

the united states in comparative perspective

Most Americans do not know how the United States compares to other affluent nations on various measures of economic and social well-being. This makes it difficult for them to consider whether another America, if not another world, is possible, because they have no basis of comparison other than anecdotes, stereotypes, and an often misguided view that the United States is “number one” on most indicators of the good life. At the same time, many Americans feel their economic security and well-

being are deteriorating—but they do not know if these trends are reversible, or whether there are lessons to be learned from other countries that do things differently and, in some cases, better. So how *does* the United States compare? Additional charts, tables, and notes on sources can be found at www.contextsmagazine.org/content_vol6-3.php.

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The United States is the third most prosperous country among affluent nations, following Norway and Japan—countries that were once far behind (based on per capita income in 2004 dollars).

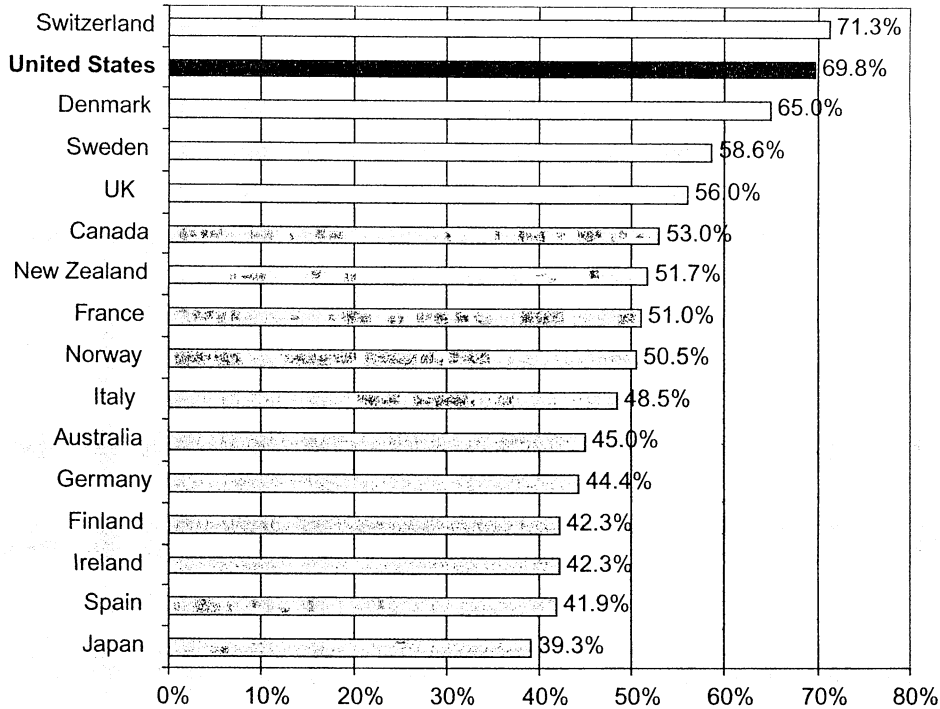
| | Per capita income* | | | | |
|------------------------|--------------------|----------|----------|----------|----------|
| | 1960 | 1979 | 1989 | 2000 | 2004 |
| Norway | \$9,887 | \$23,240 | \$29,278 | \$40,547 | \$42,832 |
| Japan | \$7,625 | \$25,696 | \$34,792 | \$40,796 | \$42,146 |
| United States | \$16,522 | \$24,914 | \$30,546 | \$37,721 | \$39,728 |
| Switzerland | \$22,843 | \$29,271 | \$34,660 | \$37,237 | \$37,007 |
| Denmark | \$12,560 | \$22,735 | \$26,085 | \$32,719 | \$33,595 |
| Sweden | \$10,057 | \$20,783 | \$25,377 | \$29,760 | \$31,927 |
| Ireland | \$4,624 | \$10,640 | \$13,848 | \$27,611 | \$31,778 |
| United Kingdom | \$12,497 | \$17,275 | \$21,460 | \$26,731 | \$29,011 |
| Finland | \$5,683 | \$16,203 | \$22,150 | \$25,413 | \$27,578 |
| Austria | \$8,322 | \$17,101 | \$20,624 | \$26,397 | \$27,358 |
| Canada | \$10,249 | \$18,016 | \$21,383 | \$25,399 | \$26,868 |
| Netherlands | \$9,816 | \$17,781 | \$20,493 | \$26,485 | \$26,719 |
| Germany** | \$9,117 | \$16,959 | \$20,244 | \$25,225 | \$25,823 |
| Belgium | \$8,224 | \$16,368 | \$19,996 | \$24,697 | \$25,792 |
| France | \$8,713 | \$16,409 | \$19,813 | \$23,882 | \$24,826 |
| Australia | \$8,344 | \$15,070 | \$18,174 | \$22,614 | \$24,592 |
| Italy | \$5,461 | \$13,732 | \$17,322 | \$20,300 | \$20,912 |
| Spain | \$3,444 | \$9,452 | \$11,891 | \$15,734 | \$16,753 |
| New Zealand | \$8,366 | \$11,394 | \$12,898 | \$14,838 | \$16,471 |
| Portugal | \$2,518 | \$6,288 | \$8,472 | \$11,358 | \$11,250 |
| Average excluding U.S. | \$8,402 | \$18,058 | \$22,860 | \$27,662 | \$28,761 |

* At the price levels and exchange rates of 2000, except for 1960, which is calculated at 1990 price levels and exchange rates.

** OECD data prior to 1991 are for West Germany.

Source: Lawrence Michel, Jared Bernstein, Sylvia Allegretto, *The State of Working America 2006/2007* (hereafter referred to as SWA)

The United States ranks second, just behind Switzerland, in the concentration of wealth owned by the richest 10 percent of the population.



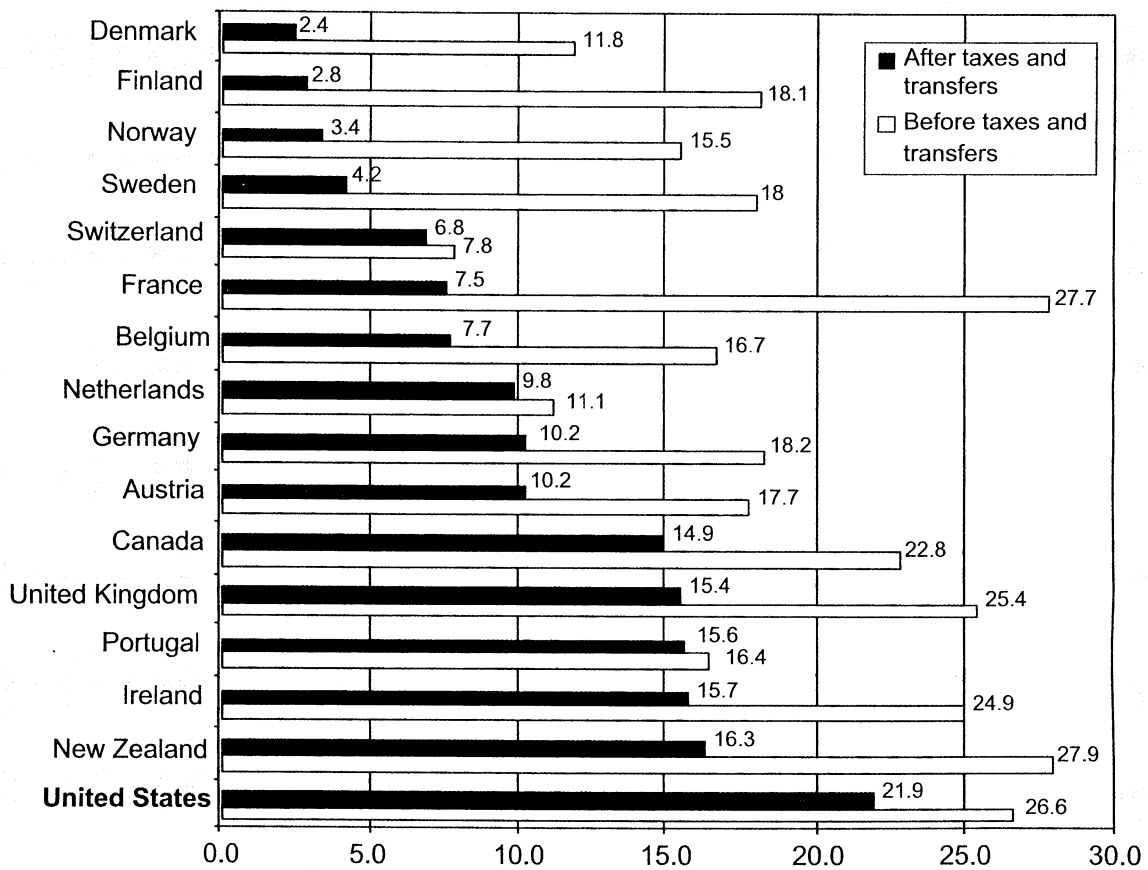
Source: James B. Davies, Susanna Sandstrom, Anthony Shorrocks, and Edward N. Wolff, *The World Distribution of Household Wealth, December 2006*

The overall poverty rate—as well as the poverty rate among children and the elderly—is high in the United States. Poverty is defined as one-half of each country's median income, so it is defined relative to each country's overall prosperity. Figures are for 2000.

| | Total poverty | Children | Elderly |
|----------------------|---------------|-------------|-------------|
| Finland | 5.4% | 2.8% | 8.5% |
| Norway | 6.4 | 3.4 | 11.9 |
| Sweden | 6.5 | 4.2 | 7.7 |
| Netherlands | 7.3 | 9.8 | 2.4 |
| Switzerland | 7.6 | 6.7 | 18.4 |
| Austria | 7.7 | 7.8 | 13.7 |
| Belgium | 8.0 | 6.7 | 16.4 |
| France | 8.0 | 7.9 | 9.8 |
| Germany | 8.3 | 9.0 | 10.1 |
| Denmark | 9.2 | 8.7 | 6.6 |
| Canada | 11.4 | 14.9 | 5.9 |
| United Kingdom | 12.4 | 15.3 | 20.5 |
| Italy | 12.7 | 16.6 | 13.7 |
| Australia | 14.3 | 15.8 | 29.4 |
| Spain | 14.3 | 16.1 | 23.4 |
| Ireland | 16.5 | 17.2 | 35.8 |
| United States | 17.0 | 21.9 | 24.7 |

Source: SWA

Government programs (taxes and transfers) can reduce poverty. The relatively generous social programs in many affluent countries—family assistance, health insurance, and others—result in dramatic reductions in poverty rates, including those among children. In France, for example, the poverty rate among children falls from 27.7 percent to 7.5 percent as a result of government social programs. The U.S. child poverty rate fell from 26.6 percent to 21.9 percent, the smallest decline among the affluent countries, leaving the United States with the highest child poverty rate (data are for 2000).



Source: "Child Poverty in Rich Countries 2005," United Nations Children's Fund, 2005

Labor unions and collective bargaining agreements, while declining almost everywhere, play a less important role in the United States than in other affluent nations.

| | Union density | | | Collective bargaining coverage | | |
|----------------------|---------------|------|--------|--------------------------------|------|--------|
| | 1980 | 2000 | Change | 1980 | 2000 | Change |
| Sweden | 80% | 79% | -1 | 80% | 90% | 10 |
| Finland | 69 | 76 | 7 | 90 | 90 | |
| Denmark | 79 | 74 | -5 | 70 | 80 | 10 |
| Belgium | 54 | 56 | 2 | 90 | 90 | |
| Norway | 58 | 54 | -4 | 70 | 70 | |
| Ireland | 57 | 38 | -19 | | | |
| Austria | 57 | 37 | -20 | 95 | 95 | |
| Italy | 50 | 35 | -15 | 85 | 80 | -5 |
| United Kingdom | 51 | 31 | -20 | 70 | 30 | -40 |
| Canada | 35 | 28 | -7 | 37 | 32 | -5 |
| Australia | 48 | 25 | -23 | 80 | 80 | |
| Germany | 35 | 25 | -10 | 80 | 68 | -12 |
| Netherlands | 35 | 23 | -12 | 70 | 80 | 10 |
| New Zealand | 69 | 23 | -46 | 60 | 25 | -35 |
| Japan | 31 | 22 | -9 | 25 | 15 | -10 |
| Switzerland | 31 | 18 | -13 | 50 | 40 | -10 |
| United States | 22 | 13 | -9 | 26 | 14 | -12 |
| France | 18 | 10 | -8 | 80 | 90 | 10 |

Source: Jonas Pontusson, *Inequality and Prosperity: Social Europe vs. Liberal America*, 99.

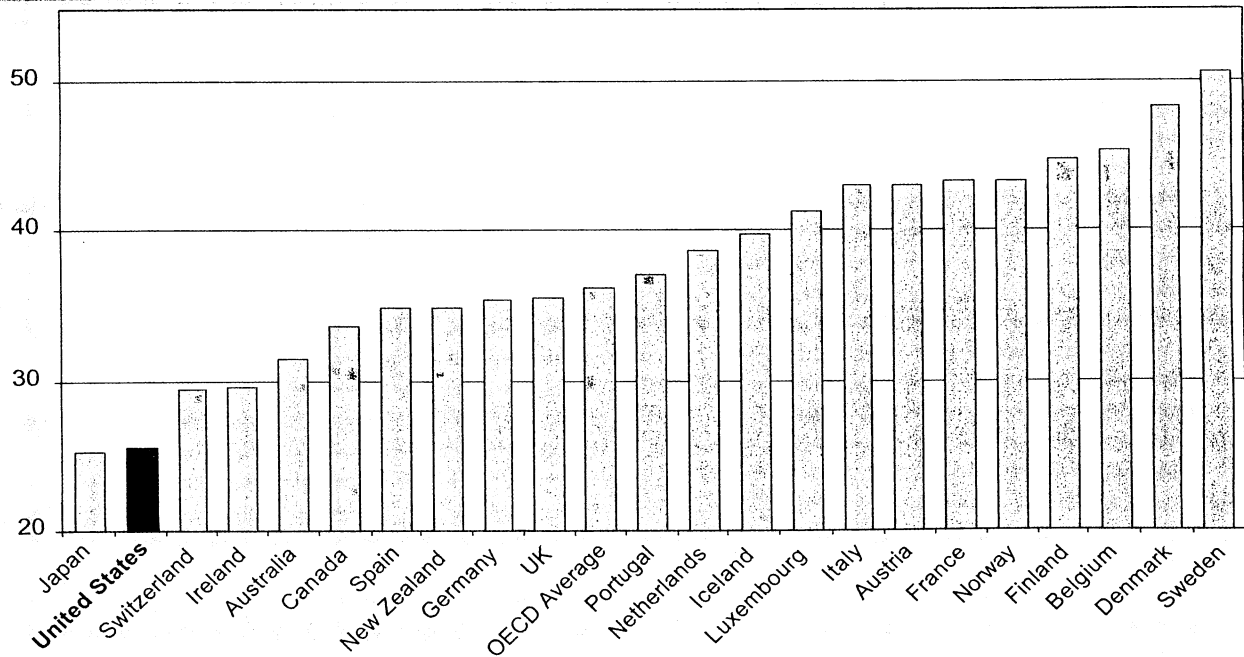
Note: Depending on the country, union density refers either to employed union members or employed and unemployed union members as a percentage of the employed labor force. Retired persons who retain their union membership are generally not included.

U.S. workers work more weeks each year than their counterparts in other affluent countries, partly because of different vacation policies. The United States has no statutory minimum vacation policy. Many other countries have chosen to take their productivity gains in the form of reduced hours—shorter work weeks, longer vacations, and earlier retirements.

| | Average annual weeks worked | Statutory minimum vacation in weeks | Actual holiday and vacation in weeks |
|----------------------|-----------------------------|-------------------------------------|--------------------------------------|
| Sweden | 36.0 | 5 | 6.9 |
| Norway | 37.0 | 4.2 | 6.5 |
| Finland | 38.9 | 4 | 7.1 |
| Denmark | 39.4 | 5 | 7.4 |
| Austria | 39.5 | 5 | 7.3 |
| Netherlands | 39.6 | 4 | 7.6 |
| Belgium | 40.3 | 4 | 7.1 |
| Germany | 40.6 | 4 | 7.8 |
| France | 40.7 | 5 | 7.0 |
| United Kingdom | 40.8 | 4 | 6.6 |
| Italy | 41.1 | 4 | 7.9 |
| Portugal | 41.9 | 4.4 | 7.3 |
| Spain | 42.1 | 4.4 | 7.0 |
| Switzerland | 42.6 | — | 6.1 |
| Ireland | 43.9 | 4 | 5.7 |
| United States | 46.2 | 0 | 3.9 |

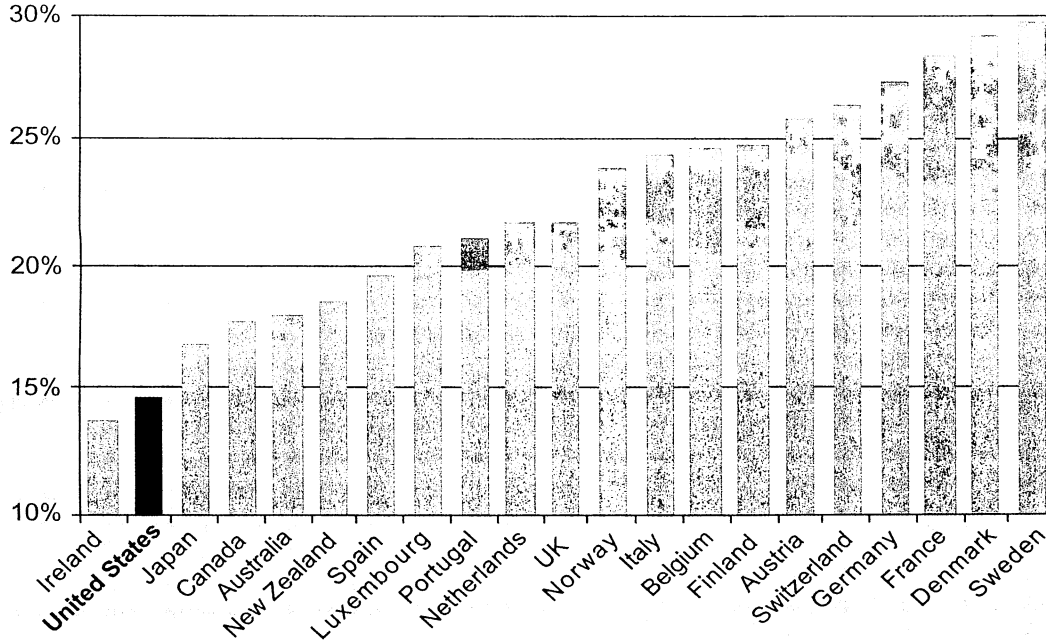
Source: SWA

Many Americans think they are "over-taxed," but in reality Americans pay lower taxes than their counterparts in all other affluent countries except Japan. On the high end of the spectrum, Swedes pay more than half their gross domestic product in taxes. On the low end, Japan and the United States pay about one-quarter of their GDP in taxes (total tax revenue as percent of GDP, 2003).



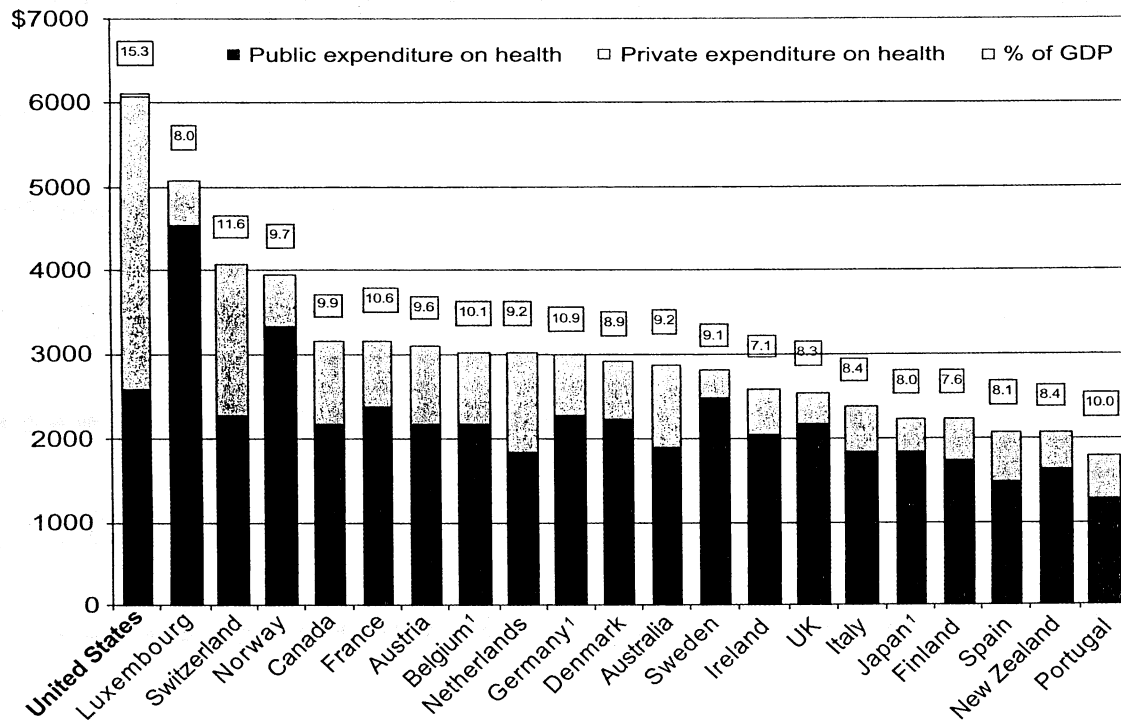
Source: OECD

The United States ranks next to last, after Ireland, in economic resources devoted to government social programs, measured as a percentage of GDP. These figures include family assistance (called "welfare" in the United States), child care, health care, and similar programs. They do not include education or job training.



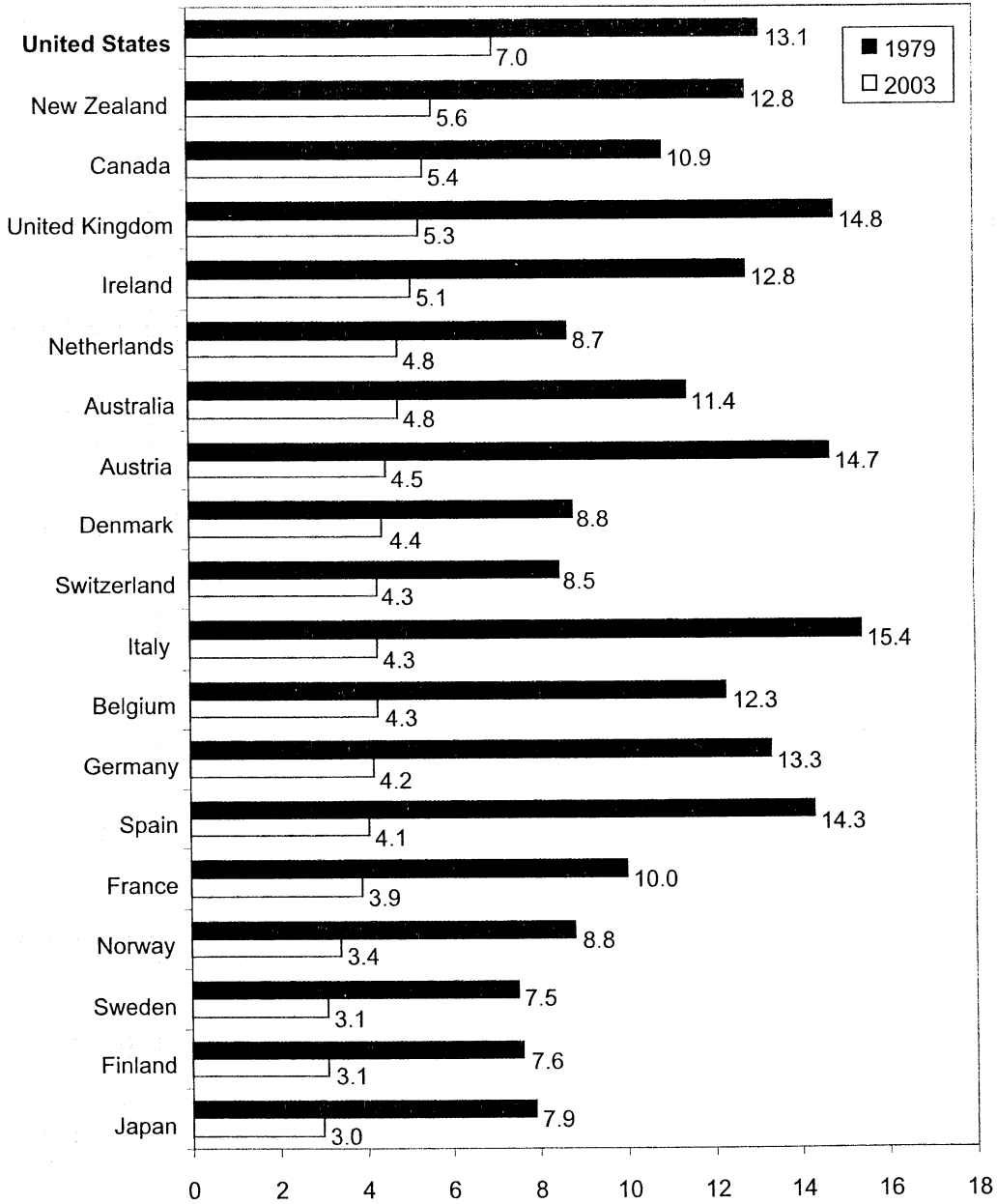
Source: OECD

Health spending accounted for 15.3 percent of GDP in the United States in 2004, by far the highest share among affluent nations. The United States also spends more on health on a per capita basis, as shown here.



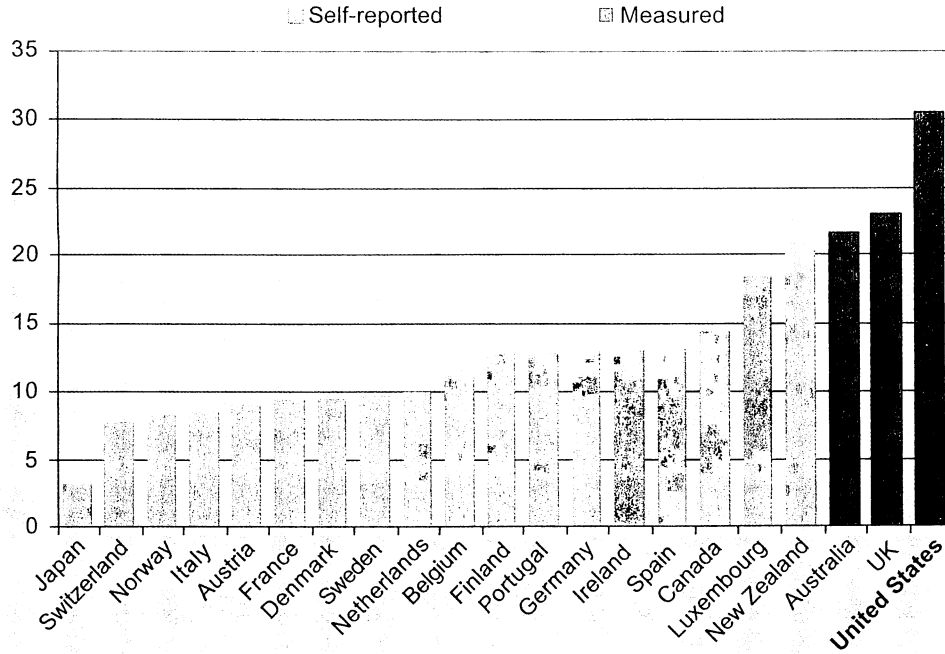
1. 2003 data. Source: OECD

All affluent countries have reduced infant mortality rates (infant deaths per 1,000 live births), but the U.S. rate remains the highest



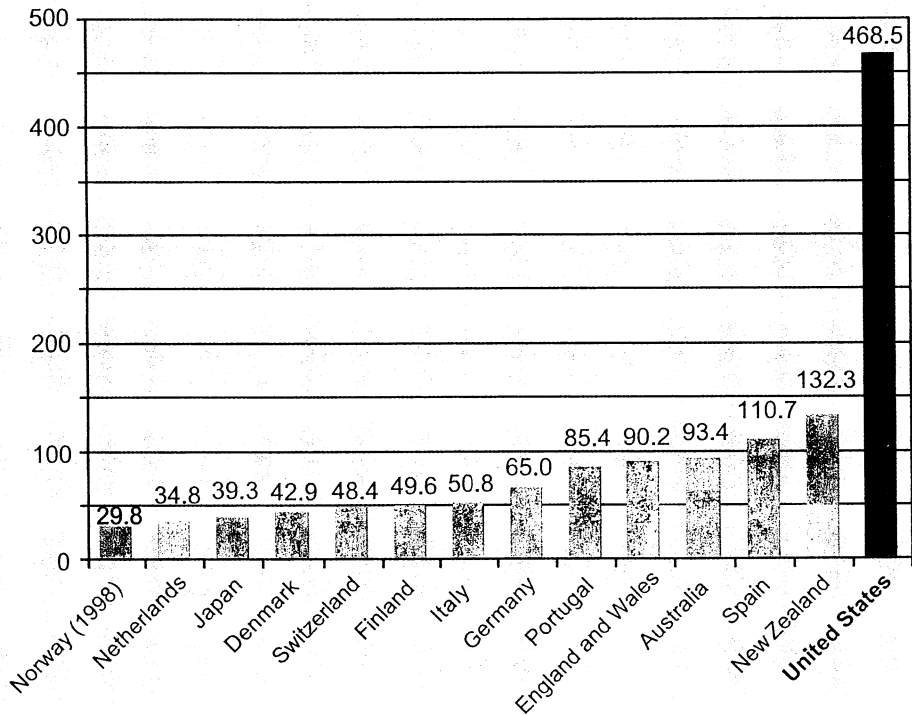
Source: OECD, SWA.

More than 30 percent of Americans who are 15 or older are obese, by far the highest rate among affluent countries. Obesity is a known risk factor for diseases such as diabetes, hypertension, cardiovascular disease, respiratory problems (asthma), and musculoskeletal diseases (arthritis).



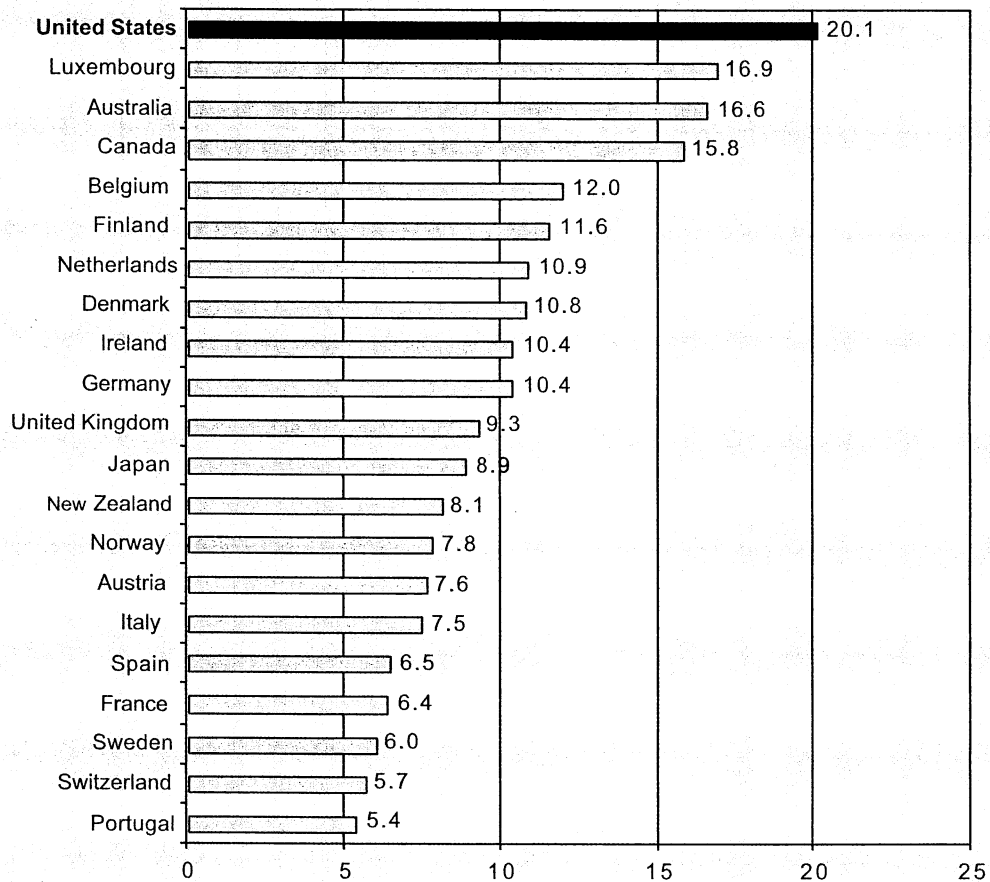
Source: OECD

The United States imprisons more of its adults, by far, than any other country. The graph shows the number of convicted adults admitted to prisons per 100,000 population in the year 2000.



Source: OECD

The United States leads the industrial world in carbon dioxide (CO₂) emissions, with 20.1 tons per inhabitant, more than double the average for European countries (1998 figures). CO₂ emissions constitute the largest share of human-made "greenhouse" gases.



Source: OECD