
A Study Of The Problem Of Income Inequality in The United States

Income Inequality

Income inequality is a very real issue that is almost impossible to ignore. The sad truth is that many do ignore it despite such jarring factual information, and many who see it just push blame onto others. Some say it's because those lower down the ladder are lazy. Some say it's a racial thing. Some say it's corporate greed and loopholes. There are a thousand and one very real reasons, and a thousand more false beliefs. If it's such a real issue, why isn't it being fixed? Doesn't the government have some say in corporate function, if that's part of the cause? Doesn't the government affect minimum wage in some way? It is not that easy, unfortunately. No one thing will fix a problem that has been around in a major way since the Great Depression. Tensions that exist between race, class, culture, and career- all that contributes to the inequality. It's not just what the government does. Some effort must be taken, but it must be realistic, and that is a very hard truth for the people of all parts to take.

If you ask someone to think of a time of real economic and social disfunction, someone will likely bring up the Great Depression. Nobody denies that it was a bad era. When today is compared to then, it's suddenly not so bad, though. According to Larry Schwartz in the article titled "35 Soul-Crushing Facts About Income Inequality," income inequality today is the same of that during the Great Depression. He also states how the income now is much less than that of 15 years ago, as well as Wall Street corporations and workers receiving over twice the bonuses. Schwartz states a number of other facts, such as the wealthiest 85 people having more money than the lower 3.5 billion people. These facts are not subject to opinion or belief or political alignment- numbers do not lie. Of course, surveys can be swayed and data can be manipulated, but with the real, day-to-day effects that this very-real numbers produce, it's a bit hard to not accept them. Schwartz states how the big earners are the ones with the big money. That makes sense. They work hard, they earn more. Is it that simple?

It's not that simple at all. Working hard does not make you more money. What gets these people their cash is tax loopholes and evasions and right-offs and deductions. It's not about earning money anymore, it's about having it not taken away. Bankrate.com's article titled "5 Tax Deductions That Favor the Rich" shows a number of ways that tax policy can easily be manipulated. For example, wealth and assets can be passed down without any tax being paid on them. This is expected to save the wealthy over sixty billion dollars. Whether or not one believes that the wealthy's taxes should be used to change inequality, it's easy to see how real money is being kept and being lost by the government. This huge sum of money could go to education and career programs, to public assistance, to any number of things. It is difficult for a political world to change policies when the wealthy have such an influence on them, but this is a situation in which someone might just have to suck it up. Policies that unfairly favor the rich, such as untaxed assets, need to be revised. Changing the income tax at the start won't do much, and that will upset too many people. Lowering the available deductions or taxing transactions, for example, are realistic ways to not only stop the loss of money by the government, but bring in some as well. Then, that money is free to be used.

The rich stay rich and the poor get poorer- that's what they say. There is unfortunate truth to that. In today's world, with the huge inflation rates and sky high costs of living, those with money float on top without much loss. To those at the bottom already and for those truly trying to advance, this is a huge issue. For example, if one's cost of living increases by one hundred dollars a month, that might be pocket change to a wealthy person. For someone struggling in minimum wage, that might be a whole week of work. Minimum wage is not just teenagers working at fast food restaurants anymore- it's professionals with real degrees who can't find a job in this economy. It's not lazy people, it's people trying to survive. States are slowly raising their minimum wage to meet the cost of living. California and New York, states with considerably high costs, are creeping up income to fifteen dollars an hour. That's almost double what it currently is, and way more than in many states. The government, federally, should not change the minimum wage as a country-wide movement.

As shown in a CNN interactive chart, the wage can vary greatly between state and region. It's no argument that it's too low, but it should not be increased to one flat rate across the board. Someone living in Iowa does not need the same money as someone living in California to have decent living standards. Raising the wage in all states to the same rate would put extreme stress in companies in areas that cannot afford this increase- it would be unnecessary in those areas to begin with. Rather, the government should provide incentive for states to raise their wages by a certain percent or rate. Not every state should be fifteen dollars, for example, but it might be fair and realistic to have all raise 10% per x number of years. That would alleviate strain as it will be a relative cost.

Income inequality is a very real and very emotionally-charged issue. This makes it a difficult thing for many to discuss without bias, and for political function to handle without influence. It's not realistic for a country-wide minimum wage to be made. It's not realistic to tax the rich by insanely-high amounts. What needs to be done is background work on things that already happen and function. Tax transactions in the stock market, and that would be a small hit for those making them, but it would quietly bring in money. Remove or reduce loopholes, so the money that is already being made can be spent more wisely and not just left to accumulate. Provide state incentive, such as benefits or funding, to raise wages accordingly with living cost and the availability of funds within areas. Big changes are bound to fail. It might not please everyone, but the benefits that will happen overtime will outweigh the upset in the meanwhile.