Income Inequality

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Income Inequality is an inequality that refers to an extreme disparity of distribution of income with a strong and high concentration of the income that is usually in the hands of a small percentage of the entire population or community. A huge gap between the wealth of one population or community usually come to witness than the other population or community when the income inequality occurs. There are different types of income disparity segregations and other analysis for the purpose to analyze and understand the income inequality. In addition to this, several approaches can also be used to analyze and know income inequality in the United States. Furthermore, Income Inequality and income disparity segregations may be analyzed by a number of segregations. In short, there are several income segmentations studied when one analyzes that income inequality (Kimberly, 2019). These include the segmentations such as; gender, one’s location or geographic, and background or belongings, etc.

As mentioned and studied that there are many reasons behind the concept and presence of income equality in the United States and even the entire world. Here the education and environment play most of the role. But as a contribution to this, other factors that lead to income inequality mainly include; gender, one’s location or geographic, and background or belongings. These factors lead to income inequality because one can clearly witness the variances in the payments to the people of different locations with having different belongings (Reeves, 2019). While it is also a fact that the males are paid higher than female even the job or task is done is the same.

In the United States, one-quarter of the workers make less than 10 USDs an hour. This leads to creating an income that is lower than the federal poverty level. Additionally, they are the people who wait on you almost every day. The people that make less than 10 USDs an hour mainly include the cashiers, nurse’s aide, and other employees’ fast food delivery boys. In short, income inequality is the factor that leads to making the rich richer and poor poorer almost every single day. In the United States, it can be witnessed that racism is enough and exists almost with a strong presence. It is so because the black Americans cannot be seen treated in a similar way as white Americans. Another fact is the people or individuals who are residents of the United States while they are immigrants are not treated as Americans (Tsui, Enderle, & Jiang, 2018). For example, they are not given enough growth opportunities as they provide to the Native Americans and white Americans when compared with the black Americans. Hence the same is the case with the income and earnings. It the United States, the income level can be seen higher and lower based on one’s gender, location, and background. It means that the men are paid higher amounts for a job for that the women are not paid much. While on the other side, people can be seen supporting that they are paid less than others due to their backgrounds (such as black Americans) and locations (immigrants) (Tsui, Enderle, & Jiang, 2018).

Proceeding further with the reasons that there are different reasons behind that leads to income inequality and contributes to increase it up to a high extent and that is why we should care about the income inequality as well as its causes. Hence some of the major reasons due to which income inequality increases and which make it crucial that we should care about income inequality are as follows.

* First of all, in income inequality, wages are determined by the labor market. It means that wages are not determined by a number of factors that are important but it (wages) is determined by the demand of a skill in the labor market and the amount of supply of that skill. It means that one skill and job are paid higher if it is demanded over the other (Reeves, 2019). It is paid so even if the skills do not require high-level competencies as the non-demanded.
* Education impacts on wages is another major cause of income inequality. The people with the different level of education earn differently from one another. It means that the one having a high-level educational degree is paid for higher amounts than the rest. A very rare but extremely worse fact about this factor is the individuals are paid higher as per education while the quality of education and competencies are not considered most of the time (Reeves, 2019).
* Gender gaps do matter up to a high extent. The example is that the full-time salary for a female is 77% of that if a man. Hence, it clarifies that gender is a cause that is considered as a cause but in fact, this should be considered as the consequence instead. Beyond this, the influence of personal factors is also very high. It means that the innate ability also plays a role in the determination of one’s income and wealth. This further means that one having more skills and competencies than the rest may have or may entertain more income and wealth than others (Kimberly, 2019). And this is the factor that leads to income inequality.

Being so critical concern, income inequality asks for ways and approaches to be used to solve or at least overcome it. Hence, there are some steps that can be taken as a solution regarding the problem of income inequality. These steps or strategies are, but not only the following.

* It can be found credible if the earned income tax is expanded so that it would be a contribution to the solution of the income inequality problem as it may pull many people from poverty.
* Increasing the minimum wage rate would a step towards the solution of the income inequality problem because this would enable the extremely poor community to come up financially.
* Development of assets for the working families to enable and motivate them to have savings and invest them for the purpose to have better economic activities (Tsui, Enderle, & Jiang, 2018).
* Investment in gender equality (especially in women empowerment) and ensure the elimination of background and geographic when paying one. While everyone should be paid for what he/she deserves while keeping the income equality concept at hand.

**References**

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