

Troost: A Division Line of Inequality

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Intermediate Macroeconomics
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Executive Summary

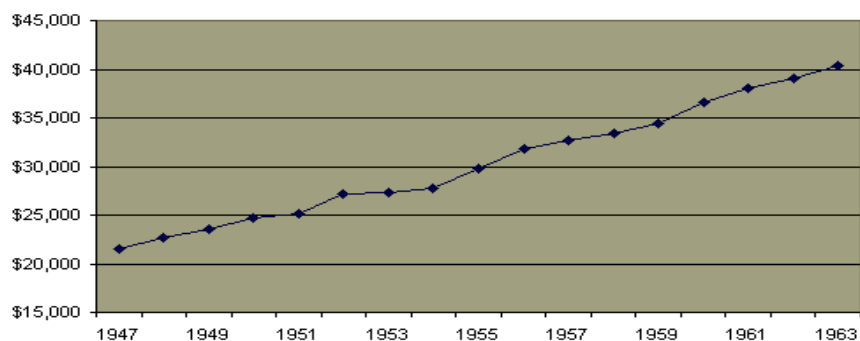
When one speaks of an inequality in today's society you come to think of notions dealing with race, gender, or ethnicity. These ideas are very broad and do not cover the entirety of inequality. One specific concept would be that of economic inequality, rather than a very broad societal inequality. Economic inequality is indeed a common thread throughout the history of the world. Historically speaking, the working class has always been inadequately safeguarded from being manipulated by a minute, yet omnipotent, hierarchy of economic rulers. The three key components of economic inequality revolve around *income, education, and employment*. In a country whose top 1% of the population owns as much wealth as the bottom 95%, where the three richest people possess more financial assets than the poorest 10% of the world's population, combined, one can easily visualize the obvious problem: inequality of the distribution of wealth.

(<http://www.worldrevolution.org/Projects/Features/Inequality/USInequality.htm>)

This idea was partially resolved through the political trends of the 20th Century, particularly the post-World War II era. During this time of revitalization, a “middle-class” was born, shortening the deviation between rich and poor. At this time, with the help of Marxist ideologies of the late 19th Century, median income levels doubled during a 15 year period jumpstarting the economy with a much needed boost of confidence for the working class. (<http://www.newsbatch.com/econ.htm>)

Median Income Levels 1947-1963

Source: U.S. Census Bureau



(<http://www.newsbatch.com/econ.htm>)

Although the economy as a whole was on an upward climb toward full employment, economic stability, and the implementation of a new, beneficial middle-class, there was still the omnipresent existence of an ever poorer bottom class of the overall population. This segment of people consists of upwards of 40% of the entire economy, while only accounting for one-fifth of 1% of the nation's wealth. In 1999, there were 35 million people, or about 12% of the population, living below the poverty line of about \$13,000 yearly income for a family of three.

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Background Information

Certain areas within the United States are worse than others, for instance in the year 2000, the United States average per capita income was \$29,451. Although, the state of Mississippi had an average income of \$20,856, the lowest of the fifty states, while the state of Connecticut had a whopping average income of \$40,870, the highest of the fifty states. (<http://www.calinst.org/data/pci2000.pdf>) For one state to have nearly double the per capita income of another state is simply preposterous. This shows that the deviation of income between the highest grossing state and the lowest grossing state is 70% of the average per capita income for any given state. In addition, other more obvious differentials between income levels within a state would be the blatant differences within big cities. In New York, for instance, the per capita income is \$34,502, yet there are billionaires living in 5th Avenue penthouses while homeless pan-handlers beg outside for change. If that is not the epitome of economic inequality, then what is? (<http://www.calinst.org/data/pci2000.pdf>)

We live in a society where the richer you are, the seemingly better you are, and in turn, the better your life is. I guess that goes without saying, but for every millionaire,

there is a reciprocal entity in the form of a poor or homeless person to the tenth power, in other words: $M_{\text{illionaires}} = (P_{\text{oor}})^{10}$. This equation is my own personal formulation and has no real statistical relevance, yet I use it to make a point of the harsh reality in which we live in.

Bill Gates, the richest individual in the United States, alone has more wealth than 40% of the U.S. population combined, or 120 million people. His net worth is in excess of \$50 billion. The total wealth of the bottom 40% of Americans is \$40 billion.

<http://www.worldrevolution.org/Projects/Features/Inequality/USInequality.htm>) It is simply uncanny to imagine that a single person could be worth so much money, to think how badly this person skews the national average income, yet this is how an economy is run, with some people contributing more than others. No economy is perfectly equal, or “omni-equal” as I call it. This does not seem fair, but the economy strives on the success of moguls such as Bill Gates, who supplies the world with technology, brings in revenue, and ultimately rises the overall GDP.

Bill Gates is not a bad man whatsoever, after all, he did earn every dollar he is worth, yet in all reality, no person ever deserves, needs, or should ever have \$50 billion, no matter what he/she did to earn it. Andy Rooney, the notoriously opinionated commentator for “60 Minutes”, agrees with me somewhat. In a recent episode, he stated, “I think Bill Gates has **every** right to keep **every** penny he made and continue to make **more**. If it ticks **you** off, go and invent the next operating system that’s **better**, and put **your** name on the building.” (<http://www.cbsnews.com/sections/60minutes/rooney/main3419.shtml>)

That’s what brings me to the topic of this research paper. I spoke of inequalities within large metropolitan cities such as New York, Chicago, or Los Angeles. The city I

am focusing on is Kansas City, Missouri. While not the largest, most divided city in the country, there is one extremely interesting aspect within the boundaries of the “City of Fountains”: Troost Avenue. Troost is one of the more major roads in Kansas City, parallel to Main Street, it is just as active and used as Main Street. When you drive down Troost, one will see a multitudinous array of small, locally owned businesses, familiar franchises, gas stations, and small food shops, the norm for any city. What you do not inherently see is the unfathomable differences in income and wealth from the east and west sides of Troost.

If you simply drove west from Troost you would not be very surprised by the nice, middle-class homes and cleanly environment. If you head further west you will notice an increase in the quality of homes, as well as the environment in general. You are now in upper-class Kansas City heading into prestigious Mission Hills, Kansas. If you turn around, retrace your steps and head east of Troost, you will instantaneously realize the difference.

On the east side, the homes are smaller, dingier, and frequently dilapidated to the point of abandonment. The area is much more defiled and sully at first glance, and the ambience is all but depleted. You feel like you are in a different area, a different city, maybe in a different state, but in all reality you are on the other side of the road, where “the grass is not greener”, to say the least. Over time, the east side of Troost transgressed from a seemingly nice area, to one of the poorest, most dreaded parts of the city. The key here is that this is the poorest area in the metropolitan region. Here lies the basis of my wonderment: Troost Avenue as a division line of inequality.

Kansas City is a major metropolitan area for both Missouri and Kansas. Large multi-million dollar companies such as Sprint and Russell Stover are headquartered here and act as means of employment for thousands of local Kansas City residents. The population of Kansas City was recorded at 452,496 in a recent 2003 census, excluding the population living in institutions, college dormitories, and other group quarters. Of that 452,496, 47.4% are male, while the remaining 52.6% are female. The gender spread is nothing to be surprised about, the racial spread, however, is rather startling.

http://factfinder.census.gov/servlet/ACSSAFFacts?_event=&geo_id=16000US2938000&_geoContext=01000US%7C04000US29%7C16000US2938000&_street=&_county=Kansas+City&_cityTown=Kansas+City&_state=04000US29&_zip=&_lang=en&_sse=on&ActiveGeoDiv=&_useEV

According to the 2003 census, 62.7% of the population was Caucasian, while a staggering 31.4% was African-American. While there are twice as many Caucasians as African-Americans, the national average lies at 76.1% and 12.1%, respectively. This shows that Kansas City has nearly three times the number of African-Americans as does the national average. This does not affect the statistical relevance of this research paper, yet is merely an interesting value.

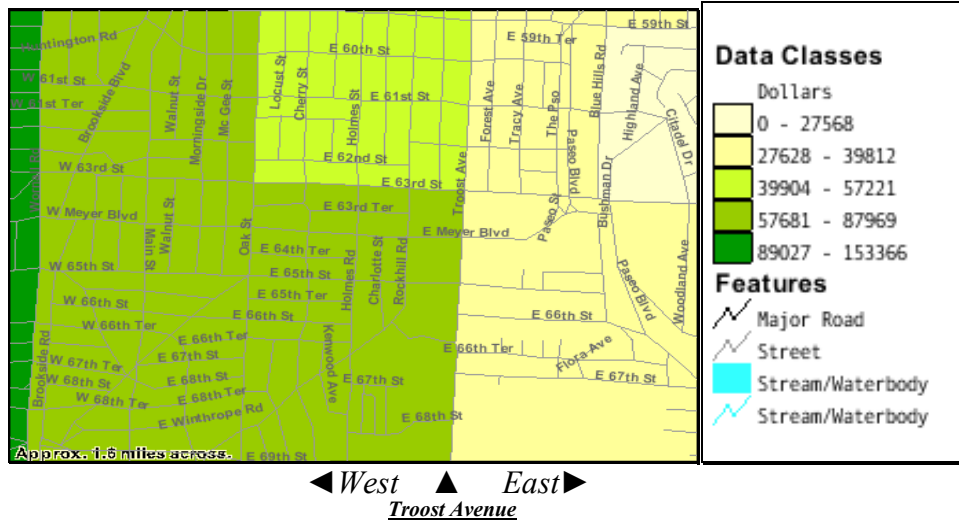
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INCOME INEQUALITY

As far as the economy of Kansas City, the median household income stands at \$36,639, which lies well below the national average of \$43,564. The median income, however, is an average of the entire city. As I spoke about earlier, certain parts of Kansas City are richer or poorer than others, especially that of the areas lying directly west and east of Troost Avenue.

Median Household Income

Source: U.S. Census Bureau, Census 2000 Summary File 3, Matrix P53



As you can see, Troost literally acts as a boundary from above average income, to well below average. On the west side of Troost, average household income ranges from about \$40,000 to upwards of \$150,000, while on the east side, average household income drops drastically to \$39,812 and down. It is utterly astonishing to think that within a blocks distance, the amount of income changes that incrementally. It is yet more pitiful to think that even more eastward, the average household income drops much more, to \$27,568 and lower.

Not only are the levels of income startlingly diverse, but the living conditions are extremely contrary to each other. The people who live on the east side of Troost in no means chose to or wanted to live like that. The bottom line is that most of the eastward population do not have well-paying jobs, not because they chose to get paid less than the average worker, but rather because they did not have the experience or education required for such positions. The typical person would look down on these people, wrongfully assuming that they are lazy and do not care enough to make good money. This may be

true in few cases, but the fact of the matter is that if you are born into a poor family, with no financial resources to backup your educational and life endeavors, then it is not their fault, rather a series of misfortune.

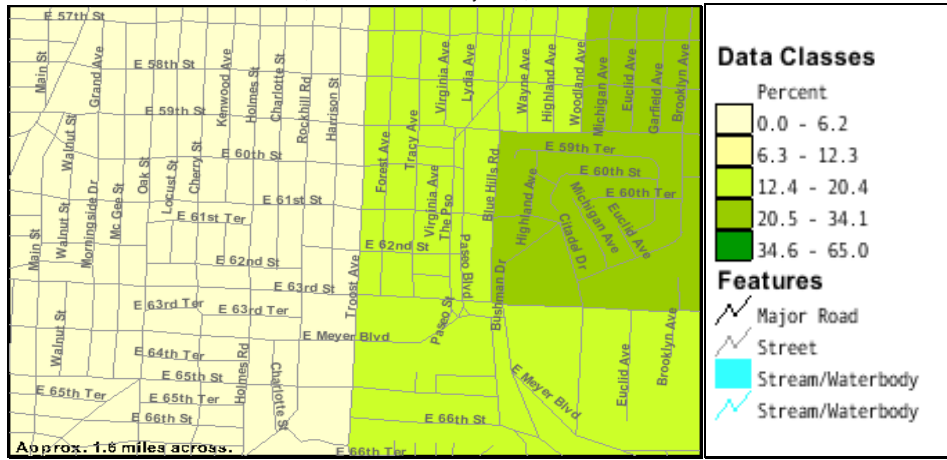
Herein lies the concept of money. Where there is money, there are resources, where there are resources, there is education, where there is education, there is a good, well-paying job, and when you have a well-paying job, you generate wealth, and over time, that wealth trickles down from generation to generation in a cyclical pattern. Family-owned organizations such as Wal-Mart or Hilton Hotels are perfect examples of this concept of wealth generation. The heirs of the founders of these corporations never need to work a minute of their lives. If they do work, it will be via the board room where they act as CEO, CFO, CIO, President, or Chairman of the Board. Paris Hilton, for instance, is the granddaughter of Hotel mogul Conrad Hilton and is worth millions of dollars that she was basically handed when she was born with that infamous last name. Although, Paris does deserve some credit for taking part in a television series accurately named, “The Simple Life”.

Back to the matter at hand, overall more than 12% of families in Kansas City live below the poverty level of \$16,090 yearly income for a family of three, as ordained by the Department of Health and Human Services for 2005. In addition, 16.4% of individuals in Kansas City live below a poverty level of \$9,570 yearly income. Both of these statistics are well above the national averages of 9.8% and 12.7%, respectively. Many of these poverty-stricken families/individuals live to the east of Troost Avenue.

http://factfinder.census.gov/servlet/ACSSAFFacts?_event=&geo_id=16000US2938000&_geoContext=01000US%7C04000US29%7C16000US2938000&_street=&_county=Kansas+City&_cityTown=Kansas+City&_state=04000US29&_zip=&_lang=en&_sse=on&ActiveGeoDiv=&_useEV

% of Households With Income of Less Than \$10,000 in 1999: 2000

Source: U.S. Census Bureau, Census 2000 Summary File 3, Matrix P52



◀ West ▲ East ▶
Troost Avenue

Again you can see how Troost truly does divide east and west Kansas City. It is gut-wrenching to think that barely anyone west of Troost is in financial despair, or at least below the poverty line, while east of Troost the poverty level ranges from 12.4% to a sickening 34.1%. This literally means that on average, about 23% of the people living to the east of Troost are poverty stricken. Again, this map portrays economic inequality at it's *worst*.

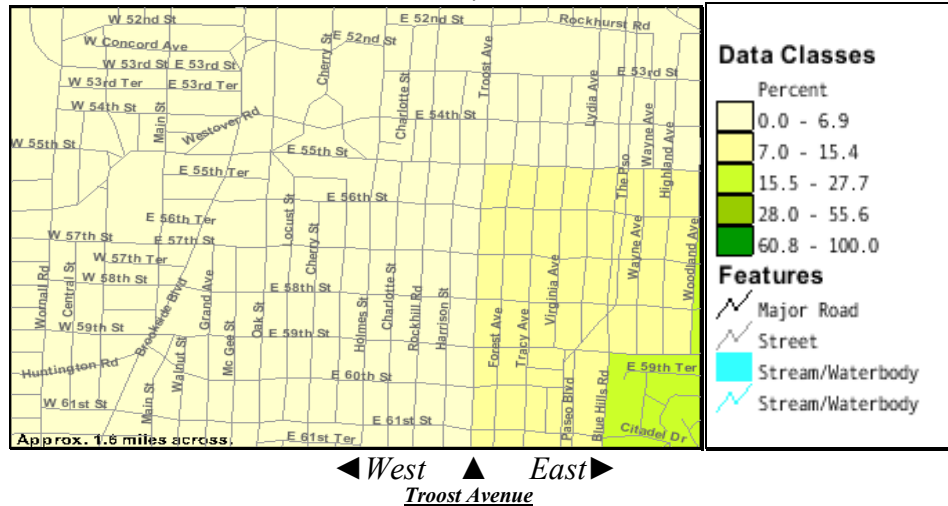
EDUCATIONAL INEQUALITY

Earlier I was talking about education in Kansas City and how it is seemingly directly correlated with financial stability. Many families to the east of Troost do not have the financial resources to support themselves, let alone a family. This directly affects the children who probably want to go to school, yet can not afford it. With no education, these helpless people will end up just where they are in the long run, on the east side of Troost. I am not saying that you are immediately doomed and stricken to the

pits of Kansas City, rather that it is much harder to get a good education without the finances.

% of Persons 16-19 Years Not Enrolled in School and Not a High School Graduate: 2000

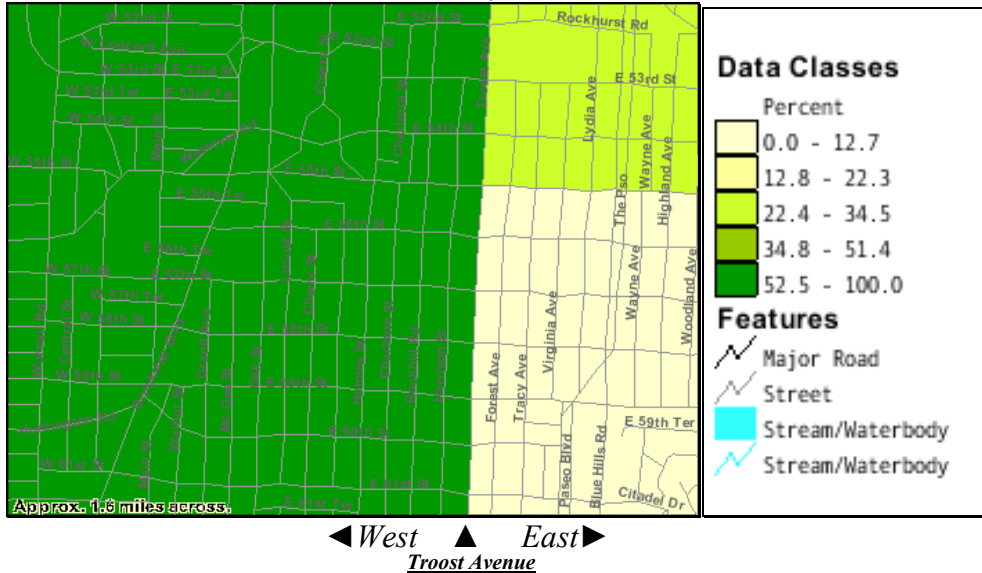
Source: U.S. Census Bureau, Census 2000 Summary File 3, Matrix P38.



As you can clearly see, the differential of educational standards between the east and west sides of Troost Avenue are staggering. In some locations to the east of Troost, nearly 25% of the population of 16 to 19 year olds are not enrolled in school and do not have a high school diploma. It is advantageous to not only be enrolled in school, but to at least have a high school diploma or GED. This shows how badly certain areas in Kansas City are lacking educational enrollment. In addition, many schools to the east of Troost are run-down and do not potentially offer a great education. On the contrary, to the west of Troost and into Mission Hills, Kansas, private institutions such as Pembroke Hill and St. Theresa's Academy offer the Kansas City elite the best education money can buy, and exactly that. Once again I will state: Where there is money, there are resources, where there are resources, there is education, where there is education, there is a good, well-paying job, and when you have a well-paying job, you generate wealth.

Percent of Persons 25 y/o+ With a bachelors degree or higher

Source: U.S. Census Bureau, Census 2000 Summary File 3, Matrix P37



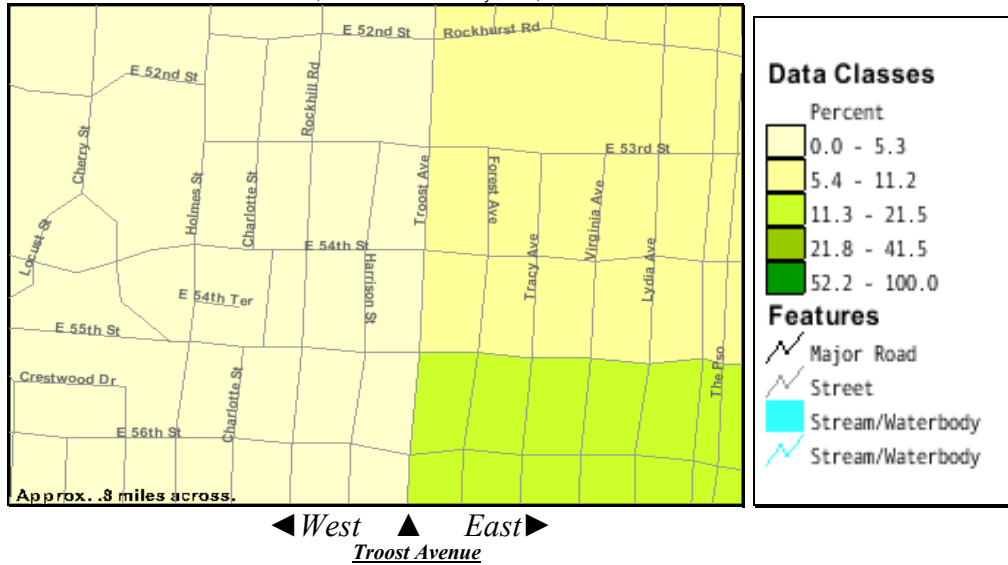
Here is another perfect example of the lack of education on the east side of Troost Avenue. Shown is the spread of people 25 years of age and older with at least a bachelor's degree. You can obviously see that the majority of the people living to the west of Troost do indeed have a bachelors degree or higher, while people living to the east of Troost have a much lower percentage. Even worse, areas east of Troost and south of 55th Street have a percentage of less than 13%.

That is a hard-hitting statistic to think that about 10% or so people living in that area have a bachelors degree, while just to the left of them, the majority of the residents have *at least* a bachelors degree. This exemplifies the blatant differences in the degree of higher education from the east and west sides of Troost. Furthermore, to think that rarely anyone to the east side of Troost has a degree higher than a Bachelor's, if that, is simply flabbergasting.

EMPLOYMENT INEQUALITY

% of Civilian Labor Force that is Unemployed

Source: U.S. Census Bureau, Census 2000 Summary File 3, Matrix P43

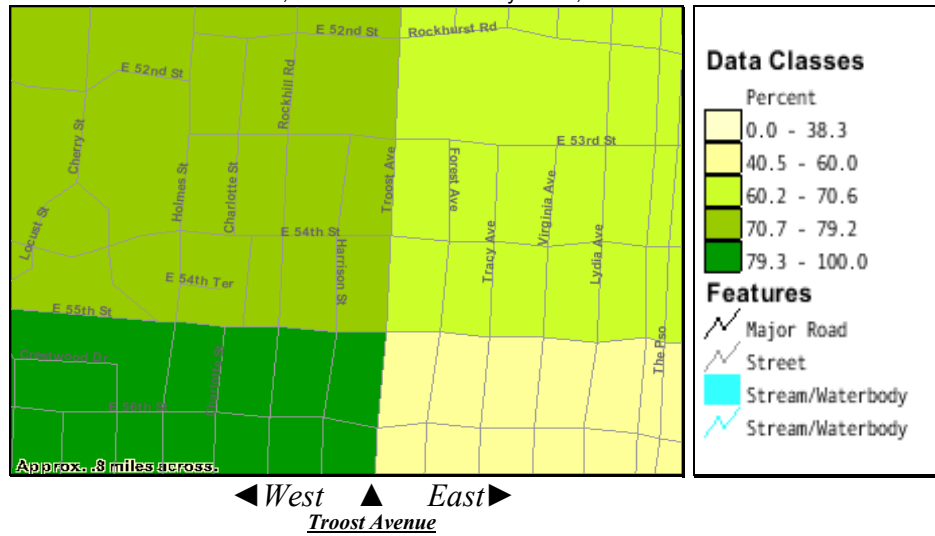


Here, the idea of unemployment is displayed. Unemployment is one of the dual economic killers, along with inflation. As shown, the percentage of the civilian labor force that is unemployed is referenced. You can see that barely anyone in the labor force that lives to the west of Troost Avenue is unemployed. Currently, the United States unemployment rate stands at 5.2%, as stated by the Bureau of Labor Statistics for the month of March, 2005. (<http://www.bls.gov/>)

So literally speaking, people living to the west of Troost are below the current rate of unemployment. The story is a little different for residents living to the east of Troost. The rates for this area of Kansas City range from an above average percentage of 5.4% to an unheard of 21.5%. To have more than 20% of any population unemployed is quite a discouraging figure. One of the biggest problems pertaining to unemployment is the number of legal workers, 16 years old and over, not in the labor force.

% of males 16+ in labor force

Source: U.S. Census Bureau, Census 2000 Summary File 3, Matrix P43.



This is one of the most important figures dealing with the economic inequality of Troost Avenue in Kansas City, Missouri. The percentage of males 16 years and older currently working in the labor force is a crucial statistic dealing with the heart of the labor force. As you can see, the majority of males in that age group, in the westward population from Troost, are currently working. In fact, at least 70% of the men living to the west of Troost who are at least 16 years old are doing exactly that. For the same group of men living to the east of Troost, only 70% or less of the population are currently part of the labor force. Once again, the area east of Troost and south of 55th Street tends to be the most negatively skewed part of Kansas City, with 38% or less of the men currently part of the labor force. If you are not working, you are not generating revenue, if you do not generate revenue, you do not have an income, when you have no income, you are unemployed and live in poverty. The key is that when males hit that golden age of 16, they MUST be active in the labor force, whether or not it is working at McDonalds, it's money!

My Thoughts In Conclusion

After analyzing these key components, exhibiting the obvious inequalities between income, education, and employment within the locale of Troost Avenue in Kansas City, Missouri, I can reach only one conclusion: Troost exemplifies economic disparity to the highest degree. Coming from Belleville, Illinois, just east of St. Louis on the other side of the mighty Mississippi, I can attest to the fact that there are immediate boundaries dividing areas into separate socioeconomic entities. Belleville's Main Street ends on the outermost west extremity of the city, at the beginning of East St. Louis, which is notorious as being one of the worst, most heavily criminal cities in the country. Main Street stops at the end of Belleville and becomes State Street in East St. Louis. Although the street itself is the same, physical route, the name changes, as does the quality of the environment, and of life all together.

It is extremely difficult to comprehend the underlying explanation as to how an area can be so drastically inconsistent when dealing with economic constituents. I feel that there should never be such a radical difference between neighboring areas. The inevitability of certain areas being less economically stable is omnipresent, yet should never be adjacent areas. For the most part, low income areas get progressively worse and worse, rather than going from the one extreme to the other. In addition, I think that every person, every child, every family should have adequate resources simply for the sake of survival. I do not think that our economy as a whole should base someone's socioeconomic status purely on extreme Darwinism, wherein the most fit citizens, or those with the most money, will lead the best, most fulfilling lives.

I feel that everyone, regardless of race, ethnicity, or income level should have equal access to quality education. It is not advantageous for the entire population to attend private institutions, rather a basic general education, rendering them capable of higher learning and quality employment. I feel racism is the most commonly abused, immorally derogatory practices of discrimination present in today's society. No one should ever be judged by the color of their skin, the way they look, or the way they live their life. We were all created equal, in the image and likeness of God, so we should strive to live under the same principles. I do not, however, usually like to intertwine the church with the state, yet it brings up a very pertinent point.

As far as having the resources for attaining such educational standards, there is an inset flaw: some people are born into low-income lifestyles and may never have the adequate means of pursuing such undertakings. I feel this is utterly unfair that some never have a chance for greatness, while others have an abundance of opportunity, yet do not take advantage of it. Everyday, potential students are turned away from their dreams because of a lack of provisions, while others turn away from their provisions because of a lack of potential.

I do not think anyone should ever get blamed for or looked down upon because of something they have no control of. If I did not have loving, giving parents, who want nothing more out of life than to see me succeed, chances are I would probably not be attending Rockhurst University or college at all for that matter. If I did not have a solid foundation on which to base my future, I would probably not be where I am today. If I was not able to attend a Catholic grade school, a Catholic High School, and now, a Jesuit University, I would probably not amount to more than anyone else. I would be a statistic,

just like those presented earlier in this paper. No one chooses to live a life of low-income, rather that life chooses you. You may not be able to change destiny, although you can make the most of it.