Adam Ozimek, economist and assistant director at Moody's Analytics

Interviewed by Sirrah Joof

SJ: What is your assessment of how the media has covered the issue of economic inequality?

AO: I think the media covers economic inequality from a very American centric point of view. I think they focus almost entirely on inequality within America and they don't focus at all on global inequality and inequality between countries and I think that's very complimentary to readers. It makes them feel good. It makes them feel like – you know, when you hear about inequality in America and how much goes to the one percent, it makes people feel like victims. People like to feel like victims, actually. It gives them something to blame other people about. There's a nobility to being a victim and I think people like that. But they don't like to hear about global inequality because we're besides global inequality, you know? We are the global one percent. There's not a lot of discussion about, "so, if we care about inequality then global inequality is much bigger." The difference in welfare between you and I and Bill Gates is not as big as the difference between you and I and someone from sub-Saharan Africa or Bangladesh. So I think when the media covers inequality, they talk about it in a way that tends to make readers feel good and tends to validate readers and not in a way that tends to make readers feel uncomfortable.

SJ: Do you feel like that's the job of the American journalist? To add that international analysis to what we do?

AO: Sure, I think so. I mean, what defines what makes a story worth talking about to a journalist? You know, because they have to decide that covering American inequality is something readers should care about. So they're imparting some type of judgment there that's beyond objectivity. From the journalists, maybe the editors, there's some judgment. There's some judgment happening about what stories are important. So I think this sort of philosophical framework that tells them inequality is important is a framework of fairness, it's a framework of utilitarian sort of ideas. They motivate economics too in that they have a sense that we should bring money to poor people and it's just generally a good thing if you assume everything else away. More money to poor people is good, more equality is good and so I don't think there's a very defensible framework for why we would care about American inequality and not global inequality.

SJ: What is your definition of the middle class?

AO: I don't think middle class is an objective term so I think that there are a variety of ways you can define that. I don't think there's really any one right answer there. I've seen a bunch of different ways that I think are okay. Like, if you look strictly at

distribution, anyone above the 25th quartile, or if your income is more than 25 percent, if you're not in the top 25 percent and you're not in the bottom 25 percent, then you're middle class. I think that's a reasonable way to do it. There's no right answer there. In some ways, middle class can be seen as something cultural as well.

SJ: Does that mean you feel like there's a certain stigma attached with middle class?

AO: Yeah, absolutely, I think most people want to consider themselves middle class. So if you look at the polls, that ask people, "are you middle class?" a huge majority of the country sees themselves as middle class. Very poor people see themselves as middle class and very rich people see themselves as middle class. I don't think there's anything wrong with that. I think when people think of middle class, they think of characteristics that go with that. They think of someone who's gotten ahead but who isn't rich. I think if a lot of people want to think of themselves like that then it's okay.

SJ: What type of context is needed when covering inequality?

AO: There are two big things. Maybe three. So one is obviously the global inequality that I already mentioned, which I think is an important context. But I've told you all about that so I won't go back into that. But that's one. The other context is looking at absolute rather than relative progress. When I say relative progress, that's looking at how have Americans done relative to each other. So if you look at a poverty measure that says, "How many people have less than one-third of the median?" where they're judging poverty relative to the median income, that's a relative income. Basically, the U.S. looks pretty bad because there are a lot of people – when you look at median U.S. income – there are a lot of people who have a lot less than the median. But I think you need to look at absolute measures also. Absolute measures tell you that people are actually doing a lot better off and the United States is doing pretty well. The poor in America are pretty poor relative to the median American income. But relative to the rest of the world, they're pretty well off, in absolute terms.

When you talk about percent of people in poverty, it ignores the material conditions of the poorest people in this country and what is their household income. You know, there are two different types of inequality. There's the inequality that focuses on how much wealth is going to the one percent and how the one percent are going above the median and there's inequality that focuses on how lower income people are falling away from the median. So there's like the rich getting richer and then the poor getting poorer. I think the first kind gets a lot more attention. People like to talk about the one percent and how much money they have. The big problem is that the poor in the country are getting poor relative to average.

And I do think that's actually very much about journalists. Journalists are people who make between like \$40,000 out of college. Then if you're a *New York Times*

journalist, maybe you're making \$70,000, \$80,000, \$100,000. So think about what are their concerns. Like what is more salient to them? The one-percenters, who they can see live in the same city as them and probably live in the same social circle as them, but make them feel poor. So that's the type of inequality that seems really important to journalists. Where if you look at most in the country, when you look at someone who's low income, and how far they feel from the middle class. There are two different things. The class bias of journalists tend to focus on the one percent more.

SJ: Do you see any misconceptions with the media's coverage of economic inequality?

AO: Factually, no, I think the general stories are factually correct. The one percent has gotten a lot richer, the bottom has fallen away from the median a bit and inequality is way worse. So I think factually, there aren't many big problems. Not with inequality, specifically. There are all kinds of inequality, but the basic stories that journalists tell in terms of getting facts straight are correct.

SJ: How would you recommend journalists cover it without polarizing the issue?

AO: That's a hard question. I guess I would say that what you're doing is a pretty good step. Talking to experts and seeing what they think, trying to get feedback from a wide variety of experts helps. It can be very easy to get sort of sheltered in an echo chamber where you hear only one side of the issue. So I think it's good to talk to a variety of experts. You'll talk to an expert and realize one side truly is correct, and that's okay. If I were a journalist – and you're a journalism student?

SJ: Yes.

AO: So, if I were a journalist, I would make sure that in my area that I care about, I was very familiar with a wide variety of experts. I would have these peoples' phone numbers and call them and talk to them about the issues I'm covering. People lean in different directions. So if you're kind of a liberal person, you should make sure that at least one of your experts in your area has a conservative lean and you're a conservative leaning person, you should make sure you have liberal experts too. You should really pick up the phone and talk to people and get some push back on your ideas. I think that process will help prevent you from taking a more polarized perspective.