

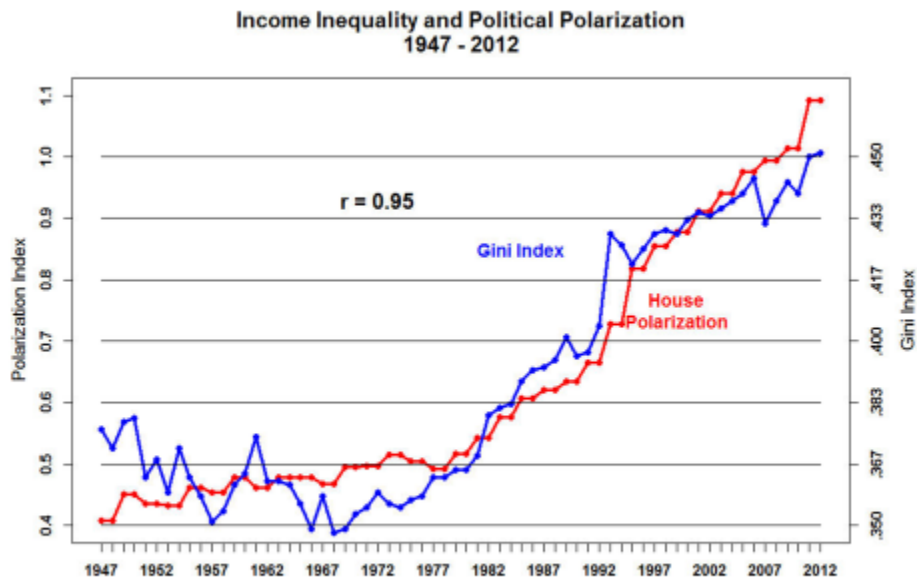
**First Examination POLS 4790H  
The Politics of Income Inequality**

**26 September 2014**

Professor Poole

**PLEASE KEEP YOUR ANSWERS *SHORT AND SPECIFIC* TO ALL  
QUESTIONS**

1. What does the Gini Index measure and how is it computed?



## 2. What does this table tell us about income inequality over the past 20 years?

**Striking it Richer:**  
**The Evolution of Top Incomes in the United States**  
 (Updated with 2012 preliminary estimates)  
Emmanuel Saez, UC Berkeley  
September 3, 2013

**Table 1. Real Income Growth by Groups**

	Average Income Real Growth	Top 1% Incomes Real Growth	Bottom 99% Incomes Real Growth	Fraction of total growth (or loss) captured by top 1%
	(1)	(2)	(3)	(4)
<b>Full period</b>				
<b>1993-2012</b>	17.9%	86.1%	6.6%	68%
Clinton Expansion				
1993-2000	31.5%	98.7%	20.3%	45%
2001 Recession				
2000-2002	-11.7%	-30.8%	-6.5%	57%
Bush Expansion				
2002-2007	16.1%	61.8%	6.8%	65%
Great Recession 2007-				
2009	-17.4%	-36.3%	-11.6%	49%
Recovery				
2009-2012	6.0%	31.4%	0.4%	95%

Computations based on family market income including realized capital gains (before individual taxes).  
 Incomes exclude government transfers (such as unemployment insurance and social security) and non-taxable fringe benefits.  
 Incomes are deflated using the Consumer Price Index.

Column (4) reports the fraction of total real family income growth (or loss) captured by the top 1%.  
 For example, from 2002 to 2007, average real family incomes grew by 16.1% but 65% of that growth  
 accrued to the top 1% while only 35% of that growth accrued to the bottom 99% of US families.

Source: Piketty and Saez (2003), series updated to 2012 in August 2013 using IRS preliminary tax statistics for 2012.

3. Below is Figure 3.7 from *Polarized America*. What is the importance of this figure?

### Republican Identification, Religion, and Income

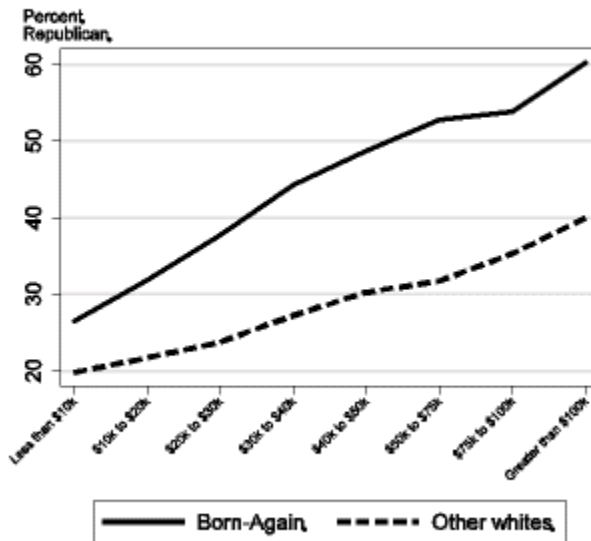
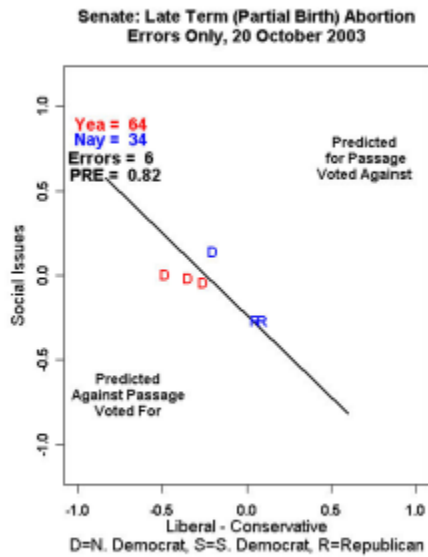
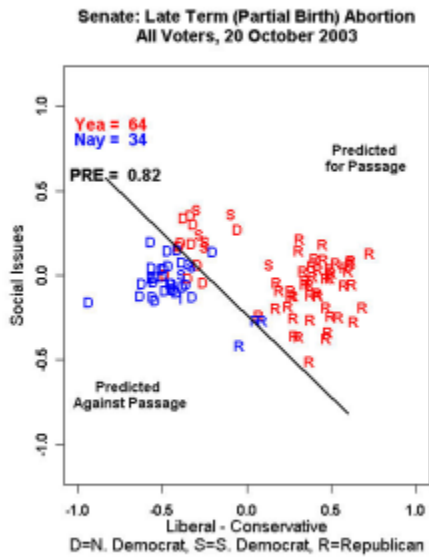
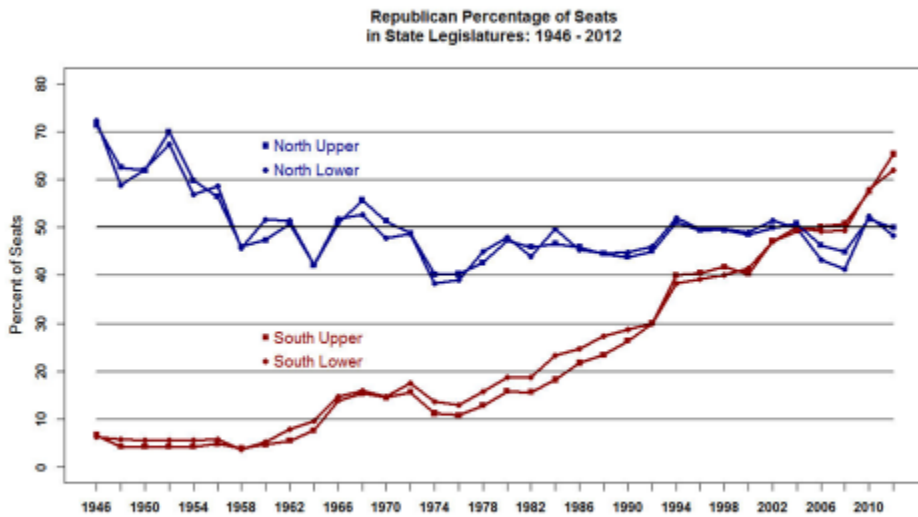


Figure 3.7.

4. Explain the spatial map below. What is shown in the panel on the left and the panel on the right?



5. Below is Figure 2.17 from *Polarized America*. Summarize the important changes in the Party System that this figure illustrates.



6. What is the importance of this figure? What does it tell us about the changes in the economy since the end of World War II?

