

Using the iceberg to change perspective

To identify the event we should ask the question: **what is changing?** It is the issue in the article that is changing and that has caught our attention (or that of the journalist). The title refers to the “gap between rich and poor”, but what gap is it referring to? The answer is in the second paragraph of the article:

“the richest 10% of the population earn 9.6 times the income of the poorest 10%”.

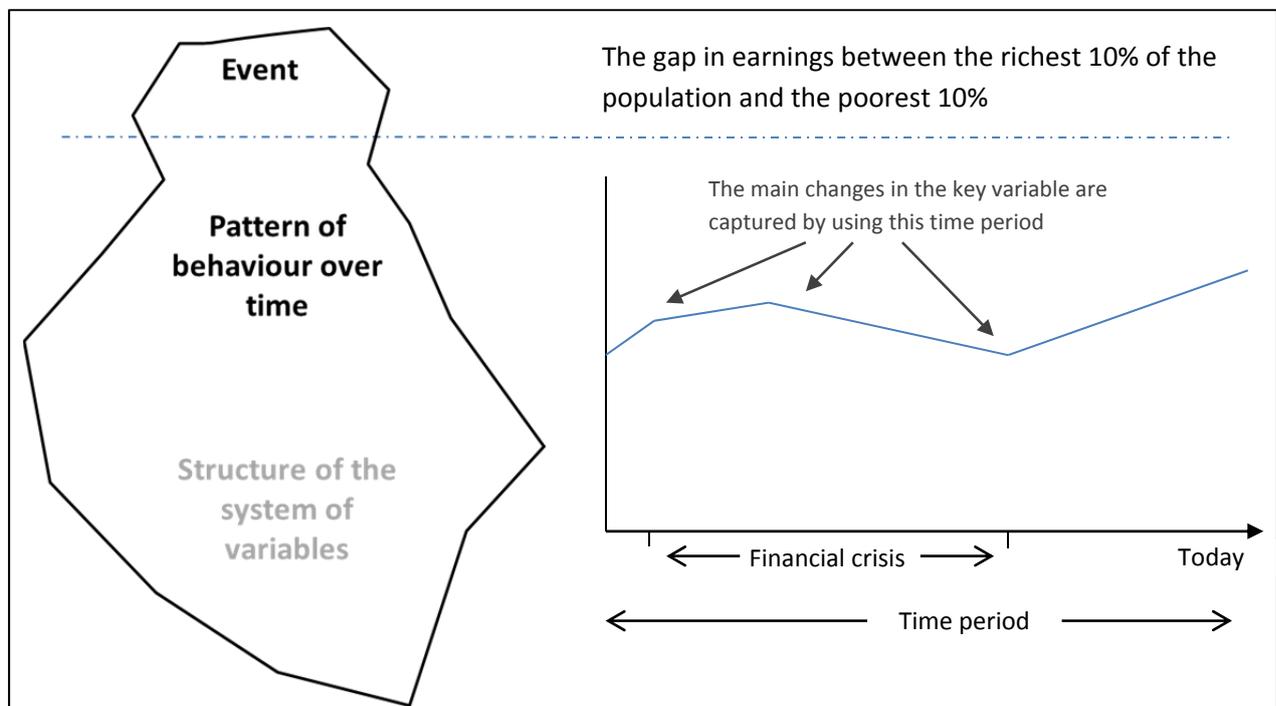
The gap is the difference between the earnings of the richest 10% and the poorest 10% of the population. The event is “the gap in earnings between the richest 10% of the population and the poorest 10%”. We can place this event at the tip of the iceberg.

We now need to ask our second question: **how is it changing?** We know from the title of the article that the gap is growing. We need to widen our view to capture how the gap has changed over time. We learn from the third paragraph that:

“most indicators suggest it [the gap] slowed or fell during the financial crisis and is now growing again”.

We do not have any exact numbers, percentages or dates but this does not stop us from drawing the pattern of behavior over time for this variable. We should use a time period on our horizontal axis that captures any important recent changes to the variable. Here, we will begin the time period just before the 2008-2012 financial crisis to show the slowdown and fall mentioned in the third paragraph.

The answer to the exercise is below. The blue line represents the gap of difference in income earned between the richest 10% and the poorest 10% of the population.



You could also draw two curves: one for the income earned by the richest 10% and one for the income earned by the poorest 10%. The gap between these two curves would then represent the gap between the rich and the poor.