

# Not Keeping Up with the Joneses

“Issues in Economics” by Katharine Bradbury and Jane Katz, in *Regional Review* (2002: Qtr. 4), Federal Reserve Bank of Boston, 600 Atlantic Ave., Boston, Mass. 02106.

Call it the deal behind the American dream: Americans have tacitly agreed to accept more income inequality than Europeans do in return for a freer economy and more opportunities for individual upward mobility. In other words, the gap between rich and poor might be wider than in Europe, but Americans believe they have a better chance of jumping it.

Now, however, it appears that the deal may be in jeopardy. It’s widely accepted that income inequality has grown during the past few decades, note Bradbury and Katz, both of the Federal Reserve Bank of Boston. But new evidence suggests that, at the same time, the indispensable tonic of economic mobility has lost some of its potency.

During the 1970s (actually, 1969–79) for example, only 49.4 percent of the working-age households that began the decade in the bottom 20 percent of earners were still in the bottom quintile at the end of the decade [see chart]. During the 1990s, however, 53.3 percent of the families that started off in the lowest quintile were still there 10 years later. (At the same time, *downward* mobility among the rich seemed to lessen: 49.1 percent

1969–79		WHERE FAMILIES ENDED UP IN 1979, BY QUINTILE				
WHERE FAMILIES STARTED IN 1969, BY QUINTILE	POOREST	SECOND	THIRD	FOURTH	RICHEST	
<b>Poorest</b>	49.4	24.5	13.8	9.1	3.3	
<b>Second</b>	23.2	27.8	25.2	16.2	7.7	
<b>Third</b>	10.2	23.4	24.8	23.0	18.7	
<b>Fourth</b>	9.9	15.0	24.1	27.4	23.7	
<b>Richest</b>	5.0	9.0	13.2	23.7	49.1	

1988–98		WHERE FAMILIES ENDED UP IN 1998, BY QUINTILE				
WHERE FAMILIES STARTED IN 1988, BY QUINTILE	POOREST	SECOND	THIRD	FOURTH	RICHEST	
<b>Poorest</b>	53.3	23.6	12.4	6.4	4.3	
<b>Second</b>	25.7	36.3	22.6	11.0	4.3	
<b>Third</b>	10.9	20.7	28.3	27.5	12.6	
<b>Fourth</b>	6.5	12.9	23.7	31.1	25.8	
<b>Richest</b>	3.0	5.7	14.9	23.2	53.2	

of the most affluent Americans stayed in the top income quintile during the 1970s, but 53.2 percent survived during the 1990s.)

Because “most people judge their well-being relative to others,” the authors warn, the lack of upward mobility makes the growing inequality of incomes something to worry about.

# Breeding a Better America

“Race Cleansing in America” by Peter Quinn, in *American Heritage* (Feb.–Mar. 2003), 28 W. 23rd St., New York, N.Y. 10010.

“Three generations of imbeciles are enough,” declared Justice Oliver Wendell Holmes, writing for the 8 to 1 majority of the Supreme Court in 1927. The ruling affirmed the right of the state of Virginia to sterilize a young woman named Carrie Buck against her will. The daughter of a “feeble-minded” woman, Buck had been institutionalized three years before, at age 17. She was already the mother of a child born out of wedlock.

The Court’s decision was a landmark victory for the eugenics movement in America, notes historical novelist Quinn, who is working on a book about the movement. Within five

years, 28 states had compulsory sterilization laws. The annual average number of forced sterilizations increased tenfold, to almost 2,300, and by the 1970s, when the practice had largely ceased, more than 60,000 Americans had been sterilized.

Eugenics (both the theory and the word) originated with British biologist Francis Galton (1822–1911), who saw a clear link between achievement and heredity, and thought enlightened governments should encourage “the more suitable races or strains of blood” to propagate, lest they be overwhelmed by their fast-multiplying inferiors.