Comprehensive learning assignment 2

Student’s Name

Institution

Date

**Introduction**

Over the last decades, the overall inequalities in both wealth and income has increased highly in the United States and other developed countries. Studies have indicated that there is big gap in income and wealth accumulation and the gap continues to experience growth despite several attempts by the government to bridge the gap. It is also noted that only 1% of people controls the economy and their income has grown steadily by almost 5.9% since 1979 (Rosnick, 2012). A study also shows that majority of Americans, which is the 90% of the people have been experiencing constant decline in wealth growth and therefore, it has contributed highly to the level of inequalities in the United States. As the growth domestic products (GDP) increases the many people do not feel the impact mobility. The huge economic growth being experienced are felt by only 1% of people and mostly corporate and the rich. This is a trend which has existed for decades without sufficient reasons despite the rising of economy. A literature published by “Divided We Stand: Why Inequality Keeps Rising” the increase in economic growth has little impact on the lives of many people. As stated by Rosnick (2012) it is because the economic growth is not shared equally with every citizen and therefore, as other 1% of the population continue to enjoy the benefit of a growing economy, the 99% of the Americans experience economic difficulties.

The causes of the high level of inequality in the United States can be traced to the underlying factors in the global economy. First the rise of inequality could be a result of technology, institution and trade, which has resulted to the fall in wages and rise in income inequality. The technology has replaced manpower and resulting to high rate of unemployment in the country. During the 1990s, most jobs were done by people before technology took over. The increased unemployment rate is a major factor inequality in the country. The labor market inequality has always been imbalance for decades and therefore, this has contributed to an increased inequality. According to Burns (2015), the rate of wages has been issued based on race and gender since 1900s and this created inequality in the country. Many companies used pay minorities and women less compared to whites male. This created a huge economic and financial status between whites and African Americans and women in the country. It is established that the increase of compensation from the financial institutions is an essential contributor of the inequality. It is important to state that education and technology determine the wages being paid to workers and workers with high skills and experience usually get a high paycheck. According to a Professor from Massachusetts Institute of Technology, demand for skilled workers or employees has been in consistent increase across developed nations (Baranoff, 2015). Workers with less skills and education are paid less compared to highly skilled and education workers and therefore, education and skills have been major contributors to the inequalities in income and wealth in the country.

However, these inequalities could be addressed systematically through policy intervention. Ths study established that the main causes of inequalities are the current trends in the market which exist worldwide. Therefore, intervention should reflect the current change for it to be effective. And therefore, the proposed solution to address the inequality should be the provision of eductaion and job nurturing or training to realign the skills and the market demands. Research indicates that companies demands highly skilled and educated employees and therefore, with adcanced training and better educatioin many peopole would be observed in the job market with high return or wages hence decline in inequality in the country. This can be provided by both the private sector and the government but it is important for the government to initiate education policies which can streamline the sector to produce highly qualified graduates not half baked graduates. High level of ecuctaion and training would esnure that eductaion and training are matched with the jobs in the market so that they can get a better paying employment.

The U.S. government has also been working to reduce the inequality in the country and several measures have been initiated. Some of these measures include intorduction of limiting the wages paid per hour. It is also important to limit the importion of Americans jobs to foreigh nations. Over the last twenty years several Americans companies have moved to offshore and established plants in countries like China, Mexico and Bangladesh. This resulted to increased unemployment rate in the country and therefore, it is essential for the government to lure companies to move back their plants or factories to nthe United States. It would create more jobs to many Americans and therefore, it would help in reduding the gaps between the rich and poor the country (AMADEO, 2018).

In conclusion, the inequalities in the United States has been high and since 1900s, it has been rising fropm 5% to 15.3% by 2016. This is surpising trend due to the fact that the economy of the United States has been growing since 1970s. It therefore, means that there is a huige gaps which need need to be addressed. The problem could be addressed through policy initiative by the goevrnment which could include trianing and ecuation and employment and strick labor policies.

# References

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