I. Stratification

A. Definition

1. systematic hierarchical ranking of people

a. structural inequality

b. stratification pyramid

2. determines

a. resources and privileges

b. power arrangements

c. life chances

B. Three types

1. caste

a. system

i. stratified by caste

ii. based on heredity

iii. justified by tradition

b. examples

i. religion: India

ii. race and ethnicity: South Africa, Rwanda

iii. gender: Afghanistan, Saudi Arabia

iv. overlapping

c. characteristics

i. rigid hierarchy

ii. ascribed status

iii. no upward mobility

iv. social interactions

complex set of norms: marriage, space, interpersonal relations

deviance =severe punishments

2. estate

1. system

i. stratified by “estates” (nobility)

ii. determined by heredity

iii. justified by tradition

b. examples

i. feudal Europe

ii. formerly England

c. characteristics

i. rigid hierarchy

ii. ascribed status

iii. proscribed social interactions

3. class

a. system

i. stratified by class

ii. based on wealth and income

iii. justified by capitalist ideology

b. example: U.S.

c. characteristics

i. hierarchy

ii. social mobility

iii. achieved status

iv. meritocracy

v. achievement norms

work ethic

education

attitude

vi. few proscribed social interactions

C. Structural functionalism

1. Society

a. system

i. harmonious functioning whole

ii. outside of individuals

iii. goal: social order, stability

b. culture and social structure have

i. positive function: social order

ii. function together harmoniously

iii. institutions structured so that they can perform

function

iv. economy

c. individuals

i. socialized

ii. selected to fill social positions

d. system of stratification has positive function

D. Davis Moore Theory

1. stratification

a. universal

b. necessary

c. good

2. positive function: social order

3. stratification pyramid

a. hierarchy of positions/occupations (status role complex)

b. higher positions/occupations

i. less pleasant (more work, more energy)

ii. more important

iii. requires most talent and ability

c. inequality

i. rewards the right people to fill most important and necessary positions

ii. prestige

iii. high salary

iv. leisure time

E. Conflict Theory

1. society

a. struggle among groups for social resources

b. institutions, ideas, values, conventional wisdom serve the interests of the winners

2. system of stratification is system of domination

and subordination

a. maintains status quo (power arrangements)

b. guarantees unequal distribution of resources

c. system of social injustice

d. economy

II. American System: Stratification

A. Class system

1. classes: upper, (upper middle), middle, working, and poor

2. self-identification

B. Conventional Wisdom

1. structural inequality, but

a. possibility of upward mobility

b. achieved status

2. equality of opportunity

a. meritocracy

b. education

c. work

3. status: deserved

III. Stratification by Wealth and Income

A. Wealth

1. definition

2. examples: savings, stocks, bonds, retirement

real estate, business assets, life insurance

B. Wealth: distribution

1. Top 1% : 35%-40% of net worth

2. Top 10%: 90% stocks, business, equity, financial security, bonds

3. Top 20%: 80% of net worth

4. Middle classes

a. middle 20%: $82, 000

a. wealth

i. house, cars, retirement, life insurance

ii. stock: 65% less $5000

b. inheritance

5. Bottom 40%: 2.5% of wealth

6. Pattern/Comparison

a. Top 1% since 1970s

b. Top 1% 2001 to 2008 ($186 billion to $816 billion)

c. other industrial countries

C. Stratification: Income

1. Definition

a. from work vs from investment

b. real income

c. median household: $50,000

2. Concentration

a. top 20% received 50.1%

b. top 0.1% + 120 million

c. investment income: top 10% receive 80%

d. bonuses: financial industry (38 companies= $146 billion)

3. Trend

a. Gini index .466 ^

b. CEOs:

i. 1980 40x/present 350-400x

ii. 2009 avg top 81 $9.8 million +8%

c. Top 400: 2001 to 2008 (2x to $263 million- 63% capital gains, tax rate 16.6%)

4. Comparison

a. industrial countries

b. historically

D. Rich get Richer

1. Lower tax rates

a. tax cuts ($425/$60,000/$521,000)

b. capital gains ($5/$25,000/$500,000)

b. estate tax (1.2%, $1 trillion)

c. top 400 17.2%

2. Privileged Investment Opportunities

a. IPOs (Initial Public Offerings)

1. “Bonuses” (38=$146 billion)

3. Corporate Profits

a. 2001 $503 billion 2008 $1.35 trillion

b. drug companies 2001 $30 billion 2008 $80 billion

c. Tax havens

i.British Virgin Islands home to 400,000 corporations

ii.80% of largest corps in U.S. in tax havens

E. Poverty (The poor get poorer)

1. poverty line
2. extent of poverty
   1. 2004 35.9, 2008 39.8

b. 13.2%

1. types of poverty

a. near poor

b. working poor

c. poor poor (extremely poor)

4. poverty and life chances

5. myth of welfare

6. who benefits?

a. pool of low wage laborers

b. “volunteers” for all volunteer military

c. poverty serving occupations

1. poverty surcharge
2. “truth” of conventional wisdom
3. scapegoats