

All Ears with Abigail Disney
Season 4 Episode 2: Heather McGhee
The Disneyfication of American History
Airdate: February 9, 2023

Abigail Disney

You good?

Heather McGhee

I keep feeling like I'm grabbing lipstick from all over my face. Is it okay?

Abigail Disney

No, you're good. We'll let you know if anything goes awry on the lipstick or any other front. Are we ready to go? We're speeding? Okay! Here we go!

Hi all, I'm Abigail Disney and welcome to All Ears. In recent months, I've been on the road with my new documentary, *The American Dream and Other Fairy Tales*. In the film, I tell the stories of some Disney workers to show how the American Dream has become a nightmare for so many. Of course, the problem is not just with Disney. Today, nearly half of all American workers are struggling to make ends meet. That's why in this season of All Ears, I'll be taking a deep dive into some of the big questions raised in the film with folks who are doing the most Disney thing possible, using their imaginations in this case to rethink modern American capitalism because if we don't re imagine how it all works, and fix it, we're going to be in big trouble.

If you've seen *The American Dream and Other Fairy Tales*, you won't forget the gems dropped by the formidable writer and policy analyst, Heather McGhee. She's the one who reminds us that the economy is not the weather, it's not something over which we have no control. And she also made me laugh when she reminded me of what else trickles down Dot, dot, dot.

But most importantly, Heather tells us how, in the middle of the 20th century, it was deep-seated racism that helped unravel a whole host of government policies that had grown the largest middle class the world had ever seen. You might call it the origin story for greed is good, the reason why so many people are not making it today. It's definitely a story that's not told often enough, and it forms the basis of Heather's groundbreaking book, *The Sum of Us: What Racism Costs Everyone*. So for today's podcast, I'm doing something a little bit different. Heather and I talked for two hours for the film, but of course with film, so much gets left behind on the cutting room floor. And because our conversation was so interesting, I'm going to share an extended cut of my 2021 interview with Heather.

We started the conversation, no surprise, talking about her relationship to Disney as a kid.

Heather McGhee

Well, of course there was Disney in my childhood. I'm an American girl. I grew up on the classics, for sure. *Lady in the Tramp*, *101 Dalmatians*. Mostly the movies, *Sleeping Beauty*,

Cinderella was a big one in my house. And then when I was a pre-teen, the *Little Mermaid* came out, and I knew all the words.

Abigail Disney

Yeah.

Heather McGhee

And I still do.

Abigail Disney

"I wanna be where the people are." Yes, I do, too.

Heather McGhee

And I remember when *The Princess and the Frog* came out, it was a huge deal, huge deal for the first Black Princess.

Abigail Disney

How old are you, what kind of difference did that make to you?

Heather McGhee

Well, it just meant that we, you know, one of the ways in which the white supremacist notions of beauty and humanity filter into children is about self-worth and beauty. And so, the idea that the princess could never be Black, right?

Abigail Disney

Yeah.

Heather McGhee

Was, you know, I think it is significant. It was significant to me to see that the princess could be black, that the love object could be Black.

Abigail Disney

Did you have a conscious knowledge that the princesses were not Black?

Heather McGhee

Oh, absolutely.

Abigail Disney

So you were aware of it?

Heather McGhee

Yeah, absolutely. Yeah. I knew that it was a consciousness shift to project myself into the skirts of the Disney Princess, right? It was putting on something that was not me.

Abigail Disney

Did your feelings toward Disney change as you got older?

Heather McGhee

I remember my dad telling me about racist Disney cartoons. I definitely remember that conversation. And I remember him saying, "We don't watch the black and white ones, because you never know what's in there."

Abigail Disney

Right.

Heather McGhee

Like, if it's in color, it's safer. If it's in black and white, we don't really watch those.

Abigail Disney

Right. Did you ever watch Dumbo?

Heather McGhee

Uh, we didn't watch Dumbo.

Abigail Disney

That was a bad one.

Heather McGhee

Is that why?

Abigail Disney

Mm-hmm.

Heather McGhee

That's funny. No, we didn't watch Dumbo.

Abigail Disney

There are three crows. They're clearly Black, and one of them has a name on paper, it's not in the film, but his name is Jim Crow.

Heather McGhee

Oh. Oh, okay. No, I didn't even know that.

Abigail Disney

That's a bad one. The problem with the bad ones was they were so charming.

Heather McGhee

Yeah, yeah.

Abigail Disney

And that's, like, incredibly insidious. As a cultural entity, like if Disney just died tomorrow, would that be a good thing or a bad thing for this country?

Heather McGhee

Well, I'm a parent now and you know, my son's relationship, at two and a half, to *Moana*, to *The Lion King*, to *Wall-E*, which he loves. No, I wouldn't want that to disappear.

You know, my husband who watches it, who has never been a big animation fan, but when he watches it with us, he always says, "I can't believe they thought of that. How could someone think up that?" Like *Ratatouille*. He just can't believe, you know, just the decisions that are inherent in all of animation, right? To just draw, out of whole cloth, a whole world, a whole sequence, and you can do whatever you want. It doesn't have to have any relationship to the real world. And that creativity, I think, is a thing of real beauty.

Abigail Disney

You know, I think a lot of creativity is resisting the temptation to feel paralyzed by the possibilities, and whenever I think about the fact that a pen and a piece of paper is where it starts, and at the end of the day, when you're in the theater, it's an arrangement of light and sound. That's all it is.

Heather McGhee

Mm-hmm.

Abigail Disney

How amazing what it does to transform people. Or to reinforce them in what they already think or to discourage them. So, in this doc, we're gonna try and explore how the economic system has gotten so profoundly unequal.

And I think Disney is an interesting way to look at this question because of how integral storytelling is to its identity. What it primarily does is spin out mythology. So, maybe you can tell me, what myths do you think Disney has most effectively spun out into the world.

Heather McGhee

I think Disney's most consistent and powerful storytelling and myth-making has been around gender and around, oddly, royalty. I've started to interrogate lately, why is it that they're always royalty? Like, Americans don't have royalty. We don't believe in royalty. Why is it always royalty?

Which is, of course, the most unequal type of society you can have. And yet we are supposed to love the king and queen and the princess, and we are supposed to root for them fulfilling their God-given superior birthright, which is a very strange message, particularly in the American context.

Abigail Disney

You know, my theory about royalty is that the American obsession with individualism, royalty is the stand in for that, because we are all the king or the queen of our own story. And that we

have a calling that's unique to us and that we, that the resolution story is most satisfying when we get what we want.

And, I really believe that the American obsession with individualism feeds right into the problem of our economic culture, because everybody's been talked into the idea that they are, each and every one of them, potentially a billionaire if they just get to work.

Heather McGhee

Yeah. That makes a lot of sense to me.

Abigail Disney

We have to engage in some myth busting, right? And that's what you've done so beautifully in your book is to take apart some of the myths that Americans work with, right? So, why is it necessary to see history fully, and not filtered through some of these less than complete stories?

Heather McGhee

You know, as Americans, in many ways, we've been robbed of our own history, both the struggle and the overcoming. The version of history, of very recent history, that we are taught is woefully inadequate, is inaccurate, and it feeds a set of grand American myths that ultimately don't serve us as a people.

When we don't know what the powerful will do in order to keep power, we are vulnerable to the powerful doing it again.

And, really America's pretty short history has been full of very similar repetitions of divide and conquer politics of the very wealthy who are self-interested, rigging the rules in order to keep their economic and political power.

Abigail Disney

So, do you think that, to unbuild one myth you have to offer a counter-narrative?

Heather McGhee

Well, everything we believe comes from a story we've been told and beliefs that are mythological, that don't serve us, come from stories that we've been, usually, sold and that we've been willing to buy.

The United States popular and dominant culture has always been a contest between some of our big mythological tropes around individualism and around what I think is the most fundamental American myth, which is this belief in a hierarchy of human value: the idea that some people and groups of people are simply better than others.

That's really our founding myth that we have to destroy in order to live up to our founding ideal, which was the exact opposite, that all people are created equal. And there was a time when the people mainly broadcasting the stories, who had the political and economic power to do so, felt more of a sense of social solidarity with the broader mass of the American people.

And that was a time in between the first Gilded age and the crucible of the Great Depression, when the New Deal set a new standard and understanding, in terms of our politics, in terms of business practices, the voice of organized labor, and in terms of what Americans expected from one another and from their government.

This was basically a social contract that said, you know what, we're all gonna do our part to ensure that we all have a pretty decent standard of living” And that's when we saw the advent of the American Dream and the creation of the greatest middle class the world had ever seen, the highest standard of living in the world in the 1930s, forties and fifties.

And the way I like to picture it, it really was a social contract between business, government, and labor. And you can kind of picture three white guys, who that would've been, you know, the head of GM, the president, the head of the biggest labor union, sitting in a room, hammering out a deal, signing a contract that said, “Yeah, we'll pay you a living wage. We'll subsidize housing and healthcare and higher education, make it free. And in return, workers will be the most productive workers in the world.”

And then there's a knock on the door and another knock on the door, and it's women and people of color saying, “Hey, we want a seat at the table.” Right?

“We've been contributing to this great American engine of prosperity and we want our shot, too.” And unable, then, to see themselves reflected in all the signatories at the table, the big leaders of business and government and politics largely walked out of the room and cut a side deal and really ushered in the inequality era of the 1970s, eighties, and through to today.

Abigail Disney

So what was the knock at the door, can you be more specific about that?

Heather McGhee

The knock at the door was movements, right? The knock at the door was the civil rights movement. It was the women's rights movement.

I tell a story in *The Sum of Us* about what happened to just one aspect of that great, generous social contract, which was publicly funded, but grand resort-style, public swimming pools, of which we had nearly 2,000 in the first half of the last century.

And they were paid for by tax dollars. They were these sort of palaces for the people. And yet, like much of the rest of that grand social contract, the high wages, the union jobs, the subsidies for housing—

Abigail Disney

The public school system, public universities...

Heather McGhee

The public school system, exactly. It was largely for whites only, this public pool system. And when the civil rights movement and the gains in the courts empowered Black families to sue and

advocate and say, “Hey, those are our tax dollars funding, well, all of this, frankly, but certainly the public pools, as well. We want our kids to be able to swim, too,” across the country and not just in the quote unquote Jim Crow segregated south, you had communities drain their public pools rather than integrate them.

So, of course that meant that not only Black families lost out on something, but white families did, too.

What was once a public good then became a private luxury. If you were rich enough, you could build a backyard pool or have a membership-only private swim club. And this sort of move away from the public, away from things being largely affordable for “all”, with a big racialized asterisk on that “all”, into things being, well you could get it if you could pay outta your own pocket, right?

The sort of ratcheting up of the costs of the things that we know all families need to survive and thrive.

Abigail Disney

Which also narrowed the group of people who could avail themselves of that.

Heather McGhee

That's right. It becomes a private luxury and something that really only, you had to be quite wealthy to be able to enjoy.

It also means you miss the sort of collective commons spirit, right? Of everybody in town, the banker and the school teacher and the janitor all meeting and swimming, you know, on hot summer afternoons. You missed that. And it was a cost that many white communities were willing to pay in order to keep Black people out.

Abigail Disney

So the narrative to replace the narrative, was collectivism was replaced by the free market. Right?

Heather McGhee

So in the middle of the 20th century the United States was the dominant economic player, largely because we had a strong and secure middle class, and the public was everywhere. You had creation of massive infrastructure, whether it was rural electrification, the highway system, massive amounts of R and D to fund, you know, the military industrial complex, but which often did spin off into a lot of private sector innovation outside—

Abigail Disney

The internet.

Heather McGhee

Yes, including the internet and satellite technology. You had the basic costs of a middle class life being largely subsidized, through collective means, either labor contracts that gave healthcare and retirement, or public things like social security and a massive subsidization of affordable housing and of housing developments in the suburbs.

People think the suburbs just sort of came from, you know, white middle class entrepreneurship, but in fact they were massively subsidized and racially restricted by the federal government as a condition of that subsidy.

Abigail Disney

Right, so everything about the collective social contract, that we think of as the social contract that built what we call the middle class in the United States was racialized?

Heather McGhee

Yes. There was a myth that Black Americans were lesser than, were bad with money, were bad credit risks, were sort of inherently poor. And that myth was the basis of racist policy making. The Roosevelt administration and all subsequent administrations through to almost the end of the 20th century drew maps of the United States and circled the areas where black and various ethnic immigrants of color, but mostly Black families, lived, and said, "Do not lend."

They drew red do not lend lines around Black neighborhoods. And so that meant that if you were a private bank that wanted to lend to a Black family, you would not have the backstop of the federal government the way you would on all of your other loans. If you were a housing developer who wanted to create a Levittown and let anybody who could afford to move in, you did not have the backing of the federal government on all of those resources if you did not include a racially exclusive covenant saying, "Only Caucasians can live here."

So that deep myth about the hierarchy of human value, that some people are better than others, constructed economic opportunity and once the federal government, which had been the enforcer of the racial hierarchy truly, right? It was the government that told people to segregate. Once that federal government switched from being the enforcer of the racial hierarchy to the upender of the racial hierarchy in a relatively short amount of time during the civil rights movement, millions of Americans, white Americans who had been taught to disdain and distrust Black Americans, felt betrayed by that government and turned to the market. Now the market sounds like a very sort of race and gender neutral form, but of course it's not.

Abigail Disney

So, the government changed from an enforcer to an upender in a relatively short period of time, but they only function as upenders for a relatively short period of time, as well, right? Because pretty quickly the government then did another 180.

Heather McGhee

Yeah. Pretty quickly the government went from being the enforcer of the racial hierarchy for all of our history until the mid-1960s when it reluctantly, but, I will say in a way that had dramatic impacts on the lives of communities across the country, became the upender of the racial hierarchy.

But that sort of elite consensus between politicians, mostly white, right? Let's remember. Between politicians and business to extend the benefits of the American economy to all those who had worked for it, no matter what their race or gender, lasted really only about a decade.

And then you really began to see the courts close the door on school integration and on the use of race in solving the problems of racism.

Abigail Disney

What I'm trying to figure out is how it happened that we had a myth and it was partly about collectivity. It was a deeply flawed series of myths about human value and the hierarchy there. But there was something in that myth of that "we" were in this together, even if "we" were a narrow group. And in 1970 and 1971, a group of very conservative men made a conscious decision to start changing that myth and they were able to force people off of the one they had carried for so long and onto a new one in the matter of less than two decades.

How does that happen on purpose?

Heather McGhee

So, I think that the— by calling out the limited notion of "we" it gets easier to understand how quickly it could have changed. Right?

In 1956 and 1960, the majority of white Americans, two-thirds, thought that government ought to guarantee a job to anyone who wanted one and guarantee a minimum level of income in the country. Right?

Those are radical left wing ideas today. Huge government, guaranteeing a job, guaranteeing income. Between 1960 and 1964, support among white Americans for those two economic guarantees fell in half to just 35%, and it's stayed low ever since.

So, what happened between 1960 and 1964? 1963 was the March on Washington, which was for jobs and freedom, and included those two economic guarantees as part of the demands that Black activists were suddenly championing in a very visible way.

1963, President Kennedy went on a major media blitz around civil rights, thoroughly associating his party, the party of the New Deal, with the cause of civil rights. And of course then we know that President Johnson, Kennedy's successor, after signing the Civil Rights and Voting Rights Acts, would become the last Democrat to run for president and win the majority of the white vote.

And so, the drained pool, I think really helps us understand the way in which a public good, like a public pool, with a strong role for government, was completely cherished and supported by the majority of white people almost on the condition that it be seen as the exclusive sort of benefit.

And then once the inclusion was expanded to everybody, they didn't want government to do those kinds of things anymore. They thought, "Well, it really should be on our own. It should be left up to the vicissitudes of the market."

Abigail Disney

Well, now that I have my stuff.

Heather McGhee

Exactly! And, it was at a peak time of economic security. And so there was this, there was enough comfort, there were enough good paying union jobs, enough social security, enough pensions, enough subsidized housing, and free college, all of which are the result of collective action, that nonetheless, somebody can come in and say, "Hey, you actually got all this stuff because of how hard you worked and how good you are. And now these people who didn't get it before, who weren't worthy, weren't deserving, weren't trying hard enough, are trying to come for what's yours. Turn to us. We'll protect you from government, which is now trying to share these good things with people who don't deserve it."

Abigail Disney

What was the Powell memo? It's one of the most important things that nobody knows about.

Heather McGhee

The Powell memo was written in 1971 by someone who would go on to become a Supreme Court Justice, but at the time was setting out a vision, and it was a memo to the business leaders in society for how business could organize themselves in order to promote the idea, we might call it the myth, of free enterprise in America.

And it was remarkably succinct, not that many pages, and yet covered the landscape from how business should organize and lobby and contribute to politicians, to how they need to go into the universities to make sure that young people were understanding the importance of the free market, and the dangers of collectivism and labor unions and government regulation

And it was really a roadmap for an ideological takeover of American life. It never really mentioned race. And yet, what the political strategists would then do is to marry that vision for a pro-corporate political dominance with the common sense logic of racism, and the idea that government and labor unions, which rely on a sort of messy, diverse public, are not as trusted actors as the corporate sector.

And it was that common sense that was used to sell what were ideas, the idea of unfettered capitalism, of business being free to pollute and to exploit, which frankly, Americans had come together and rejected. And yet this was a sort of recasting of corporate greed as something that would be in the interest of everyone.

Abigail Disney

It's a remarkable document.

Heather McGhee

Yes.

Abigail Disney

I keep saying it's like reading the specs for a building you're standing in.

Heather McGhee

Yeah, exactly.

Abigail Disney

You know, and again, I come to the mere 16 years between that document and Michael Douglas saying "Greed is good."

So, corporations and wealthy people were okay in the 1960s, even though the environment for them was a high tax environment with a lot of government. All the things that the Powell memo was looking to take apart.

So, what was the onerous environment up against which they fought?

Heather McGhee

Well, America's most profitable corporations, the biggest employers, were industries that had a ton of government regulation, safety standards, you know, fuel economy standards.

Government was a massive buyer of their goods and services, and you had really strong labor unions that gave workers a real voice in the conditions of their work, and on the business practices and business strategies. But it was still enormously profitable. And in fact, U.S. GDP growth was faster and fairer before the beginning of the inequality era. Now it's slower and more unequal, but it used to be faster and fairer.

Abigail Disney

Can we go to Ronald Reagan for a second? Why was his presidency important?

Heather McGhee

Well, Ronald Reagan's presidency was important because he married the emotional notes of racial resentment by campaigning against the so-called welfare queen, campaigning against government itself, to try to reknit together a white majority coalition that, because of their fear and disdain of people of color, that would turn away from government and unions and towards the quote unquote free market.

And so, that was really the genius of the strategy that Reagan carried out. It wasn't his strategy, but he was the charming and charismatic face for it. And so what it meant was that he was able to win large majorities of working and middle class white people with a message that said, basically, "Turn your back on the formula that created your own middle class prosperity." And the sort of emotional logic was, "Government is not on your side, white America. It's on the side of these protestors and these agitators. It's on the side of lazy Black people who don't want to work. You are better than that. You are one of us. You, too, can be rich."

And that was the story. And he marketed it extremely well. And you had a very willing group of tens of millions of white Americans who were happy to buy it. Of course, the result was a set of policy changes, slashing the top marginal tax rates on millionaires and billionaires, gutting social spending, particularly the kinds of things that really helped working class families, and then of

course, attacking unions and being the first president to replace all of the striking air traffic controllers in the country.

That was one of his first big acts as president and it was unprecedented and it really, in many ways, signaled the end of the reign of organized labor in the country as sort of a co-equal governing partner, a way for millions of workers to demand an equal slice of the pie they spend all day baking.

Abigail Disney

Milton Friedman said “The great virtue of a free market system is that it does not care what color people are; it does not care what their religion is; it only cares whether they can produce something you want to buy. It's the most effective system we have discovered to enable people who hate one another to deal with one another and help one another.”

So, in the early days, the free market system was being sold to us as one that would save us from racism. Why is that a bankrupt idea?

Heather McGhee

Well, ultimately there's no such thing as the market. There are people who make decisions that are enabled by their power.

I do believe that the United States would not have such an exploitative economy, would not devalue the labor of our people if we had not been founded on the most exploitative economy there is. It's tied to our original and ongoing devaluation of the labor and lives of Black people, even though the majority of people in poverty today are white.

Abigail Disney

Right. So let's go back and parse that a little, because I don't think most people really understand that a lot of modern management principles around things like productivity, time theft, as they call it, and just generally the proper relationship of workers and their bosses were developed in the South under this chattel slave system. Can you speak to that?

Heather McGhee

Well, our original economic model in this country was stolen land, stolen people, and stolen labor. It was an economy in which the boss, the master, had total and brutal control over the lives, the spirits, the bodies of the people who were creating their profits.

Abigail Disney

So I can hear the squeals of objection now, because, you know, almost any manager would say, “Oh, that has nothing to do with this. All we're doing is getting the most possible work out of people for the least amount of money we can, because that's good business. That has nothing to do with race,” they would say.

Heather McGhee

Well, there are lots of studies that show that the kind of racist discrimination that we normally think of, right, paying a person of color less, giving them worse hours and less flexibility, is

rampant in the service sector; passing them over for promotions, not hiring them if their name looks too ethnic, right? You know, all of this, that is still an endemic problem within the service sector in the United States. So, you don't have to go that far into history to see how race and racism are still largely playing a role in the lives of workers in America.

But there's a deeper way in which racism and today's labor exploitation are connected, and that is that much of the standards, the rules, the accounting practices, the norms around management were created around the racial capitalism that was the slave plantation economy. And that economy actually reached so much further and deeper into the United States economy, well outside of the south, well outside of cotton, than we even think about today.

Wall Street, the textile mills, the great Industrial Revolution that largely created wealth in that century in the United States and England, it was all connected to this exploitative economy.

Slavery was such an example of the zero sum of the master profiting at the enslaved person's expense, no sharing of the output of the whole enterprise that there was very little incentive for the boss to do anything that would help the enslaved person. After a sort of bare standard, sort of minimum of subsistence, there was no incentive to make an enslaved person's life healthy or decent in any way.

Of course, you would think that the limit might be you don't want to kill your enslaved person. You still have a value in their productivity. And yet, once companies like New York Life began to offer life insurance on enslaved people, the risk calculation was born out, right? You still had a way to profit from the total immiseration and the death of your enslaved person.

Abigail Disney

For me, it's connected to gender, too, right, because we justified at mid-century, again, these very generous salaries for our working class white men on the theory that they earned the money and therefore the wife was at home and she would do the labor unpaid, unrewarded, unskilled, supposedly, of taking care of the house and the family. So already that was gendered.

And then, those women who leaked out into the workplace tended to work as teachers and secretaries and waitresses and so forth, and those were the pink collar ghetto jobs, service jobs. And now where we are, is we've lost so many of those manufacturing jobs, those jobs that where the high wages were justified by the marriage contract. And most Americans now, male or female, are in service jobs. Everybody's in a pink collar ghetto now. And because it was okay to pay less for those jobs then, look at what we're reaping now.

Heather McGhee

There is a gender lens to how it is that we ended up with so many high poverty service sector jobs, because they were traditionally thought of as women's jobs, women of color, for immigrant women. They were thought of as jobs for people who were less than.

And then, because the powerful decision makers in business and in government decided that the jobs that were traditionally for men and for white men, particularly, could be done cheaper by

browner men across the globe, we saw the closing of tens of thousands of factories in a pretty short period of time in the United States, and what was left were various service sector jobs.

Now, post-pandemic, we call those essential workers. And yet, you could also call them minimum wage workers and workers without protection, without dignity, without respect, without a voice on the job.

Abigail Disney

Do you think that the energy right now that we're seeing around income inequality, kind of rises from the realization that how it always was for people of color and women, is how it is for everybody now? Like is it a little bit like realizing you have to share the pool?

Heather McGhee: Well, *The Sum of Us* argues that racism has a cost for everyone. That if you build into any system, economic system, a political system, a belief in a hierarchy of human value that gives permission for the exploitation of anyone, ultimately that system will sort of swallow us all.

And that is what you're seeing with the low road, poverty wage economy. It's an economy that always existed for black and brown people, for women, for immigrants, and yet now is existing for nearly the majority of American workers. Right?

Four out of 10 workers were paid too little, before the pandemic, to meet their basic needs for things like housing, utilities, and food.

So, this inequality economy is one that honestly looks a lot more like the Gilded Age and the plantation economy than the one that we associate with the American Dream.

Abigail Disney

Well, all that time that the white worker has been losing ground we have been telling ourselves, all of us in this country that, "Well, if you only work hard enough, if those black and brown people would work hard enough, they'd rise up to where the white workers are."

And it's heartbreakingly ironic that all the while they were telling themselves that it's just a question of work they found themselves very much at the bottom with everybody else.

Heather McGhee

Yes. Very few Americans are making truly enough, not only because the wages have stagnated and the benefits have been cut, but also because the costs for everything else have gone from being public goods and services to private costs. And so, on a shrinking paycheck you have to pay for your own healthcare, housing, higher education, child-care and it's just not adding up.

Abigail Disney

So why is this such a durable story we're telling ourselves? Because, we're still telling ourselves the same story, right? That, "Just keep working. Just keep working. This is gonna work out if you try."

Heather McGhee

Well, that's one of the most debilitating aspects of the hyper-individualistic story. It's this idea that the fights that we all face to try to put food on the table and keep everything afloat are solo fights that we're going round after round. It's us versus our bills at night.

When you believe that individualistic ethos, right? That you just have to go back to school. You have to retrain yourself. You shouldn't have started a family so young. You should have started a family earlier. You shouldn't have moved to this neighborhood. You shouldn't have done all of these things individually, when in fact it's the rules that are rigged, by a relatively small number of people who are self-interested.

Abigail Disney

To go back a little bit to Milton Friedman, that the economy doesn't care what color you are, and I keep thinking about all the people who will object to my saying that talking about Disney and the evolution of the American business culture has something to do with race.

Aren't we talking about neutral subjects here? The economy, business, MBAs, accounting. Isn't that all just neutral?

Heather McGhee

It's no more neutral than people are neutral. Right? It's not neutral when most of these decisions are made by people of the same demographic who were told a normative story about their place in the world and how they deserved it.

Abigail Disney

But they will tell you they're not racist.

Heather McGhee

Well, of course that's because racist has been defined so narrowly as to suggest that it's someone who wouldn't be willing to sit next to somebody else on a bus. Right? But that's not what we're talking about. We're talking about a belief in a hierarchy of human value. And so, if you believe that that hierarchy is normal and that an executive is worth \$15,000 an hour, and a frontline worker at that same company is worth \$7.25 an hour, then you have internalized that hierarchy of human value. And if you want to ignore the fact that it's often white men at the top and everybody else at the bottom, then you are just blinding yourself to the impacts of racism on your own thinking and on the society at large.

Abigail Disney

So, those CEOs sitting at the tops of those structures, who will scream and shout that they're not racists. They will then start to say, "So what are we supposed to do about it?"

Heather McGhee

Well, what to do about it is to ensure that you are giving your coworkers in your company—

Abigail Disney

Just that word is comical in this context, right?

Heather McGhee

Right? But this is who they are, right? Your coworkers need to have their basic needs met, need to be able to have some way to bargain with you as if you were a part of the same enterprise and you respected what they had to say.

Abigail Disney

Bob Iger became a billionaire. I do have to say, it makes me so confused, honestly, that a person who presents as perfectly nice would be comfortable taking home 1400 times, you know, what his median worker takes home. Like, what does that take, do you think?

Heather McGhee

I mean, it takes a lot. It's a lot of hubris, it's a lot of mythology, right? It's a lot of echo-chamber, right? We also believe that the income generated at that level of the stratosphere, is somehow more protected and cherished and shouldn't be a part of what we reinvest in the public good through taxes.

When we tax work more than we tax wealth in this country, we are signaling that there's just something so good about them that we don't want to disturb them and ask them to contribute to the common good.

Abigail Disney

And that's what's so essential to the American business mythology, which is that, we have come to believe that what the CEO makes has nothing to do with what the minimum wage worker makes. The two things are completely independent.

Heather McGhee

We often don't have those conversations together at all.

Abigail Disney

But they're as inseparable as the two sides of a coin. Yeah. And, you have to, in order to take home those giant paychecks, you have to will yourself not to see. The willing, unseeing of things is precisely what made slavery possible. And do you think to some extent, like, slavery's the original sin in the sense that it trained us. It gave us the capacity to look the other way for suffering on a mass scale.

Heather McGhee

I think that's right. And I think that's one of the more important reasons why we have to teach our history, because when we teach our history in this Disney version of sort of good and evil, we make it seem as though all the good people were lined up against segregation and slavery and all the bad people were enforcing it.

In *The Sum of Us*, I include a chapter on the moral cost of racism because it does feel as though the psychological work of projection is one of the most important functions that racism and othering does, right? It says, "I have all the good things, all the good qualities, and the other has all of these evil and bad qualities."

And usually they are an inversion of actually the way the dynamic is working, right? Someone who's making all of their money in a life of leisure is somehow not lazy. Whereas someone who has zero leisure and zero dignity afforded to them is lazy. And, you know, I'm not saying that there isn't a place for the celebration of people who take massive risks and create things that have never been there before, but it's also true that they would be nothing without the people who actually do the work day in and day out.

Abigail Disney

For a while when I was annoying Disney by making a lot of public pronouncements they would tweet to my followers. Every time I spoke, they would send a tweet out to everyone who followed me that was an ad for their education program.

And it was making me crazy, because when you say that you offer education to your minimum wage worker, you say that you don't have to offer them what they're asking you for, which is pay commensurate with their work. You're saying that you might, if you're lucky, get the offer of something else that you're not asking for, which is an education. And if you don't avail yourself of it, well, then it's your fault you're not getting paid.

Heather McGhee

Well it's also saying that you're not educated. Right. It's saying that your low wages are not a function of my power as a boss, it's a function of your lack of value. And if you wanted to be more valuable, you would change yourself.

Abigail Disney

You would have the initiative. And then what it does is it gets us all married to the idea of this imaginary escalator, because you take the education, you get on the escalator, you rise, but it doesn't really remind you that someone else came in and took your place at the bottom of the escalator. And what you're saying is that you not only accept, but you are absolutely dependent upon a permanent underclass of people who can't afford to live. And we go back to willed ignorance.

You know, one of the things that's so striking to me is that when I say workers at Amazon are having a really hard time and they can't really put body and soul together, people are like, you know, tell me something I don't already know. But when I say Cinderella is sleeping in her car, people really pay attention. There's something in the brand.

Heather McGhee

Disney is supposed to be about the good life.

Abigail Disney

Or goodness, in general.

Heather McGhee

Disney is supposed to be about the good life for good people, supposed to be about all the things that are good in society. And in the United States, we so often don't want to see the harm, the exploitation, the power. That's the Disney-fication of American history and of our American

story. You really see how much the inequality era of the last 50 years has created not just a moral wound to our society, but also, I argue, an economic wound, because when you have so many people on the sidelines saddled with debt and insecurity, it's not actually good for the engine of your economic growth. It's a problem for our entire economy.

Abigail Disney

So what is the way forward for us?

Heather McGhee

You know, the old zero sum, economic thinking, “My profit is your loss. Progress for people of color has to come at the expense of white people.” It was built as a story and sold to justify an economic model that we no longer wanna have any part of.

So, we can reject that belief and when we do that, when we come together across lines of race, and recognize that ultimately no matter where we're from, what we look like, who we love, we pretty much all want the same things.

I call these things the solidarity dividends, the gains that we can unlock only when we come together across lines of race. Ultimately, the things that really matter in life, you and I can't achieve on our own. Cleaner air and water, saving the planet, higher wages for workers, the end of poverty, well-funded schools in every neighborhood, all of that is not an individual enterprise. It's a collective endeavor.

And so, when we can get back to that sense of a collective endeavor, but actually include all of us, all of the we in “we the people,” then I think the sky's the limit for what we can accomplish.

Abigail Disney

Oh, that's so hopeful. Thank you.

Heather McGhee

No problem.

Abigail Disney

Heather, thank you so much for being willing to do this.

Heather McGhee

I'm happy to do it, Abby.

Abigail Disney

Good. Good. Good.

Heather's book is *The Sum of Us*. And big news—it's been adapted for young readers and will be out in bookstores on February 21st. Also, you can find Heather's new podcast, also called *The Sum of Us* on Spotify. And you can read more about Heather's work at Heather McGhee. Dot Com. You can read all about her and the rest of her great work at HeatherMcGhee.com.

If you want to see the American Dream and Other Fairy Tales, it's available on Amazon and iTunes and Vudu. And we're hosting screenings across the country, so to find out if there's a screening near you, or to host a screening, visit AmericanDreamDoc.Com. That's AmericanDreamDoc.com.

Next week on the podcast, we'll be talking to millionaire reformer, Nick Hanauer.

Nick Hanauer:

Elon Musk, Jeff Bezos, Mark Zuckerberg. These are not people with a lot of empathy. They are not rewarded for empathy. They're rewarded for being cold-blooded and exploiting people.

Abigail Disney

You've been listening to All Ears with me, Abigail Disney. Our supervising producer is Alexis Pancrazi. Jake Frankenfield is our associate producer. Our engineer is Florence Barrau-Adams. Bob Golden composed our theme song. And our executive producer is Kathleen Hughes.

For Fork Office the All Ears team is Angie Wang, Dominique Bouchard, Phil Nuxoll, Codey Young, and Cathie Camacho.

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