The Growth of the Dual Economy

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Common Themes from Session Papers

• Diverging economies (rich vs. everyone else)
  • Divergence by race and gender (but also place)
• Recession and the policy response have increased poverty and inequality
• Role of deregulation, devolution, disinvestment
• Significant long-term implications
  • Education
  • Incarceration
  • Health
  • Politics
Change in Economic Distress, 2000 to 2011-15

Based on prime-age poverty, not working (unemployed/nillf), public assistance receipt, disability, single-parent families; county-to-state median HH income ratio, county-to-state median owner-occupied home value ratio
Economic Distress: Recession and "Recovery"

- % of counties w/increase in 4+ economic distress indicators from 2000 to 2007-11)
- % of counties remaining worse off on 4+ economic distress indicators in 2011-15 vs. 2000
Number of Service Categories in Which State Implemented Budget Cuts, 2008-11

<table>
<thead>
<tr>
<th>Service Category</th>
<th># states cutting</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public health</td>
<td>31</td>
</tr>
<tr>
<td>Elderly/disabled</td>
<td>30</td>
</tr>
<tr>
<td>K-12/early education</td>
<td>35</td>
</tr>
<tr>
<td>Higher education</td>
<td>43</td>
</tr>
<tr>
<td>State workforce</td>
<td>45</td>
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</tbody>
</table>
The Dual Economy and the Commodification of Opportunity
(David Grusky)
“Low-output” as a proxy for rural The GDP and stock return trap

Another Clinton-Trump divide: High-output America vs low-output America

Mark Muro and Sitan Liu · Tuesday, November 29, 2016

<table>
<thead>
<tr>
<th>Year</th>
<th>Candidates</th>
<th># of Counties won</th>
<th>Aggregate share of GDP</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>Al Gore</td>
<td>659</td>
<td>54%</td>
</tr>
<tr>
<td></td>
<td>George W. Bush</td>
<td>2397</td>
<td>46%</td>
</tr>
<tr>
<td>2016</td>
<td>Hillary Clinton</td>
<td>472</td>
<td>64%</td>
</tr>
<tr>
<td></td>
<td>Donald Trump</td>
<td>2584</td>
<td>36%</td>
</tr>
</tbody>
</table>

“Output” based on GDP

Undervalues raw materials that go into food, energy; military personnel; natural amenity recreation; retirement destinations – things “high output” America depends on.

Source: Brookings analysis of Moody’s Analytics estimate
Consequences of the Dual Economy
Rural carnage: opioid and alcohol abuse, family breakdown, crime, declining life expectancy

IN DEPTH | ONE NATION, DIVISIBLE

Rural America Is the New ‘Inner City’

A Wall Street Journal analysis shows that since the 1990s, sparsely populated counties have replaced large cities as America’s most troubled areas by key measures of socioeconomic well-being—a decline that’s accelerating

By Janet Adamy and Paul Overberg

Updated May 26, 2017 2:04 p.m. ET
Drug-Related Mortality

Data Source: CDC WONDER, Multiple Cause of Death Files, 1999-2015
Recession and Suicide

All Non-Fatal Intentional Self-Harm Injuries, Males 2001-2015

All Non-Fatal Self-Harm Injuries, Females 2001-2015
Our industry benefits from significant economies of scale, resulting in lower operating costs per inmate as occupancy rates increase. We believe we have been successful in increasing the number of residents in our care and continue to pursue a number of initiatives intended to further increase our occupancy and revenue. Our competitive cost structure offers prospective customers a compelling option for incarceration.

~ CCA 2010 ANNUAL REPORT
The Dual Economy and Trump

Trump (16) vs. Romney (12) county vote share
The Dual Economy and Trump

DAS = drug, alcohol, suicide