Reagan economic policies are unfair

Third in a series

It is, of course, for the inevitable. I cannot write a series on President Ronald Reagan without dealing with the question which almost always follows any mention of the election comes up: "But what about the economy?" The underlying assumption is that "the economy" is better under Reagan. It is an assumption that does not stand up to scrutiny.

Obviously, there are some aspects of the economy that are better since Reagan took office. Inflation is probably the most notable. As reported in the October 9 issue of The New York Times, the rate of inflation has fallen from 4.7 percent over the four years of the Carter administration to 3.1 percent for Reagan's four years. Net disposable personal income, which rose 7.9 percent under Carter, rose 9.5 percent under Reagan.

There are, however, other areas that make Reagan's overall record much less sound than it is commonly assumed. The actual figures for home mortgage rates, economic growth, are surprising. I had been under the impression that these were slightly better under Reagan than in the recent past. Not so, not at all.

Overall unemployment (averaged over the whole period of each administration) was up to 8.4 percent for Reagan from 6.4 percent under Carter. Home mortgage rates, 10.60 percent under Carter, rose 9.8 percent under Reagan.

If one divides mean incomes of American families into five equal groups, from lowest to highest, and compares the income of each group in 1980 (1980 dollars), one finds a directly proportional relationship between income level and income change. The income of the poorest quintile of American families was up 5.6 percent while the most affluent quintile (32.6 percent) was up 13.86 percent. The poverty rate in 1984 (1982 dollars), one finds a directly proportional relationship between income level and income change. The income of the poorest quintile of American families was up 5.6 percent while the most affluent quintile (32.6 percent) was up 13.86 percent. The poverty rate in 1984 (1982 dollars) was up to 8.4 percent for Reagan from 6.4 percent under Carter.

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