

An ever-widening gap

by The Milwaukee Journal Sentinel

The income gap ballooned in 2005, new tax data shows, with the richest 1 percent of Americans receiving their largest share of national income since 1928.

Clearly, this yawning chasm is cause for concern. But before rushing to judgment, consider this: Median household income for those in their prime working years was more than \$61,000 in 2005, according to U.S. Census Bureau figures. Married couples did even better. So it's not like the middle class is drying up. Instead, it's that the incomes of those at the very top - bolstered by the power of the stock market - are growing much more rapidly. Many Americans are concerned about making ends meet, though, and common sense solutions are needed that target especially those on the lower rungs of the ladder.

These include increased federal grants for low-income students and more funding to retrain laid-off workers. The government also should tie unemployment compensation more closely to training programs and offer better access to transitional health care benefits for those who lose their jobs.

The government can do more to encourage savings, including making 401(k) accounts mandatory and seeding them with federal money. The government also must encourage innovation by boosting funding for both basic and applied research and offering targeted tax breaks for business innovation.

But nothing affects income more over the course of a working life than having a good education. The primary focus should be making sure that more Americans have one.

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