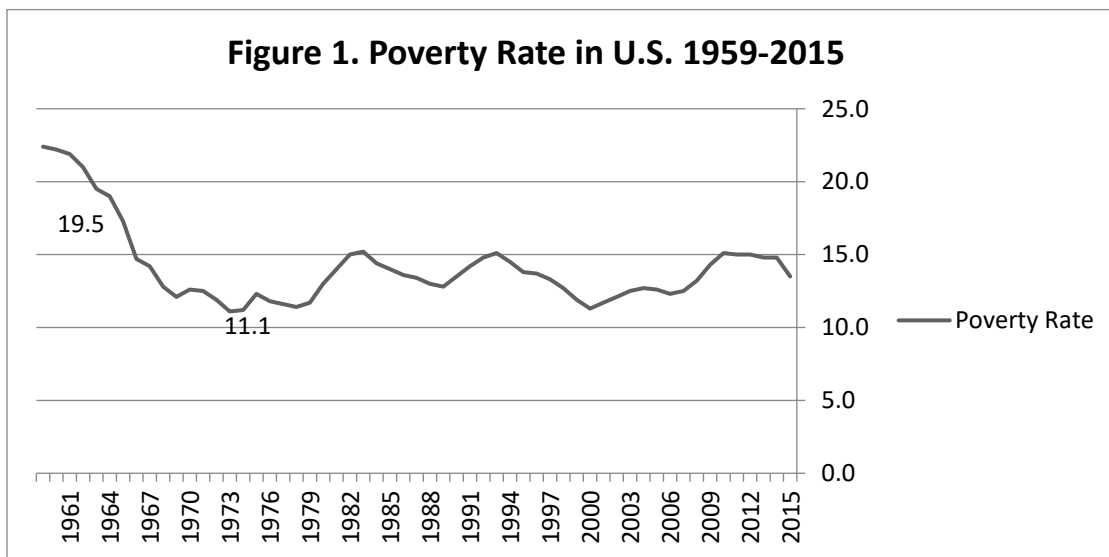
For each of the major, urban problems examined in the next two sections, we present a brief historical account and longitudinal time-frame comparisons of the most-important outcome measures, according to Gordon. We follow these in Section C, with a tabular summary of the findings and brief descriptions of the conservative, liberal and radical theoretical narratives, as

⁵ For example, the “1970 Census of Population and Housing” by Bureau of the Census includes data of 51 urban areas by conducting surveys, and recent census reports use other measures such as data from metropolitan areas instead.

they relate to each specific social problem.

A. POVERTY MEASUREMENTS

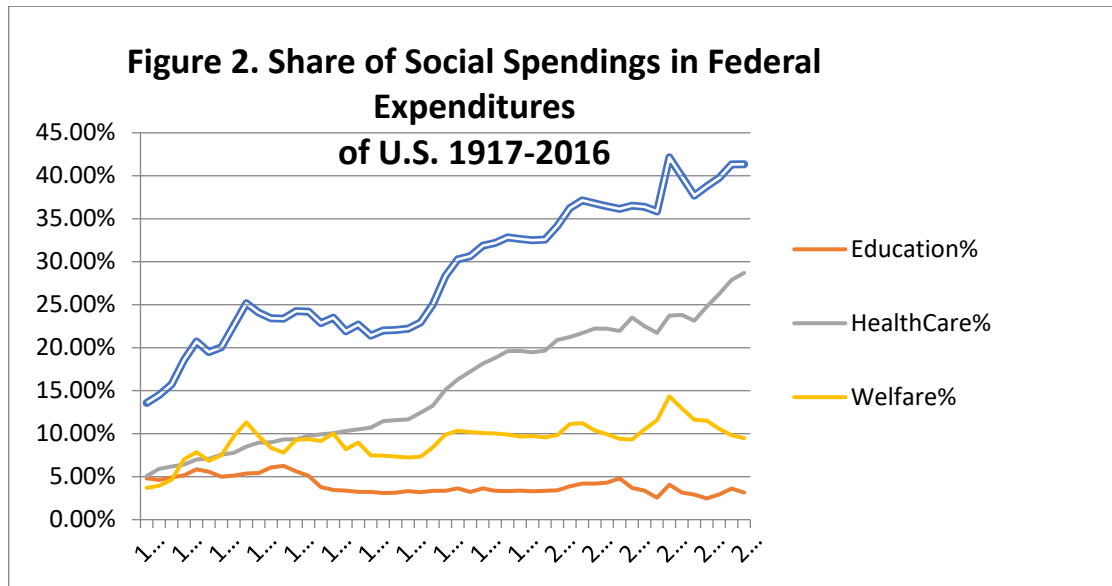
During the years 1964-1973, President Lyndon Johnson’s “War on Poverty” political agenda “spear headed” the liberal approach to addressing the problem of poverty. The many comprehensive government interventions, programs such as Medicare and Medicaid and substantial public assistance and resource reallocations, provided to address a broad range of urban crises. As shown in Figure 1, these efforts were dramatically successful in reducing the overall U.S. poverty rate. During this time, the total poverty rate dropped from 19.5% (prior to Johnson’s programmatic efforts to address poverty) to 11.1% by 1973 (still the lowest level ever attained since comprehensive records began in 1958)⁶.



By 1968 and with the election of President Richard M. Nixon, conservatives had successfully made the political case, that poverty and related urban crises had essentially been resolved. As a result, they initiated sharp reductions in social-problem programs and their

⁶ U.S Bureau of the Census, Current Population Survey, Annual Social and Economic Supplements, Table 2, 1959-2016.

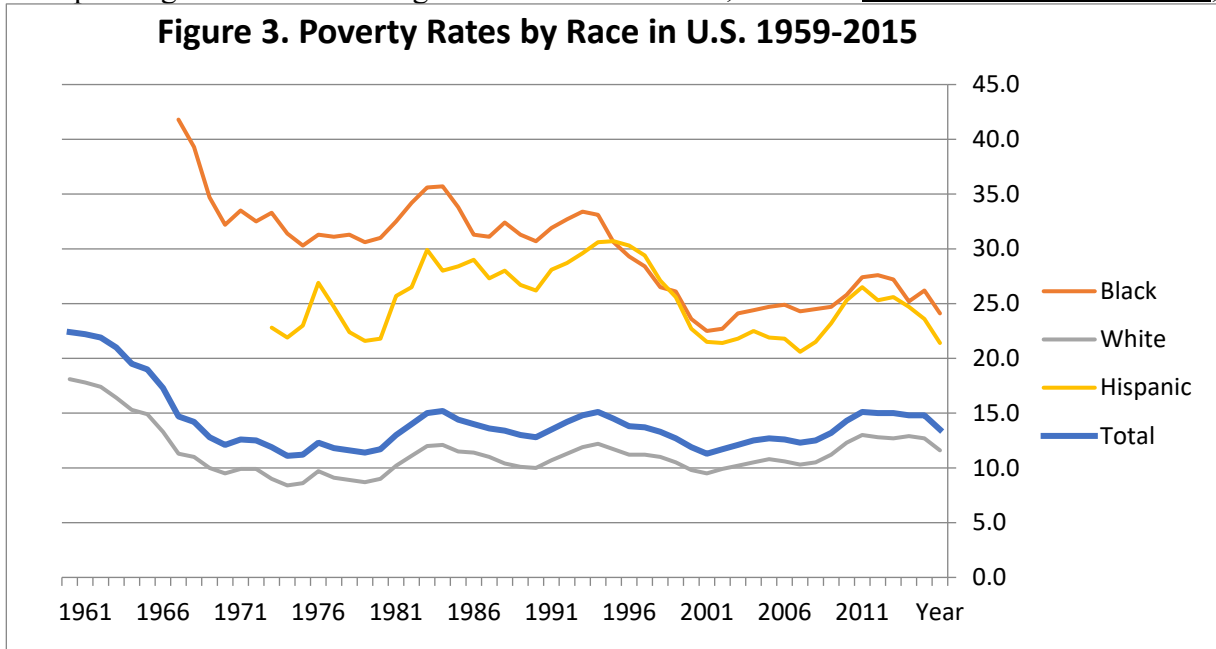
funding, cuts that, in one form or another, continue to this today, as shown in Figure 2⁷.



These social spending reductions were soon accompanied and followed by, additional conservative tax policies and cuts initiated in 1980 with the election of conservative President Ronald Reagan. These tax and revenue changes primarily benefited the upper class and wealthy, further eroding the availability of funds for public-sector interventions in poverty.

⁷ U.S. Bureau of the Census, US Census Bureau Bicentennial Edition: Historical Statistics of the United States, Colonial Times to 1970; and U.S. Office of Management and Budget, Historical Tables from Budget of The United States Government.

Outcome Comparisons. Despite the historically significant improvements and gains (due primarily to liberal State interventions described above), however, poverty remains one of the most stubborn U.S. social problems, in both urban and rural areas. From the mid-1970s as described by Gordon, to the present day, overall poverty rates have not demonstrably improved or disappeared, coinciding with the implementation of the conservative Reagan tax cuts and social spending reductions. As Figure 1 above also shows, since the low mark achieved in 1973,



the overall rate of poverty in the U.S. has remained “stuck” at around 13% over the past 40 years, fluctuating between 11.6% in 1977 and 13.4% in 2016.⁸

Setting aside the stagnation in the overall rate, the poverty gap between races and ethnic groups has narrowed in some instances, during the last four decades, as shown in Table 1 and Figure 3. The black poverty rate dropped from 31.3% in 1977⁹ to 24.1% today (a net decrease of 7.2 percentage points), as it did slightly for Hispanics, falling from 22.4% in 1977 to 21.4% in

⁸ U.S Bureau of the Census, Current Population Survey, Annual Social and Economic Supplements, 1959-2016.

⁹ In 1968, which was still prior to bulk of the “War on Poverty” spending and program disbursement and having time to have an effect, the black poverty rate was about 42%. Including this 9-year prior timeframe onto the study period (1977-2017), the drop in the black poverty rate was approximately 18%.

2016 (a net drop of only 1.1 points). Meanwhile, the poverty rate for whites climbed during this time from 8.9% in 1977 to 11.7% today (a net increase of 2.8 percentage points). Despite the narrowing of these racial and ethnic gaps however, blacks and Hispanics still remain twice (2X) as likely to live in poverty as whites today, while 40 years ago they were 2.5 to 3.5 times more likely.

Table 1. Poverty Rates and Total Population by Race in U.S. 1977-2015

Social Problems	Gordon's Era	Today
Poverty		
Poverty Rate Total	11.6% (1977)	13.5% (2015)
Poverty Rate White	8.9% (1977)	11.6% (2015)
Poverty Rate Black	31.3% (1977)	23.9% (2015)
Poverty Rate Hispanic	22.4% (1977)	21.4% (2015)
Poverty Population Total	24.7 M (1977)	43.1 M (2015)
Poverty Population White	16.4 M (1977)	28.5 M (2015)
Poverty Population Black	7.7 M (1977)	10.0 M (2015)
Poverty Population Hispanic	2.7 M (1977)	12.1 M (2015)

Source: U.S Bureau of the Census, Current Population Survey, Annual Social and Economic Supplements, 1959-2016.

In spite of these improvements, other important measures demonstrate that the poverty problem has not only persisted, but has actually worsened in critically important aspects. First, the statistical non-improvement in the overall poverty rate shown as a percentage (%), does not reflect a very large increase of over 18 million more human beings (see Table 1 above), living below the poverty line (growing from 25 million in 1970 to over 43 million today). This almost doubling of the low-income population, combined with simultaneous, significant reductions/cuts and subsequent stagnation in federal social welfare and education spending,¹⁰ has created new

¹⁰ As shown in Figure 2 above, beginning in 1977 and continuing until the advent of the Clinton administration in 1992 (and with the exception of highly important and successful increases by the Obama administration, which held poverty rates in-check during the 2008-2011 Great Recession), cuts and stagnation in federal social welfare and education spending have been the norm.

levels of impoverishment in the U.S.

As shown in Table 2, the numbers of persons living in “extreme poverty” (that is, people living below 50 percent of poverty line) has dramatically ballooned. From 1975 to 2015, this segment of the population increased by a factor of nearly three (3x), growing from 7.7 to 19.4 million persons.¹¹ As a result, the proportion of those living in extreme poverty (among all persons in poverty), shockingly, has grown from 30.1% in 1970 to nearly half (45.2%) today.

Table 2. Child Poverty and Extreme Poverty in U.S. 1977 and 2015

Social Problems	Gordon’s Era	Today	Changes
Poverty			
Child Poverty Population Total	10.3 M (1977)	14.5 M (2015)	–
Child Poverty Population White	6.1 M (1977)	9.2 M (2015)	--
Child Poverty Population Black	3.9 M (1977)	4.1 M (2015)	–
Child Poverty Population Hispanic	1.4 M (1977)	5.3 M (2015)	--
Child Poverty Rate Total	16.2% (1977)	19.7% (2015)	–
Child Poverty Rate White	11.6% (1977)	17.2% (2015)	–
Child Poverty Rate Black	41.8% (1977)	31.6% (2015)	+
Child Poverty Rate Hispanic	28.3% (1977)	28.9% (2015)	Ø
Extreme Poverty Population Total	7.5 M (1977)	19.4 M (2015)	--
Extreme Poverty Rate Total	3.5% (1977)	6.1% (2015)	--
Extreme Poverty Proportion	30.3% (1977)	45.0% (2015)	–

Source: U.S Bureau of the Census, Current Population Survey, Annual Social and Economic Supplements, 1959-2016.

Similarly as shown, despite the flat overall poverty rate, child poverty has increased markedly during the past four decades. The childhood of poverty rate stood at 15.4% in 1974, increasing by almost one-third to 19.7%, which represents one in five (5) children in the U.S. as of 2014.

¹¹ Bureau of Census, Historical Poverty Tables: People and Families - 1959 to 2015.

B. RELATED SOCIAL-PROBLEM MEASUREMENTS

In this section, we present comparisons of the critical measures of changes in outcomes between 1977 and 2017 for six (6) urban crisis-areas related to poverty. For each specific area, we also provide a brief description and analysis of the pertinent aspects of the conservative, liberal and radical narratives.

1. Healthcare Outcomes

Good health, according to Gordon, was perhaps the single most important factor in enabling persons to escape the grips of low-incomes, poverty and sub-standard, unacceptable living conditions in the inner cities.¹² As he stated, “Health problem are relatively easy to define.” Infant mortality and life expectancy are two of the most basic indicators of overall health in any society. According to these two measures, the overall health status of Americans has improved a great deal since the 1970s.

According to CDC, as shown in Table 3 below, the total infant mortality rate in 1970 was 20% and by 2016, it had dropped to 5.9%. In 1970, nearly one in three black children died at birth (32.7%), but this figure had dropped to 10.8% by 2016. However, there is still a wide gap in black and white rates, with black people still more than twice (2x) as likely to have infants die at birth than whites.

As with infant mortality, the gap in life expectancy between races has also substantially narrowed. Between 1977 and 2010, the total life expectancy at birth for all Americans grew by more than 5 years, increasing from 73.3 to 78.7 years. The life expectancy gap at birth between whites and blacks also narrowed from 9.9 years in 1977 (64.1 vs. 74.0) to 3.8 years (75.1 vs.

¹² See Gordon (1977), Chapter 7, pp.405.

78.9) by 2010, and the life expectancy of Hispanics was even higher than that of whites (81.2 vs. 78.9 years).

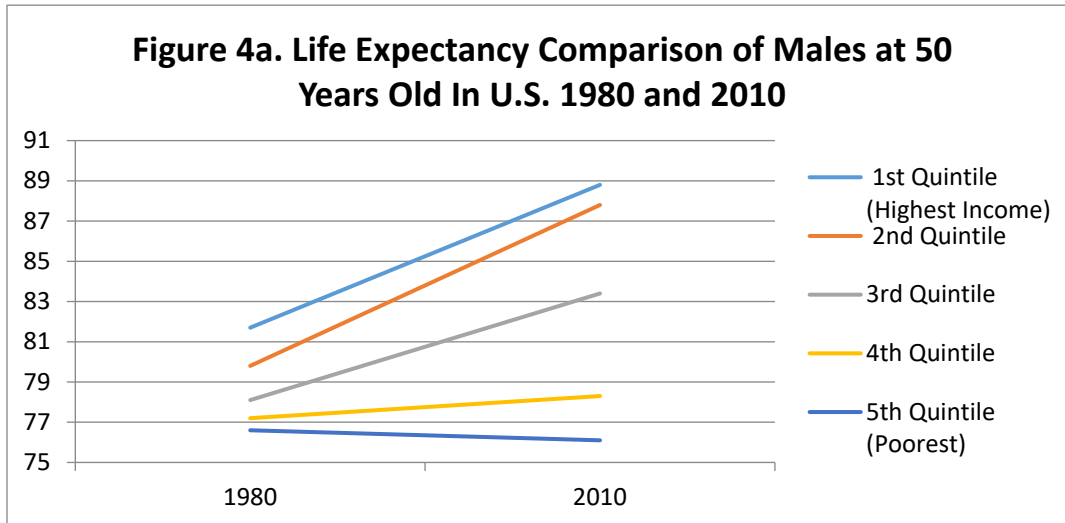
Table 3. Health Outcome Comparisons in U.S. 1970s and 2010s

Social Problems	Gordon's Era	Today	Changes
Health			
Infant Mortality Rate Total	20%(1970)	5.9%(2016)	++
Black Infant Mortality Rate	32.7%(1970)	10.8%(2016)	++
Hispanic Infant Mortality Rate	n/a	8.0%(2016)	
Life Expectancy Total	73.3 (1977)	78.7 (2010)	+
White Life Expectancy	74.0 (1977)	78.9 (2010)	+
Black Life Expectancy	64.1 (1977)	75.1 (2010)	+
Hispanic Life Expectancy	n/a	81.2 (2010)	
For Males at 50 Years Old			
Life Expectancy 1 st Quintile (Highest Income)	81.7 (1980)	88.8 (2010)	+
Life Expectancy 5 th Quintile (Lowest Income)	76.6 (1980)	76.1 (2010)	-
Gap Between 1 st and 5 th Quintile	5.1 (1980)	12.7 (2010)	--
For Females at 50 Years Old			
Life Expectancy 1 st Quintile (Highest Income)	86.2 (1980)	91.9 (2010)	+
Life Expectancy 5 th Quintile (Lowest Income)	82.3 (1980)	78.3 (2010)	-
Gap Between 1 st and 5 th Quintile	3.9 (1980)	13.6 (2010)	--

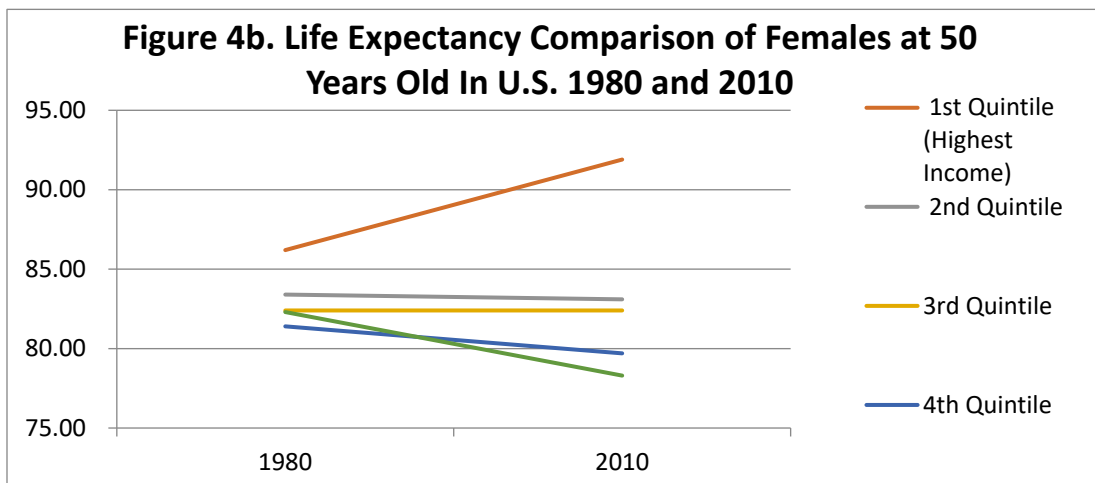
Source: National Center for Health Statistics, *National Vital Statistics Reports*; and Home, C. P. O. P., Mission, C. P. O. P., & Staff, C. P. O. P. (2015), *The growing gap in life expectancy by income: Implications for federal programs and policy responses*.

Despite the narrowing race gaps in health outcomes, however, the gap between social, income and wealth classes is widening significantly, and sometimes dramatically, according to the latest data provided in the recent government report, “The Growing Gap in Life Expectancy by Income: Implications for Federal Programs and Policy Responses.” As also shown in Table 3 above, from 1980 to 2010, male life expectancy at age 50 of the poorest quintile decreased by 0.5 years (76.6 vs. 76.1), while the richest quintile grew by 7.1 years (81.7 vs. 88.8). The gap

between first and last income quintiles of males grew from 5.1 years (81.7 vs. 76.6) to 12.7 years (88.8 vs. 76.1).



During the same period, female life expectancy at age 50 of the poorest quintile decreased by 4 years (82.3 vs. 78.3), while the richest quintile grew by 5.7 years (86.2 vs. 91.9). The gap between first and last income quintiles for females grew from 3.9 years (86.2 vs. 82.3) to 13.6 years (91.9 vs. 78.3).



This pattern was not exclusive to differences, as shown in Figures 4a and 4b, between just the richest and poorest segments of the population. The life expectancy gaps between virtually

all quintiles, both males and female, expanded and increased in favor of the higher income group over the next lower.

2. Employment Outcomes

Employment status and rates are central indicators of not only financial, but also overall well-being for both individuals and society as a whole. While unemployment and sub-employment are important social problems in all countries in the world, among the developed, rich nations, it is especially problematic for “more-capitalistic” systems like the United States, which lacks a strong social safety net as a result.

From Gordon's time until today, as is the case with total poverty rates, there has not been a significant long-term change in the overall national unemployment rate. As shown in Table 4, the national unemployment rate in 1973 was 4.9%, which was the general level of the first half of the 1970s. By 2016, this figure was also 4.9%, having dropped somewhat from rates as high as 10.7% at the bottom of the 2008 Great Recession.

Table 4. Unemployment Rates and Gaps by Race 1973 and 2015

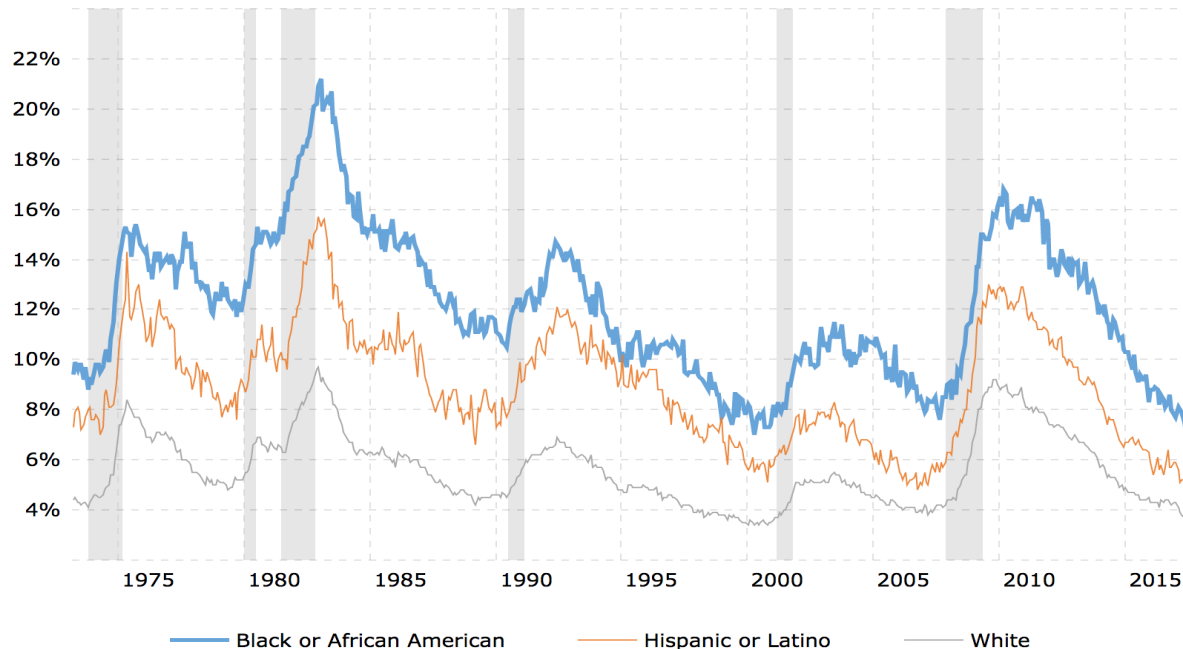
Social Problems	Gordon's Era	Today	Changes
Unemployment Rate Total	4.9% (1973)	4.9% (2016)	Ø
Unemployment Rate White	4.5% (1973)	4.6% (2015)	Ø
Unemployment Rate of Black	9.1% (1973)	9.6% (2015)	+
Unemployment Rate of Hispanic	7.3% (1973)	6.6% (2015)	-
White-Black Unemployment Gap	2.02 Times (1973)	2.09 Times	+
White-Hispanic Unemployment Gap	1.62 Times (1973)	1.43 Times	-

Source: U.S. Department of Labor, U.S. Bureau of Labor Statistics, Labor Force Characteristics by Race and Ethnicity, 2010.

As was the case with poverty, the total population of the unemployed also significantly increased (almost doubling) during this period, with growing by about 4 million persons. In

addition, from 1975 to 2015, the black unemployment rate increased slightly from 9.1% to 10.3%, but remained double the white rate of 4.6%. In fact, most importantly, as shown in Figure 5 below, the black unemployment rate has always remained at least double that of whites, throughout the last four decades.

Figure 5. Unemployment Rates by Race in U.S. 1973-2015*



*Gray areas means recessions.

Data Source: U.S. Department of Labor, U.S. Bureau of Labor Statistics, *Labor Force Characteristics by Race and Ethnicity, 2010*.

Image Source: <http://www.macrotrends.net/2524/black-unemployment-rate-history-chart>

Gordon also emphasizes the concept of "underemployment" (relatively new at the time), a concept that better and more comprehensively reflects the proportion of people who are disadvantaged by and in the labor market. The underemployment rate is determined by adding together, the number of involuntary part-time workers, discouraged workers (who have stopped seeking employment) and the working poor (who do not make enough money to live even though they work full-time or multiple jobs).

Unlike the overall unemployment rate, which is little changed over the past 40 years (despite surges during recessions as shown in Figure 5), the underemployment rate is significantly higher. As shown in Table 5 below, the total proportion of underemployed workers has moved from 8.7% in 1975 to 14.9% in 2015. The biggest change, and perhaps a significant one going forward, occurred in the proportions and numbers of the subset of discouraged workers (those who have stopped looking for work), whose population increased 5.6 times, growing from 1.1 million in 1975 to 6.1 million in 2015.

Table 5. Underemployed Populations and Rates in U.S. 1975 and 2015

	1975		2015	
	Population	Percentage	Population	Percentage
Expanded Total Labor Force	93.70	100.0	163.10	100.0
1.Discouraged Workers	1.08	1.2	6.08	5.5
2.Involuntary Part-Timer	3.75	4.0	6.84	4.2
3.The Working Poor	3.23	3.5	8.56	5.2
Total Underemployment	8.06	8.7	21.48	14.9

Source: 1975 data: See Gordon (1977), Chapter 2, Table 4, pp.73; 2015 data: Bureau of Labor Statistics, *Labor Force Statistics from the Current Population Survey, 2017*.

3. Race and Socio-Economic Class Disparities

Gordon provided readers with the simplest, and to his mind therefore the best, definition of racism in America: blacks experience worse living and working conditions than whites do. In the 1960s and 1970s, the main issues of and disparities in equality, were primarily the differences between blacks and whites. According to Gordon's definition then, the prevalence of racial and class discrimination and bias, can be determined through comparative analyses of three areas economic well-being: levels of income and wealth, unemployment and poverty.

First, the ratio of black median family income to that of whites, has not improved over

the past four decades. As Gordon documented, the ratio was 0.64 in 1970, hovered around 0.6 throughout the 1970s (p.161) and is 65.3% as of 2015. Second, blacks were twice as likely to be unemployed between 1945 and 1975 and four decades later in 2015, the unemployment rate of blacks is 8.8% and still more than double that of whites (4.3%), clearly showing that the racial gap in incomes remains steady and firmly in place.

As we noted in the previous section on poverty outcomes, while the proportions of blacks and whites living poverty has narrowed somewhat since 1977, blacks still remain twice as likely to be in poverty (24.1%) as whites (11.7%). However, at the other end of the income spectrum, while blacks comprise 13.6 percent of the U.S. population,¹³ they only account for 1.4% of the top 1% percent of households by income. White persons are the overwhelming majority of the top 1%, comprising 96.2% of that centile (the income cutoff to be in the top 1% is \$646,195).¹⁴ Meanwhile, the median net worth (the combined monetary value of all capital assets and savings, less any debts) of black households in top 1% of total net worth in the U.S., is \$1.2 million, while the white median is \$8.3 million.

Finally, it is important to note here (as will be discussed in Chapter III, Determining the Validity of Political-Economic Narratives), Gordon observed very early on in 1977, that rapidly rising class disparities in incomes and total wealth, between the top 10% and bottom 90%, were beginning to emerge even then. At that time, he observed that in 1968 the top 10% already collected 25% of all incomes in society, and that this proportion had grown to over 30%, as shown in Table 6, in just a short decade.

¹³ U.S. Census Bureau, 2010.

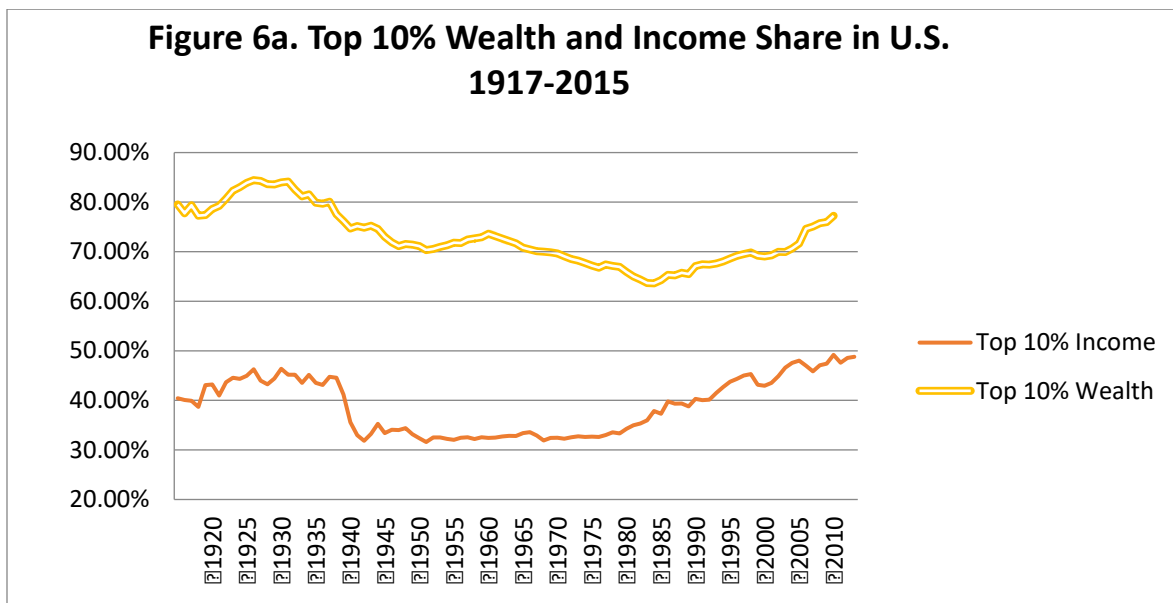
¹⁴ Figures from Federal Reserve Survey of Consumer Finances (2007) and the Tax Policy Center (2010).

Table 6. Wealth and Income Disparity by Class

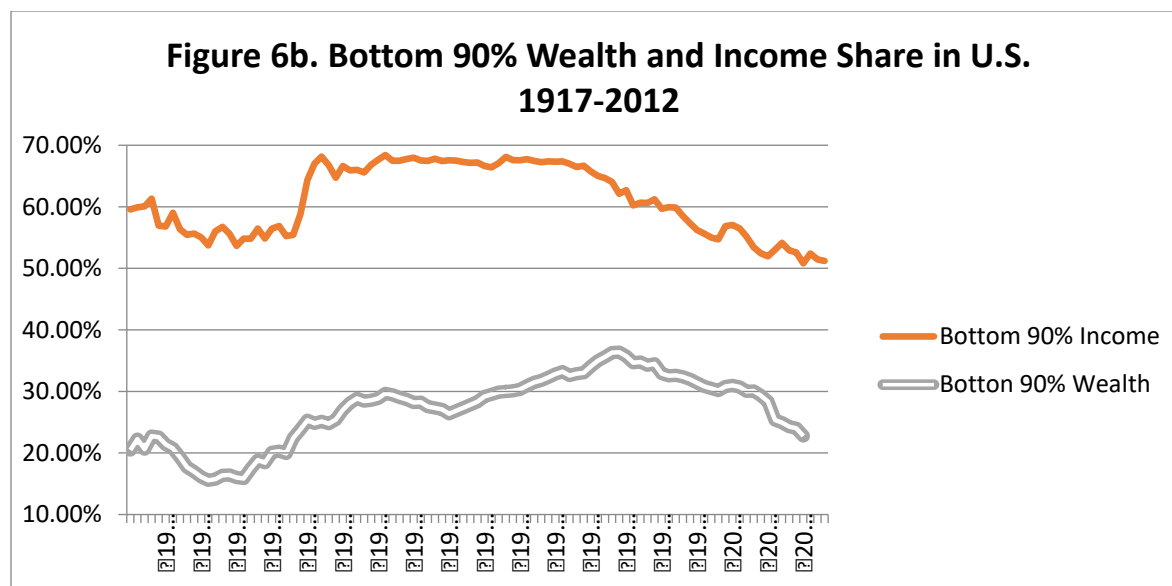
Wealth Share of Top 0.01%	2.3% (1977)	11.2%(2012)
Wealth Share of Top 0.1%	7.3% (1977)	22.0%(2012)
Wealth Share of Top 1%	23.9%(1977)	41.8%(2012)
Wealth Share of Top 10%	67.2%(1977)	77.2%(2012)
Wealth Share of Bottom 90%	32.8%(1977)	22.8%(2012)
Top 0.01% Income Share	0.65% (1977)	3.96% (2015)
Top 0.1% Income Share	2.27% (1977)	9.29% (2015)
Top 1% Income Share	8.36 % (1977)	20.31% (2015)
Top 10% Income Share	32.69% (1977)	48.79% (2015)
Bottom 90% Income Share	68.31% (1977)	51.21% (2015)

Source: Piketty T, Saez E. *Income inequality in the United States, 1913–1998*, The Quarterly journal of economics, 2003. Data updated to 2015. Web: <https://eml.berkeley.edu/~saez/>

From our vantage point today in 2017, we can see that the total share of income collected by the top decile, exceeded 40% by the mid-1990’s and within the past two years, has actually exceeded the record level set just prior to the Great Depression in 1929, rising above 50% of total income (see Figure 6a) in 2016! Even more alarming is that the proportion of total income appropriated by the top 10% is expected to reach at least 60% and perhaps as high as 70% by 2050!¹⁵



¹⁵ Thomas Piketty, *Capitalism in the 21st Century* (2014).



In terms of total wealth/net worth, the line graphs show that in 1975 the top 10% were nearing the lowest point of their proportion of total U.S. wealth in the 20th century, about 65%. In 1929, just before the advent of the Great Depression, the top decile had gained control of almost 85% of all U.S. capital assets and savings. As noted in Chapter 1, the conservative Reagan income, corporate and inheritance tax cuts beginning in 1980 marked the beginning of steady gains for the top 10%, moving from 65% to about 80% once again in 2015. Meanwhile, the bottom 90% share of total wealth had reached a peak of about 37% in 1975, but has fallen since that time to only about 22%, as shown in Table 6, in 2015.

The period from 1935¹⁶ until 1975, during which the bottom 90% maintained its peak of over two-thirds (about 67%) of total U.S. income (see Figure 6b below), was the longest period of combined wealth and income equality in the history of the world.¹⁷ This phenomenon also coincided, not coincidentally, with a period of strong economic growth in the U.S. and the creation

¹⁶ Beginning in 1932, the liberal Roosevelt administration increased top marginal income tax rates on the wealthy to nearly 80%, while simultaneously increasing social spending to deal with the economic collapse of the Great Depression (Piketty 2014).

¹⁷ Thomas Piketty (2014).

of the world's first middle class.¹⁸

4. Education Outcomes

In Gordon's era, the educational gap between the races in America was actually a canyon. As shown in Table 7 below, according to U.S. Department of Commerce, Bureau of the Census, even in 1980, 71.9% white people had completed high school or higher, while only 51.4% of blacks and 44.5% Hispanics had done so. In the same year, 18.4% whites had four (4) or more years of college education, while only 7.9% Blacks and 7.6% Hispanics had reached the same level.

By 2014 however, the racial education achievement gap at the high school and higher level has significantly narrowed. Today, as Table 7 also shows, 88.8% of whites and 85.8% of blacks have completed high school or higher. In higher education, however, wide racial and ethnic achievement gaps remain. While almost one-third (32.3%) of whites completed 4 or more years of college, only 22.2% of blacks and 15.2% of Hispanics had reached the same level.

Table 7. Educational Achievement by Race and Income Class 1980-2014

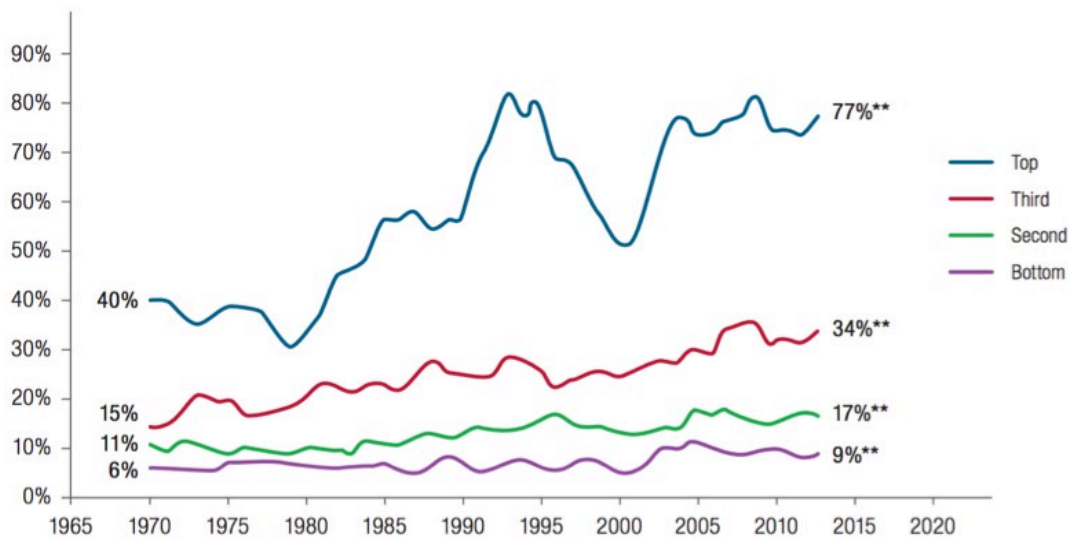
White High School Completion or Higher	71.9% (1980)	88.8% (2014)
Black High School Completion or Higher	51.4% (1980)	85.8% (2014)
Hispanic High School Completion or Higher	44.5% (1980)	66.5% (2014)
White 4 Years College and Higher	18.4% (1980)	32.3% (2014)
Black 4 Years College and Higher	7.9% (1980)	22.2% (2014)
Hispanic 4 Years College and Higher	7.6% (1980)	15.2% (2014)
BA Ratio by Age 24 in first income quartile	40% (1970)	77% (2010)
BA Ratio by Age 24 in last income quartile	6% (1970)	9% (2010)

Source: U.S. Census Bureau, *Current Population Reports*, Series P-20; U.S. Census Bureau, *Current Population Survey*; U.S. Census Bureau, *Statistical Abstract of the United States*; and Cahalan M, Perna L. *Indicators of Higher Education Equity in the United States: 45 Year Trend Report*, Pell Institute for the Study of Opportunity in Higher Education, 2015.

¹⁸ Ibid

Despite some racial gap improvement, the educational gaps between socio-economic class strata are much more pronounced and widening. According to a report by The Pell Institute (2013), individuals from the highest-income quartile families were more than eight times (8+ x) more likely than individuals from lowest-income quartile families to obtain a bachelor’s degree by age 24 (77% vs. 9%). This huge income gap among the parents of those who obtain

Figure 7. College Degree Attainment by Income Class



bachelor’s degrees is not only quite large (68 percentage points!), but is also, surprisingly, greater than it was 43 years ago, as also shown in Table 7 above. In 1970, students from highest-income quartile families were “only” 6 times (6x) more likely than those from lowest quartile families to have earned a bachelor’s degree by age 24 (40 percent vs. 6 percent, while today those proportions have grown to 77% to 9% respectively).

5. Criminal Justice and Mass Incarceration Outcomes

Crime and the incarceration of offenders, who are primarily from poor, poorly educated and disadvantaged population segments, is another critically important urban social problem.

From Gordon’s era until today, there are three significant trends in criminal justice. First, while the total population has grown by roughly 50%, the crime rates in the United States have declined significantly. Second, the number of incarcerated persons has increased dramatically over the past four decades, and third, the problem of disproportionate minority imprisonment has worsened.

The overall crime rate has fallen almost 50% in the last four decades in the US. As shown in Table 8, from 1977 to 2015, the total rate of crime per 100,000 dropped from 5,077.6 to 2,870.2. The violent crime rate dropped from 475.9 to 383.2 and property crime rate dropped from 4,601.7 to 2,487.

Table 8. Crime Rates and Incarceration Comparisons in 1970s and 2010s

Overall Crime Rate Per 100,000	5,077.6 (1977)	2,870.2 (2015)
Violent Crime Rate Per 100,000	475.9 (1977)	383.2 (2015)
Violent Crime Rate Per 100,000	4601.7 (1977)	2487 (2015)
Incarceration population	294,396 (1978)	1,476,847(2015)
Ratio of Blacks in Incarceration	145,383 (1978)	523,000 (2015)
Ratio of Non-White in Incarceration	50.6% (1978)	66.2% (2015)

Source: FBI, UCS Annual Crime Reports; and Bureau of Justice Statistics, Prison Population Counts.

However, the social and public sector budgetary costs of adjudication and imprisonment associated with these improvements are commensurate. The total prison population has increased four-fold, as also shown in Table 8, with the total number of persons imprisoned in state and federal correction institutions rising from 294,396 in 1978 to 1,476,847 by 2015. Occurring at the same time as this explosion in the total prison population, the ratio of non-whites incarcerated grew from 50.6% in 1978 to 66.2% in 2015.

6. Housing, Neighborhood and Segregation Outcomes

In the 1960s-1970s, poverty and poor housing conditions were primarily concentrated geographically, in urban, inner city areas. As of 2012, while the number of poor persons living

U.S. cities has increased from 7.4 to 13.5 million, the proportion of all poor persons residing in cities has remained the same.

As shown in Table 9, during this same time, the number of poor residents living in suburbs increased more rapidly from 6.4 to 16.5 million (an increase of 158%), surprisingly exceeding the total number of poor in cities. As a result, the proportion of all poor living in suburbs is now about a third of all poor (33%), compared to slightly more than a quarter (27%) of all poor who live in cities (Kneebone and Berube, Brookings Institution, 2014).

Table 9. Poverty Populations and Rates in U.S. Cities and Suburbs 1970-2012

Poverty Population in Cities	7.4 M (1977)	13.5 M (2012)
Poverty Population in Suburbs	6.4 M (1977)	16.5 M (2012)
Poor in Cities among all poverty	27%(1970)	27%(2010)
Poor in Suburbs among all poverty	24%(1970)	33%(2010)

Source: Kneebone E, Berube A (2013), *Confronting suburban poverty in America*, Brookings Institution Press.

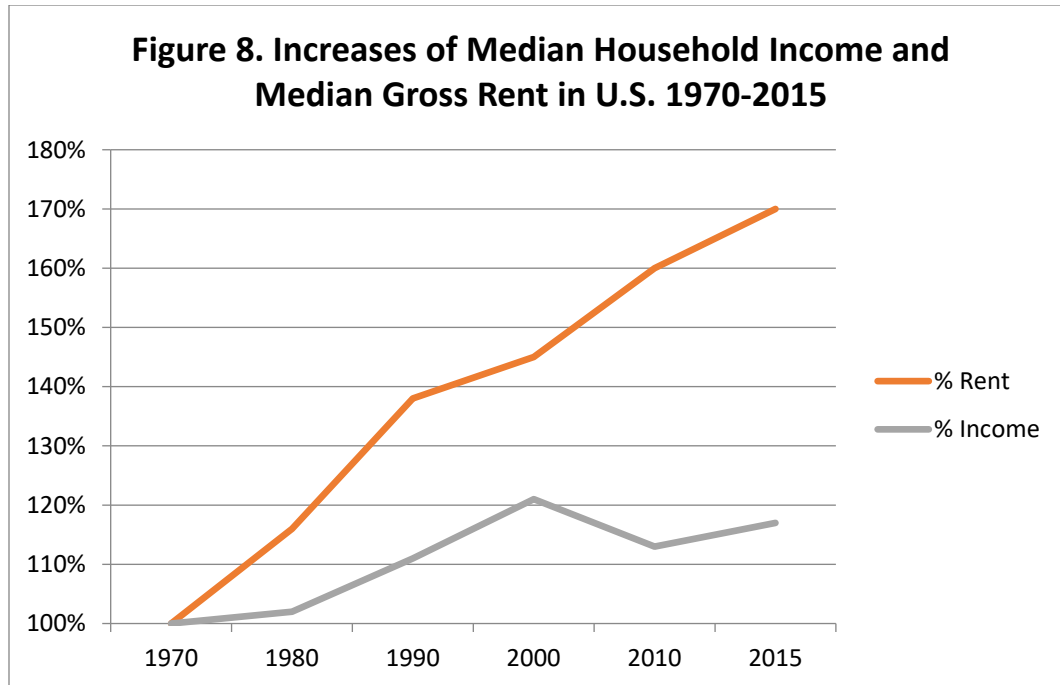
Other research at Brookings¹⁹ traced the history of high-poverty neighborhoods in large U.S. cities. It found that, from 1970 to 2010, the number of poor people living in high-poverty urban neighborhoods has more than doubled from two (2) to four (4) million, and the number of high-poverty neighborhoods has nearly tripled from 1,100 to 3,100. The poor in metropolitan areas of the U.S. are increasingly living neighborhoods segregated by race and concentrated poverty. In 1970, 28% of the urban poor lived in a neighborhood with a poverty rate of 30 percent or more, but by 2010, that figure had increased to 39%.

Besides issues of structural condition and livability, housing problems in urban and

¹⁹ See Cortright, J., & Mahmoudi, D (2014).

suburban areas, according to Gordon, lie mainly in three areas: racial and income-class disparities, and affordability issues. First, over the past four decades, the home ownership rate in America has remained stable, as have the racial gaps. In the first quarter 2017, the overall U.S. homeownership rate of 63.6% shows little change from the rate of 62.9% in 1970. At the same time, 71.8% of white households now own their own homes, compared with only 42.7% of black households, and 46.6% of Hispanic households, according to the Census Bureau's 2017 Annual Social and Economic Supplement.

In 2017, black homeownership ratio is only 59.5% of white levels, meaning that the white-black homeownership gap has slightly widened since 1970, when the black rate was 62.3% (Black 41.6% vs. White 66.8% in 1970) of the white rate. As for affordability, during the past four decades, the growth in rent costs has far exceeded stagnant income growth. According to the authors' calculation based on the Bureau of Census data from 1970-2015, as shown in Figure 8 below, the median gross rents in the U.S. have grown by 70%, while the median household income increased a paltry 17%.



While the racial gaps in housing remain wide, the gaps between and among income classes in urban and suburban neighborhoods have shifted significantly, according to a recent report by Russell Sage Foundation (2009). The report found a steady decrease in the proportion of families living in middle-income neighborhoods during the period 1970-2009. Interestingly and significantly, the researchers also found corresponding increase in the number of families in neighborhoods at the extremes of the neighborhood income distribution.²⁰

Table 10. Proportion of Families in Low-, Middle-, and High-Income Neighborhoods, 1970-2009, 117 Metropolitan Areas with Population > 500,000

Income Class	1970	2009
Poor	8.4%	17.9%
Low-Income	10.4%	10.9%
Low-Middle Income	30.6%	19.8%
High-Middle Income	34.1%	22.2%
High-Income	9.9%	14.0%
Affluent	6.6%	15.1%

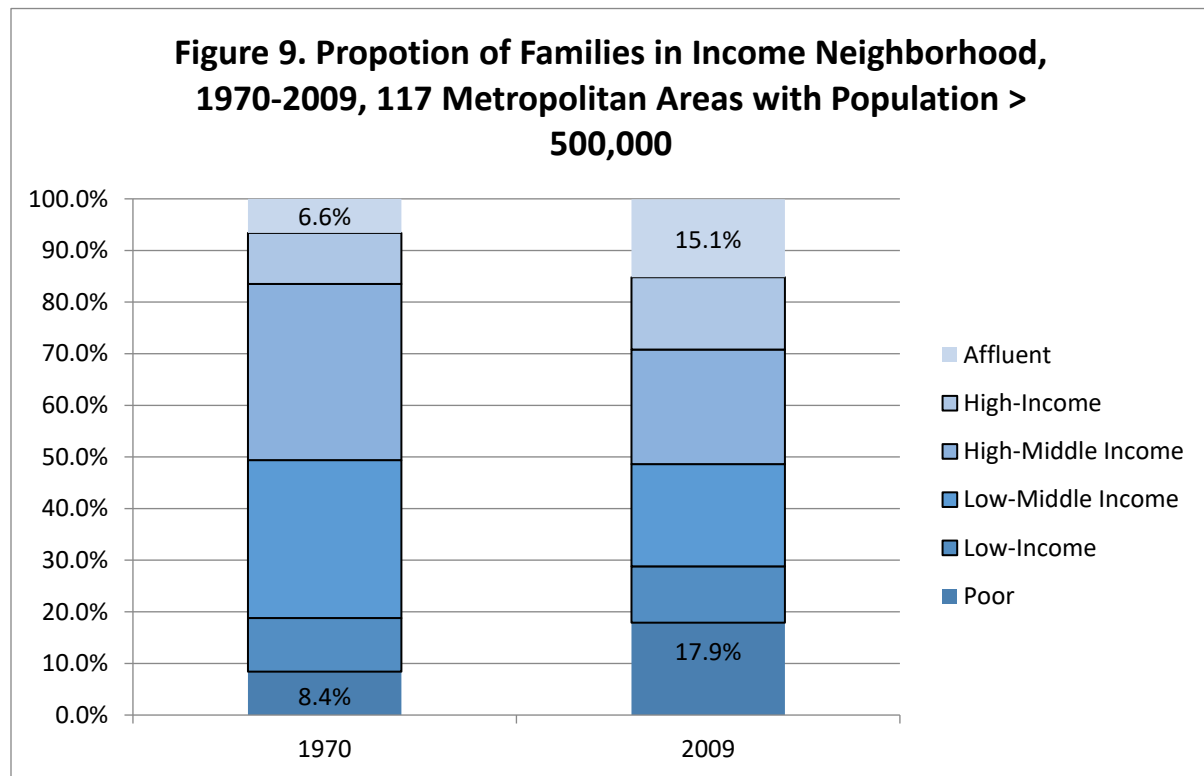
²⁰The study, “Residential segregation by income, 1970-2009,” examined neighborhood family distribution by income groupings [wording] in 117 U.S. metropolitan areas with populations greater than 500,000.

Middle Income Total	64.7%	42.0%
Poor and Affluent Total	15.0%	33.0%

Source: Bischoff K, Reardon S.F (2014), *Residential segregation by income, 1970-2009*, Diversity and disparities: America enters a new century, pp. 208-233.

As shown in Table 10, in 1970, almost two-thirds (64.7%) of all families lived in middle-income neighborhoods (neighborhoods in one of the two middle categories depicted in Figure 9); but by 2009, only 42.0% families lived in such neighborhoods. Alarmingly, middle-income neighborhoods had shrank by over a third (about 35%).

During the same period, the proportion of families living in affluent neighborhoods more than doubled from 7% in 1970 to 15% in 2009. Likewise, the proportion of families in poor neighborhoods also doubled, from 8% to 18%. In other words, in 1970 only 15% families lived in the one of the two extreme types (either rich or poor) of neighborhoods; by 2009 that number had more than doubled to 33% of all families.



C. SOCIAL-PROBLEM OUTCOME SUMMARY AND OBSERVED PATTERNS

In this section, we record and summarize the observed longitudinal changes in the social-problem variables and attributes presented and discussed above. Here we also provide brief simple representations of whether these changes would be commonly perceived by most citizens and social scientists as improvements (+), worsening conditions (-) or static conditions (Ø). We also indicate, based on the relative size of any observed changes, the magnitude of those changes (+, ++) or (-, --).

The social-problem variables shown are those that Gordon and the other authors in his reader, believed are the most important in describing the social and living conditions they were observing, explaining their causes and providing strategies and methods to improve or resolve them. Table 11 contains these 60 variables and attributes and Table 12 presents a totaling of the number of variables/attributes that showed modest or major changes in socio-economic conditions, either positive (+) or negative (-).

Table 11. Social Problem Outcome Comparisons 1970s and 2010s

Social Problems	Gordon's Era (1970s)	Today (2010s)	Changes
Poverty			
Poverty Rate Total	11.6% (1977)	13.5% (2015)	–
Poverty Rate White	8.9% (1977)	11.6% (2015)	–
Poverty Rate Black	31.3% (1977)	23.9% (2015)	+
Poverty Rate Hispanic	22.4% (1977)	21.4% (2015)	Ø
Poverty Population Total	24.7 M (1977)	43.1 M (2015)	--
Poverty Population White	16.4 M (1977)	28.5 M (2015)	--
Poverty Population Black	7.7 M (1977)	10.0 M (2015)	–
Child Poverty Population Total	10.3 M (1977)	14.5 M (2015)	–
Child Poverty Population White	6.1 M (1977)	9.2 M (2015)	--
Child Poverty Population Black	3.9 M (1977)	4.1 M (2015)	–
Child Poverty Population Hispanic	1.4 M (1977)	5.3 M (2015)	--
Child Poverty Rate Total	16.2% (1977)	19.7% (2015)	–

Child Poverty Rate White	11.6% (1977)	17.2% (2015)	–
Child Poverty Rate Black	41.8% (1977)	31.6% (2015)	+
Child Poverty Rate Hispanic	28.3% (1977)	28.9% (2015)	Ø
Extreme Poverty Population Total	7.5 M (1977)	19.4 M (2015)	– –
Extreme Poverty Rate Total	3.5% (1977)	6.1% (2015)	– –
Extreme Poverty Proportion	30.3% (1977)	45.0% (2015)	–
Poverty Population in Cities	7.4 M (1977)	13.5 M (2012)	– –
Poverty Population in Suburbs	6.4 M (1977)	16.5 M (2012)	– –
Poor in Cities among all poverty	27%(1970)	27%(2010)	Ø
Poor in Suburbs among all poverty	24%(1970)	33%(2010)	–
Unemployment			
Unemployment Rate Total	4.9% (1973)	5.3% (2015)	–
Unemployment Rate White	4.5% (1973)	4.6% (2015)	Ø
Unemployment Rate of Black	9.1% (1973)	9.6% (2015)	–
Unemployment Rate of Hispanic	7.3% (1973)	6.6% (2015)	+
White-Black Unemployment Gap	2.02 Times (1973)	2.09 Times	–
White-Hispanic Unemployment Gap	1.62 Times (1973)	1.43 Times	+
Education Inequity			
White High School Completion or Higher	71.9% (1980)	88.8% (2014)	+
Black High School Completion or Higher	51.4% (1980)	85.8% (2014)	++
Hispanic High School Completion or Higher	44.5% (1980)	66.5% (2014)	+
White 4 Years College and Higher	18.4% (1980)	32.3% (2014)	++
Black 4 Years College and Higher	7.9% (1980)	22.2% (2014)	++
Hispanic 4 Years College and Higher	7.6% (1980)	15.2% (2014)	++
BA Ratio by Age 24 in first income quartile	40% (1970)	77% (2010)	++
BA Ratio by Age 24 in last income quartile	6% (1970)	9% (2010)	– –
Gap Between First and Last quartile	6.67 Times (1970)	8.56 Times (2010)	– –
Unemployment of Less than High School	4.6% (1970)	7.7% (2017)	– –

Crime

Overall Crime Rate Per 100,000	5,077.6 (1977)	2,870.2 (2015)	++
Violent Crime Rate Per 100,000	475.9 (1977)	383.2 (2015)	++
Property Crime Rate Per 100,000	4601.7 (1977)	2487 (2015)	++
Incarceration population	294,396 (1978)	1,476,847(2015)	--
Ratio of Blacks in Incarceration	145,383 (1978)	523,000 (2015)	--
Ratio of Non-White in Incarceration	50.6% (1978)	66.2% (2015)	-

Health

Infant Mortality Rate Total	20%(1970)	5.9%(2016)	++
Black Infant Mortality Rate	32.7%(1970)	10.8%(2016)	++
Hispanic Infant Mortality Rate	n/a	8.0%(2016)	

Life Expectancy Total	73.3 (1977)	78.7 (2010)	+
White Life Expectancy	74.0 (1977)	78.9 (2010)	+
Black Life Expectancy	64.1 (1977)	75.1 (2010)	+
Hispanic Life Expectancy	n/a	81.2 (2010)	

For Males at 50 Years Old

Life Expectancy 1st Quintile (Highest Income)	81.7 (1980)	88.8 (2010)	+
Life Expectancy 5th Quintile (Lowest Income)	76.6 (1980)	76.1 (2010)	-
Gap Between 1st and 5th Quintile	5.1 1980)	12.7 (2010)	--

For Females at 50 Years Old

Life Expectancy 1st Quintile (Highest Income)	86.2 (1980)	91.9 (2010)	+
Life Expectancy 5th Quintile (Lowest Income)	82.3 (1980)	78.3 (2010)	-
Gap Between 1st and 5th Quintile	3.9 (1980)	13.6 (2010)	--

Percentage of Persons Under Age 65 Years with no Health Coverage

12%(1970)	16.7%(2015)	-
-----------	-------------	---

Housing

Home Ownership Rate Total	62.9%(1970)	63.6%(2017)	Ø
Home Ownership Rate White	66.8%(1970)	71.8%(2017)	+
Home Ownership Rate Black	41.6%(1970)	42.7%(2017)	Ø
House Ownership Rate Hispanic	43.7%(1970)	46.6%(2017)	+

Families in Middle Income Neighborhood	64.7% (1970)	42.0% (2009)	--
Families in Extreme Type of Neighborhoods	15.0% (1970)	33.0% (2009)	--

Median Household Income Growth	100% (1970)	117% (2015)	+
Median Gross Rent Growth	100% (1970)	170% (2015)	--

Source: See Table 1-10.

Summary Results and Findings

As one might expect with such a broad range of variables covering seven (7) different social-problem areas, we obtained mixed results. Overall, however, the totals suggest a major worsening of conditions in the social-problem areas examined, when viewed as a whole, as shown in Table 12.

Table 12. Social-Problem Variables/Attributes by Positive, Negative or No Change 1970s-2010s

Magnitude of Change	Positive or Improving (+) Conditions	Negative or Worsening (-) Conditions	No Significant Change (Ø)	Net Total Change
Modest Change or No Change (+, -, Ø)	14 (+)	16 (-)	5 (Ø)	2 (-)
Major Changes (++, --)	7 (++)	18 (--)	n/a	11 (--)

The number of social-problem variables/attributes registering moderate changes split almost evenly, with 14 positive/improving (+), 16 negative/worsening (-) and 5 (Ø) showing no significant changes in conditions, for a net total of 2 (-) moderately worsening. More significantly, 18 variables showed major negative/worsening conditions (--), while only 7 (++) were positive/improving, for a net total of 11 (--) major negative/worsening social problem variables.

In Chapter III, we look more closely at the variables with largest/most significant changes in outcomes, as it seems logical that these areas would be important in discovering any new relevant evidence, necessary to help determine the relative validity of the three political-economic narratives under study. In this pursuit, we will be looking to see if we can discern any major findings or patterns within each and/or between intersecting social-problem areas, as well as evidence of macro-economic factor influence in the outcome changes recorded.

III. DETERMINING THE VALIDITY OF POLITICAL-ECONOMIC NARRATIVES

In this chapter, we examine the most-important factors in determining the relative validity of the three political-economic theoretical narratives described in Chapter I. In Section A, we look more closely at the social-problem outcomes summarized in the previous chapter, to see if we can discern any major findings or patterns that provide new evidence for that determination.

In Section B, we examine the major macro-economic and historical factors linked to and which may, or are likely to be, influencing those findings and patterns. Finally, in Section C, we offer our conclusions regarding the evidence, its relationships to the liberal, conservative and “radical” theoretical narratives and its use in addressing the existing social-problems and realities we face.

A. PATTERNS AND SOCIAL-PROBLEM INTERSECTIONALITY

Among the seven (7) social problem areas and the 60 outcome variables/attributes related to them, we further refined, grouped and examined those that Gordon et al had identified as the most

important measures of the overall conditions and barriers. We paid particular attention to general measures of overall conditions, such as rates of poverty and employment, but also included those that had shown the largest degrees of change, both positive and negative.

Accordingly, we identified 30 variables/attributes that fit these criteria and combined them in three separate groupings, those that measured: 1) overall changes within each of the social-problem areas, 2) changes in racial/ethnic group outcomes and 3) changes in outcomes by socio-economic class (wealth and income). We hoped that by doing so, patterns within, among or between (the intersection points of) the social-problem areas, would be discernable and more useful in further analyses.

Table 12 provides a summary of the results of our analyses of the groupings of social-problem variables/attributes (Appendix A shows the variables/attributes, their social-problem area, type [positive or negative] and magnitude of change), as follows:

**Table 12 Social-Problem Variable/Attribute Groupings by Type of Change
(Positive, Negative or No Change) 1970s-2010s**

Grouping Category	Magnitude of Change	Positive or Improving (+) Conditions	Negative or Worsening (-) Conditions	No Significant Change (0)	Net Total Change
Overall Social-Problem Outcome Changes	Moderate Change or No Change (+, -, 0)	2 (+)	3 (-)	4 (0)	1 (-)
	Major Changes (++, --)	3 (++)	3 (--)	n/a	0
Race/Ethnic Group		2 (+)	1 (-)	4 (0)	1 (+)

Outcome Changes	Moderate Change or No Change (+, -, 0)				
	Major Changes (++, --)	2 (++)	0 (--)	n/a	2 (++)
Outcome Changes by Socio-Economic (Income & Wealth) Class	Moderate Change or No Change (+, -, 0)	0 (+)	1 (-)	1 (0)	1 (-)
	Major Changes (++, --)	0 (++)	4 (--)	n/a	4 (--)

Our analysis of the groupings of the major variables/attributes, revealed some major improvements in racial/ethnic group divide (in health and education outcomes), however, the positive and negative outcomes in overall the social-problem conditions, essentially cancelled each other out. As shown in column five in Table 12 above, there was 1 (-) moderately-negative net change in overall conditions and 2 (++) net major improvements in race/ethnic group conditions.

In the category of socio-economic class (income and wealth), however, a net of 4-- major worsening of conditions outcomes, was recorded. This finding quantitatively supported our “gut feeling” as we examined the larger set of social-problem variables/attributes (which had shown an overall worsening of social-problem area conditions), that the major negative or worsening outcomes were concentrated along the lines of growing socio-economic disparities

in income and wealth. This pattern, revealed to us through our grouping of the most important and best measures of outcome changes (Gordon et al, 1977), steered our investigation toward income and wealth disparity macro-economic and historical factors that may be influencing the negative outcomes.

B. CRITICAL MACRO-ECONOMIC TRENDS AND HISTORICAL PATTERNS

During our collection and analyses of the most recent poverty and social-problem outcome measures, we also conducted a review of additional macro-economic factors, which are widely known and well documented as having had major impacts on society. Such areas include the globalization of manufacturing, trade and employment, mass human-capital and labor migrations growing disparities in incomes and wealth (e.g., the shrinking U.S. middle class) and the impacts of climate change and advanced technologies.

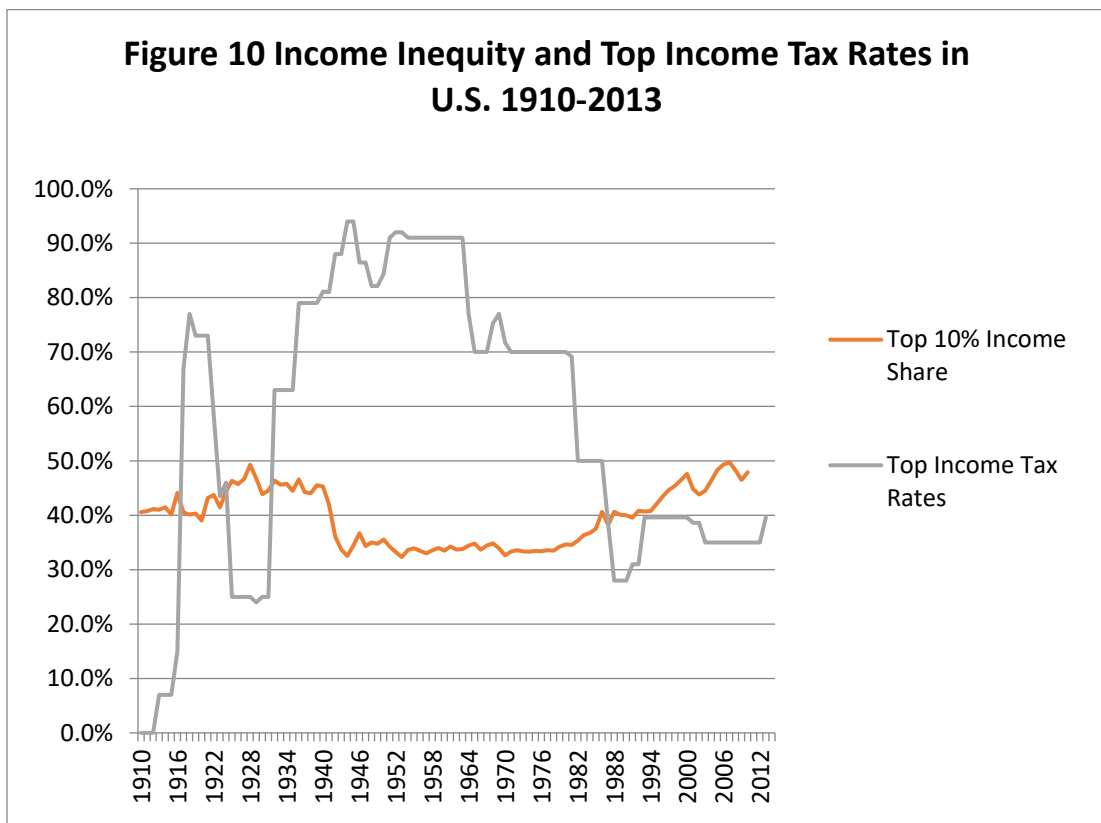
Based on these analyses of the groupings and their connection to income/wealth disparity macro-economic and historical trends, the following is a summary of the most important research findings relevant to this investigation.

1. Income Inequality Trends

In chapter 1 of his book, Gordon notes the extremely stable pattern of distribution of total income in the U.S., to a pyramid-shaped population of Americans with a few owners at the top and multitudes of workers at the bottom. As generally accepted by economists in Gordon's era and beyond, this pattern occurred in generation after generation during the past 200 years. In this cycle, the top 10% of the population has historically received about one-third (30-40%) of the total national income, while the bottom 90% comprised of middle and lower income workers, split the remaining two-thirds (65%) share in wages (Hymer, Roosevelt, 1972).

Table 6 (page 25), shows that this “traditional” proportionality held true for the top 10%, Gordon observed, who received 32.69% of all income in 1977, but that by today (2015) their share has grown to about half (48.79%), while the bottom 90% of the population only received the other half (51.21%)!

Important new findings, by economist Thomas Piketty (2014)²¹ however, show that the generally accepted, centuries old split of two-thirds (67%) for wage laborers at the bottom and one-third (33%) for capital owners at the top, has actually varied widely, especially during the 20th century. As Figure 10 below shows, the share of income going to the top 10% rose from over 40% in 1910 to almost 50% in 1929, just before the stock market crash that marked the beginning of the 1930s Great Depression.



²¹ The more-accurate data employed by Piketty in his “Capital in the 21st Century” rely on actual tax-records, rather than survey data such as that collected and used by the U.S. Census bureau to compile income information.

Most importantly for our analyses, we see that during a period following World War II from 1947 to about 1980, the share of income going to the top 10%, remained relatively low, below 35%. Since 1980 however, due primarily to large tax decreases on capital gains and the favored treatment for the highest earners instituted by President Ronald Reagan's "Conservative Revolution," the income share for the top 10% has continued to rise precipitously through the present day. In fact, this continuing rise in incomes for the highest earners in the U.S. has actually exceeded that of 1929, when in 2008 it soared to over the 50% mark! It is important to note here, that both times the total income level of the top 10% neared or exceeded the 50% level, the major economic collapses of the Great Depression and Great Recession immediately followed!

The declines in the incomes of the wealthy, starting in 1929, were partially the result of the crash in profits, capital devaluation, dividends and interest coinciding with the financial market collapse, but were also a result of a return in the U.S., to a highly-progressive federal income tax. This tax increase was imposed on the highest brackets to deal with the catastrophe of the Depression, for which, most Americans blamed the wealthy (and rightly so) and their speculative schemes to accumulate vast shares of "unearned" income.²² As also shown in Figure 10, the marginal tax rates on the highest incomes rose from 8% in 1914 to 78% in 1918, to cover the costs of World War I (and then retreated to 25%), until the advent of the Great Depression.

At this point, President Franklin Roosevelt increased income taxes on the wealthy several times once again, to 79% in 1936 and once more to 96% to cover the costs of World War II. The rates on the highest earners remained between 80 and 90% for the remainder of the 1940s, 1950s

²² Unearned income refers to income derived from the ownership of capital (dividends, interest, capital gains, etc.), as opposed to incomes earned from paid labor.

and mid-1960s, when lowered to about 70%. They remained at this level until 1982, when conservative President Ronald Reagan cut them to 50% and then eventually lowered even farther by his conservative successor during the term of the George H.W. Bush administration, to only 28% in 1988. Finally, neo-liberal President Bill Clinton raised them to about 40% where, with a few downs and ups, they remain today.

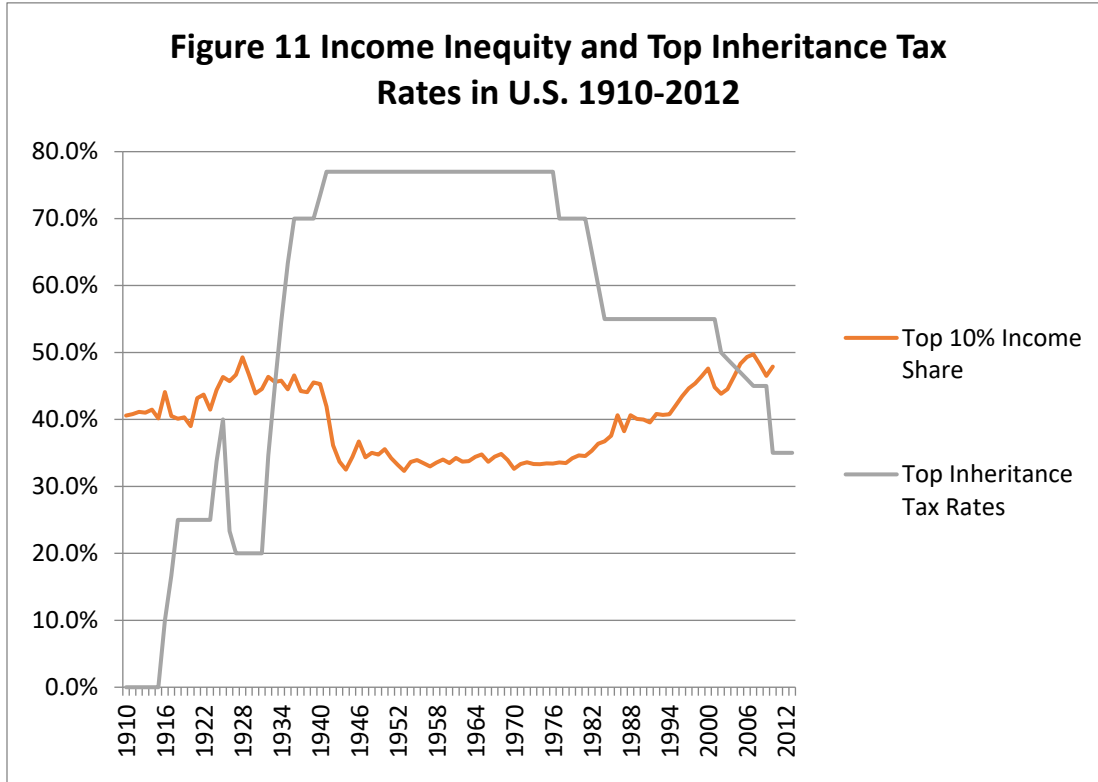
2. Wealth Inequality Trends

Just as pertinent as income disparity, in terms of impacts on social outcomes, is the massive inequality in total aggregate wealth²³ in the U.S. As also shown in Table 6 (page 25), the total wealth share of the top decile was about two-thirds (67.2%) in 1977, which proportion has now grown to over three-quarters (77.2%). Correspondingly, the share of wealth by the bottom 90% of the population in the U.S. has dropped from a third (32.8%) in 1977 to, shockingly, less than one-quarter (22.8%) today!

Here once again, Piketty's research shows that the historical patterns of the wealthiest 10% owning the majority of all wealth in society has been the norm, at the start of the 19th, 20th and 21st centuries. The top 10% controlled between 60% of all wealth and assets in the U.S in 1810 up to an astounding 80% in 1910, declining once again during the period of the Great Depression and the two world wars to just over 60% by 1970. Since then, the wealth share of the wealthiest again

²³ Total aggregate wealth or net worth refers to the total value of all capital and other assets (including cash, savings, ownership of homes and any other properties, businesses, stocks, bonds, retirement accounts, etc.).

(as with their incomes), has continuously been on the rise, to its current level of over 70% (77.2% as of 2012).



As was also true with their incomes, the proportions of the ownership of wealth by the elite decile also steeply declined in the 20th century. These declines, once more, were primarily due to losses in the value of capital and the highly progressive inheritance taxation of estates, which were also necessary to deal with the catastrophic societal failures of the Great Depression and two world wars. Figure 11 details the inverted U-shape of the progressive top inheritance tax rates, which grew from only about 2% in 1916 to almost 80% from 1942 until the late 1970s, when they began a long slide that now has them at only about 35%.

3. The Relationship of Income and Wealth in Creating Disparities

The relationship and distinction between income and wealth are of prime importance to furthering our understanding of how they may, or are likely to be, influencing social-problem outcomes. Piketty's (2014) research begins an explanation by stating that, "...the inequalities with respect to capital [wealth/net worth] are always extreme." Specifically, while the top 10% of income earners generally receive about 35% of total income, the top 10% of the wealth distribution usually owns about 60% of all wealth.

Even more importantly as it relates to our investigation, while the bottom 50% of wage earners always receive a significant share of total income (usually around one-third 33%), the bottom 50% of the wealth distribution owns virtually nothing, or nothing at all (0-5%).²⁴ In the U.S., which Piketty refers to as a "high inequality" country, the proportions are even worse, where the top 10% own over 70% (77.2% as of 2012) of all wealth and the bottom 50% only receives 25% of total income.

The massive advantage that the upper class (top 10% now owns over 70% of all wealth) has over both the middle-class (middle 40% owns <25%) and the lower class (bottom 50% owns <5%), was partially noticed by Gordon et al 40 years ago, but the full extent and effects of this phenomenon are clearly evident today. The importance of inherited wealth, cannot be overstated according to Piketty, in creating a system of inequality that is self-reinforcing, growing larger, more unstable and dangerous with every passing day.

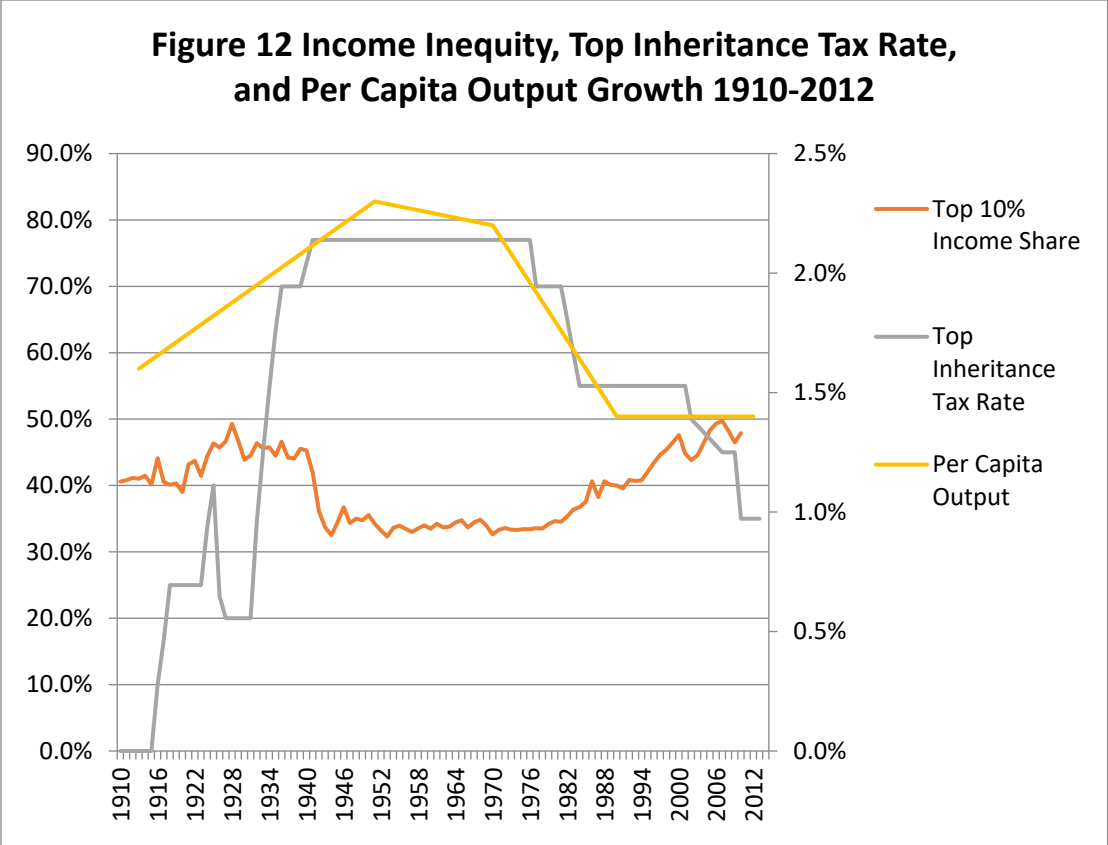
Basically, the unparalleled incomes of the top 10% and especially the CEO level salaries of the top 1%, have grown so large that they are able to live very comfortably on only a small portion of their incomes (sometimes less than 2%). This allows them to save and invest the

²⁴ Piketty's findings (2014) rely on use of data from actual tax records and include those from the major countries of Europe, Japan and the United States et al.

remaining portion, which then grow at rates (usually averaging around 6-7% for large investors) which far outpace wage increases for the middle and lower classes.

Piketty also notes that this level of inequality is not an aberration as such disparities were the norm at the beginning of the 19th and 20th century, although the dominance of the top 1%-10% was broken by the State/government interventions to address the catastrophes of the Great Depression and two world wars. These interventions were progressive, extremely high income and inheritance taxes, combined with strict control and regulation of private sector activities, top salaries and wages to insure economic stimulation, stability and high productivity.

As a result, for the first time in history, inherited wealth and extreme income disparity between the upper ownership class and relatively poor workers, lost their dominant place in the U.S. economic system and culture (Piketty 2014). As shown in Figure 12, for the next 30 years, by retaining high inheritance and income tax rates, our country also enjoyed its greatest period of income and wealth equality, high economic output growth and the resulting creation of the first middle-class in world history.



Unfortunately, and perhaps predictably, since that time income and inheritance taxes on the wealthy have been slashed and we are once again at the peaks of both income and wealth inequality (for example, note the high top 10% income share and low inheritance tax rate in Figure 12 above and see Figure 6b on page 25). Concurrently and not unrelatedly, our middle-class is shrinking dramatically and becoming seriously less well off, while the bottom 50% is experiencing even greater struggles, worsening social conditions, few hopes for betterment and more extreme poverty.

4. Impacts of Inequality on Poverty and Social Problems

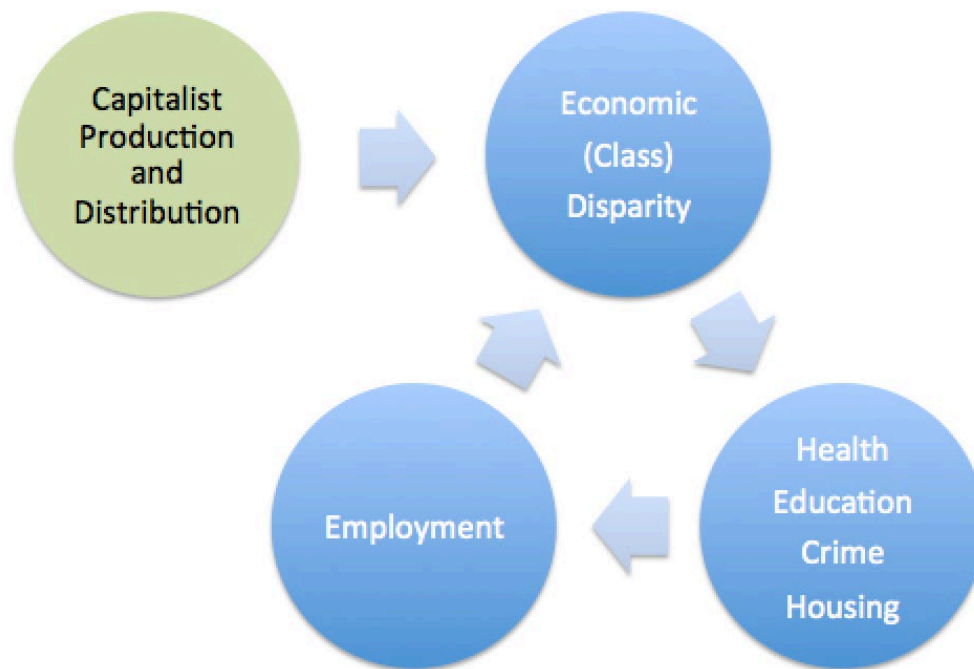
The rapidly growing class divides in income and wealth inequality are most prominently manifesting, as shown in our examination of 60 social-problem outcome variables, in concurrently increasing economic and worsening condition divides. Our research findings show these

worsening outcomes based on economic-class divides in the areas education, health, unemployment/underemployment, declining middle class neighborhoods, growing poor neighborhoods and increasing suburban poverty, among others. Among these, probably the most dramatic, exemplary and troubling developments in socio-economic class divides are the negative outcomes in the area of higher education.

In higher education, the college graduation rate for the children of parents in the top 25% income bracket increased from 40% to almost 80% from 1970-2015, while the rates for parents in the bottom 50% only increased from an average of 10.5% to 13% (The Pell Institute, 2013) (see Figure 7 on page 28). If this were not troubling enough, one should also note that the children from the top quartile are also generally attending more prestigious and costly education institutions, which are strongly associated with better employment opportunities and higher incomes, than those who graduate from less-prestigious universities.

Of course, higher education is just one (albeit a critical one), of the many social-problem areas we examined, which illustrates how extreme class disparities in wealth and income affect and determine outcomes. In this case, the wealthiest students can afford the best educational opportunities, graduate at extremely high rates and obtain the best jobs with the highest incomes, which further feeds into increasing class disparities. Figure 13 below, illustrates the flow and principle of the worsening social-problem outcomes we identified (e.g., in health, housing, underemployment, crime, etc.), arising from institutionalized economic disparities, which then further negatively influence other outcomes, in a continuing cycle of socio-economic stagnation and decline.

Figure 13
Cyclical Flow of Economic Class Disparity Impacts on Social-Problem Outcomes



C. SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

In this Section, we summarize the findings of our study of 40 year (1977-2017), longitudinal changes in the most important social-problem variables and attributes identified by author and researcher David M. Gordon et al (1977). This investigation also includes the review and use of additional, recent study findings of macro-economic and historical trends that are likely influencing those outcomes. These combined findings and the evidence they provide, thereafter help determine the relative validity of the “radical” theoretical, political-economic narrative favored by Gordon.

1. Summary of Findings

Our re-examination of the outcome measures revealed a general, major worsening of social-problems and conditions, but especially in the areas of poverty, education, health, underemployment and housing/neighborhood segregation and conditions. Importantly, we also identified a pattern among these negative outcomes, namely, that they all related to socio-economic disparities in income and wealth. This commonality, further directed our investigation to the review and inclusion of previous research on macro-economic and historical trends of income and wealth disparity that was useful in our study and realizing our research objectives. The findings of economists Thomas Piketty (2014) and Angus Deaton (2013), which contributed significantly to our interpretation and understanding of the evidence we collected, are included in more detail in our conclusions below.

2. Study Conclusions

Our principal research finding, of an overall major worsening of social-problem conditions and outcomes in the U.S., provides substantial evidence that the “radical” theoretical narrative is more relevant and necessary today than it may have been four decades ago. The worsening outcomes for lower- and middle socio-economic classes (combined with major positive and improving outcomes for the upper class), strongly supports the radical political-economic perspective of the existence of two very disparate social classes in perpetual conflict and struggle against one another.

In this view, a small minority of wealthy, politically powerful, capital owners and investors continually drive their highly controlled system of production and distribution to accumulate greater and greater shares of wealth and incomes. This goal of the elite capitalist class, to constantly seek and accumulate increasingly larger amounts and proportions of wealth

and income is necessary, as individual owners/investors and their corporate entities must continually compete with one another in the marketplace to survive.

On the other side of the class divide, a much larger class of relatively poor and powerless workers are forced to sell their labor to the corporate owners/entities in the free-market, as essentially their only way to obtain the incomes and resources necessary for them to survive. In this system, where capitalist owners use their vast political and economic powers to purchase labor at the lowest price possible to increase profits, workers constantly see their wages under pressure or eroding and their living conditions inevitably decline, resulting from and in comparison to, the greater buying power and accumulated wealth of the ownership class.

Our inclusion of additional, recent macro-economic research findings by Thomas Piketty et al, related to our class-based outcome findings, provide additional strong support of the validity of the radical narrative. In particular, Piketty's long-term study of income and wealth, shows that State intervention to alter and reform the structure and operation of the normally owner-controlled capitalist system of production and distribution, can produce better economic production and growth, while at the same time improving social outcomes for the vast majority of workers in the middle- and lower classes.

This State intervention and the positive results occurred in the 20th century, following and to deal with the major catastrophes of the economic collapse of the Great Depression and two world wars, each of which Piketty attributes in large measure, to the excessive drives for and accumulation of wealth by the capitalistic upper classes. During the 30-year period of high income and wealth equality, and high economic output growth (which produced the world's first middle-class), the State maintained very high income and inheritance rates on the upper,

ownership class to control their excesses and provide the resources necessary to restore and repair society.

Since 1980, however, adherents to the conservative narrative, capitalists opposed to State intervention in the free-market, have once again slashed income and inheritance taxes and the U.S. As a result, this country is once again experiencing vast inequalities in income and wealth, low economic output and growth, worsening social problems and conditions for the middle- and lower classes and a host of potential catastrophes as large or larger, than those that occurred in the 20th century (Piketty 2014). These potential catastrophes include growing social, political and economic instabilities, another global economic collapse, global climate change, international trade wars and military conflicts, threats to the energy grid and nuclear terrorist attacks, etc.

This report did find evidence that the liberal and conservative narratives have been successfully implemented and employed,²⁵ however, we believe that the evidence supporting the radical perspective is stronger and more relevant to preventing the catastrophes and addressing the worsening social problems our society faces today. The totality of the evidence presented in this report supports the contention of Gordon 40 years ago, that the “radical” narrative gives us the best explanation and understanding of the conditions and “realities” we can observe today, is therefore the most valid of the three we examined and more relevant and necessary than it has ever been.

²⁵In Chapter II, Section A, we attribute the successful reduction in the poverty rate during the 1960s and early 1970s to the liberal Johnson administrations “War on Poverty” programs and do the same for the narrowing of racial and ethnic gaps in education and health. And while global poverty and social problems were outside the scope of our study, we could not ignore that the conservative narrative has been successfully operationalized in the globalization of manufacturing and trade, which has been responsible for lifting hundreds of millions of workers out of extreme poverty in developing nations (particularly in China and India) (Angus 2013). In our view, the findings of successes of the liberal agenda are genuine, but relatively limited in scope and duration. Similarly, the global successes of the conservative agenda are also limited, but in this case to gains made by poor workers in undeveloped countries, often at the expense of higher-paid workers in our highly developed and mature economy.

IV. REFERENCES

Bischoff, K., & Reardon, S. F. (2014). Residential segregation by income, 1970-2009. *Diversity and disparities: America enters a new century*, 208-233.

Bureau of Justice Statistics, U. (2017). Prison Population Counts. Retrieved from: www.bjs.gov/index.cfm?ty=tp&tid=131

Bureau of Labor Statistics, U. (2017). **Labor Force Statistics from the Current Population Survey, 2017**. US Bureau of Labor Statistics.

Bureau of Labor Statistics, U. (2011). Labor force characteristics by race and ethnicity, 2010. US Bureau of Labor Statistics.

Census Bureau, U. (2017). Current Population Survey, Annual Social and Economic Supplement Survey. Washington, DC: US Census Bureau.

Census Bureau, U. (2017). Current Population Reports, Series P-20, Population Characteristics. Washington, DC: US Census Bureau.

Census Bureau, U. (2017). **Historical Poverty Tables: People and Families - 1959 to 2015**. Washington, DC: US Census Bureau.

Cahalan, M., & Perna, L. (2015). Indicators of Higher Education Equity in the United States: 45 Year Trend Report. *Pell Institute for the Study of Opportunity in Higher Education*.

Cortright, J., & Mahmoudi, D. (2014). Lost in place: Why the persistence and spread of concentrated poverty--not gentrification--is our biggest urban challenge. *City Observatory* (www.cityobservatory.org).

Federal Bureau of Investigation.(2017). UCS Annual Crime Reports. Retrieved from:
ucr.fbi.gov/crime-in-the-u.s

Home, C. P. O. P., Mission, C. P. O. P., & Staff, C. P. O. P. (2015). The growing gap in life expectancy by income: Implications for federal programs and policy responses.

Gordon, D. M. (Eds.). (1977). *Problem in political economy: An urban perspective*. Lexington, MA: D. C. Heath and Company.

Kneebone, E., & Berube, A. (2013). *Confronting suburban poverty in America*. Brookings Institution Press.

Piketty, T., & Goldhammer, A. (2014). *Capital in the twenty-first century*. Cambridge Massachusetts: The Belknap Press of Harvard University Press.

Piketty, T., & Saez, E. (2003). Income inequality in the United States, 1913-1998. *The Quarterly journal of economics*, 118(1), 1-41.