

# [Good example of research proposal on economics](https://assignbuster.com/good-example-of-research-proposal-on-economics/)

[Sociology](https://assignbuster.com/essay-subjects/sociology/), [Population](https://assignbuster.com/essay-subjects/sociology/population/)

## Distribution of Wealth

Research Question
The distribution of wealth is an elemental component of the determination of the equality or inequality of wealth within a population. Wealth is equated with the net worth or the sum total of the assets less the liabilities. As such, the wealth is a significant indicator of the economic situation and the well-being in the US, which is the focus population for this research. For this reason, this research seeks to answer the question; what is the status of the wealth distribution in the United States?

## Significance of the Study

The types of the assets, which the households hold can be different across the distribution of the net worth. For this reason, the division of the total net worth into parts could provide insights into the well-being of every segment of the distribution. Since certain business cycles vary with time, the variations could have differential impacts on the wealth of the various groups and can facilitate the evaluation of the changes of the well-being for various households.
As such, this study is significant because it provides the insights into the elements of the distribution of wealth in the United States and the impact of the differences to the economy of the country. This study is also important because it provides some of the reasons contributing to the status of the wealth distribution in the country in terms of the equality or inequality in distribution. This study is significant because it evaluates the changes in the relative wealth or net worth with time. Last, this study is elemental because it provides insights into the effects of the equality or inequality in the wealth distribution in the United States to the ways of life of individuals in the country.

## Hypothesis

The study hypothesizes a variety of aspects with reference to the background information on the wealth distribution in the country. For this reason, the following are the hypotheses for the study:

## Hypothesis 1

The gap in the distribution of wealth between different households on the United States has accumulated more extremely since the period of the Great Depression.

## Hypothesis 2

The distribution of wealth among the households in the country is based on the socio-economic factors of the households.
Hypothesis 3
Race, age, Hispanic origin, and educational attainment are among the leading factors for the gap in the wealth distribution in the country.

## Method

The study will encompass a mixed methods approach in the collection and analysis of the data. The quantitative and qualitative elements of the study will be essential in the combination of the results and the data in evaluating and discussing the research question and hypotheses. The qualitative aspect will encompass the phenomenological component while the quantitative will include the statistical data on the same, including the percentages of the wealth distribution and the changes in the percentages over time.
Data collection methods using the qualitative approach will encompass the secondary research materials from past studies on the distribution of wealth. The qualitative data analysis will encompass such avenues as the documentation, examining of the relationships and displaying the required data, and authenticating conclusions. On the other hand, the quantitative data analysis will encompass such elements as the tabulations.

## Expected Findings

The expected findings are based on the background information and the trends of the gap in the wealth distribution in the country over the past few years. First, there is an anticipated wealth inequality in the country based on the findings. That is, the wealth distribution in the United States is expected to be unequal among the households. Second, the unequal wealth distribution and the gap between the highest or the wealthiest household and the lowest earning household are expected to be more than 25%. The gap in the wealth distribution among the household has also increased since the experience of the Great Depression, which is expected to be fueled by the changing or fluctuating economic conditions both locally and globally. Last, the social class forms the most significant element contributing the gap. The race, the age, the social status, political influence, and the educational attainment are the social aspects related to the wealth distribution.

## Limitations

The first limitation of the study is the use of information from secondary sources. In most cases, it is possible to find that the information presented in some of the sources has been doctored to fit the preferences of the authors. The element of bias often affects the credibility of the information especially in cases where the authors want the set of data acquired from the field to suit certain hypotheses and preconceived conclusions.
Secondly, the distribution of wealth is diverse and varied in terms of its applicability. Populations have different definitions of the term wealth and limiting the scope to income does not help much. In this context, it points to the distribution of income and financial assets among the population in a certain nation or region. However, it is important to note that the limited scope in terms of the definition is unfit because the population has some intangible wealth that cannot be quantified in terms of financial assets (Schneider 2004). For instance, the presence of a well-developed security system is an incentive for the accumulation of wealth. However, such services and incentives are not considered when measuring the distribution of wealth yet they play a critical role in the presence of wealth within the population.

## Literature Review

Salas-Fumás& Sanchez-Asin (2013) carried out a longitudinal study in which they explored the role played by the presence of entrepreneurs in the creation and eventual distribution of wealth in a population. The authors assert that that the entrepreneurial level of a population is determined by the manner in which the nations has distributed its wealth and it influences the distribution of wealth in later years. Entrepreneurship is determined by the consumption and saving patterns of the populations such that lesser consumption and incremental saving increases the rate of investment.
As the investments increase, a larger section of the population has the opportunity to generate access income, which leads to changes in the investment and saving patterns. In the end, investment will increase and create an opportunity for more people to access wealth or income. The cyclical effect is regarded as the management function of entrepreneurs given the role they play in the distribution of wealth.
According to Linda Levine (2012), the distribution of wealth or net worth among the various households in a population has been an issue in various congressional deliberations. It also covers the social welfare and taxations given that taxes affect the rate at which investment takes place and the quality of services that the society receives from the government. Determining the mean and the median of the net worth of every household over a certain number of years can be used in the analysis of the change in the distribution of wealth in the population. The mean and the median are the fundamental variables used to measure the changes in the distribution of wealth in the population. As such, they can be used in the prediction of poverty levels based on the growing or declining ability of the society to save and invest in the economy.
Calomiris, Longhofer, & Miles (2012) argue that the characteristics of the demographics of a nation have an effect on the distribution of wealth. Particularly, the authors argue that nations that have a higher number of young people have the tendency to be constrained in terms of the application of credit. On the other hand, states that have a larger adult population are characterized by higher income and asset stability and there is a higher rate of credit applications due to the improved ability to repay the borrowed capital.
As such, age has an effect on the distribution of wealth in the sense that nations with a larger adult population have a better distribution of wealth than one in which, there are a higher number of youth. They are often seeking a form of generating income unlike most of the adults who have a variety of assets and raise the net worth of the population. Schneider (2004) also agrees that the consumption of wealth in terms of assets such as housing and stock also has an effect on the rate at which investment trickles back into the society, which has an effect on the distribution of wealth in the end.

## References

Calomiris, C. W., Longhofer, S. D., & Miles, W. (2012). The Housing Wealth Effect: The Crucial Roles of Demographics, Wealth Distribution and Wealth Shares.
Levine, L. (2012). An Analysis of the Distribution of Wealth Across Households, 1989-2010.
Salas-Fumás, V., & Sanchez-Asin, J. J. (2013). The management function of entrepreneurs and countries’ productivity growth. Applied Economics. doi: 10. 1080/00036846. 2012. 663476
Schneider, M. (2004). The distribution of wealth. Cheltenham, UK: E. Elgar Pub.