Inequality and Opportunity in American: Growing Differences

I. By the numbers: trends in income and wealth inequality
   A. Trends in income
      Figure 2-1, p. 25
      1. Highest income inequality prior to WWII
      2. Decline in income inequality during
         a. 1930s (New Deal safety-net programs)
         b. 1940s (post-WWII prosperity)
      3. Gradual increase in income inequality since the 1970s
         Tables 2-1 & 2-2, p. 27
         a. Globalization, economic deregulation, & tax reform
         b. All 3 benefitted those with higher incomes far more than those with lower incomes
   B. Trends in wealth (greater inequality in wealth than income)
      Figure 2-2, p. 28
      1. High wealth inequality in the 1920s and 30s
      2. Gradual decline in wealth inequality in 1940s through 1960s
      3. Gradual increase in wealth inequality since 1970s

II. Inequality and the lives (opportunities) of Americans
   1. An education divide
      Figure 2-3, p. 30; Figure 2-4, p. 32; Figure 2-5, p. 33
   2. Health care and pensions
      a. Health insurance
      b. Pension structures
         (1) Defined benefits
         (2) Defined contributions

III. Interpreting inequality
   A. Liberal view: root causes include systemic factors beyond the control of individuals
   B. Conservative view: root causes are primarily individual failings of responsibility and motivation
   C. Evidence based on economic mobility is inconclusive
      Table 2-3, p. 39 because we don’t know if either upward and downward mobility are linked to individual effort and abilities or to systemic causes

IV. Conclusion
   A. Since 1970s,
      1. A gradual increase in median family income
         Table 2-1, p. 25
      2. But also, a gradual increase in income and wealth inequality
         a. “A rising tide raises all boats” (income levels)
         Table 2-2, p. 27
         b. But, those with higher incomes and wealth are rising faster
   B. Many more two-income households