

**UNIVERSITI TEKNOLOGI MARA**

**DETERMINANTS OF INCOME INEQUALITY IN  
DEVELOPED COUNTRIES**

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Final Year Project Paper submitted in fulfillment  
of the requirements for the degree of  
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## AUTHOR'S DECLARATION

I declare that the work in this final year project paper was carried out in accordance with the regulations of Universiti Teknologi MARA. It is original and is the results of my own work, unless otherwise indicated or acknowledged as referenced work. This thesis has not been submitted to any other academic institution or non-academic institution for any degree or qualification.

I, hereby, acknowledge that I have been supplied with the Academic Rules and Regulations for Undergraduate, Universiti Teknologi MARA, regulating the conduct of my study and research.

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## ABSTRACT

Income inequality is the unequal distribution of household or individual income across the various participants in an economy. It is presented as income that related to the population. Income inequality, or the gap between the rich people and poor people, has been growing apparently, that measured in the United States in 1980. Income includes the revenue streams from wages, salaries, interest on a savings account, dividends from shares of stock, rent, and profits from selling something for more than paid. Therefore, income inequality refers to the extent to which income is distributed in an uneven manner among a population. Income inequality has become increasingly from year to year. Since then, the percent of income going to the top and create a huge income inequality between rich people and poor people. According to Investopedia, the issue may cause the financial stability of a country. It is become politically and economically conflict-ridden concerning on its causes and the acceptable solutions. The causes of income inequality can vary significantly by region, gender, education and social status.

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