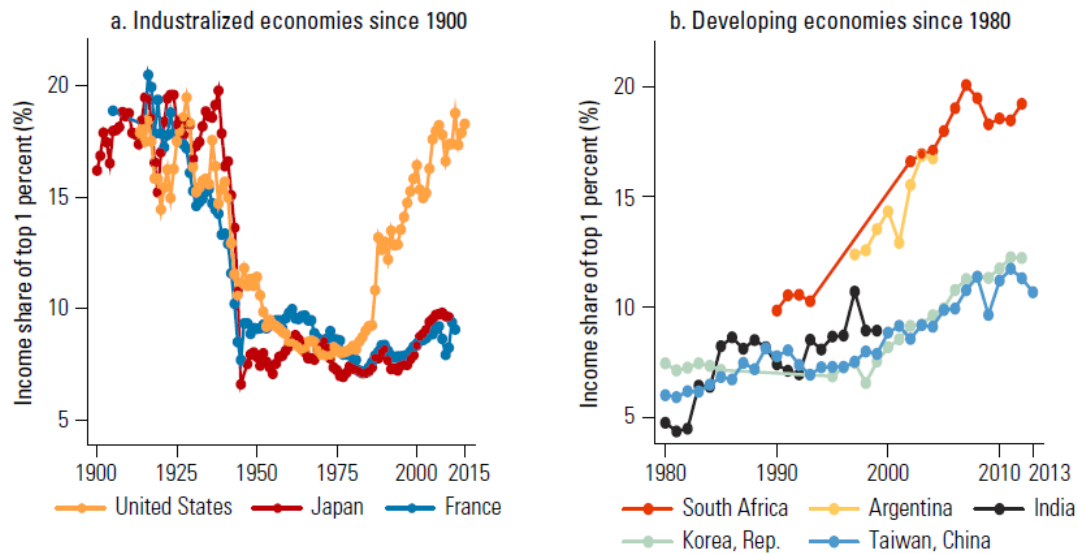


Taking the Pulse of Our Society

Let us look at some attributes of our society, let us take its pulse. It is deeply concerning to know that likely policy changes due to the recent election will magnify difficulties for many people who are already disadvantaged. The disturbing trend of increased inequality in the United States since about 1980 stands in stark contrast to many other countries, though it is similar to South Africa and Argentina:

FIGURE 0.13 The National Income Share of the Richest 1 Percent, Selected Economies



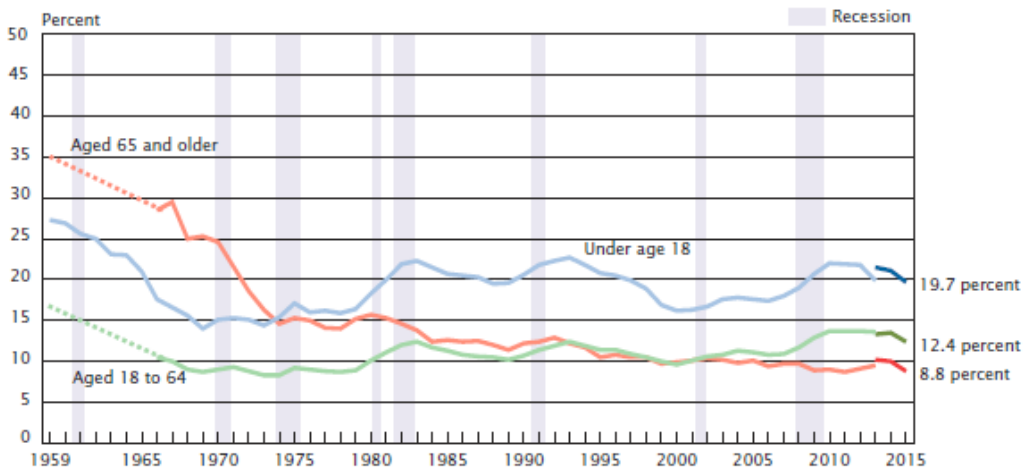
Source: Calculations based on data of WID (World Wealth and Income Database), Paris School of Economics, Paris, <http://www.parisschoolofeconomics.eu/en/research/the-world-wealth-income-database/>.

Note: The income share excludes capital gains. These measures are typically derived from tax record data. For South Africa, the income share refers to adults.

Source: World Bank Group, Taking on Inequality, Poverty and Shared Prosperity 2016.

While poverty rates declined slightly in the United States last year, poverty remains unacceptably high, particularly for children where one in five live in poverty, as shown in the next figure:

Figure 5.
Poverty Rates by Age: 1959 to 2015

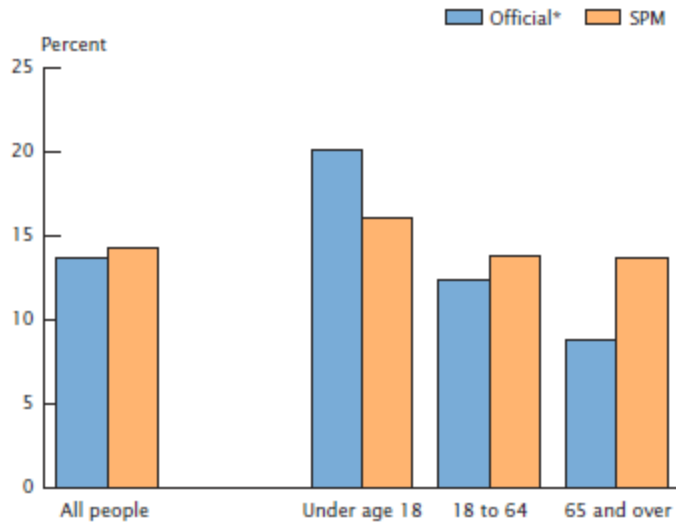


Note: The data for 2013 and beyond reflect the implementation of the redesigned income questions. The data points are placed at the midpoints of the respective years. Data for people aged 18 to 64 and aged 65 and older are not available from 1960 to 1965. For information on recessions, see Appendix A. For information on confidentiality protection, sampling error, nonsampling error, and definitions, see <www2.census.gov/programs-surveys/cps/techdocs/cpsmar16.pdf>.
Source: U.S. Census Bureau, Current Population Survey, 1960 to 2016 Annual Social and Economic Supplements.

Source: Bernadette D. Proctor, Jessica L. Semega, and Melissa A. Kollar, United States Census Bureau, Income and Poverty in the United States: 2015, September 2016.

We have made much progress in reducing poverty for those 65 and older due to the success of Social Security and Medicare. However, this progress is less evident when we use the supplemental poverty measure (SPM) as shown in the next figure. The SPM takes into account costs of goods, services and housing costs (including geographic differences), and government programs that assist low income families.

Figure 1.
**Poverty Rates Using Two Measures for Total Population
 and by Age Group: 2015**

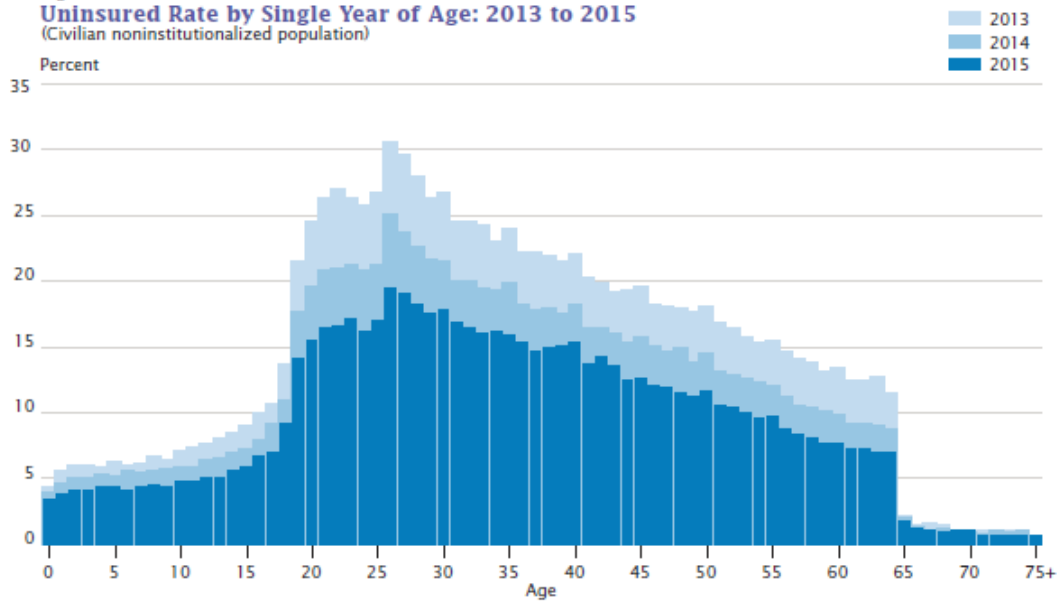


* Includes unrelated individuals under the age of 15.
 Note: For information on confidentiality protection, sampling error, nonsampling error, and definitions, see <www2.census.gov/programs-surveys/cps/techdocs/cpsmar16.pdf>.
 Source: U.S. Census Bureau, Current Population Survey, 2016 Annual Social and Economic Supplement.

Source: Trudi Renwick, and Liana Fox, United States Census Bureau, The Supplemental Poverty Measure: 2015, September 2016.

The success of Medicare is evident in the next figure, along with the success of the Affordable Care Act, in reducing the number of people who do not have health insurance coverage. Not surprisingly, in the absence of a single payer, Medicare-for-All approach, we still see egregious increases in the cost of health care and health insurance. Factors leading to this, the benefits of the Affordable Care Act, and steps we need to take in the future are reviewed in Deborah LeVeen’s chapter “Healthcare as Social Responsibility: Implications for Business” in *Business Behaving Well*. We still have far to go to approach the breadth and effectiveness of health care in other developed countries. Achieving this will mean moving to a single payer, Medicare-for-All approach, and away from the bureaucratic, ineffective, for-profit approach that has been so detrimental to our society. Unfortunately the new administration appears to be moving in the opposite direction to that needed.

Figure 4.
Uninsured Rate by Single Year of Age: 2013 to 2015
(Civilian noninstitutionalized population)



For information on confidentiality protection, sampling error, nonsampling error, and definitions in the American Community Survey, see <www2.census.gov/programs-surveys/acs/tech_docs/accuracy/ACS_Accuracy_of_Data_2015.pdf>.

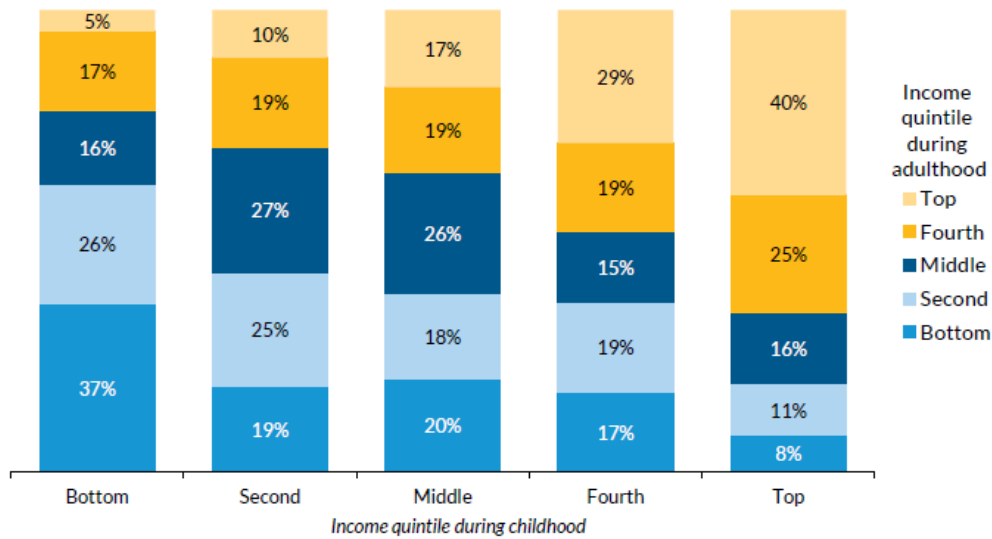
Source: U.S. Census Bureau, 2013, 2014, and 2015 1-Year American Community Surveys.

Source: Jessica C. Barnett, and Marina S. Vornovitsky, United States Census Bureau, Health Insurance Coverage in the United States: 2015, September 2016.

We see the difficulty of escaping from poverty in the next figure where parental income is a major determinant of children's financial well-being in adulthood in the United States:

FIGURE 8

Relative Intergenerational Mobility: Adults' Income Quintile by Childhood Income Quintile, 1967-2009



Source: Urban Institute analysis of Panel Study of Income Dynamics data.

Notes: All adult children were ages 0-5 and were the child of the head of household in 1968. These adult children were in their 30s from 1993 through the 2009 survey. Their parents' income information is based upon an average of all reported years of income from 1967 onward, when their parents were also in their 30s.

Source: Gregory Acs, Diana Elliott, and Emma Kalish, Urban Institute, US Partnership on Mobility from Poverty, What Would Substantially Increased Mobility from Poverty Look Like?, July 2016.

We continue to struggle to care for our children when compared with other countries as shown in the next figure:

CHILD PROSPERITY INDEX

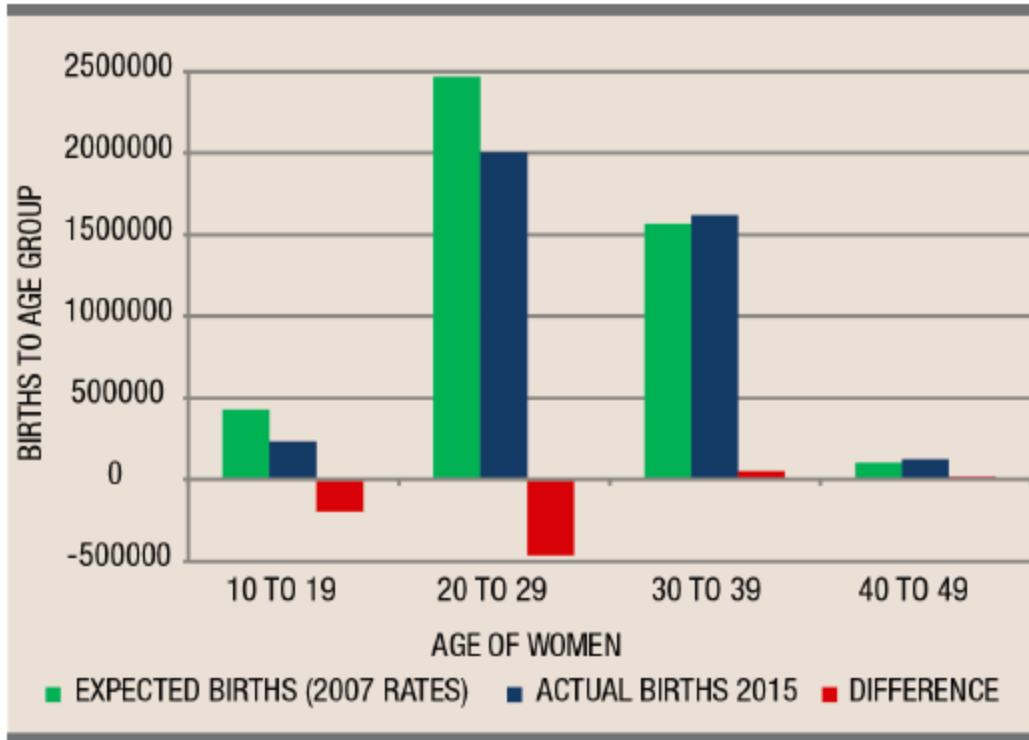
COUNTRY	RANK	GDP PER CAPITA	HDI RANK
Germany	1	\$47,033	6
France	2	\$41,221	22
Japan	3	\$38,211	20
Australia	4 (equal)	\$47,318	2
Canada	4 (equal)	\$45,489	9
United Kingdom	6	\$40,958	14
Republic of Korea	7	\$36,528	17
Italy	8	\$35,665	27
United States	9	\$55,904	8
Turkey	10	\$20,277	72
China	11	\$14,190	90
Russia	12	\$23,744	50
Argentina	13	\$22,375	40
Mexico	14	\$18,335	74
Saudi Arabia	15	\$53,565	39
Indonesia	16	\$11,112	110
Brazil	17	\$15,690	75
South Africa	18	\$13,197	116
India	19	\$6,209	130

Note that the G20 is comprised of 19 countries plus the European Union. Only the 19 countries are included in this analysis.¹⁵

Source: Save the Children, Economic Playgrounds 2016: Comparing the Lives of Children in G20 Countries. (All data accessed in March 2016. Most data are for the year 2014 (otherwise, latest available)).

We see fewer than expected births as shown in the following figure:

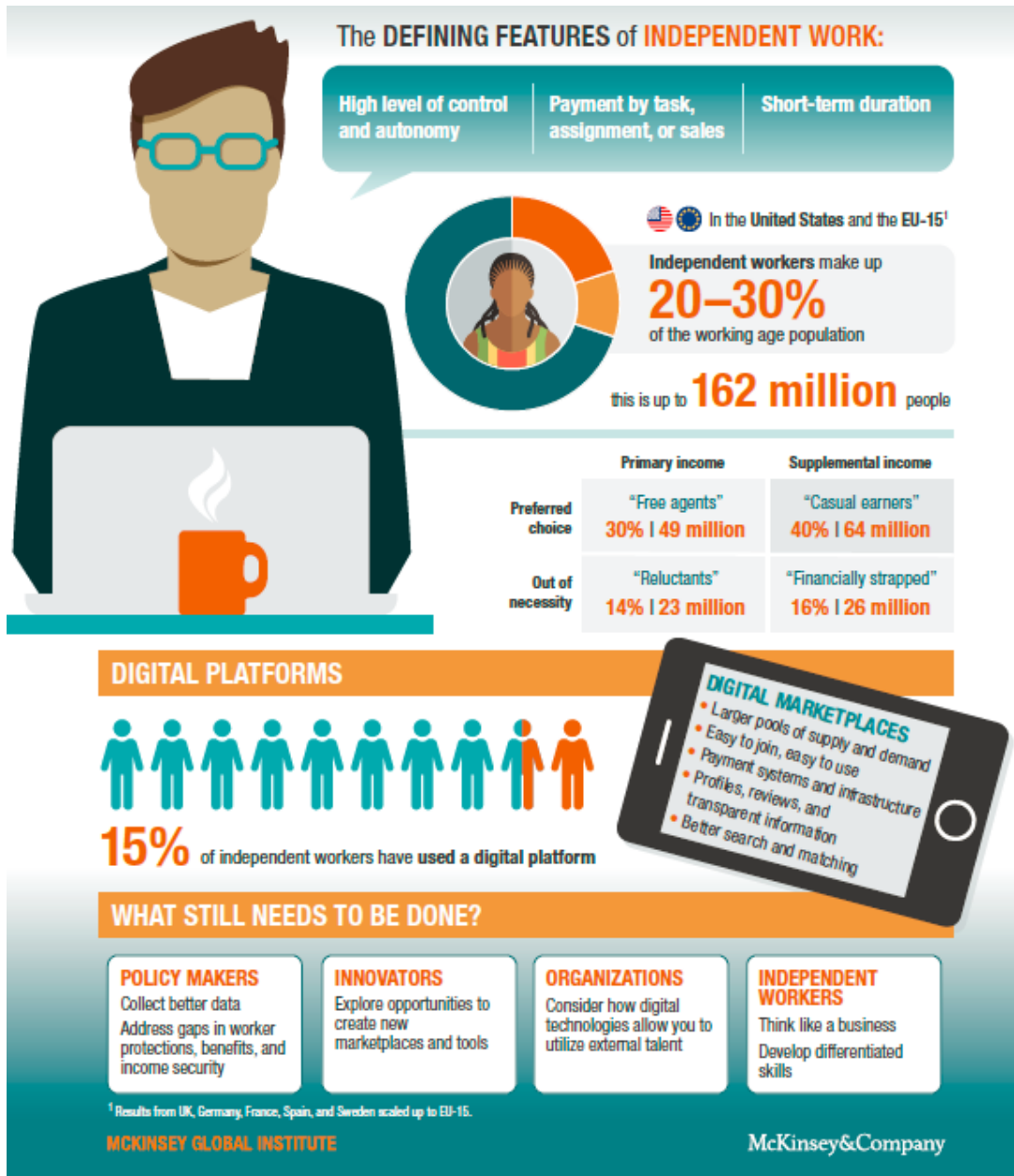
FIGURE 2. MANY FEWER BIRTHS THAN EXPECTED FOR YOUNG WOMEN AND SLIGHTLY MORE BIRTHS FOR OLDER WOMEN, 2015



Analysis: K.M. Johnson, Carsey School, University of New Hampshire
 Source: National Center for Health Statistics

Source: Kenneth M. Johnson, Carsey School of Public Policy, University of New Hampshire, Carsey Research, National Fact Sheet #34, U.S. Births Remain Low as the Great Recession Wanes: More Than Three Million Fewer Births and Still Counting, Summer 2016.

It is encouraging to see the continued growth of nontraditional career paths, which free people from dependency on large organizations and open up fulfilling and practical opportunities, as shown in the next figure:

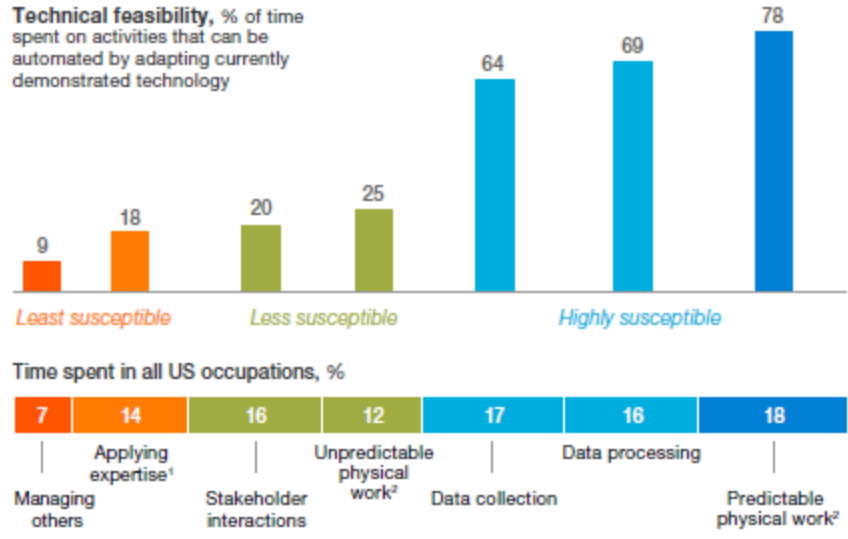


Source: McKinsey&Company, McKinsey Global Institute, Independent Work: Choice, Necessity, and the Gig Economy, October 2016.

Flexibility in determining and adjusting career paths will be particularly important given the on-going march of automation as shown in the next figure:

Exhibit 1

Analyzing work activities rather than occupations is the most accurate way to examine the technical feasibility of automation.



In practice, automation will depend on more than just technical feasibility. Five factors are involved: technical feasibility; costs to automate; the relative scarcity, skills, and cost of workers who might otherwise do the activity; benefits (eg. superior performance) of automation beyond labor-cost substitution; and regulatory and social-acceptance considerations.

¹Applying expertise to decision making, planning, and creative tasks.

²Unpredictable physical work (physical activities and the operation of machinery) is performed in unpredictable environments, while in predictable physical work, the environments are predictable.

Source: Michael Chui, James Manyika, and Mehdi Miremadi, McKinsey Quarterly, Where machines could replace humans – and where they can’t (yet), July 2016.

These trends, taken together, underline the importance of seeking a just society that values all. This will be particularly challenging in the next four years.