Study Guide #1

You are responsible for all lectures, in-class videos and reading assignments.

1. Inequality in Wealth and Income

a. Inequality in wealth: disparity in net worth and financial wealth, trends and comparisons (historically in U.S. and to other countries).

b. Inequality in income: types of income, disparity in income, median household income, trends and comparisons (historically in U.S. and other countries).

c. Corporate “Citizens”: profit, trend, comparison.

d. Inequality for All: Reich argues that growing inequality in the U.S. is undermining the U.S. consumer economy, the lives of middle class and working class Americans, while enriching a small minority of the population. What are the causes of growing inequality, specific consequences? How does he argue inequality undermines U.S. democracy?

Terms: financial wealth, net worth, Gini index, capital gains, real income, virtuous cycle, vicious cycle, lobbying, Citizens United.

2. Rich Get Richer

a. Taxes: tax cuts, tax loopholes, tax havens; consequences.

b. Industries/Shareholders: pharmaceutical, health insurance, oil and gas, mass media, financial industry.

Terms: privatization, deregulation, estate tax, Work Opportunity Tax Credit, carried interest, Medicare Prescription Drug Bill, FDA, Affordable Care Act, McCarran-Ferguson, Commodities Futures Market, fracking, Cheney Energy Bill, Telecommunications Act of 1996, Commodities Futures Modernization Act, Graham-Leach-Bliley.

3. Poor Get Poorer

a. Work: trends in employment, hours, benefits, leisure.

b. Financial situation: trends in financial situation of working and middle class; income, debt, necessary costs, taxes.

c. Communities: consequences for communities of growing inequality, infrastructure, schools.

d. Poor: definition, poverty line/threshold, extent, trends, comparison, level of aid, and who benefits?

Terms: unemployment, underemployment, moonlighting, dual working families, disposable income, debt, infrastructure, poverty threshold, minimal subsistence diet, near poor, working poor, severely poor.

4. Class domination theory

a. In what sense is the upper class both a social class and an economic class? And why is it important? What does he mean by domination?

c. How does the upper class control the economic system? Control the political system?

d. Inside Job: The documentary argues that the global financial crisis was not an accident but the result of the practices of the financial services industry and abetted by the powerful figures in the government (working for both parties) and university academics. What were the practices? Who were the powerful figures? Government’s role?

(See viewing guide)

Terms: power networks, power indicators, organizational networks, shared monopolies, interlocking directorates, outsourcing, off shoring, downsizing, rights sizing, capital flight, Bohemian Grove, Alfalfa Club, special interest process, policy-planning process, candidate selection process, opinion shaping process, think tanks, foundations, collective power, distributive power, domination, campaign financing, strategic alliances, producer networks, corporate community, lobbying.