Inequality Trends — 1989–1993

Bush (H.W.) Administration

Metrics and Measured Outcomes

Metric	Observed Change	Score	Interpretation
Real median household income	▼ decline through the 1990-91 recession	+1	The 1990-91 recession and the sluggish “jobless recovery” that followed held household income growth flat to negative for most of the term, with job losses concentrated among wage earners.
Income share of bottom 50%	▼ continued decline	+1	The multi-decade divergence continued uninterrupted through the recession and recovery.
Wealth share of top 10%	▲ continued rising	+1	Equity markets recovered faster than the labor market, allowing asset holders to regain and extend gains while wage income stagnated.
Homeownership by age cohort	~mixed; improving late in term	+0	The recession curbed homebuying broadly, but falling mortgage rates as the Federal Reserve eased policy through 1991-92 improved affordability by the end of the term.
Labor share of national income	▼ restrained by jobless recovery	+1	Layoffs during the recession and weak wage growth during the subsequent “jobless recovery” kept labor's share on its gradual downward trajectory.
Intergenerational mobility indicators	~neutral (short horizon)	+0	No major structural shift is observable within a single term; these indicators respond to cumulative, multi-decade conditions.

Raw metric total: +4 **External adjustment:** -1 **Net score:** +3

Policy Levers and Their Effects on Inequality

This term was framed by the savings-and-loan cleanup and a genuine recession. FIRREA (1989) created the Resolution Trust Corporation to liquidate failed thrifts at substantial taxpayer cost, while tightening capital and oversight rules going forward. The 1990-91 recession, followed by a slow “jobless recovery,” weighed on wages and employment through most of the term even as financial markets recovered more quickly.

On tax and civil-rights policy, the administration's direction departed somewhat from the prior decade: the Omnibus Budget Reconciliation Act of 1990 raised the top individual rate from 28% to 31% and expanded the Earned Income Tax Credit, breaking the 1988 campaign's “no new taxes” pledge, while the Americans with Disabilities Act and the Civil Rights Act of 1991 substantially expanded workplace protections and remedies. An external adjustment of -1 reflects this partial course correction on the tax side, which ran counter to the broader recession-driven pressures captured in the six metrics above.

Placement on the Wealthy ↔ Common Man Scale

With a net score of **+3**, this period is classified as described below.

Classification: Plus For Wealthy