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Report details massive growth of social inequality across US

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A recent three-part investigative series by Reuters details the massive growth of social inequality in the United States. "The Unequal State of America," largely based on US Census data spanning the last two decades on income distribution, access to education and poverty levels, paints a bleak picture of American life.

The report highlights conditions of the populations in Indiana, Massachusetts and the District of Columbia. Drawing wider conclusions, the report notes that "inequality has risen not just in plutocratic hubs such as Wall Street and Silicon Valley, but also in virtually every corner of the world's richest nation."

The report also documents disparities in broader detail:

* Since 1989, inequality has grown in 49 of 50 states.

* 28 states saw inequality increase simultaneously by measurements of education, income, and poverty.

* In all states, the top quintile of the population benefited the most generously, seeing a 12 percent income boost on average.

The nation's capital

The report focuses on the District of Columbia in relation to income disparity. Washington, D.C. is home to some of the starkest social inequality on the planet, with one-third of the residents in the impoverished Ward 8—and over one half of its children—living in poverty, while the average income of the bottom fifth of the population is less than $10,000 yearly. In contrast to this, the average wealth of the city's top 5 percent is over $500,000, an almost 54 to 1 ratio, up from 39 to 1 in 1990.

Of chief responsibility for this state of affairs, the report notes, are the policies adopted by the federal government in recent decades. Though the DC region is home to only 2 percent of the nation's population, 15 percent of all federal procurement spending is funneled back into the region, most of which is sourced to private contracting firms connected to the Department of Homeland Security as well as various law firms and lobbying groups.

Highlighting the growth of corporate influence is the growth of "organizations with a political presence," another term for lobbyists, holding offices in the district—rising from 7,000 offices in 1981 to over 14,000 in 2006.

As a product of the tax cuts enacted under the Bush administration, many government players were able to drastically increase their own personal worth, a trend that has continued under the Obama administration.

According to the report, federal employees making over $100,000 in the region have increased by a third to over 20 percent of the workforce since 1990, while those making less than that have disappeared due to a "hollowing out" of the middle earners. This has come during a general elimination of "blue collar" government jobs in the district. As a result, now more than 50 percent of all federal jobs in the city have salaries higher than $100,000, while lower wage jobs are sourced to temp agencies providing little stability for workers.

Massachusetts

Likewise, data on Massachusetts, the site of the oldest public school system in the country and home to some of the most prestigious universities, reveals stark indices of inequality. Since 1989, the income for the state's top 20 percent grew by nearly a fifth while the living standards for every other quintile fell, with the bottom 20 percent of the population absorbing a 9 percent loss of their income value. Massachusetts is now the seventh most unequal state in the country in terms of income, according to the report.

Massachusetts has continued to witness a growth of inequality related to education. Despite the growing need for advanced degrees to meet the requirements of the workforce, these have become more difficult to obtain. A recent study released by the U.S. College Board found that both public and private institutions in the state cost a quarter more than do institutions elsewhere in the US.

Jobs offering decent wages for less-skilled labor have plummeted in number in Massachusetts. Reuters cites a Georgetown University study that notes that since the recession of 2007 nearly 6 million jobs deemed fit for high school graduates were lost, while over 2 million jobs requiring college degrees have been added.

Indiana

Indiana, which has adopted some of the most draconian measures to date for screening applicants for government assistance, is next. The state was one of the first to adopt "welfare reform" in the mid-1990s, under which welfare applicants are required to show they are searching for work in order to receive a cash benefit.

Indiana has taken this process a step further by adding an outright limit of 24 months on how long one may be in such a program, as well as requiring beneficiaries to begin doing community service work within the first six weeks of participating. In a particularly cruel move, women who become pregnant while receiving services will receive no added increase in benefits to help care for their children.

This process has been replicated nationally, with only 1.4 percent of the population receiving cash aid, down two-thirds since 1996, the year President Bill Clinton enacted the Personal Responsibility and Work Opportunity Reconciliation Act, aimed at "ending welfare as we know it."

The report also states that although Medicaid funding has increased threefold since 1990, its actual value per recipient has declined 12 percent in that time period. In Indiana, one of the stipulations for a person receiving such assistance is that they must be subsisting at *24 percent*, less than one-quarter, of the state's official poverty threshold. Similarly, the state refuses to provide coverage to adults without children.

The data on Indiana is particularly significant due to its former position as a center for manufacturing in the Midwest. According to the Institute for Working Families, today more than two-thirds of jobs in Indiana pay less than $45,000 a year.