

Overworked and Undervalued: Women, Race and the Economy

Leader's Guide

Who: United Methodist Women members at local, district, conference and jurisdictional levels.

Why: United Methodist Women members, as women of faith, are leaders seeking to forge a path towards justice. We are working to promote economic justice in the context of growing income and wealth inequality. In order to do this, we need a space for reflection on our own experiences of the economy as well as the experience of those most affected by growing inequities. Together we want to develop an analysis of the forces that cause the growing divide, marginalizing women, especially low-income women and women of color, and motivate ourselves and others toward action.

What:

- Personal experience of the U.S. Economy
- The growing divide in income
- Ways women's work is undervalued
- Policies that have increased the race and gender wealth divide
- Ways UMW members can take action together

What for (by the end of the workshop we will have)

- *Reflected* on personal and family experiences of the economy.
- *Demonstrated* the growth in income of the 1% and the rest from 1979-2013.
- *Discussed* the race and gender makeup of the low-paid and unpaid workforce.
- *Discussed* the ways women's work is undervalued in different but similar ways in the economy.
- *Heard* various rule changes and policy shifts that have led to the growing divide.
- *Articulated* faith values for a just economy.
- *Explored* particular goals, campaigns, partners where UMW members can engage to take action for a just economy.

Agenda At-A-Glance

This is for a three hour session. You will need to adapt for shorter or longer time blocks.

1. Introduction (5 mins)
2. Community Agreements (10 min)
3. Signs of the Economic Times (25 min)
4. Walking Quintiles, Part I (20 min)
5. Devaluing Women's Work (10 min)
6. Income vs. Wealth (10 min)
- BREAK! (15 minutes)
7. Walking Quintiles, Part II (10 min)
8. Rule Changes and Policy Shift (25 min)
9. Values: God's economy, our economy (25 min)
10. United Methodist Women engagement in action for economic justice (20 min)
11. Closing and Evaluation (5 min)

1. Introduction (5 mins)

Purpose: To welcome the participants, clarify the purpose of the workshop and provide a framing overview.

Set-Up: Set-up projector and have slides ready for display.
Pre-determine where participants will line-up for Activity 4, "Walking Quintiles"
Write out "Agenda at a Glance" on chart paper including activity titles (but not the times, which need to be flexible) and place at the front of the room.

Instructions:

- a. The facilitator(s) introduce themselves and state the goals for this workshop (Slide 2).
- b. Briefly review the agenda of the workshop.
- c. [OPTIONAL: If people do not know one another, go around the room and ask each person to say their name and why they've decided to attend this workshop. This should take 5-10 additional minutes depending on group size.]

Talking points:

- Today we are going to build an economic analysis from the ground up. When I say "the economy" I don't just mean the stock market or GDP (gross domestic product), or what you might find in the pages of the Wall St. journal. We all have an experience of the economy, as consumers, as workers and as community members. Today we will see what our own experience tells us about the economy and inequality and learn how we can come together as women of faith to transform our economy for the better.
- As the Canadian economist Jim Stanford says, "The economy is too important to be left to economists."

2. Community Agreements (10 minutes)

Instructions:

- a. The facilitator reviews community agreements (Slide 3) and asks the group, "what questions do you have?"
- b. The facilitator then asks the group if there are any more agreements that participants would like to add that are not adequately reflected on the list in front.
- c. Confirm that the community can agree to this list of norms and take responsibility by watching their own participation in group dynamics.

Note: The facilitator should be affirming of suggestions but should also feel free to clarify and change as necessary. A suggestions like, "respect others opinions", for example, is good in principle, but may be used to limit people's ability to challenge an oppressive moment that arises through the course of the workshop.

Talking points:

- One Person at a Time: Please offer contributions one at a time.

- **Step Up, Step Back:** If you are someone who often does not speak up in group settings, we encourage you to share your thoughts with us. If you are someone who often speaks up in large groups, consciously take a step back and allow others to offer their contributions.
- **No One Knows Everything; Together We Know A Lot:** The facilitators are not experts, we are here to construct knowledge together. We are better able to see the whole picture if we take in a variety of perspectives and experiences.
- **Be Aware of Time:** This discussion could last many days but unfortunately we only have a few hours together. Please keep this in mind as you measure the frequency and length of your contributions to the group.
- **Speak From Experience:** When possible speak to your own experience. Rather than saying, "As Americans, we often..." say, "Among many of my peers I've observed..."

3. Signs of the Economic Times (25 min)

Materials: Chart paper, sticky notes, extra writing utensils for participants

Set Up: Put up chart paper on the wall and label, "Our Signs". You may want to put up at least three sheets to give plenty of space for sticky notes.

Purpose: Bring examples of how participants experience the economy into the workshop and get participants talking about economic issues important to them.

Instructions:

- a. The facilitator poses the following question to the whole group, "*When you look at the economy, what effects, good and bad, do you see on your family, your community, your church and the nation?*" (Slide 4). Ask participants to be specific, draw from a particular experience they have had or are having, something that has impacted them, their friends or family. These will be our "signs of the economic times." Ask participants to turn to a partner and share. Once they have each shared with one another, ask them to summarize what they see with a word or phrase by writing it on a post-it note, one "sign" per note. [The trainer should model a response, e.g., "mounting student debt," "kids moving back in after college," or "spouse laid off in recession."] Place your example on the chart paper in front.
- b. Ask if any pair would like to share their stories with the whole group. Allow a few pairs to share while not taking too much time. As pairs share ask them to add their sticky notes to the chart paper in front. Work with them to group sticky notes according to theme or commonality. You may want to label those themes on the chart paper as they emerge. Ask groups that haven't shared to come up and post their sticky notes, grouping them by theme, very briefly sharing their "sign of the economic times." Ask participants what connections they see between the "signs" or the different stories that each group shared. If time allows, summarize trends on chart paper. Ask participants, what conclusions can be drawn from this activity? (Slide 5 summarizes common responses to this question. If they differ drastically from participant responses ask what relationship people see between Slide 5 and what they have heard from their peers.)

Talking Points:

- Many of us are seeing the effects of an economy that appears increasingly out of kilter. People are working longer hours with less job security, our wages can't keep up with other necessary costs. We see mounting personal and household debt. We see immigrants and youth of color attacked and scapegoated. If we don't experience it ourselves perhaps we see it in our communities or among other members of our faith community. (Slide 5)

Tip: The facilitator should refer to the participants' responses during the rest of the workshop whenever possible.

- When we look at the economic crises in our cities and across the nation and how the face of the economy has changed over the last several decades, we need to go beyond the symptoms and get to the root causes of the problems if we are going to design a successful strategy for a just economy and a government that is accountable to working people and their families.

4. Walking Quintiles (20 min)

Materials: A print out of the "Quintiles" placards.

Purpose: To demonstrate the growth and/or decline of different income levels over time.

Instructions:

- a. The facilitator asks five volunteer participants to come up and stand in the open space in the room. Instruct other participants to stand or sit in a place where they can see the volunteers. Inform participants that we are going to look at the changes in *family* income during two recent periods of economic growth. First, let's talk a little about income. What are some examples of income? (wages, salary, savings account interest, social security check, rent from owning real estate, capital gains from selling investments, dividends from stocks, gifts, etc.) Now let's have five volunteers come to the front of the room. Please stand shoulder to shoulder. The trainer hands each volunteer a placard—in order— showing the income range—in pre-tax, year 2012 dollars— of the quintile they represent.
- b. The facilitator informs participants of what "quintile" means. Economists often talk about the U.S. population in "quintiles" or fifths of the population. They imagine the entire population of the U.S. lined up in order, from the lowest income to the highest. They then divide that line into five equal parts. This activity looks at what happened to the incomes during two periods of economic growth from 1979-2012 then later we'll look at previous decades.
- c. [If there's time.] Let's look at some of the folks who are in these quintiles. Once participants are lined up, ask: "What occupation might you imagine falls into each quintile?" Start with the first quintile and move up and allow for only one or two responses each quintile. Remember, this is *family* income. (A family is two or more related individuals living together.) Also ask participants, "Where do you anticipate seeing families of color?" "How about households with single mothers?" Allow for just a few comments then inform participants that we will go deeper later in the workshop.

- d. Each volunteer, representing a quintile or fifth (20 percent) of the U.S. population, will step forward or back according to whether their income gained or declined. Each step equals a five percent change, so, for example, two steps forward would indicate an income gain of 10%. Walk participants one-by-one through the following steps beginning with the lowest quintile and continuing upward. For example the facilitator will say, "From 1979-2012 the lowest quintile decreased 12%" and direct the volunteer holding the corresponding placard to take two-and-a-half steps backward then continue for the following quintiles.

Quintile	Steps	Percent Change	Yearly Income Range (2012) (family income before tax)
Lowest	2.5 steps backward	- 12%	\$0 - 26,934
Second	No steps forward or back	0%	\$26,934 - 47,914
Middle	1.5 steps forward	+8%	\$47,914 - 73,338
Fourth	4 steps forward	+20%	\$73,338 - 112,540
Highest	10 steps forward	+49%	\$112,540 & higher

Ask participants, "what do you see happening?"

- e. Watch what happens when we break that top quintile down even further and look first at the richest five percent of the population. Rather than tear off the arm of our highest quintile volunteer, ask for another volunteer from the group to represent the top five percent—people with incomes of \$200,000 and up. From 1979 to 2012, the income of this group grew 75%! [From the spot where the top quintile is standing, the sixth volunteer takes 5.5 additional steps forward – 15 steps in total from the starting line]. Invite another volunteer to come up and represent the top 1%. If we break down the top quintile even further and look at just the top one percent, we see exactly where the greatest income growth went. This small group gained 185 percent, 37 steps from the starting line. Have your 7th volunteer take 37 steps, perhaps out the door! Ask participants again what they see happening. Follow with, "how does it make you feel?" If we break out income growth further (not shown on the slide), we find that the top 0.1% gained 384% and the top 0.01% gained an almost unbelievable 685% (137 steps)! [Note: you can skip the person representing the top 5% if time does not allow.]

Quintile	Steps	Percent Change	Yearly Income Range (family income before tax)
Top 5%	15 steps forward	+75%	\$200,000 and up
Top 1%	37 steps forward	+185%	\$1.2 million and up

- f. Ask volunteers to return to their seats. The facilitator can pull up Slide 6, which shows the same data. Once re-grouped ask if there are any questions or reflections from this activity.

FAQ & Extra Info (Chart 6)

Is this adjusted for inflation?

- Yes. This is what we mean when we say "real" family income. For example, for 20% of the U.S. population with the lowest income, our lowest quintile, their average income had 12% less purchasing power in 2012 than it did in 1979.

What do the numbers on the placards represent?

- The income levels on the placards represent the lowest and top income for each quintile (20% of the U.S. population) in 2012 U.S. dollars.

I don't know, who exactly does make _____ amount a year?

The idea here is to be thinking about the people behind these numbers, not to determine the average income of different categories of worker. There may be exceptions to the examples we offer, but let's take a moment to think about people and families.

- Lowest quintile: Cashiers, bus drivers, fast food workers, personal care assistants, low level military personnel, janitors...
- Second quintile: Administrative assistants, telemarketers, carpenters, community organizers, landscapers, receptionists, adjunct professors, bank tellers, secretaries, teachers...
- Middle quintile: Accountants, associate professors, nonprofit managers, higher ed administrators, financial analysts, flight attendants, IT...
- Fourth quintile: Engineers, nursing and other supervisors, some nonprofit directors...
- Top quintile: Attorneys, chemical engineers, business analysts and consultants, college deans, managers, doctors, physicians, programmers...
- Top 1%: Executives, supervisors, CEOs, some lawyers in the financial sector or who work for the richest corporations (pharmaceutical, health care, oil, telecommunications, big box retail), top-paid athletes and movie stars...

5. Devaluing Women's Work (10 min)

Purpose: To deepen participant understanding of how race and gender discrimination is embedded in the U.S. economy.

Instructions:

- a. Show Slide 7, "Median Annual Earnings for Women and Men, 1960-2012". Ask participants what they see reflected in this graph, welcome a few responses. Then ask participants what they believe causes this trend to continue.
- b. Review points on Slide 8, "Ways the Economy Devalues Women's Work." Inform participants that these are some of the underlying economic realities that maintain gender inequality and be prepared to share a short story from your own experience. Then ask participants to reflect on where they have seen these trends in their own lives. Briefly review slides 9-11 to affirm that these experiences are not unique, but reflective of broader trends. Refer to talking points below as you see fit.

Talking Points:

- In our quintile activity many of you suggested that families of color and single-mothers are highly concentrated among low-income households. This inequity has been institutionalized and preserved over decades and has outlived legal segregation.

- The trends true of families are also true of individual workers. Women and people of color are generally over-worked and undervalued.
- Median Earnings for Men & Women (Slide 7)
 - While the pay gap between men and women has shrunk relative to previous decades, there is still a long way to go. Women organizing and speaking out has lead politicians to take action to address this issue. But the pay gap is much wider depending on the race of the women in question. Race and gender discrimination is woven into the U.S. economy and trends from previous generations continue.
 - About 40% of the narrowing of the gender gap over the past 30 years has been due to the decline in men's wages. About 60% is due to an increase in women's wages.
- Earnings Ratio by Race & Gender (Slide 9)
 - The idea that things are getting better and better for women ignores the reality faced by African American, Latina women, Native women, some Asian women and many other women of color.
 - In spite of claims made by opponents of affirmative action, there remains a huge chasm among racial groups in terms of income. For example, the income gap between White people on the one hand and African Americans on the other has actually increased since 1947.
 - The average woman who works year round earns 77% of her male counterparts, but the chasm widens significantly based on race.
 - Studies indicate that even among senior level corporate executives, women earn less than 79¢ for every \$1 earned by their male counterparts.
 - Asian Americans are, on average, economically worse off than whites. But this average obscures how well-off some Asians are relative to other immigrants and people of color. There is wide variation of socio-economic class, culture and stories of immigration. Many laws have existed throughout U.S. history barring specific Asian groups from immigration to the U.S., as with the Chinese Exclusion Act, for example, that lasted from 1882 to 1943. Yet later, only Asians with relative class privilege were able to migrate. It is important for us not to repeat the "model minority" myth that Asians are better off because they are smarter or better at math and sciences. This is a racist stereotype that pits particular Asians against other people of color, dismissing the very real impact that systemic racism has on people's lives and well-being.
- Low-Wage Workforce by Gender & Race (Slide 10)
 - While there are more well-paid women in the professions than thirty years ago, there are many more women who have been forced to enter the low-paid and unstable service sector.
 - Most of these low-paid service jobs are low-paid precisely because they have traditionally been classified as "women's work" (cleaning, food preparation, child care, secretarial, etc.). Even when this work is paid, as a nanny or personal caregiver, it requires long hours and low-wages.
- Unpaid Work by Gender in the U.S. (Slide 11)

- Unpaid domestic work continues to be performed largely by women. As many of us know this work is of tremendous importance to our families, communities and to our country. Yet, economists continue to overlook the tremendous value of this work in their accounting. This outright neglect is reflected in the way policies are written and carried out.
- According to the U.S. Census Bureau, women devote more than 110 million hours a year to unpaid interactive child care, more than double men's less than 55 million hours. The U.S. Department of Commerce found that, if it were counted, household production would have increased U.S. GDP in 2010 by 26 percent.

FAQ & Extra Info

Why are Native American and Pacific Islander a separate category from American Indian and Alaskan Native on Slide 9?

- This data comes from the American Community Survey (also called the census) and was compiled by the American Association of University Women. The census allows people to check one or more boxes or fill-in-the-blank to explain their own race and ethnicity. This graph shows income for women relative to men depending on the race with which they themselves identify, which is why these are represented differently.

Extra info

- The exclusion of nannies and domestic workers from Social Security and labor law is a legacy of slavery and Jim Crow segregation. When FDR's Administration passed the new deal, Southern legislators insisted that domestic and agricultural workers, at the time almost all African American, be excluded from the new policies to keep wages low and maintain control.

6. Income vs. Wealth (10 min)

Purpose: For participants to explore the difference between income and wealth and to demonstrate that the economic divide is even more pronounced when wealth is taken into account.

Instructions [If there's time.]:

- a. Ask participants what comes to mind when they think of income. Refer back to the examples given during the income quintile activity: wages, salary, savings account interest, social security check, rent from owning real estate, capital gains from selling investments, dividends from stocks, gifts, etc.
- b. Recite the definition of wealth provided in the resource below, "What is Wealth?" (The answer to question one.) What are examples of things that people own that are valuable? Pose questions provided in the section below titled, "What is Wealth?" regarding low, middle and upper-income people. Use Slide 12 to help explain. Continue to discuss as a group until it appears that most participants understand.

- c. Refer to Slide 13, "Household Median Net worth by Race." Ask participants what they see reflected in this chart. Next ask participants to reflect on the chart, "Ownership of Household Wealth in the U.S. Economy." What do you see? How does it make you feel?

What is Wealth?

Question 1: How is wealth different than income? What is Wealth?

Answer: Wealth is private assets minus liabilities (debt). Simply put, wealth is what you own minus what you owe. Income is your paycheck or government benefit check or dividend check, or you profit from selling an investment, etc. Wealth is what you have in the bank and the property and investments you own.

Question 2: Is it possible to have negative wealth?

Answer: Yes. Seventeen percent of the population in 2010 had no assets or negative assets: they owe more than they own.

Question 3: What are examples of assets that lower-income people might have?

Answer: Cash (savings or checking account), furniture, a car.

Question 4: What are examples of assets owned by middle-income people?

Answer: Cash (Savings or checking account), equity in a house, a small business, a little bit of stock and/or a retirement fund.

Question 5: What are examples of assets owned by the top one percent?

Answer: Real estate, large stock and bond holdings, businesses, artwork and other collectibles.

Talking Points:

- So far in this workshop we have concentrated on income inequality, but economic inequality is even more profound, particularly in regards to race and gender, when we examine wealth (slide 13).
- Our data here is from the 2012 census and most statisticians assert that the Native American sample size is too small to make an accurate calculation for household median net worth. However, another slightly older analysis of the National Longitudinal Survey on Youth from 2000 shows Native American wealth at \$5,700, only 8.7% of median wealth for the population as a whole as calculated by this study.
- Wealth accumulation by Europeans in the U.S. began with the genocide and land theft of the people indigenous to this land. The U.S. Federal Reserve recently calculated the total value of private land in the U.S. at almost \$14.5 trillion.
- The richest ten-percent in this country owns 74% of the wealth, meaning 90% of the U.S. population shares only 34% of the wealth.
- Even within the top 10% there is great disparity — a disparity that has increased significantly over the three decades. In 1976 the share of the top 1 percent was 22%. But by 2012, their share had increased to 40% of all wealth!

Tip: This activity can be cut if you are short on time.

BREAK!! (15 minutes)

7. Walking Quintiles, Part II (10 min)

Purpose: To see that the economy has not always been structured in a way that benefits only those of higher incomes.

Instructions:

- a. Remember our quintile activity? Now we are going to look at the same picture but for previous decades. How did our quintiles grow or decline from 1947-1979? Invite the same volunteers to line-up shoulder-to-shoulder once again. The facilitator informs participants that this time they will take one step forward for each 10% their quintile grew, because of inflation.
- b. Ask each volunteer, one at a time, to take steps forward as follows.

Quintile	Steps	Percent change
Lowest	12 Steps Forward	+116%
Second	10 Steps Forward	+100%
Middle	11 Steps Forward	+111%
Fourth	11.5 Steps Forward	+114%
Highest	10 Steps Forward	+99%
Top 5%	8.5 Steps Forward	+86%

- c. Ask participants what they observe. After a few reflections ask volunteers to return to their seats.
- d. The following graph (Slide 14) demonstrates what happened to households of various income levels during a different time period in the U.S., from 1947-1979.
- e. The facilitator asks the participants why they believe the income quintiles grew so evenly during one period of U.S. history and so unevenly in the most recent period. "What are some policy changes you believe led to this shift?"

Talking Points:

- Social movements were a primary reason that quintiles grew more evenly during this period. From the Civil Rights Movement to the labor movement of the 30s and 40s, the women's movement, the movement for LGBT equality and the immigrant rights movement, people organizing and using their power strategically pushed legislators to change the rules to lift up the 99%. People of faith, including United Methodist Women, have often played a vital role in these movements.

8. Rule Changes and Policy Shift (25 min)

Purpose: To identify key policies that have led to the growing economic divide.
To establish that the growing divide is not inevitable, it is the result of changes in laws and policies. If it can be done, it can be undone.

Instructions:

- a. Ask participants to look at Slide 15 titled, "The Power Shift Since the 1970s."
- b. [If there's time.] Refer back to the sticky notes from the first activity, "Signs of the Times." Ask participants to connect trends on Slide 15 with the "signs" they offered at the beginning. "Which of these factors had greatest influence on the signs we identified?"
- c. What are some of the policy changes you believe lead to the rapid increase of economic inequity?
- d. After hearing from a few participants refer to slide 16. These are some of the policy shifts that we believe have led to the growing divide of wealth and income.
- e. Choose two or three topics as they relate to the concerns raised by your group (wages, budget, trade, etc). Briefly review some of slides 17-23, concentrating on those which connect to conversations that you have had so far. See talking points for each slide. *You will not have time to go through all of the slides.* Other slides can be used as a reference if the topic comes up in your discussion.

Talking Points:

- This frightening growth in inequality was not an act of nature, or some other great mystery. It is the outcome of specific policy choices, made by human beings.
- Minimum Wage (Slide 17)

FAQs & Extra Info:

- A living wage is the hourly amount a full-time worker needs to lift his or her family of four to the federal poverty line. It could more accurately be called a "poverty wage." We use the term "living wage" because of its use by cities and towns that have a living wage ordinance.
- The minimum wage is worth much less now than it was in 1968. The "cost of living" has increased more rapidly than hikes in the minimum wage; \$1.60 could buy more in 1968 than \$7.25 can now. The chart shows that in 1968, a minimum wage worker was making only 11 cents below a living wage. In 2013, the gap is \$4.11, per hour.
- In 2005, 54% of minimum wage earners worked full-time. Only 21% were teens; 59% were women, and 40% were people of color. On average, minimum wage workers contributed 54% of the income their families earned. These are jobs needed to sustain a family.
- Few minimum wage jobs provide any health or retirement benefits and many do not even provide paid sick days.
- Many immigrant workers, including those with documentation, are paid less than the minimum wage.
- Numerous studies have shown that raising the minimum wage does not result in loss of low-income jobs. For example, labor economists David Card and Alan B.

Krueger surveyed fast-food restaurants in New Jersey and Eastern Pennsylvania both before and after New Jersey increased its hourly minimum wage from \$4.25 to \$5.05 in 2004 and found an increase in employment of low-wage workers in the New Jersey fast-food industry as well as an increase in the number of fast-food outlets.

- Unions (Slide 18)
 - The decline of organized labor as a countervailing institution to the corporate owners and decision-makers in the U.S. has paralleled the drop in wages and the increase in inequality.

FAQ & Extra Info:

- The Wagner Act is also known as the National Labor Relations Act. This was the first time in the U.S. that private-sector workers gained federal backing for forming unions. According to the National Labor Relations Board website: "Congress enacted the National Labor Relations Act ("NLRA") in 1935 to protect the rights of employees and employers, to encourage collective bargaining, and to curtail certain private sector labor and management practices, which can harm the general welfare of workers, businesses and the U.S. economy."
- The Taft-Hartly Act of 1947 amended the NLRA severely limiting the activities and power of labor unions. It was the precursor to so-called "Right to Work" legislation, which allows individual workers to benefit from unions without having to pay dues.
- Attacks on unions and the right to organize have often targeted industries in which people of color and women are concentrated.
 - Domestic and agricultural workers were excluded from the National Labor Relations Act, the nation's first national labor law, because there was a high concentration of blacks and women in these industries (for example, 31.8% of African Americans were employed in Agriculture in 1940).
 - In 2014 the Supreme Court decision *Harris v. Quinn* profoundly limited the rights of homecare workers to improve their working conditions, this is an industry that is almost entirely women and many of them are women of color.
- Unionized workers earn, on average, 13.6% more than their non-union counterparts. Likewise, unionized workers are roughly 28% more likely to be covered by employer-provided health insurance and 53% more likely to have employer-provided pensions.
- Because labor unions are weaker today, they no longer play as significant a role in pushing for wage and salary fairness, although there are signs that the labor movement is revitalizing itself. For example, in 2000, the AFL-CIO Executive Council unanimously adopted a resolution urging the end of sanctions against employers who hire undocumented workers-- which hurt both immigrants and US workers. Union officials are also calling for legalization for an estimated eleven million immigrants.

- A revived labor movement would go a long way to restoring the US economy to one that generates higher living standards and increased economic security for all.
- Trade (Slide 19)
 - Manufacturing jobs in the U.S. used to pay enough for a single wage-earner to support an entire family. When major corporations realized that they could make much more profit by moving production abroad (they were already getting raw materials from abroad with the use of cheap labor) they pushed for a series of policies that would expand their ability to do so. So-called "Free Trade

The Impact of the North American Free Trade Agreement (NAFTA) 1994-2010

NAFTA in the United States:

- Over 550,000 workers certified as "NAFTA job-loss victims"
- Stagnant wages and depressed living standards
- Increase in trade deficits with Canada & Mexico
- 4.9 million US manufacturing jobs lost; increase in low wage service work
- Environmental damage along U.S.-Mexico border

NAFTA in Mexico:

- 1.5 million farm livelihoods destroyed
- Increased exports but decline in average manufacturing wage from \$5 to \$4 per day
- Cost of NAFTA-related environmental damage was \$47 billion in 1999 alone!

NAFTA in Canada:

- Farm debt nearly doubled
- Between 1996 and 2001, Canada lost 11% of its family farms

Source: *Lies, Damn Lies and Export Statistics*, Public Citizen (2010).

Agreements" began in the 1990s as a way to tilt international laws of trade further in favor of big corporations and against working people and small businesses, giving them huge tax breaks and incentives to move much of their production abroad. These agreements even created new international courts to ensure that corporations could continue to extract wealth from already impoverished countries and challenge local environmental and labor protections in the US. By underpaying workers abroad U.S. corporations were able to demand lower wages and harsher working conditions from workers right here in the U.S.

- Taxes (Slide 20)
 - Tax policy is one area where corporations and the wealthy have written the rules to benefit large asset owners at the expense of wage earners. In the last twenty years the tax burden has been shifted...
 - off corporations and onto individuals;
 - off the wealthy and onto the middle class;
 - off big corporations and onto smaller businesses;
 - off large asset owners and onto people who depend on a paycheck.

- This decrease in tax revenue means less funding for crucial programs in health care, education, social security and others. This increases the burden for families hardest hit by economic inequality, particularly women who, as discussed earlier, are responsible for a majority of our country's care work.

FAQ & Extra Info:

- Over this period the top federal tax rates on wealth have shrunk while the top tax rate on work have grown. Since 1980, the capital gains tax rate has dropped 46%. The estate tax rate has dropped from 50%. It's been a different story for workers who rely mainly on income from work. Since 1980, the main tax on wage income, the payroll tax, has increased 8.5%.
- The ability of the wealthy and corporations to move off-shore to avoid paying taxes, or to find loopholes that reduce their taxes, add to this shift. Reduced taxes has been a central reason that municipal, state and federal governments are cutting public services, including health, housing and education, and seeking private alternatives.
- The highest income tax tier was \$200,000 (that's almost \$2 million in today's dollars) when federal tax rates were at their peak.
- Budget and Privatization (Slide 21)
 - If you have time, ask members what public services they have seen privatized in recent years, and list them on chart paper.
 - The decrease in tax revenue and privatization of public services reflects a broader trend in the way state and federal budgets are structured. While some politicians and the media blame welfare recipients and immigrants for budget deficits they intentionally overlook the impact of corporate subsidies.
 - The Cato Institute, a conservative think tank, estimates that corporate welfare — subsidies and regulatory protections provided to corporations by government — costs taxpayers almost \$100 billion a year. Most of these benefits go to the richest corporations in the United States.
 - Privatization is a strategy to shift public sector wealth to private hands. It has been driven by the argument that the "free market" meets all societal needs.
 - It's important to reaffirm the value of the many institutions our nation has created for the greater good of all — from a free public school system for children, to libraries, to Social Security and Medicare for seniors. Many United Methodist Women remember our Campaign for Children and our mission study reaffirming the importance of public education. We have been affirming these values of the common good for many years.

FAQs & Extra Info

- Social Security can remain solvent well into this century with only minor changes but Wall Street firms and wealthy investors are actively lobbying for the chance to manage our public pension system — and pocket \$125 billion a year in fees.
- The U.S. public school system suffers from disinvestment and unequal funding but the number of students using publicly-funded vouchers to attend private schools has increased to 61,700 in 2008, up 9% from 2007, and nearly double the level in 2002.

- Ten percent of US prisons & jails have been privatized. The investment firm Smith Barney is part owner of a prison in Florida. American Express & GE invested in private prison construction in Oklahoma & Tennessee. Corrections Corp. of America (CCA), operates more than 48 facilities in 11 states, Puerto Rico, the UK, and Australia.
- The number of prisoners in private facilities increased 37 percent between 2002 and 2009 according to data from the U.S. Department of Justice. A report by Good Jobs First, "Jail Breaks: Economic Development Subsidies Given to Private Prisons," found that 73% of the big privately-built and operated prisons have received subsidies such as tax-advantaged financing, property tax reductions or other tax cuts, infrastructure assistance and training grants/tax credits. Moreover, as in most industries, the first place corporations look to cut expenses is personnel. "The bulk of the cost savings enjoyed by the Corrections Corporation of America (CCA), the largest for-profit prison operator, is the result of lower labor costs," PaineWebber assures investors. Labor accounts for roughly 70 percent of all prison expenses, and C.C.A. prides itself on getting more from fewer employees. "With only a 36 percent increase in personnel," boasts the latest annual report, "revenues grew 41 percent, operating income grew 98 percent, and net income grew 115 percent."
- Criminalization (Slide 22 & 23)
 - Mass incarceration is tied to a broader system of criminalization of people of color. So many black lives have been lost at the hands of police who are meant to protect and serve. And when unarmed black men and women are killed their deaths are met with impunity and indifference. Nonviolent protesters who call attention to injustice are met with a militarized police force dressed as if they are prepared for war. This is part of a system of state violence, one that firmly holds black people and other people of color in a second class status, at the bottom of the socio-economic pyramid.

FAQs & Extra Info

- There is a growing criminalization of communities of color in the US, from drug and sentencing laws disproportionately impacting blacks and Latinos to criminalization of immigrants.
- Ever more punitive drug laws have failed to address the negative impacts of drug addiction and abuse. While white people and people of color use drugs at approximately the same rate, the drug war has disproportionately targeted people of color, Blacks and Latinos in particular.
- Nearly 50 percent of black men and 40 percent of white men are arrested at least once on non-traffic-related crimes by the time they turn 23, according to one study. Employers are allowed to discriminate based on criminal records, channeling people of color into low-wage work or no formal employment.
- The United States imprisons a larger percentage of its black population than South Africa did under Apartheid.

- United Methodist Women is engaged in a priority focus on Mass Incarceration and criminalization of communities of color. You can view a webinar on the subject at <http://www.unitedmethodistwomen.org/national-seminar/webinars>

9. Values: God's economy, our economy (25 min)

Purpose: To have participants share the values that are important to them as women of faith and identify connections between those values, the economy and economic inequality.

Instructions: Ask participants the following questions, "What is one value that the current economy represents?" Give an example (Greed, Competition) "As women of faith, what values would be present in God's Economy?" (Slide 24).

Give participants a few moments to reflect on their own, jot down reflections. Invite them to share their words/ thoughts in pairs (5 min)

Make two columns on chart paper, one for current values and one for values of God's economy. Come back together and invite participants to share first current and then God's economy values. Record responses on chart paper in front.

Next, ask participants what types of policies would support the values that represent God's economy. For example, if "fairness" were offered as a value, ask what policy change would reflect fairness. Encourage participants to be specific. Record these on chart paper.

10. United Methodist Women engagement in action for economic justice (20 min)

Materials: Index cards--enough of each for each participant. Chart paper. UMW handout "Women and Economic Inequality: Taking Action."

Purpose: To link values to concrete actions, giving UMW members very specific entry points at local, state and national level to take action for economic justice.

Instructions:

- a. Looking at the policies that would move us towards a just economy, discuss which are areas where United Methodist Women could get involved to advocate for just policy? What are issues you could take on in your state/conference? Where are there local struggles that you can support?
- b. Ask participants to take a moment to read the handout, "Women & Economic Inequality: Taking Action." What might be ways to get involved in some of these activities? In what ways do these actions address the economic divide as it pertains to race and gender? Where are some of these concerns (fair wages and working conditions, student debt) coming up in your area? Who are allies you could work with?
- c. Discuss the importance of providing multiple entry points-- education, researching local issues and partners, service and advocacy. Mention the UMW Women & Economic Inequality web pages as a resource for education and action (Slide 26).

- d. Note that UMW national office will be helping to train trainers to lead this UFE/UMW workshop across the country, beginning in 2016. Contact Carol Barton, UMW National Office, cbarton@unitedmethodistwomen.org if you would consider being trained to facilitate this workshop.
- e. Invite participants to turn to one other person. Discuss what you see as a first step you might take in your local unit and your conference UMW for education and action? What has the most resonance and possibility for you? Jot this on a blue index card to give to facilitators. You can share your name or not on the card.
- f. Briefly invite participants to share a few of these in the full group (facilitator records on chart paper). Ask all pairs to turn in index cards. (Note to facilitators-- these cards are for you and for conference Social Action coordinators or equivalent leaders to learn what action ideas have energy and resonance and how you might follow up in helping to organize specific action as United Methodist Women.)

11. Closing and Evaluation (5 min)

Purpose: To thank participants for their participation and transition to the next session.

Instructions:

- a. Thank participants for their stories and reflections and encourage them to connect with conference social action leaders to engage in next steps.
- b. Gather in a circle and share one word of reflection about the workshop and what is on their hearts and minds.

Talking Points:

- We have covered a lot in a short amount of time and there is certainly more to be covered and more that can be done. This is meant to be an introduction that gives you tools for continuing this conversation in your units, your churches and communities.
- This workshop is available online at (Slide 27):
<http://www.unitedmethodistwomen.org/national-seminar> Please use this to facilitate additional workshops among United Methodist Women members. Please be in touch with Carol Barton, Economic Inequality coordinator, to let us know how it goes!