

CHAPTER 2: CLASS, INCOME, AND WEALTH

Multiple Choice:

1. American researchers traditionally have conceptualized social class as: (p. 17)
 - a. unidimensional in nature.
 - b. groups in conflict with each other.
 - c. very different from “socioeconomic statuses.”
 - d. existing on a continuum with indistinct boundaries between classes.**
2. Which of the following best represents Americans’ perceptions of class? (p. 16)
 - a. Middle-class Americans describe the class structure as a relatively smooth continuum.**
 - b. Blacks and Whites tend to view class differences similarly.
 - c. Upper class individuals are more likely than those in lower classes to see a greater distance between the top and the bottom.
 - d. Working-class individuals perceive a larger number of classes than those in the middle class.
3. The Marxian view considers social classes as: (p. 19)
 - a. defined by their relationship to one another.**
 - b. being determined by income and occupation.
 - c. much more multidimensional than the traditional view.
 - d. inevitably remaining categories, rather than ever becoming groups.
4. Which of the following does *not* represent a trend in occupational shifts over the past 25 years: (p. 19)
 - a. High-tech jobs have expanded.
 - b. Low-paid service jobs have declined.**
 - c. Unionized, high-paying manufacturing jobs have declined.
 - d. Broad professional and service occupations are the fastest growing.
5. According to Gilbert’s (2003) class model, the majority of the population falls into the: (pp. 17–18)
 - a. middle and working class.**
 - b. under class.
 - c. upper class.
 - d. capitalist class.
6. The routine nature of much low-level white-collar work has caused some analysts to categorize these workers as: (p. 18)
 - a. middle class.
 - b. working class.**
 - c. lower class.
 - d. under class.
7. The proletarianization argument states that an increasing number of white-collar jobs are: (p. 18)
 - a. routine, boring, and demand little skill.
 - b. are no different from many blue-collar jobs.
 - c. involve little worker control.
 - d. all of the above.**
8. Which of the following does *not* represent a trend in occupational shifts over the past 25 years? (p. 19)
 - a. High-tech jobs have expanded.
 - b. Low-paid service jobs have declined.**
 - c. Unionized, high-paying manufacturing jobs have declined.
 - d. Broad professional and service occupations are the fastest growing.
9. Class consciousness refers to: (p. 19)
 - a. the idea that class is entirely an objective measure.

- b. a growing awareness that class is become more important in U.S. society.
- c. the condition where members of a class become increasingly aware of differences within one class.
- d. a shared sense of belongingness between members of a social class.**

10. Advances in computer technologies and the growth of the Internet have: (p. 23)
- a. narrowed the gap between classes and races.
 - b. made employees more loyal to their employers.
 - c. **blurred the line separating home and workplace.**
 - d. limited recruitment of employees from different geographic areas.
11. According to Gilbert, which portion of the U.S. population comprises the capitalist class? (p. 17)
- a. 1 percent**
 - b. 5 percent
 - c. 10 percent
 - d. 15 percent
12. Survey data indicates that most Americans see themselves as: (p. 16)
- a. upper class.
 - b. middle class or working class.**
 - c. working poor.
 - d. being affiliated with no particular class.
13. The embourgeoisement thesis states that: (p. 19)
- a. white-collar workers make up a “new working class.”
 - b. much white-collar work has become routine and deskilled.
 - c. the size of the blue-collar work force has increased dramatically.
 - d. those in complex, high-paying blue-collar jobs take on middle-class characteristics.**
14. Resnick and Wolff contend that the U.S. class structure can be centrally defined on the basis of: (p. 22)
- a. occupational prestige.
 - b. socioeconomic status.
 - c. role relative to surplus value.**
 - d. lifestyle and consumption patterns.
15. Erik Wright argues that: (p. 20)
- a. workers comprise less than 25 percent of the class structure.
 - b. career path has little to do with determining one’s class position.
 - c. an adult’s class position can be determined independently of a family’s class position.
 - d. those who do not own the firms they manage occupy a contradictory location in the U.S. class structure.**
16. Upper-class Americans are more likely to see class differences as essentially reflecting _____, whereas those in the lower reaches of the class structure are more likely to see class distinctions between themselves and the affluent as being based on _____. (p. 16)
- a. Lifestyle/money**
 - b. Wealth/status symbols
 - c. Deservingness/exploitation
 - d. Educational attainment/occupational attainment
17. Data on income distribution shows that: (pp. 27–29)
- a. most Black and Hispanic households have incomes below the poverty line.
 - b. the percentage of households with incomes of at least \$200,000 increased markedly from 1980 to 2014.
 - c. the percentage of households with incomes below \$15,000 increased significantly over the last three decades.
 - d. households headed solely by adult males have significantly higher incomes than those headed jointly by married couples.

18. Among the factors that appear to be related to a rise in income inequality is (are): (p. 30)
- increasing unionization.
 - changes in the occupational structure.**
 - lower unemployment rates.
 - an increase in the minimum wage.
19. Which of the following is true about the nature of wealth in American households: (p. 31)
- The majority of wealth for the upper-class is in corporate stock.
 - The majority of wealth for the bottom 3 quintiles is in their pension accounts.
 - The majority of wealth for the upper-class is in liquid assets.
 - The majority of wealth for the bottom 3 quintiles is in their primary residence.**
20. Downsizing, lean production, and the exportation of jobs to cheaper foreign labor markets have been primary ways used by: (p. 23)
- foreign governments to ensure that they are able to pay their workers fairly.
 - U.S. manufacturers to reduce costs and respond to foreign competition.**
 - multinational corporations to provide more benefits to employees.
 - U.S. corporations to increase employee satisfaction.
21. A consequence of penetration of U.S. firms into foreign countries is: (p. 21)
- higher incomes for many U.S. workers.
 - higher unemployment among U.S. workers.**
 - reduction of profit for U.S. firms.
 - the increase in power of workers to demand minimum wage increases.
22. Which of the following is a limitation of using income to measure a family's or individual's economic well-being? (p. 25)
- Income does not include the value of stocks, real estate, and other non-cash economic assets.**
 - Government studies measuring income use measures and methodologies that are too similar.
 - There is an over-reporting of income.
 - None of the above.
23. Which of the following is NOT a true statement regarding wealth and income inequality? (pp. 28–31)
- Income inequality is far greater than wealth inequality because most people do not have much in the way of wealth.**
 - In 2014, the bottom 40 percent averaged only \$2,200 in wealth.
 - In 2014, the richest 20 percent had an average wealth of \$2.3 million.
 - None of the above.
24. Which of the following is a true statement regarding wealth and income? (p. 30)
- Good broad-based information about the wealthy and wealth concentration is easier to find than information on the poor.
 - Wealth includes the value of homes, automobiles, businesses, savings, investments, and other assets, minus debt.**
 - Income fully reflects the access of the wealthy to a greater number of economic tools and opportunities.
 - Income is the most complete measure of a family's economic power.
25. Studies of wealth distribution in the early U.S. consistently point to the fact that: (p. 27)
- a large percentage of individuals during this period had great wealth.
 - wealth inequality didn't arise until industrialization.
 - wealth was fairly easily distributed during this period.
 - wealth inequality was a clear and consistent condition during this period.**
26. Which of the following is NOT a true statement regarding inheritance in the U.S.? (p. 32)
- Historically, inheritance of wealth has helped to stabilize, reproduce, and exacerbate economic inequality.

- b. Inheritance provides head-start assets such as paying for college and down-payment assistance.
 - c. Historically, family and inheritance have been the major sources of wealth among the corporate rich.
 - d. None of the above.**
27. The effects of the Great Recession included (p. 33)
- a. a temporary decrease in income and wealth inequality.
 - b. a decrease in the income share of the bottom 20 percent.**
 - c. no loss of wealth for those with high wealth.
 - c. the least wealthy losing the most wealth proportionally.
28. Taxes and transfer programs in the U.S. (pp. 35–36)
- a. reduce income inequality.**
 - b. are more effective in reducing inequality than in other industrial countries.
 - c. have been more effective in the past two decades in reducing inequality.
 - d. have no effect on income inequality.
29. The _____ view envisions globalization as raising the average economic fortunes of all nations, while the _____ view sees globalization as a force that strengthens the opportunities of powerful nations to take advantage of less powerful nations and exploit their labor. (p. 41)
- a. Conflict/functionalist
 - b. Positivist/anarchist
 - c. Collectivist/conflict
 - d. Neoliberal/critical**
30. Since the early 1800s up to the recent past, most world inequality has been due to: (p. 41)
- a. economic inequality between nations.**
 - b. political corruption within nations.
 - c. economic inequality within nations.
 - d. social inequality between nations.
31. Globalization has: (p. 42)
- a. reduced employment in high-paying manufacturing jobs.**
 - b. increased the price of many goods.
 - c. increased the average wage of the U.S. worker.
 - d. increased the demand for low-skilled as opposed to high-skilled labor.

True or False:

1. Awareness of class differences arise early among children. (p. 15) T
2. Americans have a clear understanding of who is in the upper, middle, and lower classes (p. 16) T
3. Over 80 percent of Americans say they are either “middle” or “working” class. (p. 16) T
4. Upper-class individuals are more likely to see class as determined by *income*, whereas those in lower classes are more likely to see class as determined by *lifestyle*. (p. 16) F
5. Occupational positions that are seen as requiring mental ability or as having authority over others are generally classified as at least middle class rather than working class. (p. 16) T
6. Those who ascribe to a continuum model of the class structure argue that the upper and lower classes are in clear conflict with one another. (p. 17) F
7. Gilbert argued that the “capitalist class” represents 10% of the U.S. population. (p. 17) F
8. Gilbert argued that the “underclass” represents 12% of the U.S. population. (p. 18) T

9. The embourgeoisement of working class jobs means that these jobs are becoming more routinized and de-skilled. (p. 18) F
10. Shifts in the structure of the labor market suggest that the occupational structure is becoming decreasingly polarized. (p. 19) F
11. Over the past 25 years, the expansion of high-tech jobs near the top of the occupational hierarchy has accompanied an increase in low-paying service jobs at the lower rungs of the occupational ladder. (p. 19) T
12. Between 2012 and 2022, the fastest growing jobs are in the manufacturing sector. (p. 19) F
13. An antagonistic model of social class argues that different classes perform distinct but interrelated functions in capitalistic society. (p. 19) T
14. Some Marxists argue that individuals become a social class when they develop a common class and political awareness. (p. 19) T
15. Compared to some European countries, the American working class has stronger class consciousness. (p. 20) F
16. On the whole, American workers have acted as a “class for itself.” (p. 20) F
17. Occupational positions that are seen as requiring mental ability or as having authority over others are generally classified as at least middle class as opposed to working class. (p. 16) T
18. Most studies of the U.S. middle class indicate a shrinking in its size. (p. 30) T
19. Traditionally, U.S. researchers have defined social class purely economically. (p. 17). F
20. Recently, the lines distinguishing blue-collar and white-collar work have been sharpened. (p. 18) F
21. Blue-collar work is always considered working class. (p. 18) F
22. Marx believed that class is not defined by income or occupation, but rather by ownership/control in the system of production. (p. 19) T
23. The high level of unionization and the presence of a working-class political party in the United States have enabled the development of class solidarity. (p. 20) F
24. Wright’s characterization of the U.S. class structure uses exploitation as the defining element. (p. 20) T
25. Money income, as defined by the Census Bureau, includes money from virtually all sources, including wages, salaries, Social Security, welfare, pensions, and others. (p. 25) T
26. Those on the top of the wealth pyramid are more likely to have their wealth in stocks, bonds, and related investments as opposed to savings and home ownership. (p. 30) T
27. Economically, Blacks and Whites benefit equally from education and occupation. (p. 32) F
28. Income is distributed much more unequally between Whites and others than is wealth. (p. 32) F
29. Poor countries are more likely to be in favor of globalization because free trade allows their farmers to obtain subsidies. (p. 41) F
30. Despite variations, on the whole there seems to be a general consensus that globalization reduces economic inequality within countries, including the U.S., and has contributed to greater world equality. (p. 42) F

Matching:

Associate the name or concept on the left with the idea or definition on the right:

1. Erik Wright	Adoption of middle-class lifestyle among blue-collar workers (2)
2. Embourgeoisement	Discrepancy between <i>pre-tax</i> and <i>post-tax</i> income distributions (3)
3. Index of income concentration	Contradictory” class locations (1)
4. Karl Marx	“Class-for-itself” (4)
5. Proletarianization	White-collar jobs take on working-class characteristics (5)

Essays:

1. What factors lie behind rises in income inequality in the U.S. in recent decades?
2. Outline the dominant historical trends in wealth distribution in the U.S.
3. Compare and contrast the class structure models of Gilbert and Wright.
4. What have been the principal methodological issues in studies of wealth and income distribution?
5. You are given the task of assessing the general level of economic well-being across populations within the largest 100 U.S. cities. The only two statistics to which you have access are *mean* family income and *median* family income. If you must only use one of these indicators, which would you employ, and why?
6. How do Marxian analysts differ from traditional analysts in their conception of classes?
7. Discuss the specific ways in which the class structure of society is shaped by the political, cultural, and economic context in which it is embedded. How has technology helped to shape the U.S. class structure?
8. Discuss the impact of globalization from the neoliberal, critical, and mixed perspectives.

Class Exercises:

1. Discuss with students their perceptions of the most significant determinants of social class position. Ask them how they can tell an individual’s class position.
2. Have students collect information on the wealthiest individuals and families in the U.S. and report on their characteristics and bases of wealth (*Forbes* and *Fortune* magazines would be a good place to start).
3. Divide the class into three groups, assigning each to either the wealthy, middle, or poverty class. First, have each group discuss, among themselves, the causes and political and social implications of the rise in economic inequality in the U.S. Then have the entire class debate the effects.