

Reduce Extreme Economic Inequality

A Grand Challenge for Social Work



The Grand Challenge to **Reduce Extreme Economic Inequality** stems from several startling observations. First, the top 20% earn 50% of the total annual income in the United States.¹ Second, the top 1% own nearly 30% of the total wealth in the United States.² Third, the impact of gaps in wealth and income are particularly pronounced in communities of color³, and income and wealth gaps persist between men and women. In response, members of this Grand Challenge have called for what amounts to a new social contract to reduce inequalities in wealth and income, and to close the financial gaps among racial groups, and between men and women. Their strategies include expanding job creation, the Earned Income Tax Credit, cash transfer programs, and access to childcare, as well as strengthening labor standards and creating new policies to encourage inclusive, progressive wealth building.

During the past five years, the network supporting the Grand Challenge to **Reduce Extreme Economic Inequality** has organized working groups, published and presented widely, developed a new curriculum for teaching about economic inequality, authored policy briefs, and advocated for its priorities on Capitol Hill. Network members also worked closely with the Grand Challenge to **Build Financial Capability and Assets for All**. They focused not only on the development of basic income, but on the policies and supports that relate to the acquisition of stable, living wages, and dependable family assets.

¹United States Census Bureau, 2019. Table A-4. Selected Measures of Household Income.

²Brookings.edu, June 25, 2019.

³Akee, Jones & Porter, 2019. Race matters: Income shares, income inequality, and income mobility for all U.S. races. Demography 56, 999-1021.

STRATEGIES TO INCREASE INCOMES AT THE BOTTOM



**Increase Earnings
from Low-skilled Jobs**



**Make Part-time,
Shift & Variable Work
More Humane**



**Expand
the EITC**



**Expand Child Care
to Enable Stable
Employment**



**Expand Active
Employment
Creation**



**Strengthen
Unemployment
Insurance**



**Stop Privileging
Income from Capital
over Income from
Labor in the
Tax System**

Celebrating 5 Years of Progress on the Grand Challenges!

Network Leadership

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WORKING GROUPS

Inclusive Asset-Building

- **Focus:** Addressing inequities in access to wealth and asset-building resources
- **Strategies:** Child Development Accounts, Revised Tax Policies

Equality in Work & Income

- **Focus:** Making work benefit all employees
- **Strategies:** Guaranteed Basic Income, Paid Family Leave, Minimum Wage, Youth Employment, Child Allowances, etc.

LOOKING BACK

In 2016, members of the Grand Challenge made these [policy recommendations](#) as part of their new social contract:

1. Strengthen labor standards and reform employment policies
2. Expand active employment creation
3. Expand the Earned Income Tax Credit (EITC)
4. Expand childcare access to enable stable employment
5. Create new, lifelong policies for inclusive and progressive wealth building
6. Develop a universal child allowance

Over the past five years, network members, their colleagues, and other social workers have taken numerous substantive actions toward these goals, including:

- **Publishing** numerous [peer-reviewed articles](#), [book chapters](#), and encyclopedia entries
- **Presenting** multiple webinars, including two on COVID-19: "[Learning from History about Disaster and Economic Inequality](#)" and "[Stay Home? Housing Inequities, COVID-19, and Social Welfare Policy Responses](#)"
- **Co-authoring** two policy briefs: "[Start Lifelong Asset Building with Universal and Progressive Child Development Accounts](#)" and "[Convert the Child Tax Credit into a Universal Child Allowance](#)" and advocating for these policy recommendations on Capitol Hill and participating in the [March 2019 Social Work Day on the Hill](#)
- **Highlighting** the work of social work and social welfare researchers who study innovative proposals, including [universal basic income](#), [secure schedules for low-wage workers](#), child development accounts, sector strategies in workforce development, and [unconditional cash grants for new parents](#)
- **Developing** a curriculum for teaching social work students about extreme economic inequality and creating a [website](#)

LOOKING AHEAD

Over the next two to five years, the network plans to focus on policies and practices in their two critical areas, each to be supported by a working group, to design, implement and evaluate proposed solutions:

- **Equality in Work and Income** will explore how to make work benefit all employees by stabilizing earnings, increasing wages, improving working conditions, and equalizing paid time off for health and caregiving. It will also review how social and tax policy are interrelated with and affect paid employment. The group will look at the programs that are successfully "moving the needle" on guaranteed basic income, paid family leave, minimum wage, youth employment, and child allowances.
- **Inclusive Asset-Building** will look at gross inequities in access to wealth and asset-building resources, particularly as they relate to young people and those in marginalized communities. The group will identify, describe, analyze, and suggest improvements to programs that are successful in changing the distribution of economic assets and balance sheets in the U.S., as well as reducing predatory practices.

To accomplish this work, the network will:

- **Host** a working conference to identify and assign action items and update the overall agenda for the Grand Challenge
- **Develop** Special Interest Group activities directly related to core policy initiatives
- **Improve** communications by updating the website and expand their social media presence
- **Deepen** coordination with other scholars and practitioners of social work as well as other poverty-related organizations
- **Publish** a guide to analyzing policies with respect to reducing economic inequality

Join Us

If you are interested in tax policy and would like to participate in one of the two working groups, join us!

[grandchallengesforsocialwork.org](https://www.grandchallengesforsocialwork.org)

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