Introductions of Course Staff
Theda Skocpol
Mary Waters
Introduction of Course Staff

Elizabeth Thom
Tyler Woods
Aaron Fernandez
Brianna Castro
Course Expectations

• Attendance at Lecture and Section
• Cameras on if possible
• Use chat and raise hand or wave!
• Interaction is important
• Assume good intentions and forgive mistakes
• Disagreement is great, but don’t make it personal
• Ask questions, no question is dumb
Themes

• Domestic, not foreign policy
• Society—economic, civic, social changes
• Policy—broad questions of social provision, social membership and opportunity.
  – Social provision
  – Immigration
  – Covid crisis
Plan for the Course

• Read the syllabus!
• Four short papers, (two collaborative) and a final take home.
• Participation in section and a few lecture quizzes.
• Four parts to course
  – Trends in economic, social and political life
  – Social protection
  – Covid pandemic
  – Immigration
Breakout Rooms

- Who are you? Where are you now?
- What are you hoping to learn in the class? Why are you taking it?
- Where do you get your news? How closely do you follow the news?
Report back from Breakout Rooms
What should we care about?

- Poverty
- Wealth Inequality
- Income Inequality
- Inequality and Demographic Characteristics
  - Race, Ethnicity, Gender, Region, Age
- Economic and Social Mobility
  - Equality of opportunity
  - Equality of result
Definitions

- **Wealth**: a household’s assets. Savings, real estate, investments minus debt.
- **Income**: the money coming into a household, from wages, dividends, cash transfers from govt.
- **Wealth disparities** are much greater (3 times) than income disparities.
Historical Trends in Income Inequality

- Peak Income Inequality in the 1920s
- Then the Depression Hit 1929-1941
- The Great Compression—1941-1973
- The Great Divergence—1973-2020
Inequality Roadmap

• The Great Compression 1941-1973
• The Great Divergence 1973-now
• Highly Educated had large increases
• Low educated had stagnation or decline
• Low educated men saw greatest declines
• Women’s earnings increased
The Top Ten Percent Income Share, 1917 - 2008

Income is defined as market income (and excludes government transfers). In 2008, top decile includes all families with annual income above $109,000.

Source: Thomas Piketty and Emmanuel Saez.
1970s as a pivotal decade

• Rise in social equality and rise in economic inequality
  – Social equality, inclusiveness. Extending the civil rights revolution.
  – Rising influence of free market principles in shaping public policy. “Neoliberalism”

• This is also the decade when immigration really started to transform the racial and ethnic composition of the U.S.
## 2018 Household Income, U.S.

<table>
<thead>
<tr>
<th>Quintile</th>
<th>Range</th>
<th>Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lowest</td>
<td>0-25,600</td>
<td>13,775.</td>
</tr>
<tr>
<td>Second</td>
<td>25,600-50,000</td>
<td>37,293</td>
</tr>
<tr>
<td>Third</td>
<td>50,000-79,542</td>
<td>63,572</td>
</tr>
<tr>
<td>Fourth</td>
<td>79,542-130,000</td>
<td>101,570</td>
</tr>
<tr>
<td>Top</td>
<td>130,000-top</td>
<td>233,895</td>
</tr>
</tbody>
</table>

To which social class would you say you belong?

Mean (Average) Household Income
By Quintile and Top 5%

<table>
<thead>
<tr>
<th>Household Segment</th>
<th>2012 Mean Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>Top 5%</td>
<td>$318,052</td>
</tr>
<tr>
<td>Top Quintile</td>
<td>$181,905</td>
</tr>
<tr>
<td>2nd Quintile</td>
<td>$82,098</td>
</tr>
<tr>
<td>Middle Quintile</td>
<td>$51,179</td>
</tr>
<tr>
<td>4th Quintile</td>
<td>$29,696</td>
</tr>
<tr>
<td>Bottom Quintile</td>
<td>$11,490</td>
</tr>
</tbody>
</table>

Source: Census Bureau
Data from 1967-2011
Changes in the U.S.

Since the 1970s

- Income inequality has grown a great deal
- The labor market has restructured with a hollowing out of jobs in the middle. (David Autor, MIT Economics)
- Incarceration has grown to unprecedented levels
- US has become more diverse in terms of race and ethnicity and immigrant generation.
- Families have become more diverse with more forms of family life. Men and women have had different economic trajectories.
Wealth Inequality

• https://youtu.be/QPKKQnijnsM

Pie:

• https://www.youtube.com/watch?v=DANUXO-GQwU