THE WIDENING GAP: ECONOMIC INEQUALITY AS A RELIGIOUS ISSUE

Franklin I. Gamwell
Shailer Mathews Professor of Religious Ethics,
the Philosophy of Religion, and Theology
University of Chicago Divinity School

No one seriously contests that federal tax cuts during the past four years have favored the rich. Changes in the code cut income taxes on high earners, allowed businesses to write off the cost of new capital purchases more quickly, and temporarily eliminated the estate tax. Above all, perhaps, rates were reduced on capital gains and dividend income; in this country, the top 1% of households own 45% of all stocks, while the bottom 80% own 6%. From the post-2001 tax program, one analysis shows, the lowest 20% in the income scale received on average an annual tax cut of $61; the middle 20%, $586; people in the 90th to 99th percentile, $2,907; and the top 1%, $66,601.¹

These changes, we are told, will lead to increased savings and investment, which will mean more jobs, and in the end everyone will win. But the last time our nation danced to rhythms of so-called “supply-side economics,” during the 1980s, economic inequality escalated—and it has increased steadily ever since, although the pace slowed in the later 1990s before it quickened again in the new century. The dynamic now seems entrenched, and more so

because the public shows little or no political wish or will to resist it. This growing inequality is the larger social issue whose religious character I propose to discuss.

The Problem

A brief review of the problem: for some three decades after World War II, income distribution in America moved toward greater equality, and the gap between rich and poor shrank to the smallest in our nation’s history. Since the mid-1970s, however, we have marched steadily in the other direction. The gap has stretched back through and far beyond its scope prior to the post-War reduction. No one substantially disputes the following figures, always corrected for inflation: between 1979 and 2000, per capita real income in the United States grew by some 50%. Average income in the lowest fifth of households grew by a total of 6%, in the middle fifth by 12%, in the upper fifth by 69%. Between 1979 and 1995, real income in the bottom three fifths or 60% of households was virtually stagnant, notwithstanding a dramatic increase in middle-class families with both parents active in the paid workforce. The lion’s share of whatever gains the lower 60% realized in the previous twenty-five years came in the boom of the late 1990s. Even then, however, the top 20% continued to pull away from the pack. The income of the highest fifth was 8.5 times larger than the lowest in 1979; 10.7 times larger in 1995; and 13 times larger in 2000. The highest 20% also put increased distance between itself and the middle—having income 2.5 times larger than the middle 20% in 1979, 3.2 times larger in 1995, and 3.9 times larger in 2000.

Figures for the very rich are staggering: between 1979 and 2000, average income for the top 1% grew by 184%. With average income 33.3 times larger than the bottom fifth in 1979, the highest 1% ballooned to 88.5 times larger in 2000. As a piece of this, parenthetically, the average
compensation for CEOs grew 342% between 1989 and 2000.\textsuperscript{2} All of these results are virtually the same before and after taxes, and there is no significant change if we add the effects of employer-provided health care, government housing subsidies, food stamps, and the like. By any sensible income definition, “persistent and comparable growth in inequality” becomes apparent.\textsuperscript{3} Figures for income distribution, moreover, understate the matter, because the distribution of wealth is even more unequal.\textsuperscript{4}

Our income inequality is, so far as we can tell, unrivaled in the industrialized world. Working with data from the Organization for Economic Cooperation and Development (OECD), one analysis shows that the difference between those in the 10\textsuperscript{th} and 90\textsuperscript{th} percentile of income is smaller in all of the other 19 member countries: 17% less in the United Kingdom than the United States; 22% less in Australia; 24% less in Japan; 26% less in Canada; 37% less in France; 48% less in Denmark and Finland; 50% less in Norway.\textsuperscript{5} The overall conclusion seems clear: since 1979, our economy “has consistently produced the highest levels of economic inequality,” and the gap “has shown a strong tendency to rise.”\textsuperscript{6}

Comparison over these same countries shows that poverty in the United States is more pervasive and mobility out of poverty more limited than anywhere else. OECD data define poverty in its member nations as one-half the median income or below. During the three year period 1993-95, one analysis shows, the United States significantly surpassed all others in the percentage of people who were poor for all three years. The United States also spends the lowest

\begin{itemize}
\item \textsuperscript{2}“This level of executive pay is a distinctly American phenomenon. U.S. CEOs make three times as much as their counterparts abroad.
\item \textsuperscript{3}Mishel, Lawrence, et. al., \textit{The State of Working America, 2000/2001}, 69.
\item \textsuperscript{4}While the top 10\% enjoyed 45\% of household income in 2001, the same people owned 71\% of the nation’s wealth.
\item \textsuperscript{5}In addition, the absolute income of the tenth percentile is lower in the United States than in all but two of these countries (Australia and the United Kingdom).
\end{itemize}
percentage of its GNP on social services for the poor, and comparisons show a strong reverse correlation between incidence of poverty and measure of social service expenditures. During the fifteen years succeeding World War II, the poverty rate here fell by half. Since then it has been intransigent. By the government’s own poverty standard, which everyone agrees is inadequate, 11.1% of the population were poor in 1973. The figure has never been lower, sometimes growing beyond 14%. In 2000, 11.3% were poor; in 2001, 11.7%; in 2002, 12.1%; and, as recently reported, in 2004, 12.7%. The poor have also become more deeply poor. In the 1970s, some 30% of them were below one-half the poverty line; by the later 1990s, they numbered closer to 40%.

Several forces conspired to produce these outcomes, but there seems little question that “the growth of inequality was the largest component adding to poverty rates over the past 30 years.”

Still, poverty is one thing, and economic distribution is another, however connected the two may be. Income patterns are likewise related to other issues: for instance, massive inequality magnifies the electoral power of wealth, given how we fund political campaigns. Given how we fund public schools, the income difference translates into educational inequality. Corruption in the criminal justice system, which mostly harms the poor, is abetted by indifference from the rich, who are concerned only that “law and order” protect them in their segregated, sometimes gated, communities. Quite apart from these effects on other things, however, the economic gap is, I believe, a political problem unto itself. It is also glaring for the absence of significant public attention. To be sure, the economic results of state policies for differing social groups—for corporations, workers, regions of the country—are the daily stuff of political contention. But our public discourse has been virtually silent about the yawning income disparity itself. Those who

---

7Ibid., 356.
believe in God, at least if the God in whom they believe is the God in whom Christians believe, have every reason to see injustice here.

They see injustice because the God Christians experience through Jesus is all-embracing love, who calls humans to love God with all their hearts and souls and minds and strength, and so to love all that God loves—all their neighbors—as themselves. I do not say that only Christians experience this God. To the contrary, God’s love for all means God’s presence to all, and thus we all are called to love one another. In sum, we are commonly called to create a community of love or, as Martin Luther King, Jr. taught us to say, a beloved community. This common commission, moreover, comes not as a burden but, rather, as a gift—an expression of divine love, of God’s will that all people should have a good life. Here, the phrase “a good life” is not simply a moral term; having a good life is not exhausted by being virtuous or doing one’s duty, however essential those may be. Rather, God wills for each a good life in the sense that loving parents wish a good life for their children—a flourishing life, a happy life in the best sense. And since God’s wish for our happiness calls us to create a beloved community, the point is this: human flourishing depends on mutuality. Each is fulfilled when both the beneficiary and the benefactor of all others, each receiving from the achievements of others and directing her or his achievement to the good of all. “The highest reaches of individuality,” wrote Reinhold Niebuhr, “are dependent on the social substance out of which they arise, and they must find their end . . . in the community.”

Moreover, the communities on which we depend are not exhausted by family and close friends but, rather, reach like circles within circles through neighborhood and various voluntary

---

associations to institutions of work and culture and encompassing social structures. Mutuality imprisoned is mutuality impoverished. Summarily described, the wider social patterns should provide or promote general conditions of achievement in the context of which local associations may more fully provide or promote specific conditions of achievement, so that, through both, the good for all is advanced. Thereby, our life together becomes a mosaic of associations so fitted as to maximize mutuality.

Justice, then, concerns the most general setting for all other associations and is the focus of politics. Principles of justice, we can say, articulate the good community in terms of the order rightly provided or promoted through government; they assign to politics and thus to the state their part in the beloved community. Since the aim is flourishing through mutuality, justice can only mean laws and policies that provide or promote access to the most general sources of achievement, access to conditions that empower people to enhance their communities—for instance, conditions of safety and security; material provision and opportunity for work; education; cultural richness; beauty and integrity in the environment; and, implicated in all of these as well as for its own sake, a favorable pattern of associations, including freedom of association and democratic citizenship. Access to conditions such as these is the business of justice, and, since mutuality deepens insofar as all contribute, the summary principle of justice is this: maximize the access to general sources of empowerment that is equally available to all. The measure of such conditions to which all have equal access is, on my use of terms, the measure in which our common life achieves the common good—and thus the maximal common good is the principle to which our distribution of wealth and income is properly held accountable.

The point is not complete sameness of results. All inequality is not inequity. Some disparity may be allowed, even required, because thereby the general empowerment of all is
increased. Wisdom and experience counsel, for instance, that the welfare of all is greater if differing rewards track in some degree differences in responsibility and initiative. Moreover, aiming the state at complete equality would be so oppressive to freedom of association that loss to the common good would be immense. Still, unequal access to general communal sources should stretch only so far as needed to enhance the level enjoyed by all. That is why income distribution can be a problem quite apart from its complicity with other issues in our common life—and, by this account of justice, it is acutely difficult to see how the still widening gap can be justified.

To be sure, income and wealth, however important, remain one among many sources of achievement, and some argue that our distributional gap is the price we pay for the prosperity through which the empowerment of all is extended. But that line of defense seems hopeless. The complicity with other inequalities—for instance, in political power, educational funding, and the criminal justice system—is now indeed to the point. And sophisticated attempts to assess “social health,” which survey a range of factors such as high school completions, youth homicide, health-care coverage, and the like, “have shown a more or less steady decline from the high-water marks of the 1970s.” In any case, a brief seeking to justify current economic distribution as beneficial to mutuality is bound to show why this supposed good has needed three decades of spreading inequality—and, further, how the lower 60% have been served by largely stagnant conditions while the upper 40% and especially the upper 20% and most especially the very rich have received virtually the entire rise in income. With respect to what social benefits, we may ask, has greater access for all required this unrivaled disparity?

Religious Differences

If Christians and any others who confess the God of all-embracing love are called to condemn this inequity, they have cause to challenge the general public indifference to the problem and to search out its reasons. In the background, I now wish to show, religious differences are at stake in our common life. But making this point requires a moment to explain what “religious” means in this context. Typically, and quite rightly, our common use of “religion” refers to a tradition or cultural formation and a specific community defined by it in which some understanding or vision of human life in relation to our ultimate setting is affirmed and cultivated through specific activities of worship or other symbolic practices. Further, the distinctive character of a given religion typically derives from some person or event or set of events or sacred text taken to be a decisive disclosure of our ultimate condition, for instance, Jesus and the apostolic witness for Christians; the history of Israel or, specifically, the Exodus for Jews; Mohammed or the Qu’ran for Muslims.

Within the political process, however, the significance of a religion is this: its understanding of our ultimate setting provides for its adherents a conviction about our fundamental or overall orientation, a belief about the comprehensive purpose of human life and thus about the encompassing purpose of our common life. Now, if a religious conviction orients life as a whole, then any articulated conviction that orients life as a whole can be considered at least a possible religion, in the sense that it could define a cultural formation and a specific community in which that conviction is cultivated through specific activities. Hence, those who are adherents of some religion or other might properly say that our religious differences appear in politics whenever differing such convictions are effective in the political process. In other
words, politics faces religious differences whenever we find differing ideals for the human community, differing views about its overall point, at stake in the democratic discussion and debate, and the contending alternatives can include accounts of the encompassing purpose that are thoroughly this worldly, denying any god or transcendent reality.

Two such ideals, profoundly at odds with the beloved community, exercise spacious control in our public life and lie behind the virtual silence on economic inequity. Political opinions are, I believe, widely shaped by these ideals, even though many citizens moved by them may not entertain or endorse them in any reflective way. As often as not, ideals are received and accepted as a part of some cultural legacy and subsequently guide specific judgments without being examined or even consciously delineated, and the two I will discuss both have a deep background in American history. For the sake of clarity, I will portray the two in sharp contrasts. Perhaps political participants rarely adhere without qualification to one or the other, and thus they appear in public only with greater or lesser purity. On my reading, they are nonetheless widely consequential. I will call these rivals the *liberal* and *conservative* ideals for community. These terms are, of course, common currency in our public life, and noting this is useful because, using “liberal” and “conservative” as names for communal ideals, I intend somewhat differing meanings than the terms often assume in political discourse.

Roughly speaking, “conservative” in the widely used sense means the general commitment to minimizing governmental activity and maximizing individual liberty or freedom from interference, and conservatives are sometimes called libertarians. In distinction, “liberal” commonly means the call for interventions by the state, especially toward securing for all a basic level of support necessary to well-being, and liberals in this sense, once called “New Deal liberals,” are also sometimes said to endorse a welfare state. But the discord between these two
political orientations, if seen in light of our underlying question, is in fact a family quarrel—
because, at a deeper level, libertarians and welfare liberals typically share or encourage the same 

*liberal* ideal for community. For both, the inclusive purpose of communal patterns is to serve, 
indeed somehow to maximize—not mutuality but, rather—the success of private interests or preferences, the satisfaction of individual wants.

As I intend the term, the “liberal ideal” is marked by this affirmation: the happiness of each person is defined by her or his chosen interests or preferences, so that community is instrumental to the realization of diverse private aims. Since the point of any given life depends on personal preferences, the point of our common life is to provide resources useful in whatever way individuals please. For this reason, the liberal view has long been allied with the modern economic order, indeed, has typically urged that economic goals and purposes should be supreme within the public purpose. Economic activity seeks to provide income and wealth as resources for whatever private interests one has and thus to satisfy, as we say, consumer preferences. Because community properly serves maximal satisfaction of wants, the larger public order should be directed to the success of those institutions that create economic prosperity and growth. Many have argued that this communal ideal has dominated our national life since the Union prevailed in the Civil War, setting the stage for the North’s dramatic industrial development in the later nineteenth century.

Because libertarian and welfare liberals share this view of community, the clash between them is largely focused on how economic resources should be distributed. For libertarians, we should refrain from meddling with the distribution worked out by the free market, because state interference weakens personal incentive and thus reduces overall growth. For welfare liberals, the free market distribution is capricious, and the government must redirect the outcome to
insure that basic needs are met. But in either case, the patterns of community are rightly aimed at satisfying multifarious wants or private interests. Roughly speaking, the social order is pictured like a large number of people moving diversely on a complex pattern of intersecting roadways. We need some rules of the road, and we have a common interest in making and servicing vehicles that hasten travel. But the pattern is itself indifferent to where any given individual is going, and the system of movements is a good one if it expedites the intent of each to approach her or his preferred destination.

By contrast, what I will now call the *conservative* vision of community is focused—not on satisfying private interests but, rather—on cultivating and expressing private virtue. Adherents of this communal ideal have been active in local politics since the earliest colonial settlements, making a national appearance only on pointed occasion, for instance, in the drive for prohibition a century or more ago. In the closing decades of the twentieth century, however, the conservative ideal became, for various reasons we need not pursue, especially visible in our broader public life. Those who carried its banner were a prominent part of the Reagan coalition and have bent political discussion in their direction ever since—and when some say that our most recent presidential election turned on “values issues,” the “values” in view are, in the main, private virtues.

“Private virtue” here means moral traits or habits for which the larger institutional order is, within very wide limits, irrelevant. Virtuous living in this sense takes as given and thus does not much care about what shape the larger society has. Being honest or trustworthy is, for instance, a trait all people can exhibit whether the society is equalitarian or aristocratic. As conservatives typically conceive them, private virtues give strength of character to an individual because they discipline wanton desires for pleasure—and these disciplines typically include
habits of family commitment and sexual control, taking responsibility for oneself, readiness to work with diligence, obedience to law and local mores, charity toward the victim of misfortune, and religious piety.

Something like this is often meant in recent calls for “traditional values.” As the term may suggest, conservatives sometimes define these values in narrow ways that cast in stone the parochial codes of an earlier time. For this reason, traditional values have sometimes been articulated in forms that are racist or sexist or that stigmatize legitimate diversity. Still, the conservative ideal is not by definition discriminatory or resistant to change. What marks its essence is this: community is a bond that sustains and is sustained by persons of private virtue. The main point of communal patterns is to foster such moral traits, even through social sanction or legal enforcement, and to provide occasion for their expression. Hence, one’s station in life, one’s role in the communal structures of authority, power, privilege, or benefits and burdens, is not fundamentally important to human flourishing, because the purpose of our life together is to facilitate for each person a life of good character.

If metaphors are helpful, one might picture the conservative ideal this way: community is like an army, organized into platoons with each having its own colors, arranged according to rank, and all marching in place. The order of the whole depends on the discipline of each soldier as she or he occupies her or his station, and the discipline of each is sustained by the company of disciplined others—and by the directions of those commissioned as leaders. The purpose of life together is to facilitate for each a life of good character within the given social pattern.

The cultivation and expression of private virtue is very different from the liberal commitment to satisfying private interests or wants, and, correspondingly, the liberal and conservative ideals of community can be at odds with each other. For conservatives, liberals
corrupt character by opening the gates of permissiveness; for liberals, conservatives seek to tell people how to live. Still, these two also have something they share: for each, in its own way, human flourishing is individualistic. What makes a human life worthwhile is defined without essential reference to the community. On the liberal view, this follows because the point of life is the satisfaction of individual wants. To be sure, the social order is important to liberals because it provides economic resources; but these are strictly instrumental, and, in the nature of the case, what a person wants is finally a matter of her or his preference. On the conservative view, flourishing is found in the life of private moral character. To be sure, community is important to conservatives as the setting through which private virtue is developed and in which it is practiced; but, in the end, only a person’s moral integrity matters. In this shared individualism, then, both are at odds with the ideal of mutuality, for which flourishing depends on being the beneficiary and the benefactor of creative achievement, or association with others in circles enclosed by wider circles, so that justice means larger social and political structures that serve mutuality by giving access to a common good.

**Religious Decisions at Stake**

Much more should be said fully to unpack the two ideals I find not only impoverished but also pervasive in their contemporary effect, but perhaps their broad outlines are sufficiently clear to permit discussion of how they help to account for public indifference to expanding economic inequality.

Wherever the liberal ideal holds sway, the only common measure of living better is a higher “standard of living” or greater economic benefits with which to satisfy one’s wants or realize one’s interests. Each household is led to focus on the material resources it commands. Barring a threat to basic health and safety, citizens are most concerned with how state policy
affects their own economic standing, and politics tends to become another arena for economic competition and trade-offs. When politics reduces to this kind of bargaining, superior economic power more readily translates into superior political power and more easily bends public purpose toward interests of the rich, even if that means merely governmental refusal to interfere with the market. On my reading, something like this has occurred in United States politics in the past thirty years. An ideology of reliance on the free market has been resurgent, preventing policies that redress the distributional bias of corporate America, where advantage in wealth and income tends to reproduce itself in bolder form.\(^\text{10}\)

To be sure, even politics aimed at private ends might restrain inequality if moved by a widespread public commitment to basic welfare for all, and New Deal or welfare liberals have consistently pursued state policies that seek to build floors or, at least, “safety nets” under the lower levels of distribution. But these liberals spite themselves, because their own view of life measures good by private interests satisfied. Seen through that measure, a decrease in one’s “standard of living” is a sacrifice of one’s happiness, and this counsels the rich to weigh their considerable power against policies that reduce their share. So, the redistribution welfare liberals seek is resisted just insofar as the advantaged are persuaded by the ideal welfare liberals themselves endorse.

Indeed, no one, rich or poor, who measures life by wants satisfied has reason to call inequality itself an issue, because what matters to each household is not what others have but, rather, its own level of economic rewards. Whatever force should be conceded to sentiments of envy, the politically more consequential comparison for those less advantaged is not to the more

\(^{10}\)I have no intent to deny that large economic corporations are typically forceful in promoting public policies by which they are directly subsidized. There is no reason why power must act in accord with the ideology by which it is nonetheless sustained.
advantaged but, rather, to their own previous situation. Has there been increase? For this reason, the important political concern is economic growth in which all participate, however uneven the shares. A rising tide that raises all ships has been largely sufficient to prevent discord over economic distribution, just because the liberal ideal has been so pervasively believed.

For all that, however, social and political strife has emerged with some vengeance when a widening gap occurs while incomes decrease in the middle level and below. The Great Depression and, before that, the populist movement of the late nineteenth century are illustrations. As we noted, expanding disparity in the 1980s and 1990s left real incomes of most Americans largely stagnant. So, why, even granting the limits of liberal perspectives, has there been no significant political challenge to a tide that has failed to reach so many harbors?

Here is where, I believe, national appearance of the conservative ideal comes into play. Beginning with the last quarter of the 20th century, this ideal has deflected attention away from inequalities in the social order toward issues of personal morality. After perceived threats during the volatile 1960s to traditional norms of private virtue, this ideal became increasingly influential. Issues of abortion, family responsibility, affirmative action, parental control of education, same-sex relationships, and the like increasingly affected political alignments. Focus on private virtue cut across various income levels and, especially, was shared by many members of the broad middle class with persons among the most advantaged. Thereby, this movement served to undermine an alliance based on common economic interests that middle- and low-income Americans might have forged against the wealthy. If the liberal ideal itself tends to overlook maldistribution, so long as the pie grows and everyone gets something, economic inequity has been the more ignored because conservatives have so effectively filled the moral
agenda with issues of private virtue. Hence, the virtual silence on economic inequity in both 
major political parties.

Again, much more should be said to clarify this accounting. But I wish to conclude by 
underscoring the religious issue we face, recalling the political use of “religious differences” 
suggested earlier. Whatever else is at play in our politics, a decision about ideals is at stake. 
Pursued to its conclusion, the liberal ideal typically belongs to a secularistic or solely this-
worldly account of the encompassing purpose. There is no transcendent reference. To see our 
social order as the servant of private interests is to imply that life has no end or purpose given in 
the nature of things and finds good only in the wants it gives to itself. The conservative ideal, 
depending on how it is filled out, may also be thoroughly this-worldly. In that guise, community 
as a bond devoted to private virtue is typically espoused by the privileged, who associate their 
advantage with the good of society and, in effect, tell the masses that they have all they need 
when they occupy their station with strength of character. But this ideal also appears with a 
populist appeal and, in that case, wears theistic robes. To march virtuously in place, without 
care for wider inequities, is seen to be sufficient because attention is focused on the soul’s 
vertical relation to God in neglect of its horizontal relations to the world, usually in preparation 
for another life to come. On my accounting, the so-called Christian Right should be understood 
summarily as giving this kind of aid and comfort to the conservative ideal.

But where Christians or others embrace God’s community of love, they will see our 
mounting disparity of wealth and income as an offense against justice. The point is not simply 
that people lack basic welfare or have not been moved by a rising tide. Those faults could be 
corrected and our present distributional patterns remain deeply unjust because God calls us to 
maximize general sources of achievement equally available to all. Liberals are surely right in this
respect: Most forms of human creativity depend on material supports and thus on economic resources. And conservatives rightly insist that life together is impossible or quickly becomes a mere shadow of itself without individuals who cultivate private virtues. Material means and good character are both essential to the good community. But the point of both is defined by the goal of maximizing mutuality, and thus justice means providing or promoting the common good for all, that is, maximizing the general conditions of empowerment equally shared. So far as I can see, any who are committed to this ideal for our common life are called to oppose the oppressive silence on economic inequity.

Those who do so have reason to make common cause on particular problems, such as tax cuts that most benefit the rich or persistent and callous neglect of the poor, with fellow citizens who reach similar positions for differing reasons. But the public lacks the will to halt and reverse our seemingly entrenched distributional dynamics partly because citizens so pervasively adhere to false ideals that debase our common life. So far as I can see, the religious communities and any others for whom our calling is to pursue the community of love cannot evade this fundamental challenge: a new religious background is prerequisite to economic justice. Although fitting occasions and formulations require sensitivity to context, Christians and all others for whom we flourish or fall together are called to public criticism of the competing religious convictions implicated in political debate and decision and to public assertion and defense of the beloved community. In itself, that witness will not transform our public order. But if answers to the religious question have their effect in politics, then our common life will be wanting without those who effectively petition what Abraham Lincoln called “the better angels of our nature.”