

Socioeconomic Status and Inequality

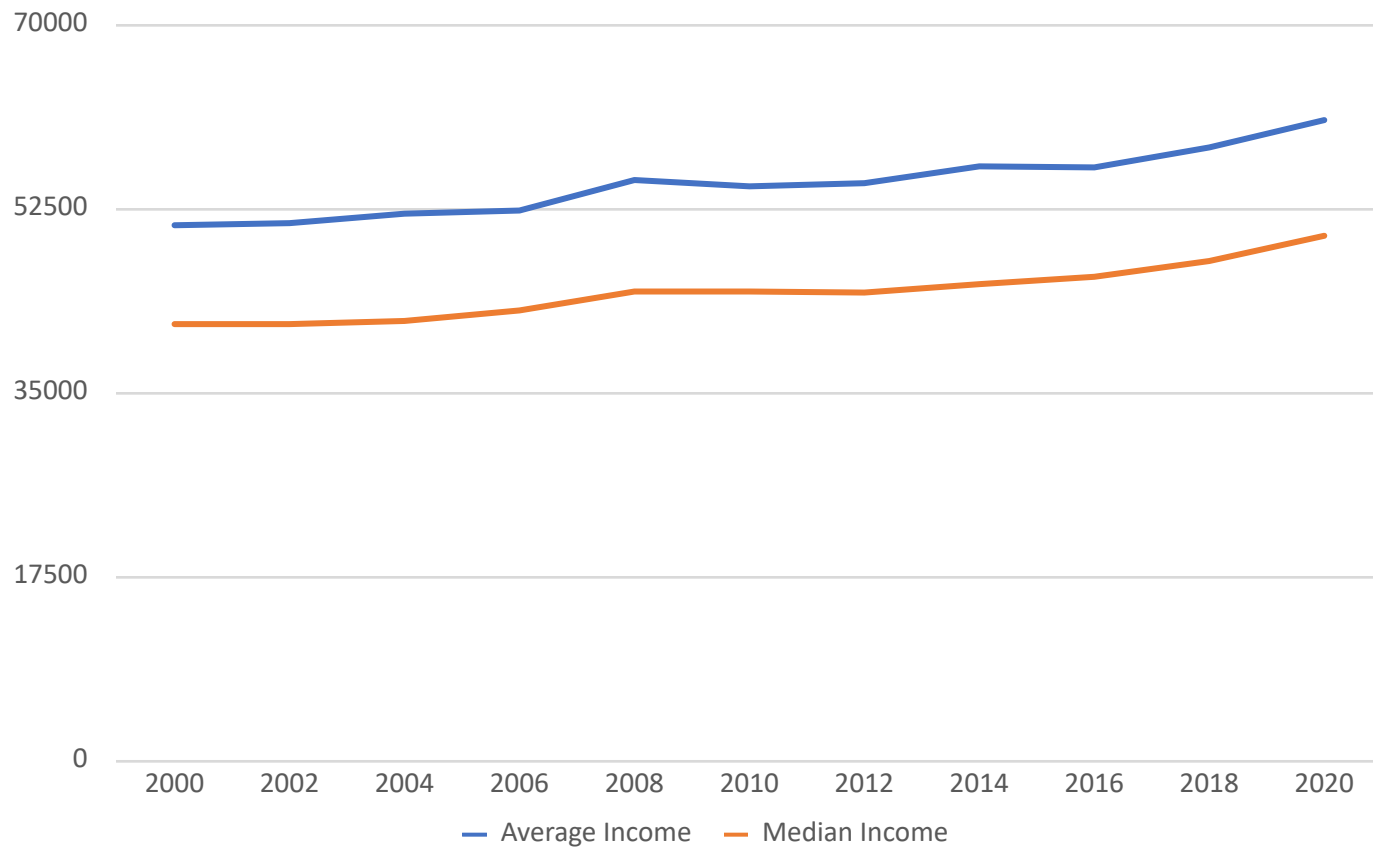
Stratification

- The way society is organized in layers or strata
- Hierarchical ranking of people into classes
- Highlights
 - Shape of inequality
 - Mobility
 - Variability over time
 - Micro interactions

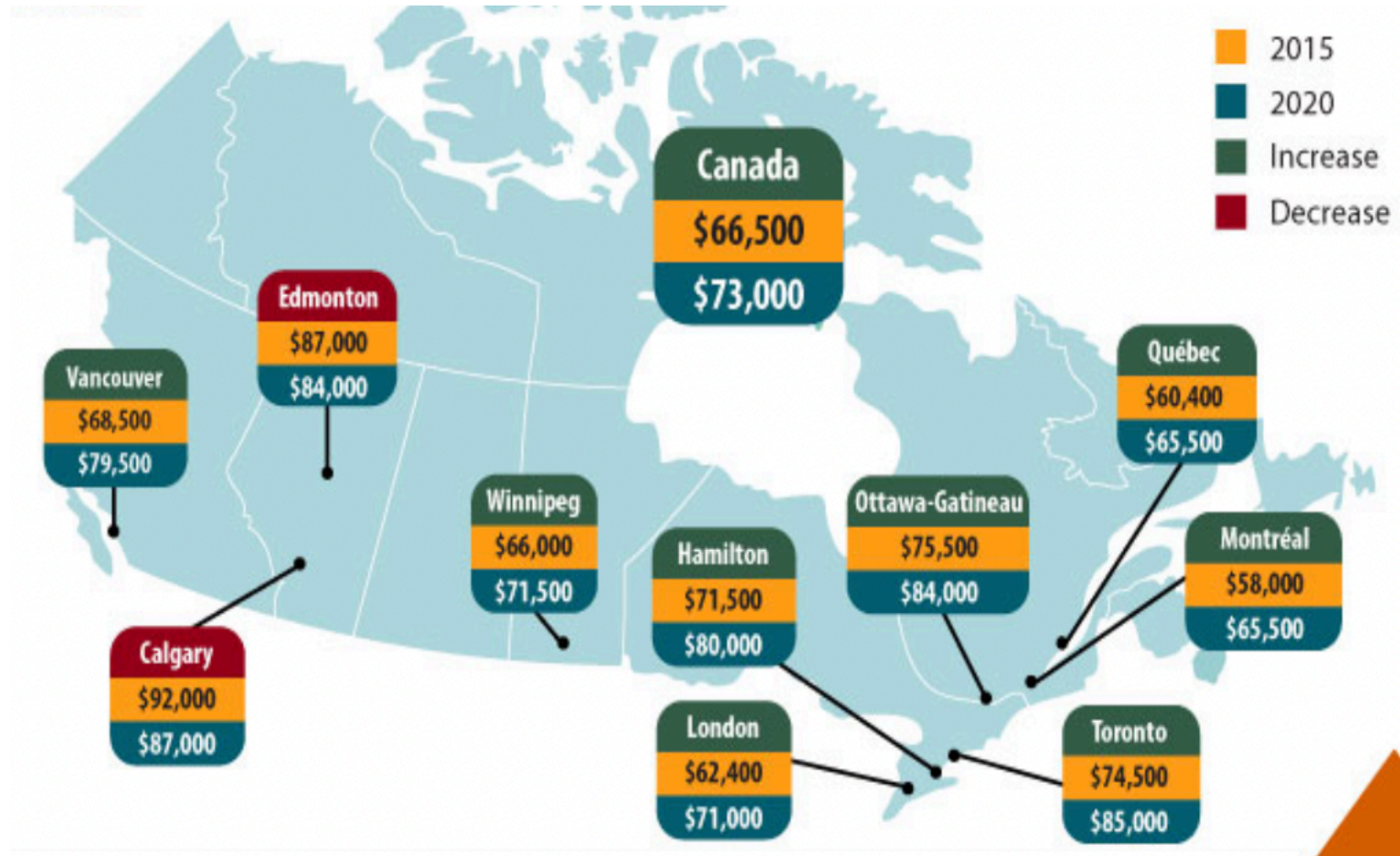
Social Inequality

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

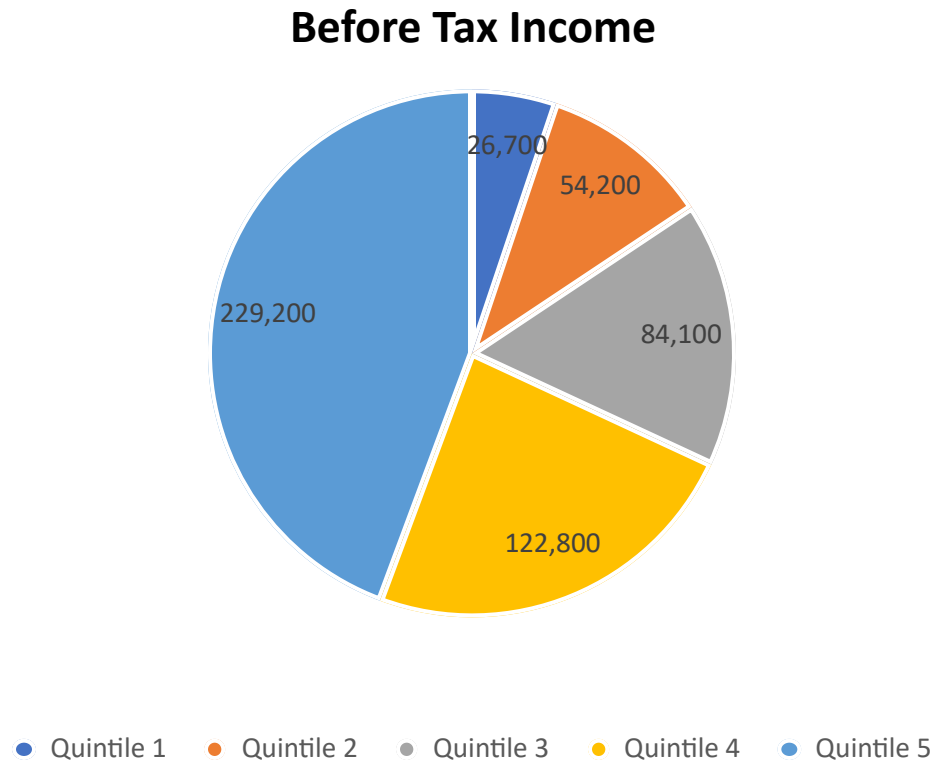
Individual Income in Canada, 25-54 year olds, 2000-2020



Median Household Income



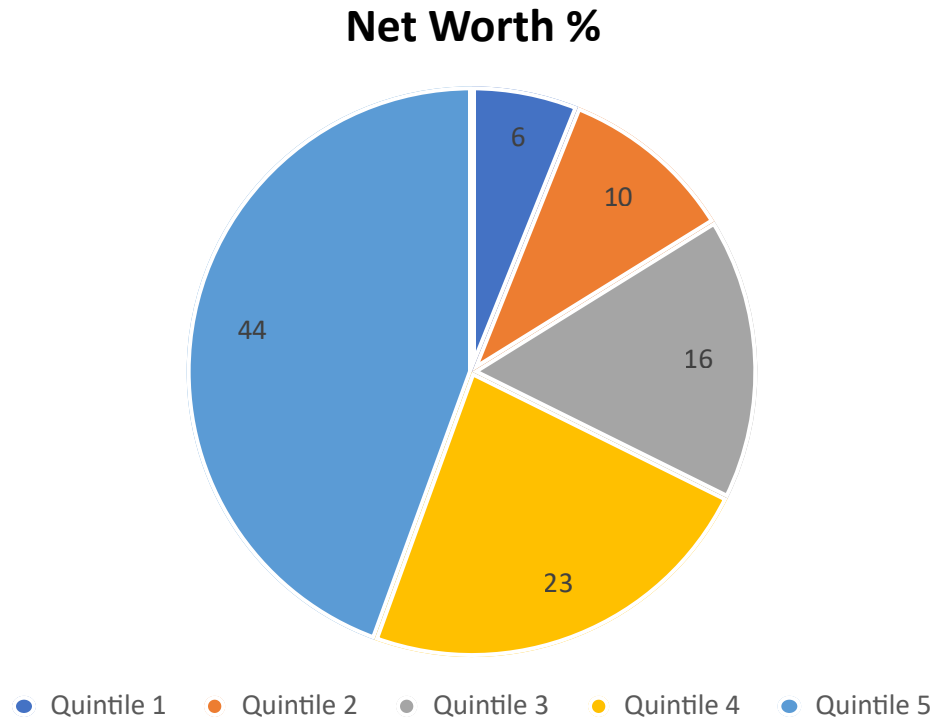
Real Average Before-Tax Household Income by After-Tax Income Quintiles, Canada, 2020



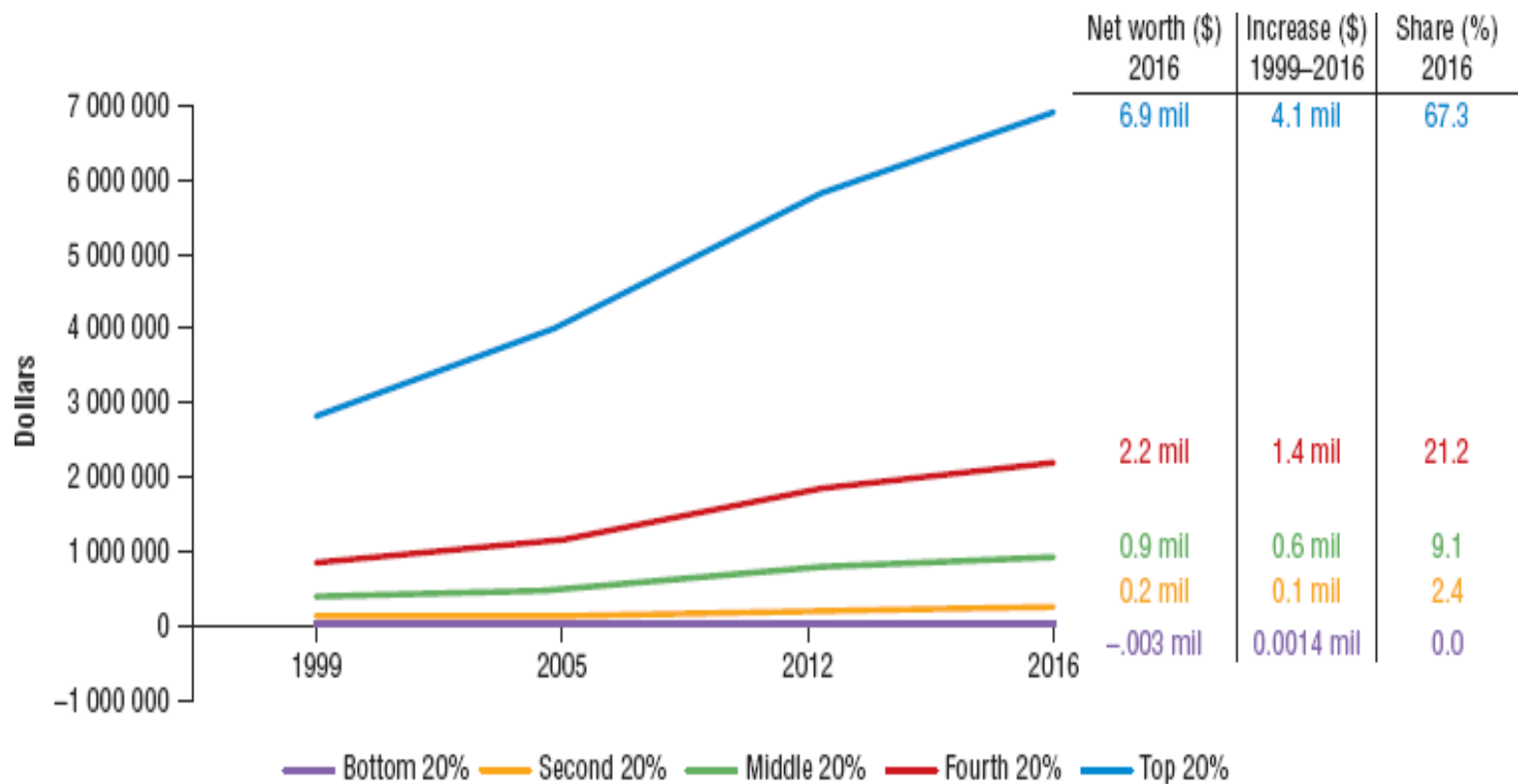
Wealth Inequality

- The unequal or disproportionate accumulation and distribution of wealth between individuals

After Tax Net Worth, Canada, 2019



Distribution of Median Net Worth by Quintile, 1999-2016



Why Social
Inequality?

Functionalism

- Davis-Moore Thesis
 - The greater the importance of a position within society, the higher its associated reward
 - More training = more exclusive = greater sacrifice = more pay

Occupation	Rank	Earnings
Physician (general)	2	100
Lawyer	4	100
Professor	7	96

Government (senior manager)	36	98
Military (commissioned officer)	49	96
Police Officer	71	97
Accountant	101	75
Nurse	103	79
Tool and Die	136	86

Athlete	391	24
Bartender	447	18
Janitor	482	19
Cashier	487	7
Farm Worker (general)	517	5

Conflict

- Inequality is a product of the social and economic structure
- Reinforced through hegemonic control
- Reproduction of inequality

Capital



Human Capital

- Investment in education and training
- Leads to more success in the market



Cultural Capital

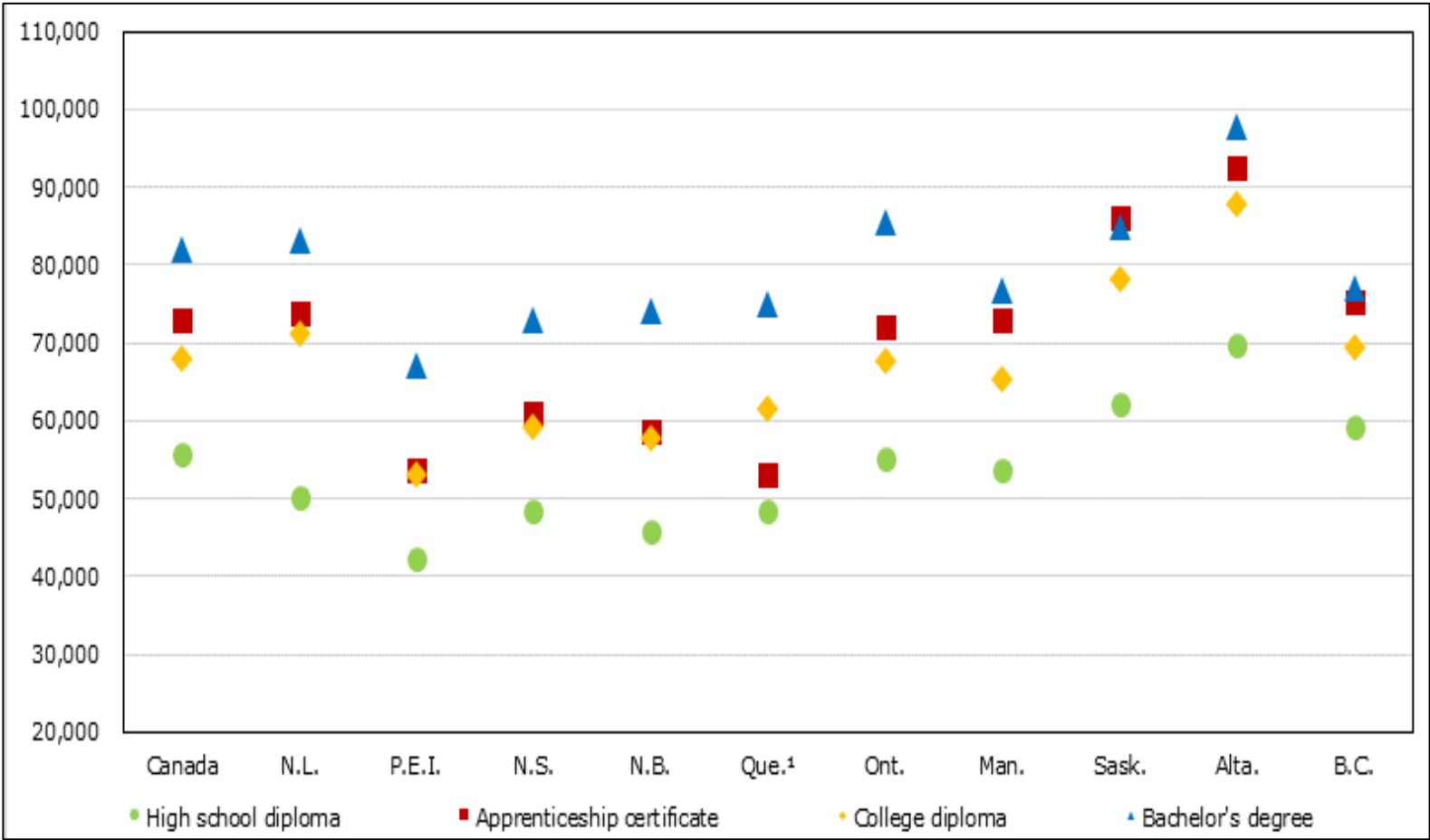
- Cultural resources that parents pass down to their children, like language, knowledge, traits, preferences, or behaviours
- Status cues for social class



Social Capital

- Networks or connections that individuals possess
- Better job opportunities, higher incomes, escape poverty, increase wealth, more access to credit

Median Annual Earnings by Level of Education



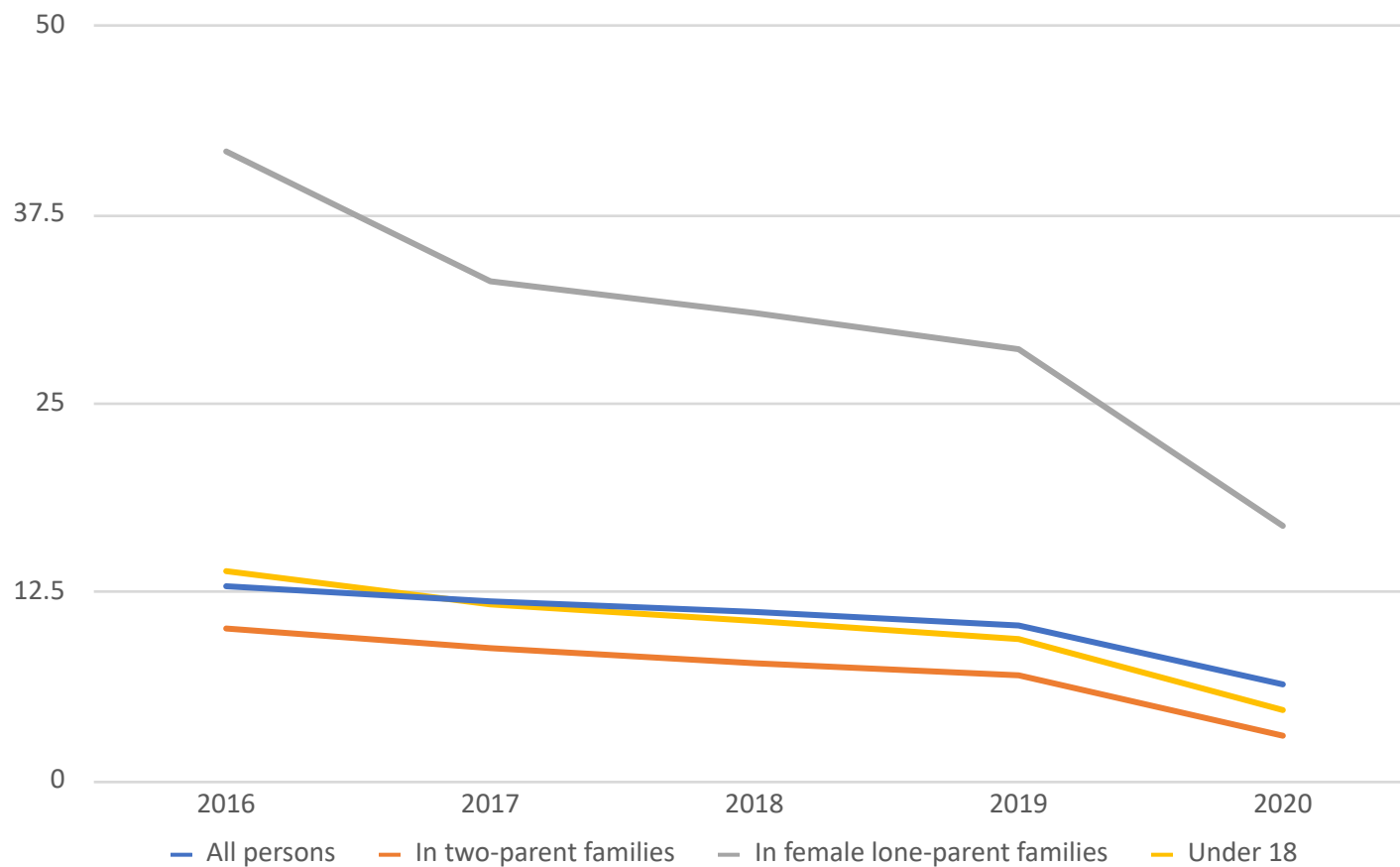
Poverty

Market Basket Measure

- o A family lives in poverty if it does not have enough income to purchase a specific basket of goods and services in its community
- o 2019: 10.3% below official poverty line
- o 2020: 6.4% below official poverty line

Year	Toronto	Small town Ontario
2016	49,729	42,651
2018	49,249	42,281
2020	49,727	42,531

Persons Living Below the Poverty Line, MBM, Canada, 2016-2020



Other Poverty Factors

Structural

- Economic cycles
- Region and opportunities
- Community supports
- Wealth distribution and SES

Individual

- Talent, genetics
- Social psych factors (motivation, ambition)
- Discrimination

Myths about Poverty

Myth	Fact
People are poor because they don't want to work	Many are employed; some have disabilities; lack of affordable childcare; low minimum wage
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

Social Mobility:
Is Society “Fair”?

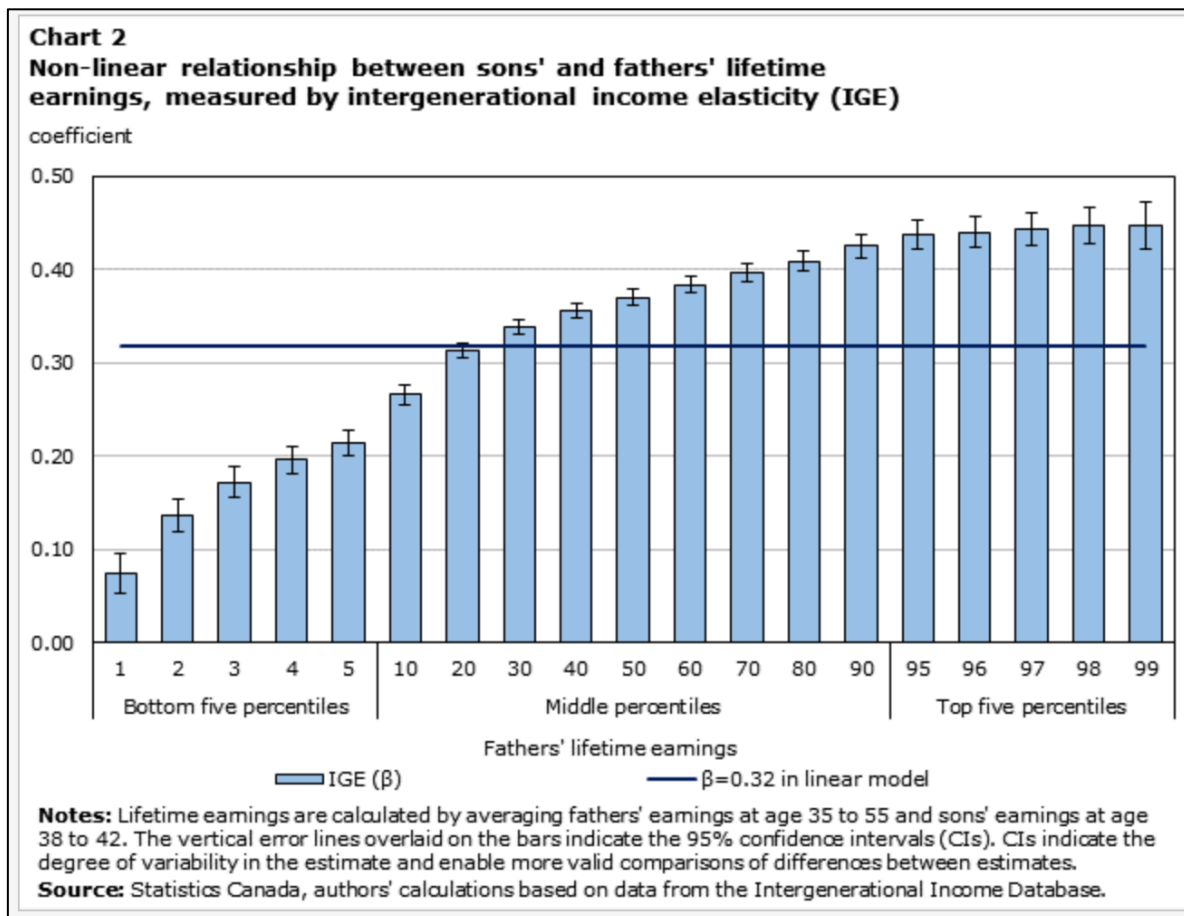
Social Mobility

- Upward or downward movement 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 parent's income predicts their child's income
- Canada IGE is 0.32, meaning 32% of a child's income in adulthood depends on parent's income
- High mobility – nearly 70% of your income depends on things like education, not the social class you were born into

Relationship Between Sons' and Fathers' Lifetime Earnings by IGE

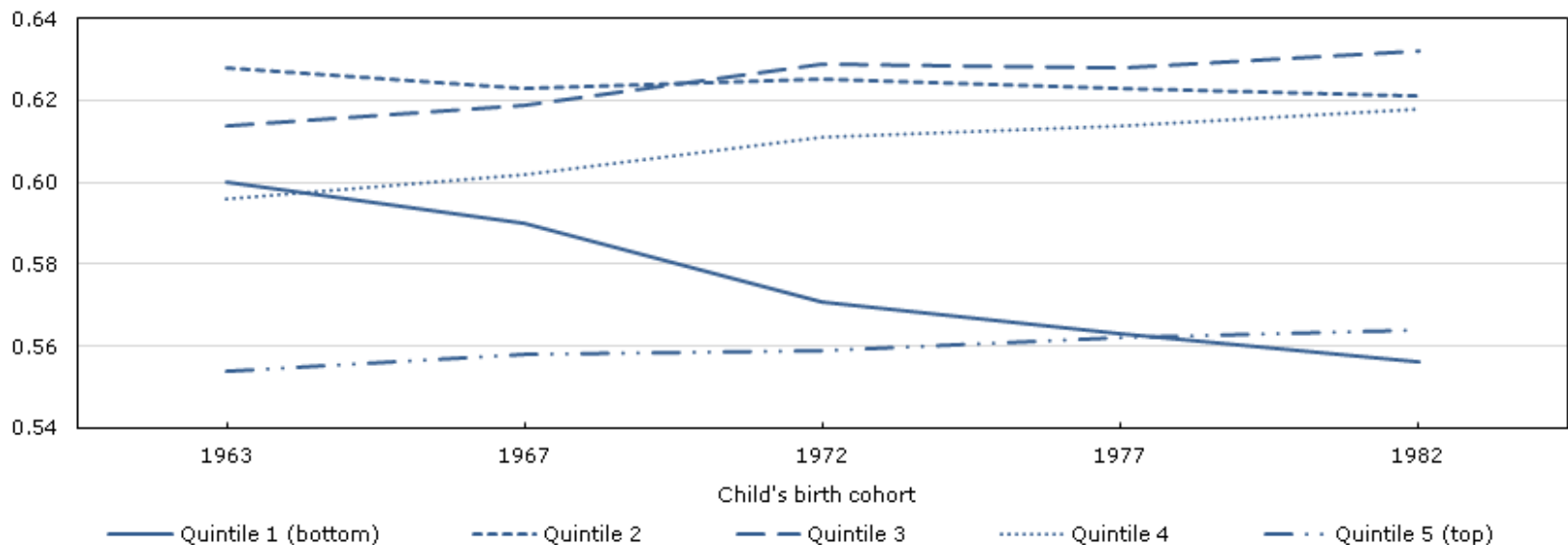


Probability of a child ending up in the lower-middle class, middle class, or upper-middle class,

Chart 6

Probability of a child being in middle three income quintiles, by parental income quintile and birth cohort

probability of being in middle three quintiles



Note: This chart shows the probability for a child to be in the middle three income quintiles of their income distribution, by parental income quintile and birth cohort.

Source: Authors' calculations based on Statistics Canada's Intergenerational Income Database.

Great Gatsby Curve

