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11/13/2021

ENG1121

Unit 2 Writing Assignment

Word Count: 1577

U2 Annotated Bibliography

Introduction

My question for this research project is, Will wealth/income disparity continue to grow?. I am very interested in finance and economics-related topics. My goal is to work as a personal financial advisor once I graduate from college. I will do something different after that but for now, that is my main interest and focus. Since I am interested in those topics, lately I have been thinking about how the lower, middle, and upper classes work. I want to know the differences, the privileges each one has and if you have the chance to choose which one is the most convenient one and so on. That is how I got interested in this specific question.

This topic is important because enough economic/wealth inequality could create a society ruled by the rich. From this research, I am expecting a specific answer, yes or no. However, I do want to know the reasons no matter what the answer is. Will wealth disparity continue to grow? If yes or no, why and how. It will be interesting to find a reasonable solution that will stop the wealth/income inequality. If it is going to continue growing then, what will happen?. These questions are different from the research question. However, it is something that I am expecting to learn. It is not because of negativity but, considering how this modern world is,

technology, social media, crypto coins, I am not hoping to get a “no, it won’t continue growing” as an answer.

Source Entries

Citation #1

Eduardo Porter. “A Relentless Widening of Disparity in Wealth” *Economic Scene*. March 11, 2014. <https://www.nytimes.com/2014/03/12/business/economy/a-relentless-rise-in-unequal-wealth.html?ref=oembed>

Summary

Thomas Piketty wrote a book where he talks about wealth disparity, inequality, and inherited wealth. In the book, he talks about the belief that many Americans have, where they think inequality will eventually stabilize itself. However, he says it’s a wrong idea and it won’t happen. Matter of fact, it has and will continue to grow over the years. He pointed out the idea that the Russian-American economist, Simon Kuznets, had from 1913 to 1948. There was a ten percent of the population that was absorbing the income of the nation and Mr. Kuznets thought that it would eventually decline. However, professor Piketty shows that it has been growing since then and will continue to grow to dominate the economy, among inherited wealth. Furthermore, it will continue unless there are some political actions that slow or reverse inequality. Even though there is no political history that could give us hope, that could be an option.

Reflection

I agree with what this article says. He says that the analysis that Mr. Kuznets made all these years ago didn't happen. Moreover, it actually went the reverse way, making the rich richer and poor

poorer. Another point to keep in mind is that inherited wealth does not help the inequality. It grows even faster than the economy itself and it stays in the hands of only a few. The article gives data and statistics that makes you analyze and trust what the author is saying. My question to the author would be, what would the results of new research about this topic be? since this one was made in 2014. Also, I had to look up who was “Simon Kuznets” so I could understand the article better. My research question is “Will wealth disparity/income disparity continue to grow?”. He does respond to it by saying that it will continue to grow.

Quotations

“His most startling news is that the belief that inequality will eventually stabilize and subside on its own, a long-held tenet of free-market capitalism, is wrong. Rather, the economic forces concentrating more and more wealth into the hands of the fortunate few are almost sure to prevail for a very long time.” Eduardo Porter, Talking about Thomas Piketty’s book.

Citation #2

Eduardo Porter. “Study Finds Wealth Inequality Is Widening Worldwide.” *World Business*.

December 6, 2006.

<https://www.nytimes.com/2006/12/06/business/worldbusiness/06wealth.html?searchResu
ltPosition=16>

Summary

The author of this New York Times article, Eduardo Porter, talks about how over the years experts have been worried about the distribution of the world income. They are worried about the

income inequality that exists. Wealth is a difficult matter to measure but, he uses specific data along with some assumptions, to have an idea of what is going on with the world's economy. By doing so, Eduardo Porter says that "Income inequality shows few signs of abating in most countries". He includes countries such as Switzerland, the United States, Indonesia, Canada, among others. Furthermore, instead of abating, inequality is growing very fast in countries like China and India.

Reflection

I agree with what the article says. It gives specific data that proves how the economy or the income inequality it's growing in many different countries. I wanted to know if there was some hope about the inequality stopping. To my surprise these experts say that the inequality growing in China and India, actually it's helping. If China and India were not getting wealthier, the inequality could be worse. It makes sense since if this weren't happening they could be behind many other countries and they could be getting poorer. The question I have about the text is, what were the assumptions that the authors had to make to reach this conclusion?. The article was very explicative, I understood everything, therefore, I did not have to look at anything. I would also tell the author that I noticed he is an expert in this topic since he also wrote the first article that I used. With this information he made me understand that the wealth inequality/Income inequality it's not giving any signs of going backward. It'll continue to grow.

Quotation

"Income inequality shows few signs of abating in most countries" Eduardo Porter.

Citation #3

“Why The Inequality Gap Is Growing Between Rich And Poor” May 29, 2019.

<https://www.youtube.com/watch?v=41y4c1Oi5Uo>

Summary

The video published by CNBC, titled “Why The Inequality Gap Is Growing Between Rich And Poor” talks about the growing income inequality. Even Though since 1981 the number of people who lived in extreme poverty had decreased, the inequality in some countries has surged and keeps rising. It explains some of the possible causes such as the implementation of new technology that reduces human labor. They gave very specific and detailed data that shows us the increasing line of income for those at the top of the economy leaving the rest behind. It also mentions how the minimum wage instead of rising to follow the inflation, actually drops. The economy usually helps the high educated and hurts the less educated.

Reflection

I agree with the video because it gives very specific examples. It gives some reasons why the income disparity continues to grow and even explains how it all begins. One question that I have is, what could be a reasonable solution to stop inequality from growing? Also, I didn't need to look up anything, the video was very clear. I did have to rewatch it to make sure I understood everything but, it is just because I like to do that. I would like to thank the author for explaining this topic as clearly as they did. The video tells me that countries with advanced economies are the most hurt by wealth/income inequality. Of course, it also says that this issue will continue to grow.

Quotation

“...but in countries with advanced economies, inequality of income and wealth has surged. and nowhere has it surged more than in the U.S. where reliance on free-market forces has been strongest. that magnifies rewards for those at the top and leaves most others behind.” CNBC.

Conclusión

Taking into account everything I've read so far, I found that the wealth/income disparity is more likely not going to change in the next few years. Unless, there is an important change in laws or in the economy in general. If that happens, then experts will need new research that explains what are or could be the reactions that this change will cause. Still, between experts there is a small hope that even with how the world's economy is going at the moment, the income disparity will eventually stabilize itself. With this research, I've learned that nobody proposed a reasonable solution for this problem, at least not in any of these articles.

I know the experts have the hope that the problem will solve itself but, Mr. Kuznets had the same hope in 1913. We are 108 years later and the problem is still not solved. I am not an expert, I don't have a solution, this is just my opinion but, if there was something we could do, we should do it. It is important to know about wealth/income disparity and if it will or won't continue to grow because, this could determine what will dominate our economy in the future. It helps understand how income is distributed in society. Furthermore, it may inspire someone interested in the economy, to study and try to make a change. I think this generation, college students and high school students, should know about this. We should know about this because we are the future of the nation.