A lesson in economic for 'Occupiers'
Chris Woodward - OneNewsNow - 11/18/2011 4:05:00 AM

An economics professor says the "Occupy Wall Street" movement and its splinter protests are confusing "wealth" with "income."

In a recent podcast for The Cato Institute, Donald Boudreaux of George Mason University explained the difference between wealth and income. "Wealth is a stock of things that you've either been given -- or in some cases stolen -- or that you've accumulated in the past. And income is the earnings off of that [wealth]," he explains.

As for the so-called "one percent" of the population that Occupiers claim is rich and makes all the money, Boudreaux says that depends on what one considers "rich."

"You're in the top one percent in the United States if your income is at or over ... $324,000 a year," he states. "That's certainly a nice level of income, but it's hardly filthy rich. You're not set for life by earning one year of that income."

Boudreaux also explains that the top one percent is volatile, pointing to an IRS study of tax returns from individuals and households from 1996 through 2005.

"Fifty-seven percent of the people who were in the top one percent in 1996 were not in the top one percent nine years later," says the econ professor. "They moved -- which means that other people who were not in that top one percent [in 1996] had moved into that top one percent spot by 2005."

Boudreaux says the same study showed tax filers in the bottom level of income distribution saw their incomes grow by 91 percent in inflation-adjusted terms -- and people in the top one percent saw their incomes fall around 30 percent over that same nine-year period.