

* Wealth is The capacity To own Things, be it: cars, houses, stocks, any asset really.

Wealthy

- Own a lot of Things
- Their assets produce income for them
- Their assets own/produce the essentials
- Their spending, even when nominally high, is just a minimal part of their income
- That extra income will be used to get more assets

Wealthless

- Own little. Nowadays many don't own even cars or houses.
- Job dependant. In some countries they rely heavily in an already overloaded social state.
- Spend a significant part of their income in essentials.
- Have little to spend in non-essentials, including assets.

* Wealth Inequality

- Wages fall behind rising living and housing costs.
- Jobs get concentrated, and so do people that need them
- The middle class (e.g.: in USA or Europe), which owned a good amount of assets (50's to 2000's) is now shrinking

* The Economy in a Wealth unequal world

- It has less "regular" spending in the sense that the wealthless live to cover essentials and the wealthy have a specific spending style.
- In a low demand world there is little incentive in investing in increasing production. So that money is spent in assets

- Stagnated production levels and better Technologies reduce the need for workers.

- Less jobs + More People \Rightarrow Lower Wages

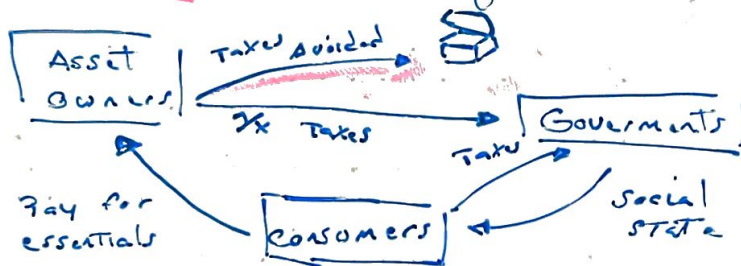
- More people near job spots + House Ownership concentrated in few hands \Rightarrow Higher housing prices

In The cities

So: Lower Wages + High Housing Prices \Rightarrow Can't own House \Rightarrow Live To pay the rent \Rightarrow High insecurity

- Places with few wealthy people can barely have an "essentials" economy.

- Taxes reach a dead-end as the wealthless can't carry the burden alone and the wealthy have the means to legally pay less taxes. So the governments must be austere.



* Solutions?

1) Bring the "avoided taxes" back into the economy

2) The wealthy start spending more so the economy starts moving

- Neither will happen on its own. Governments need to push for them. However, (2) is more "wealthy friendly" and has better chances.

- Example: Laws to force the sale of physical assets after 150 years. This puts the assets in the market, generates sale taxes and still allows the wealthy to profit for 3 generations.