Wealth & Income Inequality in the United $tates

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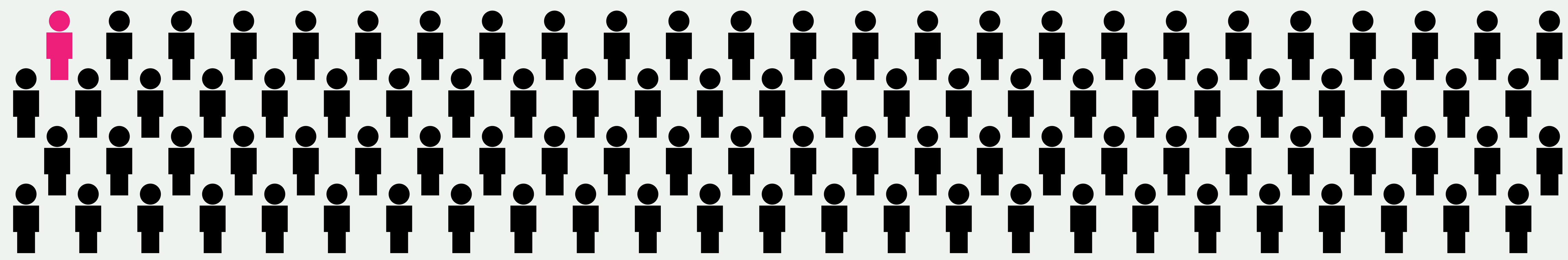
> "Income inequality in the United States is at an all-time high, surpassing even levels seen during the Great Depression"
>
> - University of California, Berkeley Professor Emmanuel Saez, 2006

> "More than other countries, we have a very unequal income distribution where compensation goes to the top in a winner-takes-all economy."
>
> - HuffingtonPost.com, 9/28/10

U.S. Earners

1% of the highest U.S. earners gained almost



99% of the remaining earners split

75% of the earnings from 2002 - 2006

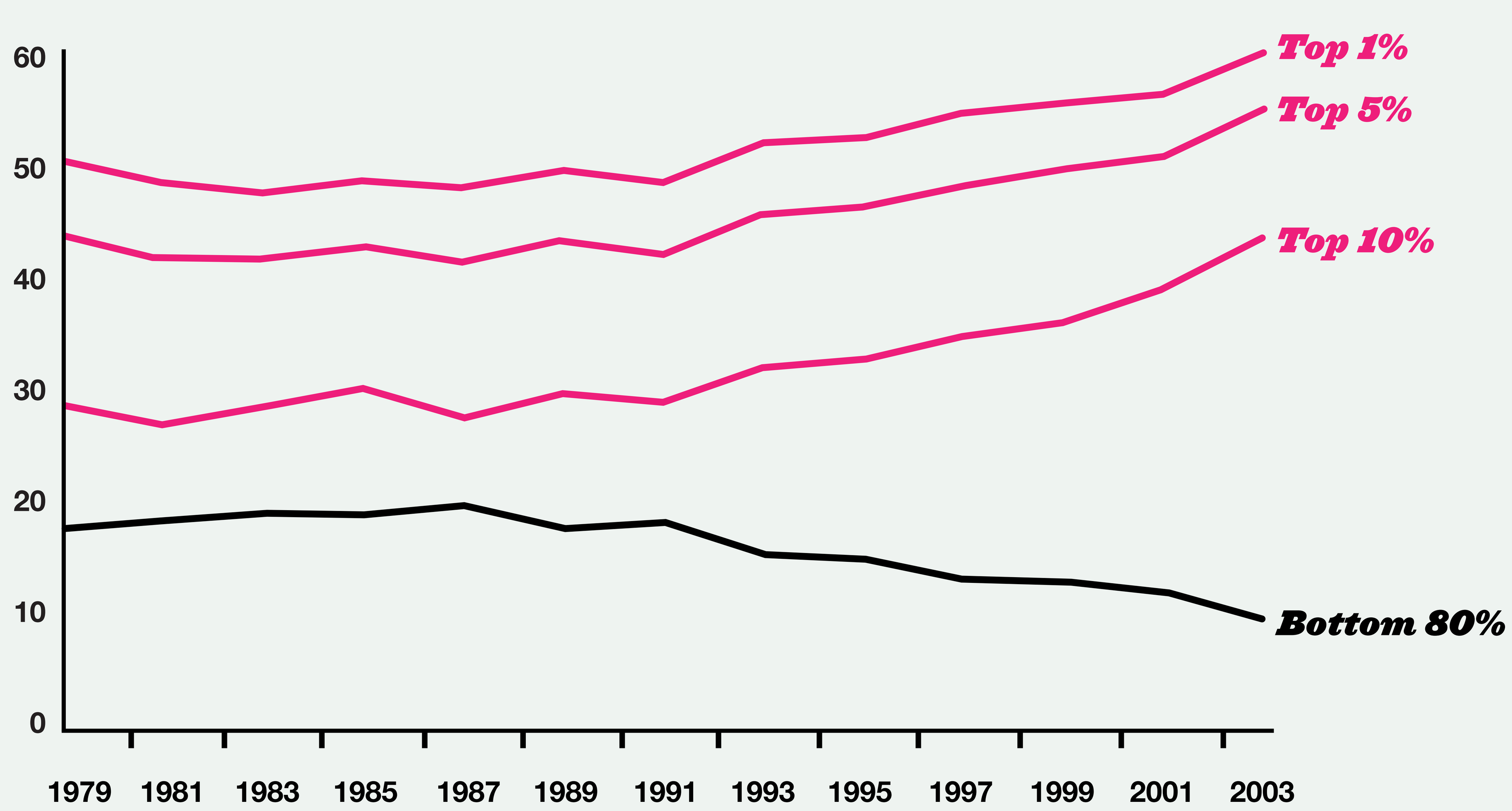
25% of the total earnings

Total U.S. Earnings

-www.businesspundit.com

Share of Capital Income Flowing to Households in Various Income

Data Source: Shapiro & Friedman, 2006.



◀ Capital Income

Capital income is income that comes from capital, which is to say, comes from wealth itself, rather than any specific production or direct work. Examples of capital income are stock dividends or any sort of capital gains, as well as income an owner gets from a business they own but not from the work they do there. The phrase capital income may also be used to mean any revenue that is used for capital expenditures, although this sense is not as commonly used.*

▶ Gini Coefficient

The Gini coefficient is a measure of the inequality of a distribution, a value of 0 expressing total equality and a value of 1 expressing maximal inequality (value often multiplied by 100). It has found application in the study of inequalities in disciplines as diverse as economics, health science, ecology, chemistry and engineering.

It is commonly used as a measure of inequality of income or wealth. Worldwide, Gini coefficients for income range from approximately 0.23 (Sweden) to 0.70 (Namibia) although not every country has been assessed.*

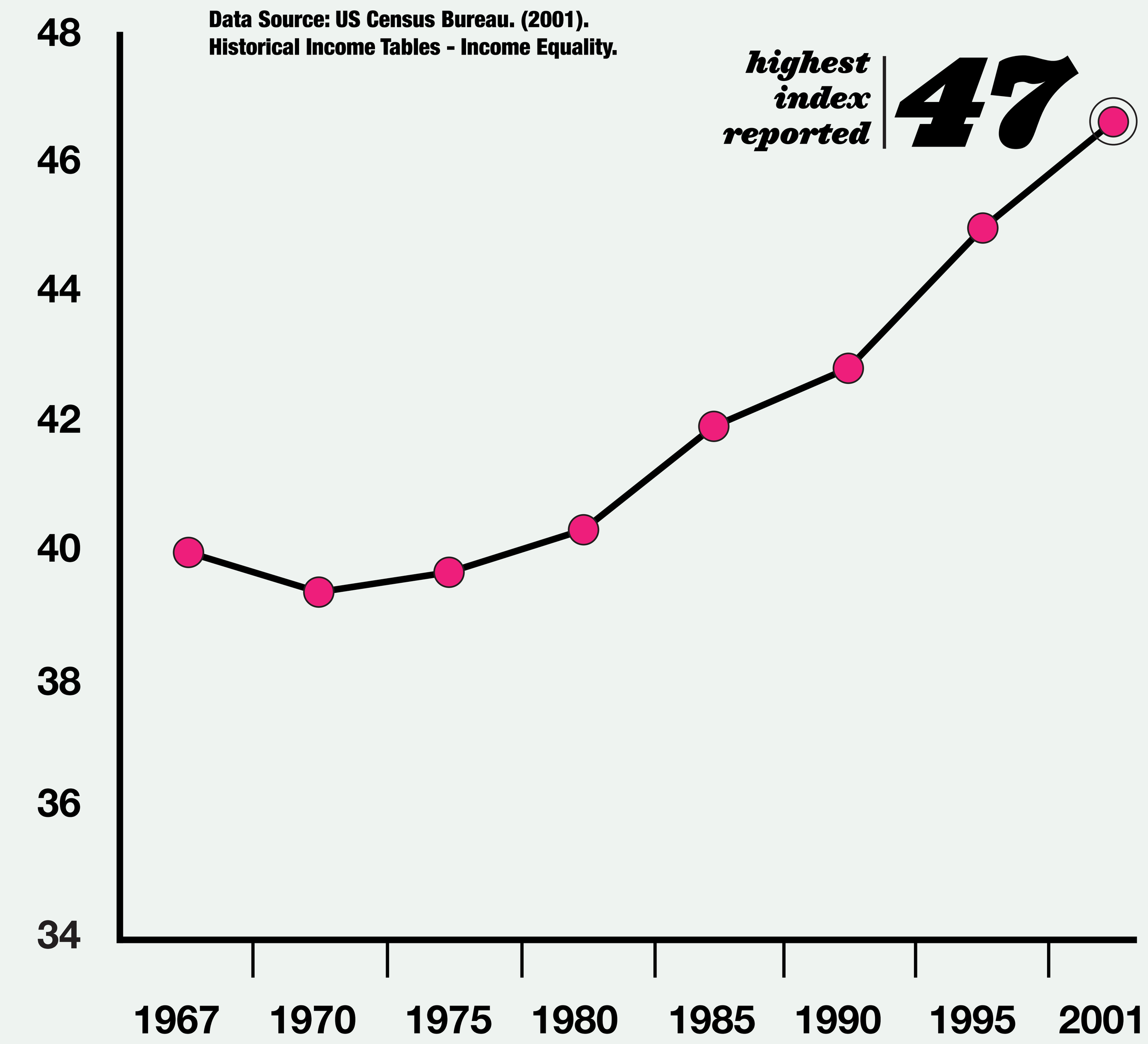
Unprecedented Income Inequality

Newly released data from two separate sources reveal just how skewed the distribution of economic growth has been over the current recovery. Data from the Bureau of Economic Analysis through the third quarter of 2006 show that a historically high share of corporate income is going into profits and interest (i.e., capital income) rather than employee compensation. And a newly released Congressional Budget Office (CBO) analysis of household incomes shows that a greater share of this capital income goes to the richest households than at any time since the CBO began tracking such trends. In other words, our economy is producing more capital income and that type of income is more likely to go to those at the very top of the income scale. Together, these dynamics are contributing to a uniquely skewed recovery.

Share The World's Resources (STWR.org), 2010

U.S. Income Gini Indices Over Time

Data Source: US Census Bureau. (2001). Historical Income Tables - Income Equality.



Income Inequality in the United States

Income inequality in the United States of America is the extent to which income, most commonly measured by household or individual, is distributed in an uneven manner, in the United States. While there seems to be consensus among social scientists that some degree of income inequality is needed, the extent of income inequality and its implications on society continue to be a subject of great debate, as they have been for over a century. The majority of social scientists believe that income inequality currently poses a problem for American society with Alan Greenspan stating it to be a "very disturbing trend."

Meanwhile, other, mostly conservative social scientists argue that income inequality is mainly the result of more workers in the average household and their age and education, and that the disappearance of the middle class is more statistical than real. In a 2004 poll of 1,000 economists (from the AEA), a majority of polled economists favor "redistribution". A study by the Southern Economic Journal found that "71 percent of American economists believe the distribution of income in the US should be more equal, and 81 percent feel that the redistribution of income is a legitimate role for government." Some argue that looking at incomes according to different income levels is not useful for determining income inequality because it neglects that people do not stay within each level, but move across them as their incomes increase or decrease.*

***Wikipedia.com**

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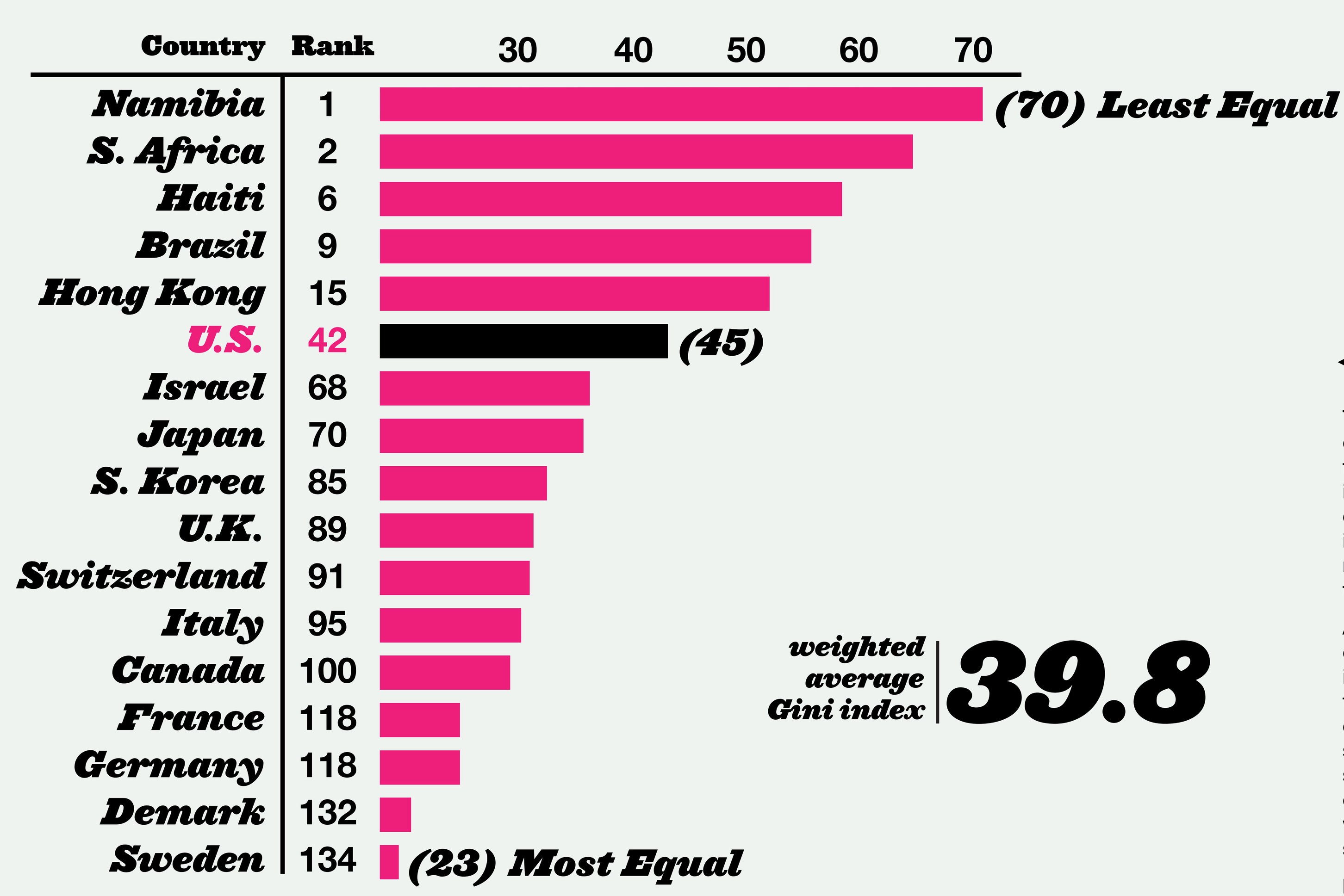
(34x44in poster)

Distribution of Family Income Gini Index (most recent) by Country

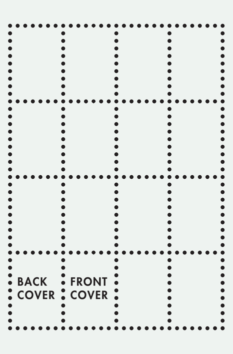


◀ What's this?

This graph measures the degree of inequality in the distribution of family income in a country. The index is calculated from the Lorenz curve, in which cumulative family income is plotted against the number of families arranged from the poorest to the rich.

As of 2006, the United States had one of the highest levels of income inequality, as measured through the Gini index, among high income countries, comparable to that of some middle income countries such as Russia or Turkey, being one of only few developed countries where inequality has increased since 1980.

Data Source: CIA World Factbooks



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The 34x44 poster can be folded down to 8.5x11 as shown on the grid.