Statement before the Senate Committee on the Budget
On The Income and Wealth Inequality Crisis in America

Is There an Inequality Crisis?

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Chairman Sanders, Ranking Member Graham, and Members of the Committee, thank you for inviting me to appear today to discuss inequality in the United States. Policymakers confront difficult decisions prioritizing different challenges facing the nation. Obviously, to the extent that some issue merits being designated a crisis, it should command the highest levels of attention. But income and wealth inequality do not constitute a crisis. That so many people believe otherwise is, in no small part, a result of mismeasurement on the part of a team of influential economists. As a result of this mismeasurement, a conventional wisdom has developed—which is likely to be wrong—that inequality has risen dramatically since the early 1980s.

Even if inequality had risen by as much as is often claimed, over the same period middle-class incomes have risen significantly and are at all-time highs. Poverty has fallen sharply and is at all-time lows. Not only does rising inequality tend to coincide with rising incomes among Americans lower down the ladder, but countries with greater inequality have middle-class and lower-income populations that are at least as well off as their counterparts in lower-inequality countries. The evidence purporting to link income and wealth inequality to a range of harms is weak and inconsistent, taken as a whole, which is unsurprising given that we have had such a difficult time measuring inequality to begin with.

Rather than focusing on income or wealth concentration, policymakers would do better to address two sets of problems that are more deserving of being labeled crises. I would call these problems crises of opportunity. The first is stagnant upward mobility out of poverty in the context of large black-white mobility gaps. The second is a multidimensional deterioration in our associational life. Policies designed to reduce inequality—or even to reduce poverty—are unlikely to be the most effective at expanding opportunity, and they may even be counterproductive.

Income Inequality Has Not Risen Much

Twenty years ago this September, Thomas Piketty and Emmanuel Saez published their first estimates of income concentration in the United States.[1] Using tax data and making a variety of assumptions to fill in gaps, they produced inequality trends going back to the early 20th century. Most importantly, these trends were the best estimates then available of the income going to the richest Americans.

Piketty and Saez have continued to extend these estimates over the years, and the latest iteration shows the top one percent of "tax units"—essentially tax filers plus a small number of non-filers—received 10 percent of "tax return gross income" in both 1969 and 1979 but 24 percent in both 2007 and 2019.[2] These estimates were an inspiration for the Occupy Wall Street movement in the wake of the financial crisis and featured heavily among several Democratic presidential aspirants in the 2016 and 2020 campaigns.

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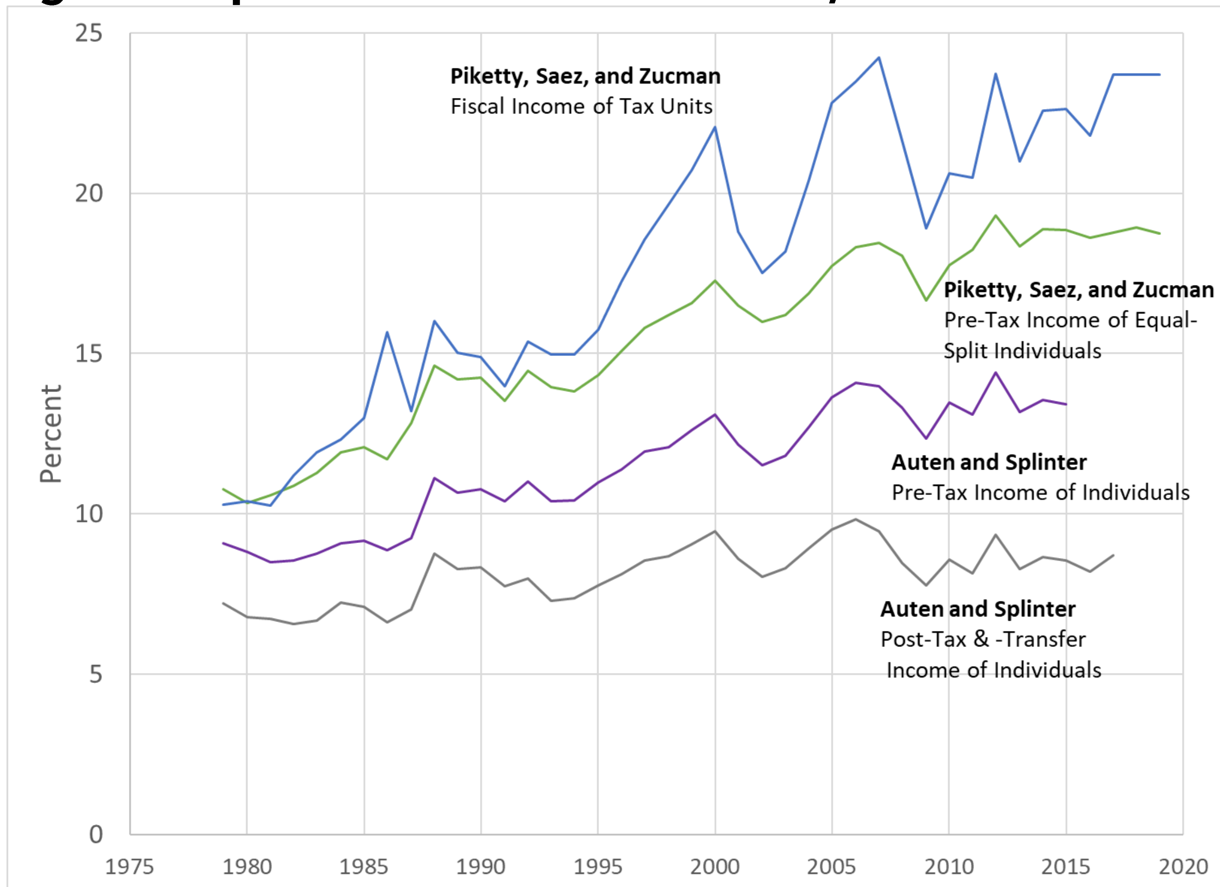
[1] Thomas Piketty and Emmanuel Saez, "Income Inequality in the United States, 1913-1998," NBER Working Paper No. 8467 (Cambridge, MA: National Bureau of Economic Research, 2001), https://www.nber.org/system/files/working_papers/w8467/w8467.pdf.

[2] See Tab TD10 at http://gabriel-zucman.eu/files/PSZ2020AppendixTablesII(Distrib).xlsx, on Gabriel Zucman's website. This series includes realized capital gains as income. The unit of observation is the tax unit, and the income concept is "fiscal income."

Figure 1. Top One Percent Share of Income, 1979-2019



However, critics noted a number of shortcomings with their figures.[3] To their credit, Piketty and Saez, with their colleague Gabriel Zucman, revised their numbers, and their latest results indicate that the top one percent's share of national income (before taxes, but after Social Security and unemployment benefits are taken into account) rose from 11 percent in 1979 to 19 percent in 2019—an eight-point rise rather than the 14-point increase touted by inequality alarmists during the Great Recession.[4]

But even the latest Piketty-Saez-Zucman estimates are likely to overstate the increase in income concentration. For one, researchers have continued to identify problems with their methods. In recent years, Gerald Auten and David Splinter have developed their own estimates of income concentration, using the same data as Piketty, Saez, and Zucman, but using better assumptions to fill in in data gaps.[5]

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[3] For a review, see Office of Chairman Mike S. Lee, Joint Economic Committee, "Measuring Income Concentration—A Guide for the Confused," October 2019, https://www.jec.senate.gov/public/index.cfm/republicans/2019/10/measuring-income-concentration-a-guide-for-the-confused.

[4] See Tab TB10 at http://gabriel-zucman.eu/files/PSZ2020AppendixTablesII(Distrib).xlsx, on Gabriel Zucman's website. These are the "equal-split individual" estimates.

[5] Gerald Auten and David Splinter, "Income Inequality in the United States: Using Tax Data to Measure Long-Term Trends," December 20, 2019, http://davidsplinter.com/AutenSplinter-Tax_Data_and_Inequality.pdf. The Piketty, Saez, and Zucman and Auten-Splinter teams have responded to each others' criticisms, but Piketty, Saez, and Zucman often have responded in ways that do not adequately address Auten and Splinter's choices while ignoring

Auten and Splinter report the top one percent's share of pre-tax national income as rising from 9 percent in 1979 to just 13 percent in 2015.[6] Given that their trends in recent years track those of Piketty, Saez, and Zucman fairly well, it is likely that updating the Auten-Splinter series would show no change since 2015. Critics from Occupy Wall Street protestors to Nobel laureate Joseph Stiglitz claimed, citing Piketty and Saez, that the top one percent share was 14 points higher in 2007 than in 1979, but the Auten-Splinter data put the rise at just five points.

These estimates do not take taxes into account, nor most government transfers. In other words, they ignore most of the ways that federal policy already reduces inequality. After taxes and transfers, Auten and Splinter find the top one percent's share rose from 7.2 percent in 1979 to 8.5 percent in 2015 and 8.7 percent in 2017. Today's share is probably no higher.[7] This compares to an average of 8.2 percent during the 1960s.[8] As income measurement has improved, it seems ever likelier that the perception of a crisis in inequality simply stemmed from statistics that turned out not to reflect reality.

Wealth Inequality Has Risen Modestly

Saez and Zucman's estimates on wealth concentration have also been influential, leading to calls for wealth taxation.[9] Their latest series indicates that the top one percent's share of wealth rose from 23 percent in 1979 to 35 percent in 2019.[10] However, the Saez-Zucman research has been challenged by a

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some of their criticisms. For a discussion, see Office of Chairman Mike S. Lee, Joint Economic Committee, "Measuring Income Concentration—A Guide for the Confused," October 2019, https://www.jec.senate.gov/public/index.cfm/republicans/2019/10/measuring-income-concentration-a-guide-for-the-confused. For the most recent back and forth, see Emmanuel Saez and Gabriel Zucman, "Trends in US Income and Wealth Inequality: Revising after the Revisionists," NBER Working Paper No. 27921 (Cambridge, MA: National Bureau of Economic Research, 2020), http://gabriel-zucman.eu/files/SaezZucman2020NBER.pdf and David Splinter, "Reply: Trends in US Income and Wealth Inequality: Revising after the Revisionists," November 17, 2020, http://www.davidsplinter.com/Splinter2020-SaezZucmanReply.pdf.

[6] See Tab C2-Shares, Series Bd2 at http://davidsplinter.com/AutenSplinter-IncomeIneq.xlsx. These estimates are for individuals and include Social Security and unemployment benefits for consistency with the Piketty, Saez, and Zucman numbers.

[7] See Tab C2-Shares, Series NAT2 at http://davidsplinter.com/AutenSplinter-IncomeIneq.xlsx. The figure for 2017 is from Table 6 in Dennis Fixler, Marina Gindelsky, and David Johnson, "Measuring Inequality in the National Accounts," BEA Working Paper WP2020-3, Bureau of Economic Analysis, https://www.bea.gov/system/files/papers/measuring-inequality-in-the-national-accounts_0.pdf. Even these estimates likely overstate the increase. The top one percent's share rises by 1.7 points just between 1987 and 1988, in the wake of the Tax Reform Act of 1986, which upended tax policy in ways that likely create an exaggerated increase in inequality in the data.

[8] The Auten-Splinter and Piketty-Saez-Zucman estimates do not account for capital gains that are solely due to increases in asset prices, which do not enter into national income. The best estimates that account for these gains, from Larrimore et al., indicate significant volatility, but both the troughs and peaks suggest an increase of about two points between 1990 and 2013. See Jeff Larrimore, Richard V. Burkhauser, Gerald Auten, and Philip Armour, "Recent Trends in U.S. Top Income Shares in Tax Record Data Using More Comprehensive Measures of Income Including Accrued Capital Gains," working paper (draft of August 2018). Estimates shared with me by Jeff Larrimore.

[9] Emmanuel Saez and Gabriel Zucman, "Wealth Inequality in the United States Since 1913: Evidence from Capitalized Income Tax Data," *Quarterly Journal of Economics* 131(2), 2016, pp. 519-578; Emmanuel Saez and Gabriel Zucman, *The Triumph of Injustice: How the Rich Dodge Taxes and How to Make Them Pay* (New York: W.W. Norton, 2019).

[10] See Tab TE1 at http://gabriel-zucman.eu/files/PSZ2020AppendixTablesII(Distrib).xlsx, on Gabriel Zucman's website. These are the "equal-split individuals" series.

Matthew Smith, Owen Zidar, and Eric Zwick.[11] They report an increase from 22 percent to 30 percent between 1979 and 2016.[12] That is an eight-point rise, compared with the 13-point rise Saez and Zucman report over the same years.

Measuring wealth, however, is subject to complicated conceptual challenges. Wealth depends on the resources available to people, which make saving easier and debt less necessary. But wealth levels also reflect preferences for deferring consumption versus consuming more goods and services today. Changes in wealth concentration are presumably driven primarily by changes in the distribution of resources, but they may also reflect a declining propensity to save among those who are not in the top one percent. Arguably, we should be less worried about the latter, but we don't know how important a factor it is.

To cite another example, these studies include student loans as debt in assessing individual wealth levels, but they do not value the human capital that this debt finances. It would be strange if students were incurring debt without any expectation that it would pay off by increasing their skill levels or simply providing a credential that employers will reward. Just as people take out a mortgage to buy a house—an asset that generates a flow of returns in the form of shelter and, often, capital gains—we take out student loans to "buy" skills and credentials—assets that generate a flow of returns in the form of higher lifetime pay. But while we count both mortgage debt and the value of a home in computing net worth, we only count student loan debt without estimating the enhanced human capital that was the entire point of incurring the debt. Human capital wealth is larger relative to other assets for the bottom 99 percent than for the top one percent, so excluding it while including student loan debt tends to increase measured wealth concentration.

Similarly, the Saez and Zucman and Smith, Zidar and Zwick studies count as negative wealth the debt used to purchase consumer durables, such as cars, furniture, and home electronics, but the durable goods themselves are not counted as positive wealth. These assets, too, generate a flow of benefits and are less concentrated among the wealthy than other assets.

Americans with less wealth also rely more on Social Security, Medicare, and Medicaid to subsidize their retirement. Another way of putting this is that most Americans would save more for retirement absent the strong likelihood that they will be able to count on receiving these benefits. If they saved more, that would show up in the data as higher wealth. Yet we do not count these government promises in wealth.

What is more, these benefits have grown more generous over time. While it is unclear that valuing human capital or consumer durables would affect the trend in wealth concentration, Smith, Zidar, and Zwick show that valuing Social Security benefits alone has a dramatic effect on the trend. Their own estimates indicate that the share of wealth owned by the top 0.1 percent rose from around 9.5 percent in 1989 to 14 percent in 2016. But after adding the value of Social Security, the trend is from 8 percent

[11] Matthew Smith, Owen Zidar, and Eric Zwick, "Top Wealth in America: New Estimates and Implications for Taxing the Rich," Working Paper, April 24, 2020, Figure 10, http://www.ericzwick.com/wealth/wealth.pdf. For the back-and-forth between the research teams, see Emmanuel Saez and Gabriel Zucman, "Comments on Smith, Zidar, and Zwick (2019)," http://gabriel-zucman.eu/files/SZ2020CommentsOnSZZ2.pdf; Matt Smith, Owen Zidar, and Eric Zwick, "Response to 'Comments on Smith, Zidar, and Zwick (2019)'," https://scholar.princeton.edu/sites/default/files/zidar/files/sz_response_szz.pdf; Smith, Zidar, and Zwick (2020) and Saez and Zucman (2020).

[12] Smith, Zidar, and Zwick (2020), Figure 10.

to 10 percent.[13] Presumably, counting the value of future Medicare benefits (and Medicaid benefits for nursing home care) would flatten the increase even further.

Middle-Class Incomes Have Risen Significantly

Even if income or wealth concentration had risen more sharply, it would matter whether increasing inequality had come at the expense of people and families below the top one percent. Too often, it is assumed that the economy is a pie, and that for some to have bigger pieces, others' slices must become smaller. But obviously the size of the pie may be affected by inequality. Leveling incomes, so that no one has any incentive to work or take risks, would shrink the economic pie. Inequality of the sort associated with third-world dictatorships would shrink the economic pie too, and it is certainly possible that income or wealth could become so concentrated for other reasons that economic growth suffers. However, it is also possible that by rewarding hard work and risk, rising inequality can incentivize economic growth, expanding the economic pie and leaving everyone better off.

While we cannot know what might have happened if, for instance, inequality had fallen these past decades, the fact of the matter is that incomes below the top have risen significantly. The Piketty, Saez, and Zucman data have confused policymakers here too. According to the original Piketty-Saez approach to income measurement, the entire bottom 90 percent was supposedly poorer in 2018 than in 1979.[14]

This result, to be clear, does not reflect accurately the real change in living standards Americans have experienced, for a variety of reasons. One important issue is the aging of the population, which distorts the picture because Social Security benefits are not included in this income measure. When people retire, their "tax return gross income" falls sharply because many Americans rely heavily on Social Security. This drop-off problem increases over time as the population ages. The latest estimates from Piketty, Saez, and Zucman, using pre-tax national income (including Social Security and unemployment benefits), show that the bottom 90 percent of Americans was better off by 38 to 41 percent in 2019 compared with 1979.[15]

Their figures for the bottom half only show growth of 10 to 32 percent.[16] But these newer estimates are still on the low side relative to other estimates. Auten and Splinter find that the bottom half's income rose by 31 percent from 1979 to 2015 before taking account of taxes or transfers (or even Social Security benefits) and by 64 percent after accounting for them.[17] The Congressional Budget Office finds that median pre-tax household income (including social insurance benefits) rose between 32 and 41 percent from 1979 to 2017 and the increase was 54 to 61 percent after taxes and transfers.[18] That amounts to almost $30,000 in additional inflation-adjusted income.

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[13] Smith, Zidar, and Zwick (2020), Figure A.14.
[14] See Tab TD3 at http://gabriel-zucman.eu/files/PSZ2020AppendixTablesII(Distrib).xlsx, on Gabriel Zucman's website. These are fiscal income estimates for tax units.
[15] See Tab TB6 at http://gabriel-zucman.eu/files/PSZ2020AppendixTablesII(Distrib).xlsx, on Gabriel Zucman's website. The estimates cited are for "equal-split individuals" and "individuals".
[16] See Tab TB7 at http://gabriel-zucman.eu/files/PSZ2020AppendixTablesII(Distrib).xlsx, on Gabriel Zucman's website. The estimates cited are for "equal-split individuals" and "individuals".
[17] See Tab F-B5 at http://davidsplinter.com/AutenSplinter-IncomeIneq.xlsx.
[18] See the Table Builder spreadsheet (https://www.cbo.gov/publication/56575#data) associated with Congressional Budget Office, "The Distribution of Household Income, 2017," October 2020, https://www.cbo.gov/system/files/2020-10/56575-Household-Income.pdf.

Poverty Has Fallen Sharply

Over this same period, poverty has declined to an all-time low. According to the official poverty measure, the poverty rate in 2019 was lower than ever before among all Americans, all American families, families headed by single woman, non-Hispanic whites, blacks, Hispanics, Asians, and children in all four of those ethnoracial groups.[19]

But official statistics are biased in a variety of ways that understate the progress we have made reducing poverty.[20] The official measure ignores income from noncash government benefits and employer-provided health insurance, does not account for falling taxes and the increasing generosity of refundable tax credits, fails to count couples as pooling their income if they are not married, and overstates the increase in the cost of living each year. Addressing these shortcomings reveals that child poverty was at an all-time low by 2014. Poverty among the children of single mothers fell from 49 percent in 1982 to 18 percent in 2014.[21]

Research Does Not Support the Contention that Rising Inequality Has Had Large Negative Consequences

Given that we have had such a difficult time measuring inequality, and given the difficulties of establishing causal relationships in social science, it is unsurprising that the evidence purporting to link income and wealth inequality to a range of harms is weak and inconsistent. As the review of trends above suggests, rising inequality has been accompanied by rising middle-class incomes and falling poverty. In fact, as a look back to Figure 1 confirms, increases in inequality tend to occur during economic expansions, which are the periods when middle-class incomes rise the most and poverty falls the most.

Moreover, countries with greater inequality have middle-class and lower-income populations that are at least as well off as their counterparts in lower-inequality countries.[22] It is true that we can't know the counterfactual—perhaps if inequality had risen by less (or fallen) poor and middle-class Americans would have done better. However, given the absence of correlations across time and space, the burden of proof is on those who think that the modest increase in inequality we have experienced is likely to have hurt others.

Critics often claim that inequality has reduced intergenerational mobility, stalled economic growth, caused financial crises, inspired over-spending, and warped our politics. But the research on these topics consistently fails to support these hypotheses, finds only small effects, or comes to mixed conclusions.[23] Assessing the research looking at the link between inequality and economic growth, Paul Krugman concluded, "There just isn't a striking, simple relationship between inequality and growth; all the results depend on doing fairly elaborate data massaging, which might be right but might also be teasing out a

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[19] US Bureau of the Census, Historical Poverty Tables, https://www.census.gov/data/tables/time-series/demo/income-poverty/historical-poverty-people.html. Tables 2 and 3.
[20] Scott Winship, "Poverty after Welfare Reform," Manhattan Institute, 2016, https://media4.manhattan-institute.org/sites/default/files/R-SW-0816.pdf.
[21] Ibid., Figures 2 and 3.
[22] Scott Winship, "Inequality Does Not Reduce Prosperity: A Compilation of the Evidence across Countries," Manhattan Institute, October 2014, https://media4.manhattan-institute.org/pdf/e21_01.pdf.
[23] Scott Winship, "Overstating the Costs of Inequality," *National Affairs* 15, Spring 2013, https://www.brookings.edu/wp-content/uploads/2016/06/overstating-inequality-costs-winship.pdf.

relationship that isn't really there."[24]

Prioritizing Crises of Opportunity

Rising income and wealth inequality does not constitute a crisis, and there is little reason to think that a focus on reducing either would meaningfully remedy other economic and social challenges. And we do face other important challenges. In fact, if we want to identify crises, there are two sets of issues that make compelling candidates. Call them, "crises of opportunity."

First is the problem of limited upward mobility out of poverty. Even as we have driven child poverty rates down over the past forty years, that has not resulted in a greater chance that children raised in low-income families will make it to the middle class.[25] This stagnation is unlikely to reflect rising income or wealth inequality across parents, since upward mobility has been similar for children raised in the 1950s, 1960s, and 1970s—before the increase in income and wealth concentration—as for children raised in the 1980s and early 1990s. And there is little relationship across American communities or across countries between income concentration and intergenerational mobility.[26]

The lack of progress boosting upward mobility is even more worrisome because it prevents us from narrowing vast disparities in mobility between black and white children. Among today's white adults raised in the bottom fifth of family income, only 28 percent of men and 33 percent of women remain in the bottom fifth themselves.[27] The figures for black adults are 50 percent and 62 percent. Not only do African Americans have a harder time making it out of the bottom fifth, they are far more likely to have started there—42 percent of black men and 45 percent of black women, versus 12 percent of white men and 14 percent of white women. In forthcoming research with Richard Reeves and others at the Brookings Institution, we look at the likelihood of having experienced three or more generations of relative poverty. The black-white disparities on this metric dwarf these two-generation mobility gaps.

A second crisis of opportunity involves the multidimensional deterioration of our associational life—the sum total of what we do together as members of families, neighborhoods, voluntary associations, congregations, and workplaces. As documented by the Social Capital Project, an on-going research project created by Senator Mike Lee within the Joint Economic Committee (which I led for several years), over the past fifty years, a broad range of indicators of social capital have worsened.[28] Americans

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[24] Paul Krugman, "Musings on Inequality and Growth," NewYorkTimes.com, The Conscience of a Liberal blog, June 8, 2015, https://krugman.blogs.nytimes.com/2015/06/08/musings-on-inequality-and-growth/.

[25] Scott Winship, "The Great Gatsby Curve: All Heat, No Light," Brookings Institution, May 2015, https://www.brookings.edu/blog/social-mobility-memos/2015/05/20/the-great-gatsby-curve-all-heat-no-light/. Scott Winship, "Has Rising Income Inequality Worsened Inequality of Opportunity in the United States?" *Social Philosophy and Policy* 31(2): 28-47, 2015, https://www.cambridge.org/core/journals/social-philosophy-and-policy/article/abs/has-rising-income-inequality-worsened-inequality-of-opportunity-in-the-united-states/43A9659A3959C2423A66EC908E643684.

[26] Scott Winship, "The Great Gatsby Curve: All Heat, No Light"; Raj Chetty, Nathaniel Hendren, Patrick Kline, and Emmanuel Saez, "Where is the Land of Opportunity? The Geography of Intergenerational Mobility in the United States," *Quarterly Journal of Economics* 129(4): 1553-1623, 2014, https://opportunityinsights.org/paper/land-of-opportunity/.

[27] Scott Winship, Richard V. Reeves, and Katherine Guyot, "The Inheritance of Black Poverty: It's All about the Men," Brookings Institution, March 2018, https://www.brookings.edu/research/the-inheritance-of-black-poverty-its-all-about-the-men/.

[28] Social Capital Project, "What We Do Together: The State of Associational Life in America," U.S. Congress Joint

marry less often and later in life, live further from family members in adulthood, do fewer things together with their neighbors, attend religious services less often, join fewer groups, and spend less time with co-workers outside the workplace. Economic residential segregation has worsened and trust in institutions has diminished. Single parenthood has increased, along with nonmarital birth rates and divorce.

These declines have affected Americans of all stripes, but they have been especially sharp among less-educated and poorer Americans.[29] There are also large regional disparities in the health of associational life.[30]

Since these problems predate the increase in inequality and have occurred as poverty rates have fallen, addressing them is likely to require different kinds of policies than would be considered if the goal were to reduce inequality or poverty. Indeed some policies that would reduce inequality or poverty might be counterproductive in terms of increasing upward mobility or reversing declines in associational life.

Consider the case of child allowances. The first-order effect of an unconditional cash transfer to families with children will clearly be to reduce child poverty. For example, the recent expansion of the Child Tax Credit in the American Rescue Plan Act is projected to reduce child poverty by 35 percent.[31] But by making it easier not to work and to raise a child without a partner, child allowances could increase the number of children raised by single parents and the number raised by single parents with little attachment to work.[32]

In that case, not only would upward mobility likely suffer, not only would the social poverty associated with a weakened associational life worsen, but the long-run goal of poverty reduction could even be thwarted. In analyses using the Bureau of Labor Statistics Current Population Survey, I have looked at income trends for different types of households. I found that from 1969 to 2016, median post-tax and -transfer household income rose by 37 percent. However, the increase for households headed by a married couple was 91 percent. The increase for households headed by a single mother was 61 percent. Other household types saw comparably large gains.

How can it be that both married-couple and single-parent households saw much larger income gains than the median household? This is an example of Simpson's Paradox. What happened was that more and more households came to be headed by single mothers. Single-mother households have lower income than married-couple households, so even though both kinds of household were getting richer over time, overall growth in middle-class incomes was dampened. Put another way, if not for the shift from married-couple households to single-mother households, median household income growth would

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Economic Committee, Office of Vice Chair Mike S. Lee, May 2017, https://www.lee.senate.gov/public/_cache/files/b5f224ce-98f7-40f6-a814-8602696714d8/what-we-do-together.pdf.

[29] Charles Murray, *Coming Apart: The State of White America, 1960-2010* (New York: Crown Forum, 2012).

[30] Social Capital Project, "The Geography of Social Capital in America," U.S. Congress Joint Economic Committee, Office of Vice Chairman Mike S. Lee, April 2018, https://www.jec.senate.gov/public/index.cfm/republicans/2018/4/the-geography-of-social-capital-in-america.

[31] Alex Brill, Kyle Pomerleau, and Grant M. Seiter, "The Tax Benefits of Parenthood: A History and Analysis of Current Proposals," American Enterprise Institute, February 2021, Table 9, https://www.aei.org/wp-content/uploads/2021/02/The-Tax-Benefits-ofParenthood.pdf.

[32] Scott Winship, "The Conservative Case against Child Allowances," American Enterprise Institute, March 2021, https://www.aei.org/wp-content/uploads/2021/03/The-conservative-case-against-child-allowances.pdf?x91208.

have been over 61 percent rather than 37 percent, and poverty would have declined even more than it did. It is possible to win a battle in the war on poverty but make the ultimate victory more difficult. Even worse, the wars on immobility and a deteriorating associational life may also suffer.

Conclusion

Policymakers should take care in labeling some economic or social challenge a crisis. People, of course, will differ in their assessment of how serious an issue is. But a crisis that is declared on the basis of questionable data and questionable claims about why that data is important runs the risk of crowding out more pressing national problems. It is difficult enough identifying solutions to our problems; we cannot let ourselves be led astray in prioritizing them.