Why Has Income Inequality Been Rising Since the 1970’s?

**Due via NetTutor (**<http://www.nettutor.com/worth/econ/wsu>) **by Friday, January 30 by 11:00 pm (PST)**

# Reading: [“Skills, education, and the rise of earnings inequality among the “other 99 percent,” David H. Autor, Science 23 May 2014: 843-851. [DOI:10.1126/science.1251868]](http://www.sciencemag.org/content/344/6186/843.full)

Below are two competing views (Proposition #1 and Proposition #2) on why income inequality has been rising (even among the lower 99%) in the United States since the 1970’s.

Proposition #1:

“More people are falling behind today because they’re lazy. In the U.S. anyone willing to work can earn a decent living. The income distribution is the same as the effort distribution. People who work hard earn a good living. Lazy people stay poor. The income distribution has been skewing because of a growing culture of dependency. It used to be shameful to accept handouts from the government, but now it’s perfectly acceptable. So more people opt out of the labor force and sit around collecting handouts from the rest of us. Of course their incomes are going to be lower than those in the top tiers.”

Proposition #2:

“The incomes of the rich and poor have been growing farther apart due to purposeful policy decisions that have favored the rich at the expense of the poor. Starting with Ronald Reagan’s financial deregulation, and continuing with successive Republican attacks on New Deal and Great Society social programs to finance tax cuts for their Wall Street cronies, government policy in this country has systematically channeled the rewards of our immensely productive economy towards the rich and away from the poor. America needs to open the gateway to prosperity for all through fair tax policies, decent minimum wages, better public schools, aid to low-income college students, and a universal health care system.”

1. A common trick used by dishonest commentators is to take a quote out of context and use it to support a claim that would not have been accepted by the original source. Suppose you wanted to persuade someone that Proposition #1 is true. Find a quote from Autor’s article (see reference above) that you could selectively present to support Proposition #1, and explain how that quote supports the proposition. Begin by summarizing the claim made in Proposition #1. (1 – 2 paragraphs)
2. For the sake of symmetry, find a quote from Autor’s article that could be used to (dishonestly) support Proposition #2, and explain how the quote supports that proposition. (1 -2 paragraphs)
3. Before you read Autor’s article, which proposition did you find more credible - #1 or #2? Did Autor’s article change your thinking about this topic – or reinforce your previously held beliefs? Explain. (1 paragraph)

**Grading Rubric**

I expect about four paragraphs, double-spaced. **Please include your name, instructor’s name (Dr. Prera), course and section number (i.e. EconS 101.01** [MWF *9:10-10 am*] **or 101.03** [TTh *10:35-11:50 am*]**), and writing assignment (assignment 2) on the top of your assignment.**

Your essay will be assessed as either “Meets Expectations” or “Needs Improvement.” If your essay meets expectations in both areas, your score will be 100%. A score of *meets expectations* in **Economic Analysis** alone will result in a score of 50%. *Needs improvement* in both areas will result in a score of 0%. If your essay needs improvement, you will be given feedback from NetTutor to help you revise it. You can then re-submit the essay to NetTutor for another try, but you only get one second chance. If you take materials or quotes from sources, you must provide citations/references in a standard citation/reference format.

Here are the criteria your essay will be judged against:

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| **Criteria** | **Needs Improvement** | **Meets Expectations** |
| **Writing** | The writing is difficult to follow and/or poorly organized. Transition sentences are absent or ineffective. Typos and/or grammatical errors distract the reader. | Ideas are well-organized. Transition sentences effectively connect one idea to the next. The essay is free of typos and grammatical errors. |
| **Economic Analysis** | Autor’s argument are mis-represented, and/or the summary is too skimpy. | Autor’s arguments are correctly and thoroughly summarized. |
| The question of the degree to which the two propositions are consistent with Autor’s research is not addressed and/or, is not supported with examples. | The student explicitly states the degree to which the two propositions are consistent with Autor’s research, and supports his or her claims with examples from the reading. |