



THE ZERO-SUM PARADIGM VS. THE SOLIDARITY DIVIDEND

Heather McGhee

“Why can’t we have nice things?”

Perhaps there’s been a time when you’ve pondered exactly this question. And by nice things, you weren’t thinking about hovercraft or laundry that does itself. You were thinking about more basic aspects of a high-functioning society, like adequately funded schools or reliable infrastructure, wages that keep workers out of poverty or a public health system to handle pandemics. The “we” who can’t seem to have nice things is Americans, all Americans. This includes the white Americans who are the largest group of the uninsured and the impoverished as well as the Americans of color who are disproportionately so. “We” is all of us who have watched generations of American leadership struggle to solve big problems and reliably improve the quality of life for most people. We know what we need—why can’t we have it?

“Why can’t we have nice things?” was a question that struck me pretty early on in life—growing up as I did in an era of rising inequality, seeing the wealthy neighborhoods boom while the schools and parks where most of us lived fell into disrepair. When I was twenty-two years old, I applied for an entry-level job at Demos, a research and advocacy organization working on public policy solutions to inequality. There, I learned the tools of the policy advocacy trade: statistical research and white papers, congressional testimony, litigation, bill drafting, media outreach, and public campaigns.

It was exhilarating. I couldn't believe that I could use a spreadsheet to convince journalists to write about the ideas and lives of the people I cared most about: the ones living from paycheck to paycheck who needed a better deal from businesses and our government. And it actually worked: our research influenced members of Congress to introduce laws that helped real people and led to businesses changing their practices. I went off to get a law degree and came right back to Demos to continue the work. I fell in love with the idea that information, in the right hands, was power. I geeked out on the intricacies of the credit markets and a gracefully designed regulatory regime. My specialty was economic policy, and as indicators of economic inequality became starker year after year, I was convinced that I was fighting the good fight, for my people and everyone who struggled.

And that is how I saw it: part of my sense of urgency about the work was that my people, Black people, are disproportionately ill served by bad economic policy decisions. I was going to help make better ones. I came to view the relationship between race and inequality as most people in my field do—linearly: structural racism accelerates inequality for communities of color. When our government made bad economic decisions for everyone, the results were even worse for people already saddled with discrimination and disadvantage.

Take the rise of household debt in working- and middle-class families, the first issue I worked on at Demos. The volume of credit card debt Americans owed had tripled over the course of the 1990s, and among cardholders, Black and Latinx families were more likely to be in debt. In the early 2000s, when I began working on the issue, bankruptcies and foreclosures were rising and homeowners, particularly Black and brown homeowners, were starting to take equity out of their houses through strange new mortgage loans—but the problem of burdensome debt and abusive lending wasn't registering on the radar of enough decision makers. Few politicians in Washington knew what it was like to have bill collectors incessantly ringing their phones about balances that kept growing every month. So, in 2003, Demos launched a project to get their attention: the first-ever comprehensive research report on the topic, with big, shocking numbers about the increase in debt. The report included policy recommendations about how to free families from debt and avoid a financial meltdown. Our data resulted in newspaper editorials, meetings with banks, congressional hearings, and legislation to limit credit card rates and fees.

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Two years later, Congress took action—and made the problem of rising debt worse. Legislators passed a bankruptcy reform bill supported by the credit industry that made it harder for people ever to escape their debts, no matter how tapped out they were after a job loss, catastrophic medical illness, or divorce. The law wasn't good for consumers, did nothing to address the real problems in family finances, and actually made the problem worse. It was a bad economic policy decision that benefited only lenders and debt collectors, not the public. This was a classic example of the government not doing the simple thing that aligned with what most Americans wanted or what the data showed was necessary to solve a big problem. Instead, it did the opposite. Why?

Well, for one thing, our inability to stop bankruptcy reform made me realize the limits of research. The financial industry and other corporations had spent millions on lobbying and campaign donations to gin up a majority in Congress, and many of my fellow advocates walked away convinced that big money in politics was the reason we couldn't have nice things. And I couldn't disagree—of course money had influenced the outcome.

But I'll never forget something that happened on the last day I spent at the Capitol presenting Demos's debt research to members of Congress. I was walking down the marble hallway of the Russell Senate Office Building in my new "professional" shoes—I was twenty-five years old—when I stopped to adjust them because they kept slipping off.

When I bent down, I was near the door of a Senate office; I honestly can't remember if it belonged to a Republican or a Democrat. I heard the bombastic voice of a man going on about the deadbeats who had babies with multiple women and then declared bankruptcy to dodge the child support, using the government to avoid personal responsibility. There was something in the senator's invective that made my heart rate speed up. I stood and kept moving, my mind racing. Had we advocates entirely missed something about the fight we were in? We had been thinking of it as a class issue (with racial disparities, of course), but was it possible that, at least for some of the folks on the other side of the issue, coded racial stereotypes were a more central player in the drama than we knew?

I left Capitol Hill, watching the rush hour crush of mostly white people in suits and sneakers heading home after a day's work in the halls of power, and felt stupid. Of course, it's not as if the credit card companies had made racial stereotypes an explicit part of their communications strategy on bankruptcy reform. But I'd had my political coming-of-age in the mid-1990s, when the drama of the day was "ending welfare as we know it," words that helped Bill Clinton hold on to the (white) political center by scapegoating (Black) single mothers for not taking "personal responsibility" to escape poverty. There was nothing explicit or conclusive about what I'd overheard, but perhaps the bankruptcy reform fight—also, like welfare, about the deservingness and character of people with little money—was playing out in that same racialized theater, for at least one decision maker and likely more.

I felt frustrated with myself for being caught flat-footed (literally, shoe in hand!) and missing a potential strategic vulnerability of the campaign. I'd learned about research and advocacy and lobbying in the predominantly white world of nonprofit think tanks, but how could I have forgotten the first lessons I'd ever learned as a Black person in America, about what they see when they see us? About how quick so many white people could be to assume the worst of us ... to believe that we wanted to cheat at a game they were winning fair and square? I hadn't even thought to ask the question about this seemingly nonracial financial issue, but had racism helped defeat us?

Years later, I was on a conference call with three progressive economists, all white men. It was 2010, and we were plotting the research strategy for a huge project about the national debt and budget deficit. Both measures were on the rise, as the Great Recession had decimated tax revenue while requiring more public spending to restart the economy. The Tea Party had burst onto the political stage, and everyone, from conservative politicians to the kind of Democrats who had President Obama's ear, was saying that we needed a "grand bargain" to create a dramatically smaller government by 2040 or 2050, including cuts to Social Security, Medicaid, and Medicare. We were preparing the numbers to show that such a bargain would be the death blow to a middle class that was already on its knees, and to offer an alternative budget proposal that would include a second stimulus and investments to grow the middle class.

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Toward the end of our planning call, I cleared my throat into the speakerphone. "So, when we're talking about the fiscal picture in 2040 or 2050, we're also talking about a demographic change tipping point, so where should we make the point that all these programs were created without concern for their cost when the goal was to build a white middle class, and they paid for themselves in economic growth ... and now these guys are trying to fundamentally renege on the deal for a future middle class that would be majority people of color?" Nobody spoke. I checked to see if I'd been muted. No—the light on the phone was still green. Finally, one of the economists spoke into the awkward silence.

"Well, sure, Heather. We know that, and you know that, but let's not lead with our chin here. We are trying to be persuasive."

I found the Mute button again, pressed it, and screamed.

Then I laughed a little, and sighed. At least that economist had said the quiet part out loud for once. He was just expressing the unspoken conventional wisdom in my field: that we'd be less successful if we explicitly called out the racial unfairness or reminded people that the United States had deliberately created a white middle class through racially restricted government investments in homeownership and infrastructure and retirement security, and that it had only recently decided that keeping up those investments would be unaffordable and unwise. What was worse, I didn't have the confidence to tell my colleagues that they were wrong about the politics of it. They were probably right.

Nearly all the decision makers in our target audience were going to be white, from the journalists we wanted to cover our research to the legislative staff we'd meet with to the members of Congress who would vote on our proposal. Even under a Black president, we were operating within a white power structure. Before long, the Tea Party movement used the language of fiscal responsibility but the cultural organizing of white grievance to force a debt ceiling showdown, mandate blunt cuts to public programs during a fragile recovery, and stall the legislative function of the federal government for the rest of Obama's presidency. Was it possible that even when we didn't bring up race, it didn't matter? That racism could strengthen the hand that beat us, even when we were advocating for policies that would help all Americans—including white people?

ON THE DAY Donald Trump was to take the oath of office in 2017, I'd been the president of Demos for three years. I was gearing up to fight against the onslaught that Trump's incoming administration portended for civil rights and liberties, for immigrants and Muslims, and for the Black Lives Matter movement that he had gleefully attacked in his campaign. But as an economic policy advocate, I also knew that the Trump agenda—from repealing the Affordable Care Act to cutting taxes for big corporations and the wealthy (apparently the concern about the national debt expired with the Obama presidency) to stopping action on climate change, which would have catastrophic economic and social costs for the country and the world—was going to do damage across the board. It would create more economic inequality. Why would white voters have rallied to the flag of a man whose agenda promised to wreak economic, social, and environmental havoc on them along with everyone else? It just didn't add up.

The inadequacy of the tool I was bringing to this question, economic policy research, felt painfully obvious. Contrary to how I was taught to think about economics, everybody wasn't operating in their own rational economic self-interest. The majority of white Americans had voted for a worldview supported not by a different set of numbers than I had, but by a fundamentally different story about how the economy works; about race and government; about who belongs and who deserves; about how we got here and what the future holds. That story was more powerful than cold economic calculations. And it was exactly what was keeping us from having nice things—to the contrary, it had brought us Donald Trump.



So, I made an unexpected decision. I decided to hand over the reins at Demos and start plotting a journey, one that would take me across the country and back again over the next three years. I began calling experts not on public policy but on public opinion, the psychology and the political proclivities of people: what makes us see the world in certain ways, what compels us to act, what drives us toward or against certain solutions to our big problems. Before I left, I had Demos partner with a critical race scholar and a linguist to develop our own public opinion research on race, class, and government. Most important, I leaned on the relationships I'd built over the years with grassroots and labor organizers, who introduced me to Americans of all backgrounds who were willing to talk to me about how they were making sense of one another and their futures. I remained guided by the same mission I had when I started at Demos nearly two decades prior: changing the rules to bring economic freedom to those who lack it today. But I wouldn't be treating the issues as cut-and-dried dollars-and-cents questions, but questions of belonging, competition, and status—questions that in this country keep returning to race.

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In my gut, I've always known that laws are merely expressions of a society's dominant beliefs. It's the beliefs that must shift in order for outcomes to change. When policies change in advance of the underlying beliefs, we are often surprised to find the problem still with us. America ended the policy of enforced school segregation two generations ago, but with new justifications, the esteem in which many white parents hold Black and brown children hasn't changed much, and today our schools are nearly as segregated as they were before *Brown v. Board of Education*. Beliefs matter.

So, what is the stubborn belief that needs to shift now for us to make progress against inequality? I found my first clues in a series of psychology studies. Psychologists Maureen Craig and Jennifer Richeson presented white Americans with news articles about people of color becoming the majority of the population by 2042. The study authors then asked the subjects to "indicate their agreement with the idea that increases in racial minorities' status will reduce white Americans' status." The people who agreed most strongly that demographic change threatened whites' status were most susceptible to shifting their policy views because of it, even on "race-neutral policies" like raising the minimum wage and expanding healthcare—even drilling in the Arctic. The authors concluded that "making the changing national racial demographics salient led white Americans (regardless of political affiliation) to endorse conservative policy positions more strongly."

I immediately thought of the deficit project and of my white colleagues' resistance to stating the obvious about demographic change for fear it would backfire and make austerity more popular. Six years later, there it was, that fear corroborated in a psychological experiment: thinking about a more diverse future changed white Americans' policy preferences about government.

It was a dramatic finding, but it still wasn't clear to me why white people would view the presence of more people of color as a threat to their status, as if racial groups were in a direct competition, where progress for one group was an automatic threat to another. And it was even more baffling to me how that threat could feel so menacing that these white people would resist policies that could benefit them, just because they might also benefit people of color. Why would they allow a false sense of group competition to become a self-defeating trap?

But then again, they weren't getting that idea out of nowhere. This zero-sum paradigm was the default framework for conservative media—"makers and takers," "taxpayers and freeloaders," "handouts," and "special favors"; "they're coming after your job, your safety, your way of life." Without the hostile intent, of course, aren't we all talking about race relations through a prism of competition, every advantage for one group mirrored by a disadvantage for another? When researching and writing about disparities, I was taught to focus on how white people benefited from systemic racism: their schools have more funding, they have less contact with the police, they have greater access to healthcare.

Those of us seeking unity told that version of the zero-sum story; the politicians seeking division told the other version—is it any wonder that many white people saw race relations through the lens of competition?

But was that the real story? Black people and other people of color certainly lost out when we weren't able to invest more in the aftermath of the Great Recession, or tackle climate change more forcefully under President Obama, or address the household debt crisis before it spiraled out of control—in each case, at least partly because of racist stereotypes and dog whistles used by our opposition. But did white people win? No, for the most part they lost right along with the rest of us. Racism got in the way of all of us having nice things.

If I looked back at all the vexing problems I'd worked on in my career (student debt, workers' rights, money in politics, unfair taxes, predatory lending, low voter turnout), would I find the fingerprints of racism on all our setbacks and defeats? It is progressive economic conventional wisdom that racism accelerates inequality for communities of color, but what if racism is actually driving inequality for everyone?

Racism got in the way of all of us having nice things.



MY NEW BOOK, *The Sum of Us*, is about my journey to tally the hidden costs of racism to us all. It starts where my own journey began, trying to understand how the rules of our economy became so tilted toward the already wealthy and powerful. The people of our country are so productive and generate so much wealth, but most of the gains go to a small number, while most families struggle to stay afloat. I traveled to Mississippi and sat with factory workers trying to unite a multiracial workforce to bargain collectively for better pay and benefits. I talked to white homeowners who had lost everything in a financial crisis that began with the predatory mortgages that banks first created to strip wealth from Black and brown families. I heard from white parents and students who feared that segregated white schools would render them ill equipped for a diverse world. To understand when white America had turned against government, I traveled to one of the many places where the town had drained its public swimming pool rather than integrate it.

In each of these places, the white people's neighbors and coworkers of color struggled more because of racism: the Latinx factory worker is paid less for the same work; Black homeownership rates are near thirty-year lows while white levels are on their way back; the Black child in the segregated school has far more barriers to overcome; the loss of public goods at the time of integration means that families of color never got to enjoy that kind of government largesse.

As the descendant of enslaved Africans and of a line of Black Americans who were denied housing, equal education, jobs, and even safety from white lynch mobs, I am well aware that the ledger of racial harms is nowhere near balanced. I know the risks I'm taking by widening the aperture to show the costs of white supremacy to our entire society. The story I tell amasses evidence for a part of the story I believe we are neglecting at our peril, but rather than shift focus from racism's primary targets, I hope this story brings more people's eyes—and hearts—to the cause.

Black writers before me, from James Baldwin to Toni Morrison, have made the point that racism is a poison first consumed by its concocters. What's clearer now in our time of growing inequality is that the economic benefit of the racial bargain is shrinking for all but the richest. The logic that launched the zero-sum paradigm—I will profit at your expense—is no longer sparing millions of white Americans from the degradations of American economic life as people of color have always known it. As racist structures force people of color into the mines as the canary, racist indifference makes the warnings we give go unheeded—from the war on drugs to the financial crisis to climate disasters. The coronavirus pandemic is a tragic example of governments and corporations failing to protect Black, brown, and Indigenous lives—though, if they had, everyone would have been safer.

I'll admit that my journey was deeply personal, too. At its best, this country brings together all the world's peoples and invites them to make something new. Collisions of cultures have stretched the branches of my Black family over the years, so that it now includes white, Asian, and Latinx people, too. I started my journey when I was pregnant with a child whose grandparents would be Black, white, and South Asian. I'm sure some part of me doesn't want to believe that oppression of people of color really is an unalloyed good for white people, making us truly separate and intrinsically at odds because then the multiracial America that made my son possible is doomed.

The logical extension of the zero-sum story is that a future without racism is something white people should fear, because there will be nothing good for them in it. They should be arming themselves (as they have been in record numbers, "for protection," since the Obama presidency) because demographic change will end in a dog-eat-dog race war. Obviously, this isn't the story we want to tell. It's not even what we believe. The same research I found showing that white people increasingly see the world through a zero-sum prism showed that Black people do not. African Americans just don't buy that our gain has to come at the expense of white people. And time and time again, history has shown that we're right. The civil rights victories that were so bitterly opposed in the South ended up being a boon for the region, resulting in stronger local economies and more investments in infrastructure and education.



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The old zero-sum paradigm is not just counterproductive; it's a lie. I started my journey on the hunt for its source and discovered that it has only ever truly served a narrow group of people. To this day, the wealthy and the powerful are still selling the zero-sum story for their own profit, hoping to keep people with much in common from making common cause with one another. But not everyone is buying it. Everywhere I went, I found that the people who had replaced the zero sum with a new formula of cross-racial solidarity had found the key to unlocking what I began to call a "Solidarity Dividend," from higher wages to cleaner air, made possible through collective action. And the benefits weren't only external. I didn't set out to write about the moral costs of racism, but they kept showing themselves. There is a psychic and emotional cost to the tightrope white people walk, clutching their identity as good people when all around them is suffering they don't know how to stop, but that is done, it seems, in their name and for their benefit. The forces of division seek to harden this guilt into racial resentment, but I met people who had been liberated by facing the truth and working toward racial healing in their communities.

At the end of my journey to write the book, a multiracial coalition voted to end Donald Trump's presidency, with historic turnout levels despite a pandemic, and racial inequality topping the list of voter concerns. That coalition included millions of white voters, particularly the college-educated and the young. Yet the majority of white voters still supported an impeached president who lied to Americans on a daily basis, whose rhetoric and policies made him a hero of white supremacist terror groups, and who mismanaged and downplayed a pandemic that cost more than 400,000 American lives in less than a year. Rather than ending the soul-searching of the Trump era, the 2020 election raised new questions about how much suffering and dysfunction the country's white majority is willing to tolerate, and for how elusive a gain.

I'm fundamentally a hopeful person, because I know that decisions made the world as it is and that better decisions can change it. Nothing about our situation is inevitable or immutable, but you can't solve a problem with the consciousness that created it. The antiquated belief that some groups of people are better than others distorts our politics, drains our economy, and erodes everything Americans have in common, from our schools to our air to our infrastructure. And everything we believe comes from a story we've been told. I set out on this journey to piece together a new story of who we could be to one another, and to glimpse the new America we must create for the sum of us. 🇺🇸

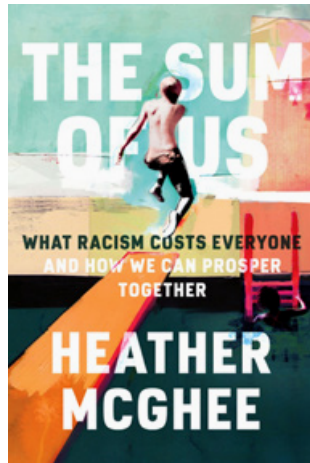
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Heather McGhee is an expert in economic and social policy. The former president of the inequality-focused think tank Demos, McGhee has drafted legislation, testified before Congress and contributed regularly to news shows including NBC's *Meet the Press*. She now chairs the board of Color of Change, the nation's largest online racial justice organization. McGhee holds a BA in American studies from Yale University and a JD from the University of California at Berkeley School of Law.

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