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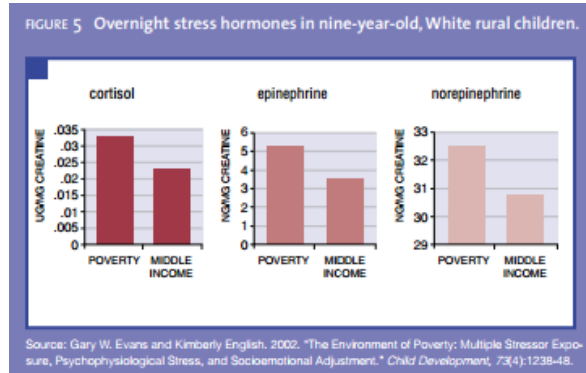
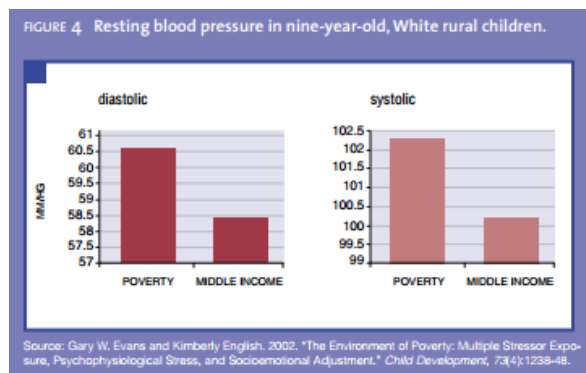
America's Class System Across The Life Cycle

Posted by [Matt Bruenig](#) ([/policy-shop/Matt%20Bruenig](#)) on March 25, 2014

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I am not usually one for a long charticle, but occasionally it's worthwhile to step back and summarize what we know. Here, I tackle America's class system, across the life cycle.

1. Poverty Spikes Stress in Children



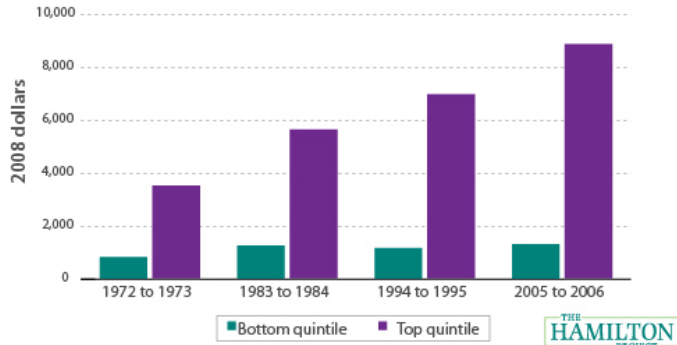
It starts in the womb (<http://www.nber.org/papers/w18422>). It never lets up (http://www.stanford.edu/group/scspi/_media/pdf/pathways/winter_2011/PathwaysWinter11_Evans.pdf).

2. Income Inequality Means Enrichment Inequality

FIGURE 5.

Enrichment Expenditures on Children

High-income families spend about seven times more on their children than low-income families.



Source: Duncan and Murnane (2011).

Note: For a full description of enrichment expenditures, see the technical appendix.



More money, more activities.

3. Rapid Schooling Divergence

Figure 11. Trend in fourth-grade NAEP reading average scores, by eligibility for free or reduced-price school lunch

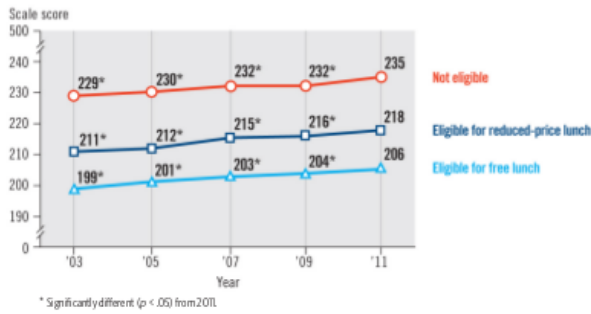
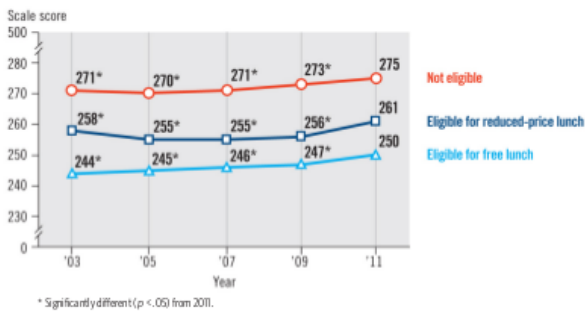


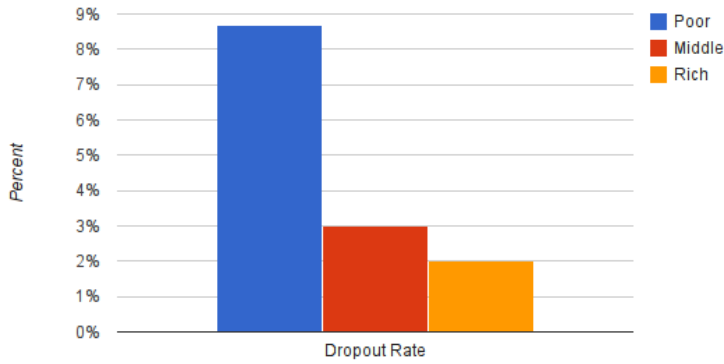
Figure 27. Trend in eighth-grade NAEP reading average scores, by eligibility for free or reduced-price school lunch



Although there is essentially no observed class-based difference (<http://www.aeaweb.org/articles.php?doi=10.1257/aer.103.2.981>) in the cognitive abilities of children in their first year of life, that ends quickly (<http://nces.ed.gov/nationsreportcard/pubs/main2011/2012457.asp>).

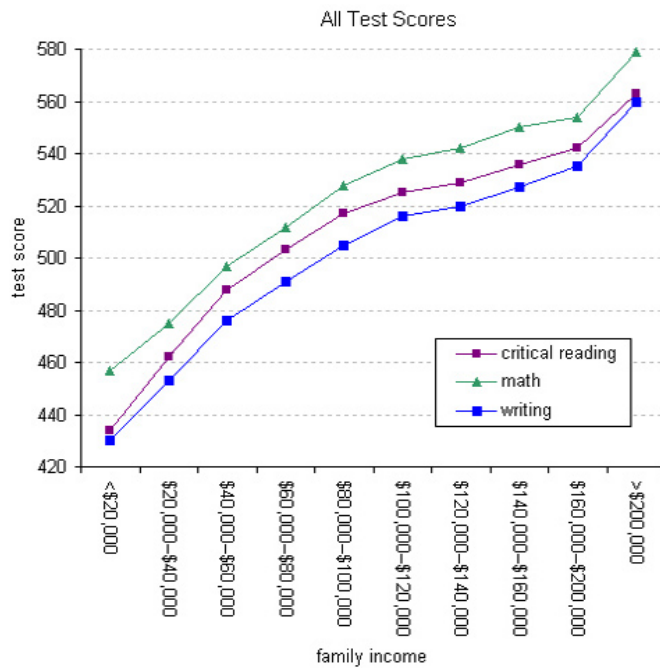
4. Logical Consequence of Divergence: Drop Outs

High School Dropout Rate by Income



Little to no enrichment activities, cognitive abilities stunted by poverty-related stress, and years of falling behind does what you would think it does (http://nces.ed.gov/pubs2011/dropout08/tables/table_01.asp?referrer=report).

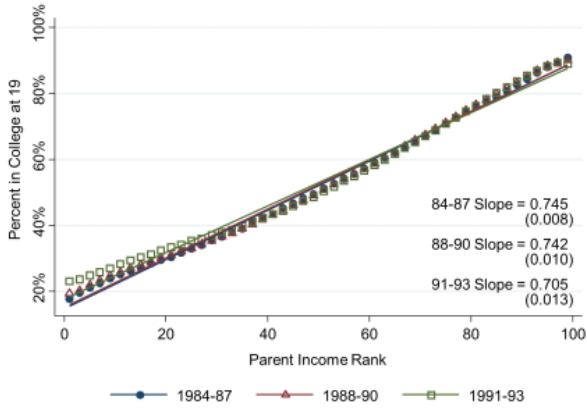
5. Further Behind Than Ever Come College Time



These figures (<http://professionals.collegeboard.com/profdownload/cbs-2009-national-TOTAL-GROUP.pdf>) probably understate the severity of the gap as well because those on the low end who'd score the worst probably never bother to take the SAT anyways.

6. Traditional College Students: Rich Kids

Appendix Figure 4. College Attendance Rates vs. Parent Income Rank by Cohort

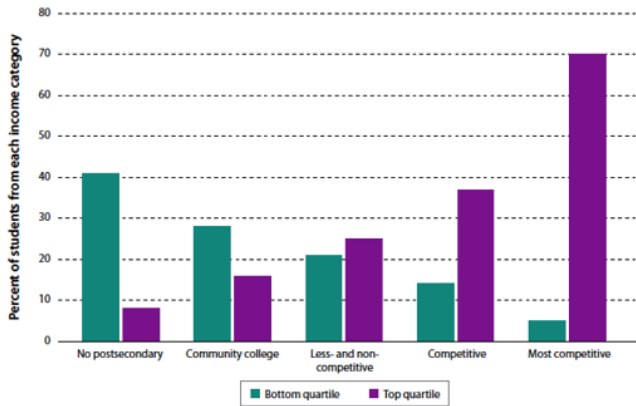


The richer your parents are, the more likely you are to be in college at 19 (http://www.equality-of-opportunity.org/files/mobility_trends.pdf).

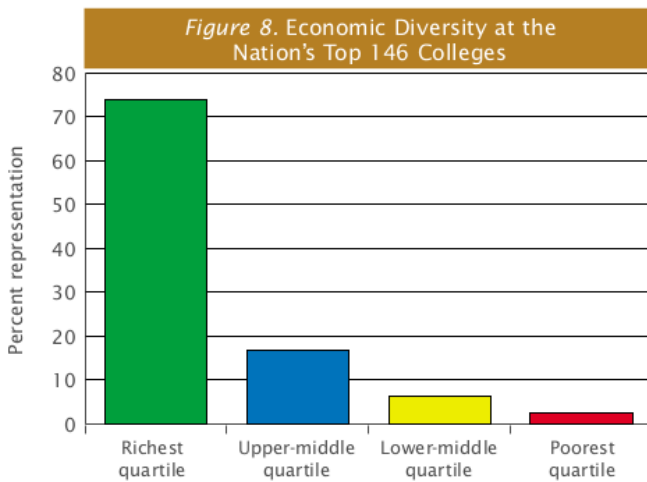
FIGURE 8.

Socioeconomic Distribution at Colleges by Selectivity

A student at one of America's most-selective universities is fourteen times more likely to be from a high-income family than from a low-income family.

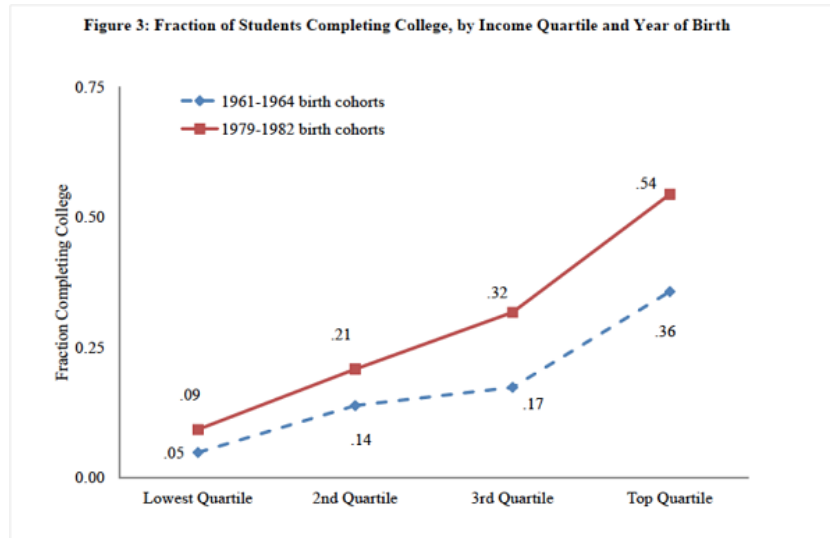


There is severe inequality in who attends college and equally severe inequality in where those who do attend go.



This inequality is most severe at the top, with the top 147 colleges having a rich-to-poor ratio of 25-to-1 (<http://tcf.org/assets/downloads/tcf-leftbehindrc.pdf>).

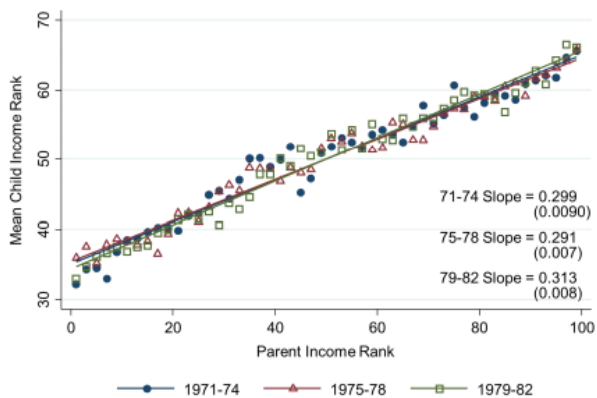
7. Getting In Doesn't Mean Finishing



Fifty-four percent of rich kids get a four-year degree by age 25, six times the percentage of poor kids who do so.

8. Surprise: Poor Kids = Poor Adults

Figure 1. Child Income Rank vs. Parent Income Rank by Birth Cohort



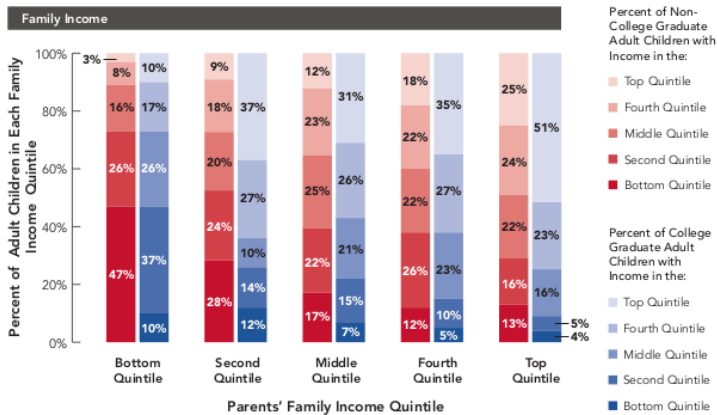
Obviously there are exceptions, but the overall trend is clear (http://www.equality-of-opportunity.org/files/mobility_trends.pdf): the richer your parents are, the richer you are.

9. Even The Strivers Don't Do As Well

Figure 18

College Graduates Are More Upwardly Mobile from the Bottom and Less Likely to Fall from the Top and Middle

Chances of moving up or down the family income ladder, by education and parents' quintile

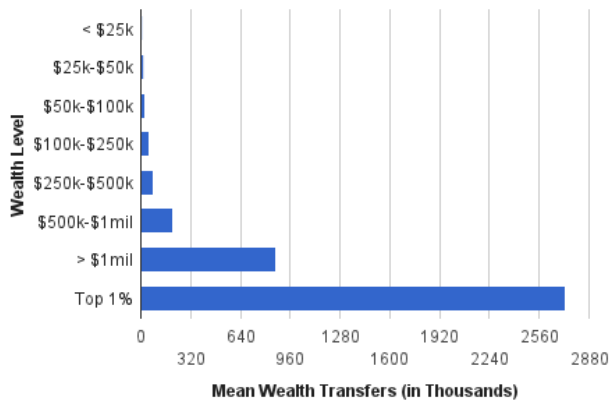


Note: Income is adjusted for family size.

Poor kids who push through all of the stuff above and get through to college are still less likely to wind up on top than rich kids who never even got a college degree (<http://mattbruenig.com/2013/06/13/whats-more-important-a-college-degree-or-being-born-rich/>). Rich kids *without* college are 2.5x more likely to wind up in the richest fifth than poor kids *with* college.

10. Inheritance Flows In

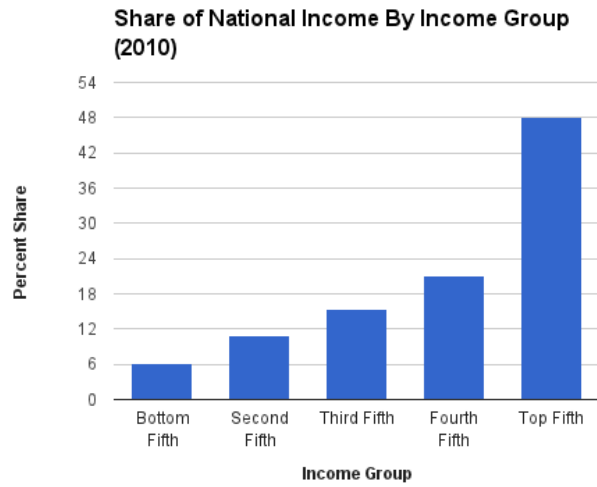
Mean Wealth Transfers by Wealth Level (2007)



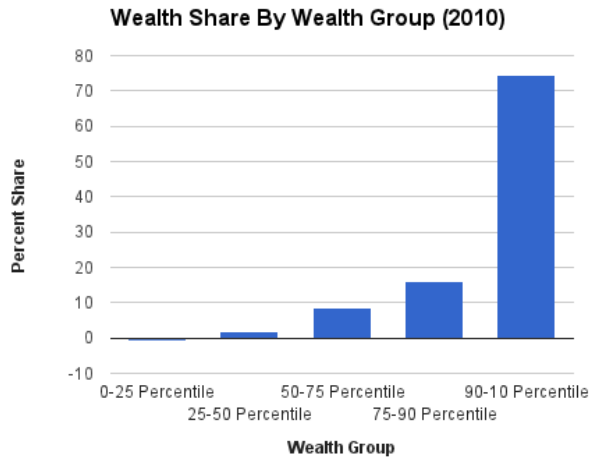
If that wasn't enough, rich adults get some extra help, usually mid-life, in the form of inheritance and other wealth transfers from their rich parents. The wealthiest 1 percent (in the SCF survey, which is less wealthy than the real 1 percent no doubt) have inherited an average of \$2.7 million (http://www.salon.com/2014/03/24/death_of_meritocracy_how_inheritance_is_poisoning_the_american_economy/), 447 times more than the least wealthy group of adults.

11. An Adulthood of Serious Inequality

The fact that class is transmitted down generations might not be so bad if differences between classes were pretty minor. But they aren't. We are a remarkably unequal country compared to those at similar levels of development.

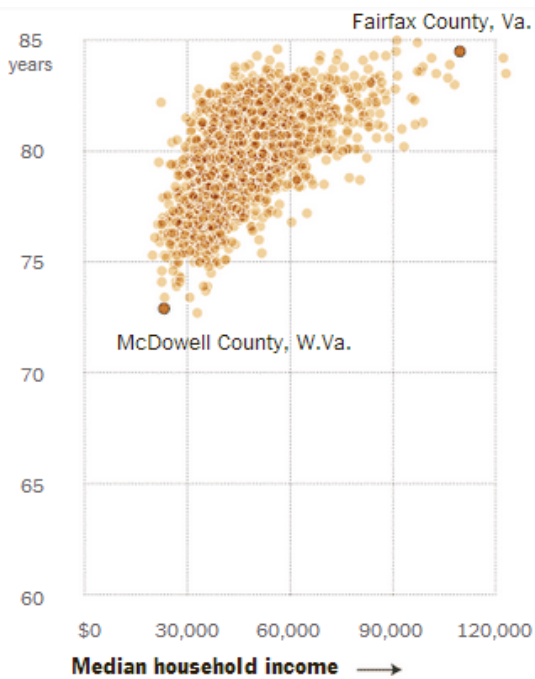
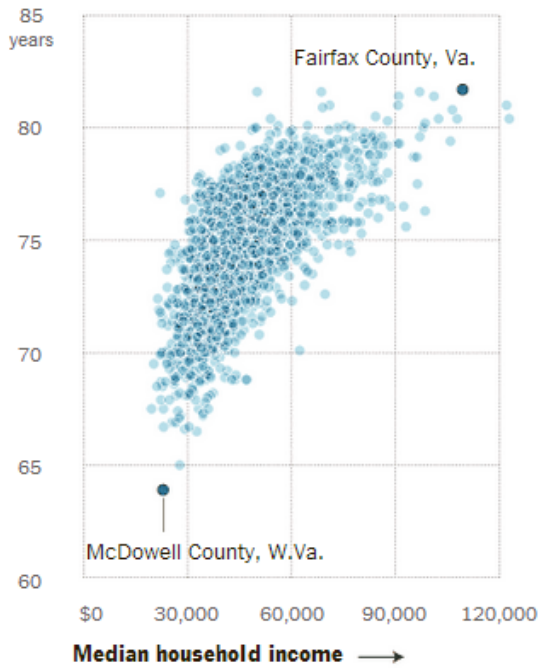


Even after taxes, [the richest fifth captures nearly half the national income \(http://www.cbo.gov/publication/44604\)](http://www.cbo.gov/publication/44604), while the poorest fifth captures barely 6 percent of it.



[The bottom half own basically nothing \(http://www.federalreserve.gov/pubs/bulletin/2012/pdf/scf12.pdf\)](http://www.federalreserve.gov/pubs/bulletin/2012/pdf/scf12.pdf), while the top 10 percent own nearly three-fourths of the things.

12. And Then You Die Early



First graph is men. Second graph is women (<http://www.nytimes.com/interactive/2014/03/15/business/higher-income-longer-lives.html>).

Conclusion

Class haunts people from womb to grave, limiting their ability to flourish and pursue the good life as they define it. Confronted with the reality of our society's entrenched class system, our national politics in its present state offers three responses. The first response is to deny reality altogether, usually in favor of an anecdote or two. The second is to accept that it exists, but pretend there is nothing you can do about it because those on the bottom are inferior (see Murray, Ryan). And the last response is to note it exists and offer lukewarm solutions that nibble around the margins of the problem without ever doing anything that might actually

even things out.

COMMENTS

**Kevin Schmidt** · ★ Top Commenter

Many must die young in poverty so the few can live long in opulent luxury. That is until history repeats itself, again.

[Reply](#) · [Like](#) · [👍 5](#) · March 26 at 12:15pm

**Robert Chapman** · ★ Top Commenter

So, Kevin, in your view this is entirely deterministic, we have no power and there is no remedy?

[Reply](#) · [Like](#) · March 29 at 4:54am

**Peter Likes Snowboarding** · University of Washington

Robert Chapman The only remedy is widespread education.

[Reply](#) · [Like](#) · [👍 3](#) · March 29 at 3:41pm

**Jeff Davis** · ★ Top Commenter · Biochemist at Alacore

Peter Likes Snowboarding ~ not really. The message will only get through to those smart enough to receive it.

[Reply](#) · [Like](#) · 16 hours ago

[View 2 more ▾](#)**Em de Pillis** · Hawaii

Wow. Look at the reading scores by eligibility for free lunch (i.e. family income). How does it make sense to keep blaming teachers for this?

[Reply](#) · [Like](#) · [👍 2](#) · March 28 at 11:53pm

**Andrew Charles Bann** · Dept. Manager at Walmart

The class war is real even if you close your eyes to it. Either fight against it or surrender to those with the power.

[Reply](#) · [Like](#) · [👍 2](#) · March 29 at 5:46am

**Matthew Weir** · Arizona State University

Would you mind providing sources for these?

[Reply](#) · [Like](#) · [👍 2](#) · March 26 at 4:37am

**Alex Hilley** · Auburn

There are hyperlinks at the bottom of every picture

[Reply](#) · [Like](#) · [👍 6](#) · March 26 at 7:09am

**Matthew Weir** · Arizona State University

Ah. Apparently my video settings with this CSS made those really hard to see. Thanks for the tip.

[Reply](#) · [Like](#) · [👍 1](#) · March 26 at 7:13am

**Kevin Schmidt** · ★ Top Commenter

Alex Hilley
Thanks Alex, the hyperlinks are not readily apparent without a mouse over.

Just because a study is put on the internet is no excuse for incorrect style.
The author should take a lesson from Wikipedia. All citations with links appear at the bottom of every page.

[Reply](#) · [Like](#) · [👍 1](#) · March 26 at 12:20pm

**Darlene Crane** · University of Michigan

The trends keep getting more severe. So I try to focus on the talent I see around me and encourage adult business owners and entrepreneurs from low to moderate income to keep reaching. It's not easy but it is better than being complacent and feeling overwhelmed by the numbers.

[Reply](#) · [Like](#) · [👍 1](#) · March 29 at 2:36pm

**Chris Harlos** · ★ Top Commenter · None of your Business

Your conclusion is spot on. No Serious American will speak to class. Inequality is our fault. That's the American religion.

[Reply](#) · [Like](#) · [👍 1](#) · 23 hours ago

**Jeff Davis** · ★ Top Commenter · Biochemist at Alacore

The issue is stupidity. Really. Through the gene pool, illness, trauma, what have you. You can make the most out of all kinds of financial education and it won't

