

# Four Facts about US Inequality

Bruce Western  
Harvard University

October, 2013

# Four Facts

- The rich have gotten richer
- Inequality increased greatly among workers
- College graduates increased their earnings advantage over HS educated workers
- Poverty has not increased with rising inequality

# Four Facts

- ▶ The rich have gotten richer
- ▶ Inequality increased greatly among workers
- ▶ College graduates increased their earnings advantage over HS educated workers
- ▶ Poverty has not increased with rising inequality

# Four Facts

- ▶ The rich have gotten richer
- ▶ Inequality increased greatly among workers
- ▶ College graduates increased their earnings advantage over HS educated workers
- ▶ Poverty has not increased with rising inequality

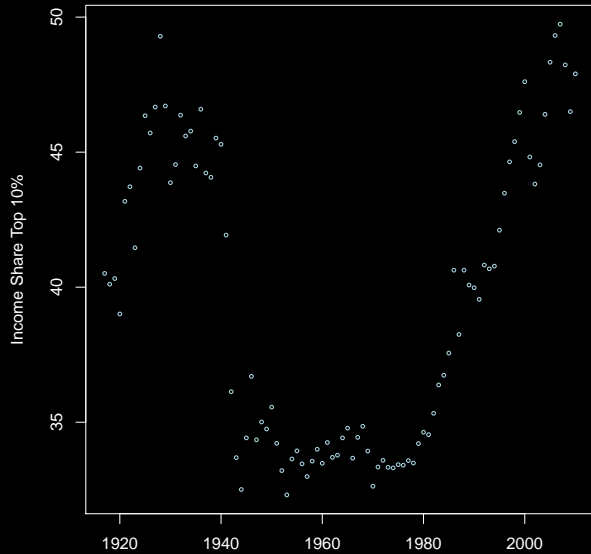
# Four Facts

- ▶ The rich have gotten richer
- ▶ Inequality increased greatly among workers
- ▶ College graduates increased their earnings advantage over HS educated workers
- ▶ Poverty has not increased with rising inequality

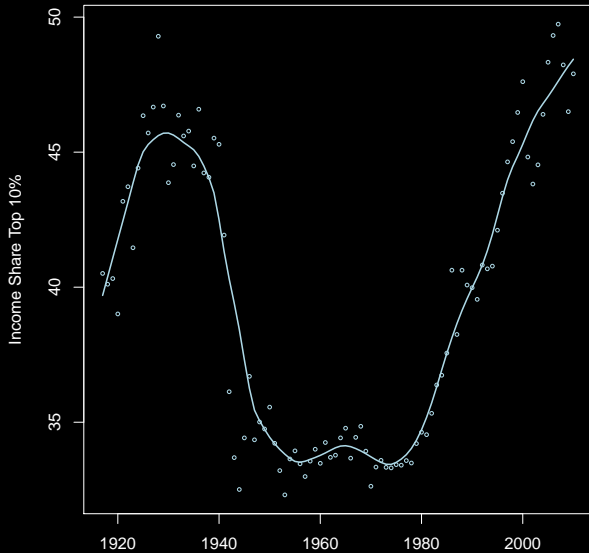
# Four Facts

- ▶ The rich have gotten richer
- ▶ Inequality increased greatly among workers
- ▶ College graduates increased their earnings advantage over HS educated workers
- ▶ Poverty has not increased with rising inequality

# Income Inequality, 1917–2010

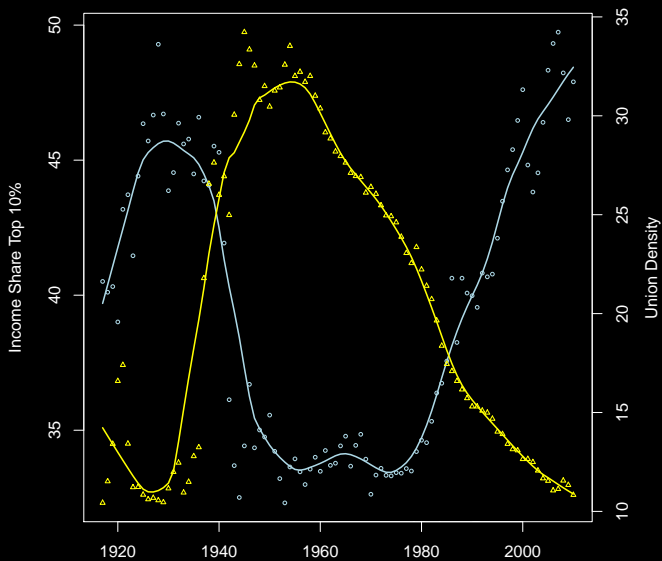


# Income Inequality, 1917–2010

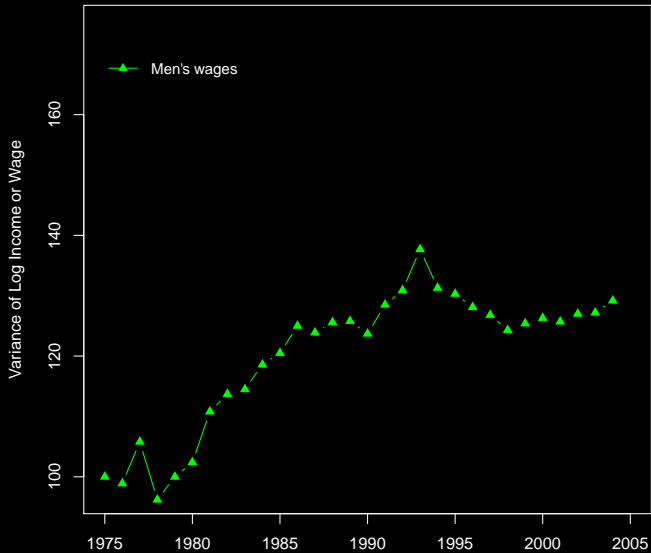




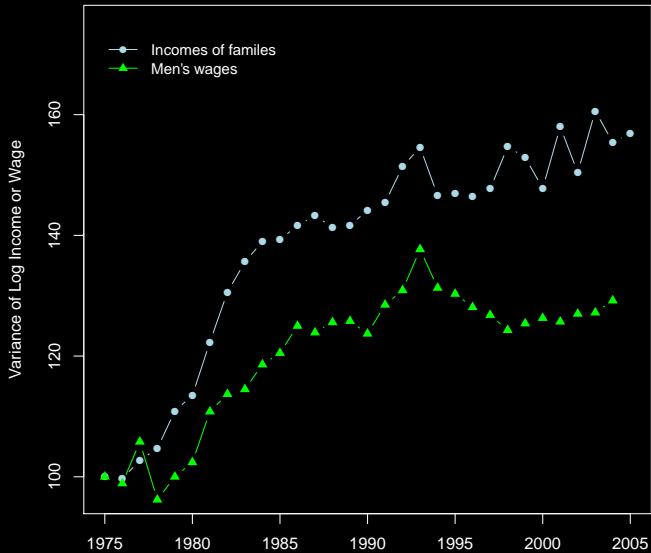
# Union Density and Income Inequality, 1917–2010



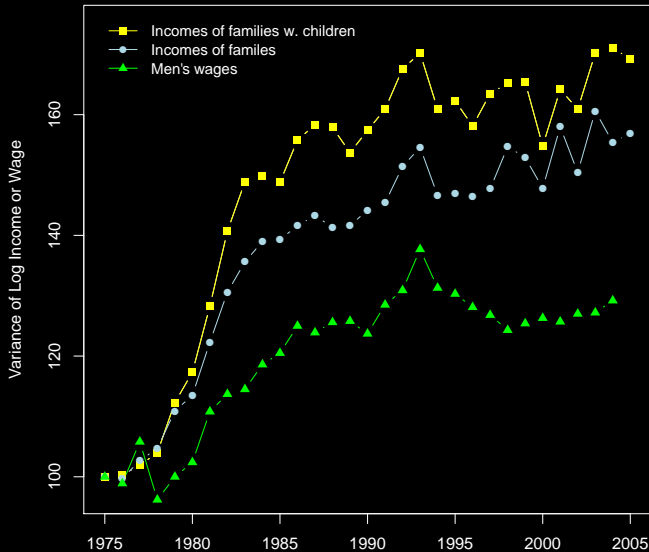
# Wage and Income Inequality, 1973 to 2006



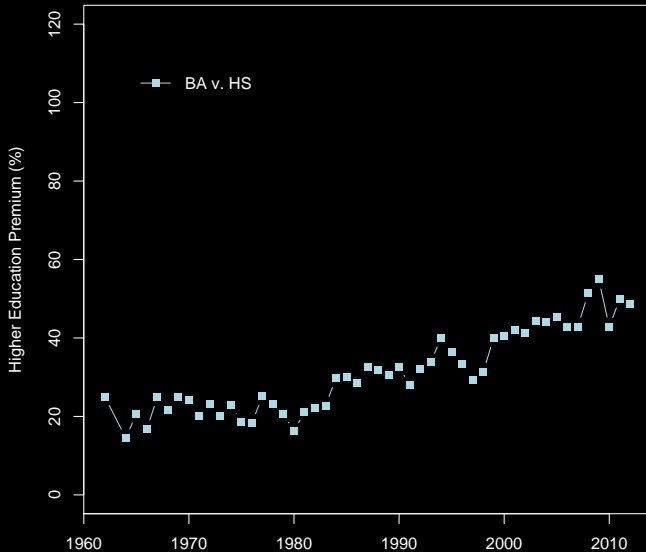
## Wage and Income Inequality, 1973 to 2006



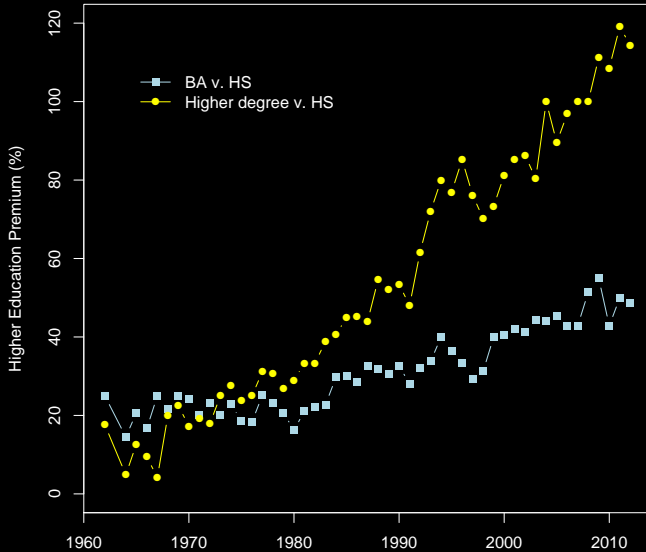
# Wage and Income Inequality, 1973 to 2006

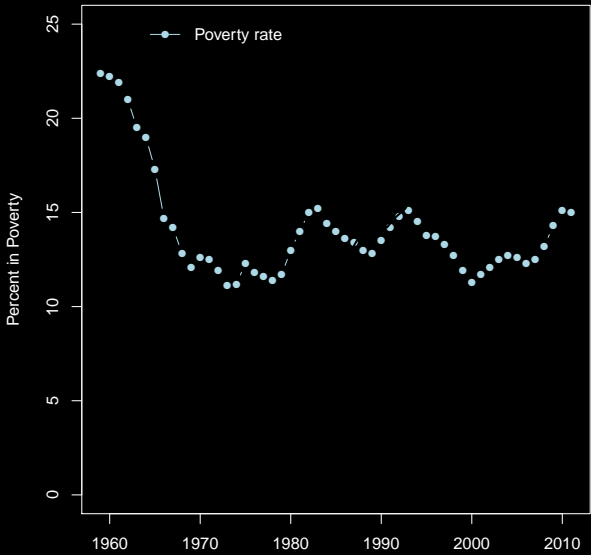


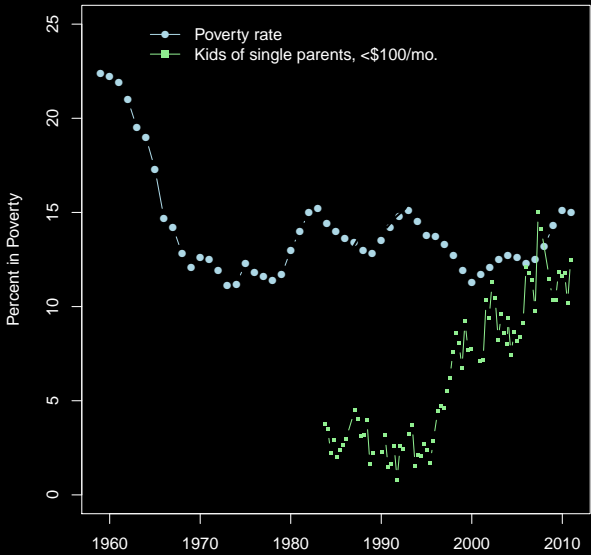
## Earnings Premium with Higher Education, Men, 1962–2011



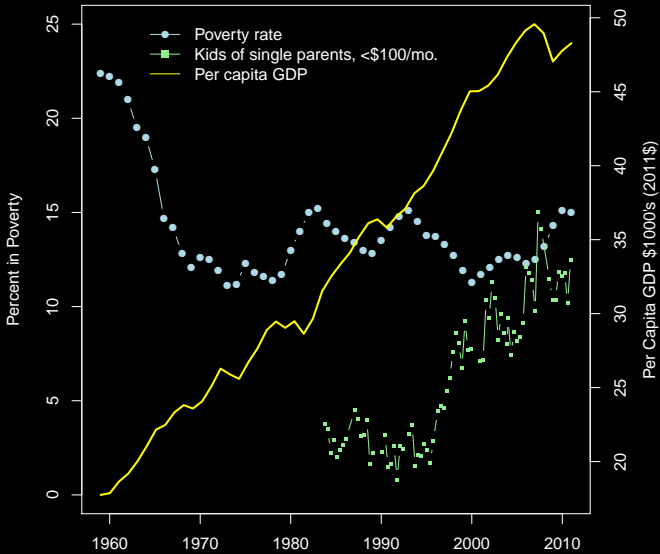
# Earnings Premium with Higher Education, Men, 1962–2011











# Four Facts (Amended)

The rich have gotten richer (and this is associated with a shift in power in American society)

Inequality increased greatly among workers (and has increased even more across families)

College graduates increased their earnings advantage over HS educated workers (but professionals with higher degrees are in a class of their own)

Poverty has not increased with rising inequality (but extreme poverty increased among children even as the economy has doubled in size)

# Four Facts (Amended)

- ▶ The rich have gotten richer (and this is associated with a shift in power in American society)
- ▶ Inequality increased greatly among workers (and has increased even more across families)
- ▶ College graduates increased their earnings advantage over HS educated workers (but professionals with higher degrees are in a class of their own)
- ▶ Poverty has not increased with rising inequality (but extreme poverty increased among children even as the economy has doubled in size)

# Four Facts (Amended)

- ▶ The rich have gotten richer (and this is associated with a shift in power in American society)
- ▶ Inequality increased greatly among workers (and has increased even more across families)
- ▶ College graduates increased their earnings advantage over HS educated workers (but professionals with higher degrees are in a class of their own)
- ▶ Poverty has not increased with rising inequality (but extreme poverty increased among children even as the economy has doubled in size)

# Four Facts (Amended)

- ▶ The rich have gotten richer (and this is associated with a shift in power in American society)
- ▶ Inequality increased greatly among workers (and has increased even more across families)
- ▶ College graduates increased their earnings advantage over HS educated workers (but professionals with higher degrees are in a class of their own)
- ▶ Poverty has not increased with rising inequality (but extreme poverty increased among children even as the economy has doubled in size)

# Four Facts (Amended)

- ▶ The rich have gotten richer (and this is associated with a shift in power in American society)
- ▶ Inequality increased greatly among workers (and has increased even more across families)
- ▶ College graduates increased their earnings advantage over HS educated workers (but professionals with higher degrees are in a class of their own)
- ▶ Poverty has not increased with rising inequality (but extreme poverty increased among children even as the economy has doubled in size)

# Economic Inequality is Social Inequality

Increased economic inequality is closely connected to inequalities of family life, political power, and over the life course

The multi-causal path of American inequality presents a scientific challenge: should we be more multidisciplinary?

The increase in severe poverty among children in an era of abundance presents a moral challenge: should we be more action-oriented?

# Economic Inequality is Social Inequality

Increased economic inequality is closely connected to inequalities of family life, political power, and over the life course

The multi-causal path of American inequality presents a scientific challenge: should we be more multidisciplinary?

The increase in severe poverty among children in an era of abundance presents a moral challenge: should we be more action-oriented?



# Economic Inequality is Social Inequality

Increased economic inequality is closely connected to inequalities of family life, political power, and over the life course

The multi-causal path of American inequality presents a scientific challenge: should we be more multidisciplinary?

The increase in severe poverty among children in an era of abundance presents a moral challenge: should we be more action-oriented?

# Economic Inequality is Social Inequality

Increased economic inequality is closely connected to inequalities of family life, political power, and over the life course

The multi-causal path of American inequality presents a scientific challenge: should we be more multidisciplinary?

The increase in severe poverty among children in an era of abundance presents a moral challenge: should we be more action-oriented?

# Economic Inequality is Social Inequality

Increased economic inequality is closely connected to inequalities of family life, political power, and over the life course

The multi-causal path of American inequality presents a scientific challenge: should we be more multidisciplinary?

The increase in severe poverty among children in an era of abundance presents a moral challenge: should we be more action-oriented?

# Economic Inequality is Social Inequality

Increased economic inequality is closely connected to inequalities of family life, political power, and over the life course

The multi-causal path of American inequality presents a scientific challenge: should we be more multidisciplinary?

The increase in severe poverty among children in an era of abundance presents a moral challenge: should we be more action-oriented?