

# NETWORK MEND THE GAP STUDY GUIDE

*Use this resource from NETWORK Lobby  
for individual reflection, or with your  
local community group!*

## ***Mind the Gap! Economic Inequality***

**Mend the Gap Study Guide, Part 1**

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### **Inside...**

- Data to understand the different wealth divisions in our society ►
- Stories from individuals of different socioeconomic backgrounds ►
- Federal policy highlights ►
- Faith quotes and passages ►
- Reflection questions ►





# Mind the Gap! Economic Inequality

## Mend the Gap Study Guide, Part 1

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“May your efforts contribute to the growth of greater respect for the human person, endowed with basic and inalienable rights ordered to his or her integral development, and social peace, namely, the stability and security provided by a certain order which cannot be achieved without particular concern for distributive justice. In a word, let wealth be shared.”

— Pope Francis, 7/8/15

Thank you for joining NETWORK in working to create compassion and understanding in our own communities—and in Congress—for the needs of every person who is part of our society. This guide is a resource to explore wealth and income inequality in our nation, highlighting the different ways in which we are all affected by the disparity, and how we can come together to mend the gap.

Pope Francis calls for each community “to go out of itself and to be engaged in the life of the greater society of which it is a part, especially with the poor and those who are far away.” This resource has been divided into seven sections. Within each section, you will be invited to deepen your knowledge of and compassion for a “quintile” (20%) of the U.S. wealth spectrum. Pope Francis acknowledges that “we are tempted by indifference...” and so NETWORK encourages fostering solidarity with each quintile by calling Congress to support policies that will improve that quintile’s quality of life and strengthen our nation. We hope that this resource will help strengthen your sense of community with all people—from the economic margins to the super wealthy.

### What’s a Quintile?

A quintile, or 20% of our population, is a figure used to describe an income bracket (that consists of labor income, business income, capital and capital gains income, and retirement income) of individuals and families within the United States. This unit of measurement is calculated as the average amount of income in a financial household—perhaps a single earner, or two working adults with children, or a household where several people work part time. When the number of people in those financial households are added together, the total accounts for 20% of the entire U.S. population.

In this guide, quintile data is based on U.S. Census Data from 2009.

### How to use “Mind the Gap: Economic Inequality”

“Mind the Gap: Economic Inequality” can be used to better understand economic disparity as it exists in the United States. Individuals and groups may use this resource as an informational and reflection piece. “Mind the Gap: Economic Inequality” is divided into six parts, in addition to an introduction and final reflection. The different sections highlight the quintiles; each giving a profile of the individuals who fall in the quintile, including real life stories of people, and a reflection piece encouraging participants to examine how their faith reacts to these disparities. In addition, each section highlights a specific federal policy, and how that policy benefits the quintile.

## Suggested Group Activities

1. Explore one portion of “Mind the Gap: Economic Inequality” over the course of several group sessions. This can be done in a total of six sessions, incorporating the introduction and final reflection in the first and last sessions.

### SCHEDULE OF SESSIONS

- Session 1** INTRODUCTION:  
Inequality in Our Nation  
**Part 1: The Bottom 20%**  
*(average household income \$24,600)*
- Session 2** **PART 2: The Next 20%**  
*(average household income \$45,300)*
- Session 3** **PART 3: The Middle 20%**  
*(average household income \$66,400)*
- Session 4** **PART 4: The Fourth 20%**  
*(average household income \$97,500)*
- Session 5** **PART 5: The Top 20%**  
*(average household income \$245,700)*
- Session 6** **PART 6: The Top 1%**  
*(average household income \$1,453,100)*  
**Final Reflection**

### SESSION AGENDA

- Gathering** Bible reflection
- Story highlight** Read through experience of a real person who fits in each quintile
- Quintile profiles** Examine the overall profile of the quintile by looking at likely occupations of those in the quintile, and how their lifestyle choices are affected by their place in the particular quintile
- Policy highlight** Learn about a specific policy that affects and benefits individuals in the quintile
- Reflection** Use the provided questions to reflect as individuals and discuss as a group
- Final prayer** End each session with the provided prayer

2. “Mind the Gap: Economic Inequality” can also be examined in its totality during one group session.

### GROUP SESSION: INEQUALITY IN OUR NATION

- Introduction** Inequality in Our Nation
- Group work** Divide into six groups. Assign one part of “Mind the Gap: Economic Inequality” to each group. Have each group go through the quintile they were assigned
- Share** Gather the groups back together. Have each group tell the others about their assigned quintile
- Discuss** Facilitate a large group dialogue about the different quintiles
- Reflection** Go over the final reflection as a large group
- Final Prayer** End the session with the provided prayer

# Introduction: Inequality in Our Nation

## Juell from Boston, Massachusetts

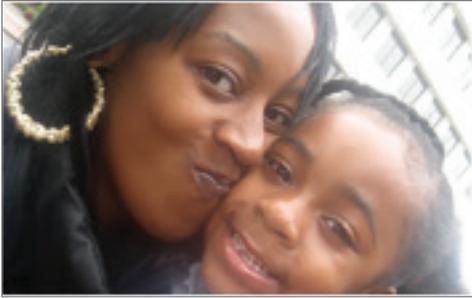


Photo Credit: Juell, *Witnesses to Hunger*

Juell is a generous-hearted 32-year-old mother of two girls. In 2013, she was half-way finished with a bachelor's degree in human services and eager to make a career of helping people. To support her family during her studies, Juell was trying to secure a work-study arrangement. In the meantime, she used public assistance. Juell's public assistance program required that she take a four-week full time job readiness program — or lose her assistance. Juell had to put her education on

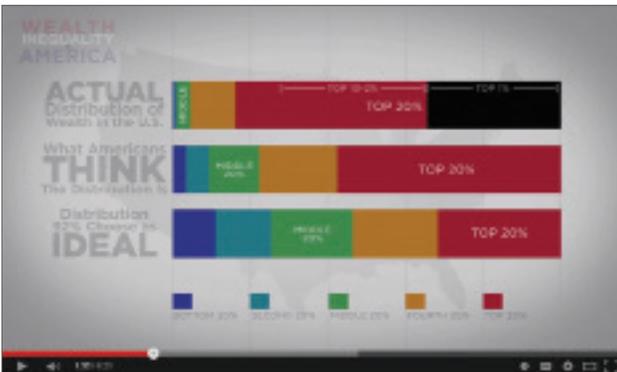
hold to fulfill the four-week requirement. She couldn't afford to go back to school after the disruption, and is still looking for a job today.

In the midst of her own struggles, Juell makes it a priority to help others. She even has stretched her own limited resources to take in a recently deceased friend's younger brother and help him transition into independent adulthood. "We are supposed to be a caring society," Juell insists. "So, why do we live in a system that penalizes people for helping others and trying to get ahead? It's not about fraud or beating the system; it's about binding together to overcome." *Juell is a member of [Witnesses to Hunger](#).*

Let us reflect on the social sin of living in the wealthiest nation on earth, while at the same time so many families like Juell's can barely make it. NETWORK believes the social safety net programs should not force people into situations where they might be faced with counter-productive choices to meet basic needs. Many public policy-makers have never experienced poverty and have not interacted with people who face choices like the ones Juell did. Our nation is facing an empathy deficit. As Pope Francis tells us, just as the Ten Commandments say "thou shall not kill," we must say "no" to an economy of exclusion.

## Why is wealth inequality a problem?

To address the challenge and consequences of wealth inequality in the United States, one must first understand the reality. Take six minutes to watch this video: [Wealth Inequality in America](#).



*Wealth Inequality in America*

<https://www.youtube.com/watch?v=QPKKQnijnsM>

**What good is it, my brothers, if someone says he has faith but does not have works? Can that faith save him? If a brother or sister is poorly clothed and lacking in daily food, and one of you says to them, "Go in peace, be warmed and filled," without giving them the things needed for the body, what good is that? So also faith by itself, if it does not have works, is dead.**

—James 2:14-17

Right now, a majority of Americans don't know how unequal our nation really is. The graph to the right shows the results of a survey where people were asked to chart the difference between an *ideal* distribution of wealth and what they think the *actual* distribution of wealth is. As you can see, the difference between the ideal and perceived distribution of wealth is as great as the perceived distribution and the reality.

Rampant inequality in our nation has adverse effects on our society. *The Spirit Level: Why Greater Equality Makes Societies Stronger* finds that “reducing inequality is the best way of improving the quality of the social environment, and so the real quality of life, for all of us... this includes the better-off.”<sup>1</sup> One major contributor to wealth inequality is directly related to income: “greater equality can be gained either by using taxes and benefits to redistribute very unequal incomes or by greater equality in gross incomes before taxes and benefits, which leaves less need for redistribution.”<sup>2</sup> Clearly, our nation will succeed when we all succeed.

In a democracy, we cannot allow big money to drown out the voices of the people that elected officials are chosen to represent. When super wealthy individuals and corporations are allowed to make political contributions to fund candidates who support their special interests, the needs of the 100% get drowned out. What we need is for elected officials to support policies that will benefit the common good. In the autumn of 2014, NETWORK's Nuns on the Bus traveled across the country encouraging “We the People” to stand up against the influence of big money by exercising their right to vote. Another way to encourage our elected officials to listen to the needs of communities across the country is making phone calls to congressional offices and asking your friends, family, and colleagues to do the same.

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1. Richard Wilkinson and Kate Pickett, *The Spirit Level: Why Greater Equality Makes Societies Stronger* (New York: Bloomsbury Press, 2009), 29.

2. *Ibid*, 177.

## Part 1: The Bottom 20%

(average household income \$24,600)

### Billy from Milwaukee, Wisconsin

During the first NETWORK Nuns on the Bus trip in 2012, Sister Simone Campbell and Sister Diane Donoghue met Billy and his wife. Both parents were working minimum-wage jobs to support themselves and their two children. They were putting their salaries together to pay rent in a tight housing market, used SNAP benefits during the day to feed their boys, and dined at the St. Benedict the Moor Dining Room at night. As Billy's family broke bread with the Nuns on the Bus at St. Benedict the Moor, he shared that it was okay for a parent to eat just once a day, but it wasn't right for growing children, like his 14-year-old son. Safety-net programs, like SNAP, allow parents like Billy to provide for their families while they continue to work. SNAP must be protected as we work to correct the structural injustice that leaves working families like Billy's hungry and in poverty.



*Sister Simone Campbell and Sister Diane Donoghue met Billy during the first Nuns on the Bus trip in 2012.*

But he answered them, "You give them something to eat." And they said to him, "Shall we go and buy two hundred denarii worth of bread and give it to them to eat?" And he said to them, "How many loaves do you have? Go and see." And when they had found out, they said, "Five, and two fish." Then he commanded them all to sit down in groups on the green grass. So they sat down in groups, by hundreds and by fifties. And taking the five loaves and the two fish he looked up to heaven and said a blessing and broke the loaves and gave them to the disciples to set before the people. And he divided the two fish among them all. And they all ate and were satisfied. And they took up twelve baskets full of broken pieces and of the fish. And those who ate the loaves were five thousand men.

— Mark 6: 37-44

### Profile of the Bottom 20% Quintile

**Employment:** People in this quintile may be unemployed because they are unable to find work or because they are disabled, they may also be students. Others, like Billy, may be working one or more minimum wage job (one full-time minimum-wage job = \$15,080/year) trying to provide for a family. Households in this quintile are home to **22% of all children in the U.S.**

**Lifestyle Choices:** People who fall into this quintile face very limited life choices compared to other quintiles. Many, like Billy and his family, rely on a small food budget from SNAP. They may stretch their budget by purchasing cheaper, less nutritious foods and also getting help from charity organizations that serve meals like the St. Benedict the Moor Dining Room. Transportation can also be problematic: reliable vehicles are expensive, and many people in this quintile **rely on public transportation or walk** to get about their daily lives. There is a high risk of homelessness for people within this quintile should they become sick, injured or laid off. In this quintile, every dollar counts; they cannot afford to save or build assets.

## EXAMINING THE BOTTOM 20% QUINTILE THROUGH A RACIAL JUSTICE LENS

- Among Black householders, 29.6% earn less than \$24,999
- Among Asian householders, 12.6% earn less than \$24,999
- Among Hispanic householders, 26.8% earn less than \$24,999
- Among White, non-Hispanic householders, 11.5% earn less than \$24,999

Source: U.S. Census Bureau

The U.S. Census Bureau defines a householder as a person in whose name a housing unit is rented or owned.

## Questions for Reflection

When have you felt like the disciples; like God is asking more than you felt you could do? How did you handle it?

Toward whom are you called to feel compassion, as Jesus did for the crowd?

With whom are you called to share your 5 loaves and 2 fish?

Do you have any preexisting assumptions about someone living in this quintile? How can you correct biases?

## Policy Highlight: Supplemental Nutrition Assistance Program (SNAP)

SNAP is a federal program that provides food assistance to low-income individuals and families. Formerly known as food stamps, it was created in 1933 as part of the New Deal to help millions of struggling U.S. families during the Great Depression. Today, **nearly 47 million Americans, 49% of whom are children, rely on SNAP**. Forty percent of all beneficiaries live in households with working adults. To be eligible for SNAP benefits, recipients must earn less than 130% of the federal poverty rate, and must have less than \$2,250 in “resources”—money in checking or savings accounts. In some states, the value of a car is also considered a resource. These types of policies prevent some families from acquiring important assets that could help get them out of poverty.

SNAP is an essential component of our social safety net and provides vital life-giving support for individuals and families who would otherwise be entirely dependent on charity or face chronic hunger and malnutrition. When people, especially children, are malnourished, they are unable to pursue higher goals, focus on education, or put needed energy into their jobs. Hunger hurts our whole society and adversely affects our economy. While our nation is grateful for organizations like the St. Benedict the Moor Dining Room, we know that charitable organizations cannot cover the expense of caring for those at the economic margins without help from government funding and taxes. Safety-net programs like SNAP are under constant threat from budget cuts in several recent proposals drafted by Congressman Paul Ryan and others who believe that private churches and organizations that run programs like the St. Benedict the Moor Dining Room can accommodate the need without government involvement. The reality: a **Bread for the World study** found that each church in the U.S. would need to raise \$50,000 a year for the next 10 years to make up the difference if cuts are imposed.



### Prayer: Christ's Table (Excerpt) by Brian Wren & Betsy King

*At this table all are fed  
and no one turned away.*

Thanks be to God.

*What do you bring to Christ's table?*

We bring wine,  
made by many people's work,  
from an unjust world  
where some have leisure  
and most struggle to survive.

*At this table all share  
the cup of pain and celebration  
and no one is denied.*

Thanks be to God.

## Part 2: The Second 20%

(average household income \$45,300)

### Teffany from Baltimore, Maryland



*Teffany's story is made available through Our American Story, Center for American Progress and Coalition on Human Needs*

“Hi, I’m Teffany from Baltimore. I’m a single mom of four: two of my own children and two, a niece and nephew, that I’m raising. I am an earner of the EITC [Earned Income Tax Credit], which is every year. I’ve been getting it since I’ve been working, honestly. I just think that it’s an awesome program for us, and also to know that after working hard, there’s something there for us in the end. And also, needing things at the end of the year, you know, this tax time comes around, you get a lump sum, we get to fix cars, and buy cars, or buy a home. I bought savings bonds last year for the first time, and I’m really proud of that, and I plan to do it every year from here on out. I just want to say that we need this, don’t take it away from us, and we thank you so very much.”

If you have time, you can also [listen to Sharron’s story](#) about how the Earned Income Tax Credit and other tax assistance she received helped her buy a car, get a job, go to college, and educate others about the importance of the Earned Income Tax Credit. These stories are from [Our American Story, Center for American Progress and Coalition on Human Needs](#).

### Profile of the Second 20% Quintile

**Employment:** People in this quintile sometimes work multiple jobs at once to make ends meet. Many of these jobs are in the service industry, in restaurants or retail. A person in this quintile might also be a maintenance or repair worker, an executive assistant, a hair stylist, a cab driver or a teacher’s aide.

**Lifestyle Choices:** A person in this quintile still faces limited life choices. Families may shop at bargain and discount stores for clothing and food, and must carefully budget to ensure their needs are met. While the household may have a car, it is difficult to afford major repairs and sometimes even regular upkeep. Homeownership in this quintile is challenging, and people within this quintile often will rent houses or apartments in low-income neighborhoods. To make housing more affordable, family members or friends may live together to share the cost of rent. Leisure activities like going to an occasional movie are a splurge. People in this quintile who are supporting dependents cannot afford to save or build assets.

Then Jesus said to them,

“Suppose you have a friend, and you go to him at midnight and say, ‘Friend, lend me three loaves of bread; a friend of mine on a journey has come to me, and I have no food to offer him.’ And suppose the one inside answers, ‘Don’t bother me. The door is already locked, and my children and I are in bed. I can’t get up and give you anything.’?”

— Luke 11:5-7

## EXAMINING THE SECOND 20% QUINTILE THROUGH A RACIAL JUSTICE LENS

- Among Black householders, 28.2% earn \$25,000–\$49,999
- Among Asian householders, 18.3% earn \$25,000–\$49,999
- Among Hispanic householders, 30.8% earn \$25,000–\$49,999
- Among White, non-Hispanic householders, 20.4% earn \$25,000–\$49,999

Source: U.S. Census Bureau

The U.S. Census Bureau defines a householder as a person in whose name a housing unit is rented or owned.

### Questions for Reflection

Whom do you identify with – the friend knocking on the door or the friend whose door is locked?

Have you ever felt like saying to someone asking for your help, “Don’t bother me”?

Examining this quintile through a racial lens, are there people for whom the door is more often locked?

## Policy Highlight: Earned Income Tax Credit (EITC)

The Earned Income Tax Credit (EITC) was first adopted under President Gerald Ford in 1975 and was substantially expanded by President Ronald Reagan in 1986. In the years since, adjustments have been made to accommodate more low- and modest-income working families, including a set of 2009 provisions that were made permanent in 2015. The EITC is designed to reduce the tax liability of low-income workers over the age of 25; it is a refundable tax credit that puts money directly into the hands of people who will use it to care for themselves and their families. For the 2014 tax year, a two-parent family of four must earn less than \$49,186 a year and would receive a tax credit of \$5,460. A single person with no children must earn less than \$14,590 a year and would receive a tax credit of \$496. [Learn more about EITC eligibility.](#)

The EITC is one of our nation’s most progressive tax expenditures because it is only available to low-income individuals and families. It is **proven to lift and keep families out of poverty** and reduce income inequality. NETWORK believes that the EITC’s poverty-fighting provisions must be expanded and made permanent to cover people 21 and over, as well as provide a larger refund for so-called “childless” workers, many of whom actually have children and pay child support, but are not able to claim them as dependents for tax purposes.



### Prayer to St. Joseph, Patron of Workers by Jane Deren

St. Joseph, Patron of Workers,  
Help us to respect the dignity of all workers.  
Help us to learn about and to care about  
Workers who do not have fair wages, just benefits,  
safe working environments.  
Help us to raise our voices for justice for workers.  
Help us to ask our government and representatives  
To develop policies that create jobs with dignity.

You taught your son  
The value of work and the joy of work well done.  
Teach us these lessons.  
Guide us in our own work  
And in the work of justice we are all called to participate in.  
Renew our strength and commitment  
Each day as we face the work ahead  
As we labor for the common good of all.  
Amen.

## Part 3: The Middle 20%

(average household income \$66,400)

### Becky from Saint Louis, Missouri



In 2013, Becky was working as a social worker in St. Louis, Missouri while her husband Linus was finishing his final spring semester of his Ph.D. program in Genetics. That same year, they discovered they were pregnant with their first child! Linus got an opportunity to do post-doctoral research in his field, but accepting the opportunity would mean they would have to move to Baltimore when Becky was six months pregnant. This meant Becky would need to leave her job in St. Louis and decide whether to look for a new job in Baltimore or stay home to take care of the baby. Together, Becky and her husband decided it would be best for their family if she stayed home to focus on getting established in Baltimore and

becoming a mom. When tax time came, Becky and her husband were able to claim their son on their taxes, and they received a \$1,000 Child Tax Credit. The Child Tax Credit was a welcome relief, as the family had an unexpected extra expense of needing to buy \$2,000 in special baby formula over the course of their baby's first year.

NETWORK believes our nation should invest in family-friendly policies like the Child Tax Credit to help families like Becky's. Because of the Child Tax Credit, Becky and Linus got a financial affirmation of their choice to invest in the future by supporting Linus's career and their baby's well-being.

### Profile of the Middle 20% Quintile

**Employment:** A person in this quintile may be a teacher, a police officer, a salesperson, a manager, a flight attendant or a chef. People in this quintile have usually attained education and training for a higher-paid position that requires more specified skills.

**Lifestyle Choices:** A single person with no dependents would be able to afford reasonable housing, transportation, food and clothing, although he or she might still be laden with student loan debt. A family in this quintile, however, still budgets wisely to afford a modest standard of living, especially if they live in more expensive parts of the country. While they might be able to pay the rent and afford groceries for their family, they would find it hard to afford many extras such as eating out, family vacations or a new car. They might also find it difficult to buy a home or save for a child's college education. An emergency such as an expensive car repair or an unexpected medical or childcare expense could mean acquiring credit card debt or the inability to pay for a necessity.

He took a little child whom he placed among them. Taking the child in his arms, he said to them, "Whoever welcomes one of these little children in my name welcomes me; and whoever welcomes me does not welcome me but the one who sent me."

— Mark 9:36-37

## EXAMINING THE MIDDLE 20% QUINTILE THROUGH A RACIAL JUSTICE LENS

- Among Black householders, 15.7% earn \$50,000–\$74,999
- Among Asian householders, 17.4% earn \$50,000–\$74,999
- Among Hispanic householders, 17.2% earn \$50,000–\$74,999
- Among White, non-Hispanic householders, 19.6% earn \$50,000–\$74,999

Source: U.S. Census Bureau

The U.S. Census Bureau defines a householder as a person in whose name a housing unit is rented or owned.

### Questions for Reflection

What can you do to put a face on the hunger of children in your own city/community?

When have you welcomed a child in your own heart and home? What was the experience like?

Who are children that have been unwelcome in our nation and our world? How can we show them that they are welcome?

## Policy Highlight: The Child Tax Credit

The Child Tax Credit was established in 1997 as part of the Taxpayer Relief Act. The intent of the credit was to address concerns that our tax code did not reflect a family's reduced ability to pay taxes as it grew in size. The Child Tax Credit was initially a \$400 credit per qualifying child, but was increased to \$1,000 as part of the Bush tax cuts. **Like the Earned Income Tax Credit, recent expansions were made permanent in 2015.** It is different from the EITC, however, in that it does not only apply to low-income families. A family of four with a household income of up to \$110,000 can receive the full credit, and families earning above that (but below \$150,000) receive a smaller Child Tax Credit. **Find out if you are eligible for the Child Tax Credit.**

NETWORK believes that the Child Tax Credit helps families provide the necessary care and support that every child deserves. The Child Tax Credit is an investment in our nation's most precious resource—our children. It must be strengthened so that more families can benefit.



### We Pray for Children (*Excerpt*) by Ina Hughes

We pray for children  
Who spend all their allowance before Tuesday,  
Who throw tantrums in the grocery store and pick at their food,  
Who like ghost stories,  
Who shove dirty clothes under the bed,  
Who get visits from the tooth fairy,  
Who don't like to be kissed in front of the car pool,  
Who squirm in church and scream on the phone,  
Whose tears we sometimes laugh at and whose smiles can make us cry.

And we pray for those  
Whose nightmares come in the daytime,  
Who will eat anything,  
Who have never seen a dentist,  
Who are never spoiled by anyone,  
Who go to bed hungry and cry themselves to sleep,  
Who live and move, but have no being.

We pray for children  
Who want to be carried  
And for those who must,  
For those we never give up on  
And for those who never get a second chance,  
For those we smother.  
And for those who will grab the hand of anybody kind  
enough to offer it.

## Part 4: The Fourth 20%

(average household income \$97,500)

### Sister Mary Persico, IHM from Scranton, Pennsylvania



*Sister Mary celebrates the 70-year jubilee of her fellow IHM sisters.*

Sister Mary Persico, IHM, has a gift for leadership and administration. She has been the leader of her congregation, the Sisters, Servants of the Immaculate Heart of Mary; she participated in the founding of the African Sisters Education Collaborative; she has served on the Leadership Conference of Women Religious Finance Committee; she was president of her local Habitat for Humanity chapter; and she has led and facilitated gatherings of women religious all over the world. Currently, she has accepted the challenge and the privilege to serve as Executive Vice-President of Mission Integration for Trinity Health, a Catholic healthcare ministry that serves hundreds of thousands of people, especially poor and underserved people in

communities throughout 21 states. Sister Mary calls her work “humbling.” She loves that the ministry supports thousands of colleagues as they enter into the healing mission of the Gospel that brings people to wholeness in body, mind and spirit. She is also grateful the benefit of her compensation supports in part the retirement needs of the members of the Sisters, Servants of the Immaculate Heart of Mary of Scranton, PA. Like Sister Mary, women and men religious pool their salaries for the common good of their communities. In this and other ways, they support one another and free each other to do their various ministries and be a prayerful, compassionate presence in the world. While Sister Mary is financially able to contribute to the wellbeing of her community now, only God knows what the future holds financially for Sister Mary and her community. Sr. Mary has been paying into Social Security her whole life, and it is an essential baseline that Sister Mary and her community can count on for stability and freedom as they collaborate to steward their common resources faithfully.

NETWORK believes every person deserves to have basic stability to be able to live a dignified life in their later years. Sister Mary, and many others who have communities and families counting on their income, cannot predict what the financial future will be. NETWORK believes Social Security should not be means-tested to exclude recipients who earn a high income during their working years. Having an abundance of financial resources at one point in life is no guarantee that abundance will last forever.

**Do not go over your vineyard a second time or pick up the grapes that have fallen. Leave them for the poor and the foreigner. I am the Lord your God.**

—Leviticus 19:10

## EXAMINING THE FOURTH 20% QUINTILE THROUGH A RACIAL JUSTICE LENS

- Among Black householders, 20.6% earn \$75,000–\$149,999
- Among Asian householders, 31.5% earn \$75,000–\$149,999
- Among Hispanic householders, 20.3% earn \$75,000–\$149,999
- Among White, non-Hispanic householders, 33.1% earn \$75,000–\$149,999

Source: U.S. Census Bureau

The U.S. Census Bureau defines a householder as a person in whose name a housing unit is rented or owned.

## Profile of the Fourth 20% Quintile

**Employment:** A household in this quintile with one worker might be a person working as a principal, certified public accountant or pharmacist. A two-earner household might include a school bus driver and a manufacturing plant manager or a nonprofit worker and a community college professor. Many people in this quintile have a college degree. Most workers in this quintile are nearing their peak earning potential.

**Lifestyle Choices:** A single person with no dependents would be able to afford comfortable housing, transportation, food and clothing, though he or she may still have difficulty if there is student loan debt from graduate school. A family in this quintile would likely be financially stable and live in varying degrees of comfort, depending upon their location. Occasional vacations and healthy food are opportunities that many families could afford if they budget accordingly. Small amounts of their annual income could also be saved for future college expenses or emergency situations.

## Policy Highlight: Social Security

The Social Security Act passed in 1935 as a way to reduce the risks of poverty and unemployment for people over the age of 65, paid for by a worker's payroll tax throughout a lifetime of employment. Our nation's Social Security system works: It **reduced the poverty rate of people over 65 from 35% to 10%**. Today, **52% of retired married couples and 74% of retired unmarried persons** receive 50% or more of their income from Social Security.

Social Security contributions are capped. In 2015, the maximum taxable earnings for an individual are \$118,500, which means that **our nation's top earners finished paying their annual contribution on February 12**. NETWORK believes our Social Security system is a vital component of our social safety net, preventing millions of our elders from living in poverty and helping them to live out their old age with dignity. All must pay their fair share to prevent poverty for retired workers.

## Questions for Reflection

What do you find most spiritually challenging about the idea of pooling resources? What do you find most liberating about it?

How do you define true economic "security"? Does it exist? Can it exist without the help of community? How do you see the relationship between economic security, faith in God, and faith in community?



### *Not Enough by Monsignor Geno C. Baroni*

Lord, I pray: help me to know that our limited charity is not enough; Lord, help me to know that our soup kitchens and second-hand clothes are not enough. Lord, help me to know that it is not enough for the Church to be the ambulance service that goes about picking up the broken pieces of humanity for American society. Lord, help us all to know that God's judgment demands justice from us as a rich and powerful nation.

Let us pray that the Holy Spirit will provide new gifts to meet new needs. Let us pray that there will be new voices of justice, new prophets who will hear the words of the Lord and stand up, as Christians, to say: Yes, the Spirit of the Lord is upon me. He has sent me to bring glad tidings to the poor.

## Part 5: The Top 20%

(average household income \$245,700)

### Paul Saginaw, co-founder of Zingerman's, from Ann Arbor, Michigan



Paul Saginaw is the co-owner of a vibrant and successful group of food businesses called **Zingerman's**. He grew up strongly influenced by his grandfather, who always told him: “half of what you have belongs to those who need it” and “if you are successful, make the people around you successful.” Since the beginning, every Zingerman's budget has had a line item called “giving back.” Paul says, “You earn your right to do business in the community by being a good corporate citizen: you choose a site responsibly, you build responsibly, you generate profit responsibly, and you share that profit responsibly with the community that is the source of your profit.”

It bothers Paul that some companies pay such poor wages that workers have to go to government programs to be housed and to feed their families. “It's corporate welfare as far as I'm concerned,” he said. Paul believes businesses that pay bare minimum, and sometimes sub-minimum wages are operating on foolish and antiquated myths about what the “bottom line” of a business really should be. Zingerman's is in the process of moving their lowest wage to \$11 an hour this year, and up to \$15 an hour as quickly as they are able, because “it makes good business sense. The idea that raising wages and being profitable are mutually exclusive just isn't true. When employees are on stable ground they are less distracted, they can get to work without a struggle, and they aren't worried. Turnover is lower, training costs go down, and the longer someone stays, their productivity goes up. Good wages mean good morale, loyalty, performance, and profitability.”



NETWORK's Nuns on the Bus ate at Zingerman's Deli when they visited Ann Arbor in October 2014.

Someone in the crowd said to him, “Teacher, tell my brother to divide the inheritance with me.” But he said to him, “Man, who made me a judge or arbitrator over you?” And he said to them, “Take care, and be on your guard against all covetousness, for one's life does not consist in the abundance of his possessions.” And he told them a parable, saying, “The land of a rich man produced plentifully, and he thought to himself, ‘What shall I do, for I have nowhere to store my crops?’ And he said, ‘I will do this: I will tear down my barns and build larger ones, and there I will store all my grain and my goods. And I will say to my soul, ‘Soul, you have ample goods laid up for many years; relax, eat, drink, be merry.’” But God said to him, ‘Fool! This night your soul is required of you, and the things you have prepared, whose will they be?’ So is the one who lays up treasure for himself and is not rich toward God.”

—Luke 12: 13-21

### Profile of the Top 20% Quintile

**Employment:** A household in this quintile with one worker might be a person working as a business executive or operating their own business. A two-income household could include an engineer and an attorney.

**Lifestyle Choices:** People in this quintile live in comfort. These households are typically in wealthy neighborhoods. Families have access to high quality public schools or can afford private school tuition, and travel for vacation a few times a year. People in the top 20% can afford to save a significant amount of income for college expenses for their children, retirement investments, or the purchase of a second home.

## EXAMINING THE SECOND 20% QUINTILE THROUGH A RACIAL JUSTICE LENS

- Among Black householders, 5.8% earn \$150,000 and over
- Among Asian householders, 20.1% earn \$150,000 and over
- Among Hispanic householders, 4.9% earn \$150,000 and over
- Among White, non-Hispanic householders, 15.5% earn \$150,000 and over

Source: U.S. Census Bureau

The U.S. Census Bureau defines a householder as a person in whose name a housing unit is rented or owned.

### Questions for Reflection

Why do some people hoard more than needed to live?

How can the pursuit of wealth be a burden?

What does the pursuit of wealth do to your spiritual life?

## Policy Highlight: #RaiseTheWage

The Fair Labor Standards Act of 1938 set our nation's first minimum wage at \$0.25 as part of President Roosevelt's plan to revive the economy and protect workers. Since its establishment, the minimum wage has been raised sporadically, 22 times by 12 different presidents. One of the greatest challenges with our current minimum wage is that it is not linked to inflation, and therefore its **purchasing power has decreased over time**. In the past decade, while our country's productivity has soared, the value of real wages has fallen flat, and in our most recent economic recovery, the value of the minimum wage has declined, **increasing the gap between those at the top and those at the bottom of the income quintiles**. A minimum wage increase for employees at thousands of locally owned businesses around the country would benefit 35 million workers, enabling them to better provide for themselves and their children. It would also **benefit business owners** by lowering employee turnover, increasing productivity, and boosting customer satisfaction.

All people are entitled to a living wage: an income that allows workers to care for themselves and their families and contribute to the common good. Business owners and executives can recognize the dignity of work by paying a living wage, and advocating for a raise to the federal minimum wage.



### Thoughts on Lifestyle (Pope John Paul II)

It is not wrong to want to live better; what is wrong is a style of life which is presumed to be better when it is directed towards 'having' rather than 'being', and which wants to have more, not in order to be more but in order to spend life in enjoyment as an end in itself. It is therefore necessary to create life-styles in which the quest for truth, beauty, goodness and communion with others for the sake of common growth are the factors which determine consumer choices, savings and investments. In this regard, it is not a matter of the duty of charity alone, that is, the duty to give from one's 'abundance', and sometimes even out of one's needs, in order to provide what is essential for the life of a [person in poverty].

## Part 6: The Top 1%

(average household income \$1,453,100)

### The Top 1% in the NETWORK Community

In the United States, there is a strong taboo against talking about class. And, especially among people of Christian faith, great wealth can be seen in a negative light. Matthew 19:23-24 talks about it being easier for a camel to fit through the eye of a needle than for a rich man to enter the kingdom of heaven, and Luke 12:33 talks about selling all your possessions and following Jesus.

There is a strong tradition of remaining anonymous when you are a person of means giving charitable contributions. We have few guidelines or examples for responsibly managing a lot of wealth in our society and our faith tradition. Yet, much as the Top 1% might want to stay anonymous or downplay their wealth, so many others need the assistance that their wealth might purchase. The Top 1% are often “prospected” and “pitched,” making it hard to know who is interested in them as people, who is interested in their money, or both. So it did not surprise us that some people we know who are among the 1% wealthiest Americans feel uncomfortable being identified in an email series.

Here’s what we know about people in “the 1%” who care about healing wealth inequality in our nation: Those who grew up in the United States have benefited from our public services—roads, parks, schools, law enforcement, public health research, and so on. They are paying a smaller percentage of their income in taxes than the wealthiest of U.S. society paid in past generations. They are deeply concerned about inequality of opportunity in our country. They know that the level of investments that made our country great for them while they were growing up is not being matched or sustained in our time with today’s low tax rates. They know that failing to invest in our nation’s future is a huge mistake. They also know that their individual charitable efforts cannot fully address the needs of our nation or mend the wealth gap. The government must be involved—and this includes making sure that the rate of taxation on capital gains is increased so the government can fully fund human needs programs.

### Profile of the Top 1%

**Employment:** Someone in this wealth group might work as a hedge fund manager, a real estate developer, a venture capitalist, or a corporate executive.

**Lifestyle Choices:** A single person with no dependents can afford top-of-the-line material comforts and likely gains the overwhelming majority of their money from financial investments. A family in this quintile is also very wealthy. They likely own multiple homes, send their children to top private schools, and travel to extravagant destinations. Large amounts of their annual income can be invested in the financial industry, resulting in annual returns that have the potential to far exceed their annual salaries.

“There was a rich man who was dressed in purple and fine linen and who feasted sumptuously every day. And at his gate lay a poor man named Lazarus, covered with sores, who longed to satisfy his hunger with what fell from the rich man’s table; even the dogs would come and lick his sores. The poor man died and was carried away by the angels to be with Abraham. The rich man also died and was buried. In Hades, where he was being tormented, he looked up and saw Abraham far away with Lazarus by his side. He called out, ‘Father Abraham, have mercy on me, and send Lazarus to dip the tip of his finger in water and cool my tongue; for I am in agony in these flames.’ But Abraham said, ‘Child, remember that during your lifetime you received your good things, and Lazarus in like manner evil things; but now he is comforted here, and you are in agony. Besides all this, between you and us a great chasm has been fixed, so that those who might want to pass from here to you cannot do so, and no one can cross from there to us.’ He said, ‘Then, father, I beg you to send him to my father’s house—for I have five brothers—that he may warn them, so that they will not also come into this place of torment.’ Abraham replied, ‘They have Moses and the prophets; they should listen to them.’ He said, ‘No, father Abraham; but if someone goes to them from the dead, they will repent.’ He said to him, ‘If they do not listen to Moses and the prophets, neither will they be convinced even if someone rises from the dead.’”

— Luke 16: 19-31

## Policy Highlight: Capital Gains

“Capital gains” are the income earned from the sale of an asset, such as a stock or bond. Long-term capital gains (from assets that have been held for a year or longer) have historically been taxed at a preferential rate in comparison to tax rates for salaries and wages. The Taxpayer Relief Act passed by a Republican Congress and signed by President Clinton in 1997 lowered the capital gains tax rate from 28% to 20%. A few years later under President George W. Bush, the rate was cut again to only 15%. The super-wealthy benefit significantly more from these tax cuts; **the Top 1% earn approximately 20% of their income from capital gains, while those in lower quintiles earn an average of only 2%.** It is these preferential rates that help explain the accumulation of wealth at the top and widen the wealth gap.

Our tax system plays an important role in fostering the common good. When we all pay our fair share, our communities are healthier, happier, safer and stronger. Everyone who benefits from government-supported infrastructure and education must contribute fairly for the benefit of the 100%. The burden of taxation should not rest disproportionately on those with far less. Instead, those who are able to pay more, must.



### *We Are Takers by Walter Brueggemann*

#### Questions for Reflection

In what way are you taking more than you need?

To what extent is your taking motivated by fear, anxiety or competition?

What are some ways you can use your time, treasure or talent to contribute to the common good?

You are the giver of all good things.

All good things are sent from heaven above,

rain and sun,

day and night,

justice and righteousness,

bread to the eater and

seed to the sower,

peace to the old,

energy to the young,

joy to the babes.

We are takers, who take from you,

day by day, daily bread,

taking all we need as you supply,

taking in gratitude and wonder and joy.

And then taking more,

taking more than we need,

taking more than you give us,

taking from our sisters and brothers,

taking from the poor and the weak,

taking because we are frightened, and so greedy,

taking because we are anxious, and so fearful,

taking because we are driven, and so uncaring.

Give us peace beyond our fear, and so end our greed.

Give us well-being beyond our anxiety, and so end our fear.

Give us abundance beyond our drivenness,

and so end our uncaring.

Turn our taking into giving ... since we are in your giving image:

Make us giving like you,

giving gladly and not taking,

giving in abundance, not taking,

giving in joy, not taking,

giving as he gave himself up for us all,

giving, never taking. Amen.

## Final Reflection

For just as the body is one and has many members, and all the members of the body, though many, are one body, so it is with Christ. For in one Spirit we were all baptized into one body—Jews or Greeks, slaves or free—and all were made to drink of one Spirit.

For the body does not consist of one member but of many. If the foot should say, “Because I am not a hand, I do not belong to the body,” that would not make it any less a part of the body. And if the ear should say, “Because I am not an eye, I do not belong to the body,” that would not make it any less a part of the body. If the whole body were an eye, where would be the sense of hearing? If the whole body were an ear, where would be the sense of smell? But as it is, God arranged the members in the body, each one of them, as he chose. If all were a single member, where would the body be? As it is, there are many parts, yet one body.

The eye cannot say to the hand, “I have no need of you,” nor again the head to the feet, “I have no need of you.” On the contrary, the parts of the body that seem to be weaker are indispensable, and on those parts of the body that we think less honorable we bestow the greater honor, and our unpresentable parts are treated with greater modesty, which our more presentable parts do not require. But God has so composed the body, giving greater honor to the part that lacked it, that there may be no division in the body, but that the members may have the same care for one another. If one member suffers, all suffer together; if one member is honored, all rejoice together.

Now you are the body of Christ and individually members of it.

— 1 Corinthians 12:12-27

### Widening Income Inequality and the 100%

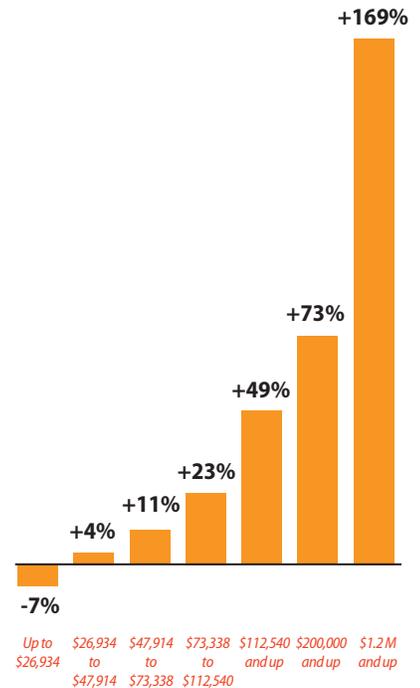
We know that there is a huge wealth gap among the different quintiles. Let’s take a look at how each of the quintiles fared from 1979–2009. [Watch this six-minute video of Sister Simone exploring the reality of income inequality over 30 years.](#)

Here’s what it looked like: over thirty years, the value of income for the Bottom 20% actually declined, while our nation’s Top 20%, and even more drastically the Top 5% and Top 1% had an exorbitant increase in the values of their income.

This unequal increase in income hasn’t always been the reality. From 1947–1979, all five quintiles saw a relatively equal percent increase in income. Actually, in the 30 years prior to 1979, the Bottom 20% saw an increase in income higher than any other quintile.

This begs us to ask: **What happened in 1979?** While something obviously spurred great growth in income, it vastly benefitted the wealthiest in our nation, over and above the good of the 100%. This is because the goal of our government changed. During the early post-war period, programs such as the GI Bill were focused on building a strong middle class, mostly to the advantage of white men. From 1980s onward, we had a government that was dedicated to letting the rich accumulate great capital with the belief that it would “trickle down” to the rest. Clearly, trickle-down economics hasn’t worked.

### CHANGES IN INCOME 1979–2009



### CHANGES IN INCOME 1947–1979



Source for graphics: [www.FairEconomy.org](http://www.FairEconomy.org)

## Social Mobility in the United States

All people contribute to the common good, whether their average income is \$24,600 or over \$1,000,000. Regardless of socioeconomic status, all people receive benefits from the government: tax credits, infrastructure, education, public safety and more. The so-called “American Dream” operates on the notion that within society, hard work should be enough to propel someone from one quintile into the other, regardless of where they are born. **This video shows that such economic mobility is not reality.**

Instead, factors such as where you are born, level of education attained, race, and marital status of your parents all affect the ability to move from one quintile to another within a lifetime.

There is good news: Policies got us into this mess, and policies can help solve the problem. We certainly don’t want to live in a society where the quintile you are born into determines where you remain. Respecting the dignity of the human person requires that we recognize the positive contributions of all individuals. For more, visit **NETWORK’s Mend the Gap Resources.**



Video graphic: Watch the video from Brookings  
[https://www.youtube.com/watch?v=t2XFh\\_tD2RA](https://www.youtube.com/watch?v=t2XFh_tD2RA)



### Prayer

#### Questions for Reflection

Think of a time when you noticed your interdependence with a person from a different socio-economic background than yours. Would you characterize the interaction as part of an economy of inclusion, or an economy of exclusion? Why? How, if at all, would you have liked the experience to be different?

Throughout this study guide, did you gain any new insight into what a certain quintile needs or contributes? How, if at all, did you grow in your feeling of empathy for that quintile?

God of abundance, although we live in a financially right nation, we are spiritually impoverished when we allow an economy of exclusion to prevail. The greed of a few decision-makers divides the many and some fall into false narratives about the “makers” and the “takers,” or “job creators” and “moochers.” Our nation’s inequalities can cloud our moral vision and obstruct your vision for wholeness—for your creation to live as one body. In the words of Pope Francis, “We have created new idols. The worship of the ancient golden calf has returned in a new and ruthless guise in the idolatry of money and the dictatorship of an impersonal economy lacking a truly human purpose.”

Through Jesus, you show us another way. Jesus lived a faith that does justice before the norms of his time. His ministry shows us to put people over profit, prayer and dialogue before pride. We pray and act to live in right relationship, as interdependent parts of the human body. We all have something we need. We all have something we contribute. In the rising of Jesus and through the solidarity of a faith that transcends barriers of class and race, we believe the economy of exclusion can be redeemed.

*Amen.*