

Return to State of the Union Report

Income Inequality

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Section 1 Top 35 Countries with Lowest Income Inequality

Lowest Income Inequality by World Region — Gini Coefficient Comparison

Rank	Country	Lowest Income Inequality Index
1	Slovenia	24
2	Slovensko (Slovakia)	25
3	Česko (Czech Republic)	25
4	Norge (Norway)	26
5	Suomi (Finland)	27
6	Danmark (Denmark)	27
7	Sverige (Sweden)	28
8	Nederland (Netherlands)	28
9	Belgique (Belgium)	29
10	Österreich (Austria)	29
11	Deutschland (Germany)	30
12	Polska (Poland)	30

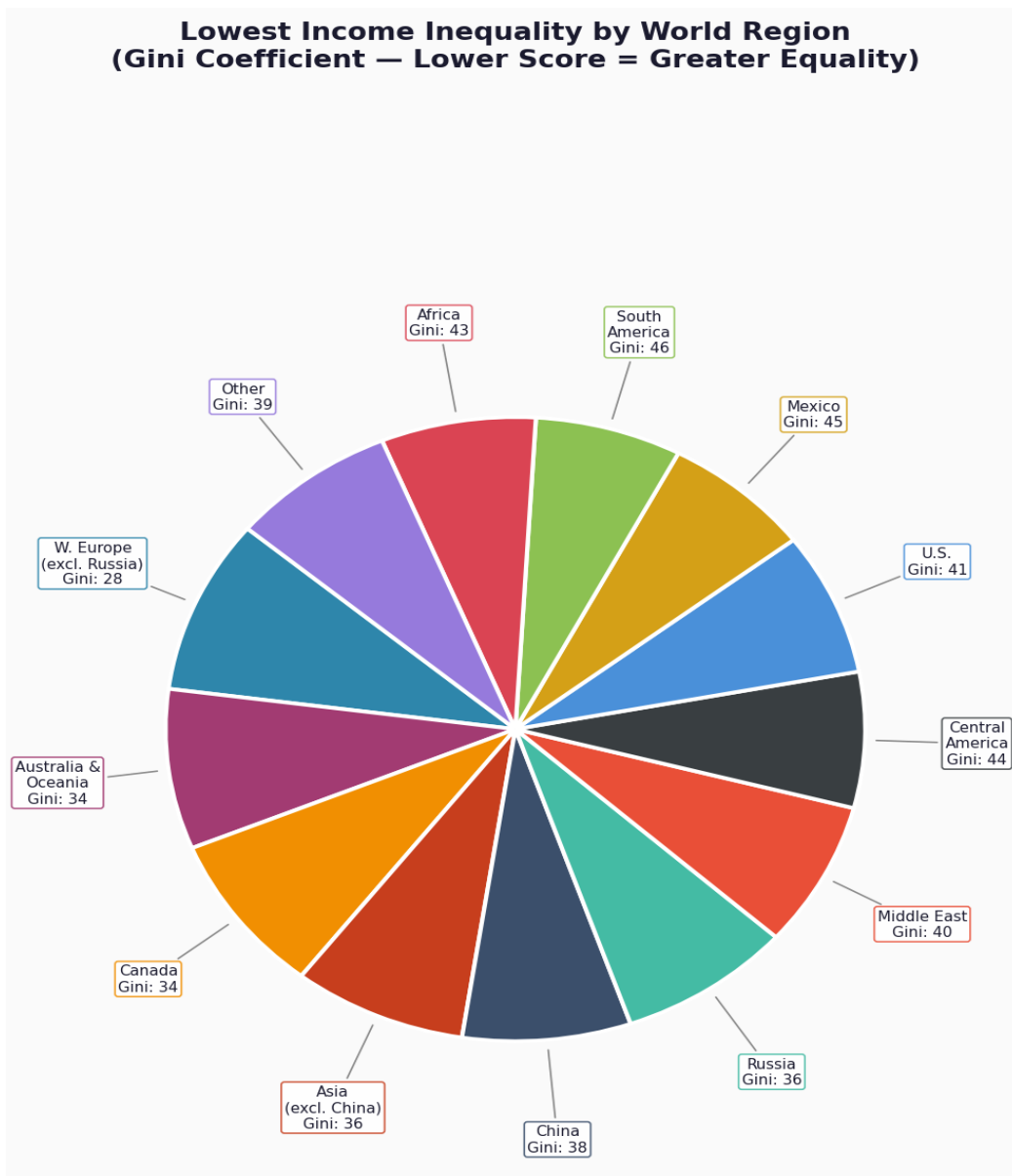
Rank	Country	Lowest Income Inequality Index
13	Magyarország (Hungary)	30
14	Србија Srbija (Serbia)	31
15	România	31
16	Беларусь (Belarus)	31
17	Україна Ukrayina (Ukraine)	32
18	Қазақстан Qazaqstan (Kazakhstan)	32
19	Azərbaycan (Azerbaijan)	32
20	Việt Nam (Vietnam)	33
21	한국 Hanguk (South Korea)	33
22	日本 Nippon (Japan)	34
23	台灣 (Taiwan)	34
24	Canada	34
25	Australia	34
26	New Zealand	34
27	Argentina	35
28	Perú	35
29	الجزائر Al-Jaza'ir (Algeria)	35
30	مصر Misr (Egypt)	36
31	تونس Tūnis (Tunisia)	36
32	ኢትዮጵያ Ityop'iya (Ethiopia)	37
33	Tanzania	38
34	United States	41
35	México	45

Source year: 2024. Data compiled from Gallup global survey datasets and World Bank income distribution statistics.

The United States ranks 34 in this comparison due to a Gini coefficient near 0.41 reflecting higher income dispersion than most OECD countries.

The U.S. has this ranking because of several structural factors that produce higher income inequality relative to peer nations. These include a comparatively less generous social safety net, lower union density (approximately 10% of workers), higher healthcare costs borne by individuals, and a more regressive effective tax burden relative to high-ranked countries. Unlike the top-ranked nations, the U.S. lacks universal health coverage, does not provide free higher education, and has lower minimum wages relative to median earnings. The income gap between the top 10% and bottom 10% of earners in the United States is among the largest in the developed world. The most recent data (2023) indicates a U.S. Gini coefficient of approximately 39.8, reflecting minimal change despite policy discussions in Congress.

Sources: Gallup <https://www.gallup.com> World Bank <https://www.worldbank.org> OECD <https://www.oecd.org>



Section 2 What Other Countries Have Done to Lower Income Inequality

Danmark (Denmark)

Danmark achieves extremely low income inequality through a unique "flexicurity" model combining flexible labor markets with generous social security. The Ministry of Employment (www.bm.dk) oversees the Danish Active Labour Market Policy (ALMP), which includes job placement assistance, skills training, and wage subsidies for the unemployed.

The Denmark September Compromise of 1899 established collective bargaining frameworks still used today under the Ministry of Employment <https://bm.dk>.

The Denmark Tax Reform Act of 2012 strengthened progressive taxation administered by the Denmark Tax Agency <https://skat.dk>. (Skattestyrelsen) (www.skat.dk) administers a steeply progressive income tax with a top marginal rate exceeding 55%.

Danmark's flexicurity system combines flexible labor markets with generous unemployment insurance covering up to 90 percent of prior wages for two years, paired with mandatory active labor market participation programs. This model is administered jointly by the Denmark Agency for Labour Market and Recruitment and municipal job centers, enabling rapid re-employment while maintaining worker income security. The Denmark Agency for Labour Market and Recruitment (STAR) (www.star.dk) provides active labor market programs including subsidized employment and adult education. Social Assistance (Kontanthjælp) provides income support for those unable to work.

The Denmark Confederation of Trade Unions (LO/FH) (www.fho.dk) and the Confederation of Denmark Employers (DA) (www.da.dk) negotiate sectoral collective agreements covering approximately 70% of Danish workers, setting industry-wide wage floors.

Danmark's universal health care system through Danish Regions (www.regioner.dk) eliminates medical cost as a driver of inequality.

Free higher education at Danish universities including the University of Copenhagen (www.ku.dk) ensures educational access regardless of family income.

The Early Retirement Scheme (Efterlon) and the ATP supplementary pension program (www.atp.dk) provide income security for older workers.

Danmark's Child Benefit (Børnecheck) administered by Udbetaling Danmark (www.borger.dk) provides direct cash transfers to families with children.

Suomi (Finland)

The Comprehensive School Reform Act of 1968 created equal national education standards overseen by the Suomi National Agency for Education <https://oph.fi>.

The 1993 Finnish income tax reform strengthened progressive national taxation administered by the Ministry of Finance <https://vm.fi>.

Suomi provides universal early childhood education and care to all children from birth through primary school entry, with family income-based fees capped at low levels. The national basic

income pilot conducted from 2017 to 2018 tested unconditional transfers for unemployed citizens and produced evidence of improved well-being and employment transitions.

Norge (Norway)

The National Insurance Act of 1967 created universal social insurance administered by the Norge Labour and Welfare Administration <https://nav.no>.

The Government Pension Fund Global established in 1990 redistributes petroleum wealth through public investment programs managed by Norges Bank Investment Management <https://nbim.no>.

Norge's universal higher education system is funded through the Norge State Educational Loan Fund, providing grants and interest-free loans to all qualifying students regardless of family income. Parental leave of up to 49 weeks at full salary is available to both parents, supporting gender wage equality and child development.

Deutschland (Germany)

The Co-Determination Act of 1976 requires worker representation on corporate supervisory boards.

The Vocational Training Act of 1969 established Deutschland's dual apprenticeship training system coordinated through chambers of commerce <https://dihk.de>.

Deutschland's statutory minimum wage, introduced in 2015 under the Minimum Wage Act and adjusted biannually by the Minimum Wage Commission, reduced low-pay employment by approximately 1.3 million workers within four years. The federal Short-Time Work allowance (Kurzarbeit) program, administered by the Federal Employment Agency, subsidizes wages during economic downturns, preventing mass layoffs and preserving household income stability.

Canada

The Canada Child Benefit created in 2016 provides direct payments to families administered by Employment and Social Development Canada <https://esdc.gc.ca>.

The Employment Insurance Act of 1996 funds unemployment benefits and workforce retraining.

Canada's single-payer provincial healthcare systems, governed under the Canada Health Act of 1984, eliminate medical debt as a driver of household financial distress. The National Housing Strategy launched in 2017 commits over CAD 82 billion to affordable housing over ten years, targeting the lowest-income renters through the Canada Housing Benefit rental subsidy.

Nippon (Japan)

The National Pension Act of 1959 created universal retirement income coverage administered by the Ministry of Health Labour and Welfare <https://mhlw.go.jp>.

Nippon's compressed wage structure is reinforced through annual Shunto collective wage negotiations coordinated between major employer associations and enterprise unions, historically producing coordinated wage increases that reduce inter-firm income dispersion.

The Child and Childcare Support Act of 2012 expanded affordable childcare access, supporting maternal labor force participation.

Hanguk (South Korea)

The National Basic Livelihood Security Act of 1999 established a nationwide safety-net program administered by the Ministry of Health and Welfare <https://mohw.go.kr>.

Hanguk's National Health Insurance program provides universal healthcare coverage through a single insurer, the National Health Insurance Service, funded by income-proportional contributions from employees and employers.

The Employment Insurance Act of 1993 provides unemployment benefits, maternity leave, and vocational training, reaching over 14 million workers.

Nederland (Netherlands)

The Participation Act of 2015 expanded employment participation and social support programs administered by the Ministry of Social Affairs and Employment <https://government.nl>.

The Nederland maintains one of the highest social housing ratios in the OECD, with housing associations (woningcorporaties) managing over two million social rental units regulated by the Authority for Housing Corporations. The Dutch minimum wage, indexed to collective bargaining agreements, is reviewed biannually and applies to all workers including part-time and temporary staff.

Additional Countries with Low Inequality

Slovenia

Slovenia has achieved low income inequality through a combination of strong labor market protections and a comprehensive social safety net. The Employment Relationships Act (Zakon o delovnih razmerjih) mandates strong worker protections, minimum wage standards, and limits on precarious employment.

The Slovenian government operates through the Ministry of Labour, Family, Social Affairs and Equal Opportunities (www.mddsz.gov.si), which administers a network of social transfer payments that significantly reduce the gap between market income and disposable income.

Progressive income taxation through the Financial Administration of the Republic of Slovenia (www.fu.gov.si) ensures redistribution from high-income to low-income earners.

Slovenia's trade union density remains above 20%, with the Confederation of Trade Unions of Slovenia (ZSSS) (www.zsss.si) negotiating collective bargaining agreements that cover the majority of workers.

Public expenditure on education is relatively high, ensuring access to quality schooling regardless of family income.

The National Institute of Public Health (www.nijz.si) oversees universal health care access. The Institute of Macroeconomic Analysis and Development (www.umar.gov.si) regularly publishes assessments of inequality trends.

Active labor market policies include subsidized employment, training programs, and job placement assistance through the Employment Service of Slovenia (www.ess.gov.si).

Česko (Czech Republic)

The Česko maintains low income inequality through wage policies, collective bargaining, and a well-developed public service infrastructure.

The Ministry of Labour and Social Affairs (www.mpsv.cz) oversees income support programs, social insurance, and labor regulation.

The State Social Support Act governs child benefits, housing allowances, and parenting allowances that assist low-income families.

The Act on Employment mandates equal pay and prohibits wage discrimination.

The Česko -Moravian Confederation of Trade Unions (CMKOS) (www.cmkos.cz) represents workers and negotiates wage floors in major industrial sectors.

The Česko Social Security Administration (www.cssz.cz) administers pension and disability benefits. The government's National Employment Plan focuses on workforce participation, retraining programs, and reducing long-term unemployment.

Česko public universities charge no tuition fees, ensuring higher education is accessible to students from all economic backgrounds, through the Ministry of Education, Youth and Sports (www.msmt.cz).

Universal health coverage through the Česko health insurance system eliminates a major source of financial hardship for low-income households.

The Česko Statistical Office (www.czso.cz) monitors household income distribution and publishes regular reports to guide policy.

The Česko Investment and Business Development Agency (CzechInvest) (www.czechinvest.org) promotes regional economic development to reduce geographic income disparities.

Slovensko (Slovakia)

Slovensko addresses income inequality through its comprehensive social insurance system and progressive fiscal policy.

The Social Insurance Agency (Sociálna poisťovňa) (www.socpoist.sk) manages pension, unemployment, sickness, and accident insurance for workers.

The Ministry of Labour, Social Affairs and Family (www.employment.gov.sk) administers social benefits and coordinates income redistribution programs.

Slovensko's Labor Code provides strong employment protections, mandatory severance pay, and limits on dismissal for economic reasons.

The Act on the Minimum Wage sets a legally binding floor on earnings.

The Confederation of Trade Unions of the Slovak Republic (KOZ SR) (www.kozsr.sk) represents workers in tripartite negotiations with employers and the government.

Slovensko offers free public higher education, ensuring access to university degrees regardless of parental income through the Ministry of Education, Science, Research and Sport (www.minedu.sk).

The Maternity and Parental Allowance programs provide financial support to families with young children, reducing the income penalty associated with child-rearing.

The Slovensko Investment and Trade Development Agency (www.sario.sk) promotes investment in less-developed regions to reduce geographic income inequality.

The Financial Administration of the Slovak Republic (www.financnasprava.sk) enforces progressive income tax and monitors tax compliance to ensure the wealthy pay their legally required share.

Беларусь (Belarus)

Belarus maintains relatively low income inequality through state-directed economic policies, strong public ownership of enterprises, and extensive social programs administered by the government.

The Ministry of Labour and Social Protection (www.mintrud.gov.by) oversees wage regulation, social transfers, and labor market programs.

State ownership of major enterprises through the State Property Committee (www.gki.gov.by) allows the government to influence wage structures across large portions of the economy. Administratively set minimum wages and wage indexation tied to inflation protect lower-paid workers from real income erosion.

Universal access to health care through the Ministry of Health (www.minzdrav.gov.by) prevents catastrophic medical expenses from generating economic hardship.

Free public higher education through the Ministry of Education (www.edu.gov.by) maintains intergenerational mobility and prevents the entrenchment of educational inequality.

The state enterprise system, coordinated by the Council of Ministers (www.government.by), sustains employment in regions that might otherwise face structural unemployment.

Housing subsidies and utilities subsidies reduce the cost burden for lower-income families.

The National Academy of Sciences (www.nasb.by) conducts research on social policy effectiveness.

The State Labour Inspectorate monitors compliance with wage regulations and labor standards throughout the economy.

Ukrayina (Ukraine)

Ukrayina, prior to the disruptions of the 2022 conflict, maintained relatively moderate income inequality through labor market protections and social assistance programs.

The Ministry of Social Policy (www.msp.gov.ua) coordinates social protection, unemployment insurance, and child benefit programs.

The State Employment Service (www.dcz.gov.ua) administers job placement, vocational training, and unemployment benefits.

Ukrayina's Labor Code provides minimum wage protections, mandatory severance, and collective bargaining rights.

The Federation of Trade Unions of Ukrayina (www.fpsu.org.ua) participates in national tripartite negotiations on wages and working conditions.

Free public higher education at state universities through the Ministry of Education and Science (www.mon.gov.ua) ensures continued access to tertiary qualifications for students from lower-income households.

The housing subsidy program administered through local state administrations provides income support to households spending a high share of income on utilities.

The Pension Fund of Ukrayina (www.pfu.gov.ua) administers old-age pensions and disability benefits.

The State Tax Service (www.tax.gov.ua) enforces progressive income taxation. Active labor market programs provide training and re-skilling to reduce long-term unemployment.

Iceland

Iceland has achieved one of the world's lowest levels of income inequality through high trade union coverage, strong wage bargaining, and active redistribution through taxation.

The Confederation of Icelandic Employers (SA) and the Confederation of Icelandic Labour (ASI) (www.asi.is) collectively negotiate wages for the vast majority of Icelandic workers, compressing the wage distribution from the bottom up.

The Ministry of Finance and Economic Affairs (www.fjarmalaraduneyti.is) oversees a progressive income tax system that redistributes income from higher to lower earners.

The Directorate of Labour (www.vinnumalastofnun.is) administers unemployment insurance, active labor market programs, and vocational training. Iceland's social democratic welfare state provides universal health care through Landspítali and regional health services

(www.heilsugaeslan.is), universal public education through the Ministry of Education and Children (www.government.is/ministries/ministry-of-education), and generous family allowances.

The Income Tax Act provides for substantial personal allowances that eliminate tax burdens on the lowest earners. The Statistics Iceland office (www.statice.is) monitors household income distribution.

Iceland's Parental Leave Act provides generous paid parental leave for both mothers and fathers, reducing the gender wage gap.

The Directorate of Tax Investigation (www.skatturinn.is) actively monitors and enforces tax compliance.

Belgique (Belgium)

Belgique reduces income inequality through comprehensive social protection, strong wage bargaining, and high public investment in services.

The National Employment Office (ONEM/RVA) (www.onem.be) administers generous unemployment benefits with long duration relative to other OECD countries.

The Federal Public Service Employment, Labour and Social Dialogue (www.employment.belgium.be) regulates labor markets and oversees collective bargaining.

The Central Economic Council and National Labour Council serve as official bodies for tripartite consultation between government, employers, and labor unions.

The Confederation of Belgique Trade Unions (FGTB/ABVV) (www.fgtb.be) and the Confederation of Christian Trade Unions (CSC/ACV) (www.acv-csc.be) together represent a majority of Belgian workers. Automatic wage indexation through the Index mechanism ties wages to inflation, preventing real wage declines for the lowest earners.

The Federal Public Service Finance (www.fin.fgov.be) administers a highly progressive income tax with substantial child and family deductions.

Belgique's healthcare system through the National Institute for Health and Disability Insurance (INAMI/RIZIV) (www.riziv.fgov.be) provides near-universal coverage.

The Service for Poverty Reduction and Social Economy coordinates anti-poverty initiatives.

Free higher education through university grants administered by ARES (www.ares-ac.be) ensures broad access to tertiary qualifications.

References:

OECD Better Life Index: <https://www.oecdbetterlifeindex.org/>

International Labour Organization: <https://www.ilo.org/global/topics/wages/minimum-wages/>

European Trade Union Confederation: <https://www.etuc.org/>

World Bank Global Inequality Data: <https://data.worldbank.org/topic/poverty>

IMF Fiscal Policy and Inequality: <https://www.imf.org/en/Topics/Inequality>

UNICEF Child Poverty: <https://www.unicef.org/social-policy/child-poverty>

UNESCO Education Access: <https://uis.unesco.org/>

WHO Universal Health Coverage: <https://www.who.int/health-topics/universal-health-coverage>

Section 3 What the U.S. Can Do to Reduce Income Inequality

1. Expand the Earned Income Tax Credit (EITC) administered by the Internal Revenue Service to increase after-tax earnings for low-income households. Danmark's model of refundable tax credits has been shown to raise disposable income for the bottom quintile by up to 15 percent.
2. Increase the federal minimum wage indexed to inflation and regional cost of living. Deutschland introduced its statutory minimum wage in 2015 under the Minimum Wage Act, raising wages for 3.7 million workers and reducing the low-wage sector share of employment.
3. Expand universal early childhood education programs funded through the Department of Education. Suomi's universal pre-primary education, available to all children from age five, is credited with equalizing cognitive development outcomes across income groups.
4. Create national apprenticeship initiatives coordinated by the Department of Labor and private employers. Deutschland's dual apprenticeship system, governed by the Vocational Training Act of 1969, integrates school-based and workplace training, achieving youth unemployment rates among the lowest in the OECD.
5. Expand Pell Grants and tuition support for low-income students, modeled on Norge's universal higher education funding administered by the Norwegian State Educational Loan Fund, which provides interest-free loans and grants to all qualifying students.
6. Strengthen antitrust enforcement through the Federal Trade Commission and Department of Justice to prevent monopoly concentration that suppresses wages, following the example of Deutschland's Federal Cartel Office enforcing competitive labor markets.
7. Expand affordable housing construction programs through the Department of Housing and Urban Development. The Nederland' social housing model, where 34 percent of all housing stock is public or cooperative, directly limits housing cost burdens on low-income households.
8. Provide federal childcare subsidies administered by the Department of Health and Human Services. Sverige subsidizes childcare to a maximum of 3 percent of household income, enabling high female labor force participation and reducing child poverty.
9. Expand workforce retraining programs for displaced workers. Danmark's flexicurity model combines flexible hiring and firing rules with generous unemployment benefits and active labor market programs, enabling rapid re-employment of displaced workers.

10. Increase federal infrastructure investment in economically distressed regions, following Canada's Investing in Canada Plan, which directs over CAD 180 billion to infrastructure in rural and Indigenous communities to close regional economic gaps.
11. Expand access to small business credit through the Small Business Administration. Hanguk's Credit Guarantee Fund and Technology Credit Guarantee Fund provide guarantees for small enterprise loans, supporting over 300,000 businesses annually.
12. Strengthen collective bargaining protections through the National Labor Relations Board. Sverige achieves over 70 percent unionization, maintaining compressed wage structures and limiting the pay gap between executives and workers.
13. Encourage employee stock ownership plans (ESOPs) to broaden capital ownership. Deutschland's worker co-determination law requires employee representation on corporate supervisory boards, aligning corporate decisions with worker interests.
14. Expand broadband infrastructure through the Department of Commerce to ensure universal digital access. Suomi legally defined broadband access as a universal right in 2010, mandating service to all households at minimum speeds.
15. Increase progressive taxation on extremely high incomes. Danmark and Sverige maintain top marginal income tax rates above 55 percent, combined with broad tax bases that fund universal public services.
16. Provide universal paid family leave policies. Norge provides 49 weeks of parental leave at full salary or 59 weeks at 80 percent salary, administered by the Norwegian Labour and Welfare Administration, supporting dual-earner households.
17. Expand health insurance coverage to reduce medical debt. Canada's single-payer Medicare system, established by the Canada Health Act of 1984, eliminates out-of-pocket costs for essential services, preventing medical bankruptcy.
18. Increase investment in historically underserved Historically Black Colleges and Universities (HBCUs) and Tribal Colleges to close the racial wealth gap in educational attainment and earnings.
19. Expand public transportation infrastructure to improve labor mobility, allowing low-income workers to access higher-wage job markets. The Nederland' integrated national rail and transit network enables broad geographic access to employment centers.

20. Provide tax incentives for companies investing in workforce training, modeled on Singapore's Skills Future program, which provides every adult citizen a credit for approved skills training courses, co-funded by government and employers.
21. Strengthen enforcement against wage theft through the Department of Labor. Hanguk's strict wage payment enforcement under the Labor Standards Act includes criminal penalties for employers who withhold wages.
22. Expand capital access programs for minority entrepreneurs through targeted Small Business Administration loan guarantees and technical assistance centers modeled on Canada's Business Development Bank.
23. Support regional economic development agencies in Appalachia, the Mississippi Delta, and other distressed regions, coordinating federal investment in infrastructure, education, and business formation.
24. Expand federal housing vouchers for low-income families. The Nederland' housing allowance system provides income-tested rental subsidies, ensuring no household spends more than a defined ceiling share of income on rent.
25. Provide federal student debt relief mechanisms tied to income, modeled on Australia's Higher Education Loan Program (HELP), under which repayments are automatically collected through the tax system only when earnings exceed a threshold.
26. Expand rural economic development grants through the U.S. Department of Agriculture, targeting agricultural communities facing economic transition, similar to Suomi's regional development programs administered by the Ministry of Economic Affairs.
27. Encourage profit-sharing programs in large corporations, modeled on Suomi's Personnel Funds Act, allowing employees to accumulate shares of company profits over time, broadening capital ownership among wage workers.
28. Improve national wage transparency requirements, requiring employers to publish pay ranges by occupation and prohibiting retaliation for discussing wages, modeled on Iceland's Equal Pay Standard legislation enacted in 2018.
29. Expand community development financial institutions (CDFIs) to provide affordable credit to underserved communities, modeled on the United Kingdom's Community Development Finance Association network.

30. Create federal data reporting systems tracking income inequality by race, gender, region, and occupation, enabling evidence-based policymaking modeled on Canada's Disaggregated Data Action Plan.

Section 4 References

World Bank <https://www.worldbank.org>

OECD <https://www.oecd.org>

International Labour Organization <https://www.ilo.org>

U.S. Department of Treasury <https://home.treasury.gov>

U.S. Department of Labor <https://www.dol.gov>

Federal Trade Commission <https://www.ftc.gov>

Small Business Administration <https://www.sba.gov>

Department of Housing and Urban Development <https://www.hud.gov>

Section 5 Draft of a House Bill

NATIONAL ECONOMIC OPPORTUNITY AND INCOME EQUITY ACT

A Bill To Reduce Income Inequality, Expand Economic Opportunity, and Promote Broadly Shared Prosperity in the United States

SECTION 1. Short Title and Definitions

- (a) This Act shall be cited as the National Economic Opportunity and Income Equity Act.
- (b) Income inequality refers to disparities in earnings, wealth, assets, and economic opportunity among households, communities, and regions of the United States.
- (c) Covered Federal Agencies include the Department of the Treasury, Department of Labor, Department of Commerce, Department of Education, Department of Health and Human Services, Federal Trade Commission, Department of Housing and Urban Development, Small Business Administration, and Department of Agriculture.
- (d) Low-income household means any household earning at or below 200 percent of the federal poverty level as defined annually by the Department of Health and Human Services.
- (e) Distressed community means a census tract or county designated by the Economic Innovation Group Distressed Communities Index or equivalent federal measure as experiencing significant unemployment, poverty, or economic underinvestment.
- (f) Worker means any individual performing services for compensation, whether classified as an employee, independent contractor, or gig worker, for purposes of wage transparency and reporting requirements under this Act.

SECTION 2. Enacting Clause and Statement of Purpose

- (a) Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled that the following national policies are hereby established to reduce income inequality, expand economic opportunity, and promote broadly shared prosperity.
- (b) Congress finds that income inequality in the United States has reached historically high levels, with the top one percent of earners receiving a disproportionate share of national income growth since 1980, and that such concentration of wealth undermines democratic institutions, diminishes intergenerational mobility, and reduces aggregate consumer demand.
- (c) Congress further finds that evidence from peer economies including Denmark, Norge, Suomi, Deutschland, Canada, Nippon, Hanguk, the Nederland, and Australia demonstrates that sustained policy investment in education, workforce development, progressive taxation, affordable housing, and universal social insurance can reduce Gini coefficients and improve living standards for the lowest-income households without sacrificing economic growth.
- (d) The purpose of this Act is to coordinate federal agency action, incentivize state and corporate participation, and establish accountability mechanisms to measurably reduce income inequality within ten years of enactment.

SECTION 3. Requirements by Federal Agencies

- (a) The Department of the Treasury shall administer an expanded and refundable Earned Income Tax Credit accessible to workers without qualifying children; establish a national income reporting dashboard updated quarterly; develop a progressive surtax framework on incomes

above two million dollars; and evaluate and publish the distributional impact of all major federal tax expenditures.

(b) The Department of Labor shall implement a national apprenticeship grant program co-financed with employers; expand the Wage and Hour Division enforcement budget by no less than 40 percent within two fiscal years; publish a national wage transparency portal; and coordinate with states to raise and index minimum wage standards to regional cost-of-living measures.

(c) The Department of Commerce shall coordinate regional economic development through the Economic Development Administration, targeting at least 60 percent of grant funding to distressed communities; expand the National Telecommunications and Information Administration broadband infrastructure program to achieve universal high-speed access within five years; and publish an annual competitiveness report measuring regional income convergence.

(d) The Department of Education shall expand the Pell Grant maximum award to reflect full average community college tuition; fund universal pre-kindergarten programs in partnership with states; administer income-contingent federal student loan repayment automatically through the tax filing system; and allocate supplemental Title I funding adjustments to close per-pupil spending gaps exceeding 30 percent between high- and low-income school districts.

(e) The Department of Health and Human Services shall expand federal childcare subsidy eligibility to households earning up to 150 percent of the state median income; administer a universal paid family and medical leave insurance fund; expand community health center funding to eliminate primary care deserts; and publish an annual report on the health-related costs of income inequality.

(f) The Federal Trade Commission shall enforce competition policies preventing excessive market concentration in labor markets, including no-poach agreements and non-compete clauses that suppress wages; review and challenge mergers with documented negative wage effects; and publish an annual labor market competition report.

(g) The Department of Housing and Urban Development shall expand the Housing Choice Voucher program to serve all eligible households as an entitlement by 2035; fund the construction of no less than 200,000 affordable housing units annually through state and local housing finance agencies; and establish inclusionary zoning incentive grants for municipalities adopting mixed-income development standards.

(h) The Small Business Administration shall expand the Community Advantage loan guarantee program targeting minority-owned, women-owned, and rural businesses; co-fund a national network of 200 regional business development centers in distressed communities; and require participating lenders to report lending demographics annually.

(i) The Department of Agriculture shall expand rural economic development grants under the Rural Business Development Grant program; fund rural broadband co-investment with telecommunications providers; and support agricultural cooperative development to broaden farm income ownership.

SECTION 4. Requirements by Government Officials

(a) The President shall submit to Congress, within 180 days of enactment and every four years thereafter, a National Income Equity Strategy identifying measurable goals, agency responsibilities, funding requirements, and performance benchmarks for reducing income inequality.

(b) Cabinet secretaries of all Covered Federal Agencies shall publish agency-specific income equity implementation plans within 90 days of the President's Strategy, updated annually with progress metrics.

(c) Governors of states receiving formula-based federal funding under this Act must certify annually that state workforce, housing, and education programs meet minimum alignment standards established by the relevant Covered Federal Agency.

(d) State chief executives receiving Economic Development Administration distressed community grants must submit biannual regional economic equity reports documenting employment, wage, and poverty trends.

(e) The Comptroller General of the United States shall conduct a comprehensive evaluation of federal agency progress under this Act every five years and submit findings to the relevant Congressional committees.

(f) The Director of the Office of Management and Budget shall incorporate distributional analysis into the annual federal budget process, identifying the income quintile impact of all major spending and tax proposals.

SECTION 5. Requirements by Corporations

(a) Corporations employing more than 500 employees in the United States shall disclose annual wage distribution data to the Department of Labor, including median worker compensation, the ratio of CEO total compensation to median worker pay, and the share of workers earning below 150 percent of the applicable federal poverty level.

(b) Public companies listed on U.S. exchanges shall include in annual SEC filings a workforce equity report covering pay equity by gender and race, promotion rates by demographic group, and the use of non-compete agreements.

(c) Federal contractors with annual contract value exceeding five million dollars shall certify compliance with the Department of Labor's wage transparency standards and submit to annual wage equity audits.

(d) Corporations with more than 1,000 employees are encouraged through a refundable payroll tax credit to establish employee stock ownership plan (ESOP) trusts transferring no less than 10 percent of equity to employees within five years of establishment.

(e) Corporations operating gig economy platforms with more than 10,000 U.S.-based workers shall provide portable benefits contributions to a federally administered portable benefits account for each worker, covering healthcare, retirement, and paid leave entitlements.

(f) Corporations receiving federal tax incentives of five million dollars or more annually shall certify that the ratio of highest to lowest paid full-time employee does not exceed 200 to 1. Corporations exceeding this ratio shall be subject to a graduated surtax on the excess compensation.

(g) Multinational corporations with U.S. operations shall report country-by-country tax payments and effective tax rates to the Internal Revenue Service, which shall publish aggregate country-level data to support enforcement of the global minimum corporate tax.

SECTION 6. Requirements by Private Citizens and Eligible Participants

(a) Eligible citizens and lawful permanent residents may apply to participate in federally funded workforce training, education grants, entrepreneurship programs, and portable benefits accounts established under this Act.

(b) Participation in federally subsidized apprenticeship programs shall be open to all qualifying individuals regardless of prior criminal record for nonviolent offenses, consistent with fair chance hiring principles.

(c) Eligible low-income households may elect automatic enrollment in expanded EITC, childcare subsidy, and housing voucher programs through a unified federal benefits portal administered by the Social Security Administration.

(d) Citizens participating in federally funded job training programs shall be entitled to a training stipend at no less than the applicable minimum wage for hours of certified training, to eliminate income barriers to workforce development participation.

(e) Small business owners and entrepreneurs in distressed communities may apply for SBA Community Advantage loans, USDA rural development grants, and CDFI equity investments through the unified federal economic opportunity portal established under Section 3(h).

SECTION 7. Penalty Clauses and Enforcement

(a) Civil penalties of up to \$50,000 per violation per calendar year may be imposed on corporations that fail to comply with wage distribution reporting requirements under Section 5(a). Repeated violations within three years may result in penalties of up to \$250,000 per violation.

(b) Federal contractors found to have committed wage theft or material misrepresentation of wage equity data under Section 5(c) shall be subject to debarment from federal contracting for a period of no less than three years.

(c) States that fail to certify minimum program alignment standards under Section 4(c) for two consecutive years shall be subject to a 10 percent reduction in discretionary federal grants under covered programs, with restoration upon certification of corrective action.

(d) The Department of Labor shall establish a national wage theft restitution fund, funded through civil penalties collected under this Act, to compensate workers who are victims of documented wage theft and whose employers are insolvent or evading enforcement.

(e) The FTC may seek civil penalties in federal district court against employers found to have entered into no-poach or wage-fixing agreements, with penalties not to exceed the greater of \$10 million or 10 percent of annual U.S. revenues.

(f) Whistleblowers who report corporate violations of wage transparency or pay equity requirements under this Act shall be entitled to protection from retaliation and may receive a share of civil penalties collected as a result of verified disclosures.

SECTION 8. Effective Dates and Implementation Timeline

- (a) The federal agency income equity implementation plans required under Section 4(b) shall be published within 90 days of enactment.
- (b) Corporate wage distribution reporting requirements under Section 5(a) shall take effect for fiscal years beginning 12 months after enactment.
- (c) Expanded EITC provisions and childcare subsidy eligibility expansions under Sections 3(a) and 3(e) shall take effect at the start of the first full calendar year following enactment.
- (d) The universal paid family and medical leave insurance fund under Section 3(e) shall be fully operational within 24 months of enactment, with a 12-month phase-in period for employer and employee contributions.
- (e) Housing Choice Voucher entitlement expansion under Section 3(g) shall be phased in over 10 years from enactment, with annual appropriation targets set by the Office of Management and Budget.
- (f) The unified federal economic opportunity portal under Section 3(h) shall be operational within 18 months of enactment, subject to an independent usability review by the General Services Administration.
- (g) All penalty provisions under Section 7 shall take effect upon enactment for new violations and shall apply retroactively to ongoing violations within 60 days of enactment.

SECTION 9. Appropriations and Budgetary Notes

- (a) There is hereby authorized to be appropriated to the Department of Labor \$2.5 billion annually for fiscal years 2026 through 2035 for apprenticeship grants, wage enforcement, and workforce retraining programs established under this Act.
- (b) There is hereby authorized to be appropriated to the Department of Education \$10 billion annually for fiscal years 2026 through 2035 for Pell Grant expansion, pre-kindergarten partnerships, and Title I equity supplementation.
- (c) There is hereby authorized to be appropriated to the Department of Housing and Urban Development \$25 billion annually for fiscal years 2026 through 2035 for Housing Choice Voucher entitlement expansion and affordable housing construction grants.
- (d) There is hereby authorized to be appropriated to the Department of Health and Human Services \$15 billion annually for fiscal years 2026 through 2035 for childcare subsidies, the paid family and medical leave insurance fund, and community health center expansion.
- (e) There is hereby authorized to be appropriated to the Department of Commerce \$3 billion annually for fiscal years 2026 through 2030 for rural and distressed community broadband infrastructure.
- (f) All appropriations authorized under this Act shall be subject to annual Congressional budget review. The Director of the Office of Management and Budget shall submit to Congress a unified National Economic Opportunity Expenditure Report annually, identifying actual outlays, program participation, and distributional outcomes by income quintile.
- (g) The Congressional Budget Office shall prepare a ten-year cost estimate and distributional impact analysis of this Act within 45 days of enactment, and shall update that analysis every two years.