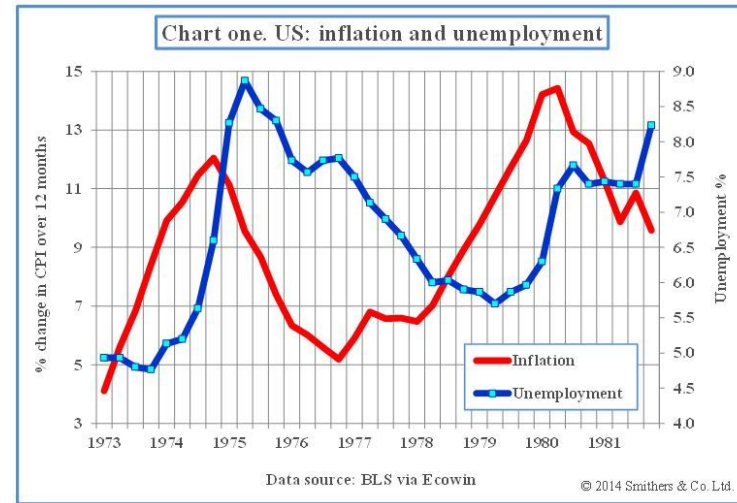


The 1980s in a Nutshell

The 1970s in Review

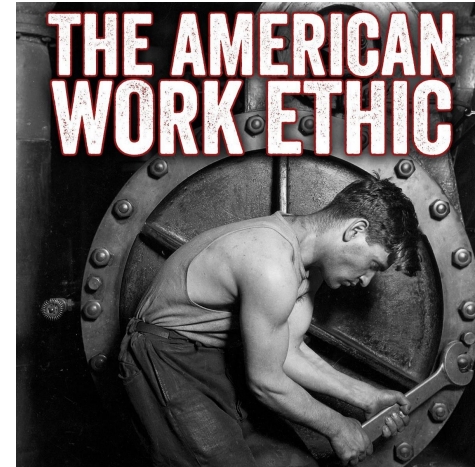


- Trauma of the Vietnam War was still fresh in people's minds
- Frustration with politicians (lies of the Vietnam years, Nixon's resignation, etc.)
- Prolonged recession & oil crisis
- Rising unemployment & inflation



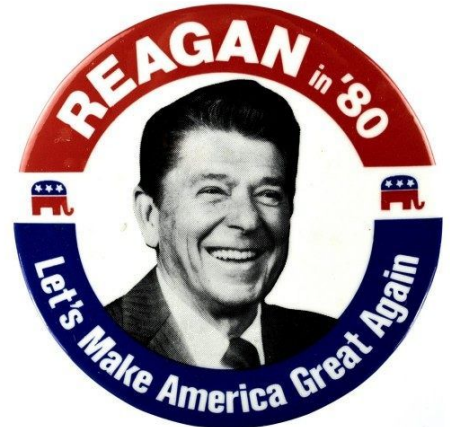
1980s Optimism

- After a decade of struggle, Americans were cautiously optimistic about the future.
- People held onto a belief in the American work ethic:
 - Hard work ⇒ success
 - Individuals have the ability to rise above their circumstances if they work hard
 - As a candidate in the 1980 presidential election, Ronald Reagan stood as proof of that belief for many Americans: he grew up poor & ultimately rose to become president of the US.



Reagan's Promise

- Ronald Reagan offered hope, reassurance and the answers that many Americans were looking for.
- Promised to:
 - balance the budget
 - embrace conservative social issues (anti-abortion, anti-drugs, pro family values)
 - strengthen the military (important to many as the Cold War with Russia dragged on)
 - decrease the size and scale of the federal govt (the promise of cutting taxes alone was appealing to Americans!)



After two terms as president, what impact did Reagan and his administration have on the broader economy, Americans' quality of life and the U.S.' reputation in the world?



Economic Outcomes - National Wealth/Power

By the end of the 1980s, the United States was the world's greatest superpower and very wealthy.

World's 10 Largest Economies

Projected Real GDP (trillions of 2010 dollars)

1981



Chart by Aron Strandberg
Twitter: @aronstrandberg
Source: U.S. Department of Agriculture

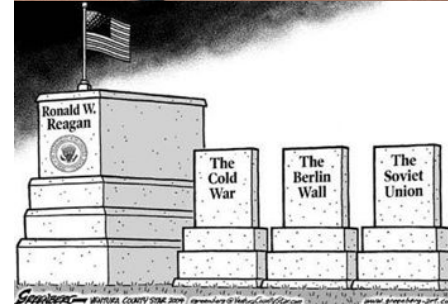
World's 10 Largest Economies

Projected Real GDP (trillions of 2010 dollars)

1989



Chart by Aron Strandberg
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Source: U.S. Department of Agriculture



Economic Outcomes - Wealth

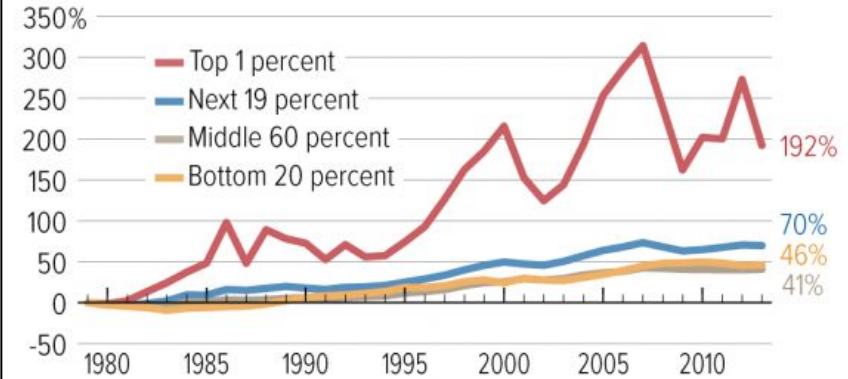


Reagan used the trickle-down economic theory, meaning resources & aid were given to wealthy & business owners (regarded as the biggest earners and therefore the most deserving) in the form of tax breaks, incentives, etc.

What was the impact of trickle-down economics?

Income Gains at the Top Dwarf Those of Low- and Middle-Income Households

Percent change in real after-tax income since 1979



Source: Congressional Budget Office

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What happened to incomes during the Reagan Era?

Economic Outcomes - Cuts

- Reagan pledged to reduce the size of the federal government ➤ Budget cuts!
 - Programs directed at the poor and middle class were reduced by \$41 billion.
 - Public housing, education and job training programs, among others, saw their budgets slashed in the '80s.
- Federal aid to cities was cut by over 50% during Reagan's 2 terms in office.



Table One

Federal Contribution (%) to Budgets, Selected Big Cities¹⁹

	1977	1985
1. New York	19%	9%
2. Los Angeles	18%	2%
3. Chicago	27%	15%
4. Philadelphia	20%	8%
5. Detroit	23%	12%
6. Baltimore	20%	6%
7. Pittsburgh	24%	13%
8. Boston	13%	7%
9. Cleveland	33%	19%
10. Minneapolis	21%	9%

The Fallout



Fig. 1: The U.S. lost 2 million manufacturing jobs from 1979-1987. New York City alone (pictured above) lost 500,000 manufacturing jobs. As a result, over a million people left NYC over the course of the '70s and early '80s. Depopulation, coupled with an economy in tatters, set the stage for the 1980s.



Fig. 2: City playground littered in trash

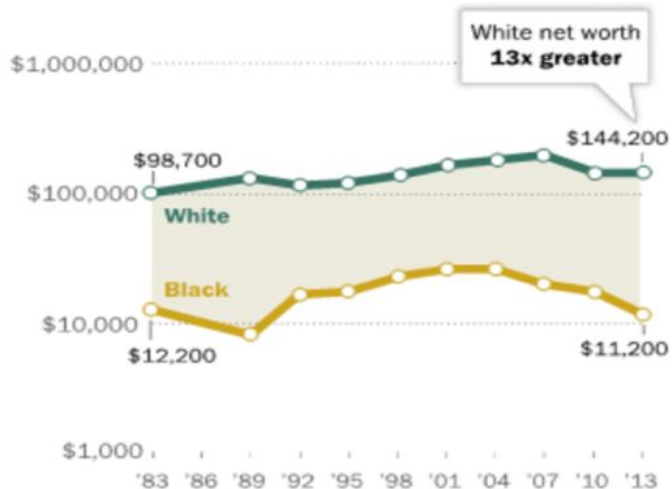


Fig. 3: As government assistance dwindled and drug addiction increased, homelessness soared in cities like New York during the 1980s.

The Fallout

Whites have significantly higher levels of wealth than blacks

Median net worth of U.S. households in 2014 dollars



NSIDER

Poverty: 1959–1996

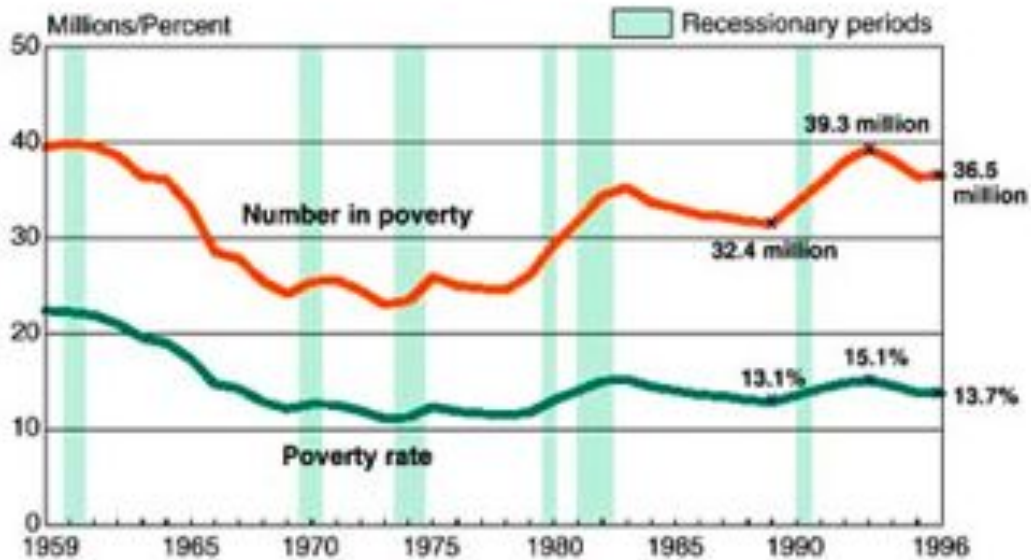


Fig. 2: Rising poverty rates

Fig. 1: Income inequality by race

The Fallout

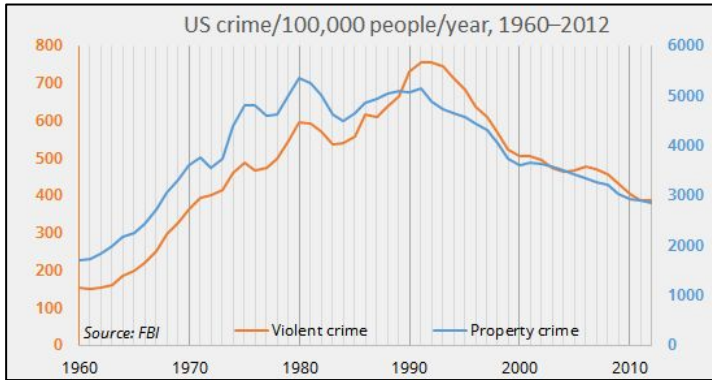


Fig. 1: Crime rates in the US rose 1960s-1980

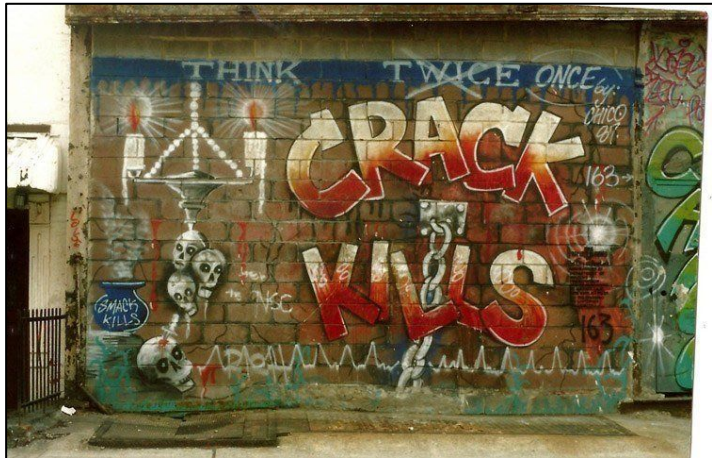
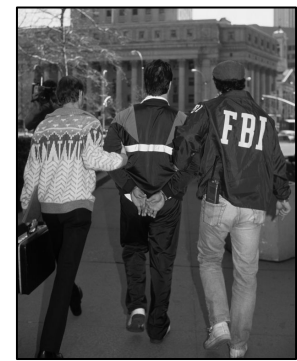


Fig. 2: Emergence of crack-cocaine, a highly-addictive and extremely cheap narcotic. High demand fueled a growing drug trade and record levels of gang violence.

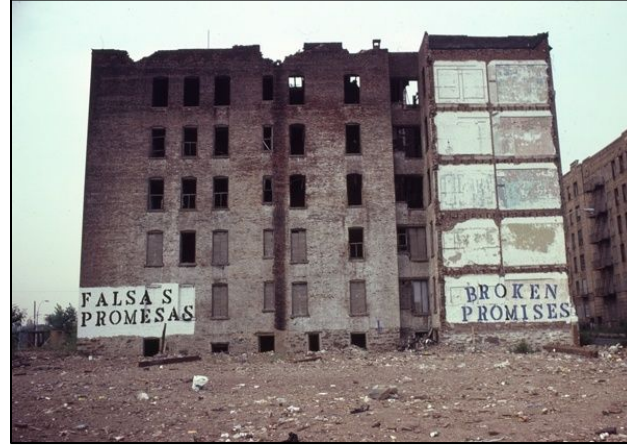


Fig. 3: Reagan's get tough on crime stance led to the passage of the Anti-Drug Abuse Act (1986) which began the unequal treatment between crack & powder cocaine & a huge spike in the prison population.

The 1980s - A Picture of Contradictions



VS



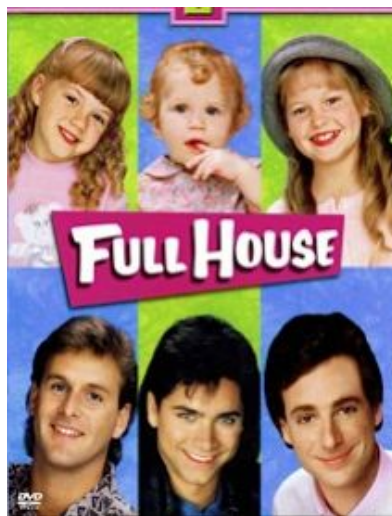
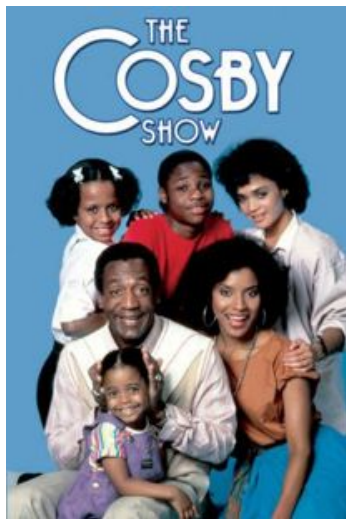
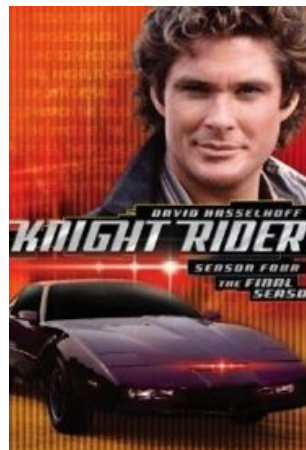
- Reagan championed the little guy, yet he held the glitziest inaugural in history with 9 separate lavish balls, \$800K fireworks display.
- Once in office, Reagan cut social welfare programs while his wife spent \$209,508 on new White House china and refused to tip waiters and waitresses.
- By the end of Reagan's second term, the US was the wealthiest nation in the world yet had a rising poverty rate, declining education statistics and growing disparity in wealth.

Pop Culture in the 1980s

A Reflection of these Contradictions....

The '80s on TV

*A reflection of
Reagan Era wealth*



The '80s in Film



The '80s in Fashion



The '80s in Music

Pop
Music



Rock Music



Hip Hop
Music



Extension Activity

Choose ONE of the following 1980s tv shows or movies to watch this week (pick one that you haven't seen before.)

- Movies: Breakfast Club, 16 Candles, Pretty in Pink, Ferris Bueller, Goonies, Karate Kid, Bill & Ted, Top Gun, Dirty Dancing, Back to the Future, Heathers, Gremlins, Die Hard, The Terminator, The Princess Bride, Aliens, Risky Business, Beetlejuice, Indiana Jones
- TV shows: Cosby Show, Family Ties, Full House, Dallas, Growing Pains, Knight Rider, Golden Girls, Cheers, Different Strokes, Roseanne, Gimme a Break, The Facts of Life, Kate & Allie, The Jeffersons, Who's the Boss

Watch the show/movie and reflect on the ways that it reflects 1980s culture, values or norms.