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Inequality

Inequality in America is something I’ve been familiar with for a long time but didn’t know much about it in detail. All throughout high school and I’ve always heard phrases like “the top 1% of the world own 50% of the money in the world” and “the rich get richer as the poor get poorer”. I knew there was an economic problem going on in America, but I didn’t know about it in much detail. After reading the article “*The demography of inequality in the United States”* and watching “*Inequality For All”*, I really got a good understanding of the economic crisis the world is going in.

Mark Mather and Beth Jarosz, the authors of “*The Demography of inequality in the United States”* pointed out that studies were done dating back to the Great Recession that have shown a growing gap in the income inequality between citizens in the upper class and citizens in the lower class. A measure was done, and the Gini Index showed that since 1967, household income inequality has increased by 20 percent. Mather and Jarosz explain that the increase of income inequality is such a big deal because this growth has been linked to a greater likelihood of economic boom and bust cycles, deeper recessions, and a slowdown in overall economic growth. We might be at a point already where this inequality gap is limiting our consumer spending, educational attainment, and the ability of the United States to compete in the global economy. Poverty levels in the United States are rising rapidly, which is reducing the opportunity for millions of children. Studies show that children who are born in the bottom fifth of the income distribution have a 36 percent chance of remaining there in their adulthood.

America is a consumer driven economy and according to Jacob Kornbluth, the director of “*Inequality For All”*, 70 percent of the U.S. economy is dependent on consumer spending, and the Middle Class plays a tremendous role in this; however, with this constant increate in the inequality gap, the poverty levels continue to increase, the upper class keeps getting richer and the middle class continues to slowly evaporate, which leads to a problem that the middle class doesn’t have the same purchasing power as it used to. Since the 1970’s many jobs, adjusted for inflation, now pay less than they did 30 years ago. This is making life so hard for people to live on. It makes getting a college degree almost mandatory in today’s society because unless you’re involved in the trades, you will not make enough money to support yourself and your family. Throughout the film Jacob Kornbluthspeaks to families who are on the bottom end of this inequality gap and families who are millionaires to discuss this epidemic. Nick Hanauer, who is a multimillionaire, is featured in the film realizes there is a huge problem with the economy that needs to be addressed immediately. Even though he is making a fortune, all of the money he has can’t make up for the spending of the middle class.

Right now, the top 1 percent hold over a third of the nations wealth and richest 400 people own more wealth than the bottom 150 million Americans combined. The American Dream is gone for most people and it’ll be a hard thing to fix, if its even able to be fixed. Everyone in today’s society is so power hungry and looking for ways to stay on top. I don’t think society will ever balance back out again.