

Re: how to compare living standards

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- *From:* "Jim Blair" <jeb@xxxxxxx>
 - *Date:* Thu, 18 May 2006 10:31:37 -0500
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"tonyp" <tonyp@xxxxxxxxxxxx> wrote in message
news:g5GdneNsgqqLGffZnZ2dnUVZ_v2dnZ2d@xxxxxxxxxxx

"Jim Blair" <jeb@xxxxxxx> wrote

You talk as if there was only so much income
and if A gets more, that leaves less for the rest.

No, I talk as if there are only so many _quintiles_, and if 17% of the
population is permanently encamped in one of them, there's that much less
"mobility" left for the other 83%.

Hi,

You have a strange way of looking at this.

Individuals work to increase their incomes, not to make it into a particular
income quintile.

I say that it is good that real incomes have been increasing. I suppose
some would look at that and claim that this is BAD because it is getting
ever harder to make it into the top income quintile. Recall in the example
I gave, Bob dropped an income quintile because his income increased but not
enough to remain in the second one.

You think economics is a Zero Sum game?

No. Do you think that just because there is a fixed number of quintiles,
then I must be saying that _population_ remains constant? There -- now

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we

have _each_ asked a stupid question.

We both agree that only 20% of the population can fit into the top income quintile, and one in 5 will always be in the bottom one.

My guess is that most who leave the top quintile do so by dying.

And if their replacements in that top quintile are mostly their own children, that's just more evidence of "income mobility", right?

It would be if their children started with a low income and then moved up over the time period of measurement.

Yes, if. And not even then, necessarily.

??? Yes, necessarily. Individuals who move up to a higher income quintile necessarily increase income mobility.

....Two kids fresh out of school may well both start off in the middle quintile, as new hires at the bottom of some corporate ladder. What do you want to bet that the CEO's son is more likely than the janitor's son to move into the top quintile eventually?

While that would be a good bet statistically, it would not always be a winning bet.

If the janitor's kid was ambitious and went to night school while the CEO's kid wanted to drop out to move to a commune and reject commercialism and capitalist values to seek his inner self, then which would you bet on?

I like the term "circulation of elites" the sociologist used to describe the hippie movement which was mostly the children of the ruling classes rejecting the values of the Industrial State and their displacement at the top by the children of the lower classes who valued education.

But that raises some interesting questions.
Would it be BAD if the children of the top
income quintile were to also occupy that quintile?
And would it be unexpected?

It would be unexpected, if you have a naive view of "income mobility".

I

don't, myself.

If you believe in bio-sociology (that behavior characteristics
are inherited as well as physical ones like eye color),
and that high incomes result from behaviors, then
it would be expected that the children would end up
where their parents did even in the absence of any other
help from them than the genes they received.

Wealth is more heritable than eye color or behavior patterns. Do you
think

maybe that figures into it somewhere?

-- TP

Is it? All of your genes come from your parents and you get none from any
other source. That is not the case for your wealth.
Again, your way of looking at things seems strange to me.

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jim blair (jeblair@xxxxxxx) Madison Wisconsin USA.
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