Inequality Trends — 2009–2013

Obama Administration (First Term)

Metrics and Measured Outcomes

Metric	Observed Change	Score	Interpretation
Real median household income	▼▼ bottomed 2009, then stagnant recovery	+1	Unemployment peaked near 10% in late 2009; the recovery that followed was unusually slow to reach typical households even as corporate profits and equity markets rebounded strongly.
Income share of bottom 50%	▼▼ sharply asymmetric recovery	+2	Economist Emmanuel Saez's analysis of IRS data (cited by the Center on Budget and Policy Priorities) found the top 1% captured 91% of real income gains from 2009 to 2012, one of the most concentrated recovery periods on record.
Wealth share of top 10%	▲▲ rising sharply with equity markets	+2	A strong stock-market recovery from 2009 lows benefited households holding financial assets far more than the still-depressed housing market benefited middle-class net worth.
Homeownership by age cohort	▼ continued decline	+1	Homeownership kept falling through the term as the foreclosure crisis worked through the system, reaching its lowest levels in nearly two decades.
Labor share of national income	▼▼ fell to record lows	+1	Corporate profits reached record shares of GDP while labor's share fell to some of its lowest recorded levels around 2011-2012, even as unemployment gradually declined.
Intergenerational mobility indicators	~neutral within term	+0	No major structural shift is observable within a single term; these indicators respond to cumulative, multi-decade conditions.

Raw metric total: +7   **External adjustment:** -2   **Net score:** +5

Policy Levers and Their Effects on Inequality

This term opened with the steepest job losses since the Great Depression and a rapid, large-scale policy response. The $787 billion American Recovery and Reinvestment Act (2009) combined tax cuts reaching 95% of working families with unemployment insurance extensions, aid to states, and infrastructure spending; the Council of Economic Advisers estimated it kept the poverty rate's rise to 0.5 percentage points rather than the 4.5-point increase market income alone would have produced. Despite this, the recovery that followed was sharply asymmetric: Piketty-Saez tax-data analysis found the top 1% captured 91% of real income gains from 2009 to 2012, as equity markets recovered far faster than wages or housing wealth.

Two major structural reforms partially offset this pattern, though their largest effects fell mostly after this term ended. The Affordable Care Act (2010) laid the groundwork for the largest health-coverage expansion since Medicare and Medicaid, though its major coverage provisions did not take effect until 2014. The Dodd-Frank Act (2010) created the Consumer Financial Protection Bureau and imposed new capital and oversight requirements on the financial sector following the 2008 crisis. An external adjustment of -2 credits these two landmark reforms for their long-run structural significance, even though the term's immediate metrics are dominated by a recovery whose gains were unusually concentrated at the top.

Placement on the Wealthy ↔ Common Man Scale

With a net score of **+5**, this period is classified as described below.

Classification: Good For Wealthy