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ENG110 E3

2/18/16

Project 1 Workshop Draft

1. Introduction

* 1. Give basic facts about income inequality in America
  2. Introduce Paul Krugman and discuss his credentials
  3. Introduce Gary Becker and Kevin Murphy and discuss their credentials
  4. Explain the audience that each writer (or in the case of Becker and Murphy, writers) intends to address

In their article “The Upside of Income Inequality”, Gary Becker and Kevin Murphy argue, rather dubiously, that rising levels of income inequality in America are driven by an increased valuation of education and skill development, and so new policies aimed at reducing inequality would discourage young Americans from pursing an education. That should be avoided, they claim, because, “The potential generated by higher returns to education extends from individuals to the economy as a whole,” (585) and because, “Higher returns to education will accelerate growth in living standards as existing investments have a higher return, and additional investments in education will be made in response to higher returns” (585-586). However, in his essay “Confronting Inequality”, Paul Krugman makes a more compelling case for caring about income inequality in modern America, and lays out a plan for addressing it. The American government should institute new policies to combat income inequality, he argues, because “vast income inequality inevitably brings vast social inequality in its train. And this social inequality... has real, negative consequences for the way people live in this country” (563). Thus, he asserts, the American government should step in and reduce income inequality by increasing taxes, raising the minimum wage, and empowering unions.

The foundation of Krugman's argument is that income inequality is destroying the American middle-class, specifically that, “High inequality, which has turned us into a nation with a much-weakened middle class, has a corrosive effect on social relations and politics, one that has become ever more apparent as America has moved deeper into a new Gilded Age” (Krugman 562). He elaborates on the process by which inequality takes a toll on the middle class, writing that, “It matters a great deal that millions of middle-class families buy houses they can't really afford, taking on more mortgage debt than they can safely handle, because they're desperate to send their children to a good school—and intensifying inequality means that the desirable districts are growing fewer in number, and more expensive to live in” (Krugman 564). All this matters, he writes, because economic mobility in America is lower than Americans believe, and that, “Mobility is highest in the Scandinavian countries, and most results suggest that mobility is lower in the United States than it is in France, Canada, and maybe even Britain” (Krugman 567). Thus, as income inequality increasingly impedes middle- and lower-class Americans’ ability to get a quality education, they become handicapped for life. In contrast to Krugman, Becker and Murphy believe that income inequality in American doesn't need addressing because it's driven by an increased valuation of education. They argue that, “Higher returns to education will accelerate growth in living standards as existing investments have a higher return, and additional investments in education will be made in response to higher returns,” (Becker/Murphy 586) and therefore that, “the forces raising earnings inequality in the United States are beneficial to the extent that they reflect higher returns to investments in education and other human capital” (Becker/Murphy 586). Although I agree with Becker and Murphy that an increased valuation of education in America is positive, I disagree with their conclusion that income inequality is desirable as long as it encourages the pursuit of an education because it doesn't take into account the fact that income inequality reduces middle-class Americans' ability to pursue an education. As evidence of how an increase in inequality can have a positive effect on a society, Becker and Murphy cite the recent development of China and India, writing that, “as the example of China—or India, for that matter—illustrates, the rise in inequality does not occur in a vacuum. In the case of China and India, the rise in inequality came along with an acceleration of economic growth that raised the standards of living for both the rich and the poor” (Becker/Murphy 582). However, in using China and India to argue that income inequality can be desirable in the United States, Becker and Murphy conveniently fail to mention that unlike America, China and India lack an established middle-class at risk for corrosion and that therefore, their situations are not comparable to America's. Left untouched by Becker and Murphy, and even by Krugman, is the issue of voter turnout in America and its connection to rising inequality. In America, barriers to voting, such as voter ID laws and felon disenfranchisement, disproportionately affect low-income individuals. Thus, as income inequality increases, Americans who fall out of the middle class have an increasingly difficult time making their voices heard through the voting system. The result is that the preferences of high-income Americans (who, more than others, favor policies that contribute to income inequality) increasingly have a disproportionate level of influence of American politics. So, as income inequality increases, it creates a positive feedback loop of further growing inequality and skewed voter turnout as the issues that reduce voting among lower-income voters affect more and more Americans. This feedback loop demonstrates how income inequality threatens not only middle-class Americans' quality of life, but also the health of American democracy, and thus why it needs to be addressed.

5. Conclusion

1. Transition sentence
2. Reiterate that income inequality is detrimental to quality-of-life for large numbers of Americans and also a threat to the health of American democracy
3. Who cares move
4. Call for action/ state that reform is necessary, and the government should step in to combat inequality, as Krugman argues

Works Cited

Krugman, Paul. “Confronting Inequality.” *They Say/I Say: The Moves That Matter in Academic*

*Writing.* Birkenstein, Cathy, Russel Durst, and Gerald Graff. eds. W.W. Norton &

Company, Inc.: 2015. 561-579. Print.

Becker, Gary S., and Kevin M. Murphy. “The Upside of Income Inequality.” *They Say/I Say:*

*The Moves That Matter in Academic Writing.* Birkenstein, Cathy, Russel Durst, and

Gerald Graff. eds. W.W. Norton & Company, Inc.: 2015. 581-589. Print.