



SIXTH ANNUAL  
**SYMPOSIUM ON FAIRNESS AND EQUITY ISSUES  
IN CHILD WELFARE TRAINING AND EDUCATION**

***Keynote Address & Discussion***

**Fairness and Equity in a Context of Growing Economic Inequality**

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Summary of Presentation

April 17, 2008

Dr. Yeskel grew up on the Lower East Side of New York City, the daughter of a Polish immigrant. Beginning at the age of five, she traveled across the city to Park Avenue to attend Hunter College elementary school, a place for intellectually gifted children. Her daily trips were less about crossing town and more about crossing cultures. At school, she learned how to talk, act, and conduct herself differently than she would in her own neighborhood. Although she did not realize it at the time, Dr. Yeskel as a young child was learning to pass as middle class.

Due to her youthful experiences, Dr. Yeskel became interested in the topic of class. She later met a woman who had received a large inheritance which freed her from having to work a day in her life. Despite their dissimilar life situations, Dr. Yeskel and this woman became good friends. They often talked about class differences and how their lives were differentially affected by class. After a few years, the two decided to invite others into their conversations and create a cross-class dialogue. The expanded group consisted of eight members with finances spanning from a debt of \$60,000 to \$14 million worth of assets, and experiences ranging from growing up without indoor plumbing to owning multiple homes. The eight individuals represented a mix of genders, races, and ethnicities, yet they all shared the common experience of never having had an opportunity to examine class and its impact on their lives. The group convened monthly for a period of six and a half years and became a learning laboratory for understanding the dynamics of class. *Class Action*, the non-profit organization founded by Dr. Yeskel to inspire action to end classism, was born from this original discussion group.

Dr. Yeskel explained that our society is dramatically segregated by class. Less visible than race or gender, class differences are often overlooked, even though these differences involved values that breed powerful biases and prejudices. Dr. Yeskel counsels that one must consider the history of unearned advantage and unfair barriers that affect relationships across classes.

Dr. Yeskel has traveled the country asking audiences to cite evidence of growing economic inequality. Since 1994, people have named growing economic insecurity, greater financial burdens, layoffs, downsizing and job instability, as well as the psychological ramifications of increased stress, isolation and scapegoating. Dr. Yeskel explained that wages for the average worker, after adjusting for inflation, have not risen since 1973. Among other economic hardships, she noted that one income can no longer support a family. Consequently, people work more but have less time for themselves and their families. As people become more scared, insecure, stressed and burdened, there is an increased tendency to blame others. With an increase in the fear of crime, there are more gated communities at one end of the economic spectrum, and a prison population at historic levels at the other end.

The economic gap has widened over the past 30 years, providing a shifting context for child welfare practice, as children, families and communities have become particularly disadvantaged by such inequality. Dr. Yeskel illustrated how most economists categorize families by earned income. Given that the population of the United States is roughly 100 million families, economists sort the population by quintiles (or fifths), with each quintile representing approximately 20 million families. The breakdown of family income in 2005 demonstrated the following disparities:

- The bottom 20% of families earned \$0-\$25,000,
- The second 20% of families earned \$25,000-\$45,000,
- The middle 20% of families earned \$45,000-\$68,000,
- The fourth 20% of families earned \$68,000-\$103,000, and
- The top 20% of families earned \$103,000 and higher.

Dr. Yeskel explained that there was a significant amount of economic growth from 1979-2005. However not everyone benefitted from this growth. For example, from 1979-2005:

- The bottom 20% of families experienced a 1% loss in income,
- The second 20% of families experienced a 9% gain in income,
- The middle 20% of families experienced a 15% gain in income,
- The fourth 20% of families experienced a 25% gain in income, and
- The top 20% of families experienced a 53% gain in income.

What is even more interesting, noted Dr. Yeskel, are the gains that families within the top 5% experienced, which includes families with incomes of \$184,000 per year and higher. This group saw their income grow by a total of 81% between the years of 1979 and 2005. Although economic growth occurred during this time period, significant gains were only accruing for a very small portion of United States' families.

In contrast, Dr. Yeskel illustrated the tremendous growth that the United States experienced in the period after World War II, from 1947-1979 where:

- The bottom 20% of families experienced a 116% gain in income,
- The second 20% of families experienced a 100% gain in income,
- The middle 20% of families experienced a 111% gain in income,
- The fourth 20% of families experienced a 114% gain in income,

- The top 20% of families experienced a 53% gain in income, with
- The top 5% of families experiencing an 86% gain in income.

It is evident that between the years of 1947 and 1979, families shared in the economic growth experienced by the nation, while during the last 30 years we grew apart. In the past, the United States had a social safety net within a social order that assured greater economic equality among families. However, today it is evident that our society functions more on a “winner take all” basis with the top 5% of families gaining the most from economic growth.

Dr. Yeskel shared her views about economic and social developments following World War II when the United States emerged as the major industrial power of the world. The United States at this time was positioned to restructure from a war-time economy to a peace-time economy. Businesses began creating goods for the market, but the United States did not have a market to sell these goods. To overcome this obstacle, the government intervened with a variety of policies designed to grow the middle class so that a market could evolve. Policies created during this time period included the G.I. Bill and loans for first-time homebuyers, followed in the 1960’s by the War on Poverty, Head Start, and new job training programs.

Sometime in the 1970’s, however, the United States began to buy goods made in other countries at higher rates, and global competition in the market began. The United States was unseated as the dominant economic power of the world. People who had once been quite prosperous were losing money. Dr. Yeskel believes that this prompted support for electing Ronald Reagan as the U.S. President in 1980. Reagan promoted a different kind of economic philosophy known as ‘supply-side economics’ or ‘trickle-down economics’ whereby people at the very top keep more of their wealth through tax cuts and then invest their newfound capital in the economy. It was thought that their investments would grow the economy and create more jobs, with benefits trickling down to the rest of the population. However, the money from the tax cuts failed to ‘trickle down.’

Dr. Yeskel reported that today, 10% of the United States’ population has a little over 70% of the wealth in the country, while the other 90% of population has a little less than 30%. Within this top 10%, one percent of the population owns 90% of the wealth. Wealth has now become more concentrated at the very top than at any other time since 1929.

There is also a great divide in wealth in terms of race. Historically speaking, Dr. Yeskel explained that White people had a much easier time moving into the middle class through various kinds of social and federal programs that were not accessible to other racial groups. Responses to economic hardship demonstrate the stark racial divide. It is estimated that about 38% of White families would be in a very precarious position within three months after losing their income. However, four out of five African American families, and three out of four Latino families, would not be able to sustain themselves without income for three months.

Along with a different philosophy of economics in the 1970's, Dr. Yeskel also presented a number of shifts in power that started during that time:

- **Unions:** An anti-union climate weakens the power and voice of workers.
- **Trade:** Global treaties benefit corporations, not workers or communities.
- **Taxes:** Big tax cuts have assisted the wealthy with little tax relief for working families.
- **Budget:** Corporate welfare expanded while human services were cut.
- **Minimum Wage:** was not raised to keep pace with inflation.
- **Privatization:** The dismantling of government has helped investors, yet hurt workers, communities and the environment.

Dr. Yeskel likens the climate in which we are living in to “a wheel of misfortune.” As a result of power shifting to big corporations and investors, rules have been changed so that they benefit the wealthiest 1% of the population at the expense of everyone else. This leads to greater economic inequality and rising personal debt, which results in people working more jobs and longer hours, with less time to be engaged in communities and in the political process.

Dr. Yeskel argues, however, that we can ensure that prosperity would be more equally shared across the board by becoming more involved in the democratic process. In order to succeed, Dr. Yeskel maintains that people must understand their economic interdependency, and cooperate instead of compete. Given that poverty is significantly correlated with child welfare involvement, Dr. Yeskel encouraged child welfare educators, trainers, and workers to promote policies and practices that support creating a community and society where social welfare is part of the political agenda.