

Assignment 3: Rising Income Inequality and The Poor, The Rich, and Mobility

Due May 2nd, 2022 (Monday)
SOC 321 (GIST 550) Wealth, Power, and Inequality

Pick one of the following two topics and upload your essay to Canvas by May 2nd (Monday). It will be appreciated if you convert your file into PDF.

I. Why Is the Income Inequality in the United States Rising?

Income inequality in the US was high until the 1930s, but went down dramatically after WWII. Since the 1980s, income and wealth inequality started to rise again and now we are arguably experiencing the highest level of inequality in our history. Review the historical changes in income (and wealth) inequality in the United States and discuss what explain the change in income inequality.

INSTRUCTIONS:

1. Describe the historical changes in income inequality in America. If you would like to focus on a certain period (e.g., the recent rise in inequality), that is fine, but you still need to contextualize the period of your choice in the broader historical changes. In discussing historical changes, provide a consistent inequality measure such as the Gini inequality coefficient or p90/p10.
2. Briefly discuss main economic and sociological theories on rising inequality. Try to link these theories with functionalist and conflict perspectives. Discuss which explanations are more compelling in accounting for the change in inequality and which explanations are less so. That is, discuss the strengths and weaknesses for each theory.
3. Do research and **provide evidence that supports your argument**. For instance, if you believe institutional perspectives is better than technical-based explanations in accounting for the rising inequality in the 1980s, or vice versa, explain why you think with evidence. The main point of this project is that you need to back up your argument with concrete evidence. Which theories you like is not the point.
4. If you can specify new research topics that can advance our understanding on rising inequality or develop better policies in order to attenuate some deleterious consequences of rising inequality, that is a plus.
5. Your essay should consist of 1) introduction, 2) main arguments, and 3) conclusion.

Due Date: May 2nd (Monday) 2022.

Format: 5+ pages. Double spacing. 12 point font. 1 inch left and right margin. Convert your file into PDF and upload it to Canvas.

Team: This project should be done individually. Teaming-up is not allowed.

Cite at least 5 relevant academic papers(or books). Check our course website. You can find multiple journal articles. That can be a starting point. Newspaper articles, blog posts, and other website only materials will not be considered as legitimate citations. All references should be correctly cited. Newspaper columns, blogs, wikipedia, or any other web-only contents would not be counted as legitimate references. Plagiarism will result in zero point for this assignment as well as other formal academic sanctions.

II. The Poor, The Rich, and Mobility

The official poverty threshold for a 4 member family with 2 children in American society is \$27,750 in 2022. According to government documents, the “poverty line” is a threshold below which families or individuals are considered to be lacking the resources to meet the basic needs for healthy living: having insufficient income to provide the food, shelter and clothing needed to preserve health.

There is no official threshold for richness, but the highest income tax bracket (37% federal marginal income tax rate) is applied from the annual income of \$332,925.

INSTRUCTIONS: Estimate and discuss the appropriate poverty line and a line of ‘enough richness’ for a four member family in Lawrence. Compare your own poverty line with the government’s official poverty threshold. Compare your threshold of the rich with the current tax system. Discuss the implications of your findings.

1. Provide a brief introduction to your topic at the beginning and clear conclusions at the end.
2. Discuss what should be the condition of “healthy living” and the condition of “luxurious living.” That is, define qualitatively how poor is poor enough to be qualified for help from the government or other social institutions and how rich is rich enough to have more social obligations.
3. Calculate the appropriate “poverty line” in terms of annual earnings to manage healthy living (which is qualitatively defined) in Lawrence for a 4 member family. Assume that the family consists of a father, a mother and two children; one of the children is an elementary school student and the other is an infant. Your calculation should be based on the real cost of living in Lawrence. If necessary, do the market research to figure it out. Show your calculation table in a separate sheet.
4. With the same family assumption, calculate a sort of the “enough richness line” to impose higher tax or other social obligations in Lawrence. Again do market research and provide rationales on why your threshold is reasonable.
5. Compare your poverty line with the government’s official poverty threshold. Is the official poverty line reasonable? If there is significant discrepancy between them, discuss the reasons for the difference. Compare your enough richness line with the current highest tax bracket threshold.
6. Adding policy suggestions is a plus.
7. Make sure that you have a good introduction and brief conclusions in your essay.

Format: 5+ pages. Double spacing. 12 point font. 1 inch left and right margin. Convert your file into PDF and upload it to Canvas. Attach a separate sheet that shows how you comes up with your own poverty and richness lines.

Team: For this project, 2 or 3 persons can make a team and submit one paper.

Cite at least 5 relevant academic papers(or books). Newspaper articles, blog posts, and other website only materials will not be considered as legitimate citations. All references should be correctly cited. **For a team project, at least 7 academic references should be cited.** Newspaper columns, blogs, wikipedia, or any other web-only contents would not be counted as legitimate references. Plagiarism will result in zero point for this assignment as well as other formal academic sanctions.