

Bloomberg report names Atlanta and New Orleans as the most unequal cities in the US

By E.P. Bannon
6 November 2014

A recent report released by Bloomberg listed the 50 most unequal cities in the United States. The top two cities on the list were Atlanta and New Orleans, placing first and second, respectively. The six cities with the highest levels of social inequality were all located in the South.

Florida had the most cities on the unequal list of any state: Miami, Gainesville, Tampa, West Palm Beach and Tallahassee. Detroit, beset by a profound social crisis, ranked 43rd out of 50. The city's current poverty rate is 42.3 percent—the highest of any major city in America. Detroit also has the lowest median household income of the 50 cities listed by Bloomberg, \$23,600.

The levels of the Gini coefficient [which ranks income distribution on a scale between 0 and 1; 0 being perfect equality, 1 being perfect inequality] in the top ranking cities, not surprisingly, are well above the already high national average.

Atlanta has a Gini coefficient of 0.5882, placing it just below the level of Haiti—the seventh most unequal country in the world and the poorest nation in the Western hemisphere. The *New Orleans Times-Picayune* pointed out that the Gini coefficient of New Orleans (0.5744) is roughly on par with that of Zambia in southern Africa, one of the most impoverished countries in the world.

A particularly stark figure is the rate at which social inequality has risen in many of the listed cities since 2008. In five cities, the Gini coefficient has grown by more than 10 percent over the past six years alone. In Gainesville, it has grown by 10.74 percent; in Eugene, Oregon, 11.29 percent; in Brownsville, Texas, 12.38 percent; in Beaumont, Texas, 12.41 percent; and in Columbia, Missouri, 14.26 percent. Such high rates of growth in inequality speak to a devastating decline in living standards.

In Atlanta, the poorest 40 percent of residents own only 7.45 percent of the overall wealth. The richest 20 percent, by comparison, own 62 percent of the city's wealth. Some 26 percent of the population lives at or below the official poverty line.

Like most American cities, Atlanta has suffered waves of layoffs and budget cuts to essential city and social services. Former Atlanta Mayor Shirley Franklin cut 1,100 positions in 2002. In 2009, Franklin announced that 441 city workers would be laid off and an additional 347 positions would be eliminated. The largest cuts have been in the city's public works, police and fire departments.

In New Orleans, the poorest 40 percent of residents own 7.51 percent of the wealth, while the richest 20 percent own 60 percent. The percentage of people officially living in poverty is 28.6 percent—a rate actually higher than Atlanta's.

The poor in New Orleans deal with chronic problems of infrastructure, transportation, attacks on public education and a sharp rise in the cost of living. The city's working population has suffered not only serious economic blows, but also the social and environmental disasters of Hurricane Katrina and the BP oil spill.

New Orleans attracted 9.28 million visitors in 2013, making it one of the biggest tourist attractions in the country. The latest figures from the Greater New Orleans Data Center, taken three years ago, lists 77,841 jobs in the tourism industry out of the overall population of 378,715. That means just over one fifth of New Orleans residents are employed either directly or indirectly in the tourism industry.

Tourism, which generally pays poorly, is the largest of the city's so-called "export industries" (i.e., areas of the economy that bring in outside capital), employing more than the oil and gas and shipping industries

combined. Employment in oil and gas dropped by 46 percent from 1980 to 2011. Shipping jobs fell by 45 percent over the same period. Over the course of the past four years, the workforce at Avondale Shipyard has been cut from 5,000 to less than 500 employees.

The trade unions played a direct role in pushing through the closure of the shipyard. The union and clergy-led protests forbade any discussion of a fight against the layoffs, appealing instead to the shipyard owners to retain a skeleton workforce. Ron Ault, president of the Metal Trades Department of the AFL-CIO, told the *Times-Picayune* in 2013: “The facility is pretty much ideal for doing smaller construction work,” he said. “It’s more economical to do the type of commercial manufacturing they’ve got planned on a smaller footprint.”

As work in heavy manufacturing dwindles to an unprecedented low, the vacuum has in large part been replaced by low-wage service industry jobs. At the same time, the cost of living in New Orleans has skyrocketed. According to a 2014 study, the average rent for a two-bedroom apartment in the city is \$948. Financial advisors estimate that it would take an hourly wage of \$18.23 (\$38,000 on an annual basis) to be able to afford a two-bedroom apartment. By comparison, the typical yearly income of an entry-level service job is at or under \$22,000. According to recent Census data, 53 percent of New Orleans residents rent rather than own homes.

The city’s employment rate is also instructive. According to Census data, only 63 percent of residents over the age of 16 are currently employed. The rest are either actively seeking work or have dropped out of the labor force entirely.

New Orleans is a case study in the breakdown of American capitalism. Inequality in the region, however, is by no means restricted to New Orleans alone. Three out of the five largest cities in Louisiana made the top 50 list: New Orleans (2nd), Baton Rouge (32nd) and Lafayette (34th).

A report released by CNN in October 2013 named a small town in Louisiana as the most unequal place in the entire United States. Lake Providence, located in East Carroll Parish, Louisiana, has a Gini coefficient of just under .7—well above that of any country in the world. The town of Lake Providence is separated both geographically as well as socially by a lake of the same

name. In this town, the richest 5 percent earn an average of \$611,000 a year, while the poorest 5 percent make \$6,800.

To contact the WSWWS and the
Socialist Equality Party visit:

<http://www.wsws.org>