

LEC 09 - Socioeconomic Status and Inequality

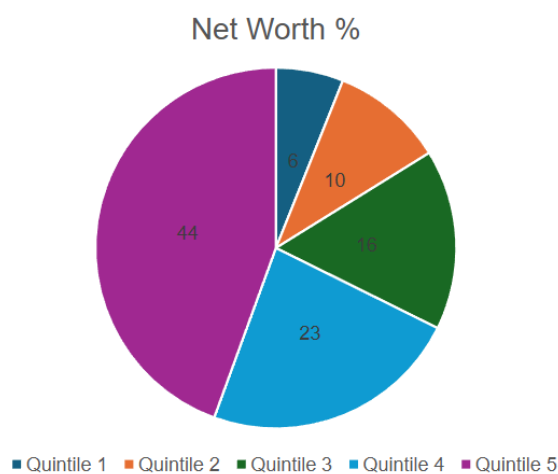
Social Inequality

The differential and unequal distribution of goods, services, resources, and power creating a hierarchical social system.

Wealth Inequality

The unequal or disproportionate accumulation and distribution of wealth between individuals

- The top 20% own about 40% of the wealth



- Inequality does not mean bad on its own
 - It could be, but we need to investigate to find nefarious causes
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Things that explain wealth inequality

- Upbringing → expectations
 - Connections
 - Difference in number of opportunities
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Why do we see social inequality

- Davis-moore thesis
 - The greater the importance of a position within society, the higher its associated reward
 - More training → more exclusive → greater sacrifice → greater pay

Conflict

- Inequality is a product of the social and economic structure
 - Reinforced through hegemonic control
 - Reproduction of inequality
 - People stay poor
 - Rich get richer
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Capital

- Human capital
 - Investment in education and training
 - Leads to more success in the market
 - Cultural capital
 - Cultural resources that parents pass down to their children, like language, knowledge, traits, preferences, or behaviours
 - Status cues for social class
 - Social capital
 - Networks or connections that individuals possess
 - Better job opportunities, higher incomes, escape poverty, increase wealth, more access to credit
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Poverty

- Market basket measure
 - A family lives in poverty if it does not have enough income to purchase a specific basket of goods and services in its community
 - 2022 → Toronto (49,727) → Small town ontario (42,531)
- Factors
 - Structural
 - Economic cycles
 - Region and opportunities
 - Community supports
 - Wealth distribution and SES
 - Individual
 - Talent, genetics
 - Social psychological factors (motivation, ambition)
 - Discrimination
- Myths
 - People are poor because they don't want to work
 - Many are employed, some have disabilities, lack of affordable childcare, low minimum wage

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- Most poor people are immigrants
 - Only applies to recent immigrants, who comprise a small proportion, long term lower poverty rate
 - Most poor people are trapped in poverty
 - Poverty is fluid, most escape in less than a year, most make efforts to move out of poverty
 - Poverty is inevitable
 - Wage standards, childcare, benefits, social policy
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Is society fair?

- Social mobility
 - Ability to climb ladder of society
 - Upward or downward of individuals or groups among class positions
 - Changes in occupation, wealth, income
 - Intergenerational
 - Occurs between generations
 - Intragenerational
 - Occurs within a generation
- Intergenerational income elasticity
 - A measure of social mobility comparing the incomes of parents with those of their children when the children become adults
 - Measures the extent to which a parents income predicts their child's income
 - Canada IGE is 0.32, meaning 32% of a child's income is dependant of their parents income
 - High mobility
 - Nearly 70% of your income depends on things like education, not the social class you were born into

More social inequality means higher IGE and less social mobility