

## Have, have-nots and hubris

BY GENE NICHOL

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**CHAPEL HILL --** We recently emerged from a brutal national fight over economic policy. One side was so powerfully committed to sustaining tax cuts for those making more than \$250,000 a year, or even a million, that they would force dramatically deepened cuts in programs serving the poor and middle class. The other sought to ease gaping wounds of recession and diminished social service by requiring those at the top to pay a modestly larger share of the tab.

The tea party and its Republican colleagues won the battle decisively. Speaker of the House John Boehner claimed, accurately, that he secured 98 percent of everything he wanted. Solace for the wealthiest; more misery for those lodged at the bottom. A clean sweep; no prisoners taken.

Meantime, a prominent scorecard revealed that North Carolina has seen the largest increase in asset poverty in the country. During the recession, black unemployment here rose from 8.1 percent to a staggering 17.5 percent. Headlines explained that our Medicaid cuts will be even more breathtaking than anticipated; and new restrictions, demanded by the legislature, on pre-K programs for poor kids are not only harsh but also unconstitutional.

Nationally, new studies demonstrated that, in 2010, corporate profits accounted for the highest proportion of our total income in American history. The percentage of our total income devoted to wages and salaries, on the other hand, fell to 49.9 - the lowest ever.

Next, the Pew Research Center released a report finding that the median wealth of white households is now 20 times that of black and 18 times that of Hispanic families - the largest racial gap since the government began collecting data. The typical black household has just \$5,667 in assets, Hispanic households claim \$6,325. White families come in at \$113,149.

The Pew study echoed conclusions last year by the UNC Poverty Center that black families in North Carolina possess only about 0.04 of the net worth of their white counterparts. And, of course, the United States again embraced larger income gaps between its rich and poor members than any other advanced Western industrial nation.

The CIA's systematic studies on international economic inequality also continue to find the United States occupying odd terrain. Those nations usually considered our peers are among the world's most egalitarian -

### By the numbers

\$5,667 What the typical American black household has in assets

\$6,325 What the typical Hispanic household has

\$113,149 What the typical white household has

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Canada, Great Britain, Australia, Germany, Italy, Austria, Denmark, France and the Netherlands. But we report economic inequality patterns more common to the Third World. Our gulfs between haves and have-nots parallel those of Iran, Sri Lanka, Mexico, Mozambique, Jamaica, Uganda, Thailand, Cameroon and Burkina Faso.

And, finally, as poverty rates soared in the United States and in North Carolina, the New York Times reported telling national consumer trends: Even marked up, luxury goods fly off the shelves. Gucci's high-end sales were up 23 percent in the first half of the year. Tiffany's quarterly figures rose 20 percent to over \$761 million. Purchases of Mercedes Benz S-class sedans, many of which cost more than \$200,000, jumped 14 percent in the United States.

Nordstrom disclosed a waiting list for Chanel sequined tweed coats costing more than \$9,000. Neiman Marcus flatly sold out of Christian Louboutin Bianca platform pumps at \$775 a pair. Price was apparently not thought to be an object: If a designer shoe goes up from \$800 to \$860, who notices? In 2008 the most expensive suede boots Saks sold were \$1,575 per pair, but now it's \$2,495 for a pair that are thigh high. Thigh high indeed.

Sadly, though, the Times revealed, Walmart had to begin selling smaller packages because its shoppers do not have enough cash on hand to afford multipacks of toilet paper.

It takes a good measure of hubris, in 2011, to press a political agenda whose operative assumption is that those at the bottom have too much and those at the top don't have enough. But, thus far, it's working.

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