

Ethan Link

Professor Hellmers

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### Wealth Inequality in America

Wealth inequality in America has grown massively over the last 50 years to have the widest wealth disparity between rich and poor of any developed nation. The growing wealth disparity between the rich and poor in America is having profound effects on our economy and society. As the lower half of society has lost wealth over the last 50 years, the standard of living for these Americans has gone down. As a result resentment of the rich has grown to record levels over the last 50 years, with many workers complaining about stagnating wages, and poor treatment at work. As a result of the economic pressures that Americans are feeling now today as a result of the growing share of wealth at the top, many are starting to move farther left, with growing support for social economic policies. Policies advocated by politicians like Bernie Sanders, and Elizabeth Warren that include Medicare for All, Progressive Wealth Taxes, Universal Basic Incomes, and the strengthening of the American Union.

By looking at American wealth distribution over the last 50 years, a clear pattern has emerged. America's economy has increasingly consolidated wealth in the hands of the top tiers of society, with the top 5% having over 66.7% of the wealth of America. (In) In contrast the bottom 90% of Americans share of the wealth has gone down, with many households having 0 or negative wealth. (In) This trend shows no signs of slowing down either, with many economists predicting this trend to continue unless public policy changes to stop it. The source of wealth is also disparate among groups with rich people acquiring their money differently than the bottom 90% of the population. As Inequality.org states, "The

rich don't just have more wealth than everyone else. The bulk of their wealth comes from different — and more lucrative — asset sources. America's top 1 percent, for instance, holds more than half the national wealth invested in stocks and mutual funds. Most of the wealth of Americans in the bottom 90 percent comes from their principal residences, the asset category that took the biggest hit during the Great Recession. These Americans also hold almost three-quarters of America's debt." These problems go hand in hand, as stagnating wages and lower wealth levels of the bottom 90% keep people from investing in the stock market like the rich do.

Wages in America have stagnated with the average American having the same purchasing power that they did 40 years ago (Desilver). In contrast the richest American's wages have risen over 16% since 2000 (Desilver). These stagnating wages have led Americans to miss out on a great source of financial wealth that the rich use more often, the stock market. As disposable income has gone down over the last 40 years, many Americans have not been able to invest in the stock market since they can no longer afford to save money. According to the Pew research center, "Sluggish and uneven wage growth has been cited as a key factor behind widening income inequality in the United States. A recent Pew Research Center report, based on an analysis of household income data from the Census Bureau, found that in 2016 Americans in the top tenth of the income distribution earned 8.7 times as much as Americans in the bottom tenth (\$109,578 versus \$12,523). In 1970, when the analysis period began, the top tenth earned 6.9 times as much as the bottom tenth (\$63,512 versus \$9,212)." (Pew) While wage stagnation is a prominent source of wealth inequality, there are many more factors to consider when searching for a solution to the problem.

Solutions to wealth inequality are myriad and complex with competing solutions ranging from taxing the rich to giving more control of companies to workers. By increasing access to the necessities of life like affordable health care, free education, job training, many economists believe that we can

shrink the wealth gap and strengthen American capitalism. Economists believe that increasing access to these resources that more Americans would be able to escape poverty by getting better jobs. Many democrats currently running for president favor this approach combined with a progressive wealth tax. These tax plans advocate for taxing the richest Americans with a yearly wealth tax. With this type of tax, rich Americans still have the capacity to make a lot of money off an idea, but decreases the amount of time wealth can stay in the hands of a few people, since the tax is designed to erode the wealth of billionaires.

Many conservatives disagree with the idea of a progressive wealth tax, and other social programs, by regarding them as socialist plans that would destroy the American economy. These claims have no merit however, with the effects of these social policies well documented by most countries who have implemented these policies over the last century with positive benefits to their economies.

Wealth inequality is a growing problem in America with the people at the top owning a growing share of the wealth. Many problems have stemmed from this, from a lowering standard of living to stagnating wages. Many solutions exist for this problem ranging from progressive wealth taxes to the creation/expansion of social programs.

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