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Economic Wage Gap

Current United States President, Barack Obama, once said, “No party has a monopoly on wisdom. No democracy works without compromise. But when Governor Romney and his allies in Congress tell us we can somehow lower our deficit by spending trillions more on new tax breaks for the wealthy - well, you do the math. I refuse to go along with that. And as long as I'm President, I never will” (Brainyquotes.com). Barack Obama has been open about his displeasure with the political economy. Merriam Webster dictionary defines political economy as the theory or study of the role of public policy in influencing the economic and social welfare of a political unit. This would include everything in our economic system. Today in the United States, the economy is a controversial topic. There are many activists working for groups trying to bridge the gap for wages. This would include gaps based on gender and minimum wage activists. Our wage gap is so large that many raise the question if the United States is a true democracy anymore. The continuous widening gap in the United States economy has lead to activists groups for minimum wage, politicians using the issue to further their political elections, and the wealthy contributing the gap by using their wealth to try to control policies.

The economic gap between the poverty and the rich has lead to activists wanting to raise minimum wage. Minimum wage is just 36 percent of average wage in the United States. This means that the economic wage gap is only growing if average wages go up and minimum wage does not. “The minimum wage helps support family incomes, reducing inequality and poverty—especially for female earners. But as the real value of the minimum wage been allowed to erode, it has stopped serving this important purpose.

The minimum wage is now just 36 percent of the average wage and trending lower, as those at the low end of the income distribution are in increasing danger of being left behind while the economic recovery continues to unfold” (whitehouse.gov). At this point in time, the minimum wage has left the people in poverty at an unfair advantage.

President Obama highlighted this in a report given out. He showed this in a executive order to raise minimum wage to \$10.10. He wanted to do this because he felt that at the current minimum wage a family of four would still be under the poverty line. However, many question whether the minimum wage increase will help bridge the gap. The reasoning is the belief is that small business owner will reduce work force size if made to increase minimum wage. Counter part to this theory, Obama believes that minimum wage will increase worker productivity, reduce turnover, and reduce absenteeism because the families under the poverty line will now be above it.

The economic wage gap has been a major issue in this year’s election. In particular, this issue has been held primary focus on the democratic side. Bernie Sanders, a profound socialist, has used the economic gap to help increase followers especially those under thirty years of age. “Sen. Bernie Sanders, economic inequality and socialism have become topics of political debate, capturing the attention of both the electorate and the media. Sanders has correctly perceived public dismay and disgust with the rapidly growing divide between the 1% and the rest of us. He has also accurately observed that, especially among the legions of young people who are his most ardent enthusiasts, the word "socialism" no longer has a deeply negative connotation. In fact, there are polls showing that a majority of Americans under 30 favor socialism over capitalism and would vote a socialist into the White House” (truth-out.org). During many of Sanders

rallies, he refers to the economic inequality and in his opinion the United States is no longer a democracy. Rather, the United States is ran by the wealthy that control interest groups and corrupt campaign financing. Sanders believe the government should have more focus on evening out the playing field. He wants to see that schooling and healthcare are ensure to all citizens, in doing this he wants to see college education become free thus making it equal in an attempt to the bridge the economic gap. Sanders also wants to see a stricter regulation on businesses, more public government paid employment, and minimum wage being increased. Thirty years ago, the United States had a negative view on the term “socialism”, however today this is no longer the case. Sanders have captured the younger generation voter’s opinion change on this topic and have ultimately used it to further his campaign. The economic gap is such a controversial idea that if Sanders is elected president, it would arguably contribute more as an issue than any other issues in the United States right now.

The wealthy contribute to our economic gap by trying to use their wealth to control our economy. “In other words, rich Democrats and rich Republicans elect politicians with a diverse range of views, but all of which ultimately respond to the policy preferences of the rich. To put this slightly differently, we all know rich people on the left side of the political spectrum who care passionately about the poor and have no problem supporting policies that aren't necessarily in their own direct interest. These people exist” (economist.com). The United States is hardly a democracy anymore. If it were a true democracy, wealth would not contribute to the political system as much as it does now. Today, the United States political system is merely ran by the wealthy. Its not that they pay their way to the white house though, rather they use their money to contribute

donations to get politicians to further their issues. A Princeton study done by Michael Gilens and Benjamin Page argues that the United States is now an oligarchy. An oligarchy is a country government system where the wealthy control the power. "The central point that emerges from our research is that economic elites and organized groups representing business interests have substantial independent impacts on U.S. government policy," they write, "while mass-based interest groups and average citizens have little or no independent influence" (talkingpointsmemo.com). The United States Supreme Court has contributed to an issue, which allows for a campaign to have as much donations as they want. This is not a new trend however; it has been going on for decades since this decision. As the politicians need more donations, the wealthy pay for their donations. In return, the policies they want continue to get passed. Obviously the wealthy will only want policies that will not hurt their profits and so the tax rates never quite are justifiable for how much they make. The economic gap will never be solved until something is done to get the wealthy to now have power over the United States political system.

"Higher levels of income inequality increase political pressures, discouraging trade, investment, and hiring," the report notes. "The current level of income inequality in the U.S. is dampening GDP growth, at a time when the world's biggest economy is struggling to recover from the Great Recession and the government is in need of funds to support an aging population" (cbsnews.com). The economic gap is at an all time worst in the United States. It has impacted many features of the United States political system. The gap is predicted to keep getting worse. It has been such a problem that a socialist has used the issue to appeal to many younger generation voters. Activists are working hard to increase the minimum wage. The power of the wealthy continues to show through the

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policies and various donations to politicians with power. It is hard to argue the economic gap will be tough to bridge but it is not hard to argue that the issue has an impact on the United States political system.

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