

POTTSTOWN CITIZENS FOR Enlightened LEADERSHIP

America's income inequality

Although my columns normally focus on local issues, some national trends have such a powerful impact on Pottstown they just can't be ignored.

Last week, I commented on the skyrocketing world population and its effect on climate change, which has catastrophic implications in future decades for life as we know it.

Less critical to humanity, but ethically significant, are the mind-boggling disparities in the distribution of wealth among the people of the world.

The richest 20 percent of the world's population enjoy about 83 percent of the world's wealth. The bottom three-fifths share less than 6 percent.

The distribution of wealth in America is even more unequal. The richest 20 percent of Americans own 85 percent of the nation's wealth.

The next 20 percent own about 11 percent. That leaves less than 5 percent for everyone else.

Taxes are one way to mitigate the huge disparities of wealth in this country, but they don't.

On average, the federal government collects 61 percent of all tax revenues in America, and the states collect about 28 percent.

Total federal revenues have stayed about the same over the last 60 years as a percentage of our gross domestic product.

But the percentage of those taxes paid by the wealthy has declined dramatically.

The federal income tax rate increases as incomes increase, but the top rate has plummeted from 90 percent in the 1950s to 37 percent today with the latest Republican tax cut.

Federal and state taxes are the same no matter where people live in Pennsylvania, but local taxes are much higher in older towns like Pottstown because we have a significant concentration of the poor. More need, less ability to pay.

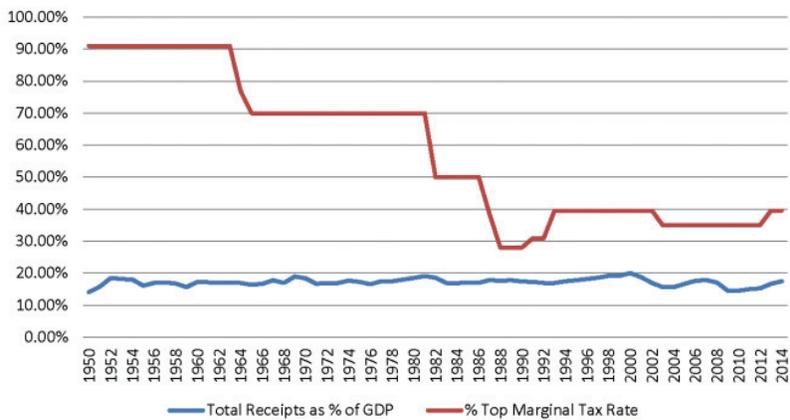


Commentary by
Tom Hylton

Distribution of Wealth in the United States



Total Tax Receipts vs. Top Marginal Tax Rate



TOP TAX RATE PLUMMETS — In recent decades, the disparity between the rich and poor in America has grown much worse, and tax policy is a contributing factor. The top federal tax rate has plummeted from 90 percent in the 1950s to 37 percent with the 2018 Republican tax cut.