

Income gap is
widening, data shows
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Income inequality is growing in US as rich is getting richer and poor is getting poor due to the widening gap between the average incomes. Data suggest that the income level of bottom 90% has declined over the period of time indicating that despite different steps taken by the government, income disparity is increasing. 300, 000 individuals in the country are earning more than 150 million people of US suggesting that wealth is concentrated into the hands of very few. This disparity in the income may also be due to the taxation of the income as it has been noticed that the wage income has been accurately taxed upto 99% however, business income and profits which is often generated by the upper income earners. Though the previous government has claimed to introduce progressive taxation system under which rich are taxed heavier however, this has also not resulted into the narrower income gap. Data has further suggested that the portion of income going as taxes has remained almost same for the middle income group levels in America however; the same has declined for the top 1% earners of the country. This disparity in the incidence of taxes therefore suggests that the overall taxing system in the country may be heavily in disfavor of the lower income groups. The data for 2005 showed that the top earners in the country registered an increase in their income. Among this group even, those falling in the top tenth of the percent registered greater increase as compared to others in the group.