Financial Crisis in American Households

The Basic Expenses That Bankrupt the Middle Class

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CHAPTER SEVEN

A Look Abroad

If the cost of essential products is hurting household finances, could policymakers fix the problem by regulating or socializing these costs? These types of policy responses can be a hard sell in U.S. politics, where many argue that they are impractical, self-defeating strategies that ultimately lead to higher prices, lower quality, more limited supplies, and ultimately runaway taxes and economic stagnation. For the most part, Americans have relied on neoliberal policy strategies to improve consumers' access to products.

Does this neoliberal approach work? Chapter Five argued that such strategies have a reasonably good track record of making consumer products better, cheaper, and more plentiful. The U.S.'s relatively fervent embrace of neoliberalism has largely paid off in its promise of material bounty across many product markets and has delivered high living standards insofar as material consumption opportunities are concerned. However, Chapter Six argued that although neoliberalism may have proven to be a useful guide to economic policy in many product markets, it has not clearly succeeded in education, healthcare, child care, or housing markets—products that are argued to be pressing households to overspend and under-save.

Can socialism, price regulations, social policies, and other such "government interventions" in economic markets succeed in easing the cost pressures of these essential products, or are these policies as counterproductive as critics claim? One way to probe this question is to look abroad to see how these policies have worked in other countries. It isn't hard to find cases to study—most other developing countries actively use socialization and price regulation to defray the costs of these basic products. The U.S.'s aversion to them is the exception among highly developed countries.

This chapter compares the U.S.'s and other highly developed countries' social and economic policies' success in ensuring that quality child care,

education, healthcare, and housing are accessible in their societies. The data suggest that the cost of child care, healthcare, and higher education are high in the United States, and the average cost of housing is middling. Despite these high out-of-pocket costs, none of these product markets appear to do a remarkably good job of delivering quality products to consumers. The quality that we presume to be characteristic of ultrahigh-end educational or healthcare institutions—such as Harvard or the Mayo Clinic—are not representative of its mass markets, where quality is more or less average compared to other developed countries.

It is often argued that the U.S.'s proclivity for free markets ultimately benefits the average American by spurring prosperity, containing promises, sowing innovation, and ultimately raising general living standards. While there may be some merit to this view, this macroeconomic prosperity's benefit to regular people's finances and overall well-being has clear limits. The observations that follow ultimately suggest that stronger social programs could contain the burdens that essential products place on household budgets. The strategy is possible and can plausibly work, given that it does work in other countries.

A Snapshot of U.S. Capitalism

Over the course of this chapter, we will compare U.S. policies, household finances, and well-being with those of other highly developed countries (hereafter, HDCs). In comparison to other HDCs, the United States is a comparatively rich and reasonably prosperous country whose commitment to social programs can at times seem weak. Table 7.1 describes some of these differences.[1]

The United States Is Rich but Unequal

The United States is a wealthy country, even in comparison to other HDCs. On a per capita basis, its gross domestic product (GDP)[2] output registers at roughly 15 percent higher than that of the Dutch, 20 percent higher than Germany, 37 percent higher than the United Kingdom, and almost 50 percent higher than France or Japan. In comparison to Southern Europe's less wealthy countries—Portugal, Italy, Greece, and Spain—U.S. output is nearly double on a per capita basis. Of course, GDP measures are very crude, so these comparisons shouldn't be taken too literally. However, they do offer a clear suggestion that U.S. society has considerable resources at its disposal on a per person basis, even in comparison with other rich countries. This comparative wealth of resources should give the

Table 7.1 Macroeconomic Conditions of the United States vs. Other Highly Developed Countries

Metric	Per Capita GDP (PPP)	Median Household Income	GDP Growth	Unemplmt.	Inflation Rate	Total Tax Revenue (% GDP)
Period	**2014**	**2013**	**2004–2014**	**2004–2014**	**2004–2014**	**2013**
Norway	$64,856	$51,489	0.5	3.4	1.8	40.5
Switzerland	$57,235	NA	1.1	4.1	0.5	26.9
United States	**$54,630**	**$43,535**	**0.9**	**6.8**	**2.3**	**25.4**
Ireland	$48,755	$25,085	0.9	9.4	1.5	29.0
Netherlands	$47,663	$38,584	0.7	4.6	1.7	36.7
Austria	$46,222	$34,991	1.0	5.1	2.1	42.5
Germany	$45,802	$33,333	1.5	7.7	1.6	36.5
Sweden	$45,183	$50,514	1.2	7.5	1.1	42.8
Denmark	$44,916	$44,360	0.2	5.8	1.8	47.6
Canada	$44,057	$41,280	0.9	7.1	1.8	30.5
Australia	$43,930	$46,555	1.4	5.2	2.7	27.5
Belgium	$42,578	$26,730	0.7	7.9	2.1	44.7
Finland	$39,981	$34,615	0.6	8.1	1.7	43.7
United Kingdom	$39,762	$31,617	0.7	6.4	2.6	32.9
France	$38,847	$31,112	0.5	9.0	1.5	45.0
Japan	$36,426	$33,822	0.8	4.2	0.2	30.3
New Zealand	$36,390	$35,562	1.0	5.2	2.5	31.4
Italy	$34,706	NA	–0.9	8.7	1.9	43.9
Spain	$33,211	NA	–0.1	16.6	2.3	32.7
Portugal	$28,393	NA	0.0	10.5	1.8	34.5
Greece	$25,877	NA	–1.3	14.9	2.3	34.4

NA = Not Available.

Sources: Gallup (2013, December 16); OECD (2016); World Bank (2016).

country more latitude to deliver more income, social programs, or essential products for its people. Given this wealth, we might expect U.S. household finances and living standards to also lead the developed world. To the extent that it does not, one might question whether the society is using its resources to its people's benefit.

Inequality is one possible explanation of that fact that the U.S.'s comparatively high output does not seem to directly translate into world-leading overall living standards. Among the Organisation for Economic Co-Operation and Development (OECD) countries, only markedly poorer countries—such as Mexico, Chile, and Turkey—register higher Gini coefficients.[3] Although the aggregate economy is highly productive, the typical household appears to take in about as much money as those in households with considerably lower per capita GDPs. Even though the U.S. per capita GDP is considerably higher (~20 percent) than Canada or Australia, the median households in these countries are roughly the same. That excess does not trickle down as much as one might presume.

Reasonably Prosperous

Macroeconomic prosperity is a nontrivial factor affecting household finances in that it can affect the job market, it can depress asset prices, and it can tighten the availability of credit. In discussions comparing the United States and other HDCs, it is often presumed that the United States is a model of economic dynamism, while "Old Man Europe" hobbles along. There is some merit to the claim when comparing the United States to genuinely distressed countries (e.g., Greece), but such comparisons are not altogether different from comparing Germany to a poor U.S. state, such as Mississippi. On the whole, the U.S.'s purportedly superior macroeconomic performance is partly an exaggeration. Compared to other HDCs, the overall U.S. economy has been reasonably prosperous: its growth rate has been middling, its unemployment rate has traditionally been slightly lower than most major European economies, and its inflation rates have been very low, like most wealthy countries.

Neoliberal Governance

The United States differs from much of the highly developed world in its dedication to neoliberalism. One facet of this commitment to free markets and limited government is depicted in the rightmost column of Table 7.1, which presents the ratio of general government revenue[4] relative to GDP. Despite much internal rhetoric about runaway taxes, the U.S. public sector

is comparatively small, relative to the overall size of the economy, in terms of how much revenue it draws from society. The U.S. government is an enormous enterprise in absolute size, but this size is the product of a moderately light investment in the public sector by a massive, highly productive economy.

Social Spending in the United States

This penchant for limited government extends to social programs, although the U.S.'s collective unwillingness to field large social programs can also be exaggerated. Table 7.2 describes per capita social spending in the United States and 18 other HDCs.[5] Overall, U.S. per capita spending on social programs is roughly middling. It ranks 12th among the 18 HDCs described in the table. In proportion to the overall size of its economy, it ranks near the bottom, alongside other English-speaking wealthy countries. This means that the United States does not invest heavily in social programs in general. Its expenditures are middling, but that is a product of the fact that the United States is comparatively wealthy, so its modest social spending levels look impressive in comparison to poorer countries that invest in social programs more heavily.

It might surprise some readers to see that overall social spending levels are higher in the United States than in Canada or the United Kingdom, which Americans generally understand to be more socialist. That view makes particular sense from the viewpoint of a younger person because U.S. social programs are not geared toward them. The United States has some rather generous social programs, but they are mainly directed to the elderly. For example, the United States offers socialized healthcare to the elderly, which in its expensive healthcare markets results in high per capita spending levels. The United States spends far more on healthcare than many other developed countries that offer universal socialized coverage, while the system leaves about 14 percent of the population—mostly of working age—uncovered.[6] Likewise, its spending on old age pensions handily exceeds that of Canada and roughly equals levels seen in wealthy continental European countries. Social Security payments can be very generous compared to other elderly pension systems. In 2014, the maximum payment from the Canada Pension Plan was C$1,065 (U.S. $905 at a 0.80 exchange rate) per month, compared to $2,663 per month in the U.S. Social Security program.

In contrast, active labor market programs, which include things such as public job centers, training and apprenticeship programs, or employment subsidies, are far more extensive elsewhere. Family-oriented

Table 7.2 Social Spending in the Highly Developed World, 2010

	Total	Total (% GDP per capita)	Active Labor Market Programs	Family	Health	Housing	Incapacity Related	Old Age	Survivors	Unemployment	Other Areas
Luxembourg	$16,150	16.5	$378	$2,726	$4,130	$208	$2,400	$3,943	$1,223	$802	$341
Norway	$11,024	17.0	$295	$1,462	$2,663	$76	$2,554	$3,260	$135	$233	$345
Austria	$10,392	22.5	$298	$1,027	$2,411	$39	$1,156	$4,281	$700	$365	$114
Switzerland	$9,965	17.4	$250	$546	$2,500	$45	$1,392	$4,195	$403	$369	$266
Denmark	$9,722	21.6	$646	$1,301	$2,194	$224	$1,637	$2,665	$3	$738	$314
Sweden	$9,630	21.3	$400	$1,240	$2,270	$156	$1,679	$3,274	$166	$204	$241
France	$9,491	24.4	$337	$884	$2,574	$244	$556	$3,674	$544	$490	$187
Belgium	$9,483	22.3	$259	$922	$2,604	$73	$828	$2,659	$672	$1,199	$266
Germany	$9,394	20.5	$317	$766	$2,762	$228	$1,075	$2,979	$709	$509	$49
Netherlands	$8,978	18.8	$455	$610	$2,951	$141	$1,463	$2,272	$78	$577	$431
Finland	$8,974	22.4	$328	$1,023	$1,739	$162	$1,279	$3,287	$292	$636	$228
United States	**$8,550**	**15.6**	**$56**	**$327**	**$3,562**	**$147**	**$687**	**$2,592**	**$319**	**$477**	**$383**
Ireland	$8,263	16.9	$329	$1,465	$2,179	$147	$851	$1,635	$389	$1,054	$214
Italy	$7,907	22.8	$116	$395	$1,942	$7	$605	$3,903	$699	$226	$13
United Kingdom	$7,836	19.7	$134	$1,322	$2,570	$484	$824	$2,224	$29	$180	$70
Spain	$7,181	21.6	$253	$407	$1,868	$59	$727	$2,316	$603	$886	$62
Japan	$7,076	19.4	$89	$398	$2,277	$33	$297	$3,364	$442	$94	$82
Canada	$6,535	14.8	$109	$463	$2,653	$153	$321	$1,431	$138	$289	$978
Australia	$6,439	14.7	$112	$969	$2,105	$119	$902	$1,895	$61	$185	$92

Source: OECD (2016).

programs—such as parental leave or child care (discussed a bit later)—are very modest. Although U.S. unemployment programs look middling, these figures were buoyed by an emergency extension of the U.S. Unemployment Insurance program in the wake of the Great Recession. In essence, the United States spends considerable amounts of money on its Social Security and Medicare programs, but spending on those at other points in the life cycle—youth, young adults, and the middle-aged—is much lighter.

A Source of American Prosperity?

In many circles, the more austere state of nonelderly-directed social spending is considered to be part of the U.S.'s larger recipe for economic success. Many commentators maintain that the United States is a rich country precisely because its social safety net is weak, and, more broadly, its government is more inclined to maintain a hands-off approach to economic governance. This market-driven prosperity may allow the United States to maintain its extensive social programs without investing heavily in them. Moreover, while social programs could conceivably deliver essential products at a lower out-of-pocket cost, it is often argued that socialism and other sorts of government interference results in the types of programs that plagued communist societies in the Cold War era, such as supply shortages, rationing, and second-rate products.

The Need for a Closer Look

Presumably, greater social spending and a stronger social safety net would defray the out-of-pocket costs involved in securing these essential products. How do other countries organize these markets? Are products much more affordable there? Does this affordability come at the cost of access or quality? We turn to these questions next.

Social Policies and Access to Essentials

Ideally, a society is able to make access to high-quality essential products universal. *Universal access* means everyone can obtain a good or service, be it education, healthcare, housing, or any other product. Access is not universal to the extent that people are denied products for lack of money, adequate supply, or some other impediment. The stipulation that these essentials be of *high quality* is used to differentiate the nominal provision of an essential product from one that makes an adequate contribution to well-being. It is the difference between getting some kind of education or healthcare and receiving a *good* education or healthcare.

While all highly developed societies maintain some commitment to the idea that people should not be denied access to necessities, they differ on what products are considered "necessary." For example, many countries consider preventative healthcare, higher education, and child care to be sufficiently necessary as to warrant legal guarantees that people will not be denied these services. The United States maintains some of these commitments—for example, with emergency medical care, primary schools, or emergency services such as policing or firefighters—but the principle of universal access broadly appears to be applied to a narrower range of products than in other highly developed societies. Next, we compare how these commitments differ with respects to child care, higher education, healthcare, and housing.

Child Care

Many developed countries treat child care as an essential service and have developed systems of regulations and public investments that are designed to blunt the economically disruptive effects of having young children. Some of them treat child care as a right that is possessed by the child, and they have sought to develop early childhood education and care systems that help edify young children. In contrast, the United States broadly treats child care as nonessential. For the most part, its investment in access is generally relegated to state and local initiatives designed to ensure that the poor have child care that enables them to work. Although recent regulatory changes have given some new mothers the latitude to take time off after childbirth without losing their job, maternity and parental leave is weaker than elsewhere.

Between a child's birth and the age at which they are eligible to participate in the public school system, parents face a practical problem of deciding who will care for their child. For two-parent families, one parent can exit the workforce and provide care, provided that they can afford the loss of an income. For single-parent households, which constitute a considerable plurality of households with younger children, such an option is unavailable. If a stay-at-home parent is not an option, and a family does not have the good fortune of a relative with the opportunity and latitude to provide free care, then they need outside child care. Both the need and cost of outside care vary across countries.

Parental Leave

Parental leave affects the financial demands of having children by mitigating the income losses associated with taking time off to care for one's

children. Under some circumstances, parental leave is paid, which means that parents will receive payments that offset some, or even all, of the income lost by taking time off work. Even when parental leave is not paid, unpaid leave can mitigate the damage to lifetime earnings that might have occurred if the parent of a new child were forced to quit, lose seniority, and be forced to restart their career later and perhaps elsewhere.

Table 7.3 describes differences in maternity and parental leave among the world's most economically developed societies.[7] *Maternity leave* is given to a new mother upon childbirth, while *parental leave* can be shared between father and mother. *Weeks of paid leave* include the typical amount of leave time that offers payment to the parent, usually through a social insurance fund administered through the government. The *average payment rate* is the amount of a parent's income that is estimated to be covered by leave payments. The table is sorted by total weeks of paid leave.

In just about any society, women face professional and economic costs for having children, but these costs weigh much more heavily on U.S. women. It is not just that they have less paid leave, but proportionally fewer women qualify for leave.[8] For those women who do have the good fortune of working in a job that entitles them to leave—they have an enduring, full-time job at an organization that is not exempt from leave requirements, and their job is not deliberately structured to avoid these requirements (e.g., an independent contractor)—there is the question of whether her household is able to weather the strain of losing her income. Unlike most other highly developed societies, there is no society-wide program to provide new parents with financial aid to offset the income they may lose by leaving the workforce to parent full time. As we saw in earlier chapters, most American families are ill-equipped to weather such a shock.

Without parental leave, questions about care come down to questions about whether or not a household has the economic latitude to weather either a parent's departure from the workforce or the heavy financial costs of commercial child care, be it through a supervised institution or through a black market relationship forged on Craigslist. If they are fortunate enough to live near relatives, they may be willing and able to provide free child care. Not all parents have the latitude to step out of the labor market themselves and continue to live near their working children (living costs are lower in places with fewer jobs for younger people).

Care for Young Children

In places such as Finland or France, government programs purposively harmonize maternal/parental leave, preschool, and primary schooling in

Table 7.3 Maternity and Parental Leave across the World's Most Developed Countries, 2009

	Weeks of Paid Maternity Leave	Average Payment Rate (%)	Weeks of Paid Parental Leave	Average Payment Rate (%)	Total Length of Leave (weeks)	Average Payment Rate (%)
United States	0.0	0.0	0.0	0.0	0.0	0.0
Switzerland	14.0	56.8	0.0	0.0	14.0	56.8
Netherlands	16.0	100.0	0.0	0.0	16.0	100.0
New Zealand	16.0	47.9	0.0	0.0	16.0	47.9
Australia	6.0	42.0	12.0	42.0	18.0	42.0
Portugal	6.0	100.0	24.2	57.6	30.2	66.1
Belgium	15.0	76.6	17.3	20.3	32.3	46.4
United Kingdom	39.0	31.3	0.0	0.0	39.0	31.3
France	16.0	93.5	26.0	14.6	42.0	44.7
Luxembourg	16.0	100.0	26.0	38.8	42.0	62.1
Italy	21.7	80.0	26.0	30.0	47.7	52.7
Denmark	18.0	54.1	32.0	54.1	50.0	54.1
Canada	17.0	48.3	35.0	54.7	52.0	52.6
Germany	14.0	100.0	44.0	65.0	58.0	73.4
Japan	14.0	67.0	44.0	59.9	58.0	61.6
Austria	16.0	100.0	44.0	80.0	60.0	85.3
Sweden	8.6	77.6	51.4	61.1	60.0	63.4
Norway	13.0	98.7	78.0	41.8	91.0	50.0
Finland	17.5	78.5	143.5	20.1	161.0	26.5

Source: OECD Family Database (2016).

ways that buffer young families from the impact of having children. In those countries, preschoolers are legally entitled to day care after their mother's maternity leave is exhausted. So the new French mother receives a funded four-month leave, after which heavily subsidized day care is provided to her until the child is old enough to start primary school. In contrast, the U.S. child care system is highly privatized and market-driven, such that there is not a designed system to blunt the financial impact of parenting young children. Governments are not totally absent—states and localities often extend child care subsidies to low-income households, but the remainder of society is left to fend for itself. In the context of the government's light presence in child care—and perhaps as a result of it—child care costs are comparatively expensive in the United States.

Table 7.4 provides an overview of public funding, private costs, and participation in child care across HDCs.[9] The U.S. system is costly, and formal care participation is low. *Public Expenditures (% GDP)* gives the amount of government spending on child care and early education services, relative to GDP. These expenditures are comparatively low in relation to the overall economy and in comparison to the stronger investments made in many Northern European countries. While spending alone does not fully determine the accessibility and quality of a child care and early childhood education system, it does give us a sense of the relative importance that policy-makers assign to it. U.S. figures are comparatively low.

The broader organization of early childhood care and education renders a system that incurs relatively high out-of-pocket costs. *Net cost (% income)* gives the cost of child care, net of public aid or subsidy, relative to household income. The United States ranks second of 17 in net costs for a two-parent family, behind the United Kingdom. That being said, British parents have paid leave at their disposal, as well as longer unpaid leave rights. Note that few countries—the United States, Canada, and Japan—have mechanisms for containing the costs borne by single-parent households, despite the fact that such households are particularly vulnerable financially and have fewer recourses for child care.

Unfortunately, the data on participation in formal and informal care is sketchy. The data do make it clear that formal care participation rates are comparatively low in the United States, particularly compared to near-universal enrollment rates in Europe. The data are not clear on what is happening to those children—informal care rates are roughly similar to other developed countries, though informal care appears to be used on a part-time basis in other countries.

Overall, child care is highly unaffordable in the United States. Other English-speaking OECD countries, such as the United Kingdom, Canada,

Table 7.4 Net Cost of Child Care (% Average Wages), OECD Countries, 2014

		Net Cost (% Income)		Formal Care Participation		Informal Care Participation				No Formal or Informal Care	
	Public Expenditure (% GDP)	Two-Parent	Single-Parent	Ages 0–2	Ages 3–5	Ages 0–2	Mean Hours	Ages 3–5	Mean Hours	Ages 0–2	Ages 3–5
Australia	0.6	15.7	13.6	NA	64.8	30.8	NA	29.3	NA	NA	NA
Austria	0.5	2.7	6.3	19.7	84.1	35.2	10.2	49.4	9.2	51.9	9.6
Belgium	0.7	10.2	7.4	49.3	98.7	23.6	18.5	21.4	10.3	39.5	4.6
Canada	NA	22.2	45.7	NA	45.9	NA	NA	NA	NA	NA	NA
Denmark	2.0	10.7	0.0	67.0	97.7	30.5	20.0	27.5	5.0	37.4	6.1
Finland	1.1	16.8	12.7	27.7	74.0	17.3	21.8	18.1	28.9	70.0	25.5
France	1.2	9.7	3.7	49.7	99.6	50.6	18.6	41.5	12.0	43.4	5.8
Germany	0.5	9.7	3.6	29.3	94.6	28.1	NA	33.2	NA	NA	NA
Italy	0.6	NA	NA	23.1	95.1	42.3	19.0	40.4	13.0	47.0	6.9
Japan	0.4	15.3	22.7	NA	88.8	NA	NA	NA	NA	NA	NA
Netherlands	0.9	19.9	10.0	54.6	94.1	48.1	9.8	50.6	7.0	29.3	4.7
Norway	1.2	11.2	11.9	54.3	96.5	7.4	14.7	3.5	7.8	42.5	10.7
Portugal	0.4	4.2	2.0	45.1	89.4	34.2	NA	33.6	NA	30.9	6.4
Spain	0.6	5.6	15.1	35.3	96.6	9.0	28.7	6.5	17.7	57.8	8.1
Sweden	1.6	4.4	3.6	47.3	94.0	0.6	10.0	1.7	11.5	48.2	4.0
Switzerland	NA	23.6	13.8	38.2	46.1	46.9	14.5	42.2	11.1	32.4	11.8
United Kingdom	1.1	33.8	8.0	35.1	96.3	35.0	15.1	39.6	15.0	46.4	33.9
United States	0.4	28.7	52.4	NA	65.7	32.4	NA	37.6	NA	NA	NA

NA = Data not available.

Source: OECD (2016).

Australia, and New Zealand, have expensive child care markets as well. Like the United States, these countries also eschew socialized, universal accessible child care in favor of programs that subsidize child care for poorer households, but they are less aggressive in defraying the costs for middle-class parents. However, those countries have more extensive parental leave programs, which can offset these costs. For those in continental Europe, the costs of child care are substantially less burdensome. U.S. costs are five to six times higher than those faced by Belgian or Swedish families.

Higher Education

The higher education system in the United States is widely celebrated as the best in the world. Reports gush about the country's representation in global rankings of top universities, its citations in leading journals, its market share of international students, and its stock of Nobel Prizes. The purported quality of U.S. universities, coupled with the country's comparatively high enrollment rates, can be used to justify the high costs of U.S. education. While it may be pricey, U.S. higher education is taken to be of stellar quality, and it does not seem to price people out of the market.

Table 7.5 compares U.S. higher education costs with those of other HDCs.[10] *Education costs* include tuition, mandatory fees, and the costs of books and study materials. Net total costs after taxes include education and estimated living costs, less grants and tax inducements for education.

Direct education costs in the United States are more than double that of other HDCs, except Japan. In many continental European countries, higher education is substantially more socialized, and its out-of-pocket costs are more limited to books, study materials, and other sundry expenses that might be borne by a U.S. high schooler. In part, total overall costs are defrayed by lower living costs (driven by low housing rents in many communities in which schools are set) and government grants and deductions; ultimately, however, the U.S. out-of-pocket costs of higher education, relative to incomes, appear to be roughly double those borne in continental Europe.

These high prices do not seem to price people out of the market. In terms of providing access, the U.S. system is quite good. Data from the World Bank suggest that the ratio of students enrolled in tertiary schooling to the tertiary school-aged population is almost 90 percent in the United States, which is considerably higher than the 60 percent to 70 percent range seen across Europe. These high enrollment rates are undoubtedly enabled by the U.S.'s burgeoning student loan industry, which is not heavily regulated, benefits from many public subsides, and is protected against debt discharge in personal bankruptcy.

Table 7.5 Four-Year University Costs, 2010

Country	Education Costs	% Median Income	Net Total Costs after Taxes	% Median Income	% Labor Force with Tertiary Education	Ranked Universities per 10M	Nobel Prizes per 10M
Japan	$11,865	52%	$24,376	107%	NA	0.3	1.8
Australia	$7,692	33%	$17,618	77%	NA	11.5	5.0
United States	**$13,856**	**51%**	**$19,369**	**68%**	**34%**	**2.4**	**11.0**
England & Wales*	$5,288	21%	$13,772	56%	40%	5.4	19.3
New Zealand	$3,118	16%	$9,328	48%	NA	4.4	6.6
Latvia	$3,299	24%	$5,258	39%	32%	0.0	5.0
Canada	$5,974	22%	$9,959	37%	52%	3.7	6.4
France	$585	3%	$6,395	31%	37%	1.2	9.4
Netherlands	$3,125	11%	$8,111	30%	34%	7.7	11.2
Sweden	$600	3%	$6,056	29%	37%	9.3	30.7
Finland	$1,243	6%	$5,641	27%	41%	1.8	7.2
Norway	$596	2%	$6,276	24%	42%	3.9	24.9
Denmark	$530	2%	$5,229	23%	32%	8.9	24.6
Germany	$933	4%	$3,352	15%	27%	3.3	13.0

*Enrollment and quality metrics for all of the United Kingdom.

Sources: Usher & Medow (2010); World Bank (2016); Times Higher Education (2016); BBC (2010, October 8).

People are enrolling at higher rates, though not necessarily finishing. The proportion of the labor force that actually *completes* higher education is considerably lower, as the figures describing the proportion of the labor force with higher education degrees in Table 7.5 notes. U.S. schools appear to be enrolling a lot of people, but the labor force is not more highly educated. This failure brings up the question of quality. Are Americans getting a better-quality education? While there can be little doubt that the United States houses top-notch universities with endowments that most foreign schools would have difficulty imagining, most U.S. college students do not attend these kinds of schools. The *average* student pays comparatively high costs, but does he or she receive a commensurately high-quality education?

One problem with the aforementioned quality metrics of university system quality—number of ranked schools, number of Nobel Prizes, or share of the global student market—is that they deal in absolute counts. The United States is going to score well in part because it is a very large country. With 10 times the population of Canada, we would expect the country to have 10 times as many ranked universities and Nobel Prizes, or 10 times the global student market share. If we look at averages, or scale these metrics to population, the U.S. system looks less impressive. For example, although the United States has 77 of the world's top 250 universities, according to the Times Higher Education *World University Rankings*, this is about 0.33 per million population. This is a pretty middling ratio. Likewise, Americans are not disproportionately represented among Nobel Prize recipients. Their share of the international student market (an estimated 19 percent[11]) is only slightly higher than the United Kingdom (12 percent) and France (7 percent), even though the United States is several times larger than these countries.

It is not that the U.S. higher education system is bad. It has some excellent institutions, and the quality of education seem to be roughly that of a typical HDC. However, the very high out-of-pocket costs borne by U.S. students cannot be justified on the grounds that the average quality of U.S. schools are better than those abroad. Other countries are able to deliver excellent-quality schools with low out-of-pocket costs.

Healthcare

After years of political conflict over healthcare reform, most Americans are thoroughly aware that their healthcare system involves heavy out-of-pocket costs. One might infer that these heavy out-of-pocket costs are at least partly offset by lower taxes, due to the fact that the government is able to save money by not purchasing health insurance for everyone. The data

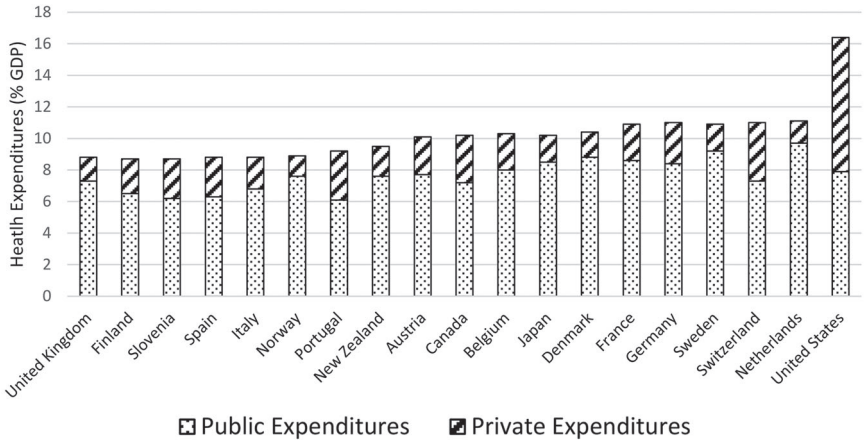

Figure 7.1 Healthcare Expenditures across Highly Developed Countries, 2013. *Source:* OECD (2016).

suggest that no such savings exist. Figure 7.1 shows spending on healthcare by both the government and private sector (relative to GDP) compared to 19 HDCs.

The United States spent 16.4 percent of its GDP on healthcare in 2013, about 46 percent more the second-biggest spenders (Switzerland and the Netherlands) and about 61 percent more than Canada. This included both considerable government and private sector expenditures. In 2013, the U.S. government spent slightly more on healthcare (7.9 percent of GDP) than the Canadian government (7.2 percent).

Why does the United States spend so much? How can the U.S. *government* spend about as much as the Canadian or British government, even though the latter two provide health insurance to everyone? One possibility is that Americans are buying quantitatively more healthcare or getting higher-quality care. However, international comparisons in healthcare resources suggest that Americans' general access to healthcare resources is quite average. Table 7.6 compares international differences in healthcare resources.[12]

The table suggests that the United States does not have extraordinarily high numbers of medical practitioners or hospital beds for its extraordinarily high spending. Its mental healthcare system is paltry and has broadly been replaced by its prison system. It does seem to have more capital equipment—at least insofar as MRIs, PET scanners, or gamma cameras are concerned. However, despite this abundance, reports suggest that access to this equipment has not necessarily improved. In the United States, MRI scans typically cost $1,080, versus $280 in France.[13] These

Table 7.6 Healthcare Resources by Country

	Per Thousand Population			Units per Million Population				
	Health and Social Workers	Active Physicians	Hospital Beds	MRIs	PET Scanners	Gamma Cameras	Radiation Therapy Equipment in Hospitals	Radiation Therapy in Ambulatory Sector
Australia	60.9	3.5	3.8	15.0		20.1		
Austria	46.9		7.7	19.1	1.9	12.1	4.9	0
Belgium	59.0		6.3		2.4		15.0	
Canada	61.4	2.5	2.7	8.8	1	20.6		
Denmark	88.9	3.9						
Finland	75.6	3.3	5.3	21.6	2.2		9.6	0
France	50.3	3.3	6.3	8.7	1.1	5.8	9.6	
Germany	61.7	4.3	8.3		1.6		5.0	
Italy	29.9	4.1	3.4	24.6	2.2	10.7	6.6	0.4
Japan	55.4	2.4	13.4					
Netherlands	82.4	3.3		11.8	3.1	10.4		
New Zealand	52.1	2.7	2.8	11.1		3.4		
Norway	108.6	4.9	4.0					
Portugal	35.7		3.4		0.8		3.9	
Spain	30.3	4.1	3.0	14.8	1.2	6.2	4.6	0.2
Sweden	75.4	4.2	2.6					
Switzerland		4.0	4.8		3.3	9.1	6.8	9.8
United Kingdom	60.2		2.8	6.0				
United States	**61.8**	**2.6**	**2.9**	**34.5**	**4.2**	**47.2**	**7.5**	**5.0**

Source: OECD (2016).

differences in costs create barriers to access: for those without the good fortune of having health insurance, or good health insurance, this kind of price difference can be substantial, regardless of how many MRIs are housed within the country's borders.

Presumably, these lower costs come at the cost of long wait times. A 2013 study by the Commonwealth Fund[14] suggests that wait times aren't particularly short in the United States, they just look good in comparison to Canada, but Canada fares poorly in international comparisons of healthcare wait times. There are other countries with socialized systems that perform considerably better than the United States and Canada. For example, the study found that about 48 percent of U.S. respondents reported being able to see a primary care physician the same day or next day, worse than all other reported countries except Canada. By comparison, about 76 percent of Germans are able to secure fast primary care appointments. Likewise, about 35 percent of Americans report having access to after-hours primary care, as opposed to 95 percent of Dutch or Brits. Access to specialists seems comparatively good in the United States, with 76 percent of respondents reporting that they could see specialists within four weeks of making appointments, though this figure is higher in the socialized British system (80 percent).

So wait times are not particularly low and resources do not seem particularly abundant in the United States. But perhaps the clearest indicator that U.S. healthcare is not so much better than other, cheaper systems is life expectancy, a topic to which we will turn in our discussion about international differences in well-being later in this chapter. On the whole, U.S. healthcare is stronger in some areas and weaker in others, but in no way is the quality of care as remarkably high as the private and overall societal costs of its healthcare system.

Housing

U.S. living standards are high with respect to having access to cheap, large houses. Compared to many HDCs, there seems to be an abundance of cheap homes, along with a range of public incentives designed to help people buy homes. Many Western Europeans marvel at the possibility that one can buy a single family detached home for $50,000 in a major U.S. city. However, as discussed in Chapter Six, these houses are often in communities with weak job markets, strained social services, and social problems. In more affluent communities, which are generally those with stronger essential services and higher living standards, housing has gotten more expensive. These housing market dynamics occur across the world.

Overall, in strict cost terms, U.S. housing appears to be of middle expense. Figure 7.2 depicts the ratio of home values to income (top) and the ratio of home values to rents (bottom). The former gives us a sense of how cheap or expensive it is to buy a home. The latter gives us a sense of how much cheaper or expensive it is to rent, as opposed to own.

Overall, U.S. housing prices are average, as is the cost of renting relative to home ownership. In comparison to other countries, the United States appears to be a country of greater extremes. A 2015 study found that the United States has some of the most housing-affordable major metropolitan areas among the English-speaking OECD countries.[15] In communities in

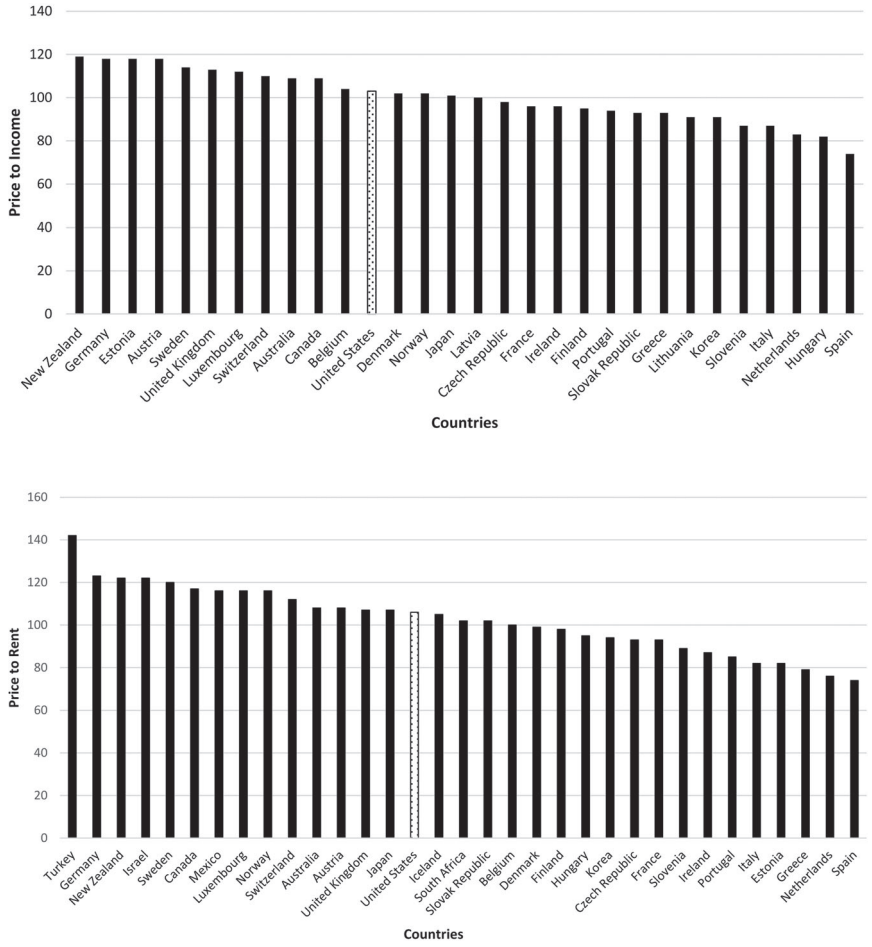

Figure 7.2 Home Ownership and Rental Affordability, 2015.
Source: OECD (2016).

upstate New York, the Midwestern states, or the Southern interior, housing can be as low as 2.5 to 3 times the value of median incomes. The study identified other countries with similar communities—such as Edmonton and Ottawa (Canada), Falkirk (Scotland), Leeds (United Kingdom), and Karratha and Kalgoorlie (Australia)—but low-cost communities of this sort are plentiful in the United States. At the same time, some of the English-speaking developed world's most expensive housing markets are in the United States—such as New York, Boston, and much of the West Coast—where housing can cost 5 to 10 times prevailing incomes. This is not unique to the United States: similar developments have occurred in London, Plymouth, Bristol, and Bath (United Kingdom); in Vancouver and Toronto (Canada); in Sydney (Australia); and in Auckland (New Zealand) as well.

The problem, as noted in the previous chapter, is that some of this very cheap housing is in highly distressed areas. Questions linger about the quality of cheap U.S. housing with respect to the basic services that are attached to housing—schools, infrastructure access, work opportunities, and myriad other essentials. While it is possible to get a cheap home in inner-city Detroit or rural Texas, are these quality homes in comparison to down-market European neighborhoods?

By several indications, distressed U.S. communities are in worse shape than their counterparts in other HDCs. The U.S.'s low-performing school districts register rock-bottom academic proficiency scores and would be considered bad in middle-income countries, let alone rich ones. High-crime U.S. cities have murder rates that approximate major Brazilian or Mexican murder centers, rather than French and British ones. The serious problems facing the U.S.'s poor neighborhoods could fill a book on their own, and listing these kinds of problems do not, on their own, render an airtight case that a person is better off growing up poor in Finland, Germany, or the Netherlands than in the United States. Still, it is hard to see the U.S.'s poor communities as delivering better schooling, better livelihoods, or more lifetime advantage than poor places in other very wealthy countries. The United States as a whole may be wealthy, but it is not altogether clear that the living standards and amenities of neighborhoods with cheap housing are what would be deemed minimally acceptable in other HDCs' standards.

Household Finances

Do these differences in essential product costs have a discernible effect on household finances? Answering this question is difficult because the cost of basic necessities is just one of several factors that will influence household finances. For example, household savings and debt aren't strictly

a function of living costs. Tax breaks and penalties, financial regulation, monetary policy, interest rates, economic sentiments, market booms and busts, cultural attitudes, and any other number of factors can cause otherwise similar societies to have different prevailing savings rates, debt loads, and wealth accumulation. The complexity involved in disentangling these factors is very high, such that we are unlikely to reach a firm and final conclusion on the relationship between household finances and cost of living in today's HDCs here.

That being said, we have very good reason to expect that U.S. household finances would be among the strongest in the developed world. As noted at the outset of this chapter, U.S. incomes are high, and their taxes are low, compared to other HDCs. Its overall economy has been reasonably prosperous. Its tax system strongly incentivizes financial and real estate investment, and there is ample opportunity to make such investments. Its comparatively weak social safety net and the high stakes of being without money presumably create a pressure to accumulate and hold money. One might presume that Americans are well-positioned and well-incentivized to save money and accumulate wealth.

Figure 7.3 presents three metrics describing the household finances of other HDCs—household savings, debt, and wealth—all relative to household income. They suggest that U.S. household finances are—again—middling. U.S. households tend to have above-average wealth, but their savings are low. Indebtedness is average.

The country's savings rates have not been very high over the decade depicted in the figure. U.S. households appear to save more aggressively than Canadians, Japanese, Finns, Danes, and Brits, but less than the Swiss, Swedes, Germans, and French. These differences are not so clearly a function of social programs and living costs; there are high and low savings countries among those who aggressively contain the cost of essentials and those who maintain a more laissez-faire posture, such as that of the United States.

So why do savings rates differ?[16] Care must be taken in comparing national savings rates because countries assess these rates differently, and these estimates can be of varying quality. A 2015 analysis of European Union (EU) countries found that roughly half of the difference in savings rates is attributable to national wealth levels, the degree to which a population has aged, and consumer prices.[17] Additionally, government taxes and economic growth may have some impact. These factors suggest that the United States would have a savings rate that leads the developing world because it is very wealthy, its taxes are very low, and its population is not as old as many European ones. These factors, coupled with institutional

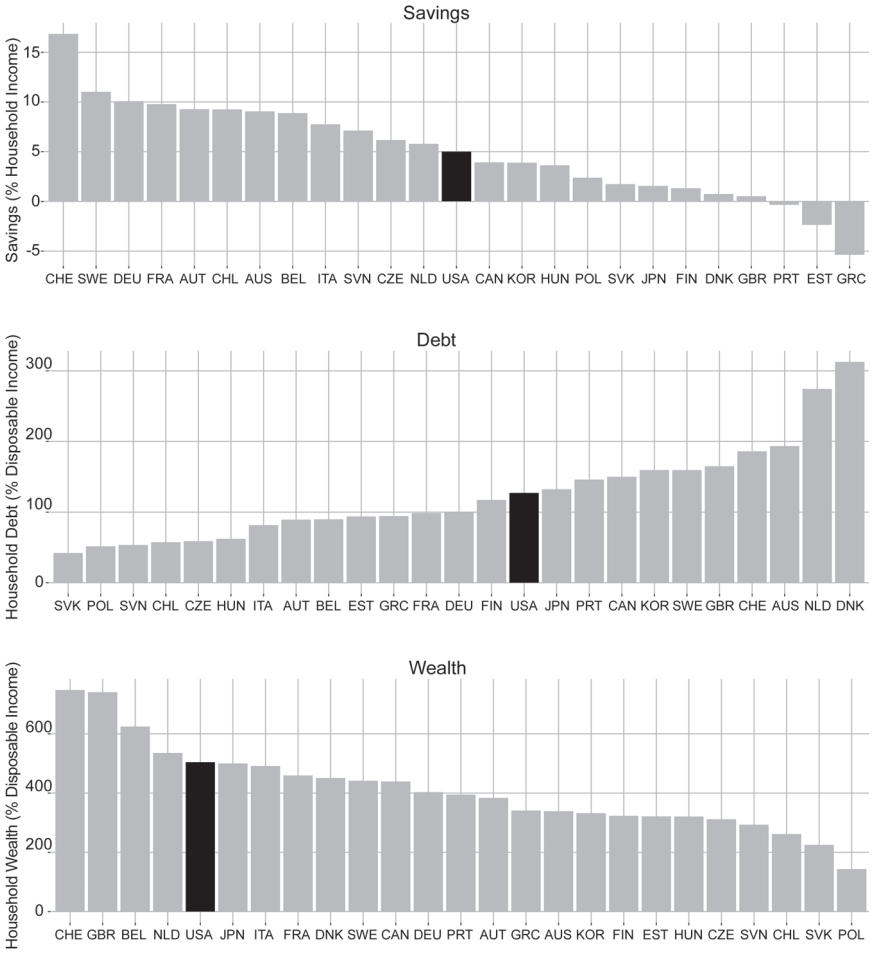

Figure 7.3 Household Finances, United States versus Other Highly Developed Economies, 2003–2013.
Source: OECD (2016).

factors that would presumably raise savings—tax incentives to save, a weak welfare state, a wide range of opportunities to invest—make the U.S.'s middling savings rate seem low, relative to what we might expect.

In and of itself, low savings relative to our expectations does not prove that the high cost of necessities are hurting household finances. Our expectations about what drives savings might be wrong. The United States might have an anti-savings cultural disposition that leads them to under-save. There are any number of possible explanations. Still, it seems quite clear that the United States has all the makings of a high savings country, yet it is in the bottom-half among HDCs. The Germans, Swedes, French, and

others maintain stronger savings rates, despite higher taxes and a richer social safety net, which casts doubt on the idea that socialism damages household finances or that freer markets spur personal savings.

Debt is a similarly complicated issue. Again, the United States registers as a middling country, with household debt loads that are far smaller than the highly socialized Danes or Dutch, but much higher than in Finland, Germany, or France. As was the case with savings, care must be taken when interpreting debt figures. In many respects, the opportunity to acquire debt is a by-product of financial health. Recall from Chapter Three that poor people have difficulty getting loans, so being out of debt does not necessarily mean being in a position of financial strength. Compared to other HDCs, opportunities to borrow are comparatively plentiful in the United States, which might lead us to expect higher household debts. As was the case with savings, institutional factors play a very important role in shaping societies' savings rates. When policy restricts lending, or when it makes the terms of lending more onerous, people are likely to borrow less, apart from whatever is happening with the cost of basic essentials. Ultimately, U.S. households are reasonably wealthy in relation to their incomes. The United States ranks fifth in the countries depicted in Figure 7.3, with an average level of wealth that is five times that of incomes.

So household finances in the United States are middling, which at first glance seems fine until we return to the fact that people need more money to access basic necessities. For example, while Canadians and Americans seem to have similar incomes, savings rates, debt loads, and accumulated wealth, Canadians do not need as much money to ensure that they can get healthcare, a university education, or a home in a nondistressed community. It is similar to the difference between young people from rich families who live on minimum wage and those who earn that amount and have no family. Their incomes and perhaps general personal financial situations look similar on paper, but there can be little doubt that the former is in a much better economic position.

Well-Being across the Developed World

International comparisons of household finances are complicated by the fact that the causes and consequences of household savings, debt, and wealth accumulation differ across societies. For example, data in the previous section suggested that U.S. household finances were in considerably better shape than Danish or Finn ones. We might infer from these data that U.S. households are in a better economic situation, but Americans also need more money to secure a basic livelihood than Danes or Finns. The

latter might not have as much access to money, but they arguably need less money to secure access to essentials. Financial security may be less of an issue for societies with socialized or otherwise cost-controlled markets for basic necessities because the effects of financial problems on well-being might be limited. For this reason, comparisons of general living standards can be instructive.

Ultimately, how does the U.S. system of market-driven essentials provision work out for American people in terms of overall well-being? The U.S. system involves trade-offs, in which it presumably sacrifices cost-controlled necessities in pursuit of market-driven prosperity, more jobs, higher incomes, lower taxes, (generally) lower consumer prices, and the many other purported benefits of laissez-faire economic systems. Ultimately, do these trade-offs result in higher or lower living standards?

Again, the answer is complicated. To some degree, the assessment of living standards requires value judgments, whereby the analyst decides what constitutes part of a "good" or "well" life. By some conceptions of well-being, U.S. living standards are very high. By others, living standards are middling to poor. The final assessment depends on what is valued the most. Figure 7.4 compares U.S. living standards to 18 other HDCs using data from the OECD's *Better Life Index*, a quantitative study of well-being across wealthy countries.[18] Dark dots depict the United States, and light dots represent others.

The general insight that comes across in these well-being comparisons is that U.S. living standards are very high in terms of money and goods consumption opportunities. For example, the second bar in Figure 7.4 shows that Americans have larger homes than most other developed countries, with 2.4 rooms per person. Over much of Europe, the average household has slightly less than 2 rooms per person. In general, U.S. homes are well-equipped. They are more universally equipped with basic facilities (e.g., plumbing, electricity), and appliance ownership is high even among society's poor.[19] These comparatively good housing conditions occur in a context in which housing costs are moderate (as suggested in Figure 7.2 above). All of this points to the success of the U.S. economy in delivering affordable housing in terms of the homes themselves. A similar story can be told of Americans' access to a range of consumer products, such as cars, clothing, personal beauty products, food, and much else. Overall, the U.S. system has been quite successful in delivering reasonably high household incomes (refer to Table 7.1), while consumer goods prices have widely fallen (Chapter 5).

By now, we have thoroughly established the U.S.'s prowess in creating opportunities to acquire consumer products, but how well does the system work in terms of delivering other commonly valued quality-of-life metrics?

In terms of job market quality, the market for jobs seems relatively weak in the United States. Although the severely deteriorated state of the Spanish and Italian job markets make Americans' situation look good by comparison, the U.S. job market is middling in its success creating jobs, and the jobs it does create seem to be precarious and demanding. Americans' risk of losing their job seems quite high, and workers typically dedicate much more of their week to work-oriented pursuits. The U.S. job market is not particularly good—it's average—and the terms of the jobs it offers can have considerable time demands.

This theme of middling to lower-ranking quality is apparent in many quality-of-life metrics. Earlier, we noted the middling quality of the typical U.S. higher education institution. Mediocrity appears to run through the system, with secondary school aptitude tests that register as average among HDCs. Americans are strongly disposed to see themselves as being healthy, although the country's extraordinarily low life expectancy raises questions about whether these positive self-reports have a strong basis in established fact. Despite these many challenges, Americans often sit near the top of rankings in terms of subjective satisfaction about their lives.

What are we to infer from these findings? To the extent that one equates well-being with raw consumption capacity—the opportunity to acquire and consume products in general—the U.S. system can be seen as very successful in delivering high living standards. However, to the extent that one values nonconsumption quality of life, the system is not highly successful. Jobs are comparatively precarious, work-life balance is poor, schools do not perform well, crime is high, and life expectancy is low. To their credit, Americans maintain a positive mental attitude and express high levels of satisfaction with their health and life. Readers can decide on their own whether they agree with such a rosy view or see it as a matter of diminished expectations.

Paying the Bills

Of course, expanding social programs costs money. Someone has to pay the bills, which means higher taxes. Many voters are probably reluctant to expand social programs because doing so would imply higher taxes. How much higher would taxes be if the United States were to adopt European-style social programming?

Table 7.7 compares the tax burdens taken by all levels of government among 19 HDCs. The table suggests that taxes are comparatively low in the United States. Overall taxes are about 20 percent higher in Canada, about 40 percent higher in Germany and the Netherlands, and roughly 80 percent higher in Denmark and France. Income taxes on individuals are

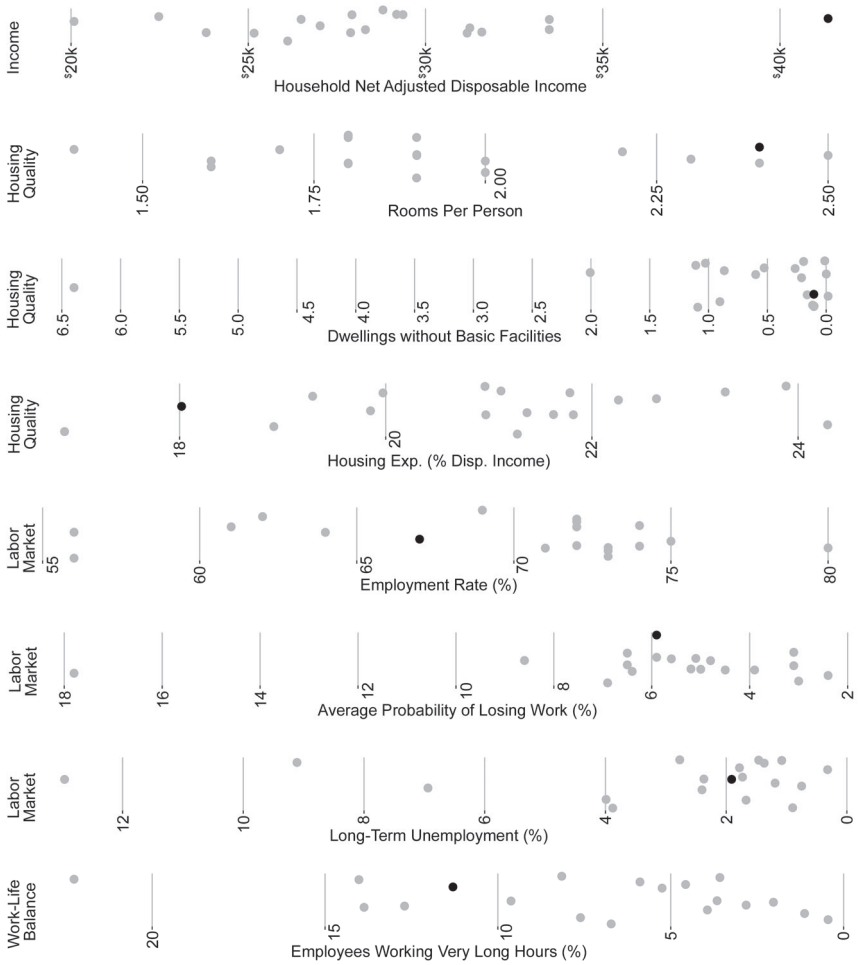

Figure 7.4 Selected Well-Being Metrics from the OECD Better Life Index.

not particularly low in the United States—they amount to about 10 percent of GDP, which is quite typical of HDCs. U.S. taxes are low mainly because its sales taxes, corporate income taxes, and payroll taxes are low. To the U.S.'s credit, sales and payroll taxes are much more progressive taxes, which means that their burden falls less heavily on poorer people. The net result is that the U.S. tax system is often cited as the most progressive in the developed world.[20] Still, after everyone has worked through the complexities of the tax code, the top 20 percent of U.S. society pays a lower share of taxes than their share of income, whereas the middle 60 percent slightly overpays.[21]

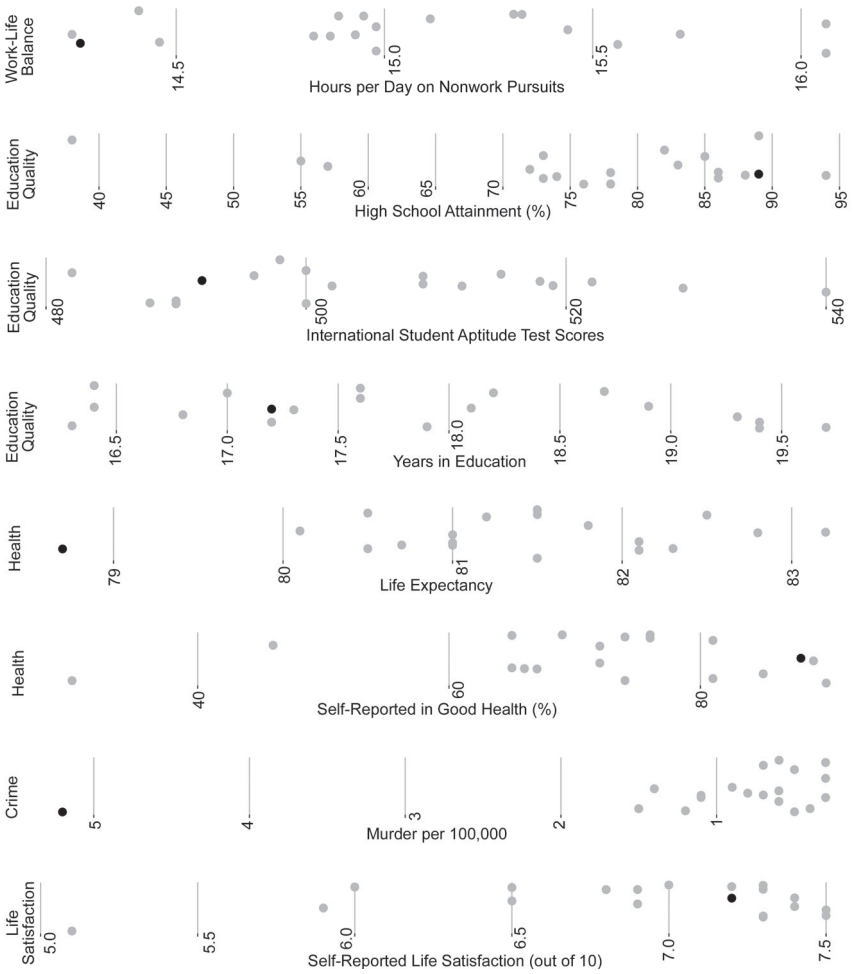

Figure 7.4 (Continued)
Note: Dark circles represent the United States, light circles represent other countries.
Source: OECD (2016).

Concretely, were the United States to emulate a European-style tax system to match European-style social programs, the net result might be something along the lines of a slight increase in income tax rates, raising or eliminating the cap that limits high-income earners' payroll taxes, and a sizable increase in sales taxes (perhaps partly through a national sales tax) that would render overall rates of 15 percent to 20 percent.

It is hard to see these types of tax changes as politically viable. Voters are generally hostile to tax increases, and this hostility is particularly strong in the United States. In part, however, it may be a product of Americans

Table 7.7 Consolidated Government Taxes (% GDP), 2014

Country	Total Taxes (%)	Income Taxes			Social Security Contributions (%)	Property (%)	Goods and Services (%)
		Total (%)	On Individuals (%)	On Businesses (%)			
Denmark	47.6	29.8	26.1	2.7	0.1	1.8	15.4
France	45.0	10.9	8.4	2.5	16.7	3.8	10.8
Belgium	44.7	15.9	12.8	3.1	14.2	3.5	10.8
Italy	43.9	14.5	11.7	3.2	13.1	2.7	11.5
Finland	43.7	15.2	12.8	2.4	12.6	1.3	14.5
Sweden	42.8	14.8	12.2	2.6	10.0	1.1	12.2
Austria	42.5	12.3	9.7	2.2	14.6	0.7	11.7
Norway	40.5	18.7	9.9	8.8	9.5	1.2	11.1
Netherlands	36.7	9.1	7.2	1.9	15.0	1.2	10.9
Germany	36.5	11.3	9.5	1.8	13.9	0.9	10.2
Portugal	34.5	11.2	7.8	3.4	8.9	1.1	12.9
United Kingdom	32.9	11.7	9.1	2.5	6.2	4.0	10.8
Spain	32.7	9.6	7.3	2.0	11.3	2.2	9.2
New Zealand	31.4	17.4	11.9	4.4	0.0	1.9	12.0
Canada	30.5	14.5	11.2	3.0	4.8	3.2	7.4
Japan	30.3	9.8	5.8	4.0	12.4	2.7	5.3
Australia	27.5	15.7	10.8	4.9	0.0	2.6	7.8
Switzerland	26.9	12.4	8.5	2.8	6.7	1.8	6.0
United States	25.4	12.0	9.8	2.2	6.1	2.9	4.4

Source: OECD (2016).

feeling like they are stretched to their financial limits and not having faith that they will get something in return for the taxes they spend. A lot of money simply isn't directed toward civilian purposes—U.S.'s government spends considerable amounts of money on its military. The money that is directed toward shoring up people's well-being seems widely wasted and ultimately fails to deliver value to taxpayers. As noted earlier, it gets very poor value for its public spending on healthcare due to its failure to control costs or curb profit. Many of its entitlements are given to people who don't need them. Things might be different if Americans saw value in the government services that their taxes finance and if they saw public programs as a lifeline that helps edify them economically.

Although a German or Swede may ultimately surrender more in taxes, the services they receive in return make them less dependent on accumulating money. The converse seems true in the United States, where access to money plays a more critical role in securing necessities.

Looking Abroad for Lessons, and Questioning the Orthodoxies of Home

What are the major takeaways from our discussion of how the U.S.'s basic essential prices, household finances, and overall well-being differ from that of other HDCs? First, people in other highly developed societies generally do not have to bear the burden of the U.S.'s pricey healthcare, child care, and education systems. Other governments appear to have succeeded in ensuring that these products are affordable, and they appear to have done so without diminishing their availability or quality. The United States is somewhat unique in the way that its government does so little to contain the out-of-pocket costs of these basics, and Americans do not enjoy a bounty of world-leading essentials for the world-leading prices they pay. In fact, it is hard to discern any clear benefit, perhaps aside from low overall taxes. While Europe has problems of its own, its wealthier countries have found ways to socialize the costs of essentials without destroying prosperity or economic progress.

Americans have many reasons to be proud of their country, and the United States has accomplished many great things. But no one is the best at everything, and Americans are clearly not the best at creating an environment in which household finances and general well-being thrive. The United States is great at creating consumption opportunities for its people, and consumption is an important part of people's living standards. However, these consumption opportunities materialize in a broader system that makes people's livelihood tenuous. Jobs are comparatively tenuous. People's reliance

on money to secure access to necessities makes people's basic living standards tenuous. The depths to which the poor can sink in terms of being denied essential products or thrust into highly distressed communities arguably makes many people's hold on a first world quality-of-life tenuous. There is much to admire about the United States, but its system for delivering goods and services that are essential to well-being does not seem like one of them.

Americans have much to gain by looking abroad and considering ideas that other HDCs have devised to engage the kinds of pressures that harm household finances. These comparisons suggest that access to quality essentials, household finances, and overall living standards are quite mediocre in the United States, despite the fact that this country has unmatched resources to secure all three. Doing so may require that Americans reconsider their basic conceptions about what constitutes practical, productive policy, and reconsider the economic orthodoxies that seem to weigh down the finances and broader well-being of regular Americans. In the next chapter, we close by reconsidering these orthodoxies and imagining new possibilities.

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