

BC Wealth and Inequality

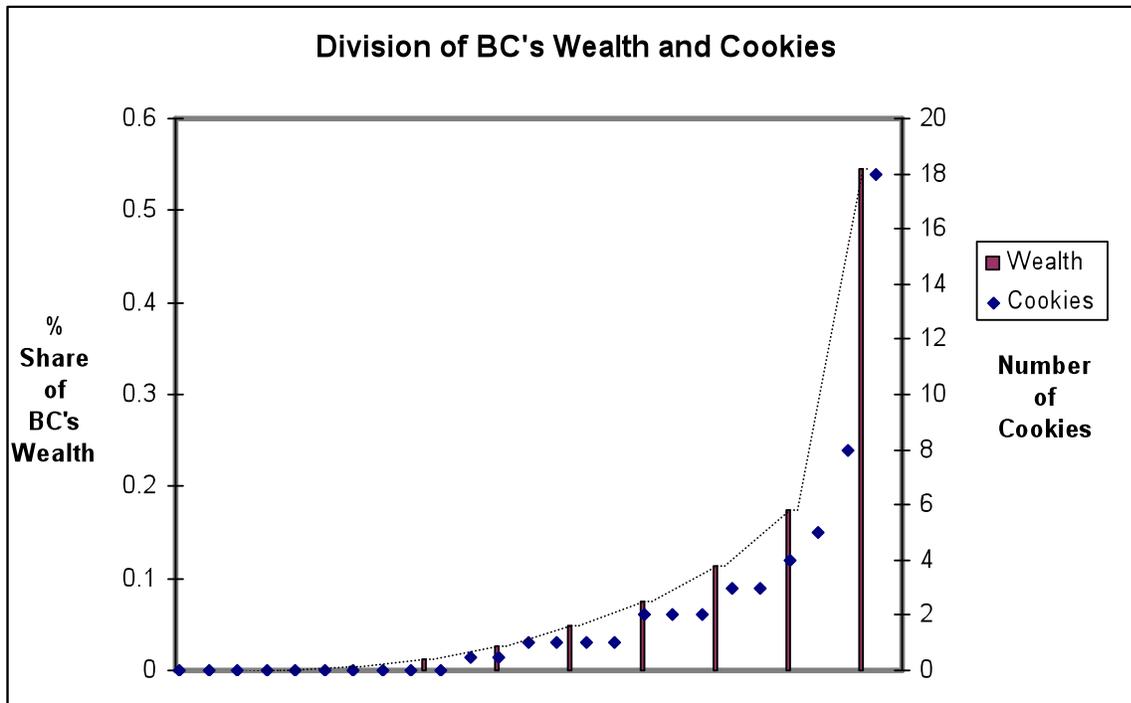
How Wealth is Divided in BC

Portion of BC's Population	Share of Wealth
Poorest 10%	-0.30%
Second 10%	0.10%
Third 10%	0.50%
Fourth 10%	1.30%
Fifth 10%	2.70%
Sixth 10%	4.90%
Seventh 10%	7.50%
Eighth 10%	11.30%
Ninth 10%	17.50%
Richest 10%	54.60%

1 cookie is near 2% of the 'wealth'. Each student is near to 4% of the population

Sharing Cookies Similar to how BC's Wealth is Divided

Number of Children	Number of Cookies	Total Cookies
11	0	0
2	0.5	1
4	1	4
3	2	6
2	3	6
1	4	4
1	5	5
1	8	8
1	18	18
26		52



Background calculations

For 26 children.

If there are 52 cookies for the class, each cookie equals about 2% of the wealth of the class.

$$52 * 2\% = 104\%$$

All the people in the poorest 40% of BC's population have less than 2% of the wealth so 40% of the class have no cookies.

The richest 10% of BC's population have over half the wealth. So 10% of the class have over half the cookies

$$10\% \text{ of } 26 = 2.6 \text{ children}$$

$$\text{The } 2 \frac{1}{2} \text{ children with the most cookies have } 18 + 8 + \frac{5}{2} = 28.5$$

$$28.5/52 = 54.8\% \text{ (pretty damn close!!)}$$

Depending on the number of children suggest have 2 cookies for child disturbed in line with the wealth so about 40% get no cookies and 10% get over half.

Outline of class

Start by explaining that in BC the rules of how wealth is distributed is set before you are born. What family and circumstances you are born into is chance.

In the class room the rules of how the cookies are distributed is set by us (the teacher- instructor) we are the ruling class!

And the number of cookies each child gets (based on the pre-set distribution) is by chance – like in birth (Note: consider if any child – e.g. special needs – who might be upset by getting none or a lot that they may later loose – we rigged it so one child got 2 cookies)

Outline how wealth is distributed in BC – fill in the table from above. To most children this is abstract – unless they can read numbers. But it is useful to point out that numbers do tell an interesting story, one that we will demonstrate with cookies

Each child draws a number, which determines where they are in the cookie distribution. At first they thought the number represented the number of cookies they would get. We had labelled paper plates/napkins on the table at the front with numbers and then started assigning plates to students, then distributed the cookies. **When they see the cookies, they get how unequal BC is.**

Then let them discuss in groups for a few minutes how they feel about how the cookies are distributed. (Most of them will feel it is unfair!!)

We then discussed how people get the wealth in society.

In the main the students focused on individual issues such as loss of job or injury.

We tried to explain broader social rules – didn't do that part so well (some examples of society rules are below). Did get some attention on the cost of higher education. Several said they would move to Quebec or Newfoundland.

We finally discussed about what did they, in the class, want to do about the cookie distribution. They discussed about fairness, about should people be paid more for different jobs, if everyone had the same would society be boring, etc – great stuff.

One idea was to have more cookies. We hadn't prepared for that. But even with 100 cookies most children would still have none (that would have been powerful to do). And the growth of wealth

in recent years has almost entirely gone to the richest 10% – that could be for a future class. With an infinite number of cookies, the poorest 10% would still have a negative number. The 2nd poorest 10% have 0.1% of the wealth – they have 1/1000th of the wealth, so if there were 1000 cookies the children in that decile would share 1 cookie between them!

There were 2 proposals:

1. The two people with the most cookies (18 + 8) offered to give some away so that everyone had at least one cookie – interesting that our cookie rich are fairer than the rich in our society. Even they felt that the inequality was too great, feeling that everyone should have at least one cookie.
2. The other was equal distribution 2 cookies each (“Equal for Everyone” it was called)
The vote was on cookie class lines: 6 for 1 and 16 for 2 (and a few didn’t vote)

How are the rules set?

Laws

- Income of many people is decided by the minimum wage and welfare rates.
- Level of taxation on income tax cuts over the last 10 years have given the richest 1% of BC an extra \$41,000 a year on average.
- How to pay for study: Free education paid through taxation (investing in the future) or the individual student pays. And how does the student pay?
 - In BC, borrow money – grants were abolished in 2004. As soon as you finish university the debt starts to collect interest, even if you don’t have a job.
 - BC has the highest interest in Canada (2.5% above prime = 5.5%), in contrast Newfoundland eliminated interest rates in 2009.
 - Today, nearly two million Canadians have student loans totalling \$20 billion. Average BC student graduates with \$35,000 debt. And the debt goes up 5.5% each year, with the interest. (Quebec much less \$13,000)

Other ways

Most of the forests of BC belong to the province – the government lets logging companies cut the trees for a fee. The size of the fee determines how much benefit the people of BC gets and how much the company gets. Used to have to process the cut wood nearby, not now and so the logs are exported.