

# American Society and Public Policy

## Fall 2020

Lecture 1

September 2, 2020

# 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 is the money coming into a household, from wages, dividends, cash transfers from govt.
- Wealth disparities are much greater (3 times) than income disparities.

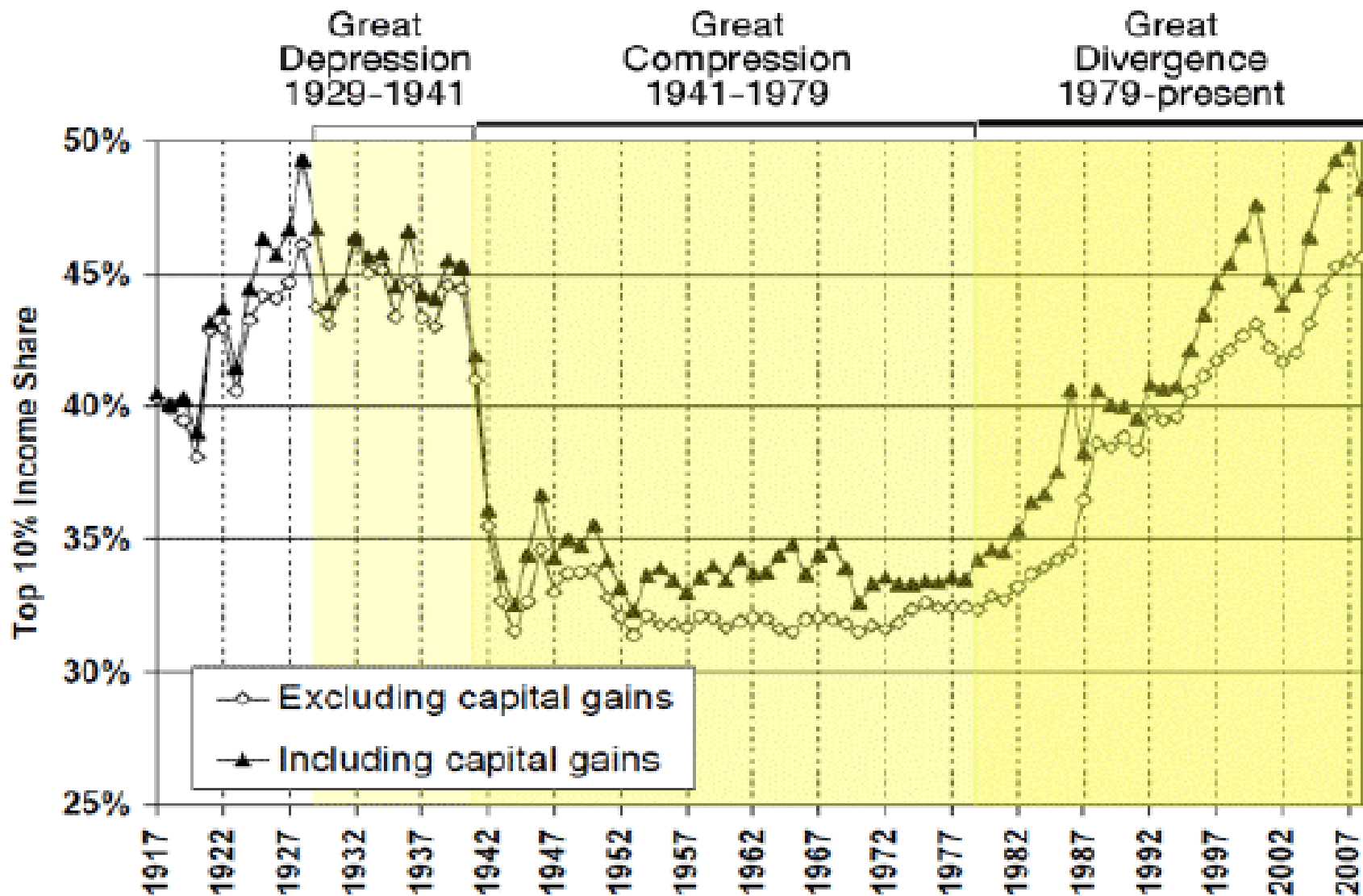
# Historical Trends in Income Inequality

- 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

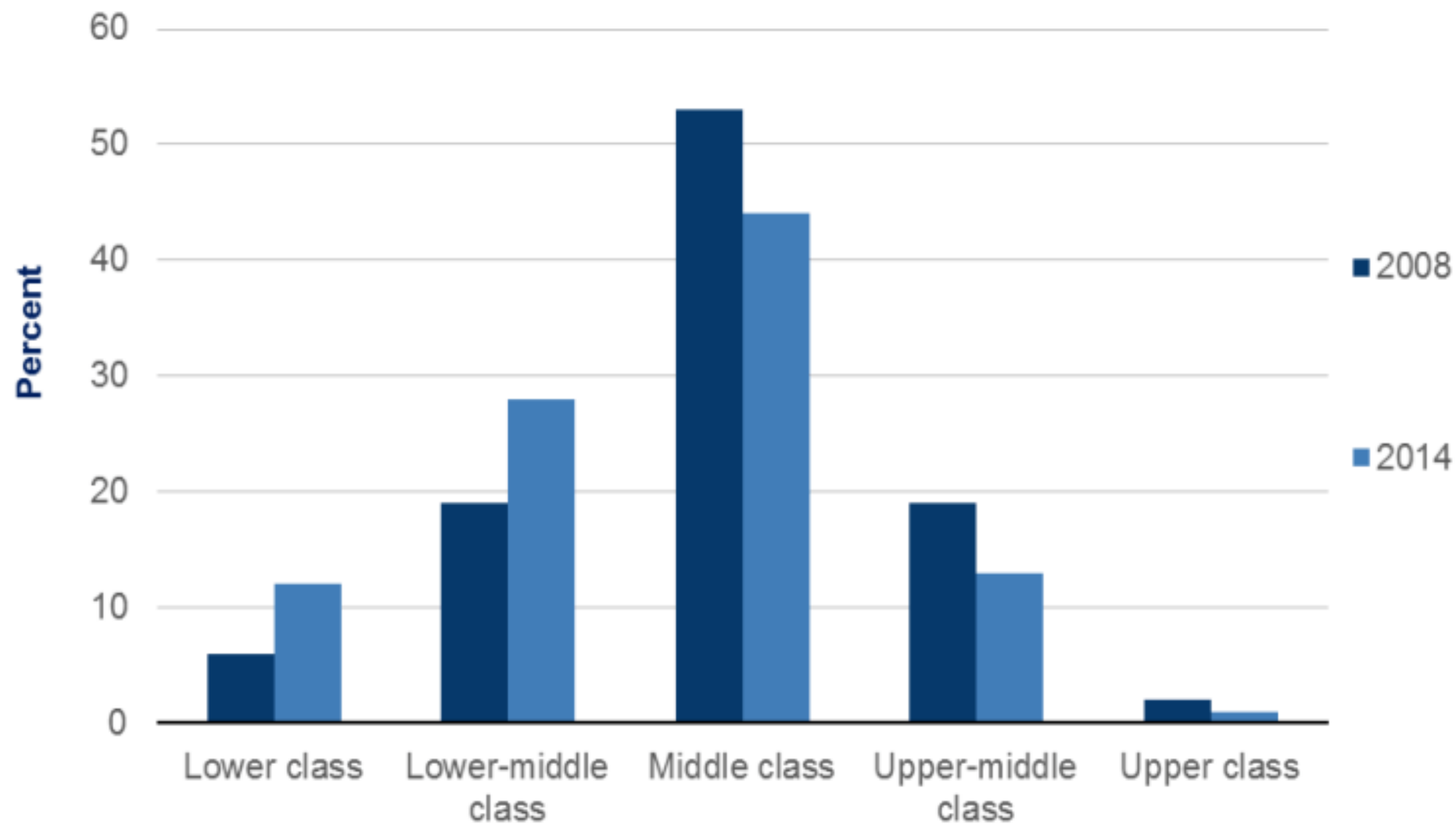
- Rise in social equality and rise in economic inequality
  - Social equality, inclusiveness. Extending the civil rights revolution.
  - Rising influence of free market principles in shaping public policy. “Neoliberalism”
- This is also the decade when immigration really started to transform the racial and ethnic composition of the U.S.

# 2018 Household Income, U.S.

Quintile	Range	Mean
Lowest	0-25,600	13,775.
Second	25,600-50,000	37,293
Third	50,000-79,542	63,572
Fourth	79,542-130,000	101,570
Top	130,000-top	233,895

Source: 2019 Current Population Survey

# To which social class would you say you belong?



Source: Pew Research Center for the People and the Press/USA Today, 2014.

BROOKINGS



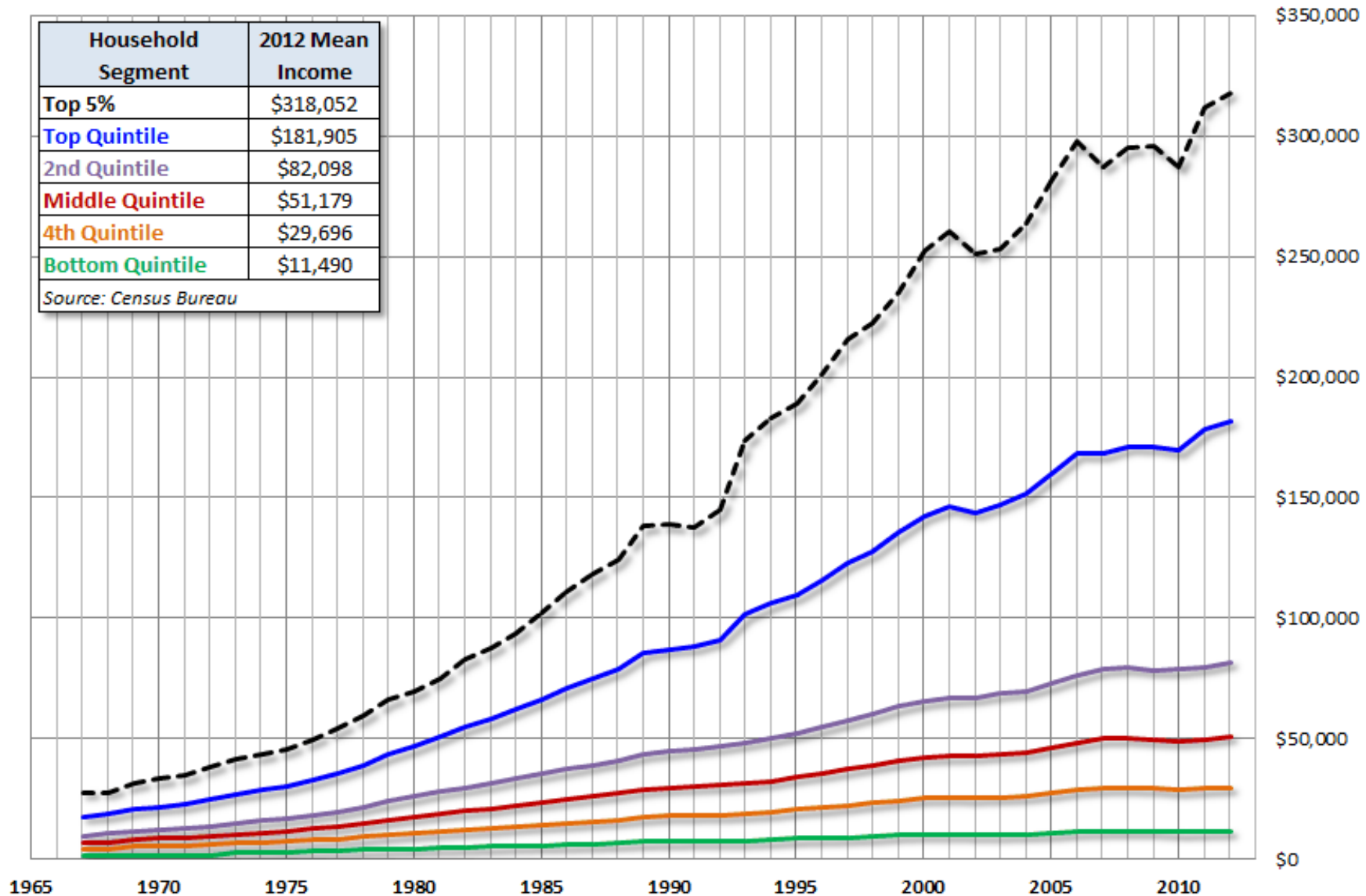
Source: Census Bureau  
Data from 1967-2011

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

dshort.com

Household Segment	2012 Mean Income
Top 5%	\$318,052
Top Quintile	\$181,905
2nd Quintile	\$82,098
Middle Quintile	\$51,179
4th Quintile	\$29,696
Bottom Quintile	\$11,490

Source: Census Bureau



# 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>