

## **Reflections 2021-2022: “Inequality: The Societal Bane”**

One of the biggest social problems that we are having in the United States, as well as around the world, is the growing problem of inequality. Our society, regardless of geographies, has seen people and communities go through the disastrous effect of the longstanding phenomenon of inequality. In the last couple of years, I have learnt that inequality has been in the roots of our society for hundreds of years. Inequality can exist in many forms – It could be based on wealth, wages, and even about basic rights such as voting. I have come to understand that inequality is an inherent disadvantage for people in our society, and I want to do everything in my power to create awareness and develop methodologies to bring a required change in our system to help people aspire for a better world.

Inequality has been around for a long time and stretches back to ancient Mesopotamia and Egypt. It began when the first complex societies were formed and evolved from primarily egalitarian societies when demands of wealth and resources led to spacious societies. They developed leadership that had greater status than others, eventually rising to the kings and pharaohs of the ancient world.

Inequalities can be of various kinds, but two of the most significant ones in the modern world are economic inequality (which is the unequal availability to accumulate wealth) and social inequality (which occurs due to an uneven availability of opportunities and income to people in society). Economic inequality can occur when the costs of living forces individuals to spend all their earnings and savings, making it impossible for them to amass any wealth for their retirement or to pass on to future generations. On the other hand, social inequality refers to relational processes in society that limit a group's social status and social class. There is a huge gap between the financial standings of low-paid workers and highly paid executives, with the

bottom half holding a highly disproportionate amount of the world's wealth. Areas of social inequality include bizarre aspects such as voting rights, freedom of speech and assembly, and access to education, healthcare and other social services as well as the extreme differences in income. Due to inequality, individuals are unreasonably paid extremely imbalanced amounts, and are denied basic rights.

Social and economic inequality are two different types of inequity with different effects, but they still are highly correlated. Unfair social and economic practices impact the society in many ways, impeding growth and development, hampering or even halting improvement in living standards, fair distribution of income, and creation of opportunities. The inadequacy of economic growth, and imperfections in education and training systems contribute to, and are aggravated by, unjust conditions in the world, turning inequality into a vicious never-ending cycle, which results in an ever expanding spectrum between rich and poor.

In my research, I learnt that the social and economic issues have really caught attention and one study highlighted some basic facts about how economic inequality has changed over time and how the US compares globally. According to Pew Research, "The wealth gap between America's richest and poorer families more than doubled from 1989 to 2016" (Schaeffer 1). The article also shows that, "In 2018, households in the top fifth of earners... brought in 52% of all U.S. income..." (Schaeffer 1). This is only one of many studies that shows that inequality is a critical issue, which if left undealt with, can cause a society to further deteriorate.

I strongly believe that with the right mindset and inclination, one can bring the much-required change. Inequality is a vast and very complex problem of our society and will not only take time but also the mindset change of individuals. I plan to approach the inequality problem by not only looking into reducing the disparities in the distribution of economic assets and

income but also tackling the unequal accumulation of wealth aspect. One way I believe that this problem could be approached is by creating a technology-based solution that can accurately determine the social and economic status of a person or household. The technology will then assign the users a profile which will make them eligible for government initiated subsidized costs for their primary expenditures: housing, food and healthcare. In addition, the government must create a high-yield financial vehicle in which the users will be mandated to invest their savings from the lowered costs of their main expenses. This approach is inspired by the 'electronic wallets' concept that some parents use to teach their children about finances and help manage their money, except in this case, the government would be guiding the finances of those of lower social and economic status in the right direction. This plan would not only improve the status of the working and lower class households but also educate the impacted segment of the society about better management of their finances, resulting in reduced inequality.

Other ways that I believe could also significantly make an impact against inequality are investment in education, increasing minimum wages, implementing progressive taxes, and setting up automatic retirement plans. Investing in early education could make a big impact, since differences in early education and school quality are the important components contributing to continuous inequality across generations. Investments in education, beginning in early childhood can contribute to increased productivity, knowledge and decreased inequality. Increasing the minimum wage will also help the cause, because research shows that "higher wages for the lowest-paid workers has the potential to help nearly 4.6 million people out of poverty and add approximately \$2 billion to the nation's overall real income" (Powell 1). Contrary to popular belief, increasing the minimum wage does not hurt employment nor does it negatively impact economic growth. A fourth option could be to implement progressive tax,

making the federal income tax more progressive, where the poor, working, and middle classes pay a lower percentage of tax versus the rich. Besides taxing income, we could define policies that also tax the accumulated wealth of the rich. A last option would be to help working families by voting for and helping develop government programs - such as automatically enrolling workers in retirement plans and a federal/company match for retirement - that assist these families in building wealth and assets over time by introducing higher savings rates. Lowering the cost of accumulating assets for the working and middle class can provide better incentives and financial security for such families. Each of these options, if carefully implemented, could potentially lift working families out of poverty, support greater economic mobility and/or reduce the growth of social and economic inequality.

In conclusion, inequality is a deep-rooted societal problem, unreasonably taking away opportunities from a large segment of the population. It has a hurtful effect by causing ceaseless monetary hardships for the deprived groups. By campaigning for the suggested policies and approaches and raising awareness about the magnitude of this problem of inequality, I plan to make an effort towards the betterment of the society. It is imperative that these aforementioned propositions are put into use on a very large scale, which could take years to administer and may come without the desired result. Thus, I would recommend that this approach is implemented very clinically by using a fail-fast method. Removing or reducing inequality is only one of many changes that could benefit our world, but it is a much needed and impactful development that would go a long way towards making the world a better place.

## Works Cited

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