

# The U.S. economy in a global context: where do we stand?



# Why look at international comparisons?

- A powerful jolt to complacency
  - “We’re #31!” isn’t much of a cheer
- Shows the damage done by past bad policies and highlights the extent of the Right’s extremism
- Demonstrates that there *are* alternatives

# Inequality

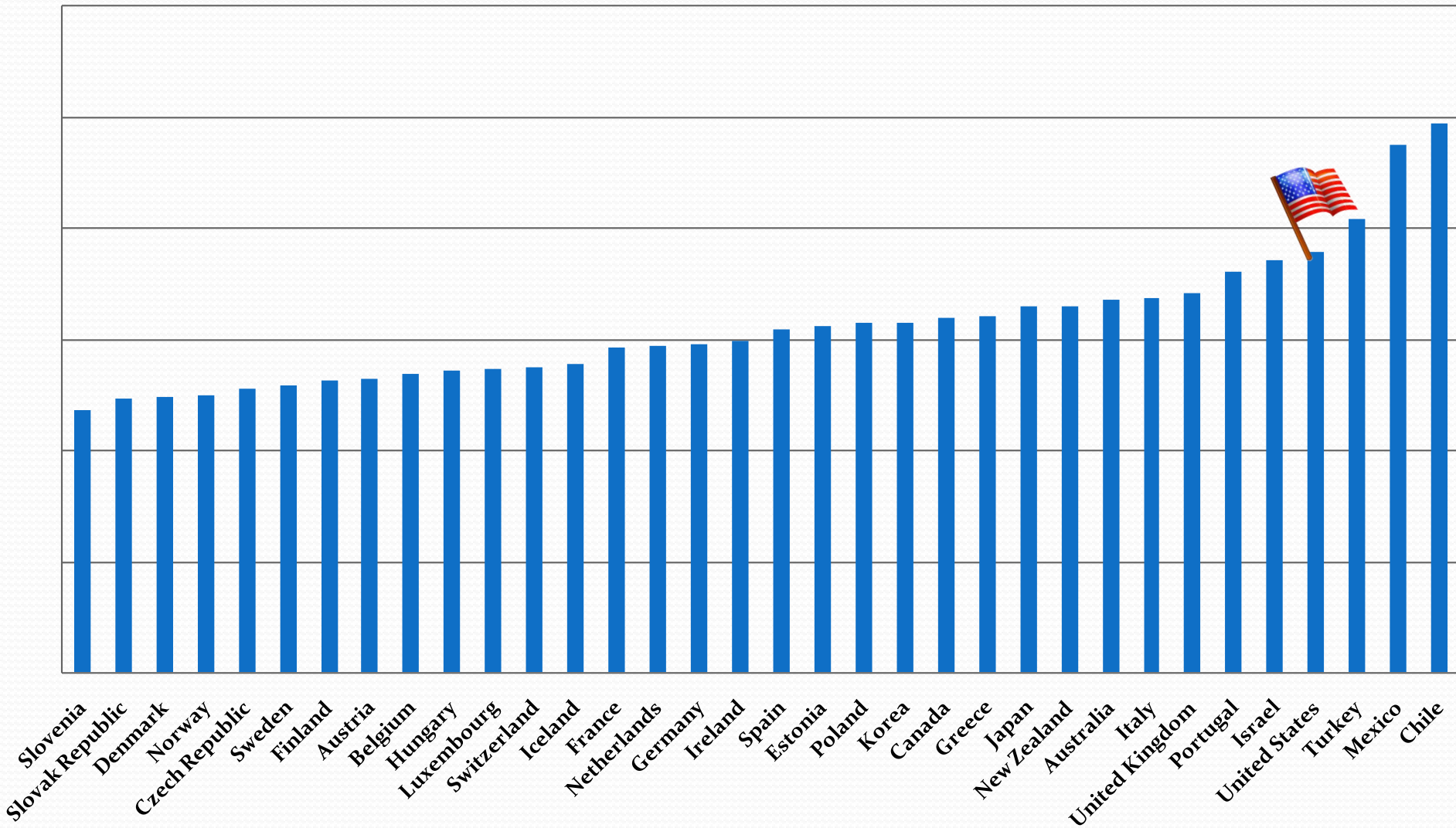


*We're #31  
of 34!*

- The U.S. has a more unequal distribution of income than any other advanced industrial country.
- Among OECD countries, only Turkey, Mexico and Chile are more unequal.

Source: Organization for Economic Cooperation and Development, "Society at a Glance 2011: OECD Social Indicators." Data are for the late 2000s, last updated April 4, 2011. Countries are ranked by the Gini coefficient, a standard measure of inequality.

# Inequality in the Industrialized World



Source: OECD

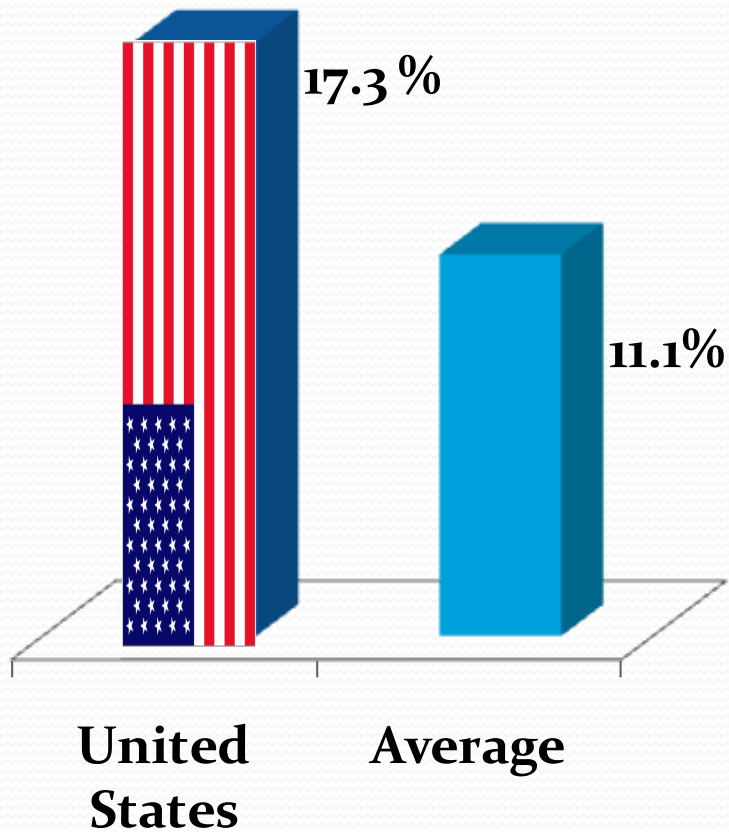
# Poverty



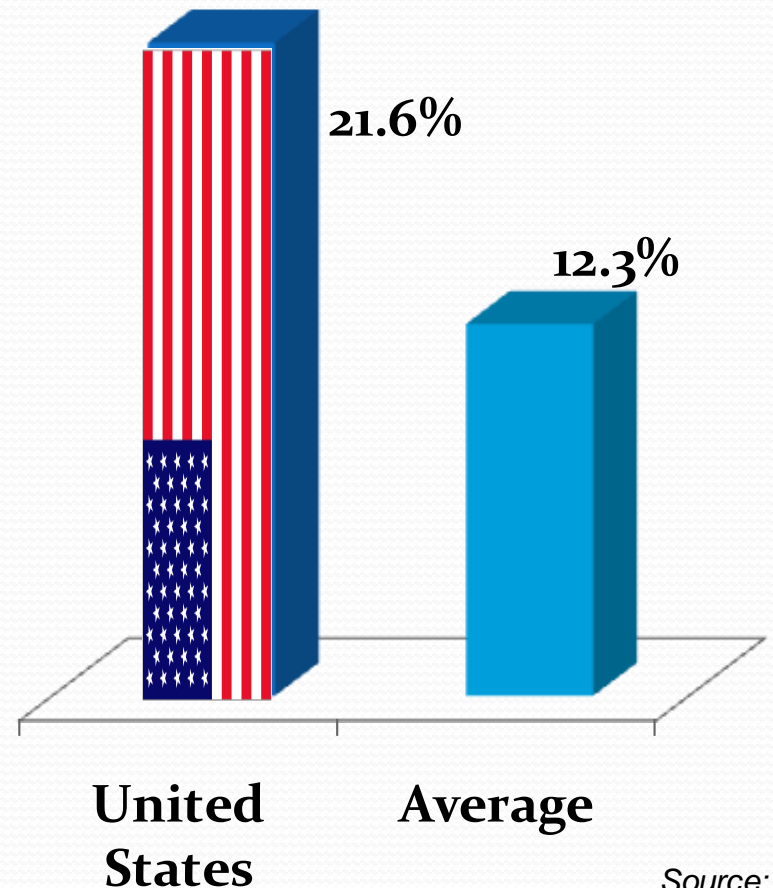
*We're #31  
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- Among OECD countries, only Israel, Mexico and Chile have higher poverty rates (measured relative to median income)

## Individuals in Poverty (all ages): U.S. vs. OECD average



## Children in Poverty: U.S. vs. OECD average



Source: OECD

# Health

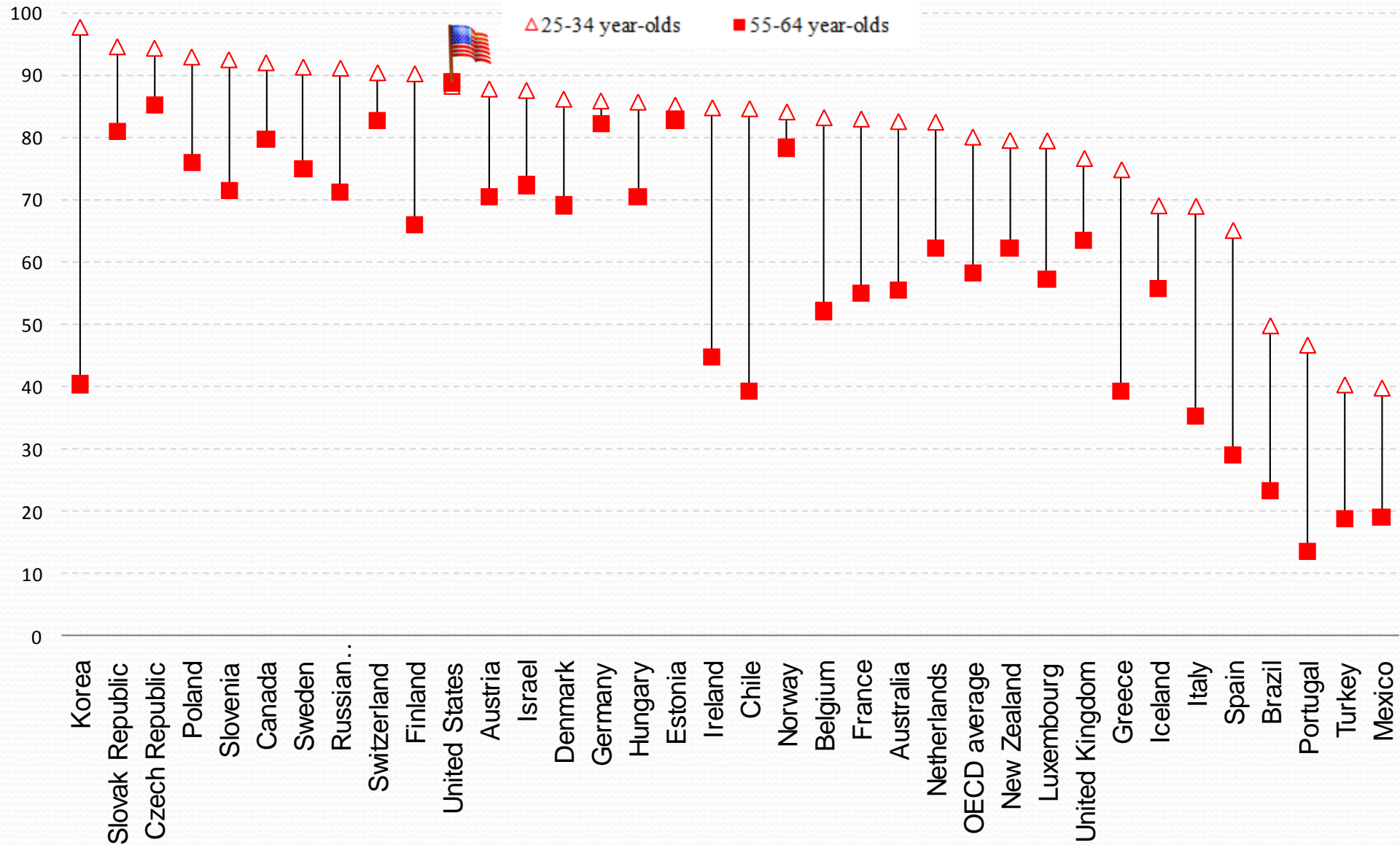
- Among OECD countries, the U.S. ranks:
  - *First in spending*
  - *25 of 31 in life expectancy*
  - *26 of 29 in infant mortality*
- If the U.S. had the same infant mortality rate as Slovenia, 17,000 more U.S. infants would have celebrated their first birthday in 2009.

Source: Organization for Economic Cooperation and Development, "OECD Health Data 2011: Frequently Requested Data" (released June 30, 2011, last updated July 21, 2011). Data on infant mortality and life expectancy are for 2008. Impact of infant mortality calculated based on vital statistics reported by the CDC.

# Education

- The U.S. is the only OECD country that has been moving *backwards* in educational attainment
  - *Fewer Americans aged 25-34 are high school graduates than is the case for Americans aged 55-64.*
  - *Among 55-64 year olds (today's retirees or soon-to-be retirees), we rank 1 of 35 in high school graduates. Among 25-34 year olds (today's young workers), we rank 11 of 35.*

# High School Graduates (by country/age cohort)



# It's not that we can't afford better . . .

- Of OECD countries, only Norway and Luxembourg have higher GDP per capita than the U.S.



*We're #3  
of 34!*



# . . . it's that we've chosen not to

- The U.S. skimps on social spending; government social spending is 16.2% of GDP, vs. the OECD avg of 19.3% (and even higher in much of Europe)
- If we equaled the OECD average, we'd have another \$450 billion to spend on schools, job training, early childhood education, help for the disabled . . .

# “Taxed Enough Already”??

- The U.S. is a low-tax country overall
  - Taxes at all levels = 26.1% of GDP, vs. the OECD average of 34.8%
  - *U.S. rank: 30 of 33; only Chile, Mexico and Turkey are lower*

Source: Organization for Economic Cooperation and Development, “Taxation: Key Tables from OECD” (data for 2008; last updated December 16, 2010)

# If you're a corporation, *every day* is a tax holiday

- The U.S. is a *very* low-tax country for corporations
  - Taxes on corporate income = 1.8% of GDP, vs. OECD average of 3.5%
  - *U.S. rank: 30 of 31; only Turkey is lower*
- If the U.S. had collected as much in corporate income taxes as the OECD average, our Treasury would have taken in an additional \$243 billion in 2008.

Source: Organization for Economic Cooperation and Development, "Taxation: Key Tables from OECD" (data for 2008; last updated December 16, 2010)

# Tea Party Recipe

- Cut (low) social spending
- Make (low) taxes even lower
- *Make the U.S. look even less like other developed countries and even more like Mexico, Turkey and Chile!*