

ECONOMIC DATA - WHOSE BOOM IS IT?

The 1990s witnessed an economic boom in the United States. There has been a record of 107 months of uninterrupted economic growth. This growth, however, has not reduced poverty, nor has it raised incomes, except for those at the top of America's economic ladder.

- Between 1979 and 1998, the top one fifth of families gained 38.4% in real income, while the bottom fifth lost 5%.
- A breakdown of US household income in 1998 shows the following: the share of the bottom fifth was 3.6%, the share of the middle fifth was 15%, and the share of the top fifth was 49.2%. (The top five percent's share rose from 18.6% to 21.4%)
- There are now approximately 5 million millionaires in the US. Yet the net worth (assets minus debts) of families headed by persons younger than 55 fell between 1989 and 1998 (adjusting for inflation).
- 30 countries have better child mortality rates than the United States.
- The number of people without health insurance rose by nearly 11 million over the last decade.
- New York leads all states in terms of greatest increase of income inequality. Between the late 1970s and the late 1990s, average income of the top fifth of New Yorkers rose from \$106,870 to \$152,350, while average income of the poorest fifth dropped from \$13,670 to \$10,780.

1. Why were the 1990s considered a period of economic boom?
2. What happened to the income of the "bottom fifth" of the families between 1979 and 1998?
3. In your opinion, why are child mortality figures used as an index of economic health?
4. In your opinion, what is the main point being made by this chart? Explain. Do you agree or disagree?
Why?