The Overall Trend

- Economic inequality in America has been growing since the late 1970s.

**Share of Total Income Received**

By Top 5% and Bottom 40%

- The top one percent of Americans now make more money than the bottom 40 percent. That’s roughly three million people out-earning 110 million.

**Percent of After-Tax Income Going To Top 1% of Earners - 1928-2002**

- Twenty percent of the population owns 84% of our private assets, leaving the other 80 percent of the population with 15.6 percent of the assets.
• In 1960, the wealth gap between the top 20 percent and the bottom 20 percent of Americans was thirtyfold. Four decades later it’s more than seventy-five-fold.

• Either way -- wealth or income -- America is more unequal, economists generally agree, than at any time since the start of the Great Depression...

• And more unequal than any other developed nation today.

Declining Opportunity

Great Leaps Upward: Percent Chance of Moving
From Bottom to Top Income Quarter, 1960s and 1990s

• Opportunity, or mobility – the likelihood of moving up the ladder – is a tricky thing to measure. But most experts agree that there is less of it than there was two or three decades ago.

• And less of it in America than in a good many of what our parents and grandparents might have called the “class-ridden” societies of Europe.

Annual Percent of Poor People Escaping Poverty (2001 data)

<table>
<thead>
<tr>
<th>Country</th>
<th>Yearly rate of exit (percentage)</th>
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</thead>
<tbody>
<tr>
<td>Denmark</td>
<td>60.4</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>58.8</td>
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<td>Netherlands</td>
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<td>37.0</td>
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<tr>
<td>United States</td>
<td>29.5</td>
</tr>
</tbody>
</table>

Source: Organization for Economic Cooperation and Development
Employment Outlook Report, OECD.

• A child with parents in the bottom-earning fifth of Americans now has roughly a 7 percent chance of reaching the top fifth as an adult; by contrast, a child with parents in the top fifth has a 42 percent chance of winding up there.

Stalled Progress for Women and Minorities
• Getting ahead has become a tougher proposition for disadvantaged groups as well as individuals.

• Women, though they have come a long way, are still on the wrong end of a 25% wage gap.

• The gulf between white and African-American incomes has hardly narrowed at all. In 1968 – the year of Martin Luther King’s assassination -- blacks earned, on average, 55¢ for every $1 of white income. By 2001, they were getting 57¢—a gain of 2¢. At that pace, parity could be achieved in another 581 years.

• Wealth differences along racial and ethnic lines are even more striking. A 6-to-1 gap between whites and African-Americans. 11-to-1 between whites and Latinos.

Inequality of Health

• Our extreme and growing economic inequality has had profound effects on health, education, and the political process – areas where most Americans would like to think that money does not rule:

The Uninsured by Race/Ethnicity - 2001
• The lower you fall on the income ladder, the more likely you are to be without health insurance or even a regular source of health care.

Inequality of Education

• Three quarters of the students at the most elite private colleges come from upper middle-class or wealthy families. Only five percent come from families with household incomes under $35,000.

• Half a century after Brown v. Board of Education, poor children of color — and regardless of color — are routinely, and increasingly, assigned to schools filled with other poor children—a practice with a long, proven record of failure.

• The college enrollment gap between low- and high-income Americans is widening, even as the economic value of a college degree continues to increase.

Inequality of Political Representation

• Voting in America is closely linked to economic status.

Voter Turnout By Income - 2000
• The most important presidential primary is no longer New Hampshire or Iowa but the so-called wealth primary – the competition to see who can raise the most money from corporations and millionaires in the year before an election. With the exception of Howard Dean, wealth-primary winners have gone on to claim both major party nominations every time out since 1976.

• Once in office, elected leaders at the federal, state and local levels build huge campaign war chests and manipulate election rules to keep potential opponents at bay.

• 401 members of the House of Representatives sought reelection in 2004. Only five lost, two of them as a result of a notorious redistricting plan in Texas.

• That works out to a reelection rate of close to 99 percent.