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Good morning and welcome back to CTPR. The weather is overcast and windy, and it is currently 3 degrees in Central Park. It's 7:30 am this is, Crispy Air. Today we begin our programing with a special report on income inequality in the United States, some things that the people unfamiliar with this topic may find interesting, as well as some possible solutions for lawmakers.

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.

Income inequality is comprised of a few different layers. These would include but are not limited to racial inequality and gender inequality. For example, 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 time magazine. However, income inequality was not always so severe. From the 1930s to the 1970s there were many unionized jobs, and salaries for higher position jobs, such as CEO and comparable positions, 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 the income gap. This has become so severe that now, 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” again according to TIME magazine’s Emily Barone. This phenomenon severely hinders upward mobility, or the ability of the bottom 50% percent to grow their wealth and move up the economic ladder.

According to Oxfam International’s Gabriela Bucher, “Ten men..they now have six times more wealth than the poorest 3.1 billion people.” That is on earth (on earth), this makse 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 does. This includes how we handle all other social justice issues, through methods like lobbying these elite individuals can change legislation and the outcome of lawsuits so the outcomes in their favor, regardless of how it affects the rest of the population. The Occupy Wall Street movement from 2011 was massive, rivaled only by the BLM movement perhaps. Two of the main issues that people were protesting were the bailout of banks in 2008 and, a then recent supreme court ruling.

The bailouts happened during the recession in and around 2008 when the federal government essentially helped these failing banks by using almost a trillion dollars of taxpayer money to save

them from going completely under. The supreme court ruling had to do with the way election funding works. In an election, candidates need to raise money to run their election campaigns. There are federal rules that cap the amount of money individuals and companies can donate to candidates to make elections fairer and prevent corruption of our democracy. This ruling allowed independent parties with sufficient financial capability to run advertisements and promote their candidate of choice. All of this was allowed as long as there was no explicit request from the candidate to do this. You might be able to see how this is essentially a loophole that creates a slippery slope for election interference. The aforementioned elite 1% of the United States would greatly benefit from actions like these, with many emerging from the financial crisis barely scratched, and with an ability to ensure their security in the future through indirect political means.

The income inequality issue is unique because it affects everyone. The richest in society get richer while everyone else struggles and the result; Climbing the socioeconomic ladder is harder than ever and upward mobility lower than ever.

In 2019 there was a hearing before the joint economic committee in order to raise awareness for the increasing necessity for solutions to the growing income gap in the United States.

(quote) “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”, that was senator and chairman Mike Lee in 2019 at the joint economic

committee's hearing for measuring economic inequality in the United States. While all the experts that spoke agreed that this was an issue that could not be ignored a large part of this hearing was tightening the definition of income inequality and what it means in the United States. Here's part of the statement from Dr. Gabriel Zucman, a professor of economics at UC Berkley and co-director of the world inequality database,

“The measurement of GDP, after all, relies on many assumptions. There are projections based on preliminary reports that can only be confirmed months or years down the road. There are imputations, for example, of the rents that homeowners pay to themselves. There are assumptions about how much income is underreported by taxpayers to the IRS.”

Versions of the phrase ‘tax the rich’ are frequently touted by activists. While this certainly could be a useful strategy for boosting the lower class, we must define what constitutes rich enough to tax more. There is a concept that has been popular with conservative and libertarian politicians and economists for decades called “trickle down” economics. The general idea being that it is in the best interest of a capitalist society to tax wealthier individuals less. This is on the basis that they need more money because are running their own companies and creating jobs for less wealthy people. Some of the people in the upper income bracket do help support the economy by providing jobs. However, there are some that do not help the economy proportionately to their wealth and actively use their wealth and power to engage in destructive predatory business practices. For instance, the policies and actions that people protested at Occupy Wall Street. Or take Jeff Bezos' who's Blue Origin rocket building program emitted enough methane gas to be detected by the international space station, with impunity.

There are a few main measurement systems used to determine the level of income inequality: ECI-GINI, GDP GINI and the Herfindahl–Hirschman Index. According to a 2017 peer reviewed study by Dominik Hartmann and 5 other economists, some of these are no longer accurate metrics. The study claims that these metrics are based on facets of a country's economy that, at first glance may seem to be good indicators, but cannot reliably be applied to other countries.

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.

Hidden in this academic paper is a hint at a solution quote ““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.” Basically, our current economy, where a lot of jobs are outsourced to other countries, creates a difficult environment for everyone to be able to make a decent living. If this pattern of globalization and outsourcing of jobs were to be turned around, we might see some faster improvements with income inequality.

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.

We'll be right back after this commercial break, thanks for listening this is Crispy Air.