• This is confirmed also by the fact that only two percent of those in the highest-income families have

American households in the top income guintile have almost five times more family members

## **Some Reasons Behind Income Inequality**

In an effort to examine the Occupy Wall Street crowd's complaint about income inequality, economist Mark Perry has concluded that people with higher incomes work harder and longer than those who don't.

A quick perusal of <u>Perry's graph</u> based on the Census Bureau's data illustrates the following reasonable conclusions: Households with high incomes have more people working full time, they're in their peak earning years, they're married and college-educated. On the other hand, households at the opposite end of the spectrum have fewer people working, more likely to be single and less-well educated, and less likely to be in their peak earning years.

Current data from the Census Bureau show the following:

• There are two income earners in high-income households, while fewer than half a worker in the lowest-income households

• Eight out of 10 high-income households consist of married couples, compared to just one out of six in the lowest.

- Single-parent families or singles make up more than eight out of 10 families in the lowest-income bracket, while just one out of five are in the highest bracket.
- Three-quarters of the highest-income households are in their peak earning years (age 35-64) while fewer than half of the lowest-income households are in their peak earning years.

• Almost 80 percent of the highest-income households have full-time employment, while barely one out of six in the lowest income households have a full-time breadwinner.

• In the highest-income households, one out or eight don't work at all, while two out of three in the lowest-income households don't work.

• Sixty percent of those in the highest-income households hold a bachelor's degree or higher, while only one out of eight in the lowest-income households do.

less than a high school degree, while 26 percent of those in the lowest-income families don't hold at least a high school diploma.

As Perry noted:





# New American

Written by **Bob Adelmann** on October 24, 2011



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working on average than the lowest quintile, and individuals in higher-income households are far more likely than lower-income households to be well-educated, married, and working full-time in their prime earning years. In contrast, individuals in low-income households are far more likely to be less-educated, working part-time, either very young or very old, and living in single-parent households.

Perry's graph is a visual representation of the American work ethic: Those who have prepared themselves in advance, work hard, and take advantage of opportunities, seem to make the best of things. Those who haven't, for whatever reason — age, circumstance, or choice — seem to represent the other end of the spectrum.



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