

# MAKING IT IN AMERICA

## introduction

The American Dream is a cornerstone of American culture. However, many Americans today feel like it no longer exists. In fact, over half of millennials feel the American Dream is more dead than alive.<sup>1</sup> Wealth inequality is a big reason for this. A whopping 79 percent of the country's wealth is held by just 10 percent of Americans and many people feel like even with hard work, they can't get ahead. During the mid-20<sup>th</sup> century, the American Dream was strong for a lot of Americans, wealth was relatively equitable, and the government instituted a number of programs which helped build a strong middle class. At the same time, wide gaps in racial wealth inequality persisted due to policies and programs which deliberately excluded Black Americans and over the past three decades, wealth inequality throughout the U.S. has skyrocketed. It is important for students to be aware of the wealth inequality that exists in our country today and to analyze this inequality from a historical context.

## materials

### Part 1

For each group:

- Colored paper
- 100 "wealth objects" (coins, paper clips, etc.)

### Part 2

- Timeline Documents (provided)
- Personal computers/tablets

## Part 1: Wealth Distribution in the U.S.

## procedure

1. Divide students into groups of 5-6 and provide each group with 100 "wealth objects" and five sheets of colored paper – one each of blue, light blue, green, yellow, and red. These colors can be changed, as long as each group has the same colors.
2. Explain to students that they will be investigating wealth inequality in the U.S. and have them offer ideas on how wealth inequality might differ in definition from income inequality.



Studies For Our Global Future

### concept

There is a high degree of wealth inequality in the United States today. Looking at the past provides insight into the state of the American Dream today.

### objectives

Students will be able to:

- Compare their perceptions of wealth distribution in the U.S. to the actual wealth distribution.
- Interpret historic data on the distribution of wealth in the U.S. and analyze changes from 1962 to 2016.
- Evaluate the current state of the American Dream using historic documents and current statistics.

### subjects

Economics, U.S. History, Government, English Language Arts

### skills

Comparing and evaluating, analyzing data, guided research, reading and analyzing data on primary sources, synthesizing information, writing

### method

Students use wealth tokens to compare actual American wealth distribution to perceived distribution, then analyze historic documents related to the American Dream.

*Answer: Income inequality only measures how much income is generated whereas wealth inequality also considers assets, like home and other property, savings, investments, and debts/payments. Measuring overall wealth gives a more comprehensive view of economic standing.*

3. Point out the five sheets of paper, and explain that each paper represents a “quintile,” or 20 percent, of the U.S. population.
4. Students should write the following headings at the top of each sheet and then line the sheets up in order from lowest to highest wealth:
  - Dark blue: Lowest (bottom) 20%
  - Light blue: Second lowest 20%
  - Green: Middle 20%
  - Yellow: Second highest 20%
  - Red: Highest (top) 20%
5. Using their wealth tokens, have the groups distribute wealth how they *think* it is currently distributed among the U.S. population. What percentage of wealth does each quintile of the U.S. population own? Since there are 100 tokens, one token is equal to 1 percent of U.S. wealth.
6. After all the groups have finished, allow them time to do a gallery walk to view other groups’ distributions. Then ask the following questions:
  - a. Did your group agree on how you think wealth is currently distributed?
  - b. Did other groups give a similar distribution?
7. Have students return to their group. Ask them to repeat the process of moving wealth tokens, but this time, they should divvy them up according to how they think wealth *should* be distributed in the U.S.
8. Again, allow students time to do a gallery walk to view other groups’ distributions, and then ask the following questions:
  - a. Did your group members agree on how wealth should be distributed?
  - b. What issues came up in your group? What were arguments for making the distribution more equal? Less equal?
  - c. Did all the groups give a similar distribution?
9. Display the five main columns (to the right of the bold line) from the data chart on page 3. Have students look at the 2016 data to determine how wealth is actually distributed, and move their wealth tokens accordingly, rounding to the nearest whole number.

Ask students the following questions:

- a. How does the actual distribution of U.S. wealth compare with what your group thought?
- b. Were you surprised by the data? Explain.
- c. How does the actual distribution compare to how your group thought wealth *should* be distributed?

10. Display the entire chart for discussion.

**The Distribution of U.S. Wealth, 1962-2016**  
(by percentage share of wealth)

	Top 1%	Next 4%	Next 5%	Next 10%	Highest (top) 20% Total	Second Highest 20%	Middle 20%	Second Lowest 20%	Lowest 20%
1962	33.4	21.2	12.4	14.0	<b>81.0</b>	13.4	5.4	1.0	-0.7
1969	35.6	20.7	12.5	13.8	<b>82.5</b>	12.2	5.0	0.9	-0.6
1983	33.8	22.3	12.1	13.1	<b>81.3</b>	12.6	5.2	1.2	-0.3
1989	35.2	22.8	11.9	13.2	<b>83.0</b>	12.0	4.7	0.9	-0.7
1992	37.2	22.8	11.8	12.0	<b>83.8</b>	11.5	4.4	0.9	-0.5
1995	38.5	21.8	11.5	12.1	<b>83.9</b>	11.4	4.5	0.9	-0.7
1998	38.1	21.3	11.5	12.5	<b>83.4</b>	11.9	4.5	0.8	-0.6
2001	33.4	25.8	12.3	12.9	<b>84.4</b>	11.3	3.9	0.7	-0.4
2004	34.3	24.6	12.3	13.4	<b>84.7</b>	11.3	3.8	0.7	-0.5
2007	34.6	27.3	11.2	12.0	<b>85.0</b>	10.9	4.0	0.7	-0.5
2010	35.1	27.4	13.8	12.3	<b>88.6</b>	9.5	2.7	0.3	-1.2
2013	36.7	28.2	12.2	11.8	<b>88.9</b>	9.3	2.7	0.2	-1.1
2016	39.6	27.1	12.1	11.1	<b>89.9</b>	8.2	2.4	0.3	-0.8
<b>Net change</b>	+6.2%	+5.9%	-0.3%	-2.9%	<b>+8.9%</b>	-5.2%	-3.0%	-0.7%	-0.1

Source: Wolff, E. National Bureau of Economic Research. *Household Wealth Trends in the United States, 1962-2016: Has Middle Class Wealth Recovered?*

**Note:** Negative percentages indicate a negative net worth, meaning that overall, people owe more money than they own.

## discussion questions

1. What implications do you think this wealth distribution has for the average American?

*Answers will vary. Students may mention that average Americans can't afford many of the luxuries of the upper quintiles, need to work multiple jobs, might feel like it is more difficult to get ahead, etc.*

2. Do you think the average American knows how wealth is currently distributed in the United States?

*Answers will vary. According to studies, most Americans drastically underestimate wealth disparities in our country. In a 2013 study from the Harvard Business School, subjects estimated that the top 20 percent of U.S. households owned about 59 percent of the country's wealth. In reality, the top 20 percent holds 90 percent of the wealth.<sup>2</sup>*

3. What does the data in the chart tell us about how wealth is distributed among the top 20 percent?

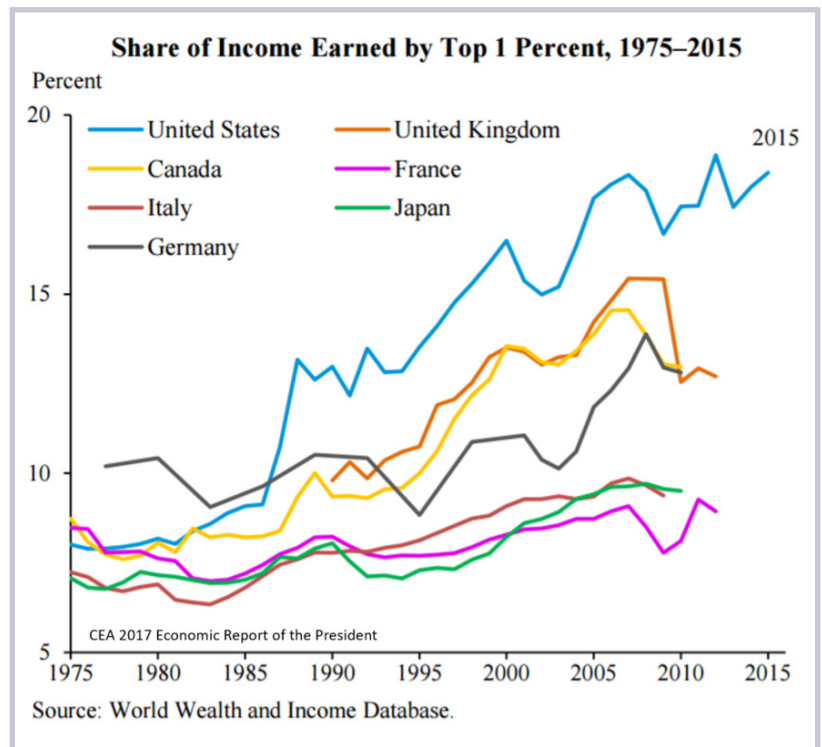
*The wealth in the top 20 percent of households is skewed toward the richest Americans. One percent of the population*

holds almost 40 percent of the wealth and 10 percent of the population holds 79 percent of the wealth.

4. How do you think wealth distribution in the United States compares with other developed countries?

Answers will vary. In fact, wealth inequality in the U.S. is much greater than in other countries. As seen in the activity, the top 10 percent of households in America hold 79 percent of the wealth. A recent OECD (Organization for Economic Cooperation and Development) report showed that of OECD countries, excluding the United States, the average wealth held by the top 10 percent of the population is 48 percent (31 percent lower than in the U.S.).<sup>3</sup>

5. Have students look at the historic data in the data chart, especially the net change row. How has wealth inequality changed between 1962 and 2016? Which quintiles have gained wealth? Which have lost? What does this mean for wealth inequality in our country?



Only the wealthiest quintile gained wealth (by about 9 percent), whereas all other quintiles have lost wealth. This indicates that the wealth gap has been increasing.

6. Why do you think the wealth gap has increased in recent years?

Answers will vary. Students may notice that big change occurred between 2007 and 2010, during the housing crisis and the Great Recession. They may point out that the housing crisis had a disproportionate impact on middle class and poor families. For middle class and poor families, housing assets made up a very large share of their wealth, whereas richer Americans held assets in other areas as well. Students may also be aware that incomes for the very rich have significantly risen over the past 20 years.

7. Do you think race and ethnicity is a factor in America's wealth distribution? If so, why do you think this is?

Race is a significant factor in America's wealth distribution. In fact, according to the 2010 census, the median white household had \$111,146 in wealth holdings, compared to just \$7,113 for the median Black household and \$8,348 for the median Latino household. The wealth gap between Black and white families is the largest it's been since 1989. This inequality exists due to a multitude of reasons which resulted in disparities in home ownership, education, and income due to countless government, local, and private policies that prevented Black people from building wealth.

## Part 2: Looking Back

In the exercise in Part 1, students learn that wealth in the United States is not equitably distributed among the population. But wealth in the U.S. was not always this skewed toward the rich. In the mid-20<sup>th</sup> century, wealth was more evenly distributed – a strong middle class was developed and maintained through a variety of government initiatives that encouraged home ownership, attendance in school, participation in the workforce, and more. The economy boomed, consumption reigned, and the average, working class and middle-class white American in the U.S. felt that they could advance to a better place in society than their parents. In other words, the “American Dream” was alive and well for that demographic.

However, government programs and policies throughout the majority of the 20<sup>th</sup> century, from housing to GI benefits to education, largely excluded Black individuals, limiting their ability to accumulate wealth and gain higher incomes.

The economic downturn in the 1970s and rising wealth inequality over the past three decades have further challenged the traditional cornerstones of the American Dream.

### procedure

1. Divide students into groups of three. Ask them to discuss what they think of when they hear the phrase “American Dream.” What images, words, ideas, or goals come to mind? Ask them what role, if any, they think the government should play in advancing the idea of the “American Dream.”
2. Distribute the Timeline Documents handout to each student. Each student will need access to a computer or tablet.
3. In their groups, each student will read the description and study the included primary sources for two or three of the first nine documents on the Timeline Documents handout. All group members should study different documents and no one should study document #10. The Timeline Documents provide an outline of historical moments that have impacted the creation, preservation, exclusion from, and, more recently, threats to the American Dream through the 20<sup>th</sup> century. (Web links are provided for each Timeline Document at the end of the lesson.)
4. After students have studied their documents, give them time to share with their small group what they learned.
5. Then as a group, students should analyze the graphs on PowerPoint slides included in document #10.
6. Lastly, have students work in their small groups to answer the questions at the bottom of the Timeline Documents handout.
7. Either in class or for homework, students revisit their responses to the questions posed in Step 1 at the beginning of Part 2. Students should write a short essay explaining their views on the American Dream and reasoning. They should include whether their thinking has changed based on the Timeline Documents and why or why not.

## assessment

Review student essays and their answers to the questions on the Timeline Documents.

## follow-up activities

1. Students research a barrier to achieving the American Dream in their local community or region. (If students don't believe the American Dream exists, they should look at a barrier to achieving their vision for an equitable and inclusive country.) Focusing on the barrier, students do one of the following:
  - write an op-ed or letter to a local representative asking for action on the issue. Students should cite data and evidence and a specific solution or action needed.
  - create a podcast (using the free app Anchor) or feature-style blog post detailing how the issue is being addressed in their local community. Students can interview local activists and organizations addressing the issue and add their commentary to the podcast or blog post.
2. Students write a poem expressing their view or providing commentary of the American Dream as it was, is, or could be in the future. You can share and discuss the poem "[Let America Be America Again](#)" by Langston Hughes for inspiration and context.

Part 1 has been adapted with permission from TeachableMoment.org, a project of Morningside Center for Teaching Social Responsibility. <https://www.morningsidecenter.org/teachable-moment/lessons/wealth-inequality-america>

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<sup>1</sup>Harvard University Institute of Politics. (2015, December). *Survey of Young Americans' Attitudes Toward Politics and Public Service* (28th Edition). Retrieved from <https://www.iop.harvard.edu/survey-young-americans%E2%80%99-attitude-toward-politics-and-public-service-24th-edition>

<sup>2</sup>Sorapop Kiatpongsan and Michael I. Norton, "How Much (More) Should CEOs Make? A Universal Desire for More Equal Pay," *Perspectives on Psychological Science*, 9, no. 6 (November 2014): 587–593.

<sup>3</sup>Organization for Economic Development and Cooperation. (2016). Share of top 10% of wealth. [Data set]. Retrieved from <https://stats.oecd.org/Index.aspx?DataSetCode=WEALTHh>

For your convenience, the primary sources linked on the Timeline Documents handout can be accessed on the following sites:

Social Security Act, Original Document (First Document Image) \*To view, click the button "> larger images."  
<https://www.ourdocuments.gov/doc.php?flash=true&doc=68>

"Unemployed insured workers registering for jobs and filing benefits claims at a State Employment Office," Photo (Second Document Image) \*To view, click the button "> larger images."  
<https://www.ourdocuments.gov/doc.php?flash=true&doc=68>

"Company housing for Mexican cotton pickers on large ranch in Concoran, California"  
[https://en.wikipedia.org/wiki/California\\_agricultural\\_strikes\\_of\\_1933#/media/File:Corcoran,\\_San\\_Joaquin\\_Valley\\_California,\\_Company\\_housing\\_for\\_Mexican\\_cotton\\_pickers\\_on\\_large\\_ranch.\\_-NARA\\_-\\_521720.jpg](https://en.wikipedia.org/wiki/California_agricultural_strikes_of_1933#/media/File:Corcoran,_San_Joaquin_Valley_California,_Company_housing_for_Mexican_cotton_pickers_on_large_ranch._-NARA_-_521720.jpg)

FDR Second Bill of Rights, Speech Footage  
<https://www.youtube.com/watch?v=3EZ5bx9Ayl4>

FDR Second Bill of Rights, Original Script Pg. 1  
[http://www.fdrlibrary.marist.edu/archives/images/exerpt\\_c.jpg](http://www.fdrlibrary.marist.edu/archives/images/exerpt_c.jpg)

FDR Second Bill of Rights, Original Script Pg. 2  
[http://www.fdrlibrary.marist.edu/archives/images/exerpt\\_d.jpg](http://www.fdrlibrary.marist.edu/archives/images/exerpt_d.jpg)

The GI Bill of Rights, An Explanation of Its Provisions and Complete Text (pages 1-4)  
<https://www.nationalww2museum.org/sites/default/files/2017-07/gi-bill-of-rights.pdf>

“This tract is exclusive and restricted,” Image  
<http://digitallibrary.usc.edu/cdm/ref/collection/p15799coll102/id/889>

Image of Levittown, PA  
<https://upload.wikimedia.org/wikipedia/commons/6/64/LevittownPA.jpg>

“Envisioning the American Dream,” Image  
<https://envisioningtheamericandream.files.wordpress.com/2012/05/american-dream-post-war-abundance-swscan00536-copy.jpg>

Private covenants used in housing deeds in Hennepin County, MN (read text from 3 images)  
<https://www.mappingprejudice.org/what-are-covenants/>

Federal Housing Administration Underwriting Manual (1938), Section 929. (page 107)  
<https://www.huduser.gov/portal/sites/default/files/pdf/Federal-Housing-Administration-Underwriting-Manual.pdf>

Lyndon B. Johnson’s “Great Society” Speech, delivered during his commencement address at the University of Michigan  
<https://www.c-span.org/video/?153610-1/great-society-speech>

“American Dream/American Nightmare,” CBS special airing in 1979 (watch 3 minute clip from 2:10-5:10)  
[https://www.youtube.com/watch?v=w7E0H2KE\\_c0&t=313s](https://www.youtube.com/watch?v=w7E0H2KE_c0&t=313s)

Jimmy Carter’s Crisis of Confidence Speech (watch short clip from 11:35-13:37 or longer clip from 11:35-17:40)  
<https://www.youtube.com/watch?v=kakFDUeoJKM>

Crisis of Confidence Speech, Full Script  
<https://www.americanrhetoric.com/speeches/jimmycartercrisisofconfidence.htm>

# MAKING IT IN AMERICA | timeline documents

DOC #	DATE	DESCRIPTION	PRIMARY SOURCE/S
1	1931	<p><b>The first public definition of the American Dream:</b></p> <p><i>“It is a land in which life should be better and richer and fuller for everyone, with opportunity for each according to ability or achievement regardless of social class or circumstances of birth. It is not a dream of motor cars and high wages merely, but a dream of social order in which each man and each woman shall be able to attain to the fullest stature of which they are innately capable, and be recognized by others for what they are, regardless of the fortuitous circumstances of birth or position.”</i></p> <p>– “The Epic of America” by James Truslow Adams</p>	
2	1935	<p><b>Signing of the Social Security Act:</b> The Social Security Act established a system of old-age benefits for workers and victims of industrial accidents, unemployment insurance, aid for dependent mothers and children, the blind, and the physically handicapped. Social Security led to a drastic decline in the number of elderly people living in poverty.</p> <p><i>“We can never insure 100 percent of the population against 100 percent of the hazards and vicissitudes of life, but we have tried to frame a law which will give some measure of protection to the average citizen and to his family against the loss of a job and against poverty-ridden old age.”</i></p> <p>– President Franklin Roosevelt</p> <p>However, the act excluded about half of the economy: farmworkers and domestic workers, a large portion being people of color.</p> <p>– U.S. Social Security Administration</p>	<ol style="list-style-type: none"> <li>1. <a href="#">Social Security Act, Original Document (First Document Image)*</a></li> <li>2. <a href="#">“Unemployed insured workers registering for jobs and filing benefits claims at a State Employment Office.” Photo (Second Document Image)*</a></li> </ol> <p>* To view, click the button “&gt; larger images.”</p> <ol style="list-style-type: none"> <li>3. <a href="#">“Company housing for Mexican cotton pickers on large ranch in California.” Image</a></li> </ol>
3	1944	<p><b>Franklin D. Roosevelt’s State of the Union Address (also known as the Economic Bill of Rights or Second Bill of Rights):</b> FDR’s speech laid out specific rights, without which he declared limited individual freedom, equal opportunity and economic security. The Bill did not pass Congress, but contributed to a modern vision of the American Dream and influenced policy in the coming decades.</p>	<ol style="list-style-type: none"> <li>1. <a href="#">FDR Second Bill of Rights, Speech Footage</a></li> <li>2. <a href="#">FDR Second Bill of Rights, Original Script Pg. 1</a></li> <li>3. <a href="#">FDR Second Bill of Rights, Original Script Pg. 2</a></li> </ol>
4.	1944	<p><b>The Servicemen’s Readjustment Act of 1944 (The GI Bill of Rights):</b> The GI Bill of Rights offered veterans returning from World War II the building blocks of the American Dream – low cost loans to buy a home or start a business and free college education. The education benefits were used by 8 million vets and the bill is widely viewed as encouraging economic growth and promoting the middle class. While the GI bill’s language did not exclude Black veterans, the way the bill was administered by different states and federal agencies deliberately denied these same benefits to millions of Black veterans.</p>	<ol style="list-style-type: none"> <li>1. <a href="#">The GI Bill of Rights, An Explanation of Its Provisions and Complete Text</a> (pages 1-4)</li> <li>2. <a href="#">“This tract is exclusive and restricted.” Image</a></li> </ol>



DOC #	DATE	DESCRIPTION	PRIMARY SOURCE/S
5.	1950s	<p><b>Post-War Growth: The Rise of the Middle Class:</b> A growing middle class brought widespread consumption:</p> <p><i>“Residential construction jumped from 114,000 new homes in 1944 to 1.7 million in 1950. In 1947, William Levitt turned 4,000 acres of Long Island, New York potato farms into the then largest privately planned housing project in American history. With 30 houses built in assembly-line fashion every day – each with a tree in the front yard – the American subdivision was born. Then came the cars. And the backyard barbecues. And the black-and-white TVs. Ozzy and Harriet, Lucy and Ricky, Leave it to Beaver.”</i></p> <p>– Time Magazine, A Brief History of the Middle Class by Claire Suddath, February 27, 2009</p> <p><i>“When the civilian housing industry picked up in the 1950s, the federal government subsidized mass production builders to create suburbs on conditions that those homes in the suburbs be sold only to whites. No African-Americans were permitted to buy them and the FHA often added an additional condition requiring that every deed in a home in those subdivisions prohibit resale to African-Americans.”</i></p> <p>– Smithsonian Magazine, “The Racial Segregation of American Cities Was Anything But Accidental,” by Katie Nodjimbadem, May 30, 2017</p>	<ol style="list-style-type: none"> <li>1. <a href="#">Image of Levittown, PA</a></li> <li>2. <a href="#">“Envisioning the American Dream,” Image</a></li> <li>3. <a href="#">Private covenants used in housing deeds in Hennepin County, MN</a> (scroll through the 3 images)</li> <li>4. <a href="#">Section 929 of the Federal Housing Administration Underwriting Manual (1938)</a> (found on page 107)</li> </ol>
6.	1964-1965	<p><b>The Great Society:</b> President Lyndon B. Johnson introduces “The Great Society” with the goal of ending poverty, promoting equality, improving education and health care, and rejuvenating cities. A number of policies were implemented as a result, including the Economic Opportunity Act, the Elementary and Secondary Education Act, and the Social Security Act of 1965 which authorized creation of Medicare (health insurance for Americans 65 and older) and Medicaid (healthcare for low income families). Additionally, Johnson signed the Civil Rights Act of 1968, also known as the Fair Housing Act. It was the first time the federal government prohibited private discrimination based on race in housing rentals, sales, and financing of housing.</p>	<ol style="list-style-type: none"> <li>1. <a href="#">Lyndon B. Johnson’s “Great Society” Speech, delivered during his commencement address at the University of Michigan</a></li> </ol>
7.	1970s	<p><b>Inflation, Oil Crisis, and Recession:</b> The 70s brought a series of events that challenged the widespread economic security of the American people. Inflation soared (meaning prices increased while the value of the dollar decreased) and the American Dream suddenly cost more. Unemployment increased and debt rose as people financed their way into material possessions. Then, rising oil prices (between the 1973 and 1979 oil crises) led to further economic recession.</p> <p>In 1968, 65 percent of Americans reported to Gallup that the high cost of living was the most urgent problem facing them and their families.</p>	<ol style="list-style-type: none"> <li>1. <a href="#">“American Dream/ American Nightmare,” CBS special airing in 1979</a> (watch 3 minute clip from 2:10-5:10)</li> </ol>
8.	1979	<p><b>Jimmy Carter’s Crisis of Confidence Speech:</b> In an important speech to the nation in midst of the energy crisis in 1979, President Jimmy Carter explained what he saw as a “crisis of confidence” in the nation, “a crisis that strikes at the very heart and soul and spirit of our national will.”</p>	<ol style="list-style-type: none"> <li>1. <a href="#">Jimmy Carter’s Crisis of Confidence Speech</a> (watch short clip from 11:35-13:37 or longer clip from 11:35 – 17:40)</li> <li>2. <a href="#">Crisis of Confidence Speech, Full Script</a></li> </ol>

DOC #	DATE	DESCRIPTION	PRIMARY SOURCE/S
9.	1980s	<b>The start of income inequality:</b> By the mid-1980s the economy began to grow largely because of tax cuts for the wealthy implemented during the Reagan years. While the economy recovered, only those in the top 20 percent benefited and earnings remained flat for everyone else.	
10.	The past 30 years	Income inequality soars and the American Dream is in question.	1. <a href="#">Statistics on the state of the American Dream today. PowerPoint</a>

### Questions:

1. Based on the Timeline, what were some of the characteristics/tenants of the American Dream in the mid-20<sup>th</sup> century?
2. Do you think these aspects of the American Dream are still attainable?
3. Who was excluded from the American Dream and by what policies and systems?
4. Does wealth inequality in our country mean that the American Dream is no longer alive?
5. Do you think people have different definitions of the American Dream? Do you think those definitions have changed over time?