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## The Politics of Envy

*“Probably the greatest harm done by vast wealth is the harm that we of moderate means do ourselves when we let the vices of envy and hatred enter deep into our own natures” – Theodore Roosevelt*

As the election season is once again upon us, I have heard a number of politicians talking about the “wealth gap” in our society. It reminded me of an editorial I read some time ago in our local newspaper, the Herald Times Reporter. It read in part, *“The Associated Press reports the analysis of household incomes for 2012. The top 1 percent of our population earns 19 percent of household income. That leaves 81 percent for the other 99 percent. Even more enlightening, the top 10 percent of our population earns a record 48.2 percent of household income. That leaves 51.8 percent (of income) for the other 90 percent. So goes our Constitution and Bill of Rights dealing with equality. The wealthy have lobbied our government to change laws in their favor. And they have the wealth to turn our elected representatives’ ears and the means to fill their pockets. When it comes to elections, you’re mistaken if you think our government is even thinking of you, as individuals, or listening to the majority any longer. Forget it real quick. Just about anything that protected or gave power to the populace is gone. “We the People” are expected to fill the pot, while 10 percent enjoy life with uncontrolled restrictions”.*

I have purposely omitted the author’s name because he is hardly alone in his sentiment. I believe he represents a significant and growing segment of our population. Let’s examine some of the arguments put forth here.

**The income pie is finite and the wealthy have a disproportionate share of it.** Apparently these folks have not been paying attention to the printing presses working over-time in Washington, creating dollars out of thin air. Inherent in this argument is the false premise that income is a fixed commodity, that only a certain amount of money exists, that more wealth cannot be created, and if one person earns more money it requires that someone else must earn less. This belief is the economic equivalent of the first law of Thermodynamics – that matter (money) is neither created nor destroyed. Unlike this law of physics, however, wealth does not exist in a closed system. New wealth is constantly created. When someone invents a great new product, or provides a meaningful service, money finds its way to him/her, and in most cases, the standard of living is lifted for us all. Our poor today look much different than their counterparts of fifty years ago. Back then our poor did not have access to air conditioning, cell phones, televisions, computers or automobiles, all things brought to us by the rich (who became rich by providing us with them). I am certainly not suggesting that we have solved the problem of poverty, or that we should stop looking for ways to help those in need. I’m just not convinced that our government should take the lead role in that endeavor.

Many of the World's wealthiest agree with that sentiment and have signed on to "The Giving Pledge", a commitment to give a majority of their wealth to philanthropic causes. These extremely wealthy individuals recognize that their tremendous success comes with social responsibility.

The argument about the wealth gap seems to me a non sequitur. I'll concede that the income gap between the wealthiest of us versus the poorest is increasing, but how does the fact that someone may make a lot more money than I do prevent me from being successful? And how does this make the poor poorer?

**The wealthy are bad people who have coerced those in power (government) to stack the deck in their favor.** I don't believe that the rich are inherently evil, just as I don't believe that the poor are inherently good. There certainly are bad rich people and bad poor people. It seems every time I hear about a crooked CEO, or a guy who stole a bunch of investor money, I hear another story about someone who collected five years of Social Security payments on behalf of a dead relative, or another who sold his food stamps for cash to buy drugs. Rich people have not cornered the market on malice, nor the poor on virtue. As a mentor of mine once told me, great success or failure does not create character it merely reveals it. I have no doubt that the wealthy lobby for their self-interest, but it is the political pandering to large groups of voters that wins elections, not money alone, or the relatively few votes that the extremely wealthy represent.

**The wealthy are living off the backs of the non-wealthy.** This is a sentiment that continues to baffle me. I concede that some of the wealthy inherited, or married into wealth, but most rich people got that way because other people chose to spend hard earned money on their product or service. I don't begrudge Bill Gates for being a billionaire, I applaud him (he has signed "The Giving Pledge"). If not for him I would not enjoy the computer functionality that I have today. The same thing goes for Ray Kroc. I crave a good Quarter Pounder now and then, and my childhood was much happier after McDonald's placed that gleaming pair of golden arches in my home town. The rich do not suck money out of the system, they pay into it. Missing in the above editorial is that the top 1% paid over 37% of all federal income tax in 2010 (most recent data from the IRS), while the top 10% collectively paid over 70% of the total income taxes levied by the federal government that year. The only entity that forcibly collects money from most of us is our government, not rich people.

Many politicians are just clever enough. They play the odds. Demonize the smaller group of voters to curry favor with the larger. It's a simple time tested formula. Along the way though, their messaging begins to tear at the basic tenets that built this great nation. That hard work, risk taking, and innovation should be rewarded. That success is to be admired and emulated, not scorned.

I admit that I am a wide-eyed optimist as it relates to the human species. I believe that there are far more good people in this world – rich and poor, than evil ones. This editorialist and many others have misconstrued both the content and intent of the Constitution and the Bill of Rights as they relate to equality. The Constitution does not address the issue of individual rights. It is The Bill of Rights that guarantees all individuals equal treatment under the law, but it does not guarantee equal success. The latter is up to each of us.