CONTEMPORARY OPTIONS

ADVOCATES FOR A MORE EQUITABLE AMERICA, a century ago, saw their campaign for social justice as essentially a two-front struggle. A good and honorable republic would emerge, these advocates believed, if more wealth accumulated at the bottom of America's social order, less at the top. Wise nations, James Madison had argued years earlier, seek to "reduce extreme wealth towards a state of mediocrity, and raise extreme indigence toward a state of comfort." Social justice activists one hundred years ago shared Madison's perspective. The fewer tycoons, the fewer paupers, the better the republic would most certainly be. For progressives, the task appeared straightforward. They needed to "level up" the lowly, "level down" the high and mighty.

Today, a century later, crusaders for social justice have largely given up on "leveling down." Contemporary social justice activists devote their energies, almost exclusively, to strategies that might help America "level up." And who can fault them? In today's political environment, thinking about "leveling down" can seem a colossally futile waste of time. The "extreme wealth" that so worried generations past now worries virtually no one of import in American public life. America once had Presidents who railed against "malefactors of wealth" and "economic royalists." In modern America, grand fortunes go unchallenged. No American under sixty has ever heard a prominent elected leader, in an important public forum, express a case, any case, against concentrated wealth.

Most people serious about social justice, as a consequence, don't think much about leveling down. They concentrate instead on "level up" activism, on advancing initiatives that can help poor people amass income and wealth. This single-minded attention to "leveling up," as a strategy for reducing inequality, can certainly be justified. "Leveling up" approaches, after all, *can* help close the gaps that separate the wealthy from everyone else. If poor people are improving their economic status faster than rich people are improving theirs, gaps between top and bottom will most assuredly narrow. Leveling up, as an approach to fighting inequality, also carries another attraction. No one prominent in American public life "supports" poverty. Everyone, all American political leaders agree, deserves an opportunity to get ahead.

Advocates for low-income families have worked diligently to translate this broad consensus for "equal opportunity" into political support for programs that give poor people a meaningful helping hand. But they have had, at best, limited success. Poor people, many influential American politicos believe, don't particularly need a helping hand. They need a kick in the butt. America, these influentials insist, remains *the* land of opportunity. In America, if you work hard enough, you will succeed. We have no "fixed" economic classes. Ours is a socially mobile society. You work, you climb. A lowly start does not condemn you to a lowly finish. That's what makes America great.

In truth, we are not today as mobile people as we think ourselves to be. Children from families in the nation's highest-income 10 percent, economists Samuel Bowles and Herbert Gintis documented midway through the 1990s, are twenty-seven times more likely, as adults, to end up in that top 10 percent than children from the bottom 10 percent. Out of every thousand children born into America's lowest-income tenth, their research revealed, only four will make it into the highest.[1]

"Individuals of all races and ethnicity are constantly moving from one class to another," a *Washington Post* survey of mobility research concluded in 1997. "But upward mobility is not automatic and is far less common, regardless of race, than is often assumed."[2]

Subsequent studies have only reinforced that conclusion. Annette Bernhardt, a researcher in Wisconsin, reviewed data that tracked 5,200 wage-earners over sixteen years. Increasing numbers of workers, she observed in 2002, "are permanently stuck in low-wage and dead-end careers, with little chance of entering the middle class."[3] Overall, the *New York Times* would add early in 2003, "experts report that mobility up and down the income ladder has diminished significantly recently in the United States."[4]

America's diminishing mobility has begun to alarm conservatives and liberals alike. Society, more academic analysts are proclaiming, needs to do something.

"Never has the accident of birth mattered more," Nobel Laureate economist James Heckman noted early in the new millennium. "I am a University of Chicago libertarian, but this is a case of market failure: children don't get to 'buy' their parents, and so there has to be some kind of intervention to make up for these environmental differences."[5]

"Many factors that lead to high or low incomes are beyond individuals' control," agreed a much more liberal Northwestern University political scientist, Benjamin Page. "We can and should help the unlucky."[6]

America's unlucky are still waiting for that help. Despite an overwhelming consensus in America that everyone deserves equal opportunity, despite growing evidence that obstacles are blocking that opportunity, despite growing support for "interventions" to increase opportunity, America has seen precious little "leveling up." People at America's economic bottom do not today enjoy any greater economic security than they did five, ten, or twenty years ago — or feel any less poor. The "practical" political approach to social justice — ignore concentrated wealth at the top of society, devote all possible political energy toward helping society's unfortunate — has not delivered. Leveling up, in the absence of any effort to "level down," seems to have failed.

In an unequal society, these pages will contend, any struggle for a more equal society that emphasizes "leveling up" over "leveling down" will always fail. The question is not whether we must level up or level down to fight inequality. We must do both. The real question is, how can we do both best?

AMERICANS HAVE BEQUEATHED TO WORLD CIVILIZATION two magnificent gifts fundamental to social progress. We have demonstrated that a nation can survive as a republic — and we invented free, universal public education.

These two gifts, we Americans once understood, work best in concert: Only an educated people can effectively govern themselves. But we have, over recent decades, tended to disregard this civic role of public education. We have emphasized instead education as an economic imperative. No one can succeed in the Information Age, we proclaim at every opportunity, without an adequate education. In high-tech times, we all agree, a poor education almost always guarantees economic failure, a life at the margins. Poor schools, seen in this light, constitute America's single biggest obstacle to equal opportunity. The obvious remedy: To make opportunity real for everyone in America, the schools poor kids attend simply must become better.

In the mid 1980s, this need to improve schools for poor kids became America's preferred response to growing inequality. Through better schools, experts and elected leaders agreed, America's unfortunate could be "leveled up" into middle class comfort.[7] A "better-trained workforce" would cure what ails low-income America. "One finds this mantra," economist Robert Kuttner would note midway through the 1990s, "in speeches of CEOs, declarations of business groups, White House pronouncements on the social role of corporations, and pleas by advocates of disadvantaged youth."[8]

Throughout the 1980s and 1990s, blue-ribbon commissions would swamp America with ambitious plans for improving the nation's most beleaguered public schools. But few of these plans, by century's end, had translated into significant achievement gains for disadvantaged students. Why so little progress? Schools by themselves, advocates for poor families did their best to explain, cannot undo the deficits that hold back children who live in or near poverty. Kids without a place at home to do homework will always have trouble keeping up. Kids in families always on the move from rental to rental, from school to school, will always keep falling further behind. To succeed in school, poor kids need a healthy learning environment, a stability, that a life in poverty cannot provide.

Kids who somehow beat the odds and make their way successfully through school, advocates added, face still another huge barrier to completing their education. Their families can't afford to send them to college.

Clearly, some analysts began arguing, poor kids need more than just good schools to get ahead. They need to live in families with "assets," families with enough household wealth to provide everything from a stable home environment to a reasonable shot at a college education. "Asset building" would soon become an important new addition to the "leveling up" dialogue. By the mid 1990s, specific "asset building" proposals would be proliferating in academic and political circles all across the United States.[9]

One version, the Individual Development Account, or IDA, advanced by Washington University's Michael Sherraden, took the already familiar Individual Retirement Account, or IRA, as a model, and proposed giving asset-poor families a tax incentive to save for their children's futures.[10] The Clinton administration would contemplate creating "Universal Savings Accounts" that would give families earning less than $40,000 an annual $600 tax credit and a federal matching grant of up to $700 a year.[11] Nebraska Senator Bob Kerrey suggested that every newborn be awarded a $1,000 savings account and then $500 a year more until the child's fifth birthday. At age twenty-one, after sixteen years of compounding interest, the grown child would have $20,000 — and a head start on life.[12] Republicans, meanwhile, advanced a "Savings for Working Families Act," a bill that aimed to reward families that save with matching federal dollars.[13]

The most sweeping of the asset-building prescriptions would come from two Yale Law School professors. Bruce Ackerman and Anne Alstott. Their 1999 book, *The Stakeholder Society*, proposed that the federal government extend to all Americans, on their twenty-first birthday, a no-strings-attached $80,000 grant, a sum about equal to the cost of a quality four-year college education.[14]

No top politicians would rush to embrace this notion of a universal $80,000 grant. But a host of top politicos, in 2000, would maneuver to position themselves as asset-building advocates. In their 2000 election bids, both George W. Bush and Al Gore pledged to advance, if elected, bold new asset-building approaches.[15]

Bush and Gore, in their campaigns, would make even louder pledges around education. Both promised, in nearly every stump speech, to make America's schools their highest priority. This matching campaign rhetoric reflected, in effect, an elite consensus on "leveling up," a consensus that had been twenty years in the making. Government, America's movers and shakers agreed, must bust down the barriers that block poor people from economic success. Schools must be improved. Nest-eggs must be nurtured.

But this elite consensus, in the early years of the twenty-first century, would not move anywhere beyond rhetoric. Low-performing schools would not be significantly improved. Millions of poor kids would continue to walk every morning into overcrowded, ill-equipped classrooms and find inexperienced, unqualified teachers. And nest-eggs would not be nurtured. More families would continue to drop out of America's middle class than in. These outcomes could have been predicted. Schools for poor kids can indeed be improved, nest-eggs can be nurtured. But not on the cheap. “Leveling up” efforts, whenever *seriously* pursued, cost. A great deal. America’s movers and shakers, in the opening years of the new century, would simply not be willing to foot the bill.

How big a bill would real “leveling up” demand? Michael Sherraden’s original 1991 asset-building proposal would have cost $28 billion to implement in its first year alone. In 1998, Democrats and Republicans joined to enact a pilot program somewhat along the lines Sherraden suggested. The congressional appropriation for this initial asset-building effort: a grand total of $300 million *for five years.*[16]

In education, federal officials would need just look in their own backyard to see how much a real “leveling up” effort would cost, since the federal government itself is currently running the nation’s most successful school system for kids from low-income backgrounds. This school system, the Department of Defense schools for kids from military families, boasts better test scores from low-income students than any other school system in the country. How do the DoD schools produce these outstanding results? Money, educators point out, certainly helps. In the 1990s, Department of Defense schools spent 23 percent more per pupil than the national per pupil average.[17]

In the 2000-2001 school year, local, state, and federal authorities spent nearly $400 billion overall on public elementary and secondary education. Bumping that figure up 23 percent, to match the per pupil investment in Defense Department schools, would require about another $100 billion a year.[18] And that $100 billion would still not guarantee equal educational opportunity. College would remain beyond the grasp of millions of students from low-income families. That added $100 billion would also do nothing to give poor children an equal opportunity in their early years, before school. How much more does the nation need to spend on quality preschool services? More, suggests Johns Hopkins University educator Robert Slavin, than America is even willing to consider.

Slavin came to that conclusion after examining results from an ambitious North Carolina experiment in quality preschool education that had begun in the 1970s. This experiment gave a randomly selected group of poor kids, from infancy to age eight, a comprehensive set of social supports. Later tested as teenagers, these poor kids “scored substantially higher on measures of IQ, reading, and mathematics” than kids who hadn’t enjoyed the same support.[19] Good news? Not really. The project, Slavin observed, was “too expensive under current conditions to replicate widely.”[20] How expensive? The program cost, on average, $13,000 per child, in 2002 dollars, about twice the per child cost of the federal government’s existing Head Start program.[21] And Head Start, as funded in 2002, was only reaching three-fifths of the three- to five-year-old poor children eligible for it.[22]

In an America where a “leveling up” program as popular as Head Start could not gain full funding, Slavin understood, preschool programs robust enough to make a significant difference for all poor kids would remain sheer fantasy. And other interventions needed to guarantee equal opportunity — the programs to turn around low-performing schools, the assistance needed to make college affordable — would remain fantasies, too. They all cost too much. Lawmakers in turn-of-the-century America would only fund, at best, token efforts. To do otherwise, to raise the hundreds of billions necessary to provide real equal opportunity, lawmakers would have to take a step they have been unwilling to take. They would have to insist that America's wealthy ante up. A nation as wealthy as America can afford a leveling up agenda, but not without reaching into America's deepest pockets. To "level up," America first needs to level down.[23]

So note the authors of the *The Stakeholder Society*, the most ambitious text of the asset-building movement. The United States, Bruce Ackerman and Anne Alstott point out, could bankroll an $80,000 nest-egg for every twenty-one-year-old simply by enacting a 2 percent tax on the wealth of America's more comfortable households.

"The wealth of America is distributed so unequally," they observe, "that stakeholding can be financed by a tax that hits only the top 41 percent, with the top 20 percent contributing 93 percent of the total."[24]

America's elites, in the early years of the twenty-first century, would evince no interest in this sort of tax. They would evince no interest in any "leveling up" activity that required, to succeed, any sort of "leveling down." In an unequal America, the stakeholder society, any serious effort to level up people at America's economic bottom, would have to wait.

ANY SOCIETY THAT AIMS TO HELP POOR PEOPLE climb up life's economic ladder, up past the obstacles that have blocked their way in the past, must be willing to devote significant time and treasure to the effort. But time and treasure, even if adequately expended, can go for naught. Few will ever climb *up* life's ladder, even with help, if they live and labor in an economy that's constantly shoving *down* the people above them.

Our current economy does just that. In fact, our nation's movers and shakers have been shoving people down America's economic ladder ever since the 1970s. These movers and shakers have changed the rules that determine how our economy plays out. The old rules gave working people a shot at getting and keeping good jobs. The new rules reward those who snatch good jobs away.

Our corporate elites, not surprisingly, would rather we not pay much attention to the rule changes. They enjoy the new playing field. Under the new rules, they no longer have to bother with pesky government regulations that require them to protect workers and consumers. They can merge and purge their industries without suffering antitrust prosecution. They can deny workers the right to organize without getting prosecuted for violating labor laws. They can collect subsidies, financed by public tax dollars, for downsizing and sending jobs overseas. They can count, most of all, on government — as the economy's "referee" — to make sure every close call goes their way. Should taxes on the affluent be raised or public services cut and privatized? Should Medicare be extended or insurance companies guaranteed new markets? Should trade agreements respect environmental standards or give companies that exploit the environment the competitive edge? Under the new rules, the ultimate decisions always seem to tilt the same way.

Corporate America started demanding, and winning, these new rules for the economy over a quarter century ago, in the nation's "stagflation" years. If America's economic playing rules were changed, business leaders then assured lawmakers, the resulting prosperity would swoop working Americans up into a new era of good times. That didn't happen. The new rules shoved millions of Americans down, not up, and left dazed families wondering anxiously how they would ever get themselves back to where they had been.

To Americans who complained about this economic duress, corporate America had a two-part retort. Your problem, those in distress were informed, sits with your education. You aren't educated enough. Your problem is your bank account. You don't save enough. You haven't built up a big enough nest-egg. This clever spinning of the two "leveling up" strategies that came into vogue in the 1980s and 1990s — education and asset building — essentially transferred the responsibility for disappointing living standards off the economy and onto people living disappointing lives.

People like Christopher Audet. In 1999, a *Christian Science Monitor* article presented the story of Audet, a Florida man, as a cautionary tale about what inevitably happens whenever people don't take their life's choices seriously enough. Under the headline, "The Growing Cost of Skipping College," the piece noted that Audet had "tried college, but he couldn't stick with it." The result? Audet had become a toll-taker in Ft. Lauderdale making $5.75 an hour. Audet's fate, the article suggested, awaits any worker who gives school the straight-arm. Real wages for America's unskilled workers, the article noted, had actually dropped over the previous ten years.[25]

Articles like this *Christian Science Monitor* piece, the media watchdog group FAIR would later note, never seem to mention an equally telling fact. Real wages for unskilled males most certainly did fall over the course of the 1990s, but so did the entry-level wages of men with college degrees. If Christopher Audet had finished college, he would have stepped into a job market that paid college grads 8 percent less, in real dollars, at the end of the 1990s than they made at the decade's start.[26] In the boom years, if you worked for a living, you were making no leaps up the ladder — even if you had worked hard to get yourself an education.

Indeed, if education could drive people up the economic ladder all by itself, the last quarter of the twentieth century should have seen an unprecedented upward explosion in average American household incomes. In the three decades after 1973, the share of American workers with college degrees doubled.[27] But average Americans saw no income explosion. Between 1973 and 2001, the real hourly wages of Americans with college degrees rose all of 11 cents per year.[28]

People like Christopher Audet aren't rotting the American economy. Our economy is rotting from stagnating wages. And nothing will change so long as work does not pay. Assets will not accumulate in average households. Kids will not even do appreciably better in school. Raising incomes in America's poorest households, note sociologist Mike Miller and activist Chuck Collins, "would do more for raising educational performance than would the current nostrum of raising standards." Higher wages, they point out, "make it easier for families to keep their children in school for longer periods."[29] In the years right after World War II, the higher wages bargained by strong unions elevated millions of mass production workers into the middle class, "despite their blue-collar occupations," and, note Miller and Collins, "propelled many of their offspring into higher education."[30] Between 1945 and 1970, years of rising wages, college enrollment in the United States more than quadrupled, from 1.5 to 8 million students.[31]

Over the course of those years, from 1945 to 1970, our nation's basic economic rules kept us on what progressive economists have labeled the "high road." Lawmakers, prodded by strong unions, anxious to score Cold War debating points in the struggle with the Soviet Union, insisted on rules for the economy that really did "put people first." Employers were expected to bargain with their employees. Affluent people were expected to pay their fair share of taxes, and these tax dollars would help fund investments in schools, in housing, in roads and bridges, in research that developed new technologies and created new industries and jobs. Under these postwar rules, the minimum wage would regularly rise. Under these rules, working people would prosper. They would rush up America's economic ladder.

The United States, progressive economists advise, needs to get back on this "high road" — and start once again following policies that privilege average people. If we could set ourselves back on the "high road," economists Barry Bluestone and Bennett Harrison have estimated, we might as a nation be able to "regain the more equal income distribution that existed in the 1960s" within a dozen years.[32]

America's top economic decision makers have ignored this "high road" counsel. They have kept America, with only an occasional detour, rolling down the "low road," the road that privileges the powerful and leaves the rest of us to fend for ourselves. They justify this low-road course, year after year, with the same numbing, lifeless prose.

"We must pursue monetary conditions in which stable prices contribute to maximizing sustainable long-run growth," Federal Reserve Chairman Alan Greenspan tells us. "Such disciplined policies will offer the best underpinnings for identifying opportunities to channel growing knowledge, innovation, and capital investment into the creation of wealth that, in turn, will lift living standards as broadly as possible."[33]

America's average living standards, after over a generation of such "disciplined policies," remain unlifted. So why do we, as a nation, stick to the low road? We stick because the low road can be comfortable — for those who ride down it in limos. The low road has carried America's wealthy wherever they have wanted to go. Not surprisingly, they have resisted, with gripping determination, any national change of direction.

Back before the 1970s, by contrast, the wealthy and powerful did not resist the high road. Corporate leaders played along, under "high road" rules, and they actually did quite well. The gap between the wealthy and everybody else did narrow substantially in the quarter century after World War II, but not because wealthy people stopped making more money. The incomes of the affluent actually rose during the "high road" years, just not as rapidly as the incomes of average people.[34]

So why do today's corporate leaders fiercely oppose the same "high road" policies that yesterday's corporate leaders accepted so readily?

No great mystery here. Yesterday's corporate leaders could afford to be accepting. In the postwar years, decades of rebuilding in war-torn Europe and Asia, American businesses enjoyed little competition. Executives could amble along, pay decent wages, abide by regulations meant to protect the public interest, meet their tax responsibilities, and still, at the end of the day, tally handsome profits. But that world of easy earnings started crumbling in the 1970s. Corporate America could no longer effortlessly dominate markets, either in the United States or across the world. Corporate leaders now faced real competitors — and a choice. They could sit down with government and labor and jointly rethink and retool to meet the challenges of a new world economy. Or corporate leaders could keep their own good times going by ending good times for everybody else. They would choose the latter course. They would press for and win new "rules" for the economy. They would gain everything from a "union-free" environment to deregulation, everything from "free trade" agreements to lower tax rates.

Under these new rules, wealth — and power — would concentrate ever more grandly at the top of America's economic ladder. And that power would keep the new rules firmly in place, despite clear and mounting evidence that these new rules had created an America that was failing most Americans.

We as a nation cannot hope to steer America back onto our abandoned "high road," cannot begin creating an America that works for most Americans, unless we confront and reduce this power of concentrated wealth, the power that keeps America on the "low road." To put into place the policies necessary to create an economy that works for everyone, we need, in short, to "level down."

Down through history, in the United States and elsewhere as well, average people have at times been able to "level down" severe inequalities. But those times, history shows us, have almost always come amid intense social crises, amid wars and depressions that have left societies — and their upper crusts — deeply shaken. Must we today wait for war and depression before we can make any serious inroads against concentrated wealth? Or can we level down, seriously and significantly, without having to first undergo cataclysmic social dislocation?

That just may be, in the century ahead, the most important question we all face.

WISE PEOPLE HAVE BEEN THINKING ABOUT how best to “level down” concentrated wealth ever since the dawn of recorded history. How do we know? The Bible tells us so. The giants of our biblical narratives, the great prophets from Moses to Jesus, obsessed about the need to keep wealth from concentrating — and poisoning the good and just societies they hoped to hasten into reality.

Moses and the Israelites, after escaping Egypt and bondage, faced the challenge of sustaining themselves as a new nation. How would they choose to structure their new society? Would they recreate the hierarchies they had fled? Moses, notes theologian Ched Myers, urged his people to think anew.[35] Gather for your needs, Moses advised, and no more. Strive not to endlessly accumulate. Pharaoh had accumulated. The Israelites, Moses insisted, must not go down that road. Future prophets would echo Moses. They understood, as Ched Myers explains, that oppressive regimes draw “labor, resources, and wealth into greater and greater concentrations of idolatrous power.” They urged Israel “to keep wealth circulating through strategies of redistribution, not concentrating through strategies of accumulation.”[36]

And how could a just society keep wealth from accumulating? The Bible offers a course of action Myers has termed “sabbath economics.” All who do honor to God, the Bible advises, should regularly rest from their labors, from their accumulating. “Six days you shall gather,” Exodus tells us, “but on the seventh, which is a Sabbath, there will be none.”[37] Those who observe the Sabbath must rest from accumulating not just every seventh day, but every seventh year. In this Sabbath year, Exodus advises, “You shall let the land rest and lie fallow, so that the poor of your people may eat.”[38] All debtors, insists Deuteronomy, must be released from their burdens in this same Sabbath year.

Ancient prophets, Ched Myers explains, saw debt release as “a hedge against the inevitable tendency of human societies to concentrate power and wealth in the hands of a few.” In ancient societies, wealth would often first start concentrating in significant accumulations when deeply indebted families had to sell off their lands to service their debts. The creditors, landowners themselves, would add the lands of indebted families to their own personal holdings, creating ever larger fortunes. For shame, prophets like Isaiah would thunder in response, as they berated wealthy creditors who had added “house to house and field to field, until there is room for no one but you.”[39]

The Bible’s Sabbath logic, notes theologian Ched Myers, would reach its “fullest expression” in the “Jubilee,” the grand remission that marked the year after every seventh Sabbath year, or the fiftieth year of the biblical cycle. In the Jubilee year, the Book of Leviticus proclaims, all shall be released from their debts, all lands shall be returned to their original owners, and all slaves shall be freed. A leveling down, a leveling up.[40]

This Jubilee vision, Myers suggests, can help us understand the clashes between Jesus and the authorities of his day.[41] Jesus claimed "the authority to cancel debts and restore the Sabbath." This "revisioning of Sabbath economics," notes Myers, "lay at the heart of his teaching — and stood at the center of his conflict with the Judean public order."[42] "Many who are first will be last," preached Jesus, in wisdom inspired by the Jubilee tradition, "and the last first."[43]

Those uncomfortable with this tradition, down through the years, have argued that biblical urgings for Sabbath years and Jubilees were never taken seriously, even in biblical times. But the Bible, Ched Myers notes, presents ample evidence to the contrary. The Bible's prophets — Isaiah, Amos, Hosea, Jeremiah — repeatedly rail against violations of the Sabbath spirit.

"If we are going to dismiss the Jubilee because Israel practiced it only inconsistently," adds Myers, "we should also ignore the Sermon on the Mount because Christians have rarely embodied Jesus' instruction to love our enemies."[44]

In ancient Israel, a simple agrarian society, the Sabbath economics of rest, relief, and remission could and did provide a standard for realizing a just and good society, a "leveling" frame of reference. In our more complex times, Sabbath economics can still offer us inspiration. But we need to look elsewhere for an operational leveling plan. The agrarian Jubilee does not fit our modern age. Those who would do honor to the Jubilee spirit, notes Ched Myers, "have hard work to do."[45] We have an obligation to develop a leveling approach that does fit our times.

What might that leveling approach be?

WE HAVE NO THUNDERING PROPHETS TODAY. We do have thoughtful theologians. Many of these theologians believe that our age can lay claim to a leveling instrument worthy of our biblical heritage. They see in "progressive taxation" — tax systems that pinch the wealthy at higher rates than everyone else — a modern match for the Jubilee spirit.

"In a just society, those with more have an obligation toward those who have less," notes Patricia Ann Lamoureux, a Baltimore-based professor of moral theology. "This outlook supports a proportional and progressive tax structure."[46]

Progressivity, America's Catholic bishops agreed in their landmark 1986 pastoral letter on economic justice, brings to tax policy "an important means of reducing the severe inequalities of income and wealth."[47]

Our age's most important progressive tax levy, the federal income tax, boasts roots that run deep in both secular and religious thought. Karl Marx certainly did, as Ronald Reagan used to complain, support the progressive income tax. But he was merely following in the footsteps of the most celebrated hero of Ronald Reagan's conservative movement, the eighteenth century thinker Adam Smith.

"It is not very unreasonable," wrote Smith in his most famous work, *The Wealth of Nations*, "that the rich should contribute to the public expense not only in proportion to their revenue, but something more than in that proportion."[48]

Social justice crusaders have been echoing that idea ever since.

"The progressive income tax," as commentator Molly Ivins summed up in 2001, "is the single fairest form of taxation ever invented."[49]

This cheering, to be sure, has dimmed somewhat in recent decades. The federal income tax, many observers charge, no longer makes much of a progressive impact. Loopholes have become so large, tax rates on high incomes have fallen so low, that income taxes no longer tend to even out America's income inequalities. These inequalities, Joseph Pechman lamented in his 1989 American Economic Association presidential address, have become "even more pronounced after tax than before tax."[50] The wealthy, liberal commentator Mickey Kaus has argued, have never paid income taxes at the high progressive rates the tax laws say they should. They simply exploit loopholes to slash their tax bills.[51]

Conservatives have welcomed these liberal critiques. High tax rates on high incomes, they cheerfully chime in, will always backfire. "History shows that the ability to extract higher revenues from the rich is extremely limited," Bruce Bartlett, a former Treasury Department official, contended in 1993. "Higher rates simply cause the rich to shift their income from taxable forms to nontaxable forms or to forms that are taxed at a lower rate."[52] If the wealthy can accumulate fortunes with or without high tax rates in effect, conservatives ask, why bother taxing progressively?

Attacks on tax progressivity gained wide currency in the late twentieth century. But these attacks misread history. The federal progressive income tax, until neutered by the Reagan administration, *did* impact the concentration of wealth in the United States, and enormously so. That became undeniably obvious in 1998, after researchers Michael Klepper and Robert Gunther calculated an inflation-adjusted list of the forty richest Americans of all time.[53] The four fortunes Klepper and Gunther found at the top of their list wound up belonging to John D. Rockefeller (1839-1937), Andrew Carnegie (1835-1919), Cornelius Vanderbilt (1794-1877), and John Jacob Astor (1763-1848). All four of these tycoons made their fortunes *before* the heyday of high progressive tax rates on high incomes, a heyday that began in the 1930s and gamely hung on into the 1970s.

The list's fifth richest American of all time, Microsoft's Bill Gates, made his fortune *after* the demise of the stiffest progressive rates on high incomes, as did the eleventh richest on the list, Wal-Mart's Sam Walton, the thirteenth richest, investor Warren Buffet, and the twenty-second richest, Microsoft's Paul Allen.

Of the forty richest men in American history, not one made the bulk of his fortune during America's half century of high progressive tax rates. In effect, over the course of this half century, the American economy almost entirely stopped generating colossal concentrations of wealth and power. Awesome fortunes emerged in the United States *before* the 1930s and the onset of high progressive taxes. Awesome fortunes emerged *after* the Reagan administration eliminated high progressive rates in 1981. But no colossally grand fortunes emerged *during* the years the U.S. tax code subjected high incomes to progressive high rates.

Must we attribute the absence of colossal fortunes in the mid twentieth century to the progressive income tax? Alternate explanations could certainly be feasible. Maybe entrepreneurs in mid-twentieth century America simply gave up trying to make money, because Uncle Sam was snatching so much of it away. Maybe high tax rates drained the incentive to succeed out of the business world. Maybe entrepreneurs, lacking "incentive," just became lazy and stopped behaving entrepreneurially, stopped working hard to excite American consumers with new products and new technologies. That would explain, some might argue, why the computer industry didn't start generating excitement — and billionaires — until the Reagan years ripped progressivity out of the U.S. tax code.

Actually, these alternate explanations explain nothing. Entrepreneurs did not "give up" during the high tax years. They innovated on a grand scale throughout the high tax era. Indeed, they brought to market, right in the heart of that era, the single most exciting product in consumer history, the product that became the single "greatest form of mass entertainment" ever.[54] That product? Television. In 1948, only 1 percent of American households owned a TV. Within seven years, televisions graced the homes of 75 percent of the American people.[55] Those TV sets didn't just drop into those homes. They had to be designed, manufactured, packaged, distributed, marketed. An entire new broadcasting industry had to be invented. Programming had to be produced. Imaginations had to be captured. All of this demanded an enormous outlay of entrepreneurial effort. And that effort was made, despite progressive tax rates that taxed away income over $200,000 at a 91 percent rate. The progressive income tax in the early 1950s didn't prevent innovation and entrepreneurship. The progressive income tax simply prevented that innovation and entrepreneurship from generating dynasties of gargantuan wealth and power.

We must acknowledge, at this point, that some great fortunes did emerge in the heyday years of progressive tax rates. None of these fortunes would grow large enough to rank among America's forty richest of all time. But some did reach grand proportions. Do these fortunes prove that high progressive tax rates cannot prevent great wealth from concentrating? Not in the least. These fortunes amount to the exception that proves the rule. Some Americans did indeed become fabulously wealthy during the high tax years. But they only became fabulously wealthy because America's lawmakers essentially exempted them from high taxes. The great fortunes that emerged over the course of the high tax years almost all arose in one industry. The oil industry. Oil men, over the mid-century years, led a charmed political existence. They had what no one else had, a special tax code preference that amounted to a "get out of jail free" card. That preference, the "oil depletion allowance," would give oil men the single most lucrative tax loophole ever.

The oil depletion allowance, first introduced in the 1920s, would be institutionalized and expanded in the 1930s.[56] Over the next half century, oil tycoons essentially escaped the tax rates that applied to every other industry.[57] By the 1980s, the end of the progressive tax era, America's wealthiest individuals had either inherited their wealth, from fortunes originally amassed before high progressive tax rates went into effect, or made their fortunes in and around the oil business. *Forbes* magazine began its annual "400 richest Americans" calculations in 1982. Of the thirteen billionaires on that first 1982 list, five owed their fortunes to one daddy, oil man H. L. Hunt.[58] The very richest Americans, besides little Hunts, also included oil offspring from Sid Bass and John Paul Getty.[59]

In the years after that initial *Forbes* annual list, oil would lose its special status. The 1981 tax cut that slashed the top tax rate from 70 to 50 percent, followed by the 1986 cut that dropped the top rate to 28 percent, cleared the decks for super fortunes across the entire economy. America's early computer entrepreneurs would take full advantage of that opportunity. In the 1950s, with progressive tax rates in effect, the introduction of television into American homes had created no megafortunes. In the 1980s and 1990s, with progressive tax rates no longer in effect, the introduction of computers into American homes would create one new megafortune after another.

Elsewhere in the industrial world, progressive tax rates did not disappear in the 1980s. In Europe and Japan, tax rates on top incomes would remain relatively high. Megafortunes in these nations would remain rare. America's four hundred richest, *Forbes* would note in 1997, "are clearly lucky to be Americans." The richest of the rich in the United States, the magazine explained, pay taxes at "nowhere near" the rates applied to the wealthy in other developed nations.[60] "You don't have to be a rocket scientist," *Washington Post* political analyst David Broder would agree, "to know that the U.S. tax system has helped the top brackets amass their wealth."[61]

Progressive income tax rates, Broder understood, clearly do make a difference. They can prevent huge concentrations of wealth from amassing. But do progressive tax rates make enough of a difference? Can progressive rates be sustained, over time, at high enough levels to keep a democratic society free from immense pockets of wealth and power? For egalitarians, unfortunately, history cannot offer a comforting answer.

"A PROGRESSIVE TAX CODE," notes *Los Angeles Times* columnist John Balzar, "dampens greed."[62] But high tax rates on high incomes also have another inevitable impact. They make rich people see red.

Wealthy people, as a group, have never accepted the basic principle behind tax progressivity, the notion that all citizens should be taxed according to their ability to pay. Wealthy individuals, by and large, have always seen progressive tax rates as intolerable sanctions on success, vile nuisances to be hated, avoided, and, God willing, ultimately eliminated. Not all rich people, of course, have shared this embittered attitude. In every progressive tax era, a few brave affluent souls have spoken out *for* progressive taxation — and risked "class traitor" stares from their wealthy peers.

"Why shouldn't the American people take half my money from me?" as Edward Filene, the department store merchandising giant, once quipped. "I took all of it from them."[63]

Edward Filene and his ideological heirs have never set the tone for America's upper crust. In the United States, and elsewhere as well, efforts to initiate seriously progressive income tax systems have always met relentless resistance from wealthy people and the politicians in their pockets. In these standoffs, the wealthy usually prevail. But not always. Not during times of national crisis. Wars and economic catastrophes tend to upset politics as usual. They make the previously unthinkable — high taxes on high incomes — suddenly achievable. Still, crises never last forever. The wealthy eventually regain their political footing. They then, typically, take dead aim against any progressive tax rates the previous crisis may have left behind. They struggle, with all their might, to ax these rates. After World War I, they succeeded. In the 1920s, in the United States and most other industrial nations, the wealthy seized back the ground they had lost during the war.

With the wealthy back in the saddle, the world would stumble backwards, back toward inequality, to depression, to another world war. After World War II, notes University of Colorado political scientist Sven Steinmo, most observers expected more of the same. They felt sure that governments would "roll back taxes to somewhere near prewar levels." That didn't happen. Western governments proved able to hold "on to the high levels of taxation that the war had made politically possible."[64] That achievement would subsequently reshape the entire postwar world. In the years right after World War II, revenues from high progressive taxes would bankroll the initiatives, in everything from education to housing, that created the modern middle class — and the most equal societies the developed world had ever seen.

This progressive tax momentum, unfortunately, could not be sustained. In the United States, as we have seen, elites during the Eisenhower years didn't have the political strength to confront tax progressivity directly. They would work behind the scenes instead, trying to carve loopholes in the tax code. The Kennedy years would see the beginnings of actual rollbacks in tax rates. Still, despite the new loopholes, despite the Kennedy rate reductions, America's tax code would retain considerable progressivity until the Reagan years essentially ended tax progressivity in the United States.

The rest of the world would soon start following suit, slowly at first, then more rapidly in the late 1990s. Most governments in Europe and Asia felt they had no choice, not in a tightly globalized world economy. In this economy, dominated by a low-tax United States, political leaders feared that capital would abandon their countries if they dared try to maintain tax rates at high progressive levels. They found themselves, consequently, "forced to redesign their tax systems — largely irrespective of the preferences or desires of the majority of citizens."[65]

By 2000, every major European nation had reduced taxes on the wealthy.[66] Tax rates on wealthy incomes in these nations still remained higher than tax rates on wealthy incomes in the United States. But the gap, by century's end, had shrunk. Progressive income tax systems, throughout the world, were now no longer making the equalizing impact they once had. They no longer functioned as much of a brake on concentrated wealth.

In the 1990s, especially in the United States, egalitarians would begin searching for alternatives. Their exploration would come to focus on another longstanding, but sparingly practiced, leveling down option, the "wealth tax."

AMERICANS HAVE BEEN PAYING TAXES on "wealth," or property, ever since colonial days. But we have, down through the years, defined "property" rather narrowly. Our contemporary "property tax," in fact, only taxes one category of property, real estate. This narrow definition tends to generate a fundamental unfairness. Average families must pay taxes on the value of their homes, the chief source of their household wealth, but more affluent families pay no tax on the value of their stocks and bonds, the chief source of their wealth. Our current "property tax," in effect, privileges the property of wealthy people — and, in the process, serves to concentrate still more wealth in wealthy people's pockets. This property tax special privilege could be swiftly ended, many egalitarians have argued, simply by imposing a "wealth tax," an annual levy on all property, not just real estate.

If a wealth tax were enacted in the United States, each household would simply tally up assets and liabilities to compute a "net worth." Households with little net worth would pay no "wealth tax." Households with a modest net worth would pay a tiny percentage of that net worth in tax. Households with hefty net worth would pay considerably more.

Wealth taxes already exist elsewhere in the world, mostly in Western Europe. These levies subject appreciable accumulations of wealth to a small annual tax rate, typically around 1 or 1.5 percent. Switzerland taxes its largest wealth accumulations at an even lower rate, just one third of 1 percent.[67] In the United States, notes New York University economist Edward Wolff, even rates as low as these could generate quite substantial annual revenues. In 1995, Wolff proposed a wealth tax that would exempt every family's first $100,000 in assets, then tax wealth above that level at rates that ranged from a miniscule 0.05 percent to a still tiny 0.3 percent on the highest accumulations. An annual wealth tax so configured, Wolff calculated, would have then raised $50 billion.[68]

In the 1990s, Wolff's new research on America's increasing maldistribution of wealth would help build support for his wealth tax notion, some from important quarters. Midway through the decade, AFL-CIO secretary-treasurer Tom Donahue would call for a tax on all fortunes worth over $10 million.[69] "A progressive tax on wealth," former U.S. labor secretary Robert Reich would argue in 1998, "should not be beyond imagination."[70]

Support for a wealth tax even came from unexpected quarters. In 1999, multimillionaire developer Donald Trump suggested a wealth tax that would subject every fortune worth at least $10 million to a one-time 14.25 percent tax. If that tax were imposed, Trump asserted, the resulting revenue would be enough to retire America's entire national debt.[71]

No modern nations have ever seriously contemplated taxing wealth at a level anywhere near that 14.25 percent. The wealth tax, in practice, has remained a modest levy, a levy so modest that no contemporary wealth tax actually does much to level down inequality. A $100 million fortune averaging a 10 percent annual return on investments will, if subjected to a 1 percent annual wealth tax, continue to amass in size at quite a steady clip.

Why have wealth taxes, where they exist, remained so modest? Why do wealth taxes exist in so few nations? One reason may be the administrative headaches that inevitably accompany any effort to tax property. To be taxed, property must first be assigned a dollar value. Some forms of property — stocks and bonds, for instance — carry a regularly updated dollar value. These create few assessment problems. But other forms of wealth, from fine art to expensive jewelry, can take considerable effort to assess fairly. That reality poses a dilemma for lawmakers. If they choose to tax only those forms of wealth that can be easily assessed, then rich people will have an incentive to shift their fortunes into forms of wealth not easily assessed. If lawmakers choose to apply a wealth tax to all forms of wealth, including the difficult to assess, then a new assessment bureaucracy would have to be created, to keep rich people honest.

None of these administrative headaches make wealth taxes unworkable. But these headaches must be addressed, and that can take time. In moments of national crisis, the only moments when nations have historically contemplated placing new tax burdens on wealthy people, time cannot be wasted. Governments at crisis moments need revenues immediately. They can, almost always, collect these revenues more quickly and efficiently from taxes on income than taxes on wealth.

Still another reason, a perhaps more consequential reason, helps explain why wealth taxes have not advanced much beyond the curiosity stage. Any effort to establish and maintain a progressive *wealth* tax faces the same challenge as any effort to establish and maintain a progressive *income* tax: Rich people will always fight more forcefully to stop the taxation of excess wealth — or income — than average people will fight to make sure that excess wealth, or income, is taxed. Rich people, whenever taxes on excessive wealth or income are proposed, have a direct stake in the decision to be made. That's *their* money at issue. A tax on excessive wealth takes money directly *out* of wealthy pockets.

For the nonrich majority, by contrast, the benefits from progressive taxation, on either wealth or income, will always seem less tangible. A tax on excessive wealth never places dollars directly *into* the pockets of the nonrich majority. The most obvious benefits from taxing excessive income — more revenue dollars for programs that improve the quality of the lives that nonrich people live — can certainly be concrete. But these benefits are never immediate, and average people, as a result, seldom feel an urgent need to press for them, *except* during wars and other moments of national crisis.

These crisis moments totally transform the political environment. Everyone in society suddenly feels a sense of engagement, of urgency. Revenues, people understand, must be raised to win the war or solve whatever the crisis may be. And these revenues, average people also see clearly, will only be raised at adequate levels if all people contribute what they can, especially those who can afford to contribute the most. Wealthy people, in this atmosphere, can seldom prevail politically. Progressive tax proposals they could have swatted away with ease in more "normal" times — and perhaps did — now become law. The wealthy grit their teeth and pay their taxes. Their time will come. After the crisis.

The crisis over, the wealthy make their move. They launch aggressive struggles to render progressive tax systems ineffectual. Eventually, history shows, they prevail, unless and until some new crisis restores urgency and passion to the case for progressive taxation.

We now have, in the United States, nearly a century of experience with the progressive income tax. In all that time, non-rich majorities have never been able to sustain tax progressivity, absent war or depression, for more than a few decades. Could some other approach to progressive taxation prove more lasting, over the long term, than the progressive income tax? Could some other approach give non-rich majorities as much incentive to fight *for* "leveling down" as rich people have to fight against it? Perhaps. Wealth taxes weren't the only unusual "leveling down" idea championed in the 1990s.

FEW SCHOLARS HAVE DONE MORE TO HELP us understand how inequality limits our lives than Cornell University economist Robert Frank. Wealth that concentrates at excessive levels, Frank has shown, invariably fuels a wasteful conspicuous consumption that leaves average people gasping for breath on a never-ending "hedonic treadmill." In his 1999 book, *Luxury Fever*, Frank suggests a tax strategy that could slow that treadmill — and channel concentrated wealth into spending for the public good.

Frank's strategic suggestion, the "progressive consumption tax," essentially calls rich people's bluff. High taxes on high incomes, the wealthy have always claimed, sap a nation's economic vitality. If rich people are taxed heavily, the argument goes, they can't save and invest as much as they otherwise would. That's bad news, the argument continues, for entrepreneurs looking for investment capital. If these entrepreneurs can't find capital, they can't expand existing operations or create new ones. Everyone loses.

Advocates for tax progressivity have always considered this argument basically bogus. If wealthy people were taxed at lower levels, they note, the resulting dollars that would stay in wealthy pockets would not all be responsibly "invested." Many of these dollars would be wasted, on speculation or luxury spending. But let's assume, for argument's sake, that wealthy people really would save and invest, at significantly higher levels, if tax collectors would only give them a break. These eager-to-invest wealthy people, Robert Frank suggests, ought to welcome enthusiastically the prospect of a progressive consumption tax. Such a tax, he posits, would reward savers and investors — and penalize only those self-absorbed rich who squander their treasure on luxury baubles.

A progressive consumption tax, Frank notes, could work simply. If a progressive consumption tax replaced the traditional progressive income tax, Americans would still report to the IRS how much they earn every year, but they would also report how much they save every year — in everything from bank accounts to mutual funds. The difference between income and savings would represent a family's consumption. Each family would be able to claim a standard deduction, for basic living expenses, off that consumption total. The remaining consumption would be taxed, at low rates for low amounts, at high rates for high amounts.[72]

Under a progressive consumption tax system, wealthy people who save and invest their excess cash would pay far less in taxes than wealthy people who spend lavishly. This penalty on luxury, Frank believes, would encourage wealthy people to spend less and save more.[73] Less luxury spending by the wealthy would, in turn, reorient the economy. Carpenters, Frank predicts, would "spend less of their time building mansions for the superrich" and more time building homes for regular people. Fewer dollars would be "spent on liposuction and tummy tucks," more on "people who actually have illnesses."[74]

The rates for a progressive consumption tax, Frank adds, could be calibrated at levels that raise the same revenue from people at different income levels that the federal income tax does now. But if consumption tax rates were set more progressively than the current federal income tax, a course Frank favors, a progressive consumption tax could raise more revenue than the income tax does now. Tax rates on consumption, notes Frank, ought to go as high as income tax rates went before the Reagan revolution, to 70 percent.[75] Rates this high, he believes, could raise enough revenue to fund a renaissance in America's long-neglected "inconspicuous consumption," our nation's outlays for transportation, health, and other public goods that ease life's daily aggravations.

Consumption taxes amount to an indirect tax on luxuries, and taxes on luxuries, Frank acknowledges, generally have an abysmal track record. Taxes on jewelry, yachts, fancy sedans, and other luxuries typically raise much less revenue than expected, mainly because affluent people merely shift their spending from goods taxed as "luxuries" to goods not yet subject to a luxury tax.[76] And traditional luxury taxes, Frank adds, seldom stay in effect particularly long. Taxpayers quite naturally disagree, sometimes emotionally so, on whose luxuries ought to be gored.

"Is a $300 ticket to an evening performance by the Metropolitan Opera a frivolous luxury?" the Cornell economist explains. "Perhaps for some people, but what about the Des Moines school teacher who has saved 20 years for the thrill of a lifetime? No two of us are alike, and what is one person's luxury is another's necessity."[77]

A progressive consumption tax, Frank argues, avoids the problems inherent in taxing individual luxuries. A consumption tax would apply to spending on *all* goods and services. A consumption tax can operate, as a result, without any lawmaker having "to define and tax specific luxury goods on a case-by-case basis."[78] In other words, in theory at least, a consumption tax can do what a luxury tax cannot, actually discourage spending on luxuries and raise revenue at the same time. But to have this impact, to raise revenue and slow the consumption "arms race," consumption tax rates must be configured progressively. Rich people who consume lavishly, Frank emphasizes, must be taxed at far higher rates than average people who consume at much more modest levels.

"If a progressive consumption tax is to curb the waste that springs from excessive spending on conspicuous consumption," he notes, "its rates at the highest levels must be sufficiently steep to provide meaningful incentives for the people atop the consumption pyramid. For unless their spending changes, the spending of those just below them is unlikely to change either, and so on all the way down."[79]

Would lawmakers in the United States actually consider enacting a progressive consumption tax? They actually already have. During World War II, Treasury Secretary Henry Morgenthau advanced a proposal for a graduated "spendings tax." The proposal anticipated, in all major particulars, the progressive consumption tax Robert Frank would propose over a half-century later. All families would pay a tax on the amount of money they spent during the year, after deducting the cost of necessities. Rich families would pay this "spendings tax" at far higher rates than anyone else.[80]

Congress, in the end, would give Morgenthau's proposal only cursory attention, but modern lawmakers, Frank believes, might be more open to the notion. Indeed, he notes, "the progressive consumption tax is hardly a fringe idea." The evidence: In 1995, Senators Pete Domenici, a New Mexico Republican, and Sam Nunn, a Georgia Democrat, introduced legislation — the Unlimited Savings Allowance Tax Act — that would have exempted all personal savings from tax.[81] This bill's introduction, to Frank, signals that progressive consumption taxes have finally become politically viable.[82] But the "USA tax" proposal advanced by Domenici and Nunn amounted to only a pale reflection of Frank's progressive approach to consumption taxation, as Frank himself notes. "For the USA tax to stimulate significant alterations in our consumption patterns," he notes, "its rate structure would have to be much more steeply progressive."[83]

Indeed, in 1995, many progressive tax reformers would see absolutely no redeeming social value in the Domenici-Nunn proposal. If enacted, charged Robert McIntyre of Citizens for Tax Justice, the "USA tax" would have merely amassed existing tax loopholes for the rich and powerful "into one giant, all-encompassing loophole."[84]

The consumption tax notions advanced by Senators Nunn and Domenici in their USA tax proposal would find a more hospitable welcome among conservatives opposed to high taxes on the wealthy in any way, shape, or form. In its 1996 final report, the Republican National Commission on Economic Growth and Tax Reform, chaired by Jack Kemp, concluded that America needed a new tax system that "either let savers deduct their savings or exclude the returns on the savings from their taxable income."[85] Seven years later, in his proposed budget for the 2004 fiscal year, George W. Bush would advance a series of initiatives to accomplish that same goal. Conservatives had, in effect, squeezed out of the USA tax proposal just what they needed — a bipartisan justification for making all investment income tax-free — and discarded the rest.

Must all "progressive consumption tax" proposals face the same fate? Probably. Affluent taxpayers are not likely to embrace the sort of steeply progressive rates on their consumption that Robert Frank advocates, concludes Aaron Bernstein, a veteran *Business Week* observer of economic inequality. Advocates of truly progressive consumption taxes like Robert Frank, Bernstein notes, expect America's most affluent "to consume less so that all of us can live better lives."[86] America's most affluent, Bernstein argues, would be more likely to take the same attitude toward steeply progressive consumption tax rates that they have taken toward steeply progressive income tax rates. They would oppose these rates with every ounce of their being.

"People of privilege," as John Kenneth Galbraith once quipped, "will always risk their complete destruction rather than surrender any material part of their advantage."[87]

And that brings us back to the essence of our leveling down dilemma. Leveling down proposals will always face stiff and fervent opposition from the wealthy. This opposition from the wealthy will always prevail, eventually if not at first, unless average working people demonstrate an even greater fervor on behalf of leveling down than wealthy people demonstrate against it. Average people would indeed have reasons to support a steeply progressive consumption tax — more revenues for public goods and services, a possible slowdown in the consumption "arms race" — but these reasons don't seem more likely to energize Americans into action than proposals for a steeply progressive income or a steeply progressive wealth tax.

To move forward to a less unequal America, we need a new approach to leveling down, a new approach on two levels. We need, first, an approach that offers America's nonrich majority a tangible, direct, personal stake in leveling down. With a personal stake in the outcome of leveling down debates, working Americans might finally be able to mobilize the political determination necessary to cut concentrated wealth down to democratic size.

But to maintain wealth accumulations at democratic proportions, we would need an approach to leveling down that does more than just inspire the nonrich majority to noble struggle. We would need an approach that gives our wealthy a reason to care more about "leveling up" the bottom of society than ending "leveling down" limits on the top, a reason to believe that even they, as wealthy people, would be better off in a society with a more modest gap between top and bottom. We would need, in effect, an approach to fighting inequality that directly links leveling up and leveling down.

Creating this link would, of course, demand an ambitious new set of rules for our economy. Or maybe just one rule. The Ten Times Rule.