

# US income distribution winners and losers

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People all over the world have spent almost six months in front of universities, public parks, banks, and even Wall Street to publicly protest their dissatisfaction with economic inequality. But how much disparity really exists between the rich and poor in the United States? According to a new study, it might be more than you would think.

A recent study published in the *Review of Radical Political Economics* (published by SAGE), analyzed surveys of US households from the late 1990's and early 2000's. The author looked at differences among quintiles (or fifths of the U.S. population according to gross income) and found that when the U.S. [economy](#) prospers, there is an uphill flow of income to households in the upper quintiles while the majority of households in middle and lower income quintiles do not see an increase in income at all. This of course affects US households when the economy slows down.

According to the author, the data suggests that "those in the bottom... appear to be stuck there, and in some cases even sliding further into the depths of poverty, further negating the optimistic outcomes postulated by conventional economic thinking."

The author analyzed data from surveys of over 60,000 U.S. households that were taken periodically from 1996 to 2003. He notes that throughout these years, U.S. households had to adjust to some substantial changes in the economy from times of surplus and low unemployment rates to times when the economy slowed down substantially. Interestingly, when the economy of the U.S. prospered in the 1990s, only

the incomes of richer households appeared to reflect this growth.

"It can be argued that households in the upper portion of the income distribution are better positioned, or even favored, to reap the benefits from growth, further widening the income gap between rich and poor," wrote the author.

Conversely, the author wrote that even in times of economic prosperity, poorer classes have limited access to resources that would improve their position. For example, while technological advances spur economic growth, they do not benefit all households equally.

"The data imply that the U.S. economy is not one of mobility and opportunity," wrote the author. "Richer households are getting richer, the poorer households are staying poor, and those middle-income [households](#) continue to move about chasing the elusive American dream."

**More information:** The article entitled "Who are the Winners and the Losers? Transitions in the U.S. Household Income Distribution" from the *Review of Radical Political Economics* is available free for a limited time at: [rrp.sagepub.com/content/43/4/467.full.pdf+html](http://rrp.sagepub.com/content/43/4/467.full.pdf+html)

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