

Growing income gap among US families suggests increasing economic insecurity

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The incomes of American families with children have become increasingly stratified since 1975, with income inequality increasing two-thirds during a 30-year period, according to findings published in the December issue of the peer-reviewed science journal *American Sociological Review*.

"The gap between the 'haves' and the 'have-nots' is widening for families with children in the United States," said Bruce Western, the study's lead author and professor of sociology and director of the Multidisciplinary Program in Inequality and Social Policy at Harvard University.

"Inequality for these families has grown faster than the combined rates of inequality for all families and for men's hourly wages."

Unlike previous narrower research focusing on the effect of education, single parenthood or a mother's employment on family income inequality, this study combined labor market and demographic analyses to identify inequalities. It used data from the March supplements of the Current Population Survey from 1976 to 2006, yielding annual income data from 1975 to 2005.

Sources of the widening gap included the growing income advantage for college graduates. Families with college-educated parents made increasingly more money than families headed by high school graduates. Also contributing to the gap: low-income single parents. By the early 2000s, nearly one-quarter of mothers were single. Single-parent families accounted for about a quarter of the growth in income inequality by

1993.

Despite these stratifying factors, some trends helped to close the gap between rich and poor. Increased rates of women's employment balanced the growth of inequality resulting from single-parent families, while rising levels of education among parents helped to narrow the gap as well.

The researchers also examined income disparities within demographic groups categorized by education and family type. Incomes were the least variable within two-parent families with working mothers. Inequality was greatest within single-parent families without a working mother. Regardless of family type, the gap between high- and low-income families increased between 30 and 100 percent, making within-group inequality the leading cause of inequality for all families with children from 1975 to 2005.

"Our research suggests a broad increase in income insecurity that goes beyond low-skill workers and single parents and extends to families from every class," Western said. "The polarization of family incomes among this generation has implications for the social and economic mobility of future generations and suggests the further erosion of the middle class in years to come."

Source: American Sociological Association

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