HOW IS INEQUALITY IN THE UNITED STATES CHANGING?

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Top 1 Percent Income Share in the United States

NARRATIVES: Marketization & Modernization ("M & M")

1. As social science theories, models, paradigms, hypotheses

2. As beliefs, rationalizations, ideologies, performance standards
INEQUALITY AND SOCIAL STRATIFICATION

• Inequality: Social Hierarchies and the Positions and Rewards that Accompany Them (“rewards of game”)

• Stratification (and Social Mobility): Processes of Placing Individuals and Other Units into Hierarchies (“rules of game”)
  o Stratification Reproduces Inequality
  o Stratification partly reflects Modernization and Marketization
  o Gender and Racial Inequalities are Part of Stratification
  o Empirical, Analytical, and Ideological Interdependence of Stratification and Inequality
QUESTIONS ABOUT MODERNIZATION
1. What is it – transition from ascription to achievement or … ?
2. A Hypothesis about Stratification or about Inequality?
3. Kuznets vs. Davis-Moore (functional theory)

QUESTIONS ABOUT MARKETIZATION
1. All markets or just purely competitive ones? What about Oligopology? Monopoly? Winner Take All?
2. A Process or a State?
3. Do rents at the top confirm or disconfirm marketization?
   a. Compare to economic approaches
   b. Maybe exploitation, opportunity hoarding, etc. (Tilly)?
CHANGES IN INEQUALITY/STRATIFICATION AND THE STUDY OF INEQUALITY/STRATIFICATION

1. Inseparability of Stratification and Inequality

2. Breakdown of “Blau-Duncan Paradigm”
   a. Family Complexity (Multigenerational, Non Co-Residential)
   b. No Single Model – Especially at extremes
   c. Demography and Mobility
   d. Two-Sex Model

3. Stratification and “Segregation” How are Families, Neighborhoods Created – Not Just Their Effects
   a. Assortative Mating
   b. Residential and Other Forms of Segregation

4. Less Intergenerational Mobility – More Intrigenerational Mobility?
The Great Gatsby Curve: More Inequality is Associated with Less Mobility across the Generations

Source: Corak, *JEP*, Summer 2013
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Figure 5.1. Path coefficients in basic model of the process of stratification.

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Children in Single Parent Households and Children with All Grandparents Alive (%), United States, 1900-2000

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INTERGENERATIONAL MOBILITY AS A MIXED PROCESS

Strong Education Effects
No Grandparent Effects

Weaker Education Effects
Grandparent Effects
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Taxonomy of One-Sex Multigenerational Effects

- Mobility
  - Standard 2-Generation Mobility Studies
  - Chan-Boliver, Zeng-Xie, Warren-Hauser, etc.
  - Mare-Maralani, Preston, Matras, Lam, etc.

- Net Fertility
  - Father
  - Grandfather+
  - Unspecified Remote

- Generations
  - Father
  - Grandfather
  - Great Grandfather+
  - Unspecified Remote
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Two-Sex Models

Marriage Market

One-sex

Two-sex

One-sex

Two-sex

Mobility

Mare-Song

Song-Mare
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Source: Schwartz and Mare, *Demography*, 2005
Figure 3. Educational Homogamy of OCG Parents and Respondents
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CONCLUSIONS

• M & M are useful but are very incomplete ideas (and always have been). Their use as legitimating ideologies will outlast their use as scientific theories.

• A lot more of American social life is affected by economic inequality, especially social mobility and arrangements such as marriage, neighborhoods, and other clusters.

• The role of education in inequality and stratification has changed: A larger effect, but more stratified by family socioeconomic backgrounds.

• We face a “Stratification Uncertainty Principle:” our units of analysis (families, individuals, etc.) are created by the very processes that we seek to understand.

• We should attend to units other than individuals and households: non co-resident kin, remote ancestors, “dynasties,” etc. when we study the income and wealth hierarchies created in our new gilded age.
Top 1 Percent Income Share in the United States

Source: Alvaredo, Atkinson, Piketty, and Saez, JEP, Summer 2013
MODERNIZATION

- Ascription $\rightarrow$ Achievement
- Particularism $\rightarrow$ Universalism
- Diffuseness $\rightarrow$ Functional specificity
- Expressive $\rightarrow$ Instrumental
- Affective $\rightarrow$ Affect neutrality

Also Urbanization, Industrialization, Enlightenment, Individualism, etc.

STANDARD CRITICISMS

1. Unilinear, Culture Bound
2. Unidirectional
3. Obscures Politics, Conflict, Contingency
ETHNICITY

Broad Ethnic Disparities Decline, Ceteris Paribus
  • Consistent with “Modernization” of Stratification

But Disparities and Distinctions Persist or are Created Anew
  • Immigration, Other Categorizations of Difference
  • Ethnic Groups are Internally Heterogeneous
  • Ethnic Definitions and Stratification are Inherently Relational
  • “New” Ethnic Distinctions are Reproduced at Multiple Levels
    o E.g., Cupertino High Schools, college admissions
  • No New “Narrative” needed. But Neither Marketization Nor Modernization Predict New Distinctions and Disparities
GENDER

• Gender Economic Disparities Gradually Shrink, but Not at Uniform Pace
  • Consistent with “Modernization” and “Marketization” of Stratification

• Stalls and Slowdowns Consistent with Limits of Prevailing Organization of Household, Family, and Work.

• Socialization

• Legitimated by “Marketization” Ideologies
The Higher the Return to College, the Lower the Degree of Intergenerational Mobility: United States, 1940 to 2000

Source: Adapted by the author from Mazumder (2012, Figure 1).

Source: Corak, *JEP*, Summer 2013