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## WHY IS INCOME INEQUALITY BAD?

Adam Katz June 26, 2011 (with available updates)

When you think of the America, what comes to mind? Opportunity? Wealth? Equality? If it's equality that comes to mind, then you should know that America may not be as equal as you think, according to the CIA and United Nations.

American cities with the most income inequality include some of our largest, such as Atlanta, New Orleans, Washington D.C., and Miami. New York City is the ninth most unequal city on the planet. International cities with similar levels of income inequality include Abidjan, Ivory Coast, Buenos Aires, Argentina, Nairobi, Kenya, and Santiago, Chile.

But those are just cities, right? Let's see how we, as a country, compare internationally.

The U.S. is ranked 39 out of 136 (with Sweden ranked 136 and the most equal). Some of the countries ranked most closely to the U.S. in terms of family income distribution include Rwanda (35), the Philippines (36), Uganda (37), Jamaica (38) and Iran (42).

More than 70% of the countries measured have more equitable distribution of family income than the U.S. That includes Cambodia (48), Russia (51), China (52), Vietnam (77), India (79), Egypt (90), France (98), Pakistan (109), and over 85 other countries.

Moreover, in 2007, the United States had the fourth highest rate of income inequality of all OECD countries (OECD / The Organisation for Economic Co-operation and Development). What's even worse? We also had the fourth highest rate of relative poverty; over 6% worse than the average country. (2019 Update: <a href="https://www.oecd.org/social/society-at-a-glance-19991290.htm">https://www.oecd.org/social/society-at-a-glance-19991290.htm</a>)

Okay, so we've got income inequality. But, why is that so bad? Well, let's take a look at what inequality has led to:

- People in more unequal societies live shorter lives. The United States is number 50 out of 222 in the world in terms of life expectancy. (2017 update: #43 ranking)
- Children in more unequal societies do worse in school. <u>Out of 34 OECD countries, we are 14th in</u> reading skills, 17th in science, and 25th in math.
- More people are imprisoned in an unequal society. We have the highest incarceration rates in the world as well as the most people in prisons. (Click on "original screenshot" at top of webpage)
- People in more unequal societies are more likely to experience mental illness. In 2003, 17-29% of Americans suffered with mental illness. (2017 article <a href="https://inequality.org/research/inequality-endangers-mental-bealth/#:~text=inequality/920also/920damages%20mental/920health/#20in/920a/920variety.to/920around/92020%20percent/920in/920the/920most/920unequal.">https://inequality/920also/920damages%20mental/920health/920in/920a/920variety.to/920around/92020%20percent/920in/920the/920most/920unequal.</a>)
- More children die in infancy in unequal societies. We are number 176 of all 222 countries. (2017 update: #170 ranking)

It seems extreme income inequality is a pretty precarious position, and it has already made for some devastating results.



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