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ENG110 E3

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Income Inequality in America: Why the American Government Should Respond

Income inequality in America is at its highest level since 1928. That simple fact, reported by the Pew Research Center in 2013, has become, over the last three years, the lynchpin of one of the most divisive debates in modern American politics. Presidential candidate Bernie Sanders has made the issue of rising income inequality the cornerstone of his surprisingly strong campaign, promising to raise taxes on the richest Americans and fund free public universities for all Americans. Leading Republican candidates have scoffed at his proposed policies, arguing that taxes should be cut, not raised. As political polarization in America continues to increase, a compromise between Republicans and Democrats on the issue seems unlikely. So, as income inequality in America reaches levels not seen since before the great depression, the question remains unanswered: What, if anything, should the American government be doing about income inequality?

Two respected economists who have attempted to tackle the issue of rising inequality in America are Gary S. Becker and Kevin M. Murphy. Gary Becker is deceased, but in life was a professor of economics and sociology at the University of Chicago’s Booth School of Business. He was also a Nobel laureate for his work in the field of economics. Kevin M. Murphy works as a professor of Economics at the University of Chicago Booth School of Business and as a Senior Fellow at the Hoover Institution. In contrast to the majority of left-leaning academics in their field (who, by and large, support government intervention to combat inequality), Becker and Murphy are opposed to government action on the issue of income inequality. They argue in their co-authored essay, “The Upside of Income Inequality”, that rising levels of income inequality in America are driven by an increased valuation of education and skill development. Therefore, they write, 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,” 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. Krugman is a professor of economics and international affairs at Princeton University, a Centenary Professor at the London School of Economics, and writes as an op-ed columnist for The New York Times. He also won a Nobel Memorial Prize in Economic Sciences in 2008 for his work on international trade patterns. Responding to a perceived positive feedback loop of income inequality and political shifts to the right in American politics over the past half-century, Krugman argues in “Confronting Inequality,” that, “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, he argues 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” (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” (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 America doesn't need to be addressed 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” (586). Therefore, they write, “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” (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. Specifically, I disagree with their assertion that income inequality is a net positive because it doesn't take into account the fact that, as Krugman describes, income inequality reduces middle-class Americans' ability to pursue an education.

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](http://ndsmcobserver.com/2016/02/why-income-inequality-matters/) (O’Connor). 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.

So, as inequality threatens to spiral out of control, America finds itself at a crossroads. If the government fails to quickly intervene, inequality will continue to increase, pushing more and more Americans out of the middle class. Disproportionately affected by barriers to voting, those Americans will become disenfranchised, unable to improve their station either by voting or by gaining an education. And so, power will continue to coalesce among the wealthiest Americans, whose voices will increasingly drown out all others. That’s why, for the health of the American middle class, and for the health of American democracy, America’s government should step in and institute new policies to counter income inequality.

Works Cited

Becker, Gary S., and Kevin M. Murphy. “The Upside of Income Inequality.” *They Say/I Say: The Moves That Matter in Academic Writing.* 3rd ed. Graff, Gerald, Cathy Birkenstein, and Russel Durst. eds. New York: W.W. Norton & Company, Inc., 2015. 581-589. Print.

Krugman, Paul. “Confronting Inequality.” *They Say/I Say: The Moves That Matter in Academic Writing.* 3rd ed. Graff, Gerald, Cathy Birkenstein, and Russel Durst. eds. New York: W.W. Norton & Company, Inc., 2015. 561-579. Print.

O’Connor, Liam. “Why income inequality matters”. *The Observer*. n.p. 5 Feb 2016. Web. 15 Feb 2016.

1. The strongest areas of this particular paper are (I think) my intro and outro paragraphs. I think they do a good job of explaining why topic matters and also of making an argument.
2. I need to work on being efficient/concise in my writing. Some of my quotes were too long, and the paragraph in which I introduced my sources was also too long. The result was that I didn’t have much space for analysis/argumentation in my body paragraphs.
3. What are the best ways to revise my paper with an eye towards being concise? And also, how could I revise my second paragraph to make it shorter without losing content?
4. I intend to make a concerted effort to work on conciseness. Specifically, in addition to the normal revisions that I always make before turning in a paper, I’ll go over the whole paper looking only for ways to make my writing more efficient.

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Paper 2 Workshop Draft

On the afternoon of March 28th, I pay Dante a visit at the front desk of Mosely, where he works several days a week (as I’ll soon find out, he also works as a student researcher and as an RA in the global commons as a means of helping fund his education). A steady buzz of conversation hangs in the background as we open with a few minutes of small talk, then settle into the rhythm of our interview. Eventually, we work our way to the topic of community, and of belonging. When I ask him if his financial situation affects the way he sees himself fitting it at Elon, he pauses for a moment, then tells me, “I guess you could say that I see myself as an outlier, because while that is a stereotype of Elon students, there’s still a degree of accuracy… There’s a lot of rich kids who have rich parents who chuck ‘em off down here, so it’s not completely inaccurate... so I definitely see myself as an outlier. But I don’t think I’m the only one either.” So, in his own eyes, Dante’s an outlier, but not the only one. He sees himself as isolated— but not completely. In short: it’s complicated. And more than anything else, that’s what I found; that financial pressures impact Elon students in ways more subtle than the stereotypes that exist on campus would suggest.

For example: I imagined, before I recorded my interviews, that being under significant financial pressure as a student and keeping up with multiple jobs would make it somewhere between difficult and impossible to maintain strong grades in college. It was all pretty straightforward, I imagined: financial pressures mean less time and energy to devote to academics, which should lead to lower grades. I quickly learned otherwise: both Dante and Bridgette (my other interviewee) have achieved high levels of academic success at Elon, despite their tough financial situations. I don’t want to downplay Dante and Bridgette’s achievements here; they’ve found academic success at Elon because they’re hard-working and dedicated, not because it’s easy. And despite their success, they both point out that being under financial pressure can absolutely effect on a student’s academic life. “Textbooks have been a very big struggle for me,” Bridgette explains. “That’s one thing with professors that I don’t think they realize a lot of the time, not everyone here is able to drop 200 dollars on a book.” She goes on to say that she’s unsure how she’s going to pay for future textbooks once her stipend runs out and that, “I even know people who have changed majors because of the amount of textbooks and the amount of money it is.”

As we dug a little deeper into how both students were able to be academically successful, they both brought up the same idea: prioritization. Both talked about the necessity and difficulty of maintaining balance in their lives between their academics, their financial responsibilities, their social lives, and their responsibility to their families. For Bridgette, that last issue – of responsibility to family – came up repeatedly. She credits her mom with instilling in her a toughness and work ethic that’s been critical to her success at Elon, but also mentions that, “even in my mind now, I’m thinking about all the stuff my mom has to deal with back at home without me.” She goes on to say, though, that, “even though that’s always a part of me, I don’t let that stop me from being successful.” For Dante, the question of prioritization is more one of work-life balance. He says of his mindset: “You gotta ask yourself on a consistent basis— I could go out now, or I could sign up for another shift. What are my priorities?” When I ask him if he feels like he’s been able to find a balance at Elon, he tells me yes – despite the workload, he thinks that finding a balance here is possible, and that he’s managed to organize his priorities in a way that works for him.

Despite their financial situations, Bridgette and Dante are both involved in the Elon community. In fact, in an unexpected turn, Bridgette’s financial situation has actually contributed positively to her sense of belonging at Elon (at least in one way). Bridgette is an Odyssey scholar, which means that part of her tuition is paid for by the Odyssey program as long as she maintains good grades. She’s one of a group of 30 Odyssey scholars in her class, and one of approximately 100 at Elon. As she explains the program, she describes her excitement at meeting the next class Odyssey scholars because, as she tells me glowingly, her fellow program members are “like family”. I note that it sounds like the program provides something like a built-in community at Elon, and she agrees.

Additional Structure needed:

* Expand on the (currently) last paragraph by talking about how both interviewees are very active in the Elon community despite their time commitments
* Paragraph on how financial pressures can cause social friction (probably after the priorities/balance paragraph), before the current last paragraph
  + Bridgette talking about clothes
  + Dante talking about just the pure time needed to work/having to sacrifice social life
* Conclusion paragraph
* One more? (ask prof/group)

1. I think I found a good balance with my voice in this paper. I’ve inserted myself in a few spots, but not in a way that overwhelms the voices of my interviewees.
2. As of right now, my paper lacks a strong overall flow or narrative. While I have transitions between my paragraphs, there’s not a strong internal logic to the paragraphs’ order.
3. What are some good brainstorming techniques (or any kind of techniques, really) for coming up with narrative structures for a paper? What are some good resources I could refer to when I get stuck trying to figure out how to structure a paper?
4. I think that the best way to ensure that future projects have a strong narrative/structure is to plan out their structure/s before actually starting to write. In the case of this essay, I couldn’t figure out how I wanted my essay to progress from topic to topic, so I just started writing. I’d like to avoid that in the future.