
Difference in Income and Problem of Income Inequality

The problem of Income Inequality

Inequality is bad and getting worse every time. Income inequality is an extreme concentration of wealth and money of a small percentage of a population, explaining the gap between the richest and the rest of the people. The problem is that the gap between them keeps widening which basically shows benefits of economic growth were not evenly distributed. Therefore, rising levels of inequality has become a main political issue recently. Economic growth did not have the same effect on all sectors and lower-income household who were left behind were not happy with their circumstances. The increase of the "The One Percent" gains the biggest part of the wealth no matter what, but there is also concern about large percentage of underclass shrinking.

Lower and Lowest Incomes were Increasingly

Back in 1980s, the richest 10% of the around the world gained 7 times more than the poorest 10% but recent data shows since 2000, they now earn ten times more including 23.9 million of new millionaires. World is making the rich getting richer and the poor getting poorer which describes serious income inequality. Including property and other forms of wealth, the disproportion of economic wealth is even worse. The U.S. shows highest level of income inequality than any other industrialized nation but things are way worse for the planet as a whole. The richest 2% in the world hold 43% of world wealth which is more than half of the rest of the world and bottom 80% share only 6% of world wealth. It essentially means vast majority practically have nothing to educate their children or pay for basic medicine. Income inequality not only makes the poorest class of society suffer greatly but in the long term, it also brings social and political problems as well as the economic ones. Because lower income people were not able to get the appropriate amount of education, they were prevented from realizing about their human capital potential. Ability to market themselves and provide their specific skill in right areas would help the society's economy to develop. This would even solve the problem of labor shortage in certain country which would be beneficial to the whole world. However, a gap in individuals' education around the world widens making economically disadvantaged household struggle to access quality education.

Conclusion

The problem is that the large amount of wasted potential leads to lower social mobility making the income equality unsolvable. Our group suggests that wealth inequality can be solved if we create the society where every citizen has the power to succeed on their own. To figure out the problem, we came up with 3 main solutions.