

It should be
presented as a
journal opinion article
and address an
economic issue...

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U. S. Earning and Spending Differences The rise in housing and food prices has pressed the income of many Americans for many years. This is because even with inflation being low, most of the Americans earning low income devote an uneven portion of their earnings on housing and food. According to recent data by the Customer Expenditures Survey, less than 10 percent of Americans devote approximately 17 percent on food and 42 percent on housing, which amounts to around 60 percent of their overall spending. On the other hand, around 10 percent of wealthiest Americans devote roughly 11 percent on food and 31 percent on housing, amounting to approximately 40 percent of their overall earnings. This means that diverse households feel inflation differently, forcing them to spend their earnings in diverse ways (Zumbrun). In 2015, for instance, the expenditure survey introduced additional data, which made it possible to segment Americans into tenths. About 12.5 million units of consumers prevail in each tenth. For the bottom three subdivisions, the individuals here earn about \$20,000 or less every year, although they spend more than they earn. After breaking down their income sources, the poorest 10 percent of Americans are accorded extra public support compared to other groups. The subsequent 20 percent generate at least half of their earnings from retirement programs and social security. Among the third and fourth 10 percent of Americans, retirement programs generate a big part of their income, indicating that retirees comprise the large portion of the income distribution among the lower-middle income earners. The upper half of individuals in America receive more than three-quarters of their earnings from salaries and wages.

Furthermore, Americans between the sixth and ninth divisions are anticipated to earn from \$51, 000 to \$112, 000 yearly. The top ten earners generate approximately \$220, 000. In this group, most individuals in America generate most of earnings from wages, although they get around 10 percent from various sources, mostly self-employment (Zumbrun). When consumers grow wealthier, they change their patterns of spending, sometimes melodramatically. Consumers who earn high income spend less on health care, food, and housing. Although they dedicate more funds to these categories, such spending is less when compared to their overall expenditure. Transportation is accorded a large portion of expenditures for individuals in the middle-income class, while it is less for individuals earning low income. The middle group serves as a beneficiary when prices of gas go down. Education occupies the largest portion of expenditures for both of those at the top and bottom of income distribution. In addition, whenever households generate additional income, they allocate slightly more funds to entertainment, and more on financial products, including retirement programs, annuities, and insurance. The bottom 10 percent allocate about 1.4 percent of their income to these financial products, which amounts to about \$300. Top 10 percent contribute more than 17 percent to the sources, which amounts to more than \$20, 000 annually (Zumbrun). From the paper, I have realized that individuals adopt different spending patterns based on the earnings they generate. I believe it is right to worry about the ways in which economists can keep track of how people manage their expenses. However, the information presented offers more details concerning how diverse

Americans spend their income. Therefore, it is true that even when inflation remains low, the rise in prices for food and housing for particular families are challenging households compared to others. Work Cited Zumbrun, Josh. How Rich and Poor Spend (and Earn) Their Money. Wall Street Journal, 6 Apr. 2015. web. 7 Apr. 2015. .