

Last class

So new horizons and a bit of a wrap up.

Most sessions have focused on efficiency. Imbedded in many of these discussions are conflict between social and private returns.

In the case of technical change social returns are high, but private returns may be low.

In the case of financial markets the private returns for bad decisions may make it difficult to distribute capital efficiently. And when these problems get large savors may find that the private return to investment is less than that of consumption.

In either case, the design of institutions matters to outcomes.

But more generally who gets the gains of growth?

What happens in crisis?

Some evidence in the three papers

**TABLE 3**  
**INEQUALITY OF LIFESPAN**  
**1850 TO 2000**

Year	Gini Coefficients by Race and Gender			
	White		Non-White	
	Male	Female	Male	Female
1850	.47	.45		
1870	.40	.39		
1900	.35	.34	.51	.49
1920	.26	.25	.34	.33
1940	.17	.16	.26	.26
1960	.14	.11	.19	.17
1980	.12	.12	.17	.14
2000	.12	.10	.15	.13

Source: Selected life tables listed in the references.

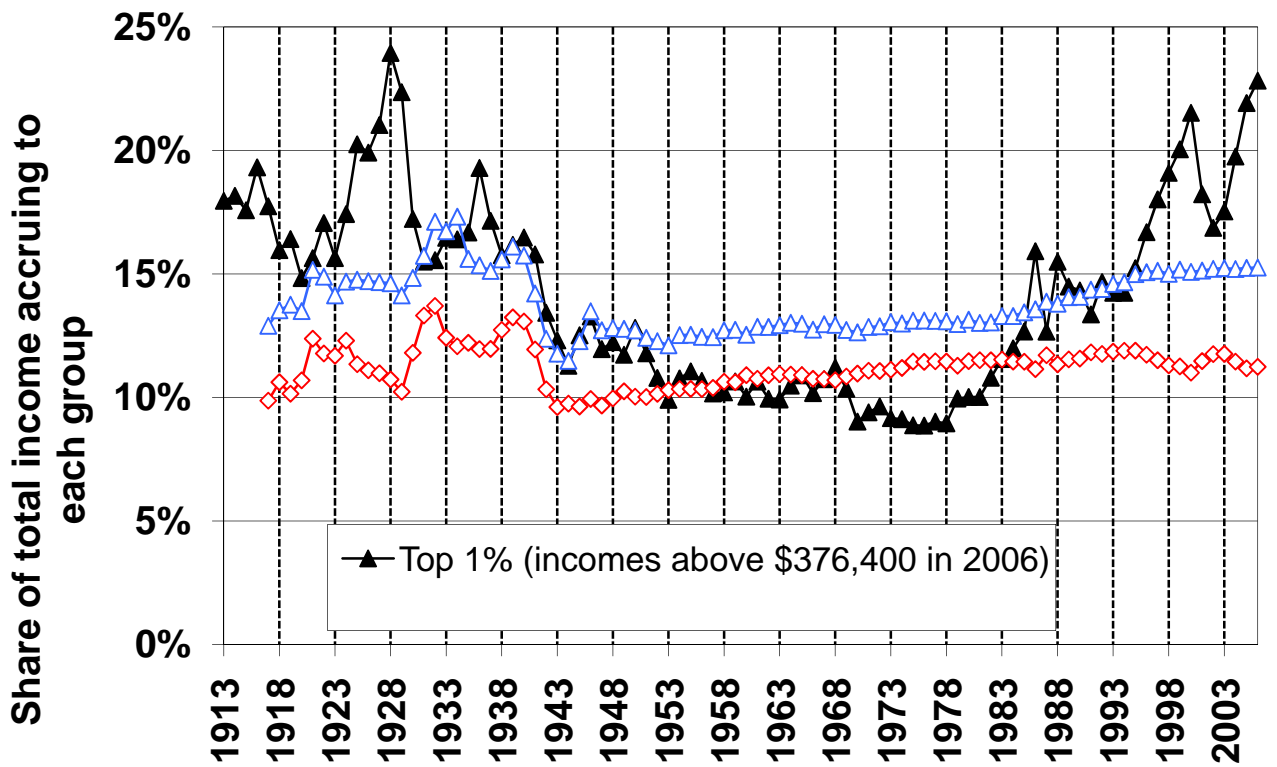
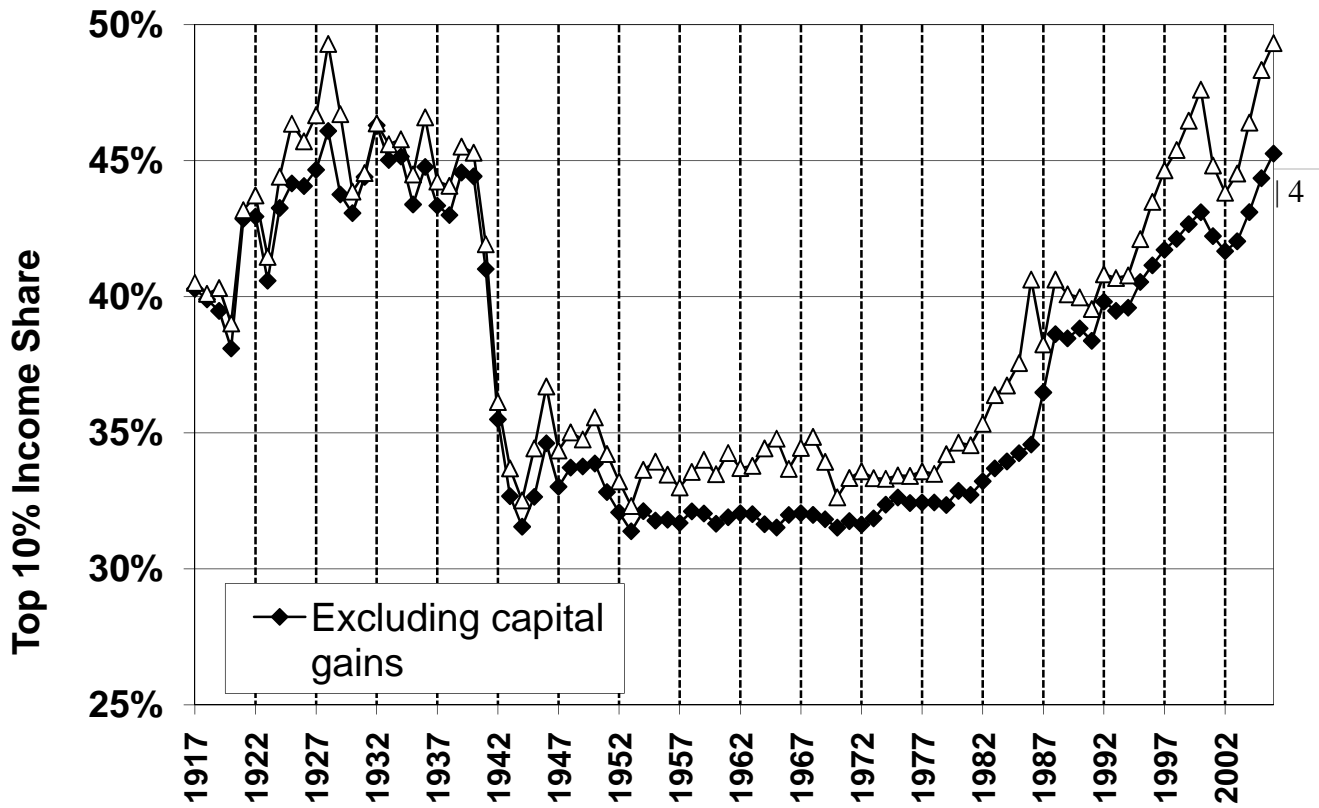
**TABLE 4**  
**HISTORICAL MEDIAN EDUCATIONAL ATTAINMENT**  
**BY RACE AND GENDER, 1865-1960**

	Total	Male	Female	White	White Male	White Female	Black	Black Male	Black Female
1865	8.0	7.7	8.1	8.2	8.0	8.2	1.3	1.5	1.0
1870	8.1	8.0	8.2	8.2	8.1	8.3	2.9	2.9	2.8
1875	8.2	8.1	8.2	8.3	8.2	8.3	3.8	3.7	3.8
1880	8.3	8.2	8.3	8.4	8.3	8.4	4.4	4.3	4.5
1885	8.3	8.2	8.4	8.4	8.3	8.5	4.8	4.6	4.9
1890	8.4	8.3	8.4	8.5	8.4	8.5	5.0	4.8	5.2
1895	8.5	8.4	8.5	8.6	8.5	8.6	5.5	5.2	5.7
1900	8.6	8.6	8.7	8.8	8.7	8.8	5.8	5.5	6.1
1905	8.8	8.7	8.9	9.0	8.8	9.1	6.1	5.6	6.3
1910	9.5	9.2	9.9	10.0	9.7	10.3	7.3	6.2	7.8
1915	10.3	10.1	10.5	10.7	10.5	10.9	8.3	8.2	8.4
1920	11.6	11.4	11.8	11.9	11.9	11.8	9.1	9.5	8.9
1925	12.1	12.0	12.1	12.3	12.4	12.1	10.4	10.1	10.7
1930	12.2	12.1	12.2	12.3	12.2	12.3	10.7	10.3	10.8
1935	12.3	12.3	12.3	12.4	12.4	12.3	12.0	12.0	12.1
1940	12.5	12.6	12.5	12.6	12.6	12.5	12.3	12.2	12.3
1945	12.6	12.7	12.5	12.6	12.7	12.5	12.4	12.4	12.4
1950	12.9	13.0	12.8	12.9	13.3	12.8	12.6	12.7	12.6
1955	12.9	12.9	12.8	12.9	12.9	12.8	12.6	12.6	12.6
1960	12.7	12.7	12.8	12.8	12.7	12.8	12.6	12.5	12.6

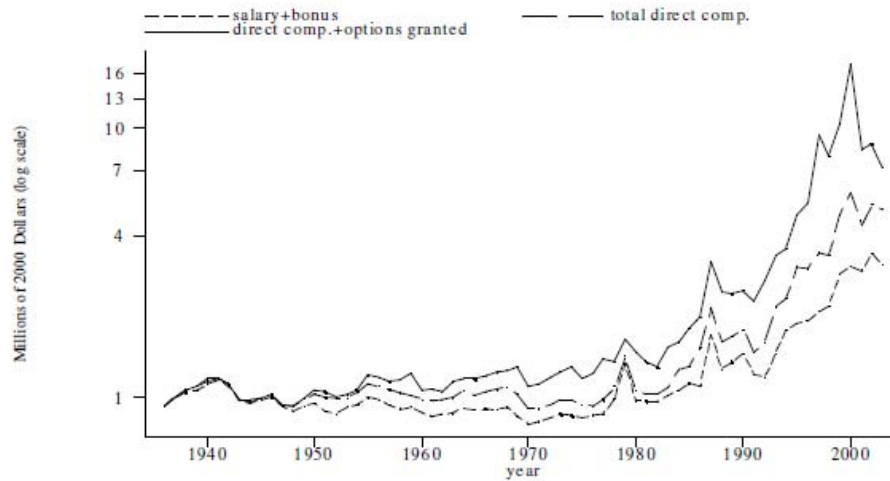
Note: From 1865 to 1900, the Black group represents Black and Others.

**Table 10**  
**DISTRIBUTION OF CONSUMER ACCESS TO SELECTED**  
**GOODS AND SERVICE**

Good or Service	1900	1920	1940	1960	1980	2000
<b>Household</b>						
Running Water	24%		70%	93%	99%	99%
Indoor Toilet	15	20	60	87	98	99
Heating by Oil, Gas or electricity	1		22	82	95	98
Electric Lighting	3	35	79	99	99	99
<b>Appliances</b>						
Refrigerator	Na	1	44	90	100	100
Washing Machine	Na	8		73	73	79
Dishwasher						53
Microwave Oven						92
<b>Transportation</b>						
Automobile Ownership	0	26	60	75	84	90
<b>Communication</b>						
Telephone	Na	35 (1922)	37	78	93	94
Cell Phone					5.2 mil	56
Computer						53
<b>Recreation</b>						
Radio	Na	<10	46	95	99	99
Television			9 (1950)	87	98	99
VCR					1	85

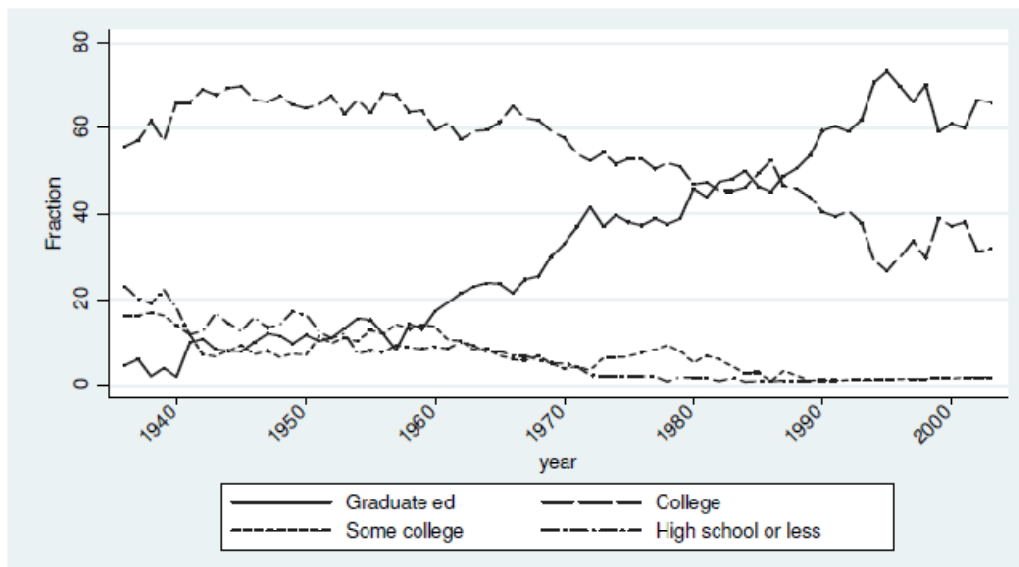


**Figure 1**  
**Average Real Level of Executive Pay, by Type of Compensation, 1936-2003**



Note: Total direct compensation is the sum of salaries, bonuses and long term incentive payments. The solid line is total direct compensation plus the Black-Scholes value of options granted. Based on the three highest-paid officers in the largest 50 firms in 1960.

**Figure 5**  
**Highest Level of Educational Attainment of Top Executives, 1936-2003**



Note: Based on the three-highest paid executives in the largest firms in 1960, matched to biographical sources, with information on year of birth and complete information on education. "Graduate education" includes degrees at the masters and doctorate level. "Some college" includes junior college and individuals that attended college but did not complete their degree.