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Macroeconomics: Professor Willoughby
Essay #2
Spring 2014

Economic inequality always has, and always will exist. Built on the foundation of the American dream, our capitalist nation would not possible without the "haves" and the "have-nots." Economists Arthur MacEwan and John A. Miller co wrote *Economic Collapse, Economic Change: Getting To The Roots Of The Crisis,* a book analyzing the causes and events leading up to the 2008 economic crash. MacEwan and Miller strongly believe that economic inequality was the driving force for the crash, along with elitism power, and the leave-it-to-the-market-ideology. Although each component plays its distinctive role within the crash, MacEwan and Miller emphasize the significance of each component interacting and affecting one another in a vicious cycle. Additionally to these core ideas, MacEwan and Miller do not neglect to acknowledge the detrimental role of the housing bubble and the weak consumer demands at the time. According to MacEwan and Miller, the 2008 economic crash was due to an accumulation of poor government regulation, carless individuals, elite power, a relaxed ideology, and most importantly, sever economic inequality.

There has been critical historical evidence that proves that economic inequality directly affects specific individuals, as well as society as a whole. An issue such as income mobility, the ability to move with easy from one social class to another, has reached a groundbreaking low since World War II. Thus meaning that children's economic fates are resting more in the hands of their parents, and their parent's parents. Along these lines, inequality plays a role on young peoples chances in receiving a college degree and having greater opportunities in the workforce. There is a drastic difference between Americans in the top percentile and Americans in the bottom percentile. Although the number in the top percentile is small, they still hold most of America's wealth. For example, "by 2000, the top 1 percent was obtaining 21.5 percent of income and the top 10 percent was getting 48 percent. By 2007, … the most elite group had virtually retained its peak pre-1930s share of 24 percent; the top 10 percent got 50 percent of the total in that year (pg. 53,54)." Although the elite was such a small percentage, they had control over large amounts of the economy and were gaining all benefits of any economic growth. On the other hand, everyone else was scraping by since there was no increase in wages.

The enormous inequality gap forced the buildup of debt in the overall economy. Additionally, inequality is also responsible for the lack of demand and the surplus of supply in the market economy. Because the American citizens' incomes were not rising, the economy became increasingly weaker. The average American's paycheck was no longer enough to meet their needs. Looking for alternatives, Americans relied on credit to cover their necessities. Understandably, this weak consumer demand would consequently slow the consumer growth. In order to counteract the lack of consumer demands, the Federal Reserve had to lower interest rates in order to promote loans.