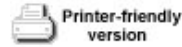


# ABC Highlights 'Sharp' Increase in Income Gap

Reporter Rich Blake notes 'four decade' gap increase, ignores tax rates and inflation

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Business & Media Institute  
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To have, or not to have. This is the question the media love to hype up.

In August 5 story for [ABCNews.com](#), reporter Rich Blake touted government data indicating a record number of food stamp recipients and a “sharp” increase in the number of millionaires. Blake attempted to walk the straight-and-narrow line by noting the ambiguity of the data:

“But trying to draw any hard conclusions from these two seemingly opposing trends is no walk down easy street, even for those specializing in economic research.”

That, however, didn't deter Blake from grabbing some data and drawing conclusions. He highlighted three different pieces of data from the US Census Bureau showing widening income gaps. He made no effort to challenge the data and, having done his part to inflame the proletariat, he waited until the third to last paragraph to claim the data wasn't inciting a class war call-to-arms.

“That the ranks of high-net-worth individuals grew at a healthy clip even as more people fell into poverty should not be taken as a sign that the rich are somehow gaining at the expense of the poor.”

Chris Edwards, director of tax policy studies at the Cato Institute, told the Business and Media Institute reporters believe government data too easily and the data they believe is extremely complex.

“Reporters are not skeptical enough of government data,” said Edwards. “There are severe problems with all data sources that you can't definitively say the income gap is rising.”

Edwards noted that societal changes aren't always considered in income studies, such as an increase in single parent homes.

Additionally, as noted in a report by the [Cato Institute](#), factors in tax returns affect income measurements, such as personal savings and the AGI Gap of unreported income, yet the media rarely question these factors.

Furthermore, according to a report by the [Heritage Foundation](#), inflation and international comparisons are rarely included in the media's income gap coverage (Blake mentioned neither). Heritage noted the expenditures per person of the lowest 20 percent income households, once adjusted for inflation, equal the median income in the 1970's, and the average poor American has more living space than the average person in London, Paris, Vienna, and Athens.

Finally, Blake didn't mention that the top five percent income earners [pay 71 percent of all income taxes](#) while nearly [50 percent of households do not pay income taxes](#).

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