



NEW FEBRUARY 2011 FROM  
CORNELL UNIVERSITY PRESS

# FAILURE BY DESIGN

The Story behind America's Broken Economy

JOSH BIVENS

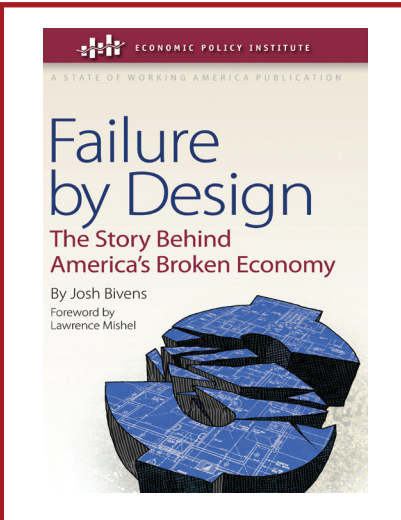
FORWARD BY LAWRENCE MISHEL

In *Failure by Design*, the Economic Policy Institute's Josh Bivens takes a step back from the acclaimed *State of Working America* series, building on its wealth of data to relate a compelling narrative of the U.S. economy's struggle to emerge from the Great Recession of 2008. Bivens explains the causes and impact on working Americans of the most catastrophic economic policy failure since the 1920s.

As outlined clearly here, economic growth since the late 1970s has been slow and inequitably distributed, largely as a result of poor policy choices. These choices only got worse in the 2000s, leading to an anemic economic expansion. What growth we did see in the economy was fueled by staggering increases in private-sector debt and a housing bubble that artificially inflated wealth by trillions of dollars. As had been predicted, the bursting of the housing bubble had disastrous consequences for the broader economy, spurring a financial crisis and a rise in joblessness that dwarfed those resulting from any recession since the Great Depression. The fallout from the Great Recession makes it near certain that there will be yet another lost decade of income growth for typical families, whose incomes had not been boosted by the previous decade's sluggish and localized economic expansion.

In its broad narrative of how the economy has failed to deliver for most Americans over much of the past three decades, *Failure by Design* also offers compelling graphic evidence on jobs, incomes, wages, and other measures of economic well-being most relevant to low- and middle-income workers. Josh Bivens tracks these trends carefully, giving a lesson in economic history that is readable yet rigorous in its analysis. Intended as both a stand-alone volume and a companion to the new *State of Working America* website that presents all of the data underlying this cogent analysis, *Failure by Design* will become required reading as a road map to the economic problems that confront working Americans.

*Josh Bivens has been an economist at the Economic Policy Institute since 2002. He is the author most recently of **Everybody Wins, Except for Most of Us—What Economics Teaches About Globalization**. Lawrence Mishel is the president of the Economic Policy Institute and its research director from 1987 to 1999. He is the coauthor of every edition of **The State of Working America**.*



## FAILURE BY DESIGN JOSH BIVENS

120 PAGES  
CLOTH

ISBN 978-0-8014-5015-0  
\$18.95 • £12.50

ECONOMIC POLICY INSTITUTE  
A STATE OF WORKING  
AMERICA PUBLICATION

FOR INTERVIEWS CONTACT:  
JOSH BIVENS  
E • JBIVENS@EPI.ORG

FOR ADDITIONAL  
INFORMATION:  
PHOEBE SILAG  
202.775.8810  
E • PSILAG@EPI.ORG  
JONATHAN HALL  
E • JLH98@CORNELL.EDU