Due December 2, 2014

Description: For the last three years, the English Composition course and the AP US Government course have combined forces to write and evaluate an essay. The essay will be graded according to the SCCC General Writing Rubric. Structure and Correctness will be scored by the English instructor while Content Audience will be scored by the Government instructor. You will receive scores for the essay in both classes (those not in both classes will still receive credit, but only for one course). Past topics have included Religious Tolerance and Supreme Court cases. This year, we will be looking at the issue of Wealth Inequality.

Prompt: What are the most important influences on economic inequality in the United States?

Specifications: A good essay will include the following:

- An insightful and creative title
- An introduction that includes relevant background information and a clear Thesis
- Several Body Sections that develop multiple aspects of the topic
- Multiple sources that support your findings and showcase your efforts
- A thorough conclusion that brings the essay to a natural close
- A Works Cited Page
- Standard MLA Formatting (Size 12, Times New Roman Font. Double-Spaced. Heading. Header. In-Text Citations. etc.)
- Submission of the essay to Turnitin.com

Svaty / SCCC Writing Rubric

	Does Not Meet Expectations	Partially Meets Expectations	Meets Expectations	Exceeds Expectations
	1	2	3	4
Structure	Little or no sense of main idea, organization, or continuity. Lack of Topic Sentences, Introduction, or Conclusion.	Lacks one or more of the following: focus, unity, organization. Topic Sentences are weak. Introduction and Conclusion lack fail to corral the essay.	Focused, unified and organized, but some topic sentences might be unclear. Introduction and Conclusion are present but not cohesive.	Sharply focused, unified and organized with smooth flow of discussion. Clear Topic Sentences. Introduction and Conclusion are cohesive.
	1	2	3	4
Correctness	Frequent/major errors Sentence-level breakdowns blocking writer-to-reader communication. 1-25% of the essay completed before 10 errors.	Errors interfere with writer- to-reader communication. 26-50% of the essay completed before 10 errors.	Errors may be present but do not seriously impede writer-to-reader communication. 51-75% of the essay completed before 10 errors.	Errors, if present, are minor and infrequent. 76% or more of the essay completed before 10 errors.
	1	2	3	4
Content Audience	Writing remains overly general/superficial with little or no sense of audience. No Evidence or Analysis.	Writing is only partially developed with details and/or illustrations. Large gaps in Evidence or Analysis.	Writing contains supporting details and/or illustrations adequate to meet audience needs.	Writing is thoroughly developed and effectively illustrated. Consistent awareness of audience throughout. Balance of Evidence and Analysis.

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The Sources of Inequality

Inequality takes many forms: racial, gender and political, to name a few examples. Among them, *economic inequality*—the unequal distribution of the national economic "pie" across different households—has gained a lot of attention in recent years. That is no doubt due in part to a wealth of new research on the topic that demonstrates that inequality has increased over the past generation.

Though other forms of inequality are important, this essay question is specific to economic inequality. And rather than debate the moral or political aspects of the question, we are asking students to think like economists about the *causes* of economic inequality. Indeed, students might well focus on other forms of inequality as determinants of economic inequality.

Inequality at distinct points in time

Economic inequality can be measured in two general ways. One is wealth inequality, or the differences among people in what they own. Another is income inequality—the differences among people in what they earn. This distinction can be important, but the two are closely related.

At first glance, the source of income differences (taking into account taxes paid to the government and transfer payments, such as Social Security income or food stamps, received from the government) may seem obvious. College graduates typically earn more than high school graduates because they have obtained a set of skills that are valued in the "market" for workers. Actually, there is no single market for workers but, rather, many markets—such as the market for doctors, plumbers, basketball players, restaurant workers or Ph.D. economists.

Economists have shown that the forces of supply and demand play a big role in determining the wages or income in each market. In particular, the availability of good jobs suitable to potential workers, the tax rate and the opportunity cost of working (in terms of lost leisure) help determine the supply of workers. And the demand for workers by firms is closely tied to the value of what they produce. The differences in these supply and demand factors within and between labor markets will lead to inequality in income.

Why, then, has inequality changed over time? Students might argue that there has been a growing gap between the productivities and skills of different kinds of workers and/or a change in how the market values these different productivities and skills. What might account for these changes?

A different argument, one that has been put forward by some economists who study inequality, would be to argue that the connection between earnings and productivity has changed or is not as straightforward as previously thought. Is it really the case that high-income workers are much more productive relative to low-income workers than they used to be, or have some other factors distorted the relationship between productivity and pay? What might those factors be?

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Inequality over the very long run

Because low-income workers tend to consume a bigger share of their earnings than high-income earners, it is more difficult for them to accumulate wealth. The rich can also invest their wealth to earn substantial income that is not available to the poor, who have little wealth to invest. This has led some economists to study how differences in income and wealth might "snowball" over time.

Discussions of economic inequality therefore often deal with issues of *economic mobility* or *intergenerational inequality*. High-income parents can pass more wealth on to their children, and they also might pass on nonmonetary resources like *human capital* and social connections that give wealthy children advantages over their peers later in life. Do the rich (or their children) get richer, as the old cliché says, while the poor get poorer?

There are also important economic forces pushing against this concentration. Innovation and technological change are always producing new wealth, while at the same time making previously valuable assets outmoded—a process known as "creative destruction." Gone are the wealthy traders shipping spices and other riches on the Silk Road, for example, and the wealthy steam engine manufacturers who replaced them are gone as well. History is also rife with stories of wealthy heirs who squandered their fortunes. Students may choose to focus on these sorts of dynamic issues in their essays.

The role of government

Government also plays an important role in income inequality. First and foremost, through taxation and provision of services, the government serves as a redistributor of wealth and income. That is why statistics on economic inequality that don't include government taxes and transfers can be misleading. Students may focus on how the importance of government redistribution has changed over time.

Another basic role the government plays in addition to redistribution is in setting the "rules of the game." Policies such as regulation, taxes and trade restrictions form the basic structure within which the economy functions. Changes in these policies may therefore change the way the market rewards different kinds of productive activities. Perhaps students can think of some examples that have important consequences for the distribution of income and wealth.

Source: This essay topic was taken from the following website: http://www.minneapolisfed.org/community_education/student/essay/index.cfm

Final Thoughts: Don't ask us how long this essay needs to be. If you're concerned about that, then you're not confident in your writing. The keys to success with this essay are research, writing, revision, and, above all, critical thinking. This is not an easy topic, but you can write an intelligent and thought-provoking essay if you take the time to do so, as we both hope you do.

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BIBLIOGRAPHY

The following is a short list of resources to get you thinking about the essay question. A lot of information on economic inequality is available, and this list shouldn't be considered exhaustive, but a starting point. Remember, creative research will be rewarded, so a trip to your library could pay off.

Documenting Inequality and its Causes

Heathcote, Johnathan, Fabrizio Perri, and Giovanni Violante. "<u>Unequal We Stand: An Empirical Analysis of Economic Inequality in the United States, 1967-2006</u>" *Review of Economic Dynamics.* Vol. 13, No. 1, January 2010. pp. 15-51.

Piketty, Thomas. Capital in the Twenty-First Century. Cambridge, MA: Harvard University Press, 2014.

Arrow, Kenneth, Samuel Bowles and Steven Durlauf (eds.). *Meritocracy and Economic Inequality*. Princeton: Princeton University Press, 2000.

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Cowen, Tyler. Average is Over. New York: Penguin Group, 2013.

Frank, Robert H. "The Vicious Circle of Income Inequality." New York Times. January 12, 2014.

Porter, Eduardo. "A Relentless Widening of Disparity" New York Times. March 11, 2014.

Yglesias, Matthew. "Everything You Need to Know about Income Inequality." Vox.com. May 7, 2014.

Wealth/Asset Inequality and Mobility

Lowrey, Annie. "The Wealth Gap in America is Growing, Too." New York Times. April 2, 2014.

Clement, Douglas. "Interview with Glenn Loury." The Region. June 2014: 12-25.

Chetty, Raj, Nathaniel Hendren, Patrick Kline, Emmanuel Saez and Nicolas Turner. <u>The Equality of Opportunity Project</u>.

Government Policy

Perri, Fabrizio. "Inequality, Recessions and Recoveries." The Region. April 2014: 5-27.

Jacobs, Lawrence and Desmond King (eds.). *The Unsustainable American State*. New York: Oxford University Press, 2009.

Stiglitz, Joseph. "Inequality is not Inevitable." New York Times. June 27, 2014.