

# Democracy teeters on the income gap

By **Richard N. Goodwin** | MARCH 29, 2017



GIULIO BONASERA FOR THE BOSTON GLOBE

Former President Obama this week designated income inequality and lack of social mobility “the defining challenge” of our time. I am in accord; indeed, evidence of this “defining challenge” appeared on the horizon long before the widespread attention it is currently receiving. More than three decades ago, I wrote the following op-ed for the Los Angeles Times. Though recent statistics reveal an even greater hardening of class division and income inequality, I’d like to believe that the optimistic pulse of what I wrote in 1985 – that problems devised by us can be resolved by us – still resonates. For if we abandon the struggle for economic justice we will have abandoned our essential allegiance to the great experiment that is America.

*So then, to every man his chance . . . his shining golden opportunity . . . to live, to work, to be himself. And to become whatever thing his manhood and his vision can combine to make him. This, seeker, is the promise of America.*

— Thomas Wolfe

THE AMERICAN dream is dying. It has been a simple dream: a society in which all would have a chance to share in growing abundance, a land without huge inequalities of wealth or fixed class divisions, a nation that promised each individual not a certain income but the opportunity to achieve for himself to the limits of his capacity.

In 1947 the government began to collect statistics on the distribution of income. For a while, during our huge postwar expansion, the rising tide lifted all boats. Growing numbers of individuals shared in rising affluence. We even thought, for a while, to wipe out poverty completely. But more than a decade ago, as growth continued, the doors began to narrow. Today the bottom 60 percent of all American families receive a smaller share of the national income — about 32 percent— than at any time since we began to measure. The wealthiest 20 percent get 43 percent. And if current trends continue, that one-fifth of families will soon claim more than half the income that our vast economy produces.

This sad narrative is not a tale of helpless poverty. It records the misfortunes of the American middle class — a majority of the hard-working, patriotic citizens who labor to support themselves and their families. It reveals a country where, over the last dozen years, despite rising national wealth, the median income for all American families has actually fallen (in terms of constant dollars). It tells, in the sterile jargon of statistics, of a land of shrinking opportunity, where effort, courageous toil, and devotion will not be rewarded, where parents cannot reasonably expect their children to inherit a better and more fulfilling life.

This is a sea change in American life. It forebodes hardening inequalities of circumstance and condition, not between individuals but between large groups and classes of citizens, a retreat from the principle of universal opportunity, barricaded by a just government, as the necessary foundation for freedom — an outlet for human energies that would prohibit the suppression by tyranny against the turbulent discontent of imprisoned masses.

Present gulfs, the symptoms of receding opportunity, do not result from some inexorable nature or history. They are the consequences of our own actions — of miscalculations, ideological blinders, and ravenous greed. To some extent, they are the product of private failure to adapt. But they are also the consequence of national policy. We have adopted a “trickle-up” economics in which more and more wealth created by the great mass of citizens percolates in the pockets of a few.

For example, in the last 15 years we have virtually abolished the tax on large corporations, while increasing the tax on poor families by several hundred percent. In the name of free trade, we are exporting hundreds of thousands of jobs to foreign countries and, with them, the income and know-how that might be used to reinvigorate our own distressed industries. In many substantial shallows of economic life — from agriculture to investments — the large fish are swallowing the small, not because they are more efficient or more productive, not because they have won the battle of the free market, but because they are allowed, or given money, to buy out their competitors. The result is less efficiency, less growth, fewer jobs, and diminished income. Some get very rich.

This small space does not allow description of the deliberate distortions that are draining income and opportunity from the many. But they are everywhere to be found. And they are undeniable unless we wish to contend that the majority of Americans, through laziness or incompetence, have become less worthy to share our national wealth.

Many would accuse this discussion of demagogic oversimplification, pointing to the proliferating changes of modern economic life. But that response is, itself, an easy out. It is, in many hands, a disguise, a resort to the technical jargon of modern “economic science” to mask greed, hypocrisy, and flagrant transgression of the mandate that every American be allowed the largest possible scope for a personal “pursuit of happiness.”

Admittedly, economic solutions require deliberation and analysis. (Although we might begin with a fair tax code and an end to the nonsensical exhortations about an “open-world” economy in a world that is far from open, and where free trades means the freedom to drain away American resources.) But once we share the understanding that a narrowing base of opportunity is eroding the very base of opportunity and eroding the very foundation of American democracy, we will find those solutions. We have dug this hole, and we can fill it. If not, we will be forced to accept the verdict of George Washington who, resigning his commission after Yorktown, explained, “If our citizens should not be completely free and happy, the fault will be entirely their own.”

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