THE OBSERVER

Widen your gaze to understand income inequality

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February 4, 2016

I like to listen to both sides of the story. Typically, when I read about income inequality, the topic of debate is over which strategies are most likely to solve the problem. Both Republicans and Democrats start battles over this issue in their attempt to win middle-class voters. So when I saw the article sponsored by BridgeND titled “Is income inequality that bad?”, discarding the aforementioned debate in favor of an even more fundamental question, I was captivated.

The article posits income inequality is a red herring for the bigger problems that our country faces. “Why does it matter how much the richest person in the country has, so long as the rest of the country lives comfortably … unless there is a direct connection between how much the rich have and the poverty level, the gap doesn’t matter,” writes the author.

On this matter, my thinking diverges with the author’s entirely. There is no justice in the way wealth is distributed in the United States. Today, people at the lowest end of the income range cannot expect to live any part of the American Dream. A person working full-time at minimum wage will make less than $15,000 in a year. In a family of four with one working parent, this amounts to only 60 percent of the federal poverty line. That is hardly enough to put food on the table and to pay rent, much less purchase a home, pay for medical care, save for retirement or support a child through college. “People are paid the worth of what they bring into the economy,” the author writes. This mindset can doom people who are uneducated, disabled or mentally ill for no reason other than the circumstances of their birth and upbringing. Gaps in income by gender and race, which persist even when controlling for occupation, education and hours worked, further complicate this picture.

The author does provide some evidence that the lives of low-income households are really not that bad. She cites a study by a member of the Social Security Advisory Board (which she misattributes to the Cato Institute) that suggests the recent rise in income inequality can be attributed to government support and a shift from cash wages to non-cash workers’ benefits as compensation for work. In other words, the rise in income inequality is illusory. Furthermore, she agrees with Dinesh D'Souza's assessment that standard of living inequality has shrunk because most working Americans have the same basic appliances and necessities as the rich, such as "refrigerators, phones and computers."

So, is income inequality that bad?

Yes. It really is that bad.

The people at the lowest end of the income range would certainly tell you so. But the lived experiences of the poor in America are repeatedly discounted in the article. The idea that asking for fair wages is a result of, as the author puts it, "a natural human instinct to resent the front-runners in our economic system" demeans the millions who struggle to survive in this country. And to Dinesh D'Souza: having a refrigerator, phone and computer is of little solace to the parent who must work multiple jobs to support their family because the income from one job just isn't enough. Furthermore, the author's own purported evidence, which was thin to begin with, falls apart upon closer examination: When reading the study in question, it becomes quite clear that while it argues that income inequality has not grown, it acknowledges the current existing income inequality is still problematic.

So, what solutions would I offer? Again, I return to my opening statement: Listen to both sides of the story. Liberals and conservatives have proposed different measures, including a higher minimum wage, increasing estate taxes, fairer housing and education, campaign finance reform and lower income taxes. The author's own proposed solution is to focus on increasing economic growth in order to increase the wealth of the poor and therefore raise the standard of living for everyone. But without income equality, how will this wealth reach the poor? The wealth is already there, as she points out: One percent of the populations owns almost 36 percent of the country's wealth. It is not going to just trickle down. I am not sure what needs to be done, but I am certain that something must be done. I urge the author and others like her to see the value of each human being as unconditional, and to think not of statistics but of real people. For if we ignore the lived experiences that result from income inequality, we risk dooming an entire section of our country to inescapable poverty.

The views expressed in this column are those of the author and not necessarily those of The Observer.