



## Column: Targeting the poor, rewarding the rich — does anyone care?

*By William Felice, special to the Tampa Bay Times*



Housing and Urban Development Secretary Ben Carson tours the HELP of Southern Nevada Shannon West Homeless Youth center in April in Las Vegas. Carson recently announced strict new work requirements to qualify for housing subsidies and higher minimum rents. (AP Photo/John Locher)

U.S. Department of Housing and Urban Development Secretary Ben Carson recently announced strict new work requirements to qualify for housing subsidies and higher minimum rents. The plan will "result in a 44 percent rent hike for more than 4 million low-income households" and eliminate income deductions for families who pay medical or childcare expenses. The poor will now have to choose between feeding their children, buying medicine or paying their rent.

Yet for the wealthy, on the other end of our economic divide, life could not be better.

Oxfam, the British humanitarian and development organization, recently reported that 82 percent of all global wealth generated in 2017 went to the world's richest 1 percent. Tragically, those living among the bottom 50 percent saw no increase in wealth at all, and instead performed often dangerous and poorly paid work to support the extreme wealth for the few.

These startling global trends regrettably held true in the United States as well. For example, in 1980 in both Europe and the United States the top 1 percent of adults earned around 10 percent of national income.

Today, as noted in the World Inequality Report 2018, in Europe that has risen to 12 percent, while in the United States it has reached 20 percent. During this same period the annual income earnings for the top 1 percent in the United States have risen by 205 percent, while for the top 0.001 percent the figure is an astounding 636 percent. In contrast to this growth, the average annual wage of the bottom 50 percent has stagnated since 1980.

Yet, does anyone care? There is certainly no strong movement in either of our major political parties to address economic inequality. Instead, there is an overall acceptance of poverty and huge disparities of wealth as a necessary consequence of our economic system. This acceptance of massive suffering as a necessary side effect of economic development is not only morally wrong, but also analytically wrong. Inequality at this level is not "necessary" in any economic sense. In fact, extreme inequality is inefficient and counter-productive toward building a strong and vibrant economy and society.

Extreme economic inequality in the United States has eroded a sense of trust and fairness in the institutions of our society. This is manifested not only in the rise of criminality, but also in the lack of popular support for public goods, including our schools, hospitals, parks, transportation systems and social services.

The poor find themselves with reduced opportunities — failing schools, lack of medical care, unaffordable housing, and unable to borrow to start a small business. Equality of opportunity for millions is simply a mirage. According to the U.S. Census Bureau, in 2017 more than one in every eight Americans were living in poverty, 40 million, equal to 12.7 percent of the population; with almost half of those (18.5 million) living in deep poverty with family income below one half of the poverty threshold.

Americans of all races on the very bottom living in "absolute poverty" experience a life of impoverishment and misery almost beyond comprehension. According to Angus Deaton, the 2015 Nobel laureate in economics, there are 5.3 million Americans who are absolutely poor by global standards. Such destitution leads Deaton to conclude: "It is hard to imagine poverty that is worse than this, anywhere in the world."

Former U.S. Supreme Court Justice Louis Brandeis eloquently stated: "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." Our leaders have ignored this warning. Instead, the three richest people in the United States own the same wealth as the bottom half of the U.S. population (roughly 160 million people).

We can do better. The late, great economist John Kenneth Galbraith argued that the poor have a special claim on resources. Our economy can be more equal and efficient at the same time. Public spending can recreate fairness with necessary investments in public education, health care and public transportation as priorities. Our budget and spending priorities should reflect investments that meet the needs of all our citizens and not just the 1 percent.

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