

**ACTIVITY 14.1****Household Income Cards**

\$5,000	\$8,000
\$13,000	\$21,000
\$22,000	\$27,000
\$33,000	\$39,000
\$40,000	\$49,000
\$50,000	\$62,000
\$63,000	\$76,000
\$90,000	\$100,000
\$101,000	\$142,000
\$165,000	\$311,000

ACTIVITY 14.2

Income Distribution Calculations

Fictitious Country		
Aggregate (total) household income =		
Ranking of Household Groups	Aggregate Income by Group	Percent Distribution of Aggregate Income
Lowest		
Second		
Third		
Fourth		
Highest		

Mean income for country: \_\_\_\_\_

Median income for country: \_\_\_\_\_

## ACTIVITY 14.3

### Dividing Households into Quintiles

**Table A: Mean Household Income (in dollars) Received by Quintiles**

Year	Lowest Quintile	Second Quintile	Third Quintile	Fourth Quintile	Highest Quintile
1970	10,512	28,475	45,852	64,633	114,421
1980	11,435	28,459	46,961	69,186	123,358
1990	12,204	30,706	50,718	76,968	148,397
2000	13,543	33,815	56,311	87,537	189,692
2010	11,578	30,047	51,777	83,065	178,384

Source: U.S. Census Bureau, Statistical Abstract of the United States: 2012 (131st edition) Washington, DC, 2011; <http://www.census.gov/compendia/statab/>

**Table B: Percent Distribution of Aggregate Income Received by Quintiles**

Year	Lowest Quintile	Second Quintile	Third Quintile	Fourth Quintile	Highest Quintile
1970	4.1	10.8	17.4	24.5	43.3
1980	4.2	10.2	16.8	24.7	44.1
1990	3.8	9.6	15.9	24.0	46.6
2000	3.6	8.9	14.8	23.0	49.8
2010	3.3	8.6	14.6	23.4	50.3

## ACTIVITY 14.4

### Income Distribution Among Population Subgroups, 2012

**Table A: Percent Distribution of Households by Selected Characteristics Within Quintiles**

	Lowest Quintile	Second Quintile	Third Quintile	Fourth Quintile	Highest Quintile
<b>Family households</b>					
Married-couple families	7.0	14.8	19.9	26.3	32.1
Male householder, no wife present	16.9	23.3	25.8	19.6	14.4
Female householder, no husband present	30.2	26.6	20.9	14.5	7.8
<b>Age of householder</b>					
15–24 years	34.9	25.9	19.4	13.1	6.6
25–34 years	17.8	20.5	22.9	22.8	16.1
35–44 years	13.7	16.9	20.1	23.8	25.5
45–54 years	14.9	14.6	19.3	22.1	29.1
55–64 years	18.1	16.7	19.7	21.7	23.8
Over 65 years	28.9	28.0	18.9	13.4	10.7
<b>Number of earners</b>					
No earners	52.2	27.2	12.3	5.6	2.6
One earner	18.2	26.8	25.4	18.0	11.7
Two or more earners	2.5	9.2	19.4	30.5	38.3
<b>Work status</b>					
Worked at full-time jobs	6.7	15.9	22.5	26.3	28.7
Worked at part-time jobs	25.3	22.7	18.5	17.2	16.3
Did not work	39.6	25.6	16.5	10.9	7.4
<b>Mean income</b>	\$11,239	\$29,204	\$49,842	\$80,000	\$178,020

**ACTIVITY 14.4 (Continued)****Table B: Percent Distribution of Money Income in Families by Education Attainment of Householder**

	<b>Under \$15,000</b>	<b>\$15,000– \$24,999</b>	<b>\$25,000– \$34,999</b>	<b>\$35,000– \$49,999</b>	<b>\$50,000– \$74,999</b>	<b>\$75,000– \$99,999</b>	<b>\$100,000 and Over</b>
Less than 9th grade	21.28	23.68	17.06	15.11	13.66	5.03	4.21
9th–12th grade	20.28	19.19	16.96	16.91	14.95	7.11	4.63
High school graduate	9.04	11.48	13.00	17.67	22.08	12.67	14.07
Associate degree	5.69	6.57	8.38	14.03	22.89	17.35	24.82
Bachelor degree or higher	2.42	2.70	4.50	7.95	6.46	16.11	49.86

Sources: U.S. Census Bureau, Current Population Survey 2012, <http://www.census.gov/cps/>, and Tax Policy Center, <http://www.taxpolicycenter.org>

## ACTIVITY 14.5

### Income and Achievement

Here's a fact that may not surprise you: The children of the rich perform better in school, on average, than children from middle-class or poor families. Students growing up in richer families have better grades and higher standardized test scores, on average, than poorer students; they also have higher rates of participation in extracurricular activities and school leadership positions, higher graduation rates, and higher rates of college enrollment and completion.

It may seem counterintuitive, but schools don't seem to produce much of the disparity in test scores between high- and low-income students. We know this because children from rich and poor families score very differently on school readiness tests when they enter kindergarten, and this gap grows by less than 10 percent between kindergarten and high school. There is some evidence that achievement gaps between high- and low-income students actually narrow during the nine-month school year, but they widen again in the summer months.

This isn't to say that there aren't important differences in quality between schools serving low- and high-income students—there certainly are—but they appear to do less to reinforce the trends than conventional wisdom would have us believe.

If not the usual suspects, what's going on? It boils down to this: The academic gap is widening because rich students are increasingly entering kindergarten much better prepared to succeed in school than middle-class students. This difference in preparation persists through elementary and high school.

My research suggests that one part of the explanation for this is rising income inequality. As you may have heard, the incomes of the rich have grown faster over the last 30 years than the incomes of the middle class and the poor. Money helps families provide cognitively stimulating experiences for their young children because it provides more stable home environments, more time for parents to read to their children, access to higher-quality child care and preschool. . . .

But rising income inequality explains, at best, half of the increase in the rich/poor academic achievement gap. It's not just that the rich have more money than they used to, it's that they are using it differently. This is where things get really interesting.

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High-income families are increasingly focusing their resources—their money, time, and knowledge of what it takes to be successful in school—on their children’s cognitive development and education success. They are doing this because education success is much more important than it used to be even for the rich.

With a college degree insufficient to ensure a high-income job, or even a job as a barista, parents are now investing more time and money in their children’s cognitive development from the earliest ages. But even though middle-class and poor families are also increasing the time and money they invest in their children, they are not doing so as quickly or as deeply as the rich.

So how can we move toward a society in which educational success is not so strongly linked to family background? Maybe we should take a lesson from the rich and invest much more heavily as a society in our children’s education opportunities from the day they are born. . . . This means investing in developing high-quality child care and preschool that is available to poor and middle-class children. It also means recruiting and training a cadre of skilled preschool teachers and child care providers.

. . . There is a lot of discussion these days about investing in teachers and “improving teacher quality,” but improving the quality of our parenting and of our children’s earliest environments may be even more important. Let’s invest in parents so they can better invest in their children.

After reading this article, answer the following questions:

1. Using information from the article, provide evidence that the income gap is contributing to the achievement gap.
2. What does the author suggest as possible solutions to narrowing the achievement gap so that educational success is not so strongly linked to family background?

**ACTIVITY 14.6****Assessment**

1. Use the table below [oops] to answer Questions 1 and 2.

Median and Mean Income		
Year	Median Income	Mean Income
1980	\$46,985	\$55,881
1990	\$50,994	\$63,698
2000	\$55,987	\$76,180
2010	\$51,892	\$70,970

Source: U.S. Census Bureau, Current Population Survey, Annual Social and Economic Supplements. For information on confidentiality protection, sampling error, non-sampling error, and definitions, see [www.census.gov/prod/techdoc/cps/cpsmar13.pdf](http://www.census.gov/prod/techdoc/cps/cpsmar13.pdf).

- a. Describe what has happened to the mean and median income levels since 1980.
- b. Which has changed more, mean income or median income? Why?



**ACTIVITY 14.6 (Continued)**

2. You serve as an aide for Congressman Smith who serves on a committee discussing the increasing income gap and what government might do to alleviate this gap. Congressman Jones contends the income gap is overstated and uses the following data to support his claim. He notes that the mean income level in all quintiles has increased from 1970 to 2000 and that even the mean income in 2010 is higher than the mean income in 1970 for all quintiles.

<b>Mean Household Income Received by Quintiles</b>					
<b>Year</b>	<b>Lowest Quintile</b>	<b>Second Quintile</b>	<b>Third Quintile</b>	<b>Fourth Quintile</b>	<b>Highest Quintile</b>
1970	\$10,512	\$28,475	\$45,852	\$64,633	\$114,421
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Source: U.S. Census Bureau, Statistical Abstract of the United States: 2012 (131st edition) Washington, DC, 2011; <http://www.census.gov/compendia/statab/>

Prepare a counterargument for Congressman Smith, pointing out the problem with Congressman Jones' data, summarizing data that supports your argument that the income gap is increasing and proposing a way to close the gap.