

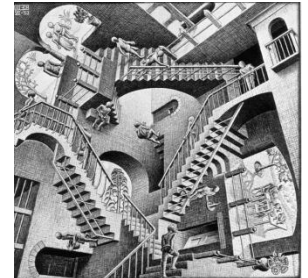
Social Class

People Like Us

- The interplay of class and status
 - The Bread Controversy
 - The (Not-So) Extreme Makeover

Different Images of the System of Social Class

- Gradational conception of social class
 - Social Classes as Ladder Rungs
 - One dimensional – single inequality
 - Multi-dimensional – many forms of inequality
 - » E.g. income, knowledge, cultural sophistication, physical beauty, health etc.
 - Dimensions are reinforcing
 - » Advantages are highly and positively correlated
 - Dimensions are loosely coupled
 - » Advantages are unrelated
 - » Advantages are compensating (negatively correlated)
 - Nominalist notion of class:
 - Class is just a word to cut up a continuum – no real boundaries



TOP

BOTTOM

Different Images of the System of Social Class



- Relational conception of class
 - Class as interlocking pieces of a puzzle

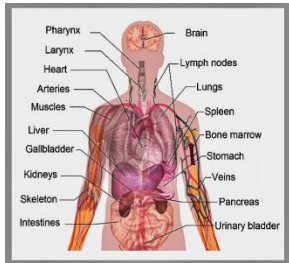
- Functionalist

- Agrippa's tale

- » Menenius Agrippa in 494 BC was sent to persuade rebellious soldiers who walked out of the city of Rome in protest of inequalities with
 - » a fable of the different parts of the body rebelling against the stomach

- Kingsley Davis and Wilbert Moore (1945)

- » Societies must have inequalities to 1) fill important positions, 2) compensate people for necessary training and the scarcity of their talent.



- Conflict based

- Karl Marx (1818-1883)

- » Marx posited that capitalist societies have two main classes: the bourgeoisie (capitalist class) and the proletariat (working class) and the former exploits the latter



- Realist notion of class

- Classes are actual groups with clear boundaries

Max Weber (1864-1920)

- Class (production)
 - Income
 - Wealth
 - Economic Opportunities (Life chances)
- Status (consumption)
 - Life style
 - Taste, culture
 - Prestige
- Organization (MW calls it 'party')
 - Position in the hierarchy of
 - Organization
 - Association
 - Bureaucracy



• Power

- Ability to get people to do what you want
 - It can rest on
 - class (Kane)
 - status (Gandhi)
 - organization (Corleone)

Everyday/Colloquial Notions of Class

- (Economic) Class I = income and wealth
 - E.g. upper class vs. lower class
 - Gradational
 - One dimensional
 - Weberian class
- (Economic) Class II = occupational groups
 - E.g. blue collars, managers, entrepreneurs, professionals
 - Relational
 - Functionalist
 - Weberian class
- (Social) Class III = life style (emphasized in People Like Us)
 - E.g. WASP, hillbilly
 - Relational
 - Weberian status group
- American Dream
 - Economic Class I: big inequalities but moving up open to everyone
 - Economic Class II: every class is equal
 - Social Class: free choice

Incomes in the U.S. (2010)

- Median Personal Income
 - U.S.: \$26,197
 - For persons age 25 or older: \$29,842

	Age 25+,
9 th to 12 th grade (no diploma):	\$ 15,645
High school graduate:	\$ 22,952
Some College:	\$ 28,422
Associate Degree:	\$ 32,819
Bachelor's:	\$ 44,676
Master's:	\$ 56,024
Professional:	\$ 80,537
Doctorate:	\$ 78,254

Source: Current Population Survey

Family Incomes

- Median Income of a family of 4
 - U.S. \$74,964
 - California \$77,896
 - New Jersey \$102,552
 - Maryland \$102,002
 - Arkansas \$56,975
 - New Mexico \$55,446
- Federal Register estimates for 2013

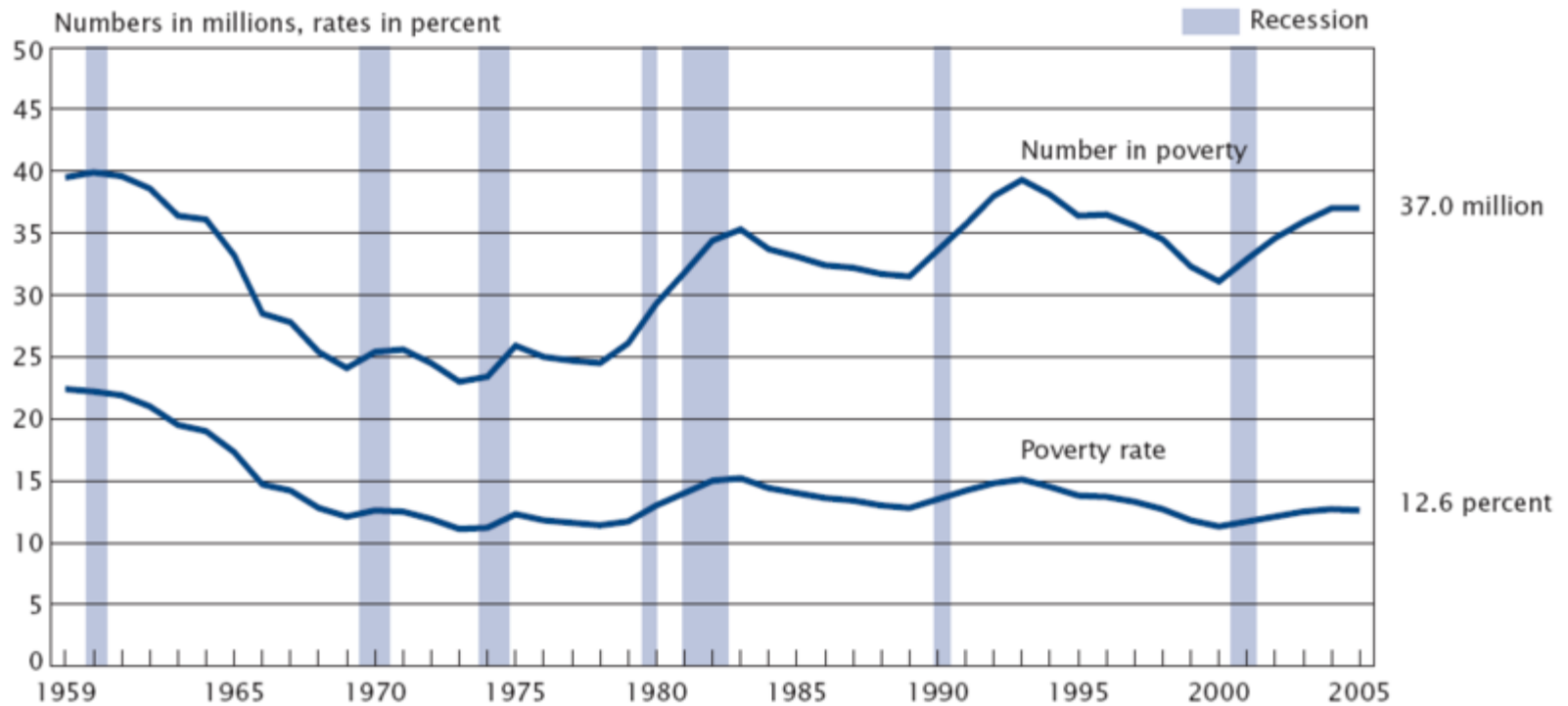
Distribution of households by income (2011)

Percentile	All Households Upper limit	Married Filing Jointly Upper limit
10 th	\$9,235	\$23,748
20 th	\$16,358	\$37,621
50 th (median)	\$42,327	\$74,608
80 th	\$97,298	\$145,455
90 th	\$154,131	\$191,126
95 th	\$200,026	\$298,736
99 th	\$506,553	\$761,938

Source: Urban-Brookings Tax Policy Center

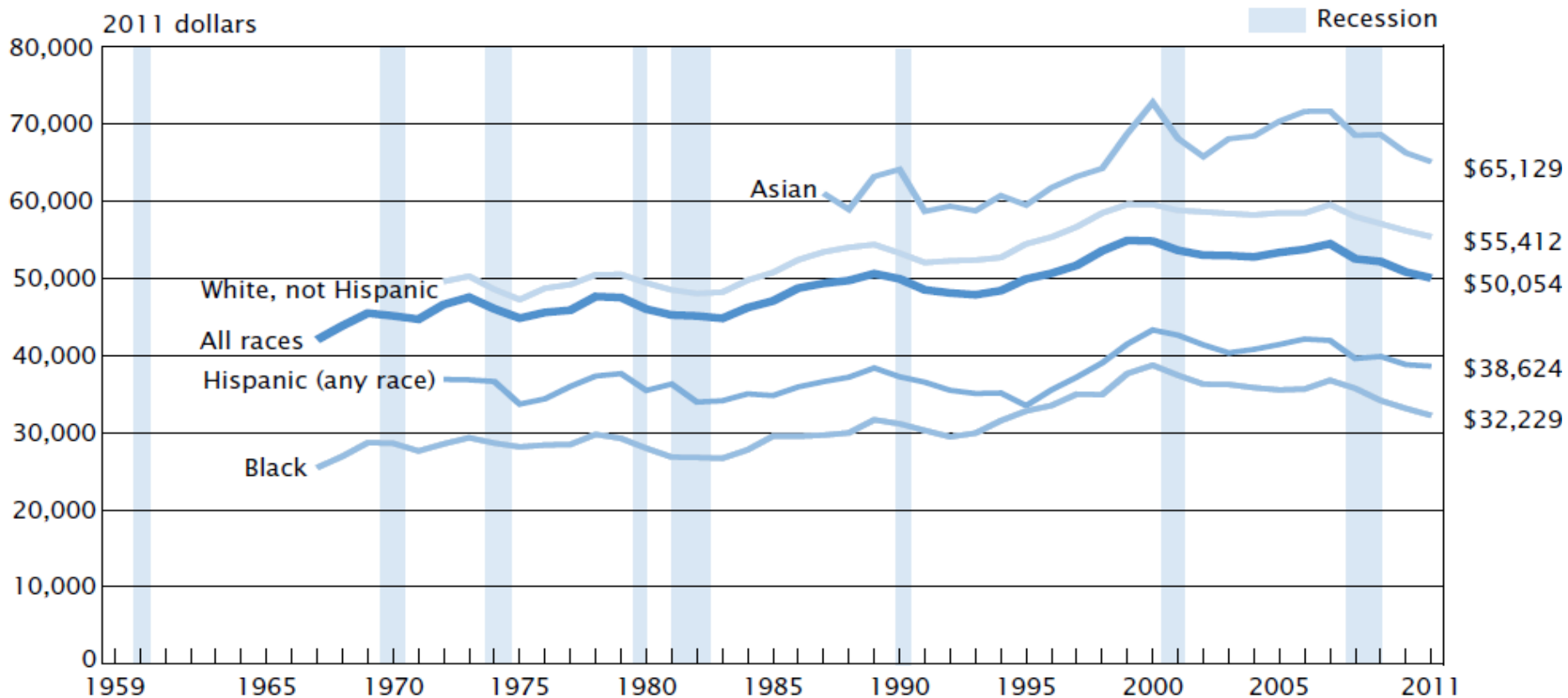
Poverty

Number in Poverty and Poverty Rate: 1959 to 2005



Median Household Income by Race

Real Median Household Income by Race and Hispanic Origin: 1967 to 2011

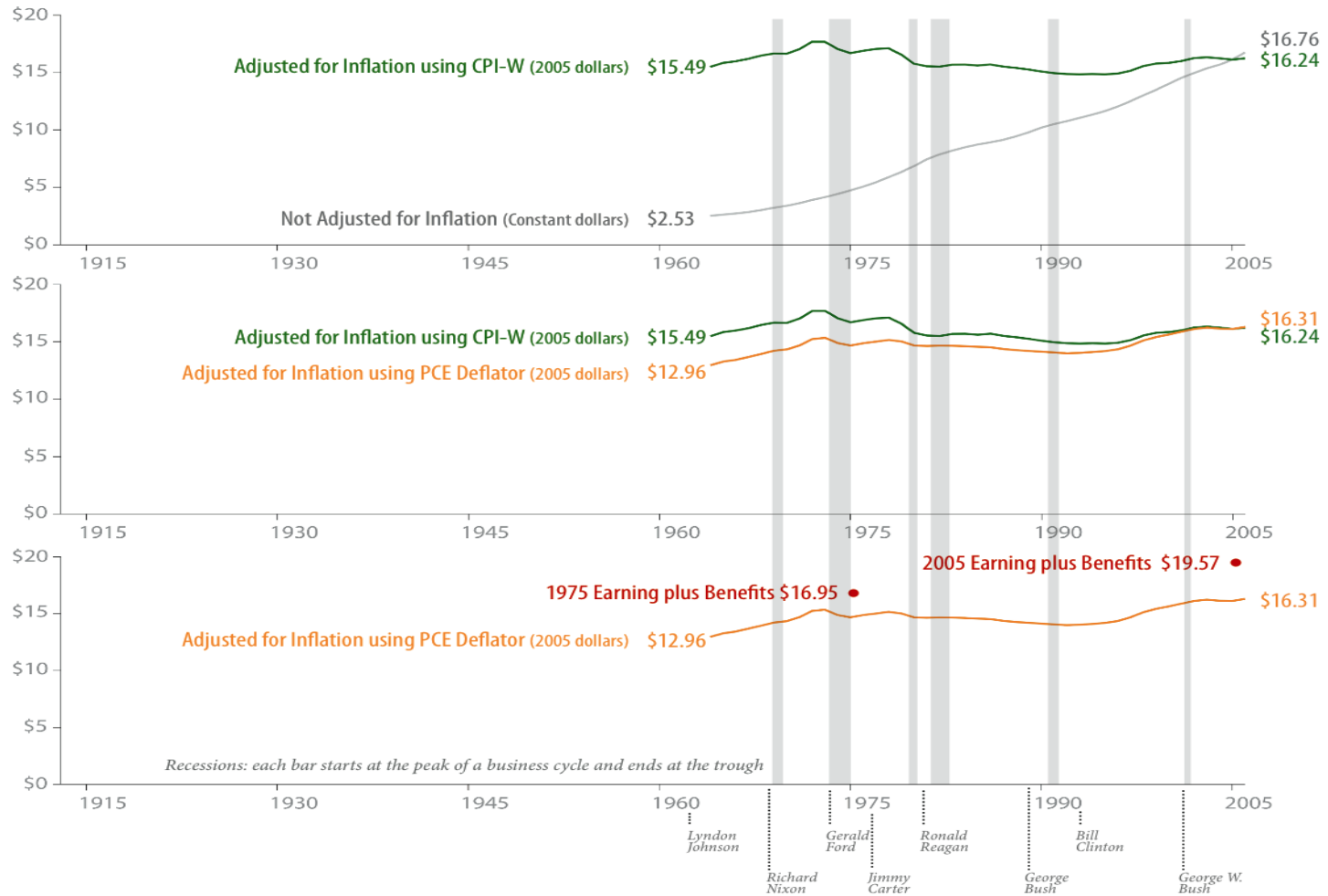


Note: Median household income data are not available prior to 1967. Implementation of 2010 Census population controls beginning in 2010. For information on recessions, see Appendix A.

Source: U.S. Census Bureau, Current Population Survey, 1968 to 2012 Annual Social and Economic Supplements.

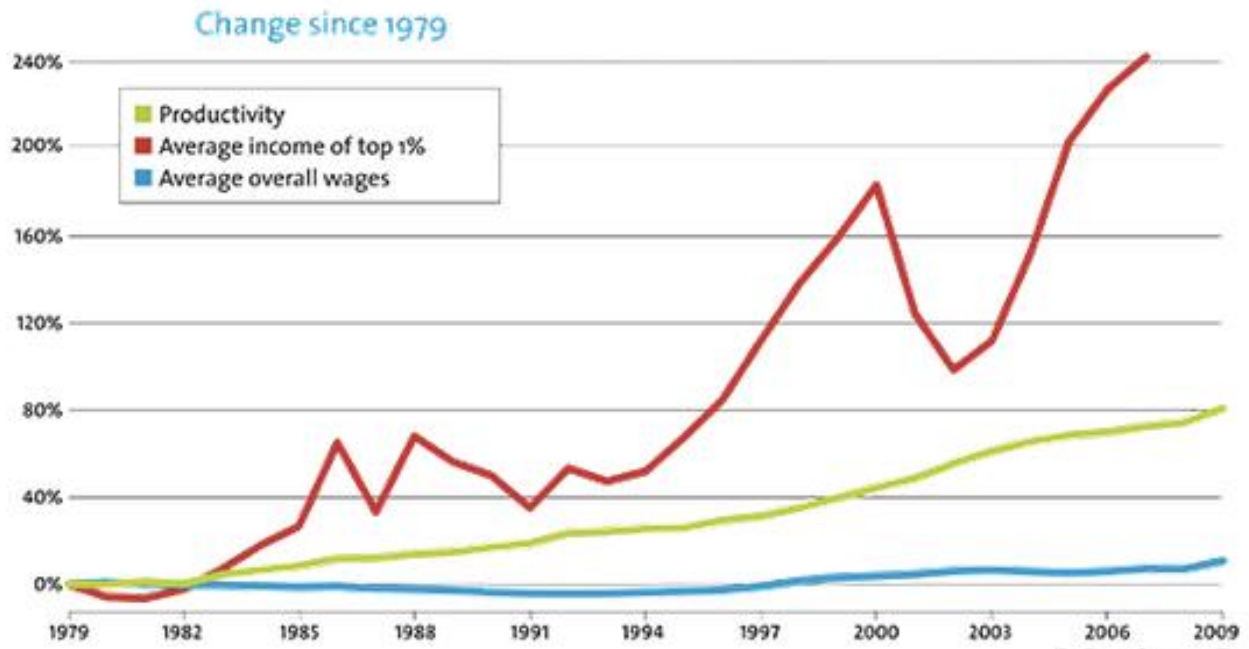


1964-2006 United States
Average Hourly Earnings
of production and nonsupervisory workers



PCE Personal Consumption Expenditure
correcting for price of consumer items only

Productivity growth benefited almost exclusively the rich

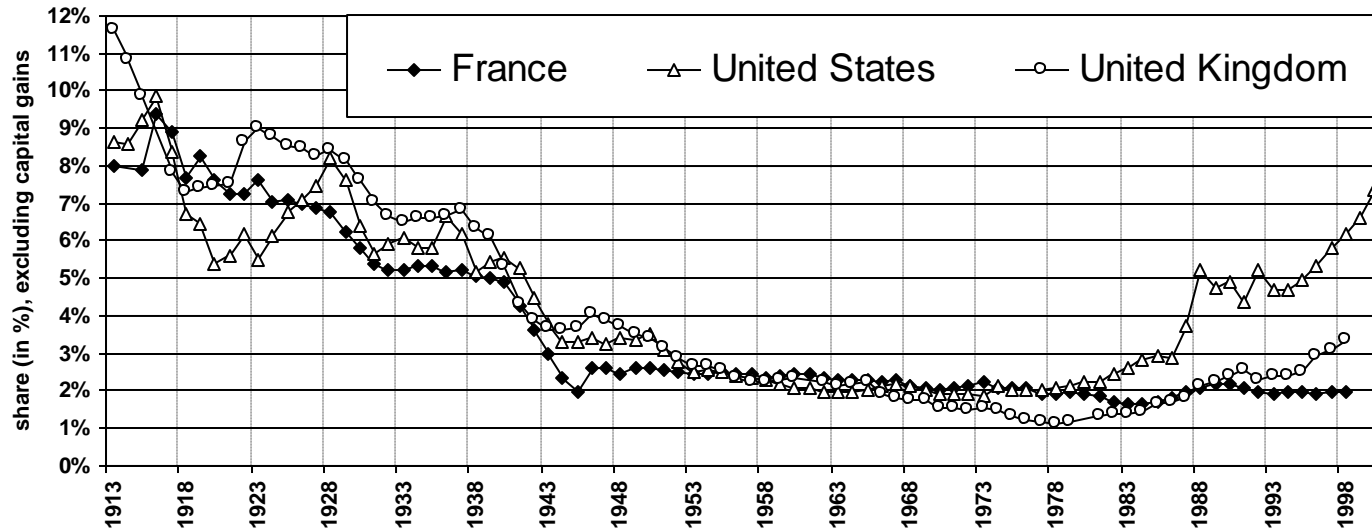


Mother Jones

The Very Rich

(Piketty and Saez 2003)

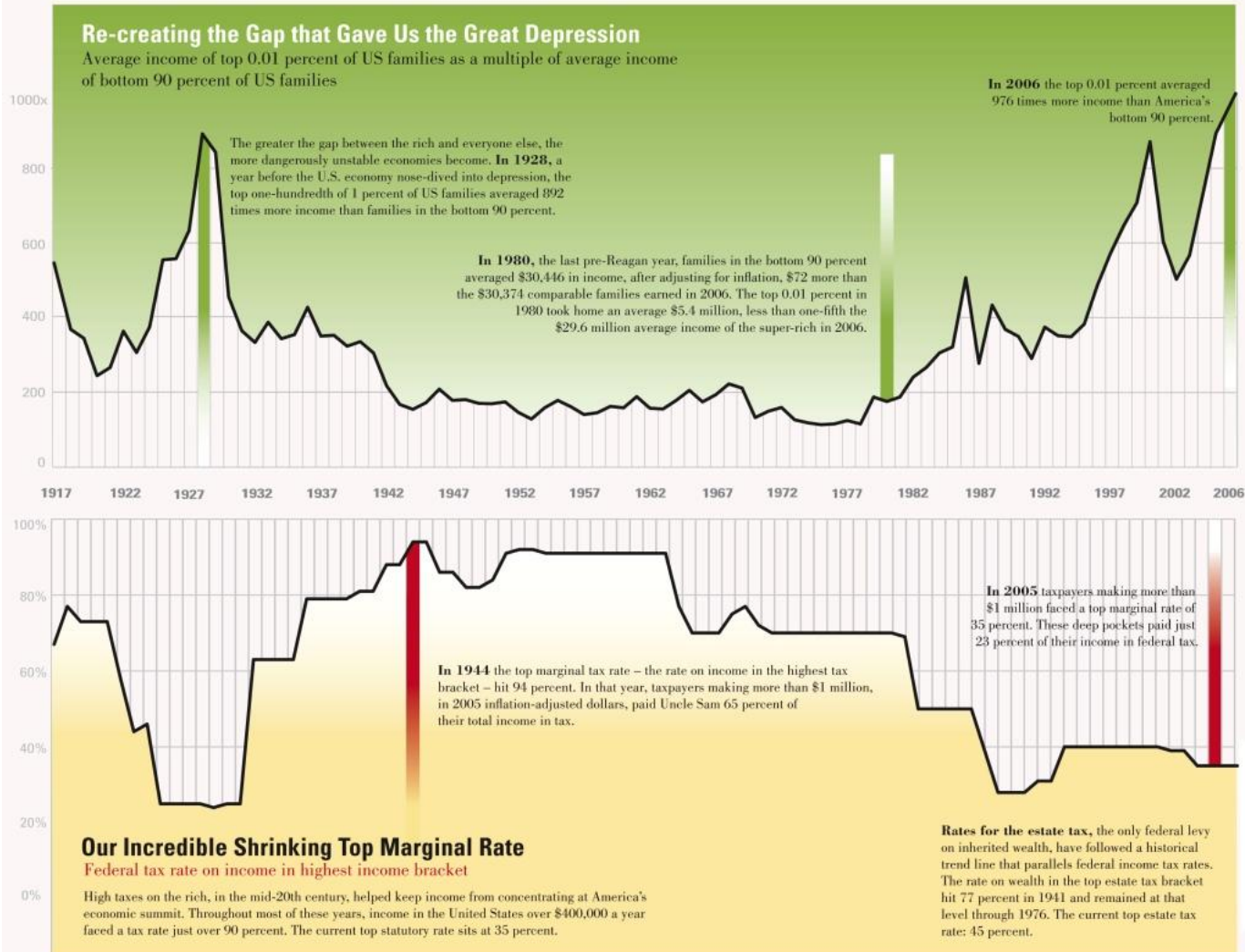
Figure 21: The Top 0.1% Income Share in France, the United States and the United Kingdom



Source: Authors' computations based on income tax returns (France: see Piketty (2001b, table A1, col. P99-100); U.S.: see this paper, table A1, col. P99-100); U.K. See Atkinson (2001).

PLUTOCRACY REBORN

A half-century ago, thoughtful Americans considered the Gilded Age ancient history. By the 1950s, robber baron fortunes no longer dominated – or dazzled – America's political and economic landscape. But that's all changed. The awesomely affluent haven't just returned. Today they cast an even greater shadow.



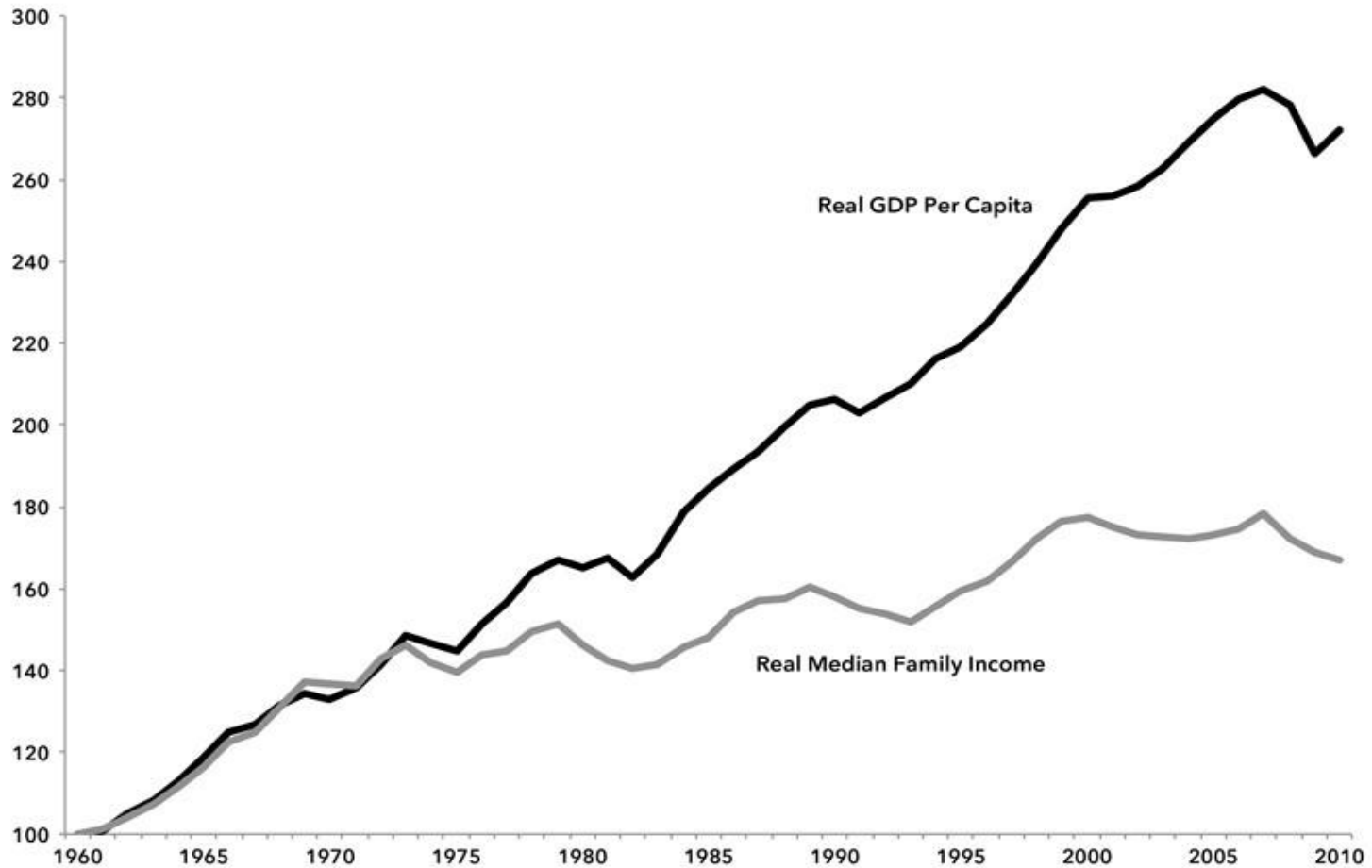
Sources: A detailed listing of all the sources for these charts appears on The Nation Online at: www.thenation.com/doc/200606/30/extreme_inequality

Charts compiled by the Institute for Policy Studies Program on Inequality and the Common Good. Design by Carol Higgs, Worthmore Group; and Kroll Design. Consultation: Dennis Livingston. Research support provided by the Investigative Fund of The Nation Institute.

Most families did not benefit much from economic growth.

The **GDP per capita** is an average and reflects **all** incomes including the those of the very rich.

The **median family income** is below (and above) which we find half the families and it is unaffected by what happens to the very rich.



What they do

United States 2005

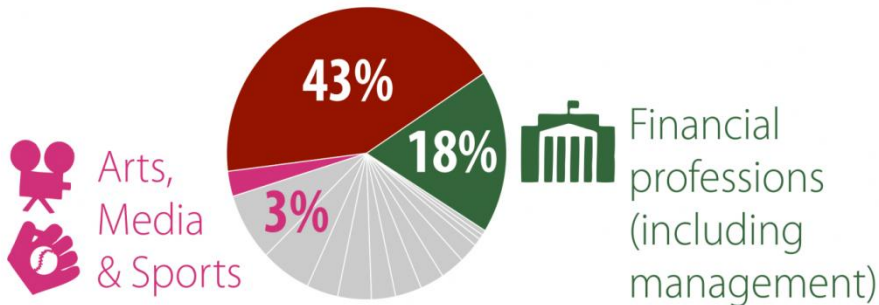
Occupations of the Top 0.1%

Number of primary taxpayers in Top 0.1% of the income distribution (excluding capital gains)

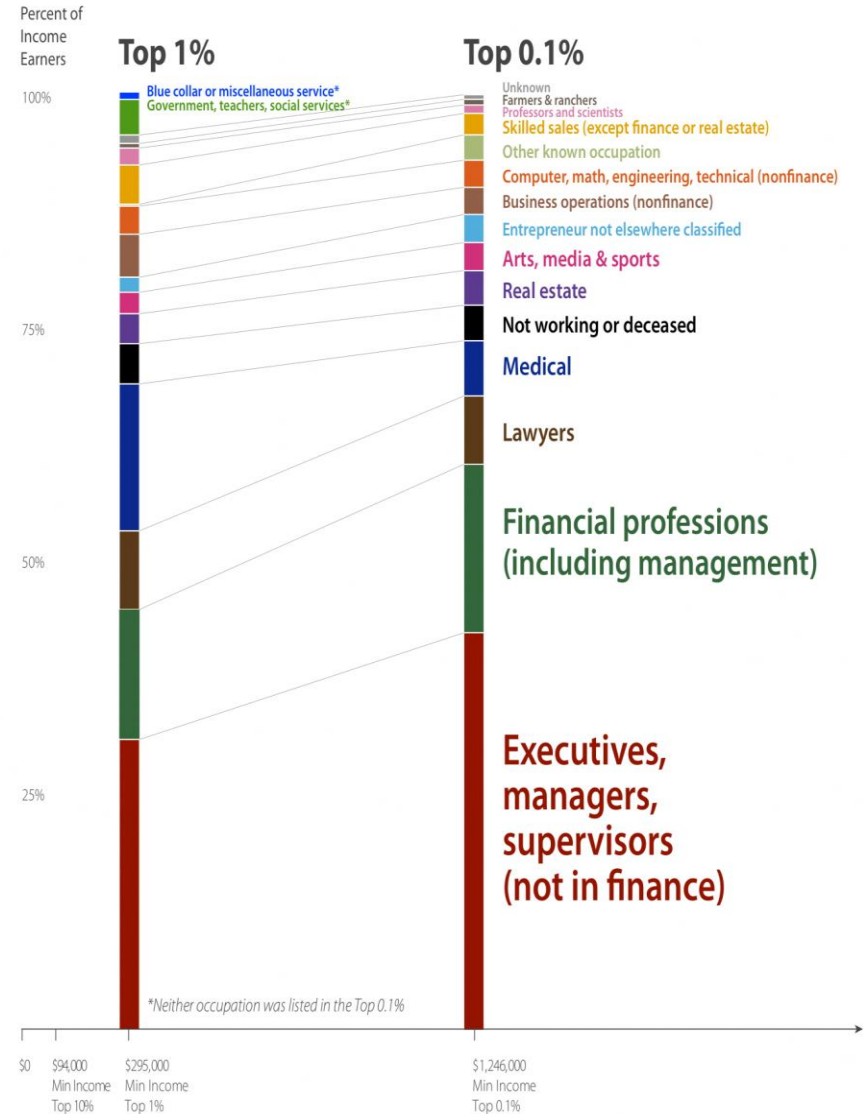
TOP 0.1%
Earned more than **\$1,246,000** in 2005

BREAKDOWN OF TOP 0.1% BY OCCUPATION

 Executives
(not in finance)



COMPARED TO TOP 1%

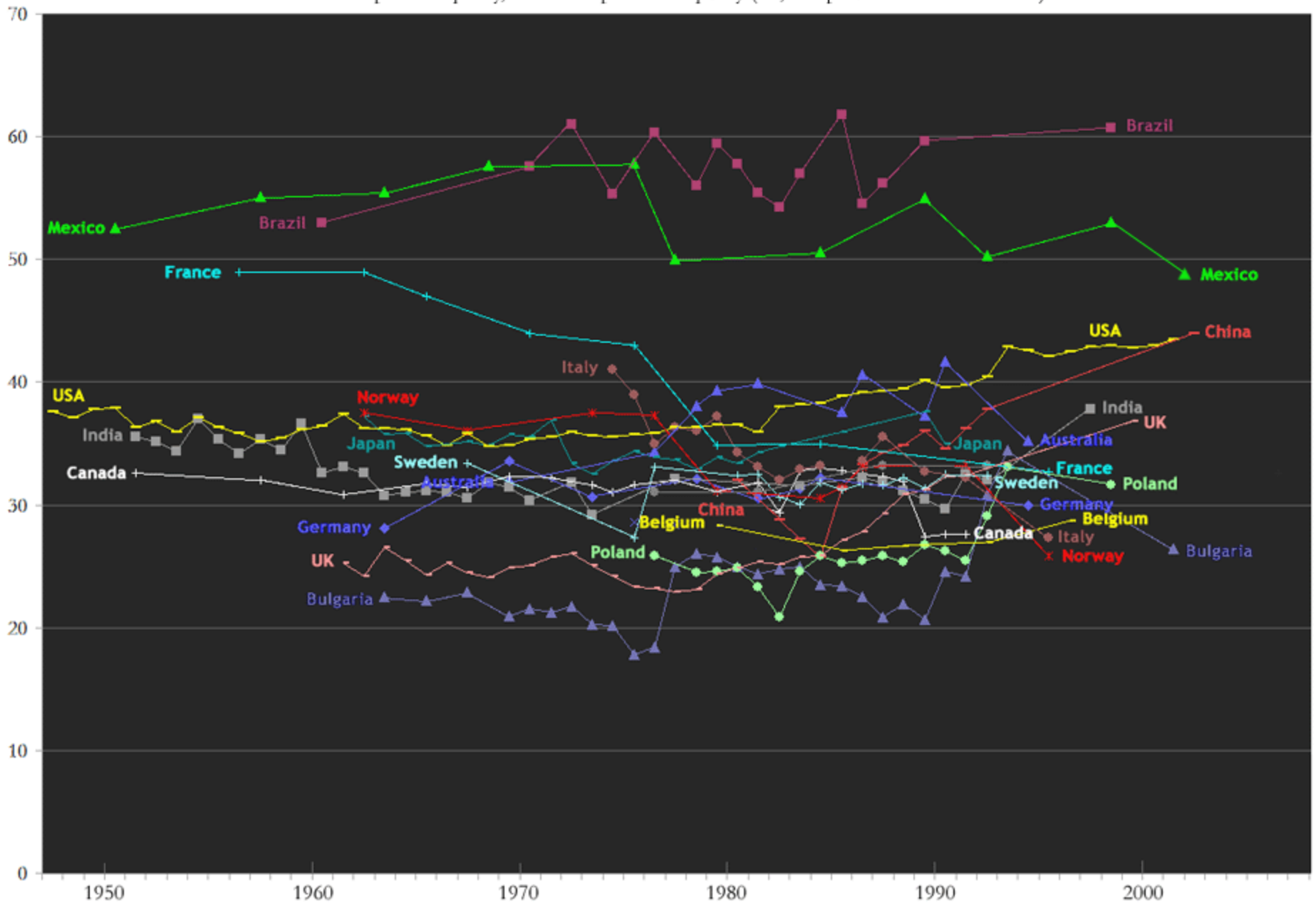


Data source: Jon Bakija & Adam Cole & Bradley Heim, 2008.

"Jobs and Income Growth of Top Earners and the Causes of Changing Income Inequality: Evidence from U.S. Tax Return Data"
<http://ideas.repec.org/p/wil/wileco/2010-24.html>

Income Disparity since World War II – the Gini Index

where 0 is perfect equality, and 100 is perfect inequality (i.e., one person has all the income)



Subjective Class

- When people are asked what class they belong to this is how they answer (GSS 1972-2010)

