

“Inequality Within”

An Obama Presidency does not expunge the issue of inequality in America. Whether one is concerned with income or wealth inequality, the differences between White and Black Americans are stark. Clearly, Black Americans should continue their efforts to reduce the income and wealth gaps that they confront vis-à-vis White Americans.

However, Black Americans should not overlook the fact that there is inequality within Black America. Given that we have financial superstars, such as Robert Johnson, Opera Winfrey, and Bill Cosby, and knowing that 25 percent of Black Americans are in poverty, one might surmise that there is considerable income and wealth inequality within Black America.

Standard measures of, and statistics on, wealth inequality are difficult to obtain. However, a well recognized measure of income inequality is the *Gini* ratio. The *Gini* ratio measures how evenly income is distributed. It takes on values between 0 and 1. A *Gini* ratio of 0 indicates perfect equality (i.e., everyone has identical income), while a *Gini* ratio of 1 indicates perfect inequality (i.e., one household has all of the income). The lower the *Gini* ratio, the better—that is, the greater the equality.

The U.S. Census Bureau produces annual estimates of *Gini* ratios for American households as part of the “Annual Social and Economic Supplement” to the *Current Population Survey* (http://pubdb3.census.gov/macro/032008/hhinc/new02_000.htm).

The data for 2007 show that the *Gini* ratio for the nation was .443; the *Gini* ratio for White households was .433; and the *Gini* ratio for Black households was .472. Income inequality is greatest among Black Americans—being 0.039 *Gini* points higher than income inequality among Whites, and 0.029 *Gini* points higher than income inequality for the nation. (The *Gini* ratio is .414 for Asians and .432 for Hispanics.) The differences between the Black, White, and the national *Gini* ratios are different in a statistically significant sense, meaning that the gaps conveyed by the *Gini* ratios are “real.”

While we are often critical of the inequality that exists between Blacks and Whites in America, we seldom raise concerns about the inequality within Black America. That inequality is real and it is substantial. Should we not be just as concerned about inequality within Black America as we are about inequality across America in general?

Theoretically, we can help reduce inequality between Blacks and Whites by reducing inequality between Blacks. Therefore, shouldn't we work on Black inequality?

The *Gini* ratio for Black Americans bears monitoring. If it increases overtime, it signals that wealthy Blacks are increasing their income at the expense of Blacks. Such an outcome is inconsistent with the principles of community, and it does not bode well for maintaining a unified Black push for equality with the rest of America.

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