

Big Money Comes to Inequality Research

By Scott Carlson SEPTEMBER 29, 2016

Economists like Paul Krugman see it as a drag on the nation's economy and a

barrier to innovation. Barack Obama has gone further, declaring it the "defining issue of our time." Pope Francis frames it in moral terms, calling it "the root of social evil."

They are all talking about inequality, a word that now peppers news stories and new books, and has come to describe a post-recession anxiety for policy makers, activists, philanthropists, and grant makers. The latter two, which in the past few months have awarded tens of millions of dollars for inequality research, have also made it hot in the academic world.

"There is no more pressing issue right now than that of inequality," says Adam Gamoran, president of the William T. Grant Foundation, which recently shifted its focus in that direction. The Ford Foundation, with a \$12-billion endowment, [announced last year](#) that it would devote its resources to inequality. The work of the Bill & Melinda Gates Foundation, the Lumina Foundation, the Russell Sage Foundation, and many smaller groups is now largely committed, directly or indirectly, to the topic.

All of that is a boon for researchers and centers that have long studied inequality — at times in relative obscurity. Cornell University's Center for the Study of Inequality started in 1999 as an attempt to attract top-shelf social scientists. The university offers a minor in inequality studies, and in the early years, it granted one to 20 to 30 students annually. Last year there were 135, and this year 300 students are in the program.

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That growth is happening because "inequality is in the news all the time," says Kim Weeden, a sociology professor and the center's director. "It has become such a salient feature of the public discourse and political discourse in a way that it wasn't prior to the 2008 financial crisis."

Attention to the issue has come with big money. In August, the Atlantic Philanthropies [gave \\$10 million](#) to Cornell's center to support the study of inequality and its effects on democracy, social mobility, and race and ethnicity. That gift may have seemed small compared with the foundation's [\\$91-million grant](#) in June to the London School of Economics and Political Science to establish a 20-year fellowship program devoted to inequality studies.

Other institutions have profited from the trend. At the beginning of September, James M. Stone, an insurance executive and former Harvard University lecturer in economics, [gave \\$2.5 million](#) to the Graduate Center of the City University of New York to establish the James M. and Cathleen D. Stone Center on Socio-Economic Inequality. (The center started nearly 20 years ago as the U.S. arm of the [Luxembourg Income Study](#).) Mr. Stone also plans to donate to three other yet-unnamed institutions, directing all of them to study the richest of the rich.

Later last month, the federal government [gave \\$9.5 million](#) to the University of Wisconsin at Madison to transform its poverty-research institute into the National Poverty Research Center, which will continue to work with similarly oriented centers at Columbia University, Howard University, Stanford University, and the Universities of California, Kentucky, and Washington, among other institutions, to study the poorest of the poor.

Studies of inequality touch on a broad range of topics, and any center's focus can shift depending on the researchers there. At Stanford's Center on Poverty and Inequality, for example, researchers are studying, among other topics, whether income is related to brain development in infants, how the costs of rented goods affect income inequality, the impact of minimum-wage regulations on the labor market, and how income influences college choice.

Lingering Research Questions

Despite the recent interest and the money that goes with it, inequality is poorly understood, and studies of it are still underfunded, says Sarah K. Bruch, an assistant professor of sociology at the University of Iowa.

Last year Ms. Bruch prepared a report for the William T. Grant Foundation, analyzing various inequality studies and funding streams. She found that [research on youth inequality here was stunted](#) compared with similar work in other countries. In fact, published social-science research on youth inequality in the United States — already stagnant — declined slightly from 2013 to 2014, while it spiked in the rest of the world.

The social sciences started paying close attention to inequality in the early 1990s, Ms. Bruch says, when researchers saw an unexpectedly growing divide between rich and poor. Interest expanded over time, with the financial crisis, the Great Recession, the Occupy Wall Street movement, and Thomas Piketty's unlikely best seller *Capital in the Twenty-First Century*.

Yet plenty of questions still need answers, Ms. Bruch says. Among them: All societies have some level of inequality, but how much is too much? Does inequality spur growth or constrain it? Why haven't some groups, like women or minorities, caught up with the rest of society, despite liberalizing attitudes over time? To reduce inequality — or even weigh how much society should intervene — policy makers could draw on well-directed research.

Donors tend not to dictate research areas, Ms. Bruch says, relying on academics to chart their own courses. But in some cases, money has come with requests. [Mr. Stone](#), the insurance executive, is particularly interested in the "sequestration of wealth" among the superrich, he says, as well as how that money affects inequality further down the socioeconomic ladder and how inheritance creates a "hereditary aristocracy."

Research on those questions is particularly uncommon, in part because people tend to conceal their wealth, making data hard to find. And in the flow of donations to inequality studies, this topic is conspicuously left out.

"Many funders are wealthy people who don't want to study wealth at the top," Mr. Stone says. He hopes that research at CUNY and elsewhere will lead to policy changes that reduce inequality.

Scholarship Versus Activism

Indeed, the topic of inequality is sometimes intimately tied to advocacy, which can be uncomfortable for social scientists who see their work as empirical and neutral.

In sociology, the usual conflicts between the camps of pure and applied research become even more fraught, Ms. Bruch says, when it comes to inequality. Scholarly work can get dicey, she says, when it goes beyond describing disparities and starts making recommendations to address them. What if the recommendations are wrong? Ms. Bruch, who studies inequality within a school district, believes that scholars' role is to provide people with the best current information, with caveats.

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Janet C. Gornick, a professor of political science and sociology at CUNY and director of the Stone center, finds that while people in the field are disproportionately progressive, most still see their work as rooted in data. (Mr. Krugman, well known for his liberal stance on economics, is one of the core faculty members at the Stone center.)

At a place like CUNY with a liberal reputation, [the interplay between scholarship and activism](#) can be complicated in teaching, too. Ms. Gornick sees students turn in paper topics —

before any research is done — that have already come to a conclusion: that, one way or another, inequality is bad. The topic and outcomes, she says, shouldn't be that simple.

"I am always trying to tell the students here, If you're going to make a life as an activist, you'd better be right," she says. "You better work three times as hard to make your scholarship is good."

For researchers, the popularity of inequality has another potential downside. The term is becoming so ubiquitous, used as a label for any injustice, that it has started to lose its potency. So it went with the term "sustainability," adopted by a wide array of companies and organizations as a synonym for "good."

"Everyone is rebranding their work as 'inequality' now because it is so fashionable — and, frankly, because it's lucrative," says Ms. Gornick. She has seen professors in various fields — the humanities, for example — who have started putting "inequality" in the titles of their papers and books to try to ride the wave. She sees colleges starting inequality programs, listing professors whose work might be only tangentially related to the topic.

Although she doesn't want inequality researchers to be "an exclusive group," she does feel a bit anguished about the buzz.

"We have been doing this for a long time, and so we feel a bit of ownership," says Ms. Gornick. "In a sense, it's great that it's broadening," she says. "But if the term becomes attached to absolutely anything, it would indeed become meaningless."

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