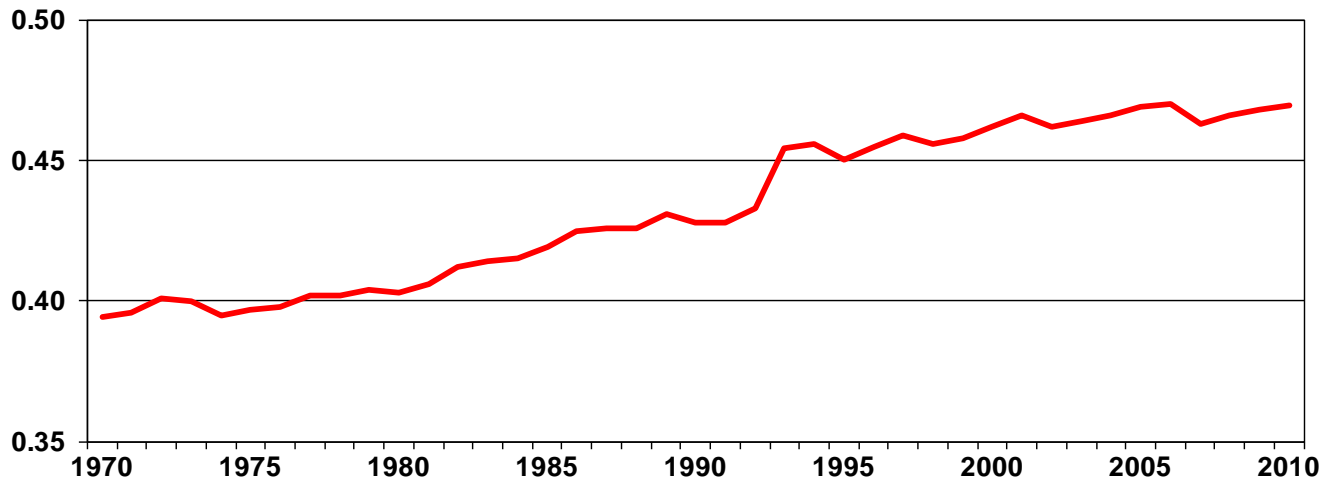


Income inequality continues to rise

U.S. Gini Coefficient, 1970-2010



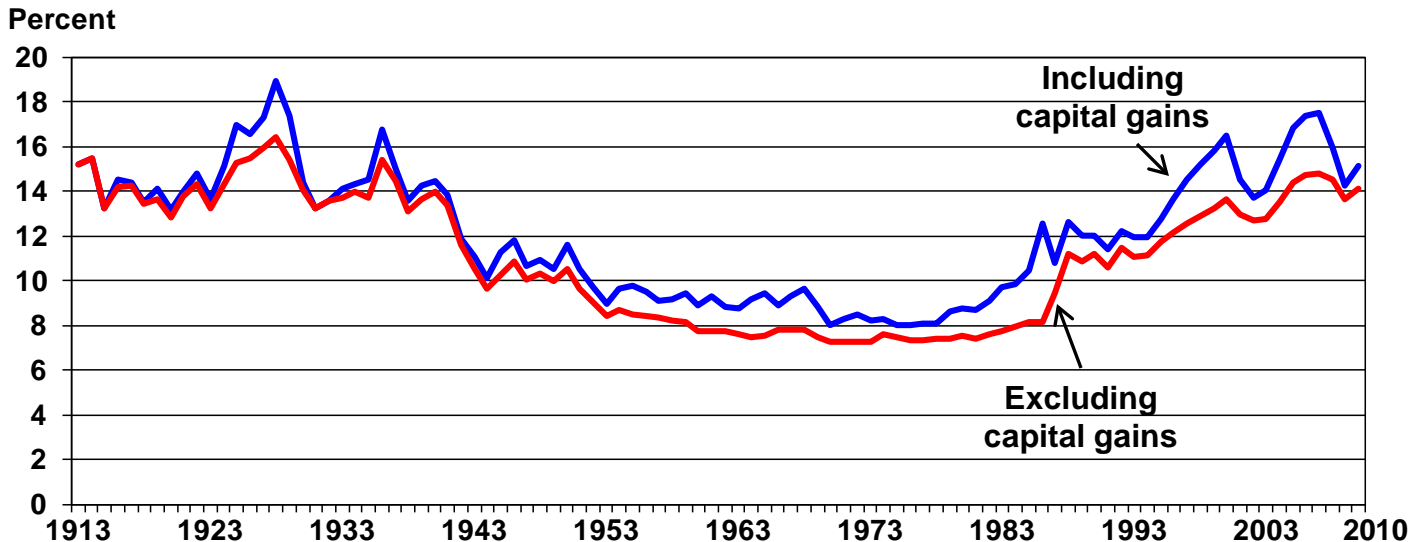
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Source: Census Bureau: Current Population Survey.

Income is again more concentrated at the top

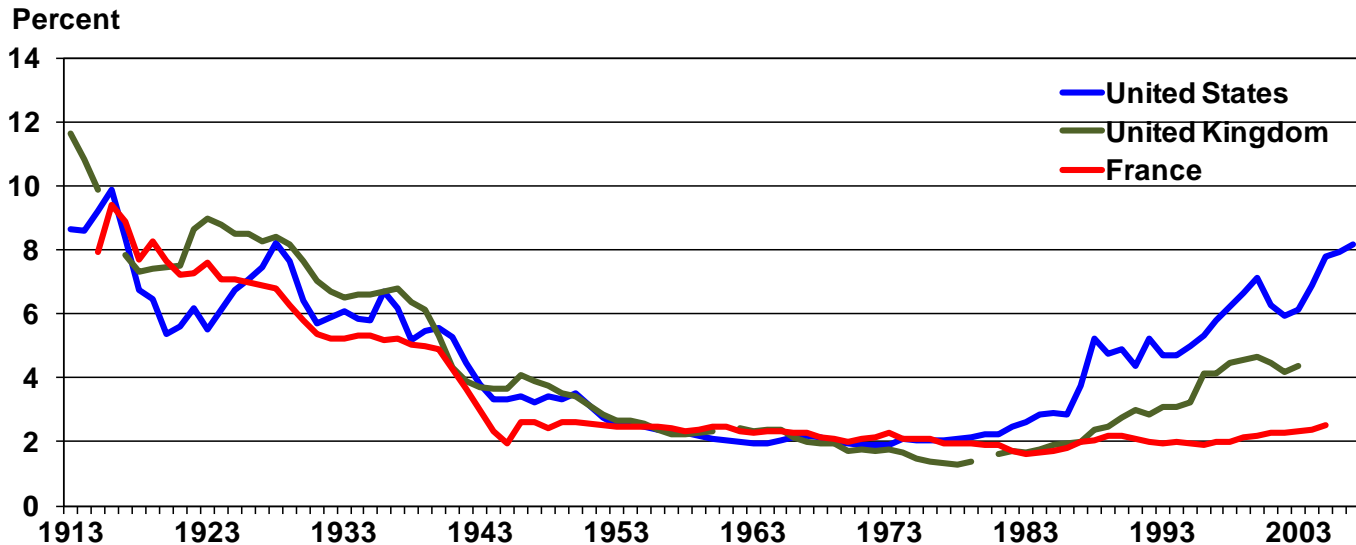
Share of U.S. income earned by top 1-percent families, 1913-2010



Source: Piketty and Saez (2012).

Income concentration accelerates fast in U.S.

Top 0.1-percent income share of the nation, 1913-2007



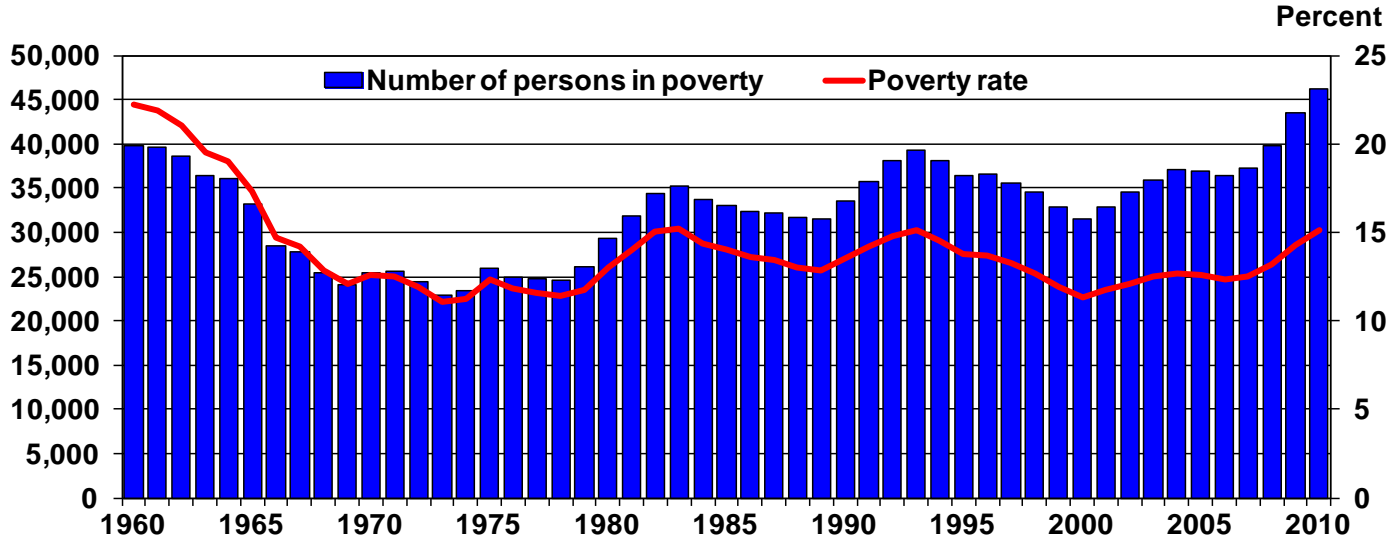
Source: Piketty and Saez (2012).

More people living in poverty

U.S., 1960-2010



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Source: Census Bureau: Current Population Survey.

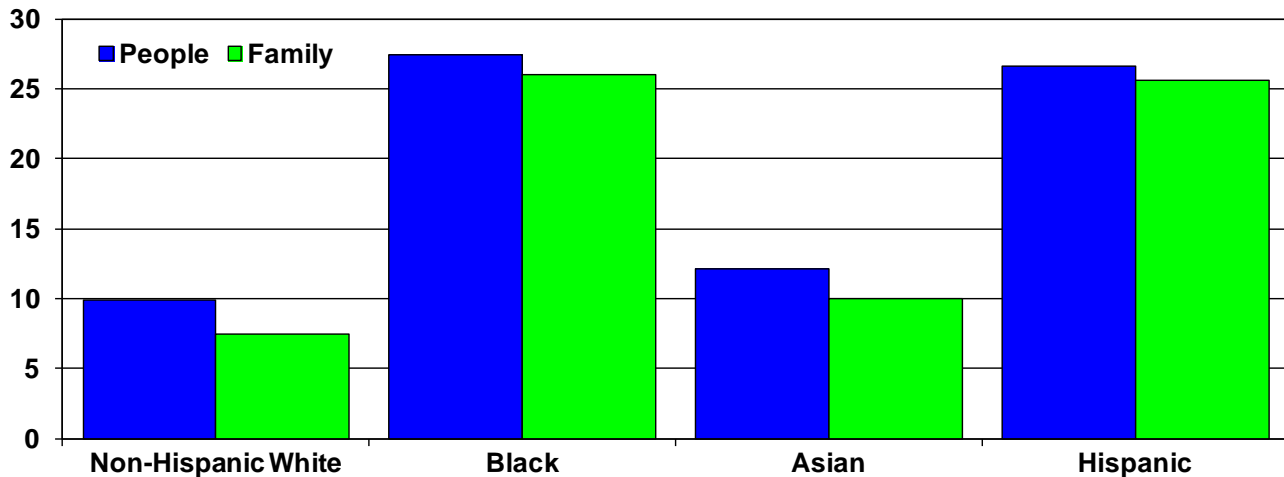
More than 1 out of 4 Black and Hispanic families lived in poverty

U.S., 2010



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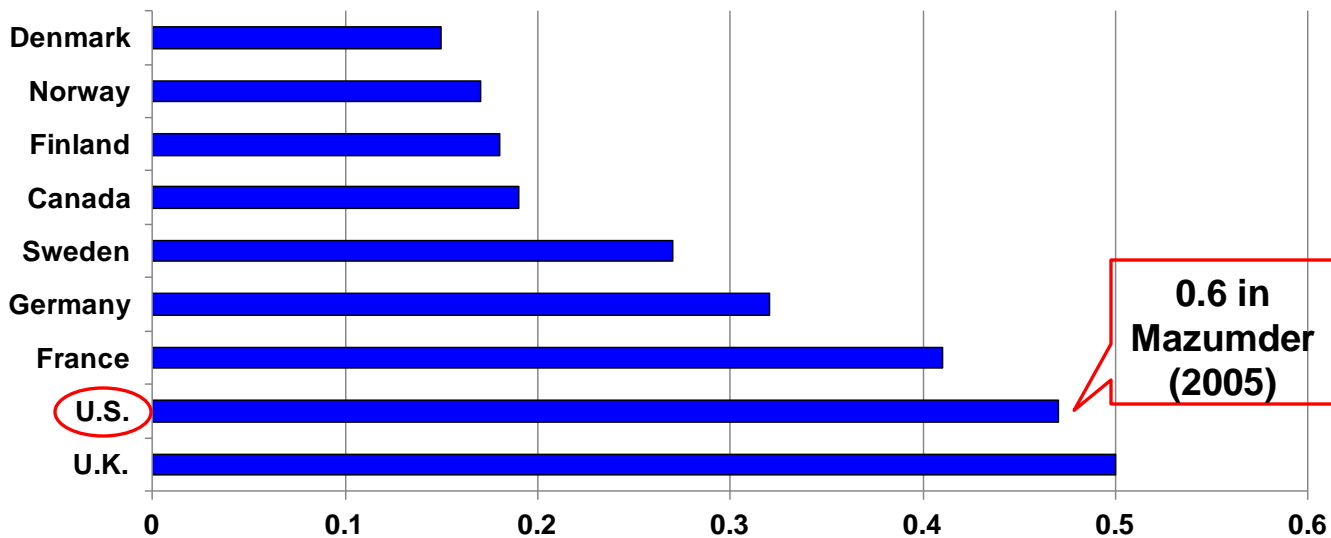
Percent



Source: Census Bureau: Current Population Survey.

Lack of intergenerational mobility in the U.S.

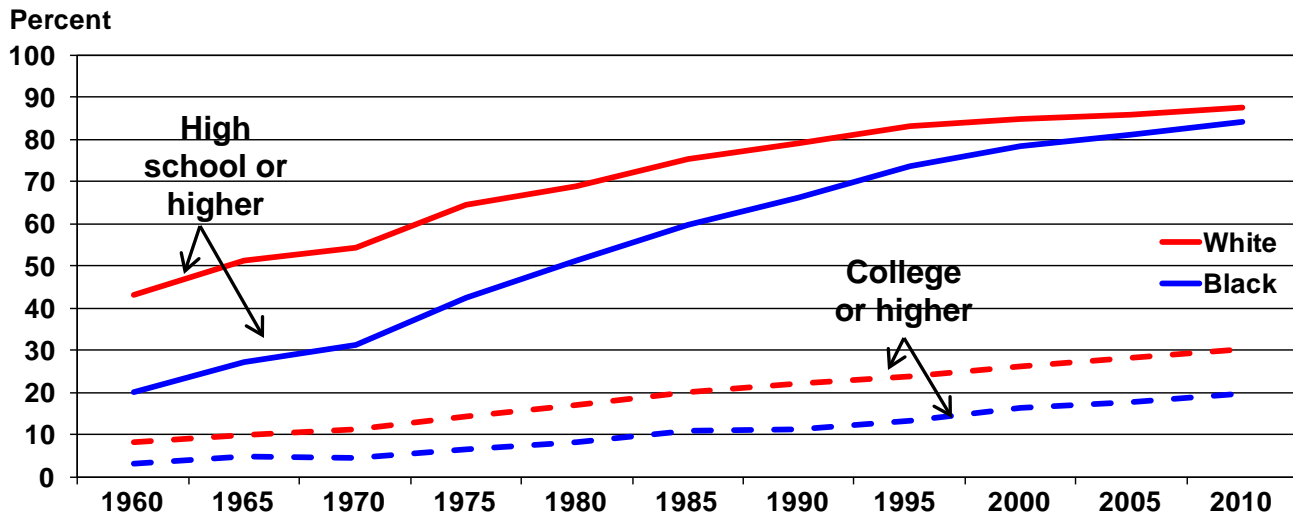
A measure of immobility: father-son earnings elasticity



Source: Corak (2006).

Education is the stepping stone to upward mobility

Educational attainment by race, U.S., 1960-2010



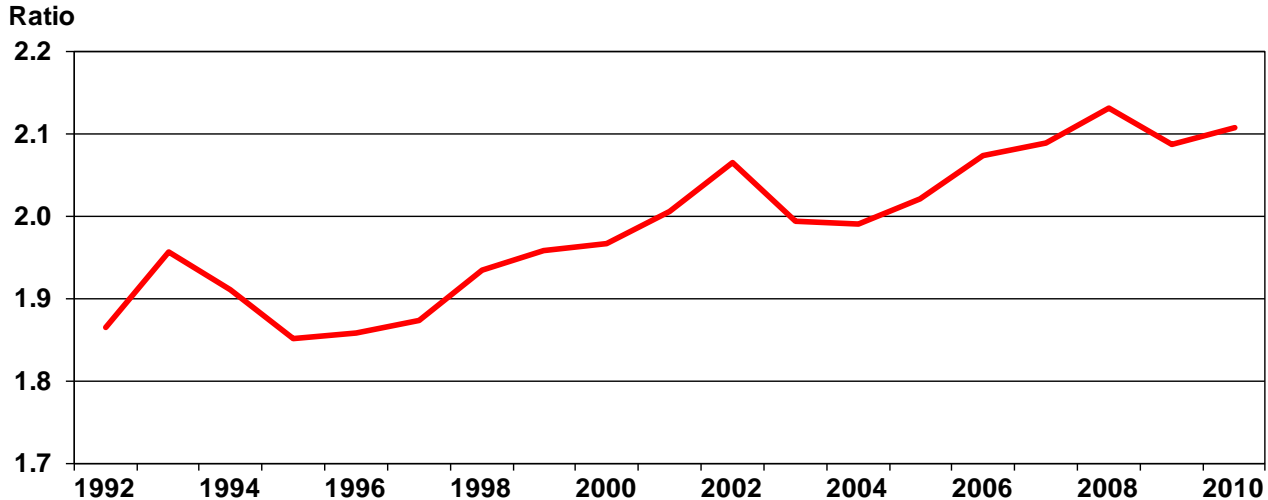
Source: Census Bureau: Current Population Survey.

It pays to go to college

Ratio of real median household income by householder's educational attainment (B.A. or higher vs. high school), 1992-2010



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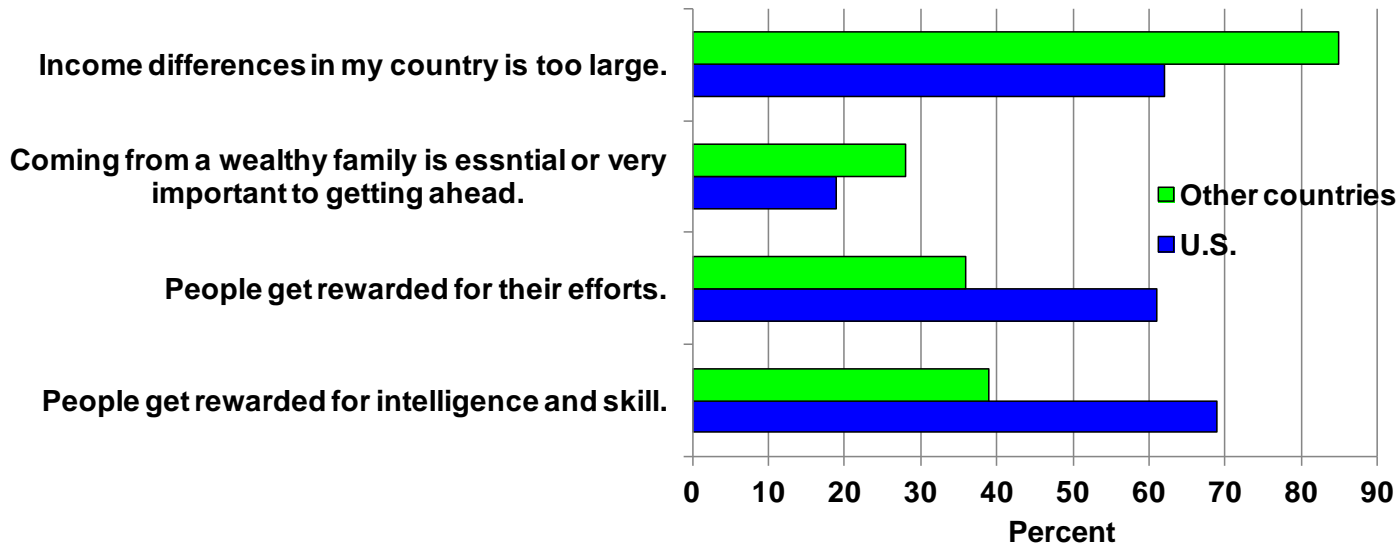
Source: Census Bureau: Current Population Survey.

U.S. myth of mobility?

Attitudes of citizens toward mobility, 1999



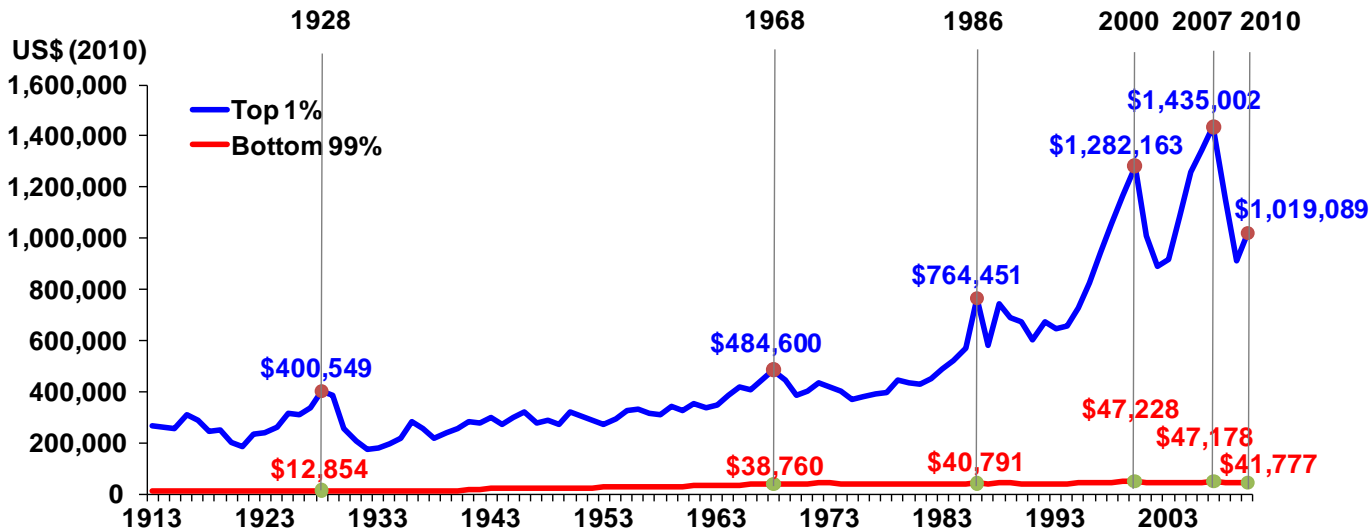
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Sources: Brookings Institution, International Social Survey Program 1999.

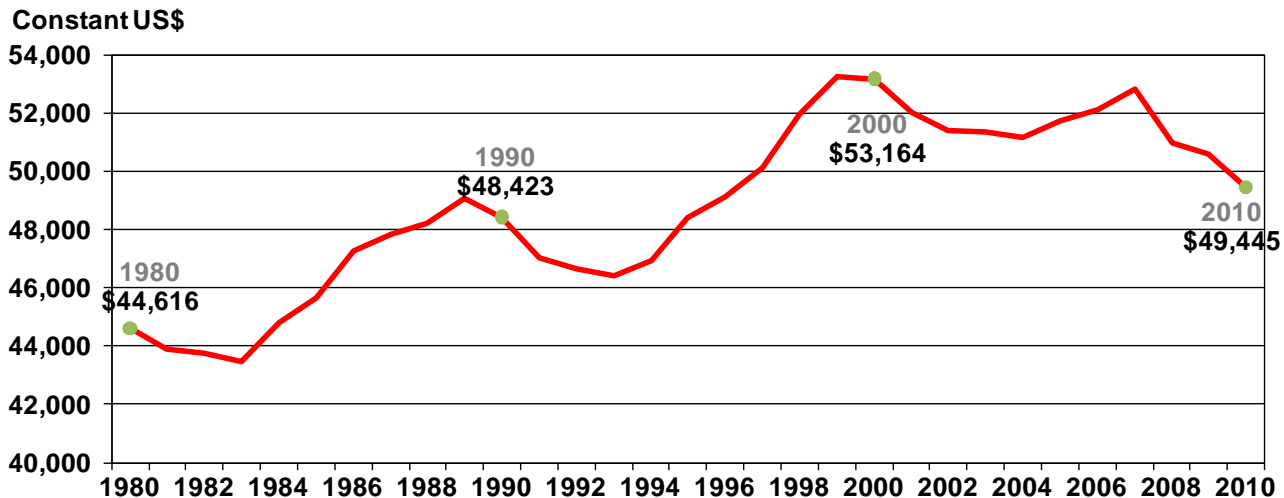
“1 Percent” and the rest of American families

Average income (including capital gains), 1913-2010



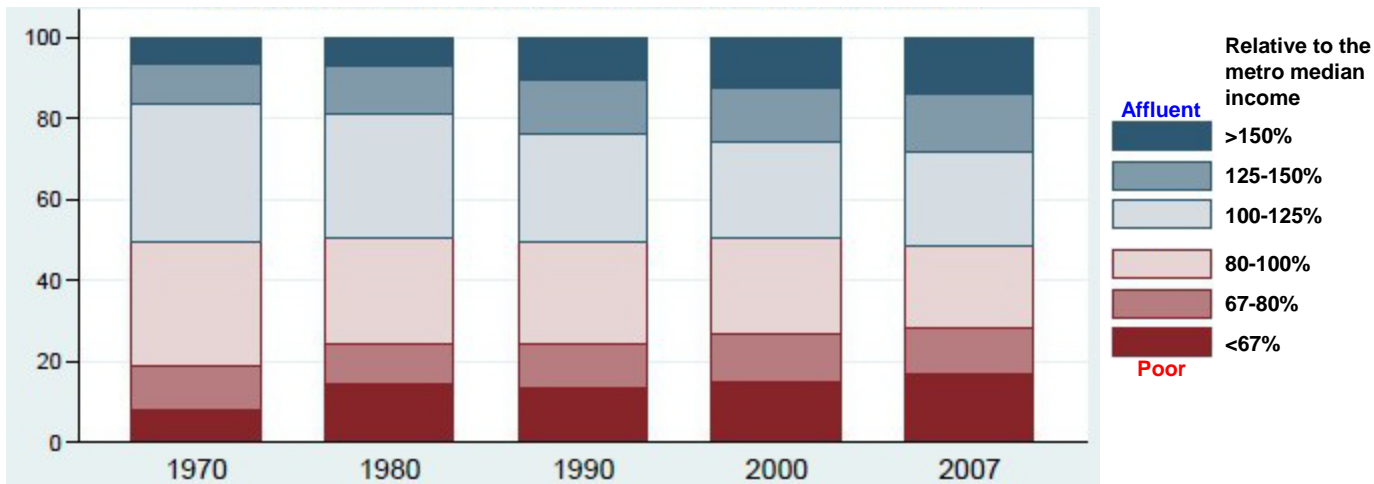
Lost decade for the American middle class

Real median household income, 1980-2010



Shrinking middle class community

Proportion of families living in high-, middle-, and low-income neighborhoods, U.S., 1970-2007



Note: For metropolitan areas with population greater than 500,000.

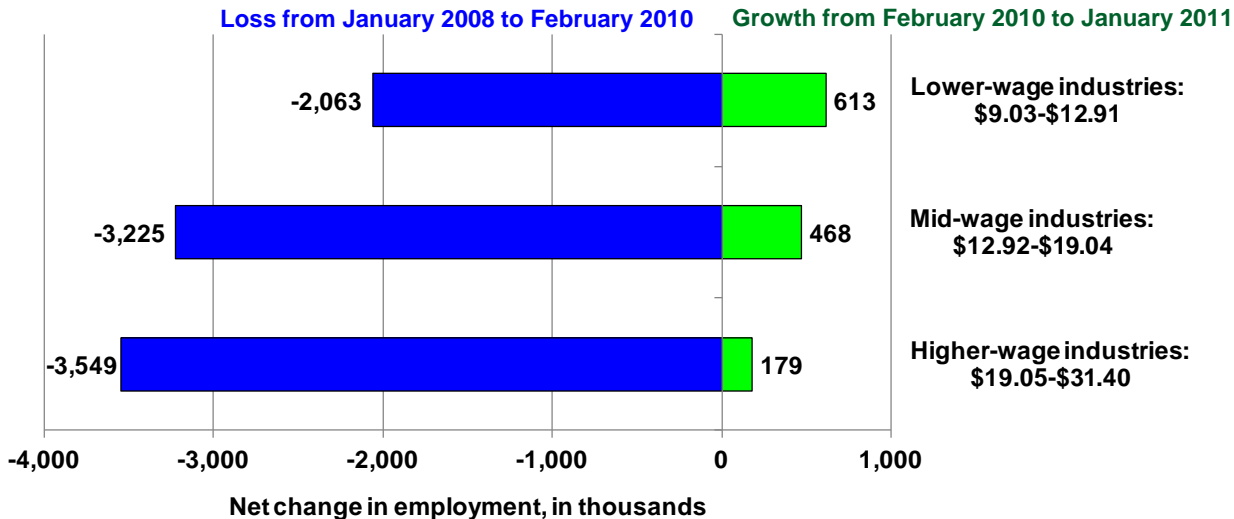
Source: Reardon and Bischoff (2011).

Job loss and job growth in the private sector

2008 recession



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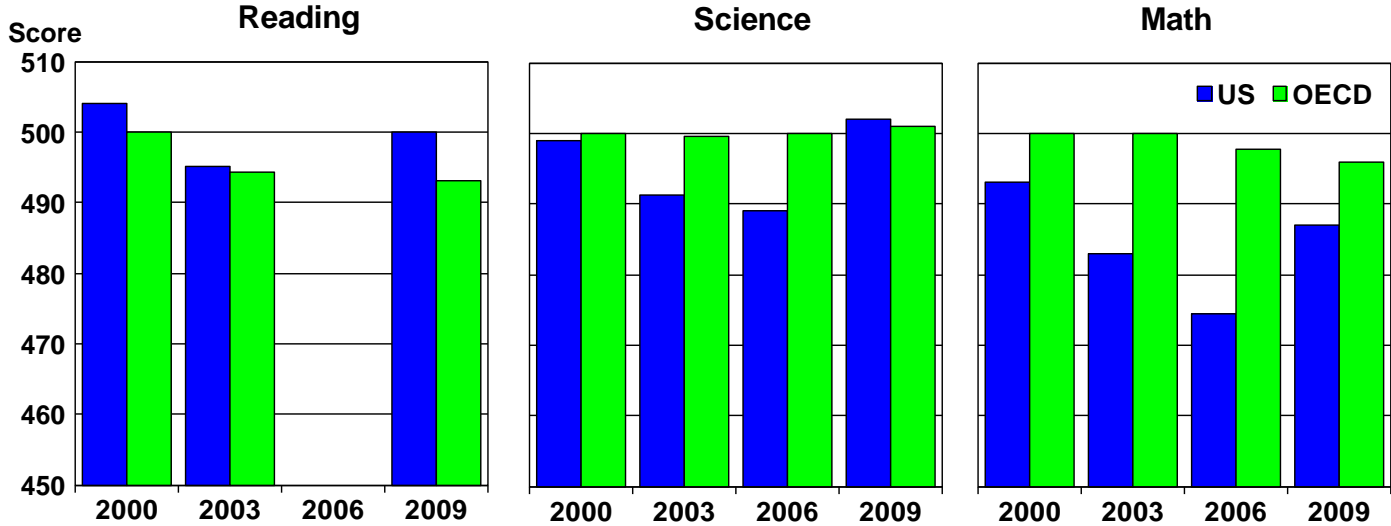
Source: Bureau of Labor Statistics, NELP .

U.S. students lag behind in math

International assessment of 15-year-old students



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Note: U.S. data for reading is not available in 2006.

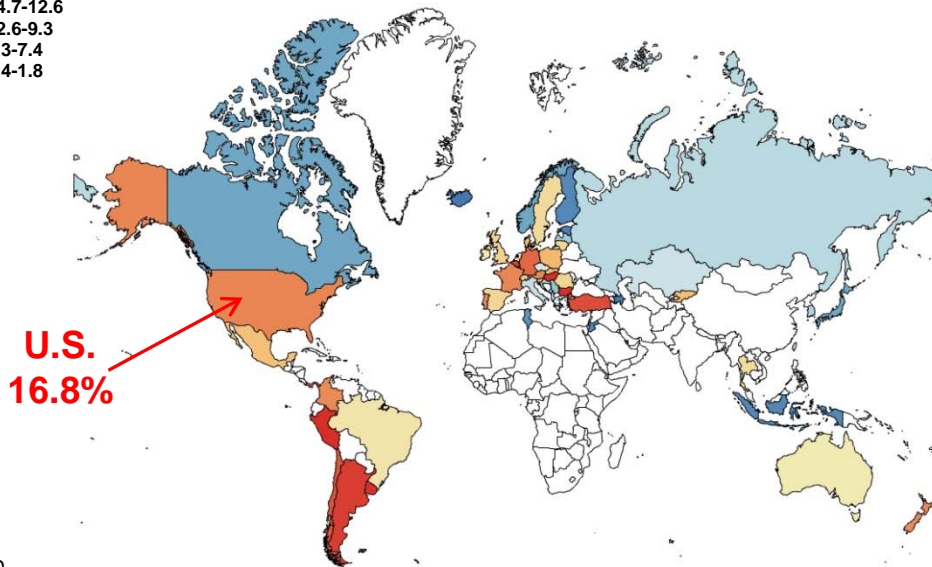
Source: OECD.

Socioeconomic background has a large impact on American students' reading score



Percentage of explained variance by socioeconomic background

- 27.4 - 20.2
- 20.2-14.7
- 14.7-12.6
- 12.6-9.3
- 9.3-7.4
- 7.4-1.8



Under-qualified workforce

Ranked by fastest projected job growth, 2009 (part I)



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Rank	Occupation	Typical education needed for entry	Percent under-qualified
3	Biomedical Engineers	Bachelor's degree	27.9
6	Veterinary Technologists and Technicians	Associate's degree	64.6
8	Physical Therapist Assistants	Associate's degree	30.5
10	Meeting, Convention, and Event Planners	Bachelor's degree	39.7
11	Diagnostic Medical Sonographers	Associate's degree	31.1
12	Occupational Therapy Assistants	Associate's degree	14.1
15	Interpreters and Translators	Bachelor's degree	51.9
17	Market Research Analysts and Marketing Specialists	Bachelor's degree	21.0
18	Marriage and Family Therapists	Master's degree	49.5

Source: Bureau of Labor Statistics.

Under-qualified workforce

Ranked by fastest projected job growth, 2009 (part II)

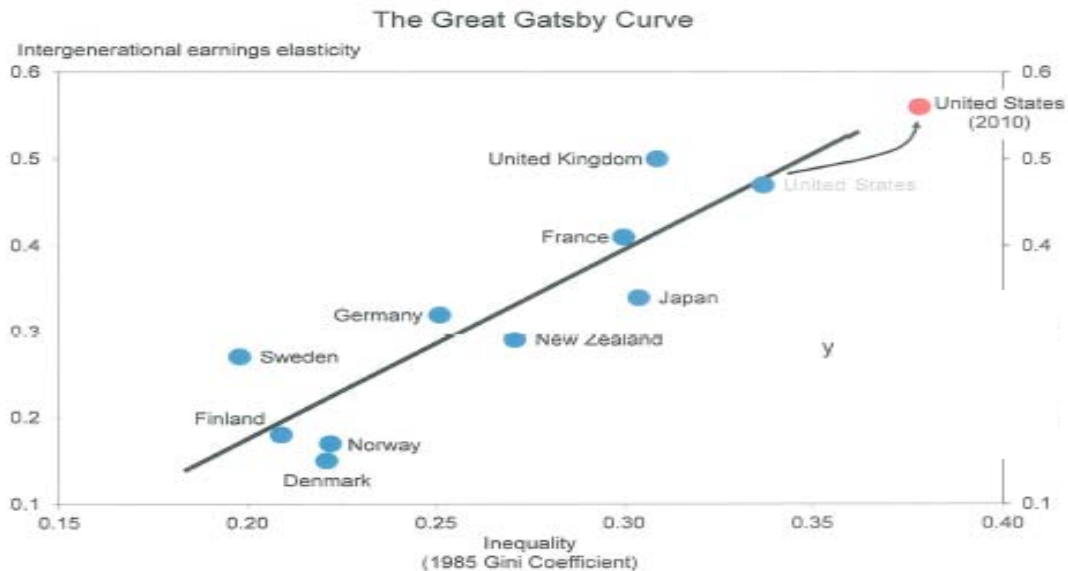


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Rank	Occupation	Typical education needed for entry	Percent under-qualified
20	Physical Therapists	Doctoral or professional degree	85.2
21	Dental Hygienists	Associate's degree	8.5
23	Audiologists	Doctoral or professional degree	65.1
24	Health Educators	Bachelor's degree	47.2
26	Cost Estimators	Bachelor's degree	69.2
27	Medical Scientists, Except Epidemiologists	Doctoral or professional degree	36.1
28	Mental Health Counselors	Master's degree	49.5
30	Veterinarians	Doctoral or professional degree	2.5

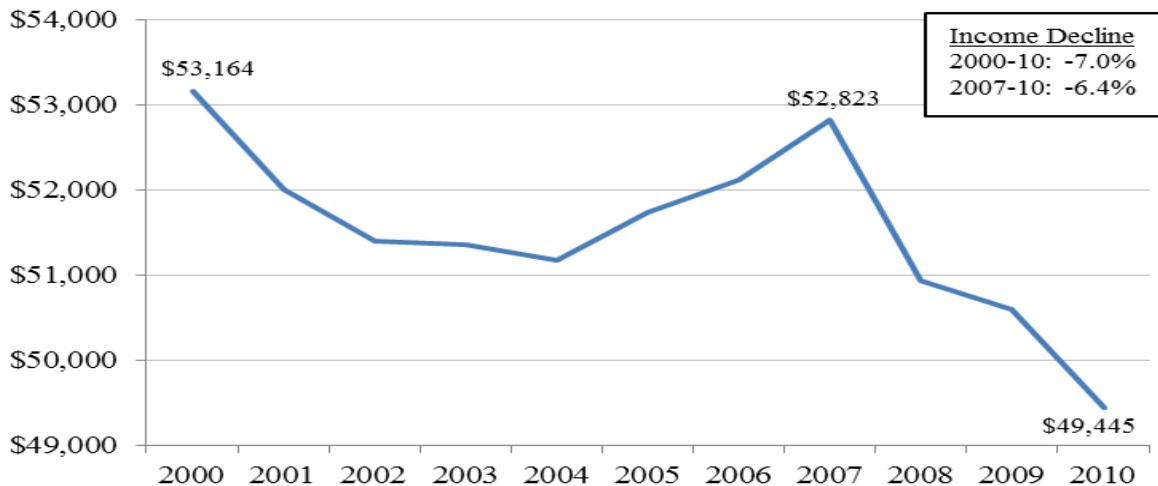
Source: Bureau of Labor Statistics.

Economic Mobility



Source: Corak (2011), OECD, CEA estimates

Real Median Income

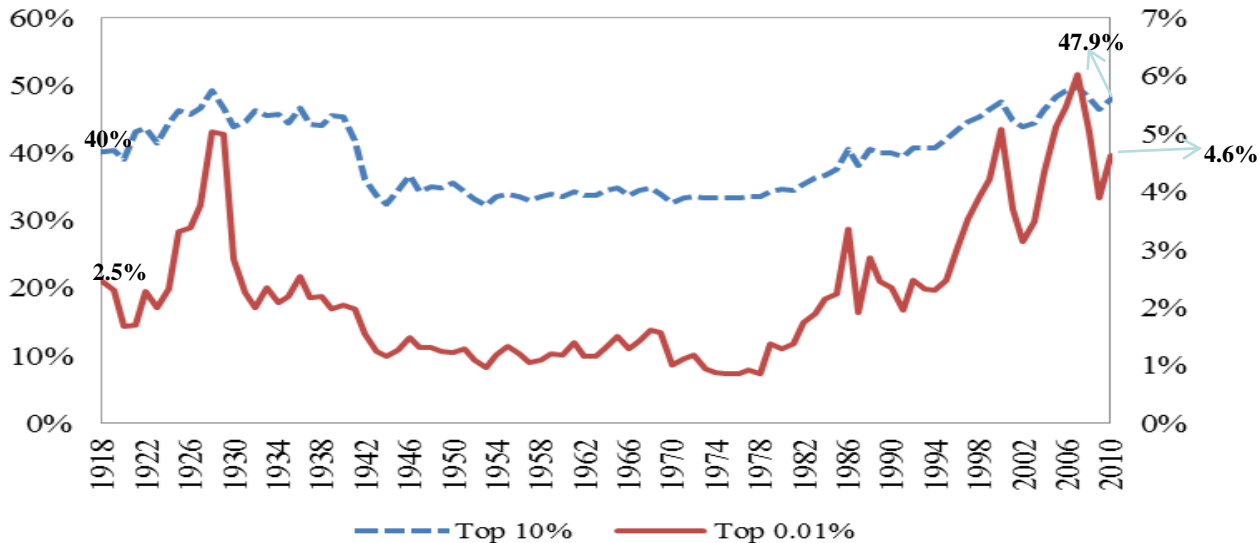


Source: Census Report 2011.

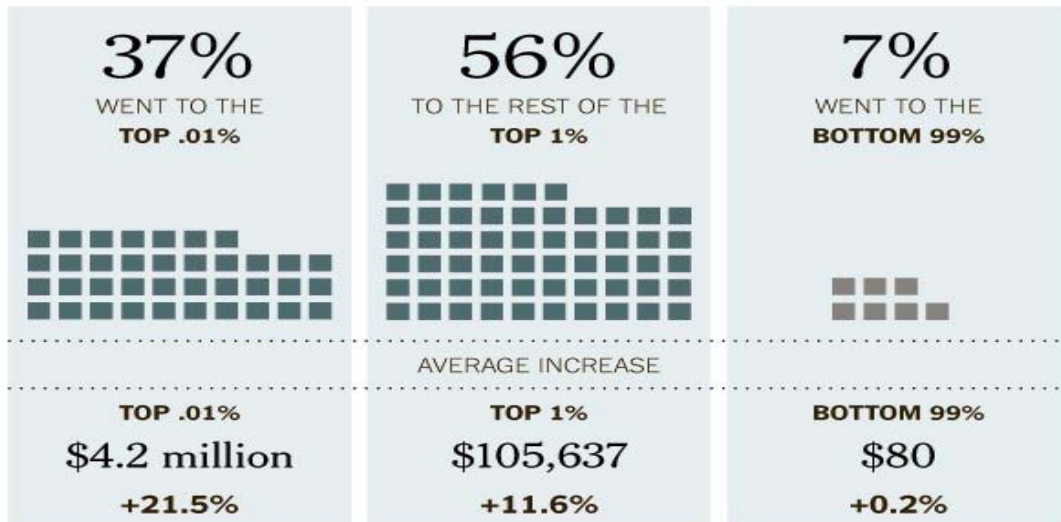
Share of Income Going to the Richest



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Of Total Income Increase in 2010 ...



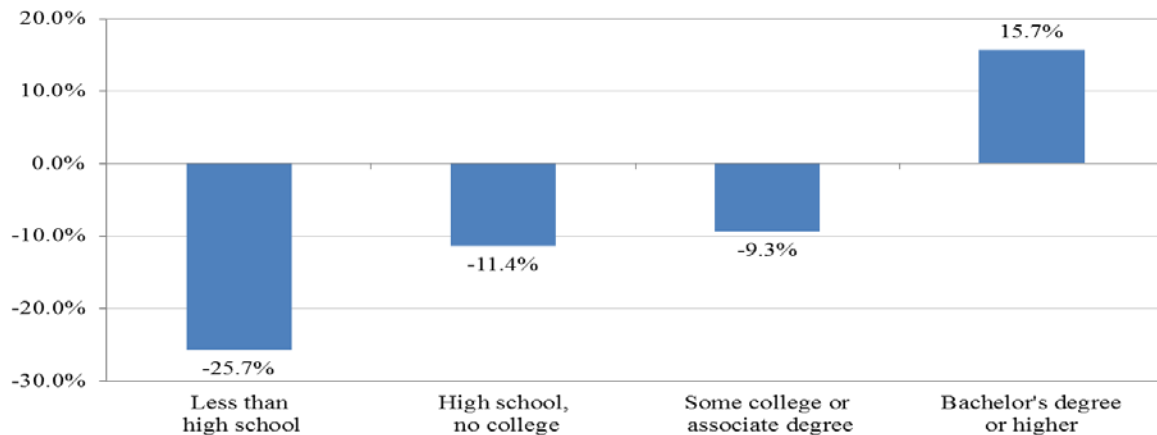
Source: Thomas Piketty and Emmanuel Saez

THE NEW YORK TIMES

Wage Disparity Due to Education



Change in Real Weekly Pay 1979-2011



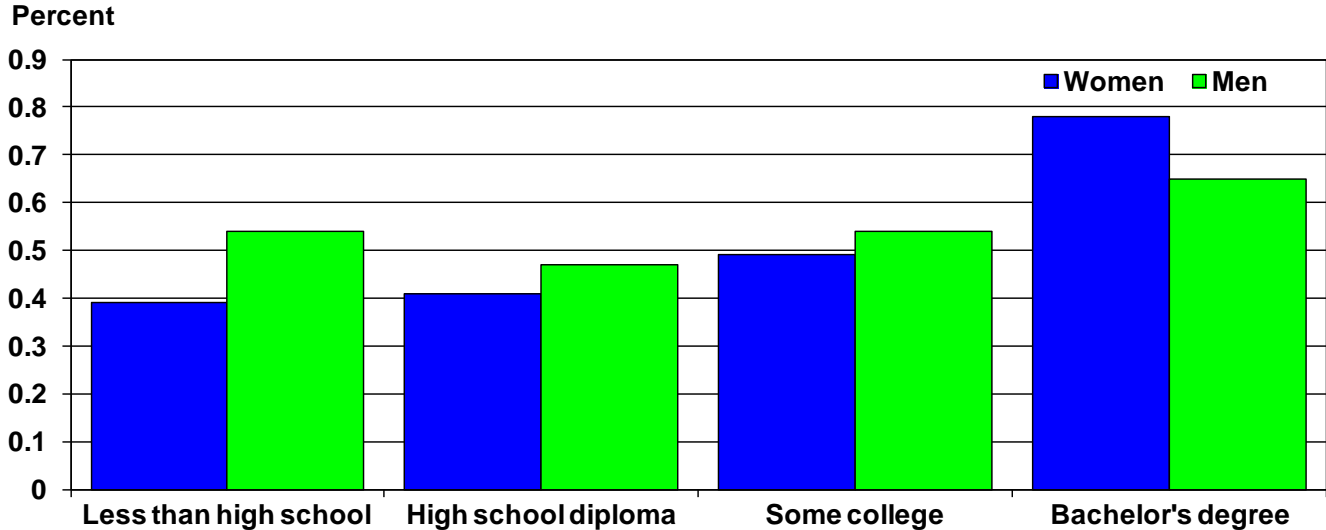
Source: BLS.

The highly educated are less likely to divorce

Probability that a first marriage will remain intact for 20 years without disruption, 22-to-44-year-olds, U.S., 2006-2010



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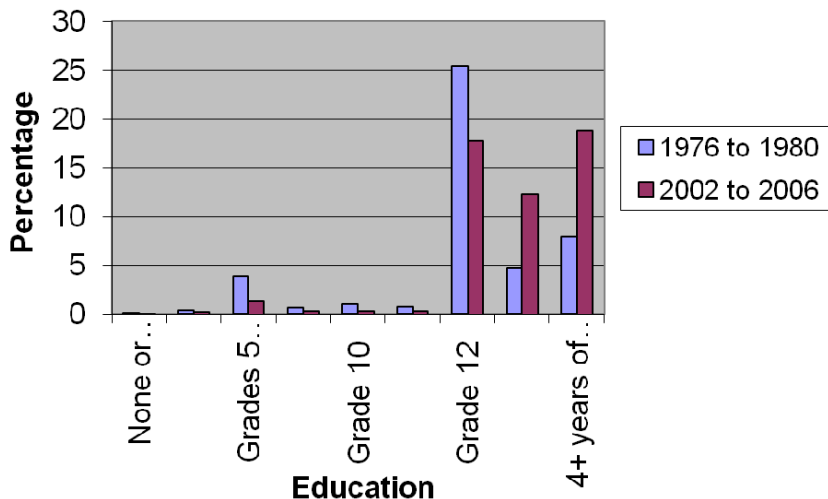
Sources: CDC/NCHS, National Survey of Family Growth, 2006-2010.

Educational homogamy increases over time

U.S., 1976-1980 vs. 2002-2006



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Source: Breen and Salazar (2008).

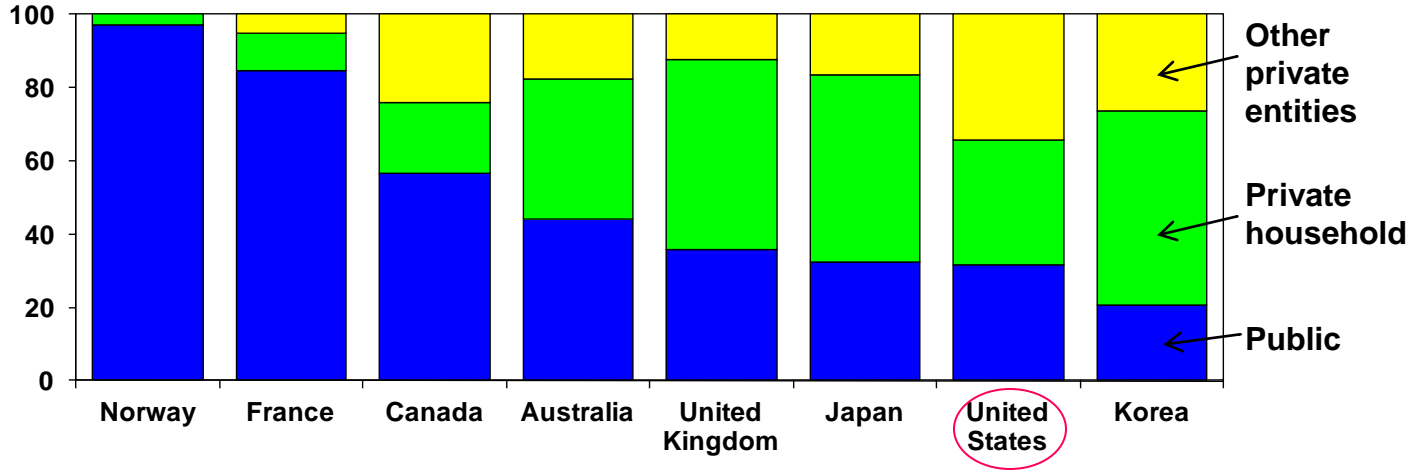
Funding sources for higher education

Selected OECD countries, 2007



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Percent



Source: OECD.

The Anglosphere

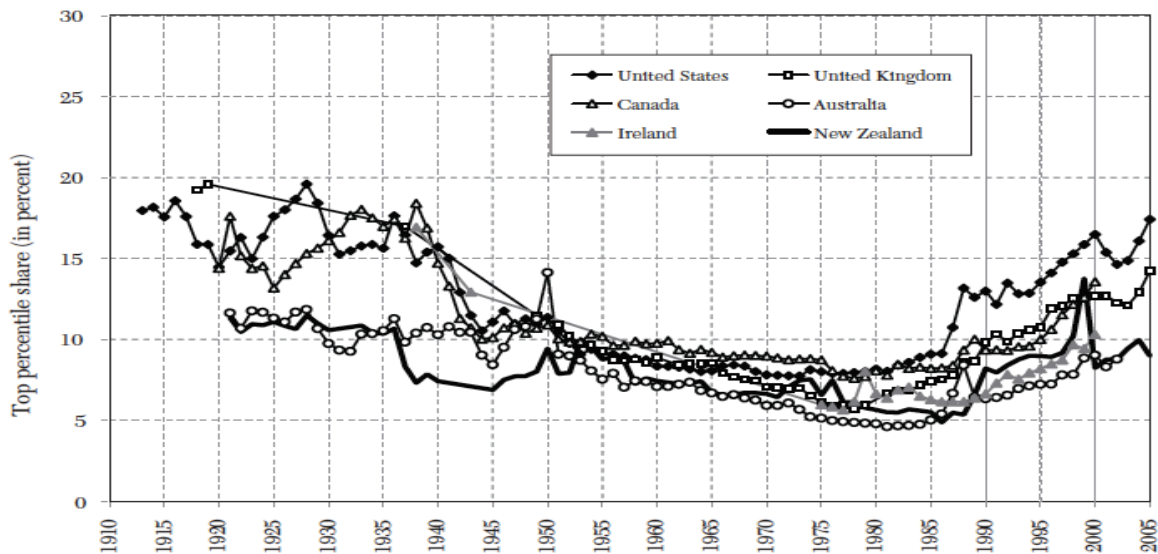


Figure 8. Top 1 Percent Share: English Speaking Countries (U-shaped), 1910–2005

Source: Atkinson and Piketty (2007, 2010).

Continental Europe and Japan

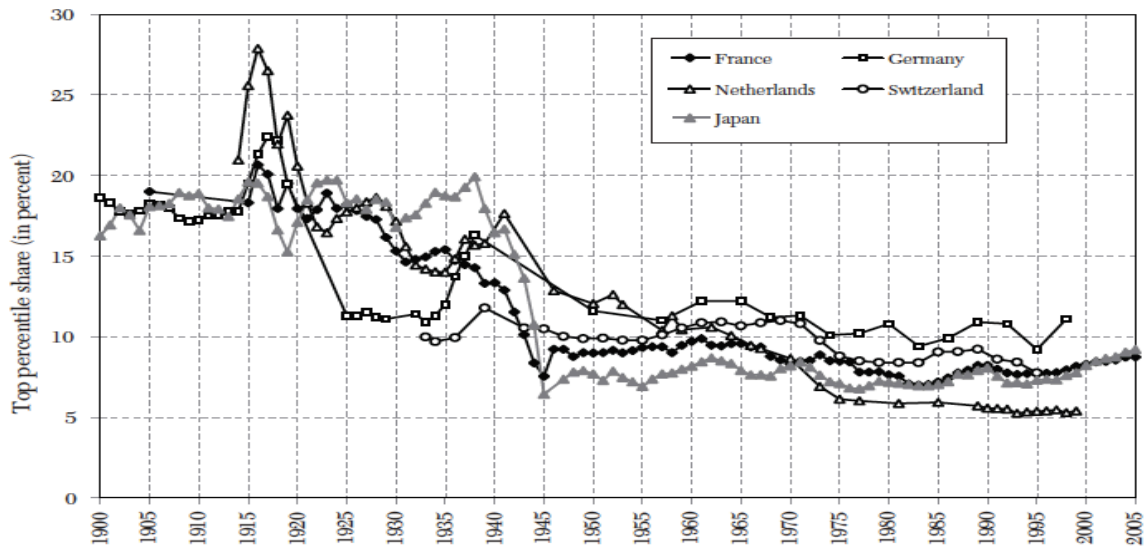


Figure 9. Top 1 Percent Share: Middle Europe and Japan (L-shaped), 1900–2005

Source: Atkinson and Picketty (2007, 2010).

Scandinavia and the Mediterranean

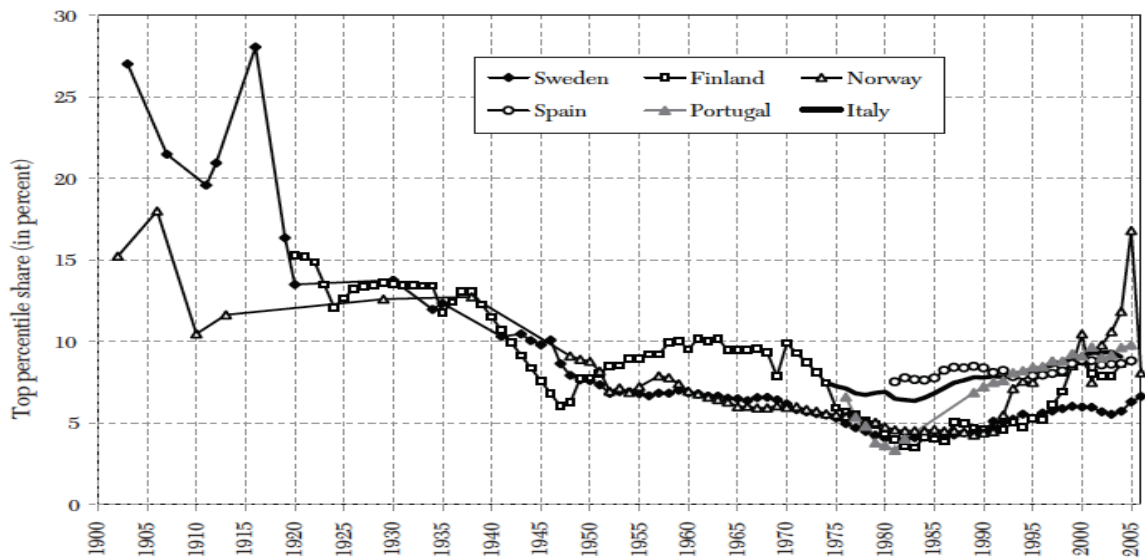


Figure 10. Top 1 Percent Share: Nordic and Southern Europe (U/L-shaped), 1900–2006

Source: Atkinson and Picketty (2007, 2010).

Emerging markets

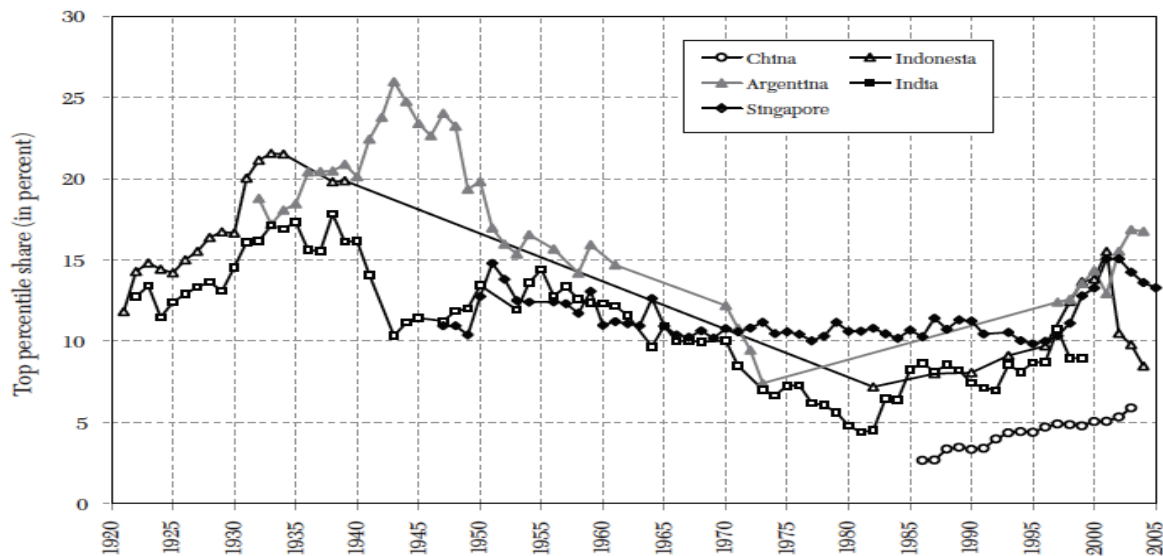


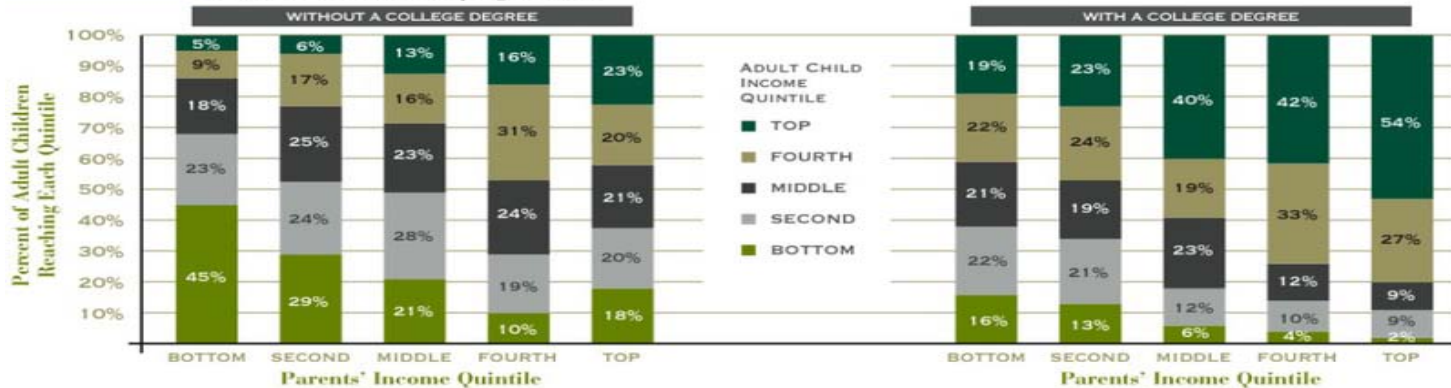
Figure 11. Top 1 Percent Share: Developing Countries, 1920–2005

Source: Atkinson and Picketty (2007, 2010).

The role of higher education

FIGURE 6

Chances of Getting Ahead for Children with and without a College Degree, from Families of Varying Income



- If your parents are in the bottom quintile you have a 5% of getting into the top without a college degree and a 19% chance with one
- If you're in the top quintile you have an 18% chance of getting into the bottom without a college degree and a 2% chance with one