

Title: Mind the Gap: How Wealth Work is Contributing to the Divide between Lower and Upper Classes

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Income inequality over the past two centuries has fluctuated, but recently the concentration of wealth work occupations has oversaturated the U.S. labor market, contributing to the growing disparity between lower and upper socio-economic classes and the shrinking of the middle class. Wealth work is defined by MIT economist David Autor and Utrecht University School of Economics professor Anna Salomons as a category of low-pay, low-skill service occupation that serves consumers in the higher-wage end of the urban labor market. This increasing division between wealth work and those for whom they work creates occupational polarization, when middle-class jobs disappear “...relative to the bottom, requiring few skills, and those at the top, requiring greater skills” and plays a role in giving non-college workers careers that require little skill and education (Stiglitz 2012). Advanced technology is gradually taking over menial jobs and computerizing certain jobs to increase efficiency, which is detrimental towards lower-class individuals with job opportunities available in only low-skill occupations. As their jobs are taken away, wealth work occupations become more attractive to those who need employment and do not have many qualifications, drawing them into the service sector and low-skill job market, and swallows up former middle-skill non-college workers who happen to be unemployed. The ever-increasing occupational polarization in America and the oversaturation of wealth work help diminish the middle class while leading to the permanent loss of routine jobs, thereby increasing the gap between low-wage wealth workers and the increasingly affluent upper classes who employ them.

References

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