

Declan Peterson

11/8/2023

ENG1101

Words: 2118

I became interested in covering income inequality because I wasn't sure what to cover. While there are a wide range of social justice issues that could be considered seldom talked about, in New York at least, we talk about a lot of social justice issues, such as topics that deal with racism towards black and brown people, sexism and gentrification. However there are a few topics within social justice that affect almost everyone everywhere all the time. This is not to say that any of these matters are less significant, of course every human deserves the same rights, but income inequality affects most of the people on earth, regardless of their race, gender or to a large extent their socio economic class. a staggering statistic, "Ten men..they now have six times more wealth than the poorest 3.1 billion people."(on earth) Oxfam International's Gabriela Bucher, this does make the sexist and racist angle clear, as 9 out of 10 of them are white men. Considering money is power, especially in our capitalist country, this means that a tiny percentage of the people in the country, can for a large part control what everyone else can do. This includes how we handle all other social justice issues, which do not affect the 1 percent who are mostly straight white men. I remember the occupy wall street movement from when I was a young child. My parents brought me to the protests, and they were by far the largest I have ever seen, rivaled only by the BLM movement perhaps. This issue was unique because it affects everyone, even other white men. I have strong suspicions that the answers I find will be

unsurprising and reveal what can already be loosely observed by any mildly perceptive person. That would be that the richest in society get richer while everyone else struggles. Climbing the socioeconomic ladder is harder than ever and upward mobility stagnancy is only exacerbated by our government and societal tendencies throughout the world.

“Measuring Economic Inequality in the United States : Hearing before the Joint Economic Committee.” *Congress of the United States, One Hundred Sixteenth Congress, First Session*, October 16, 2019. U.S. Government Publishing Office, 2020.

This source talks about income inequality and its effect on the United States and the need to fix it. It contains testimony from prominent economists, scholars and authors. The source talks about how income inequality is such a broad issue that it is difficult to define concretely in many situations and is constantly changing. The statistics used to measure inequality are also constantly changing and some speakers talk about the need to establish metrics and studies for following inequality. They also talk about how many people in the high income bracket are business owners or people that have high paying jobs such as doctors, lawyers and consultants. These people are more common and control more wealth than the top 1% such as CEOs and high tech billionaires, that are the focus of most of the commentary on income inequality.

This source is an in depth look at income inequality in the United States and has a lot of great information from reputable people who have spent and continue to spend a large amount of time studying the economy. This source is a hearing before the joint economic committee of congress, who will ultimately be instrumental in creating legislation to reduce income inequality. It seems

that the purpose of this hearing was largely to bring this issue into the spotlight and focus of congress and to show that a solution was needed and they want to find one. I am not sure I would recommend this source to most people as it is a long read with lots of filler dialogue in stark contrast to my multimodal source. However reading this will definitely bring the reader's understanding of the issue and the complexity of the issue to a much higher level. As for the style and genre I am not sure I could really pin one on this as it is a transcription of speeches from multiple people.

“Inequality has been a hinge of American politics. And indeed, something of a hinge in all democracies for as long as democracies have existed, and with some good reason. Concentration of economic power can be as dangerous as the concentration of political power. Unfortunately the debate about inequality .... Can easily be swept up into a partisan exercise of talking past each other” (Lee 3)

Barone, Emily. “A Look At Income Inequality In The United States” *Youtube*, uploaded by TIME, 20 Feb 2020, <https://www.youtube.com/watch?v=qc7g6Uhi1i4>

This source talks about how income inequality is comprised of a few different types of inequality. These would include but are not limited to racial inequality and gender inequality. The video states that women make 80 cents to every dollar that men make and non white people make 78 cents to every dollar that white people make. According to this source income inequality was not always so severe, especially from the 1930s to the 1970s when there were many unionized jobs and salaries for higher position jobs were not as high as they are today. As many of these jobs were replaced by automation, and many unions shrank, salaries for higher

jobs and CEOs also grew exponentially contributing to an increase in income inequality. They also state that, at least in the United States, people in the top 1% of the income bracket make and control the same amount of wealth as the bottom 50% of Americans. They go on to say that this property severely stagnates upward mobility, or the ability of the bottom 50% percent to grow their wealth and move up the economic ladder. They provide some possible solutions to this that include access to higher education and access to better healthcare for lower income populations.

This source definitely has value coming from a well established news outlet as well as a professional data and graphics journalist. The source aims to summarize income inequality quickly for people that are not well educated in economics and does a good job at that through simple explanations and easy to understand graphics. I think this source is helpful as an introductory explanation of the topic and can help anyone understand what income inequality is. It definitely has given me the ability to explain to others what it is, its factors, and how it works. The graphics such as the cars moving along a road help to convey how the economy is constantly moving and how when a group controls an amount of wealth it enables it to control more and more wealth.

“On a federal level there is no consensus and ultimately closing the gap between rich and poor will require agreement from an increasingly partisan government as well as societal shifts to combat racism and sexism” (*Barone, Time 2020*)

Hartmann, Dominik, et al. "Linking Economic Complexity, Institutions, and Income Inequality." *World Development*, vol. 93, 2017, pp. 75–93, <https://doi.org/10.1016/j.worlddev.2016.12.020>.

This article is a focused and mathematical look at how the complexity of a country's economy contributes to income inequality. This article talks about how the different industries and available jobs, coupled with the country's educational institutions, significantly affect the level of income inequality. According to this article, there are a few main measurement systems used to determine the level of income inequality: ECI-GINI, GDP GINI and the Herfindahl–Hirschman Index; this article compares these as well. According to the authors, some of these are no longer accurate metrics and are based on facets of a country's economy that, at first glance seem to be good indicators, but in reality cannot reliably be applied to other countries, or even the ones they appear relevant in. This article creates another variant of the GINI index called the "Product GINI Index"(PGI). PGI uses the correlation between the diversity of industry as well as products the country exports, and the level of income inequality of said industries and the importance of their various exports to the country's economy.

There are many factors in the United States and other countries such as racism and sexism which can be prevalent and affect people's lives in personal ways, however, they may not be the most powerful factor increasing income inequality. This article is highly technical and is definitely geared towards economists and people to whom economic math is relevant. There is calculus in this article. That being said, the authors clearly know what they are talking about and seem to be keen on having a new way of measuring income inequality noticed by their community. Although the point of this paper is mainly to talk about math and how they are proving that their new method is valid, they highlight some important areas. They talk about how

a complex industry that is beyond basic industrial and agricultural is important to a country, but how also over industrialization and advancement of the economy can sometimes lead to jobs being turned obsolete or work being outsourced to other countries. This definitely rings true in the United States and can be seen through the collapse of the auto industry and the shrinking of unions.

“First, the mix of products that an economy makes constrains the [occupational choices](#), learning opportunities, and [bargaining power](#) of its workers and unions. Notably, in several emerging economies, technological catch-up and industrialization have provided new jobs and learning opportunities for workers, contributing to the rise of a new middle class ([Milanovic, 2012](#)). Conversely in several “industrialized” economies, de-industrialization, de-unionization, and rising global competition for the export of [industrial goods](#) have contributed to higher levels of income inequality. In the industrialized economies many industrial workers have become unemployed or were forced to work at low-paying jobs, and the ability of unions to compress wage inequality has decreased ([Acemoglu et al., 2001](#), [Gustafsson and Johansson, 1999](#)).” (Hartmann et al. 77)

Income inequality is a much more complex issue than most people realize and implementing solutions could be equally as complex and affect many people. While the fact still stands that the bottom 50% of Americans represent as much wealth as the top 1%, this top one percent are not the only people who would be affected by many solutions, such as increased taxes. It is for this reason that there is a lot of resistance to legislation that taxes or creates policy that would affect the cash flow of wealthier Americans. While trickle down economics is often not very true or efficient, there are some cases and some Americans who do participate in this kind of system. It would be unfair to penalize people who are actively employing lower class populations and potentially helping them build wealth and move upwards. However the top 1% remain the subject of controversy and their wealth does not trickle down enough. It seems that future legislation should target that demographic as they would be only slightly affected by large taxes. Elon musk for instance is reported to have a net worth of roughly \$230 billion. Losing 99

percent of that would leave him with \$2.3 billion which would still leave him vastly richer than 90% of the world's population. A large tax of a similar size would only be a temporary fix although it could be in the best interest of Americans.

The goal with fixing income inequality is not to use the richest people to carry America, but to change our systems so that people can build their wealth more easily and have equal and equitable chances to pull themselves out of poverty. This can be thought of like the classic 'give a man a fish...teach a man to fish' story. The consensus for a solution among non-political scholars seems mostly clear; raising the minimum wage and increasing access to education and quality of education would be 'teaching' society to 'fish'. This as well as regulations for big business that perhaps keep more blue collar jobs in our country, could help our economy once again become an economy that anyone can thrive in. Although the lower 50% of Americans are the ones most affected by this issue I do not think it is actually useful for them to think about, because there is little they can do about it besides be depressed or vote people into office that they think will provide a solution. However it is important the government pays attention to this as well as even wealthier Americans, as closing the gap would strengthen the economy and make our country more robust as a whole.