

US Census report: Inequality grew rapidly in 2018 to record levels

By Eric London
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Social inequality in the United States is rapidly reaching unprecedented levels, according to US Census data published Thursday.

The past year saw a staggering transfer of wealth from the bottom 90 percent of the population to the top 10 and top 5 percent. This is the intended result of the bipartisan social counterrevolution intensified by Barack Obama and carried to a fever pitch by Donald Trump, who has slashed corporate taxes and regulations with no opposition from Democrats in Congress.

Census Bureau: Inequality “significantly higher” in 2018 vs. 2017

Over the course of just the last year, the poorest 20 percent of the country—some 65 million people—saw its share of aggregate income decline from 3.11 percent to 3.10 percent. The share of the second poorest quintile declined from 8.4 percent to 8.35 percent, while the third and fourth quintiles, representing those in the 40 to 60 percent and 60 to 80 percent range of incomes, declined from 14.29 to 14.21 and 22.63 to 22.53, respectively.

Only a very narrow section of the population benefited from this income redistribution. The wealthiest 5 percent obtained 96 percent of the income lost by the poorer quintiles, while the next wealthiest 5 percent (the richest 90 to 95th percentile) obtained the remaining 4 percent, meaning that even those in the 80 to 90th percentile saw their income share decline or remain stagnant.

This shifting of decimal points masks the real human impact of inequality on the lives of the entire working class. The new Census data will mean increasing deaths from opioids, alcohol and suicide, higher burdens of medical and student debt and unprecedented levels of work and family stress.

The Census Bureau reported that the national Gini coefficient—a measure of income and wealth distribution in which a value of 0.0 equals total equality and 1.0 equals total inequality—was “significantly higher” in 2018 than in 2017, rising from 0.482 to 0.486, the highest ever.

According to World Bank figures, this makes the US as unequal as the Democratic Republic of the Congo and less equal than Kenya, Mexico and Malaysia.

Worlds apart: The bottom 90 percent and the top 10 percent

The wealthiest 10 percent continued to distance itself from the poorest 90 percent of the population. The income of a household at the 90th percentile was 12.60 times greater than the income of a household at the 10th percentile, up slightly from 12.59 in 2017. The income of a household at the 95th percentile was 9.72 times greater than a household at the 20th percentile and 3.94 times greater than a household at the 50th percentile, compared with 9.62 and 3.86 in 2017.

All of American bourgeois politics is geared toward satisfying the material needs and working out the differences within the various elements of this privileged top 10 percent, whose interests are directly opposed to the great masses of people.

Bourgeois politicians from both parties—who are almost all personally wealthy—are sponsored by corporations and billionaire donors who control the political system. The corporate media sets the tone of political “discourse” and seeks to manipulate popular consciousness to protect the interests of the rich. Practically all discussion of the great social problems that confront the bottom 90 percent of the population are censored and kept out of sight.

The threshold required to reach the 95th percentile grew by \$6,000 from 2017 to 2018, rising from \$242,812 to \$248,782. The percentage of the population making over \$200,000 per year also increased substantially, from 8.1 percent in 2017 to 8.5 percent in 2018.

Census data relating to average income by occupation also reflects the increasing separation of the top 10 and bottom 90 percent of the population. Average incomes for chief executives increased from \$134,656 in 2017 to \$141,457 in 2018, for example, while incomes for lawyers rose from \$125,125 to \$129,365.

While incomes for many working class occupations rose slightly, the increases were almost always minimal or moderate.

In many cases, incomes for professions that number in the hundreds of thousands of people declined from 2017 to 2018. The average income of a telemarketer declined from \$27,551 to \$27,160 in the span of just one year. Incomes also fell for logging workers (from \$36,091 in 2017 to \$35,718 in 2018), roofers (\$33,744 to \$32,246), tire builders (\$45,809 to

\$42,213), shoe and leather workers (\$31,217 to \$27,584), air traffic controllers (\$91,982 to \$79,647), ambulance drivers (\$30,563 to \$30,149), subway workers (\$62,201 to \$60,153), aircraft pilots and flight engineers (\$110,765 to \$110,636), and several other major occupations.

Even among those sections of the working class where incomes have risen slightly, the rising cost of living has greatly impacted the bottom 90 percent of the population.

There are now 10.08 million people who pay over 50 percent of their income on rent, an increase of 163,672 people from 2017 alone. The percentage of people paying over 35 percent of their income on rent rose from 37.5 percent in 2017 to 37.8 percent in 2018, impacting hundreds of thousands more.

These recent figures relate only to income and therefore understate the degree of inequality, which is best understood by calculating wealth. Income by occupation, for example, does not count the hundreds of thousands or millions of dollars the affluent top 10 percent makes each year from investments, stock dividends, rent and other parasitic forms of wealth accumulation.

Within-race inequality

Within each race, there was a noticeable increase in very affluent people, both in total numbers and as a percentage of the total within-race population. Among whites, the number of people making over \$200,000 per year increased by 10.0 percent. Among Hispanics, the percentage increase was double—21.2 percent, while the number of African-Americans making over \$200,000 increased by 16.5 percent.

These figures of within-race inequality expose the self-interested character of efforts by affluent sections of racial minorities to promote race as the central division in society. As the number of super-rich within each race increases, substantial sections within each race live in acute financial hardship. A staggering 7.3 million African-American adults—49.2 percent of the total adult population—earn less than \$40,000 in income. Some 6.3 million Hispanics and 23.7 million whites also earn less than \$40,000 per year.

Among all sections of the working class, the Census data shows that incomes are becoming more homogenous across all strata. The ratio of a household income at the 80th percentile versus the 50th percentile decreased from 2.07 times greater to 2.06 times, while the ratio of an 80th percentile household income to the 20th percentile also declined from 5.15 to 5.08 times.

The ratio of the 20th percentile's household income to the 50th percentile's household income actually increased slightly, from .40 in 2017 to .41 in 2018, indicating that living conditions of those at the exact center of the income scale are more closely approaching the conditions faced by the poorest workers.

Inequality and the class struggle

It is not possible to comprehend the intense political crisis over Trump's impeachment without taking into account the

overwhelming influence of inequality on every element of American society.

Both the fascist Trump and the cabal of intelligence agents that directs the Democratic Party represent the interests of factions of the financial aristocracy whose primary disagreements are on the conduct of US imperialist foreign policy.

The explicitly narrow basis of the Democrats' impeachment effort—limited to Trump's thuggish efforts to force the president of Ukraine to dig up dirt on the Biden family's corruption—makes clear that both factions are in agreement on tax cuts for the wealthy, near-zero interest rates to boost Wall Street, unprecedented spending on the military, and the xenophobic attack on immigrants and democratic rights.

Democratic presidential candidates like Bernie Sanders and Elizabeth Warren advance the utopian dream that the financial aristocracy will give up its privileges and fund social programs when asked. But history shows the only way to fight social inequality is through the class struggle.

Nearly 50,000 General Motors workers are presently engaged in a struggle against not only the corporation, but the United Auto Workers union, which is conspiring with management to force through a contract that would intensify the growth of social inequality across industries and across the world. The fact that inequality has reached present levels is the product of the trade unions' efforts to suppress the class struggle over the course of over 40 years.

The GM strike in the US and similar struggles by autoworkers in India, South Korea, Mexico, Brazil and elsewhere show the potential for ending the period of trade union-enforced social counterrevolution and for launching an international offensive for social equality. New, rank-and-file committees are required to allow workers to unleash their immense social power and redistribute trillions of dollars from the banks and corporations to meet the needs of workers worldwide.

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