

11 Nutrition

Text

Inequality in the United States

Throughout human history, people have argued about the distribution of scarce resources in society. Disagreements often centre on whether the share we get is fair reward for our effort and hard work. Recently, social analysts have pointed out that (except during temporary economic downturns) the old maxim ‘the rich get richer’ continues to be valid in the United States.

To understand how this happens, we must take a closer look at the distribution of income and wealth in this country.

Distribution of income and wealth

Money is essential for acquiring goods and services. People without money cannot purchase food, shelter, clothing, medical care, legal aid, education and the other things they need or desire. Money – in the form of both income and wealth – is very unevenly distributed in the United States. Median household income varies widely from one state to another, for example (see Figure 7.1). For the entire nation, the median household income is estimated at about \$48,500, down from \$50,303 in 2008. Real median household income has fallen in recent years, and the decline has been widespread since the recession that started in December 2007 (DeNavas-Walt, Proctor and Smith, 2009). Some estimates of household income are adjusted for inflation while others are not, so these figures can be tricky to interpret. However, one fact remains across the decades of reporting of median household income: among high-income nations, the United States remains number one in the inequality of income distribution.



Figure 7.1
Median income by state

What factors contribute to the uneven distribution of income in the United States?

Source: US Census Bureau, 2008

Income inequality

Income is the economic gain derived from wages, salaries, income transfers (governmental aid) and ownership of property (Beeghley, 2008). Or, to put it another way, ‘income refers to money, wages and payments that periodically are received as returns for an occupation or investment’ (Kerbo, 2000:190). Data from the US Census Bureau typically provide income estimates that are based solely on money income before taxes and do not include the value of non-cash benefits such as healthcare coverage and retirement benefits. Sociologist Dennis Gilbert (2010) compares the distribution of income to a national pie that has been sliced into portions, ranging in size from stingy to generous, for distribution among segments of the population. As shown in Figure 7.2, in 2006 the wealthiest 20 per cent of households received about

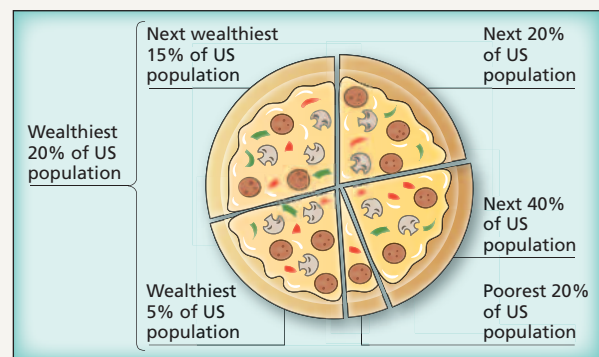


Figure 7.2
Distribution of pre-tax income in the United States

Thinking of personal income in the United States (before taxes) as a large pizza helps us to see which segments of the population receive the largest and smallest portions. What part do taxes play in redistributing parts of the pizza?

Source: US Census Bureau, 2008

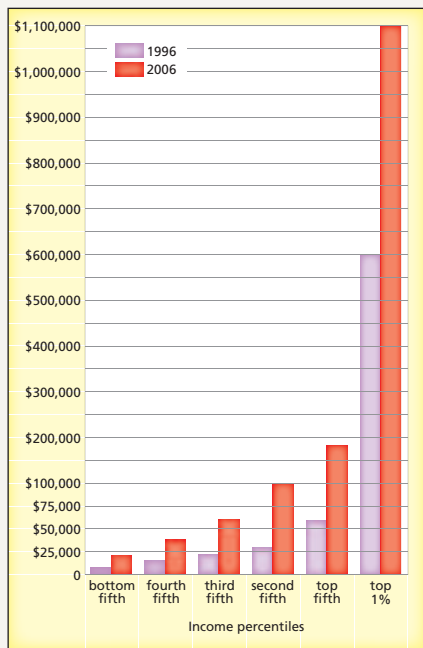


Figure 7.3
Average family income in the United States

This chart shows the distribution of after-tax family income in the United States. Notice the dramatic increase in income for the top 1% of US families. During the past decade, the difference in income between the richest and poorest has become even more pronounced. Source: Tax Policy Center, 2009

50 per cent of the income ‘pie’, while the poorest 20 per cent of households received less than 4 per cent of all income. The top 5 per cent alone received more than 20 per cent of all income – an amount greater than that received by the bottom 40 per cent of all households (Buck, Kendrickell and Moore, 2006).

In the first decade of the 20th century, the gulf between the rich and the poor widened in the United States. Since the 1970s, the rich have pulled away from everyone else in regard to the amount of annual income they take home; the poor have been more likely to stay poor, and the affluent have been more likely to stay affluent. Between 1994 and 2006, the income of the top one-fifth of US families increased by more than 40 per cent; during that same period of time, the income of the bottom one-fifth of families increased by only 5.6 per cent (Tax Policy Center, 2009) (see Figure 7.3).

However, by 2009 the rich were no longer getting richer at the same rate as in the past. According to one media account, ‘for every investment banker whose pay has recovered to its pre-recession levels, there are several who have lost their jobs – as well as many wealthy investors who have lost millions. As a result, analysts and other economists say, a 30-year period in which the super-rich became both wealthier and more numerous may now be ending’ (Leonhardt and Fabrikant, 2009). Of course, this does not mean they were becoming poor. For the richest, this might mean that their income dropped by several million dollars and that they had to modify their affluent lifestyle. The net worth of people such as Bill Gates and Warren Buffet, top US billionaires, may have dropped several billion dollars a year, but they are far from living in poverty. However, the picture is far from different for those located in the middle and bottom sectors of the income pie, who are

faced with mortgage or rent payments, bills for food and clothing, and increasing costs for fuel, transportation and other necessities.

Income distribution varies by race/ethnicity as well as class. Figure 7.4 compares median household income by race/ethnicity, showing not only the disparity among groups but also the consistency of that disparity over 16 years. More recently, overall median household income has declined from \$50,303 in 2008 to \$48,500 as of this writing. Although households across all racial/ethnic categories have experienced some decline in real annual median income, the income gap between African American households and white and Asian and Pacific Islanders is striking. In 2008, African American households had the lowest median income, \$34,218, as compared with Asian households, which had the highest median, \$65,637. Non-hispanic white households had a median income of \$55,530, as compared with Hispanic households, \$37,913.

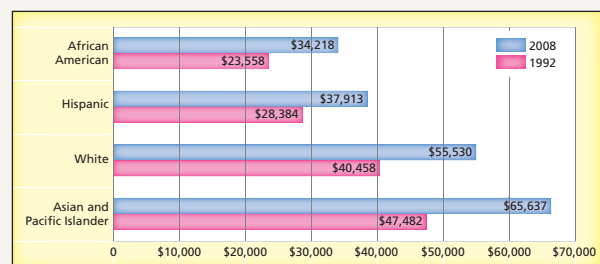


Figure 7.4
Median household income by race/ethnicity in the United States

Amounts shown in constant dollars
Sources: DeNavas-Walt, Cleveland and Webster, 2003;
DeNavas-Walt, Proctor and Smith, 2009

Wealth inequality

Income is only one aspect of wealth. Wealth includes property such as buildings, land, farms, factories and cars, as well as other assets such as bank accounts, corporate stocks, bonds and insurance policies. Wealth is computed by subtracting all debt obligations and converting the remaining assets into cash (US Congress, 1986). For most people in the United States, wealth is invested primarily in property that generates no income, such as a home or car. By contrast, the wealth of a small number of elites is often in the form of income-producing property.

To see how wealth inequality has increased in recent decades, let’s compare two studies. An earlier study by the Joint Economic Committee of Congress divided the population into four categories: **1** the super-rich (0.5 per cent of households), who own 35 per cent of the nation’s wealth, with net assets averaging almost \$9 million; **2** the very rich (the next 0.5 per cent of households), who own 7 per cent of the nation’s wealth, with net assets ranging from \$1.4 million to \$2.5 million; **3** the rich (9 per cent of households), who own 30 per cent of the wealth, with net assets of a little over \$400,000; and **4** everybody else (the bottom 90 per cent), who own about 28 per cent of the nation’s wealth. However, by 1995 another study indicated that the holdings of the super-rich households had risen from 35 per cent to almost 40 per cent of all assets in the nation (stocks,

bonds, cash, life-insurance policies, paintings, jewellery and other tangible assets) (Rothchild, 1995). In 2007, the wealthiest 1 per cent of families owned about one-third (33.8 per cent) of total family wealth in the United States. The next wealthiest 9 per cent owned 37.7 per cent, leaving the rest (90 per cent of families) with the remaining 28 per cent of wealth. For the upper class, wealth often comes from interest, dividends and inheritance (Haseler, 2000). One analysis of the *Forbes 400* list of the wealthiest US citizens found that nearly half of the people on that list had inherited sufficient wealth to put them on the list (Gilbert, 2010). Inheritors are often three or four generations removed from the individuals who amassed the original wealth (Odendahl, 1990). After inheriting a fortune, John D. Rockefeller, Jr stated that 'I was born into [wealth] and there was nothing I could do about it. It was there, like air or food or any other element. The only question with wealth is what to do with it' (Galtris, 1990:26). On the other hand, across generations, wealth sometimes dissipates as it is passed on to an increasing number of family members, who divide into smaller segments what was formerly a large fortune.

Consequences of inequality

Income and wealth are not simply statistics; they are intricately related to the American Dream and our individual life chances. Persons with a high income or substantial wealth have more control over their own lives. They have greater access to goods and services; they can afford better housing, more education and a wider range of medical services. Persons with less income, especially those living in poverty, must spend their limited resources to acquire the basic necessities of life.

Physical health, mental health and nutrition

People who are wealthy and well educated and who have high-paying jobs are much more likely to be healthy than are poor people. As people's economic status increases, so does their health status. The poor have shorter life expectancies and are at greater risk from chronic illnesses such as diabetes, heart disease and cancer, as well as infectious diseases such as tuberculosis.

Children born into poor families are at much greater risk of dying during their first year of life. Some die from disease, accidents or violence. Others are unable to survive because they are born with low birth weight, a condition **linked to** birth defects and increased probability of infant mortality. Low birth weight in infants is **attributed**, at least in part, **to** the inadequate nutrition received by many low-income pregnant women. Most of the poor do not receive adequate medical care after they experience illness or injury. Many high-poverty areas lack an adequate supply of doctors and medical facilities. Even in the areas where such services are available, the inability to pay often prevents people from seeking medical care when it is needed. Some 'charity' clinics and hospitals may provide indigent patients (those who cannot pay) with minimal emergency care, but make them feel stigmatized in the process. For many of the working poor, health

insurance is out of the question. The Census Bureau classifies health-insurance coverage as private coverage or government coverage. Private health insurance is a plan provided through an employer or a union, or is purchased by an individual from a private company. By contrast, government health insurance includes such programmes as Medicare, Medicaid, military health care, the Children's Health Insurance Program (CHIP) and individual state health plans. Approximately 47 million people in the United States were without health insurance coverage in 2008 – an increase of more than two million from the preceding year (DeNavas-Walt, Proctor and Smith, 2009). Many people rely on their employers for health coverage; however, some employers are cutting back on health coverage, particularly for employees' family members. Despite passage of the 1996 Kassenbaum-Kennedy bill by Congress, which makes insurance more readily available for millions of people who change their jobs or lose them, many unemployed workers and their families remain without medical coverage. However, the uninsured are a changing group in the United States – not everyone who becomes uninsured for a month or more remains uninsured throughout a given year. Of all age groups, persons between the ages of 18 and 34 are the most likely to be uninsured; Medicare and other benefits programs provide medical care to most persons 65 and over (DeNavas-Walt, Proctor and Smith, 2009). As shown in Figure 7.5, a high percentage of poor persons do not have health insurance.

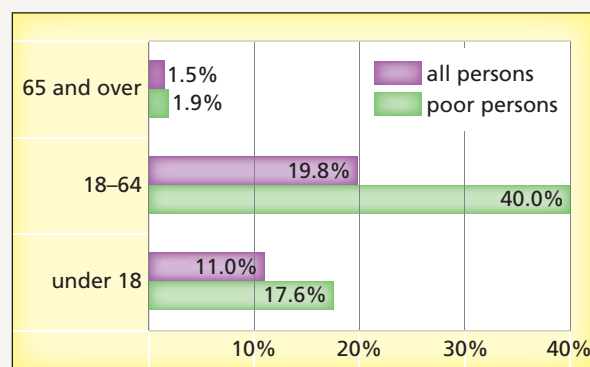


Figure 7.5
Percentage of US population without health insurance
Source: DeNavas-Walt, Proctor and Smith, 2009

Many lower-paying jobs are often the most dangerous and have the greatest health hazards. Black lung disease, cancer caused by asbestos and other environmental hazards found in the workplace are more likely to affect manual labourers and low-income workers, as are job-related accidents.

Although the precise **relationship between** class and health is not known, analysts suggest that people with higher income and wealth **tend to** smoke less, exercise more, maintain a healthy body weight and eat nutritious meals. As a category, more affluent persons **tend to be** less depressed and face less psychological stress, conditions that **tend to be** directly proportional to income, education and job status (Mental Medicine, 1994).

Good health is basic to good life chances; in turn, adequate nutrition is essential for good health. Hunger

is **related to** class position and income inequality. Surveys estimate that 13 per cent of children under the age of 12 are hungry or at risk of being hungry. Among the working poor, almost 75 per cent of children are thought to be in this category. After spending 60 per cent of their income on housing, low-income families are unable to provide adequate food for their children. Between one-third and one-half of all children living in poverty consume significantly less than the federally recommended guidelines for caloric and nutritional intake (Children's Defense Fund, 2008). Lack of adequate nutrition has been **linked to** children's problems in school. Studying the problem of hunger has become more complex in recent years because the Department of Agriculture stopped using the word *hunger* in its reports in 2006. *Food insecure* is now used to identify people in various categories, including those who are

unable to afford the basics, those who are unable to get to the grocery store and those who are unable to find fresh nutritious produce and other foods to eat because they are surrounded by fast-food stores that do not provide foods with proper nutrition (Dolnick, 2010). Between 2007 and 2009, the number of people who received food stamps in the United States increased by nearly one-third. By 2010, the programme was feeding more than 36 million people, or one in eight Americans and one in four children (DeParle and Gebeloff, 2009). Almost 90 per cent of people using food stamps live near or below the poverty line (about \$22,000 a year for a family of four). Some of them are newly jobless, while other are chronically unemployed. Government officials now refer to food stamps as 'nutritional aid', in an effort to reduce the stigma attached to using the stamps as being a form of 'public assistance' or 'welfare' (DeParle and Gebeloff, 2009, 2010).

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