Poverty and Inequality Midterm Review Outline
Romich – Fall 2003

Articles

Conceptual readings to review and think about: Kawachi et al, Folbre, Oliver & Shapiro, Krugman, Gilder, Murray, Anders, Duncan & Brooks-Gunn. More specifically, if you can summarize their key arguments in a few sentences and have thought about whether you agree or disagree, you will be in good shape. It’s also good to be familiar with the two readings from the first day (Eherenreich and Kozol)

Outline

This outline, taken from class lecture slides, contains the basic concepts that may be tested on the midterm. Think about the context and use of concepts – not just definitions.

Types of surveys
  - Longitudinal
  - Cross-sectional
  - Panel

Issues in evaluating surveys
  - Instruments
  - Sampling
  - Response

Current Population Survey

Common descriptive statistics
  - Mean – arithmetic average
  - Median – mid-point
  - Percentiles / deciles / quintiles – location in rank
  - Percentage – number per 100 in given state

Other demographic concepts
  - Aggregate
    - Level
    - Trend
  - Changes in composition
    - Individual
    - Spell
    - Changes in individual status

Federal Poverty Line
  - FPL history - Mollie’s legacy
  - What it includes / excludes
  - Critiques and critics
Alternative poverty lines
   Cost-of-living-based - Ex: Self-sufficiency standard
   Relative measures - Ex: 50% of median area income

Other ways to describe the demographics of poverty
   Duration of poverty
   Depth of poverty
   Consumption
   Wealth
   Social indicators

Poverty rate vs. percentage of the poor
   Poverty rate = # poor / all
   Percentage of poor = # in group / all poor

Inequality measures
   Gini coefficient
   Robin Hood Index
   Share of income earned by bottom of distribution

Ever-on versus point-in-time
   Paradox: most people who are ever poor are poor for a short time, but most of the poor at any given time are long-term poor
   Why does this matter?

Market economies
   Pure capitalism - an economic system based on private ownership of capital
   *laissez faire government*
   “the invisible hand”
   Opposite of capitalism: statism
   What do we have?

Inequality
   Why do we put up with it?
   Trade-off between equality and efficiency
   Motivation of the market
   Notions of social justice