



Putting Income Inequality In Perspective

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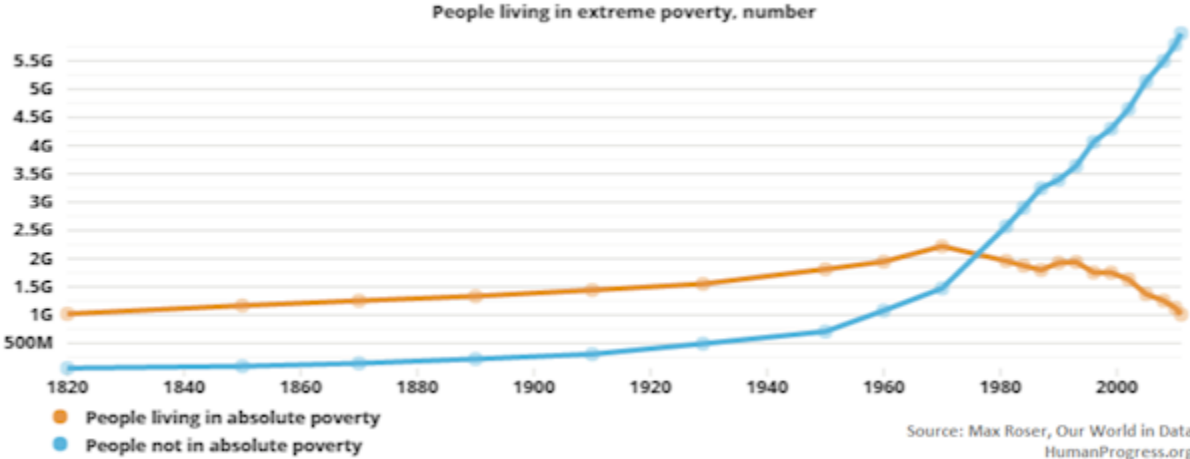
Debates about income inequality, “the top one percent,” and poverty typically examine those issues within the context of a single country.

But consider a global perspective. This [web tool](#) lets you find out which income percentile you belong to relative to all the other people in the world. If you make more than \$32,400 per year, you are in the top 1 percent of the richest people in the world!

And bear in mind that the world is more prosperous than it has ever been in the past. Compared to you, the vast majority of people who have lived on this planet were desperately poor.

Poverty, as Cato’s David Boaz put it in [this online lecture](#), used to be ubiquitous: “Why are some people poor? That’s always the wrong question. The question is why are some people rich? Poverty is the natural condition of mankind, but it’s easy to forget that.”

Fortunately, prosperity is rising and [global inequality](#) is falling. Even as world population has exploded, the [number of people living in poverty has fallen](#). As a result of spreading prosperity, [infant mortality](#), [illiteracy](#), and [malnutrition](#) are in decline, and people are living [longer](#). Extreme poverty’s [end is in sight](#).



Prosperity does not, of course, materialize without a cause. The role of industrialization and trade in bringing about economic growth and prosperity cannot be emphasized enough.

So the next time someone brings up poverty or income inequality within the United States, keep in mind the importance of a proper perspective. From a global standpoint, you may very well be a part of “the top 1 percent.”

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Chelsea German is the Managing Editor of HumanProgress.org, a project of the Cato Institute which seeks to educate the public on the improvements in well-being by providing free empirical data on long-term developments.