
Areas That Need To Be Addressed In Regard To Income Inequality

It is commonly said, by those who it does not affect, that income inequality is either unimportant in the grand scheme of things, not a big deal, or nonexistent. These beliefs are often brought up in politically driven arguments more times than not and can become emotionally driven. However, you remove all emotions from the subject of income inequality and look at it with solely factual information, a different side is revealed. The reality of the situation is that income inequality exists, it has changed the way we act and live, and it has had a negative impact on the people in which it inflicts.

The most crucial point to be made is that income inequality is real and is happening currently in various countries, the United States included. In Richard Wilkinson's TED Talk, "How Economic Inequality Harms Societies", he observes a graph of data from the U.N., "You see, in the more equal countries on the left — Japan, Finland, Norway, Sweden — the top 20 percent are about three and a half, four times as rich as the bottom 20 percent. But on the more unequal end — U.K., Portugal, USA, Singapore — the differences are twice as big. On that measure, we are twice as unequal as some of the other successful market democracies" (Wilkinson). His verbalization of this graph is to show just how unequal the United States' income is. This shows that not only is income inequality in existence but just how profound it currently is, specifically in the United States. Former President Ronald Reagan saw America's income inequality back in the 1980s and tried to counter it with his economic plan, "trickle-down economics." The idea essentially was to give money to the large companies and eventually wealth would make its way down to middle and lower class workers. While there is a debate on whether that worked or not, income inequality was an issue back then. With Wilkinson's graph and Reagan's actions, it is apparent that income inequality has and continues exists.

Another important aspect to address is how lifestyles have changed in response to income inequality. In Brandon King's "The American Dream: Dead, Alive, or on Hold?" he asserts, "Americans are scrutinizing their spending habits more intensely, as shown in a survey completed in 2009 showing that approximately two-thirds of Americans have permanently changed their spending habits as a result of the Great Recession and that one-fourth hope to save more money for the future" (612). The essence of King's data is that people have adapted the way they live due to economic changes that derive from income inequality. That being said, people have adjusted their lifestyles to focus on basic needs as opposed to luxuries due to the amount of wealth they have, or lack thereof. King also supplies more evidence, "Today, most people do not strive for a rags-to-riches transition, and instead prefer a stable, middle-class lifestyle, one in which they can focus on saving money for the future and having secure employment" (611). Here, King shows how the fundamental mindset of middle-class citizens has changed over the years. I find King's data to be easily agreeable. It is a natural reaction for people for focus on the bare necessities when money becomes tight. If you are in a tough situation financially it makes more sense to buy groceries than four new cars. This furthers the point that the average lifestyle of a middle-class citizen has adapted due to income inequality over the years.

The last aspect that is necessary to address is the negative impact of income inequality on

middle-class citizens. According to Paul Krugman, “The fact is that vast income inequality inevitably brings vast social inequality in its train. And this social inequality isn’t just a matter of envy and insults. It has real, negative consequences for the way people live in this country” (563). In other words, Krugman believes that income inequality breeds social inequality. Social inequality affects how people live and their interactions with each other. With this presence of social inequality has come some social unrest. The Black Lives Matter movement and feminism are two good examples. While the two movements are not solely based on income inequality, some of the social unrest has stemmed from it.

Krugman also describes how it is affecting people, “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 school districts are growing fewer in number, and more expensive to live in” (563-64). Here, Krugman offers up a change of reactions of just how much income inequality can affect people’s lives in a negative way. I find his train of thoughts easy to follow because of my personal experience. Growing up, my mother was worked very hard to keep us in certain neighborhoods so my brothers and I could remain in our school district. It usually meant that she would be using most of her money on rent and less on simple luxuries because the areas of that school district were expensive to live in. I am living proof that income inequality can have a negative effect on middle to lower classes.

In conclusion, income inequality is not a thing of the past and still exists and affects people, myself included, to this day. Its mere existence has changed how we live from a day-to-day basis. Instead of racking up incredible amounts of debt, which was once all too common in the 1920s, middle class citizens have now become a lot more conscious of their spending habits. While saving money is not the worst thing in the world, income inequality has also had negative side effects such as social unrest. In a time where we have mile long lists of issues and problems in our society, income inequality is not America’s biggest problem but it sure is up there.