

Cornell University Law School

Economic Justice: Race, Poverty and Inequality

Angela B. Cornell



"We can have democracy in this country, or we can have great wealth concentrated in the hands of a few, but we can't have both."

U.S. Supreme Court Justice Louis Brandeis



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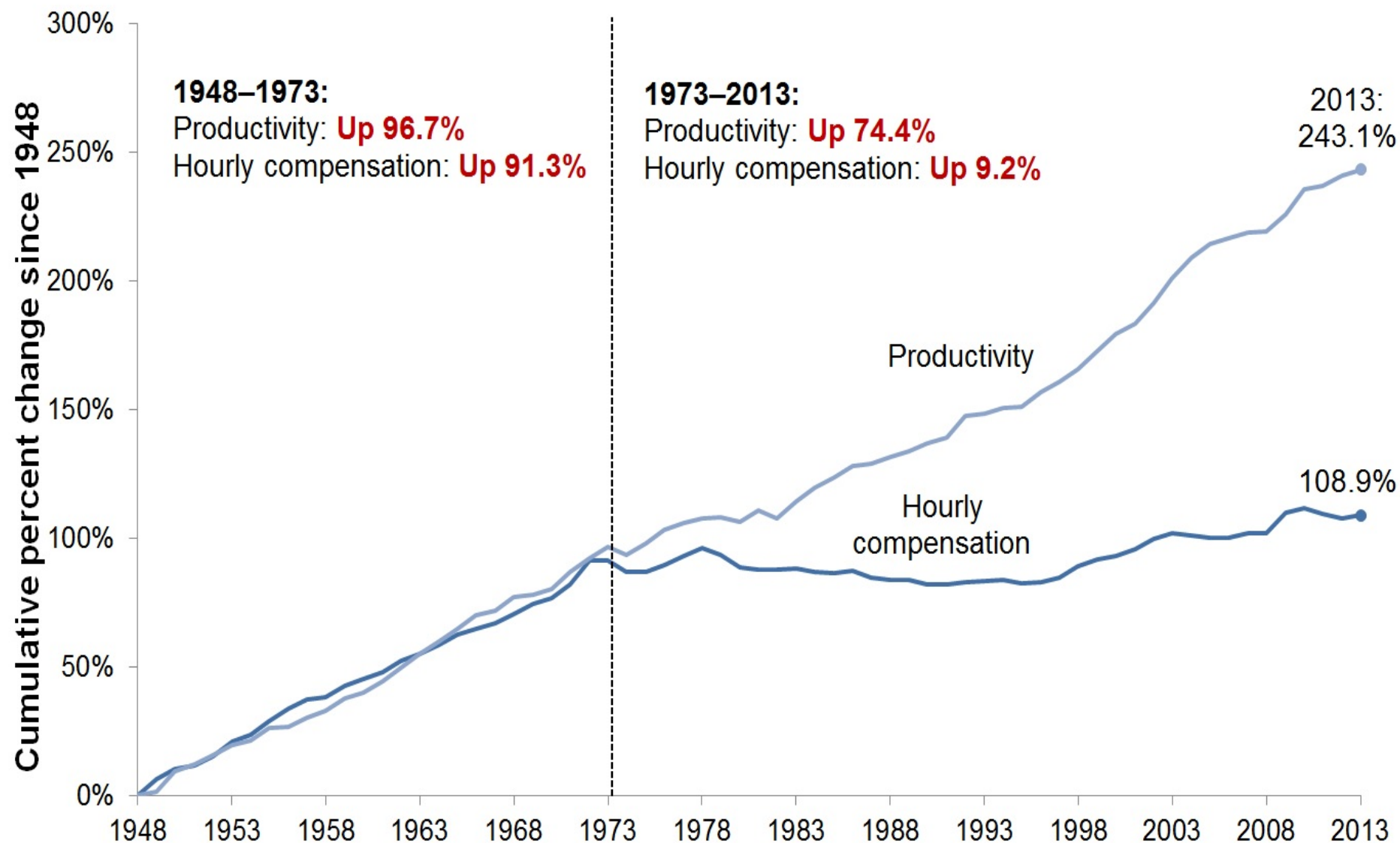
- <https://twitter.com/fightfor15/status/1434901853196619785>
- "All labor has dignity ... it is a crime for people to live in this rich nation and receive starvation wages" -Rev. Dr. Martin Luther King Jr.,
 - Memphis 1968, during Sanitation Workers' Strike.
 - Documentary "At the River I Stand" on the 1968 Strike



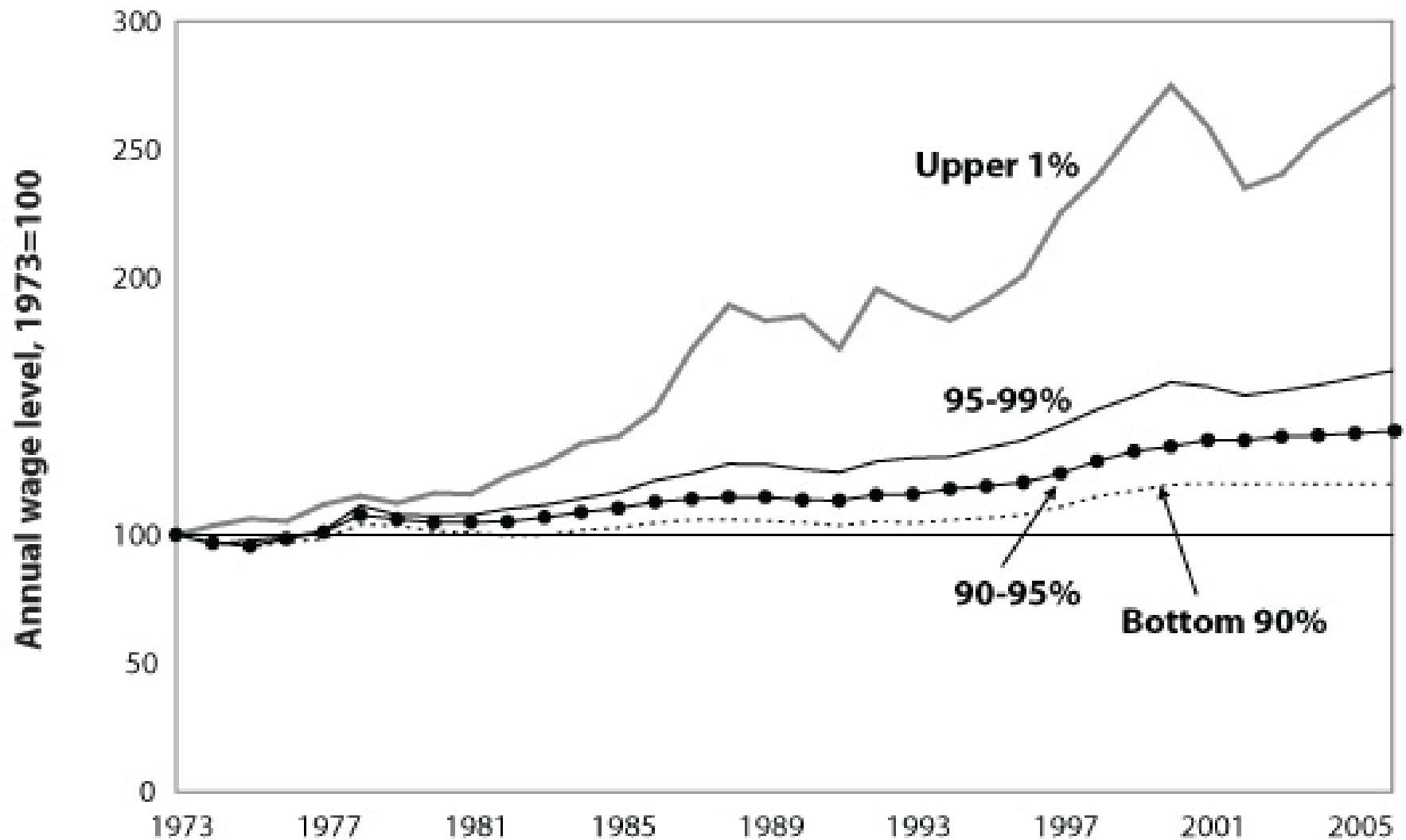
- Today Economic Inequality is greater in the U.S. than in any other advanced nation.
- “By some estimates, income and wealth inequality are near their highest levels in the past 100 years . . . and probably higher than for much of American history before then.”
 - Federal Reserve Chairwoman, Janet Yellen



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Annual wage growth, by wage group, 1973-2006



Source: Authors' analysis of CPS ORG data.



- Median Household Income , Adjusted for Inflation, today is lower than it was in 1989, a quarter century ago.
 - » Joseph Stiglitz, Senior Fellow and Chief Economist for the Roosevelt Institute. He is a Nobel laureate in economics and Professor at Columbia University.



- Economist Thomas Piketty shows that in the U.S. over the last 30 years, the growth in the income of the bottom 50% has been zero, whereas the incomes of the top 1% have grown 300%.



- Out of the world's poorest decile, 1 out of 10 are Americans.
- Nearly 50 million of America's 243 million adults are part of the world's poorest 10%.
- Many of whom are burdened with so much debt that any remnant of tangible wealth is negated.
 - Credit Suisse Global Wealth Database 2015

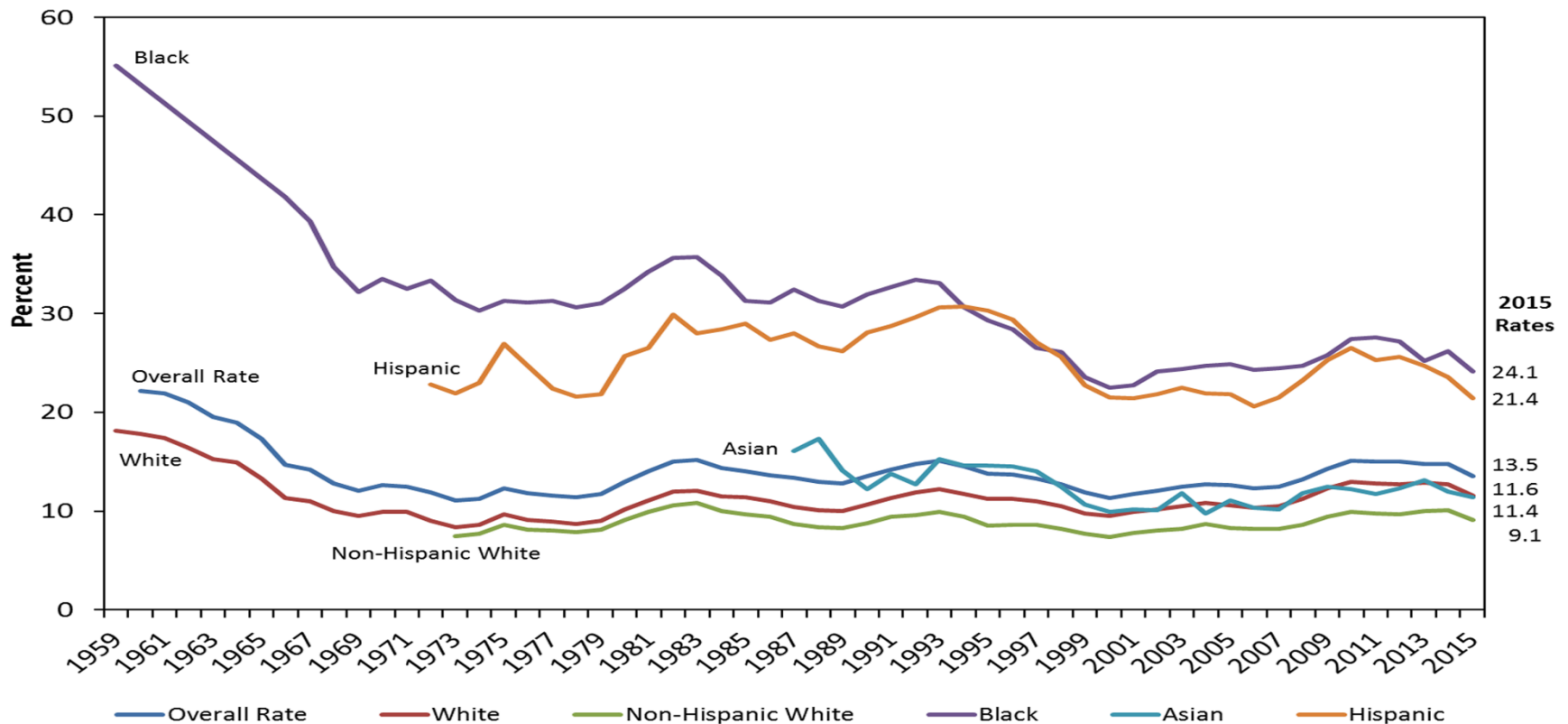


- 44% of U.S. workers are employed in “low-wage” jobs that pay median annual wages of \$18,000 or median hourly wages of \$10.22.
 - Brookings, Low-Wage Workforce Report, November 2019



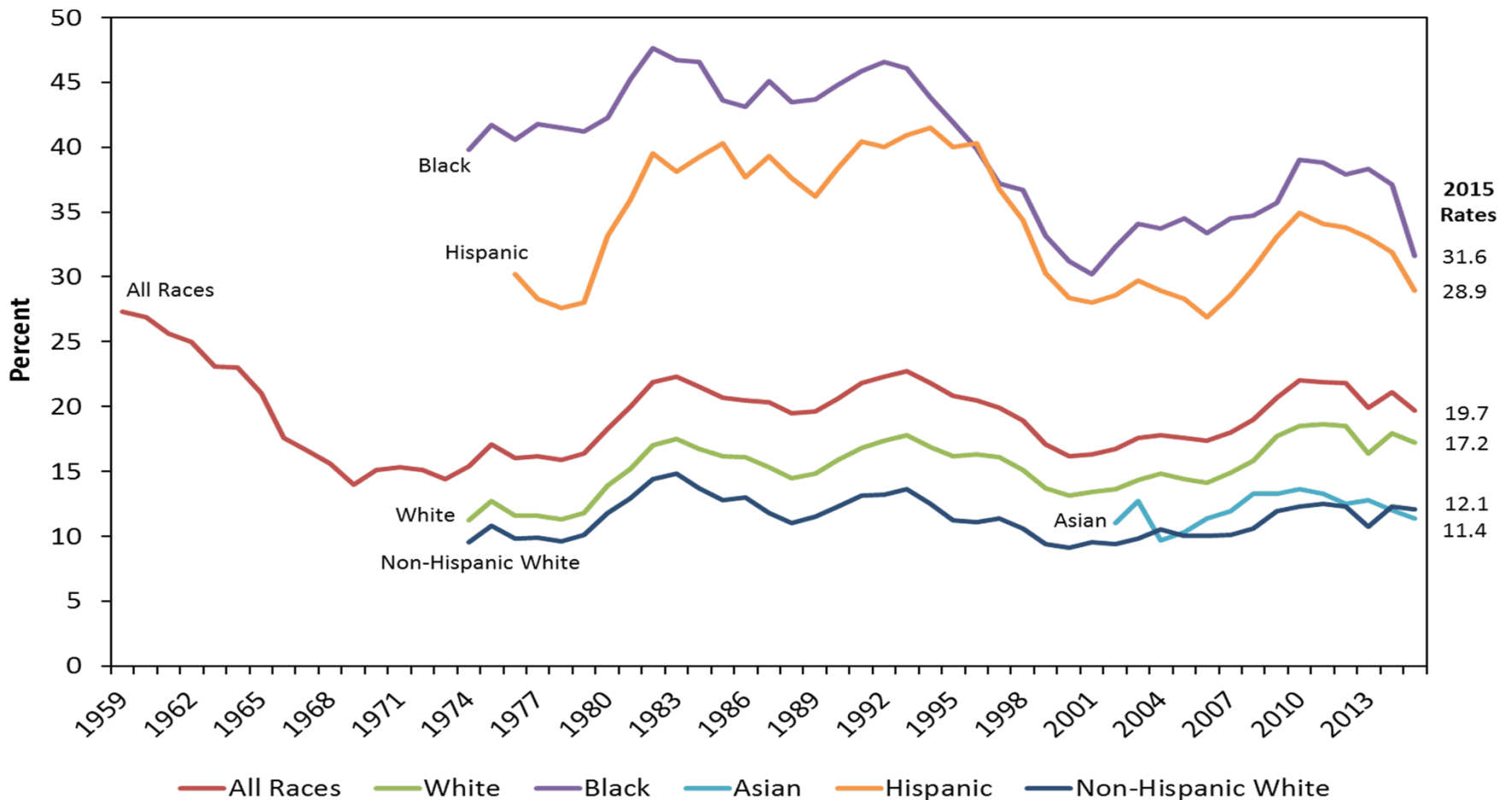
U.S. poverty rates vary significantly by race and ethnicity: 1961–2015

University of Wisconsin-Madison Institute for Research on Poverty





U.S. child poverty rates also vary a lot by race and Hispanic origin: 1959–2015





Although educational attainment between African-Americans and white workers has narrowed substantially,

- African-American workers still earn 20% less than typical full-time white workers.
- Black men in 2019 earned only 56 cents for every dollar earned by white men. A gap wider than it was in 1979.

» Eduardo Porter, New York Times, June 28, 2021



In a massive nationwide correspondence experiment designed to measure patterns of discrimination by large U.S. companies, which involved over 83,000 job applications with 108 Fortune 500 employers, from July 2021,

Researchers confirmed widespread discrimination against Blacks at job postings from 20% of the companies.

Patrick Kline, Dept of Economics, Berkeley

Christopher R. Walters, Dept. of Economics, Berkeley

Evan K. Rose, Becker Friedman Institute, Univ. of Chicago



- Family income inequality results in inequality of opportunity for our children.
 - Harvard Political Scientist, Robert Putnam



- Even worse than the income inequality is the inequality of wealth and opportunity.
- Life prospects of young Americans is more dependent on the income and education of their parents than in other developed countries.