



COMMENTARY

Class, Mobility and Inequality: A Commentary

Allan C Ornstein*

Department of Curriculum and Administration, St. John's University, USA

The belief in the American dream, in opportunity and mobility is so strongly entrenched in our culture that most Americans feel not only that each individual has the right to succeed but that it is his duty to do so. Thus, we look with disapproval upon those who make little or no attempt to better themselves. To be sure, there is historical evidence of considerable social mobility in the United States. Studies of *intergenerational mobility*—the occupational career patterns of individuals in terms of their mobility between jobs and occupations during their lifetimes—reveal that a very large proportion of American men in the past have worked in different communities, different occupations, and different jobs. Nonetheless, there are certain limits to the variety of such experiences; most notably, occupational mobility is confined primarily to either side of a dividing line between manual and non-manual occupations and between nontechnical/nonprofessional and technical/professional jobs; little permanent mobility takes place across this basic blue-white collar line. Increasingly, now, little mobility takes place across class lines.

Ideological Considerations

Today, there are powerful conservative interests who support the rich and superrich based on a platform that includes (1) reduced taxes for the rich (as well as corporations), (2) favorable estate planning to pass wealth to the next generation, and (3) small government and minimal government regulation. These people accept growing inequality as proof that capitalism works. There is no shame in being successful or making lots of money based on achievement and hard work. They believe America is the land of opportunity where people can still get ahead based on ability and motivation, etc. So long as individuals can move up, they are willing to accept inequality. In fact, there is nothing wrong with greed, materialism, or conspicuous consumptions according to many conservative economists and Wall Street pundits. This is the fuel that drives the economy.

On the other side of the divide, liberals claim mobility in the U.S. is limited today, in fact, more limited than in many other countries. They see ordinary people, common people, the majority populace, etc. as victims, and doubt whether most individuals can maintain their working or middle-class status without government assistance and social programs, (Social Security, Medicare, college grants, and scholarships, etc.) much

less climb up the ladder of success. In short, Liberals claim the working and middle class are shrinking while the rich are getting richer, since they own assets (art, stock, property, etc.) that are appreciating while salaries (sometimes called wages) have remained relatively flat for the last fifty years. To be sure, the gap between the rich and the rest of us is getting wider.

Conservatives are willing to acknowledge the playing field is tilted in favor of the rich and that opportunities are not equal. Both argue that although people start with different opportunities, but with education, effort and commitment, people can overcome their disadvantages. Liberals counterclaim that anyone who takes this position must be wearing blinders or earplugs, because household income among the bottom 80 percent of employed people, that is the poor working-and middle-class populace has been stagnant for several decades. Mobility has been frozen and present tax policies add to limits on mobility since labor is taxed at a higher rate than capital. The notion of “rags to riches” or even “riches to rags” are rare incidents in the lives of Americans (or anyone around the world). The worst thing is to get used to minimal mobility or accept it as a way of life.

The idea that differences in social status are due to differences in hereditary factors or genetic superiority has been rejected, and replaced by the belief that inequalities between individuals are due to social inequalities but not necessarily lack of opportunity. Those weighing the evidence prefer today to claim environmental factors are much more important than heredity. But the same people often fail to recognize that opportunity and mobility are increasingly becoming limited as income and wealth becomes more concentrated in the hands of a few. What it all boils down to is what Milton Friedman once extolled: Researchers and pundits tend to resolve conflicting ideas and outcomes in favor of their own ideology and pet theories. If they look hard enough, they can find proofs of their theories wherever they look even if they analyze the same data. Today, this idea can be expressed by those on the political right as “fake news” or as “Clinton-Obama” propaganda.

Correspondence to: Allan C Ornstein, Department of Curriculum and Administration, St. John's University, USA. Email: allanornstein[AT]yahoo[DOT]com

Received: May 04, 2020; **Accepted:** May 12, 2020; **Published:** May 14, 2020

Measures of Inequality

Once we were called a classless society. Class, today, is blurred by dress and credit card debt (permitting people to buy more than they can afford). Most Americans charge and borrow. As a nation, we owe more than one trillion in revolving plastic debt, a six-fold increase from twenty years ago. In recent years, the personal savings rate fell below zero for the first time since the Depression, an indication of the nation's growing debt, which exceeded 20 trillion in 2017. Under the guise of "democratizing credit" and making things more accessible to moderate-earning Americans, the credit card industry is sealing the fate of the bottom half and possibly the bottom two-thirds of Americans; they will remain buried in their lower-income quartiles or classes and not have the capacity to get out of debt. It's a ticking time bomb that few people realize and it is bound to affect future consumer spending and the economy.

Given the fact that we all have a different gene pool, and grew up in a different environment and our family heritages are varied, we should expect and accept some inequality. However, the major reason for economic inequality has less to do with ability or talent, and more to do with our socio-economic starting point. For some of us, our ancestors were slaves with no ability to accumulate and pass on wealth. Others are descendants of peasants and refugees who came to America with little more than the shirts on their backs, a few suitcases of clothing and family trinkets. On the other side of the divide are descendants of wealthy parents and grandparents who have provided their children with trust funds and stocks as well as fine art, commercial property, a family business and large homes, including beach homes on the Cape of in the Hamptons and still others in West Palm Beach and the coast of Newport Beach.

Most of us in the U.S. are the children of parents who can be classified between rich and poor, with a mom and/or dad who managed to earn a living as a laborer, factory worker, or government bureaucrat. We grew up in apartments or row houses in the cities, and others grew up in steel towns and mining towns, small suburban and rural towns. Our parents did not earn enough to accumulate wealth; rather they provided us with love, hope, and motivation to go to school and to work hard. As students, we grew up with our own dreams; our skills, abilities and aptitudes were measured in school and predicted from early grades. More than three-fourths of us graduated from high school, about one-third from college; hence, we would expect less imbalance and less stratification than what presently exists.

So long as people are able to keep their bellies full and attend to their basic needs, they are more likely to tolerate large differences in income and wealth. So long as the system is perceived as fair, most Americans feel the rich and superrich are entitled to their bundles. It comes pretty close to Orwellian logic or *doublethink*: Forget facts that are inconvenient; draw it back from oblivion for just as long as it is needed; deny the existence of the reality—that inequality is growing in the U.S.

Given the real world, the question of race should be considered. The history of slavery in the U.S., followed by Jim Crow laws, Klu Klux activities, and convict labor polices (leasing black convicts to companies as nonpaid laborers) well into the twentieth century, has prevented blacks from competing for many good-paying jobs and accumulating wealth. Inequality is further aggravated by job and housing discrimination, as well as *de facto* school segregation.

Hence it is estimated that the average black household income in 2015 was 40 percent lower than whites and wealth accumulated was 90 percent lower. Uncomfortable questions arise. Are whites still supposed to feel guilty? Are they required to make perpetual apologies? Should the "blame game" be transferred into reparation payments or reverse discrimination? What special provisions, if any, is society obligated to make for past discrimination? Many societies in Asia, Africa and Latin American have the same dilemma, given their history of tribal, religious, and/or ethnic conflict. Does social justice require special compensatory provisions for its disadvantaged groups?

Other questions arise: What safety nets should exist for the majority of people? What should be done, if anything, to limit or restrict the smart and swift? How do we balance entitlements, opportunity, and redistribution of revenues derived from tax dollars? How do we ensure that too many entitlements don't lead to hindering advancement and merit, or even worse creating a welfare mentality or a culture of poverty. The answers have very little to do with a game well played, since the very rich do not play by the same rules as the common people do. They have a host of advantages and clout, of which the average person is unaware.

Sadly, most people play by the rules and still believe in the "dream" but get nowhere; they are barely treading water and staying afloat—trying not to accumulate too much debt. One wrong choice, a stroke of bad luck, or an uncontrollable event often leads to millions of Americans each year shrinking from the middle class or heading backwards to the poverty line (or hovering around it). This is not a great testimony for the world's richest country, which once led people to think there was gold in the streets to be found for those who were willing to work hard and play by the rules.

Of course, if you are born in the "right household," with Ivy League and corporate legacies and a trust amounting to millions, you get more than one wrong choice, more than one stroke of bad luck—and you still get the chance to succeed. But what provisions should a rich society make, if any, for all the children and youth born to a single mother—working on a factory line or at Walmart? Only a handful of these kids manage to overcome the long odds against them; so much talent and creativity are wasted away in all societies because of discrimination and/or lack of access to equal opportunity.

A Just Society

Harvard philosophy professor John Rawls, in *A Theory of Justice* examines the notion of equality and inequality in what

he calls a “just and fair society,” one which is grounded in democratic principles and political rights—and, if I may add, significant educational and economic opportunities. He provides four reasons for a society to regulate economic and social equality, and to limit inequality.

1. In the absence of special circumstances (such as war, disease, economic depression), it is wrong for the least advantaged group(s) to suffer personal *hardship*, not to mention hunger and treatable illness. In a fair society, *basic needs* for everyone should not go unfulfilled, while “less urgent ones of others are satisfied.”
2. Political equality is essential to prevent one part of society from dominating the other. One group should not have the ability to pursue its political or economic interests at the expense of another group, or to extract an unfair legal system or economy, or to “make peoples’ lives less good than they might otherwise be.”
3. Equality of opportunity is essential so as not to “encourage those of lower status to be viewed by themselves or by others as *inferior*.” Such an arrangement fosters arrogance, exploitation, and deprivation.
4. A just society must avoid the conditions of *monopoly*, not only because it reduces equality but also because it leads to inefficiency and permits the dominance of a wealthy few at the expense of the remaining populace.

These four elements help comprise what Rawls calls “democratic equality,” and they should exist if society is to be just and fair, if there is to be “social cooperation between free and equal citizens,” and if there is to be consideration for the common public good. In short, in a just society, “everyone as a citizen should gain from its policies.” Moreover, we might add that the gains should not be overly lopsided in favor of the rich, such that the least advantaged groups get minimal benefits and cannot dig out of their unfortunate circumstances. No person who works full time should make so little that he or she is still categorized as poor or near poor. No point on the economic curve should exist where the gap is too wide to overcome by education and/or hard work, thereby curtailing mobility and freezing socio-economic stratification.

In other words, there should be a floor and ceiling in determining income and wealth. Just where this point lies on the economic curve, and how to regulate or achieve this point, is debatable and makes for liberal and conservative discussion. As the distance from the floor and ceiling grows, so does the gap in income and wealth increases among people. If the gap between the floor and ceiling is reduced, then inequality is reduced. In the world we have inherited, the entertainment and sports industries, along with the corporate and tech elite, are leaving middle- and upper-middle-class Americans behind—eventually leading to a small group of winners and a huge group of losers.

Equality vs. Inequity

Today the lines are blurring in western society, the U.S. and

Europe, between the middle class, working poor and those who are employed and underemployed. Similarly, well-paying jobs seemingly disappear and are replaced by low-wage jobs with minimal benefits. Many of us deny these socioeconomic trends exist, especially among those who are driven by competitive desire to be excellent at something and manage to succeed. We fail to grasp for that every person that grabs the golden ring; there are thousands that fail to do so.

Statistically the chance to succeed, to move from a modest family background to the top income quartile (80% plus) is fast becoming folklore for the majority populace. Here I would add two other reasons for enhancing equality and reducing inequality.

First, there must be *equality of opportunity*, whereby the least advantaged groups feel they have some chance to succeed; otherwise, they will grow frustrated and cynical and retreat from the larger society, forming a subculture of their own and rejecting the values of the larger society, possibly engaging in criminal and deviant behavior—affecting almost everyone in the larger society expect the very wealthy, who can insulate themselves or create buffers.

Second, for people to be committed to society they must maintain a decent life, a minimum socio-economic level that meets their basic needs. Everyone in a democratic (and humane) society is owed at least this much; moreover, it is politically prudent to meet the needs of the people so as to diminish the potential for political instability, civil strife and violence. The concept of a minimum level is vague because guidelines and definitions fluctuate, depending on the views of pundits and the political and moral views of those in power. Nonetheless, there is practical interest to prevent social unrest. Similarly, profits among large corporations and financial institutions should not continue to grow at the expense of workers. The outcome is monopoly power of big business, whereby the common people are left behind.

Put in mathematical terms, according to Scott DeCarlo of *Fortune*, productivity is at an all-time high for the 500 top companies in the U.S.; every employee generates \$1.2 million in annual revenue. That being the case, you would think that large corporations could increase employee compensation and benefits. But the idea of “inclusive capitalism,” “trickle down economics” or “profit-sharing” with employees is more a dream than reality. It’s a talking point among conservative politicians and pundits, but the odds for this to happen in the real world is minimal. American capitalism, and global capitalism as well, has always been characterized by economic disparity: By eliminating jobs to save money, by keeping salaries or wages low, and by giving profits to stock holders—not workers. Very few working people get rich. Money flows upward, from the base to the top of the pyramid; it rarely trickles downward or shared with workers.

In 2016, the Fortune 500 companies paid their CEOs a median salary of \$15.6 million or 271 times the median workers’ salary. This compares to 67 times in Japan, 42 times in South

Korea, and 11 times in Germany. In the entrainment and sports industries, the ratios were more extreme with some musicians, actors, and athletes earning 1000 times more than the average workers' annual salary. A question arises: is someone who heads up a public corporation worth 271 times more than the average workers' salary? And another question; are entertainers and sports figures worth more than a thousand times more than what the average worker earns?

Let me put it still another way. Is Jimmy Buffet, Madonna, or Miguel Cabrera worth a thousand times more than what a plumber, teacher, or firefighter earns? If a CEO can get a \$ 5 million or \$10 million bonus for one year's work, what is a fair bonus for highly competent janitor, bus driver or mailman? What kind of annual raise or bonus should an airplane pilot, surgeon, or judge receive? Whose work is more important for the common good and for improving society? To be sure, the world we live in needs to reexamine its values and goals. The policies of a democratic (and humane) society must not only address the needs of the working people, sometimes called the common people or the silent majority, but also must try to maximize the prospects of the least fortunate and avoid a "culture of poverty."

A cultural of poverty, the concept first introduced by Oscar Lewis in the 1960s, often passes from one generation to the next, in turn sapping the health and vitality of society. When referring to a culture of poverty, no one whatsoever should single out one racial, ethnic or religious group—a code word in the U.S. for "them" or what really means Hispanics, blacks, immigrants, etc. Poverty cuts across all racial ethnic and religious groups, both in the inner cities and rural parts of America, whereby people are often scapegoated as "lazy," "genetically inferior" or they are considered a product of a stunted culture. By engaging in these assumptions, we deflect the features that help perpetuate poverty from generation to generation such as low wages, poor schools, lack of nutrition, over-crowded housing, gangs and drugs, large-scale imprisonment, and discrimination—all which limit opportunity.

Developing a social and economic floor or minimum level must include, today, *educational opportunity* for the most disadvantaged populace. In this way, ability and talent can be nurtured and not lost at the expense of the individual and society. John Goodlad, former professor of education at the University of Washington, reminds us that "millions [of people] have fallen far short of their potential by the simple fact of their birth." These millions serve as a reminder that we are not the nation we think we are. We still have a ways to go in terms of humanity, opportunity, and prosperity for all.

Social cooperation and commitment to a *common good*, whereby those in political power work with leaders of social institutions to formulate prudent public policy for the larger society must exist. If, however, self-interest or ignorance dictates policy, if the robber barons are not curtailed, if Ayn Rand's idea that business excess and greed are good for growth and productivity override basic checks and balances; or, if

Milton Friedman's unregulated capitalism overshadows the notion of justice and fairness, then by inference the common good will be shoved aside.

Here I am reminded of the graphic words of Jay Gould, the ultimate capitalist and robber baron. Bragging he could break any strike, he said in 1886, "I can hire one half of the working class to kill the other half." In 2016, 150 years later, several Wall Street CEOs received \$25 to \$50 million annual bonuses, a form of lunacy given the fact that approximately 15 to 20 million Americans were unemployed or underemployed and most wages of labor (including recent college graduates) have been stagnant for the last 50 years averaging \$37,600 per year in 2016.

What we have is a whole new generation of forgotten Americans, left behind, a deepening inequality, in the midst of a growing economy which benefits a tiny percentage at the top of the pyramid. Hence, those at the top of the pyramid invest and those at the bottom work and receive a wage; investments are taxed at a lower rate than wages.

Growing Inequality

The question is, when is enough enough? How much money does someone have to earn before someone says, "I earn enough?" The Trump tax plan widens the gap between the rich and the rest of us. The plan widens economic inequality by giving huge tax breaks to corporations and wealthy individuals while reducing benefits from the working and middle class. Growing inequality helped create the tax plan, that is a small group of lobbyists and wealthy donors were able to gain political power and influence Republican law makers. Democrats refer to the plan as one big hoax on the American people. President Trump, who frequently relies on superlatives, believes the plan is the best thing since sliced bread.

In short, the powerful and wealthy became the "kingmakers" and the politicians became the "puppets." These aristocrats (the one percenters) have gained an ever-larger portion of the nation's wealth. They currently control 40%, soon to own 50% as a result of the Trump tax plan. They have ripped up government regulations that protect the people and the environment and have weakened the social contract between government and the people. These one percenters are hostile toward progressive taxation and social programs such as Social Security, Medicare and Medicaid, as well as other entitlements (in education, health, and housing) that serve the needs of the majority populace.

Government officials fail to recognize that a democracy consists of a government by and for the people, and that government should not bend to the whims of power and money.

Together these forces (power and money) work against the common good. On the flip side of the coin, is there a point when too many entitlements curtail motivation and inner drive to succeed, thus fostering minimal effort and low productivity within society? Proponents of equality may be so concerned about unequal outcomes and growing inequality they may

overlook or stifle performance based on ability, aspiration, and hard work. Conservative critics argue a government that redistributes from “makers” and “risk takers” to “takers” and “moochers” winds up swindling taxpayers and rewarding those who don’t want to work. A major feature for dealing with various levels of ability and aspiration is for society to provide different jobs with different skill levels, as well as second chances and multiple chances. The more opportunities provided to the common or “average” person and the more chances to succeed, the easier it is for people to discover themselves, feel worthwhile and experience mobility. Ideally no one should feel he or she is limited in opportunity or facing a last chance to secure a decent job. It is not only late bloomers who benefit from various job opportunities and multiple chances, but also society which needs a competent workforce to grow and expand—and to support its aging and disabled population.

While U.S. unemployment in 2017 was relatively low (less than 5%), the percentage of American workers actually in the workforce was at its lowest levels (about 63%) in more than 35 years and is likely to persist. *Barrons* considers it to be a *structural* problem, linked to changing values of “beating the system,” working off the books and collecting disability insurance or unemployment insurance. Charles Murray, a fellow at the American Enterprise Institute, asserts in *Coming Apart*, that men in their prime who did not work were once scored as “bums.” Now they brag about exiting the workforce and receiving government tax free money. This trend has nothing to do with lack of job opportunities, rather how federal programs can cause disincentives to work.

The result is that disability rolls among prime age groups (25-54 years) have increased from 1.4% in 1970 to 3.3% in 2013. This increase comes at a time when health and safety laws in work environments have increased, when the percent of dangerous jobs have decreased and the general population has gotten healthier. The gap of 1.9%, the increase from 1.4% to 3.3%, accounts for an additional 1.2 million people claiming disability who might otherwise be working. The share of men ages 55 to 64 collecting disability has skyrocketed from 7.1% to 12.5% since 1970, resulting in 1 million additional people on disability.

During periods of recession and/or slow economic growth, pundits tend to focus on unemployment. This issue is usually temporary and reflects the changing economy. Rising disability is more of a structural issue, reflecting social and moral issues. Most of these people don’t want to work or lack appropriate skills to obtain decent jobs. In both cases, government policies are not going to help. The issue revolves around the individual’s attitude toward work and society—and deeper ideas about the common good and the need to provide proper rewards for work and proper disincentives for preventing people from becoming an unfair burden on others. For a nation to prosper, people must care. There must be some sense of interdependence, a feeling of “we” and a sense of community and nationhood. The individual must be willing to give something back to

family, community, and nation. But today “we” are divided by partisan politics; blue and gray, urban vs. rural, educated vs. uneducated, Democrat vs. Republican, etc. We tend to ignore the long game or future trends and focus on the present. We surrender moral reasoning and ethical consideration for isms and ideology

Another structural problem is that while older workers (over 50) are likely to be laid off during hard times, they are about half as likely to be rehired. Moreover, the prospects for older workers being rehired deteriorate sharply the longer they are unemployed. These people, unlike the disabled, want to work. The old adage, “If you work hard, opportunities will come along and success [recognition, reward, etc.] will follow,” doesn’t apply to the older workforce. This is hard to admit, especially if you’re a team player or believe in the American dream. But millions of older workers have been disconnected from the economy and possibly even from the larger society. If not reconnected into the workforce, a great deal of skilled labor, talent, and expertise is lost to society which in turn leads to political instability and lost economic productivity. Retraining programs rarely seem to work. In the U.S., older, displaced workers who are retired on average go back to work at half to two thirds their original wages. Given the rise of robots the situation is growing worse for American workers.

We must take note, however, that people who graduate from high school and college are not a homogenous group—all wanting to work, all driven by ambition and opportunity. Some of us, because of poor decisions, lousy luck or limited choices—or just lack of ability or ambition—wind up aimless and are forced to look in the mirror and face our own inadequacies. It should be understood that those who lose the competitive race in a *capitalistic* society have a worse image of themselves compared to those born to a *stratified* society. In the later situation, it is easier to explain your failure to corrupt government officials, blood lines, or to traditional rules and rituals that restrict mobility. In a competitive society, where everyone is supposed to have some opportunity, losing the race has more detrimental effects on one’s self identity and image.

This trend toward a meritocracy of the intellectual elite has aggravated inequalities. The majority of people in a democratic society accept this form of inequality, because it is based on individual talent and achievement—not inherited privilege or rank—and because this form of meritocracy is designed, at least in theory, to benefit the common good. Because of socioeconomic deprivation and limited education, a significant percentage of poor and minority groups are unable to compete successfully in a society based on educational credentials and educational achievement. Without the appropriate certificates they are not needed by the economy; not necessarily exploited, but underpaid for their services; not necessarily discriminated against, but not in demand.

Opportunity vs. Inequality

In his classic book on excellence and equality, John Gardner in *Excellence: Can We Be Equal Too?* points out that, in a

democracy, the differences among groups cannot be dwelled on and we go out of the way to ignore them. He describes the dilemma: “Extreme equalitarianism...which ignores differences in native capacity and achievement, has not served democracy well. Carried far enough, it means...the end of that striving for excellence which has produced mankind’s greatest achievements.” Gardner also asserts that “no democracy can give itself over to emphasize extreme individual performance and retain its democratic principles—or extreme equalitarianism and retain its vitality.” Our society should seek to develop “all potentialities at all levels. It takes more than educated elite to run a complex, technological society.” Even modern society, as well as every ancient society, has learned this hard lesson, some only after tremendous bloodshed and loss of life.

Every efficient and innovative society has also learned to recognize and reward various abilities, talents, and creative endeavors. In school, and other aspects of American society, the chief instrument for identifying ability and talent is a standardized test. It is not surprising, according to Gardner, that such tests are the object of criticism and hostility, because they encourage the sorting and selecting of students (and adults) into special tracks and programs. The fact is, “the tests are designed to do an unpopular job.” They are designed to measure what a person knows or how well a person can perform particular tasks; the data can be used to compare people and make decisions—such as who gets into what college and who gets selected for various jobs. Tests are also used for applying standards to determine quality—and who gets ahead in school and society.

Although, in our society unlike most other societies, we are given multiple chances to succeed, the search for talent and the importance of education in our information-based and high-tech society leads to increasing inequality among educated and uneducated individuals, and among those who can digitally communicate and those who can only communicate on a limited bases, among those who understand what is going on in their companies at any given moment and those who are limited to specific tasks (unusually low level or rote) because of lack of ability to comprehend, analyze, and/or apply digital information.

Without doubt predictive analytics is a powerful force in the tech world, leading to many new jobs and determining the economic value of an individual on the job. This skill or ability is independent of education; it involves special talent—adaptability, abstract thought, and creativeness. With adequate knowledge of past events, combined with human characteristics such as age, weight, gender—all which can be collected as data and statistically analyzed—we will be able to determine behavior and estimate outcomes and probability. Giant corporations are now able to assess a customer’s previous behavior in order to predict patterns and preferences. Never before has artificial intelligence been available to so many institutions and companies to predict trends and outcomes. “We are in the early stages of a data science revolution,” according to the founder and CEO Mark Beinihoff of Salesforce. The

challenge is to understand, make sense of it and use it to make appropriate decisions. What’s needed is “a new generation of [managers and] executives who can understand and organize” their business around the data.

It’s the difference, say in baseball, illustrated by the movie “Money Ball.” The movie chronicles how the Oakland A’s were able to predict the odds in identifying the best players for a particular position, using a statistical-driven method in lieu of traditional scouting methods and judgements of coaches and managers. It’s now happening in medicine, Wall Street, and various types of innovative research, whereby risk factors are assessed and numerous variables are analyzed to determine strategy. It’s based on understanding empirical information, what some of us call new information and others call “big data” or the cyber system world.

The issues of *performance* that Gardner (and test specialists) raises, compounded by the computer-driven world we now inhabit, will not go away. In our democratic and heterogeneous society. The issues related to performance have been hotly contested since the War on Poverty and the civil rights movement. They lead to heated arguments in scholarly journals as well as the media, often where frank discussion is curtailed; the worst culprits are college campus newspapers and forums—ironically a limited place for academic freedom if the messenger moves too far to the political Right.

While pundits talk today about difference between excellence and equality, and the need to achieve some balance in a democratic society, we must also distinguish between equality and equity. Equality has to do with similarity in opportunity or results, but equity (or fairness) deals with a person’s or group’s effort and the reward (or outcomes) for that effort. Inequality occurs when a person or group works harder but achieves little reward or, in reverse, when a person or group works less and receives most of the rewards. Inequity involves lack of opportunity, whereby the laws and/or social intuitions discriminate against certain people or groups based on observed characteristics; henceforth, those people will be disadvantaged in society. Whether there is equal or unequal opportunity will determine (1) what happens to people regarding education, jobs, health care, housing, etc.; (2) how income and wealth will be distributed among people; (3) who will be taxed and to what extent. (For example, top earners today pay lower tax rates than working people and have tax loopholes which protect their income and profits); (4) which people (groups) are able to accumulate assets over time.

Here we are not attempting to achieve equal results, which ignores the concept of effort or ability and assumes that everyone is entitled to equal rewards, regardless of effort or ability. Such an assumption has more to do with affirmative action and quotas. With equity, we are seeking some sort of fairness, what Harvard professor John Rawls in *Justice as Fairness* would refer to as a just society. We want to avoid a stacked deck, the existence of inequality and inequity—when no matter what their effort or ability some people will always win and others will be discriminated against. The potential

effects of such discrimination are more than just economic; the outcomes have social, political, and emotional consequences, resulting in feelings of inferiority, anger, self-hatred of others; producing pathological and delinquent behavior (in terms of crime, delinquency, and drugs); and detrimentally affects the productivity and vitality of that nation. If a person cannot find viable work, if the deck is always stacked against a person, the argument can be made: Why go to school? Why find a job? The system is unfair and unjust; it is easier to drop out.

Educational Opportunity and Mobility

The long-term trend of more high school graduates going on to college has come to an end, reaching its peak in 2005, just before the Great Recession at 69 percent and is now leveling off. Falling college enrollment figures mean that upward mobility among poor and working-class students will become more difficult in the future; inequality will continue to grow. It is likely that some students who fall into this category would have exceeded academically had it not been for social and economic factors. But there are many children and youth whose academic outcomes cannot be traced to social and economic limitations. It would be silly to reduce college standards so a greater percentage of college age students can attend. What we need, ideally, is some form of continued education, vocational training or apprenticeships that produce worthwhile learning and growth.

The fact is, a large percentage of U.S. students are concrete thinkers, neither abstract nor creative. Given wide human capacities, society must offer alternative paths to enhance personal success. By emphasizing college as the main prerequisite to success, we have put enormous pressure on many students and their parents to attend college who do not benefit from it. In short, academic achievement or attending college should not be confused with human dignity or human-worth. When we talk about equal opportunity, eventually the question arises as to whether everyone should have the right to go to college. If everyone has the right to attend a high school, why not college?

But the pool of abilities and talent varies, and there are many children whose academic limitations cannot be traced to poverty or deprivation. Children who come from upper-class homes have the advantage of social capital, and have parents who have the ability to move to a successful school district—where schools are cleaner and more modern, where teachers are better paid and generally have more education and experience, and the school climate is more conducive to learning. But others who are less fortunate start out on a less than equal footing and continue to experience family, peer group, school, and community handicaps that only increase their disadvantages—and thus are often doomed to disappoint.

Despite ability or talent, children who come from advantaged homes have parents with political and social connections that help get their children into Ivy Leagues colleges and high-paying jobs. Brian Barry, in *Why Social Justice Matters*, points out that competition for good jobs requires that you get into

the *right* university, not just a university. Some 35 percent of undergraduates at Princeton are “from non-sectarian schools [rich kids]: over 20 times their 1.7 percent in the school population.”

You don’t have to be a rocket scientist to get into Yale or Harvard or to work on Wall Street, and many people who accumulate the usual clutch of mansions, fancy cars, and millionaire baubles possess fewer abilities and are “C” students. Ironically, the business world is depressingly full of millionaires, who ignore their head start in life and equate their net worth with their own brains, that is wealthy boys and girls born on third base who think they hold a major league record for triples. Differences are further aggravated by those who through brains, perspiration, drive—or just sheer luck—such as making the right decision at the right rime or meeting someone at a convention or party—believe everyone else has the same opportunities to make it in America or anywhere on the globe. Smart people recognize the element of luck and there are uncontrollable factors in life—or that their parents’ legacy, name, or social connections helped them succeed. Narcissistic and hubris people are prone to blame others for their lack of success. For example, they allude to someone else’s lack of intelligence or initiative—ignoring other factors that lead to the outcomes of life.

You would hope that we have come a long way from the robber baron days of the nineteenth century. These were the days when business tycoons amassed fortunes by trampling competition, exploiting workers, and fleecing the public. All you need is to be reminded that big business, in the spirit of Jay Gould, is today ready and willing to hire illegal immigrants at \$7 or \$8 an hour and replace American laborers that expect \$20 or \$25 an hour for the same work. What does \$20 an hour mean? Considering an eight-hour day, five-day workweek, and fifty-week wage, this amounts to \$40,000.

Consider the average annual wage for a factory worker was (\$35,350 in 2017) construction worker (\$30,000 in 2017), bus driver (\$31,000 in 2017)—jobs we would define as “semi-skilled.” Also consider that nearly all the major multinational companies in America are outsourcing white collar jobs for approximately one-third to one-fourth the American wage. Sadly, the American workforce has become a disposable workforce, under the guise of competition, efficiency, and global supply-demand trends. Here in the U.S., we will never be able to compete with Bangladesh or Mexico in labor costs; what we need is to find ways to attract new businesses by offering good infrastructure and transportation links, a skilled workforce, and attractive tax codes.

Regardless of one’s view of the government’s role, (expand or reduce its role) cut entitlements and safety nets or increase taxes among the rich and redistribute income), real opportunity must exist. Everyone cannot hit home runs, but everyone should get up to bat in a democratic society. What’s worse is when some people never get up to bat at all.

What’s almost as bad is that throughout life someone has

always bat last. Eventually, the sandlot ballplayer who always bats last gets the message and drops out. It's not so different in school and society. It comes down to what kind of society we want. Do we want one where there is a distinct cleavage, one group always hitting doubles, triples, and home runs and another group striking out, or not even getting up to bat, living a half-life, passing time away and doing very little for themselves and society?

The situation being described leads to a large economic underbelly, class antagonism, and nation-wide decline because a large portion of human potential is curtailed. It's one thing to experience setbacks, and learn from our mistakes. It's another matter to make one bad decision, and never recover from it. Managing the gap between hopes and reality is a lifelong process. But always being exposed to the lack of opportunity, discrimination, or failure eventually leads people to recede into silence and from life. What we cannot allow to happen is for failure and frustration to become a way of life or a vehicle for shaping one's identity, rather than opportunity to learn from setbacks and mistakes and bounce back. Similarly, we cannot have a tiny group hoarding money and engaging in excess (big houses, big boats, and lavish entertainment) and the masses living day-to-day, on the edge, in debt—as cogs in the machinery of government and/or corporate America.

Conclusion

How wealth should be redistributed depends on the leaders in power and their moral fiber and values, their belief in equality and equity (or fairness). There will never be full agreement on this issue, and that is what makes liberals and conservatives debate across the aisles. Ideally we can proclaim that laws and social institutions should be developed that do not lead to unfair advantages for some at the expense of others. Everyone should be working for the common good, rather than their own interests. Some social and economic inequalities are acceptable as a byproduct of capitalism and as an outcome of talent and excellence. But the institutions and policies of society must limit major inequalities of opportunity and mobility if society is to work for the common good.

The problem is, benefits are rarely proportioned equally among advantaged and disadvantaged groups, so that the unequal distribution of the economic pie will not have the same benefit for those who are disadvantaged or on the lower end of the totem pole. Similarly, it becomes a quandary to try to agree that someone's success must benefit the common good or less fortunate. It might be easy to determine how a physician or judge benefits society, but it would not be easy to show how baseball players or rock stars earning \$25 to \$50 million a year benefit society or less fortunate groups. When all is said and done, most people act on self-interest. In opposition to the philosophy of Herbert Spencer and Ayn Rand, the need

is to curtail greed and materialism and to establish laws that restrain powerful people and wealthy people from obtaining a lop-sided amount of the income and wealth of a prosperous society.

Only if inequalities of income and wealth are curtailed can equal opportunities for education, healthcare and work be achieved. Only in a more equal society can disadvantaged groups and ordinary working people hope to succeed in large numbers. By allowing too much wealth in the hands of a few, by distorting financial markets with low interest and therefore inflating the value of property and stock (primarily owned by the rich) or by creating tax policies that overwhelmingly favor the rich and superrich, we eventually reduce consumer spending and investment in productive endeavors. The outcome is perilous for the economy—eventually hindering investment in infrastructure, education, and research and development.

Let's be clear about it—the wealthy have not created new wealth for the nation. If so, our gross domestic production would be much greater. They have taken money from others by restricting labor (a better word might be that they hold labor “hostage” by stifling unions), maintaining low wages for workers, and by pressuring the government to ensure favorable tax policies for the rich. The need is for balance: To redistribute wealth so that those who inherit large amounts of assets or those with natural abilities or strength do not run away with most of the gold; at the same time, we cannot overtax to the extent that wealthy people move to another country to avoid taxes. The goal is (1) to achieve compassion and charity, (2) to protect human rights, (3) to encourage opportunity and social mobility, (4) to seek fairness in the distribution of income and wealth, and (5) to appeal to the better angles of our instincts. We would like to believe in the image of a person who rose from nothing and who owed nothing to parentage. This part of the American dream and the notion of the self-made person (usually a man) is commonly accepted as part of the norm, and there is just enough truth in these stories, a testimony to American democracy. But given the last 40 years (when Ronald Reagan became president), the humblest and poorest rarely rise to the top.

Statistically the odds do not coincide with popular literature or folklore. For every poor or working-class person that becomes a captain of industry or a super athlete, tens of thousands are doomed to live out their life in the same quintile they started or slightly move an inch or two higher. Given a highly competitive society, life is not a bowl of cherries or a rose garden; sometimes there is more rain than sunshine. All you have to do is listen to the songs of Muddy Waters, A.P. Carter, and Johnny Cash—and you hear a prickle or sad story about the human condition and reality of life.

Citation: Ornstein AC (2020) Class, Mobility and Inequality: A Commentary. *Sociology Insights* 3: 001-008.

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