LIFE IN A TEN TIMES RULE AMERICA

MOST OF US CAN GO YEARS, even lifetimes, without ever coming face to face with grand fortunes. We know, of course, that great concentrations of wealth exist. But we pay them no mind. We have more important things to think about. Our families. Our work. Our homes. Our health. These matter to us, enormously. We worry about them all the time.

About everything else, about matters unrelated to how we go about our daily lives, we have little time to worry. And what could be more unrelated to our daily struggles than the unreal world of those who can earn more in a day than we can earn in a year, more in a month than we can earn in a lifetime. We might sometimes daydream about how nice life could be if we lived in that luxurious world. But we seldom, in our thinking about wealth and the wealthy, go any deeper. Why bother? That world doesn't concern us.

These pages have endeavored to argue otherwise, to make the case that huge concentrations of wealth weigh down heavily on nearly every aspect of our daily existence, in the process squeezing joy from our jobs, hope from our dreams, sometimes even love from our lives. A Ten Times Rule, a limit on the accumulation of grand fortune, would lift this heavy burden. Not immediately. Not completely. But enough to improve, fundamentally, the quality of our lives.

We Americans have spent these lives, for some time now, in a land of trickle down. Let wealth accumulate at the top, we have been assured, and significant benefits will trickle down to the rest of us. We're still waiting.

A Ten Times Rule would end that wait. In a Ten Times America, an America that ended the unlimited accumulation of wealth, benefits wouldn't just trickle down. They would pour. An America where the wealthy could no longer amass ever larger fortunes would be a thoroughly different America. Average Americans would feel that difference every day.

So would, of course, America's wealthy. We need to start our survey of life in Ten Times Rule America with them. Trickle down, after all, always starts at the top.

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YOU'RE A CEO. YOU'VE BEEN SUCCESSFUL all your life. You went to the best schools, rushed up the job ladder, became a hot commodity, and eventually won the keys to a chief executive's suite. You make millions of dollars a year. Your life couldn't be sweeter. And then America adopts the Ten Times Rule. What happens next?

Would you choose to stay on as your company's chief executive? If you do, you will almost certainly have to swallow a pay cut. An enormous pay cut. Your company's board of directors, with a Ten Times Rule in effect, is no longer going to shower you with millions. That would make no sense, since the IRS would simply tax away any millions you receive over the ten times maximum.[1]

Would you look for a CEO position elsewhere, in some nation without a Ten Times Rule? You could, but corporations everywhere else in the world all pay their top executives considerably less than what CEOs have been receiving in the United States. These foreign corporations have had no trouble finding qualified executive candidates locally. Why would these corporations now consider hiring an American, especially an American accustomed to making much more money than they have ever had to pay?

Would you simply retire, fly off into the sunset? You could, of course, easily afford to go that route. You could, if you so choose, spend the rest of your days napping on a beach, dangling your toes in the surf.

So what, in the end, would you do? And what would your fellow CEOs be likely to do if they suddenly woke up in a Ten Times America? Some no doubt would simply take their money and run — and be content to sun on the sand. But most top executives, particularly those with real talents, could never be content doing nothing. They might exit their executive suites, but not to fly off to some tropical isle. These "high-achievers," if they ever left their executive suites, would likely only exit to take on some other endeavor they had always wanted to try their hand at. These executives just might see the Ten Times Rule as a liberating opportunity, a chance to follow their dreams.

Just like Anthony Grassi followed his.

In 1990, at the age of 46, Anthony Grassi did what countless high-achievers only fantasize about. He walked away. Grassi, a top First Boston investment banker, had become, after several years of beneficent bonuses, "comfortably rich" and suddenly realized that he and his family simply didn't need any more money. At that point, Grassi started planning his exit from corporate America. Piece by piece, he parceled out his wealth: so much for his children's college education, so much for a new home in the country, the rest for a savings plan that would return him $250,000 a year tax-free for the rest of his life. Grassi figured he could afford to give away half that $250,000 to charity and still have more than enough to live on quite pleasantly.

Grassi's time, after his exit, became his own. He chose to devote it to volunteering. He would go on to serve as the board chairman of two important environmental groups.

"Working for something bigger than just you and your pocketbook gives rewards that are just bigger," Grassi would later tell the *Wall Street Journal*. "I regret I wasn't able to do this when my children were younger."[2]

In our current world, talented, hard-charging executives are constantly daydreaming about walking down the same path that people like Anthony Grassi have so boldly blazed. Many of these executives talk incessantly, among themselves, about hitting the "number," about amassing a fortune large enough to let them leave their high-pressure careers behind and live the sort of human life they have always, deep down, wanted to live.[3]

But the hard-chargers, in today's corporate world, hardly ever walk away. If they did, no matter how wealthy they might remain, they would be *less* wealthy than their colleagues who kept racing ahead, kept racking up additional millions. They would be second-rate. That prospect, deep down in their competitive souls, they cannot abide.

In a Ten Times Rule America, this sort of status tension would melt away. High-powered executives who walked away would be able to spend their time doing whatever work they wanted to do and still, if they configured their wealth carefully, have incomes every bit as high as anyone else. They could make the leap and remain "winners."

Not every top executive in an America that adopted the Ten Times Rule would want to make a leap into another life. Some would be quite content to stay put, to continue on as before, even at a reduced level of compensation. These non-leapers would be executives who actually enjoy their executive work, who feel they have unfinished business to complete. But these executives, in a Ten Times Rule America, would face a daunting challenge. In a deeply unequal America, they knew how to function. To grab the help they needed, they merely waved money. To the talent they wanted on their team, by their side, they held out the prospect of becoming phenomenally wealthy. Work here, work hard, they told the talent, and someday great fortune will be yours.

In a Ten Times Rule America, that promise would fall flat. In a Ten Times America, no one would be gaining great fortune. Given that reality, chief executives would have to offer top talent something more than money. They would have to offer the talented a quality work environment, a comfortable yet challenging place to labor.

In our current business workplaces, top executives need only pay lip service to the quality of corporate life. They know full well that talented people, if promised a shot at vast fortune, will put up with most anything — with eighty-hour workweeks, abusive bosses, arbitrary decision making, even outright thievery. In a Ten Times Rule America, by contrast, talented people would no longer be chasing after windfalls. They would be searching for satisfying places to work. Corporate leaders would either have to make their workplaces more satisfying or find themselves surrounded by second-rate people.

Workplaces become more satisfying, researchers tell us, when companies give employees more autonomy, when they offer staff more opportunity to shape decisions, when they ensure everyone enough time off to restore creative juices, when they distribute rewards fairly. In a Ten Times Rule America, top executives would finally have to start paying attention to all these elements that make workplaces more satisfying. They would have no choice, not if they wanted to attract and retain talented people.

To move down this road, to seriously involve staff in decision making, to share rewards fairly, to ensure people a "life" off the job, most enterprises in America would have to totally revamp how their corporate offices operate. They would have to reject expectations that top staff work twelve-hour days, reject the myths of CEO omnipotence that justify top-heavy reward systems, reject the traditional mindsets that encourage corporate intellectual conformity. In a Ten Times Rule America, those firms that took on these changes, that became serious about creating new corporate cultures, would be the firms that thrive. In these firms, even executives might enjoy coming to work.

OVER TIME, IN A TEN TIMES AMERICA, the environments where the wealthy work would begin to change. So would the environments where the wealthy, and the rest of us, live.

We live today, all of us, within a housing market split dramatically in two. At the one end, America's most affluent routinely enjoy not just one home, but two or three. At the other, average families sweat to meet their mortgages. The adoption of a Ten Times Rule would turn this split housing market upside-down. In an instant, America's largest, most lavish, most desired homes would become burdens, not trophies.

Consider the dilemma, in a Ten Times Rule America, that would face an extravagantly affluent couple with a condo in Manhattan, a stately summer home in Southampton, and a cute winter getaway in the Bahamas. All these residences carry costs. Condo fees, property taxes, insurance, utilities, gardeners, plumbers, not to mention a mortgage or two. How much might these costs total? A half-million a year? A million? No big deal. What's a million or so out of an annual income of $5 or $10 million?

That same million, in a Ten Times Rule America, would suddenly loom large. With a Ten Times income ceiling in place, our extravagantly affluent couple might suddenly find the upkeep of three wonderful homes a bit too much to bear. Our wealthy couple might even decide, with a heavy heart, to place one of its multiple abodes on the market. But our couple wouldn't be alone. In a Ten Times America, thousands of other wealthy households would face the same squeeze. They would likely make the same choice. They would rush to unload the residences they could no longer comfortably afford to maintain.

Here's where things would start to get interesting. With all these excess luxury homes on the market, prices on top-end residences would inevitably start to fall. These falling prices on luxury homes would quickly ricochet throughout the rest of the housing market. With a home that had been worth $1 million now selling for $750,000, a less luxurious home that would have sold for $750,000, before the Ten Times Rule, might now sell for $500,000. A home that would have sold for $500,000 might now fetch only $400,000. Down, across the board, would go prices on America's most expensive homes.

This downpricing would immediately impact how homebuilders see the world. In our current unequal America, developers quite logically concentrate on concentrated wealth. They erect edifices for America's affluent. They ignore America's middle. In a Ten Times Rule America, that course would no longer make sense. Why build *new* luxury homes in a housing market flooded by existing luxury homes for sale at attractively reduced prices? Nimble developers, in this housing market, would look elsewhere for homebuyers. And they would find them in the middle class. Middle class households, in a Ten Times Rule America, would once again appear attractive. In a more equal America, these households would have a greater share of the nation's income and wealth. Year by year, in a Ten Times America, developers would seek to serve this growing middle class market. Year by year, the stock of affordable housing would swell. More families would be able to find — and afford — decent homes of their own.

Not all wealthy families, to be sure, would rush to sell their surplus housing in a Ten Times Rule America. Those families with immense fortunes would still be able to afford to maintain multiple luxury homes *if* they were willing to spend their fortunes down. Fine. The more homes they try to maintain, the quicker their fortunes would shrink.

Affluent families earning just under the Ten Times maximum would find themselves in a somewhat different position. Suppose a couple with an excess luxury home had an annual income of $250,000. This family, if the Ten Times maximum stood at $300,000, could still report another $50,000 in income before any 100 percent tax would kick in. Let's assume this family could clear a $250,000 capital gain by selling off one of its homes. Would the family sell? And what would happen to that $250,000 profit if the family did sell? Would $200,000 of that profit be taxed away immediately, as excess over the $300,000 annual maximum?

In a Ten Times Rule America, this would become an important question because many households might find themselves in a similar situation — that is, many households earning less than the Ten Times maximum might have a one-year spurt of income that places them above the maximum for only one year. It won't seem fair to these families to have most of this one-year spurt subject to a 100 percent tax, not when that same spurt if received over several years in smaller chunks would have avoided the 100 percent rate.

What would a Ten Times Rule America do in these one-year-spurt situations? A Ten Times America would restore into the tax code the same special treatment for sudden and dramatic increases in annual income that existed years ago, in an era when the United States taxed incomes more progressively than our nation does now. That special treatment went by the name of "income averaging."[4] In "income averaging" days gone by, households with income spurts could average their incomes over a multi-year period. A Ten Times Rule America would follow the same tax logic.

How would this income averaging work? Let's return to our household earning $250,000 a year. If this household sold one of its homes and cleared $250,000, its annual income would jump, for one year, to $500,000, well above the $300,000 maximum. Suppose this household had earned $250,000 in each of the four years before the sale. This family, under income averaging, would be able to average out the five years, four years of $250,000 income and one of $500,000. The average, in this case, would come to $300,000 a year. The household would then owe a Ten Times Rule total tax for the five years of just $150,000, a sum that would equal 10 percent of the $300,000 annual average for the five years.[5] Households in this situation would have ample reason to sell off any excess housing they might own.

Still other wealthy households might choose, instead, to hang on to their excess properties and rent them out, not necessarily for profit, because whatever income they might make beyond the Ten Times maximum would be taxed away, but just to meet their maintenance expenses. The wealthy households that went this route would retain title to their property. Later, in retirement, if their income dipped below the Ten Times limit, they could sell the excess property and use the income from the sale to augment their retirement income.

Wealthy families would have another option as well. They could choose to donate their excess properties to some local charity — and claim the donation as a tax deduction.

Current tax rules allow taxpayers to claim charitable deductions that equal no more than half their annual incomes. A Ten Times Rule America would be wise to continue this practice, for the same reason a Ten Times America would be wise to allow income from state and municipal bonds to remain tax-free. Letting taxpayers deduct charitable contributions, as they do now, would help leverage *private* fortune for *public* benefit.

Take, for example, a couple with a fortune worth $10 million that reports $500,000 a year in income. With a $300,000 maximum in effect, this couple would pay $230,000 in federal income tax on its $500,000 income, a sum that would equal 10 percent of the couple's first $300,000 in income and the $200,000 the couple took in over the $300,000 ceiling. But if this couple chose to carve $150,000 off its $10 million fortune and donate this $150,000 to charity, its tax bill would shrink. Only $150,000 of the couple's first $300,000 in income would now be taxable. On this $150,000, a sum five times the minimum, the couple would pay only a 5 percent tax, or $7,500. The new total tax bill for our wealthy couple: $207,500. The bottom line: By making a $150,000 charitable contribution, our wealthy couple would save $22,500 in Ten Times taxes.

How might this dynamic work with the donation of an excess home? Let's assume that our wealthy couple has a spare home worth $750,000. Under current tax law, taxpayers can divide, for tax purposes, a large charitable contribution made in one year into pieces and then claim, over a several year period, each individual piece as an annual deduction. If this practice continued under the Ten Times Rule, our wealthy couple would be able to donate a $750,000 home to charity, then claim a $150,000 charitable deduction for each of five years. The couple, over the five years, would realize $112,500 in tax savings.

Tax savings this robust would help inspire a significant transformation in the housing market of a Ten Times America. Year after year, to be able to claim charitable tax deductions, wealthy households would be donating excess high-end homes to nonprofit organizations. Grand old homes of the wealthy would be reborn as college dormitories and halfway houses. Or nonprofits might simply sell or rent the homes donated to them as a means to raise operating revenues. In any case, the end result — an increase in America's stock of affordable housing — would be the same. The more excess luxury homes sold, the lower the sale prices on homes overall. The more excess luxury homes rented, the lower rentals overall.

Housing heaven? Not entirely. Some middle-income households, those counting on big profits from selling homes they've owned for years, might grumble at first as overall home prices, in a Ten Times Rule America, began deflating. Homes that these households had expected to sell for $400,000 might, in a Ten Times America, only return $250,000. But the grumbling wouldn't last. Middle class households that sell their homes, after all, have to find new places to live, and these new places, in a Ten Times Rule America, would cost them less. What these middle class households might lose on the sale of an old house they would gain on the purchase of a new one.

Professional housing speculators, to be sure, might not enjoy the housing market in a Ten Times America. The vast majority of everyone else would have abundant reason to cheer.

IN A TEN TIMES RULE AMERICA, average consumers would find more products, at lower prices, in all big-ticket consumption categories, not just housing.

The reason? In a Ten Times America, marketers would no longer have any incentive to target the top end of America's income and wealth distribution — and ignore everybody else. That top end would no longer have enough income and wealth to make targeting worthwhile. Marketers, instead, would reorient themselves to America's middle class. They would start flooding America's marketplace with products and services specifically geared for average-income families, just as they did in the 1950s and 1960s, the twentieth century's golden age of American income equality.

But the shrinking importance of the luxury market, in a Ten Times Rule America, would almost certainly prompt an even more fundamental sea change in consumption. The end of luxury's dominance over American retailing would lower, significantly, the level of spending that signifies the "good life."

In America today, as in all societies where wealth concentrates, the affluent define the good life. They set the consumption standard. Those who want to be seen as successful do their best to meet this standard. We all, of course, want to be seen as successful. So we do whatever it takes to reach whatever consumption bar the affluent set. We work extra hours. We max out our credit cards. But that bar never seems to get any closer — and never will, not in societies where deep divides separate the most affluent from everyone else. The affluent, in unequal societies becoming more unequal, just keep raising the bar.

In a Ten Times America, by contrast, the gaps that separate the affluent from America's middle class would be narrowing, not expanding. The bar would be more reachable. More people, many more people, would be able to afford the consumer goods that signify the good life. These goods, in this more equal environment, would soon start to lose their "must-have" significance. In societies where most people can afford the same consumer goods, these consumer goods eventually — and always — become less important to have.

Old habits, of course, die hard. In a Ten Times Rule America, some people would continue to obsess over what they buy and own. But fewer people, in a Ten Times America, would crave consumer goods they can barely afford. In a Ten Times America, the middle class, not the wealthy, would come to set the consumption standard — and most families would be able to meet that standard, without working themselves to exhaustion, even most families at the lower end of America's income ladder.

These bottom-rung families, in a Ten Times America, would have more income at their disposal. Under the Ten Times Rule, the minimum wage would regularly be rising, and each hike in the minimum wage would trigger wage increases in jobs paying just above the minimum. All lower-wage work, in short order, would begin to pay more. At the same time, the most basic costs of the good life would be sinking, as the luxury market became less dominant. These twin trends — higher wage income, a lower entry fee into the good life — would give millions of low-income families financial breathing space, their first ever. These families would find themselves able to afford lifestyles that bring them self-respect without having to work second jobs or endless and exhausting overtime.

And if fewer people felt compelled to work beyond the standard work week, more jobs would become available. If ten people working forty-eight hours a week, for instance, were to feel comfortable working just forty hours a week, full-time jobs for two other workers would suddenly become open. In a Ten Times Rule America, given dynamics like these, jobless rates would start dropping. More people would be working. Fewer would require support from the social safety net.

Those workers in a Ten Times America who felt comfortable reducing the time they devote to work would have more time — after work — for activities they find personally rewarding. This added time might prove the greatest blessing of all. The Ten Times Rule could not guarantee everyone a fulfilling job.

But a Ten Times America would leave people with more time to find fulfillment outside work, to engage in pastimes that satisfy our primal urges to learn, to create, to master new skills.

Today, in our unequal America, far too few of us have this opportunity to devote significant time to the pastimes we truly enjoy. We spend our days, instead, on our hedonic treadmills, racing to meet a standard for the "good life" that inequality keeps driving ever further beyond our reach. In a Ten Times Rule America, this treadmill would slow. We would no longer spend our time, waste our time, getting nowhere fast.

IN A TEN TIMES RULE AMERICA, our workplaces would be more humane, our home lives less hedonically hectic. But what of the third great sphere of our daily existences, that space outside work and home, the realm we usually call "community"? How would our communities fare in a Ten Times America?

Community life in America is currently languishing almost everywhere. In our rush to "catch up" to society's affluent pacesetters, in our frenzy to keep from falling further behind, we have little patience, or energy, for activities that seem to make no contribution to our personal financial bottom-lines. We neglect those aspects of our lives that don't translate into dollars. We neglect, most of all, our communities.

In a Ten Times America, a more equal America, we would feel *less* pressure to make every moment financially rewarding. We would have *more* time to devote to community — to joshing with neighbors or bowling with friends, to joining organizations and serving on committees, to writing letters to the editor or even running for office ourselves.

But would we actually devote this additional time, in a Ten Times America, to our communities? Or would we just look inward and devote all our new time to ourselves?

Some commentators actually see looking inward as a logical — and perhaps inevitable —response to the unavoidable tensions of modern life. Information Age stresses and strains, the argument goes, drive us inexorably into "cocooning." In a tense, high-speed world, we retreat from community. We turn our homes into safe, secure, self-contained family redoubts. Would the adoption of a Ten Times Rule override this cocooning impulse? Maybe not. In a Ten Times Rule America, after all, home theaters, pizza delivery vans, broadband Internet, and all the other devices we can use to cut ourselves off from having to rub shoulders with other people would still surround us. So why should we expect our community lives to flower under the Ten Times Rule? Why should we expect people in a Ten Times America to invest time in their communities, not just themselves, to pursue public, not just private, solutions to life's problems?

We should expect this investment in community, this interest in public solutions, for one compelling reason. In a Ten Times Rule America, a more equal America, public solutions will make more sense.

Private solutions can indeed always "solve" life's problems, but only at a significant cost. Your family need a place to go for fun? Your children need good schools? You want to read all the latest bestsellers? Or feel safe when you lock your door at night? Or commute without aggravation? If you have enough wealth, you can get what you want by yourself, without joining in community with others. You can jet off to an exclusive resort. You can send your kids to an elite private school. You can buy every new book that tickles your fancy. You can hire a security service to guard your home — or a limo service to take you to work. If you have enough wealth, you have no need to engage in your community, no need to press for better public parks or better public schools or better public libraries or better public law enforcement or better public transportation.

Inequality encourages people to seek private solutions. The more wealth concentrates, the more affordable — for society's affluent — private solutions become. And the more eagerly a society's elites invest in private solutions, the less diligently that society will pursue public solutions. These public solutions, over time, come to atrophy. Public parks get dangerous. Public schools get crowded. Public libraries are open less often. More families, in response, abandon community-minded approaches to problem solving. They come to feel they have little choice.

In a Ten Times Rule America, the pressures would reverse. The wealthiest households in a Ten Times America would still, of course, be able to afford tuition at elite private schools. But private tuition on top of country club dues on top of private security service fees on top of chauffeur salaries would quickly add up and overwhelm any income capped at a ten times maximum. In a Ten Times America, wealthy families would have to be willing to spend down their accumulated wealth, year after year, to be able to solve their problems privately. Some would do that. Others, especially those with less robust fortunes, would not. And the fewer people who sought private solutions, the more expensive those solutions would become.

Most affluent people, under the Ten Times Rule, would no longer be able to comfortably afford, all at once, the private schools, the country clubs, and the assorted other private amenities that currently fill their lives. These affluent families would have to start *caring* about public amenities. The quality of these amenities would suddenly start to matter to them. The local public school can't afford an art teacher? A guidance counselor? Uniforms for the girls' softball team? These "frills" become outrages when they impact your own child. The affluent, in a Ten Times America, would not tolerate these outrages. Their caring, their unwillingness to settle for second-best, could not but help to improve the quality of public amenities, be they schools or parks or libraries, for all Americans.

PUBLIC SERVICES PROVIDE ONE ESSENTIAL SUPPORT for vital, vibrant communities, independent nonprofit organizations another. Nonprofits — the clubs for boys and girls and runners and gardeners, the centers for seniors, the councils for the arts, the societies for historic preservation — abound in healthy communities. In a Ten Times America, these nonprofits would flourish. Volunteers would be plentiful. Average-income people, off the hedonic treadmill at last, would have more time for engaging in the volunteer pursuits that interest them. Affluent people, with no more incentive to keep piling up millions, would increasingly choose to devote their careers to the nonprofits they most admire.

If the Ten Times Rule were to become the law of the land, nonprofits would also be able to count on generous flows of charitable contributions, from families both above *and* below the ten times ceiling. In a Ten Times America, with lower taxes on their incomes, average families would have more income to donate. Wealthy families, for their part, would have a strong incentive to donate regularly at high levels. By donating away hefty slices of their accumulated wealth, as we have seen, families with income *above* the ten times maximum would be able to hang on to more of their income *below* that maximum.

Bequests at death, in a Ten Times Rule America, would add considerably to the nonprofit revenue stream. Wealthy Americans do already, of course, leave sizable sums to charities, mainly to limit their estate tax liabilities.[6] The more money that wealthy people earmark for charities in their wills, the less their estates will pay in tax. But wealthy people also have another important deduction they can claim under current estate tax law, a deduction that steers bequests *away* from charities. Wealthy individuals can currently have deducted from their estates however much they choose to leave their surviving spouse. In 1997, America's biggest taxable estates, those worth $20 million or more, left $7.47 billion to charity but even more, $7.57 billion, to surviving spouses.[7]

Under current law, the more a departing wealthy individual leaves a spouse, the better off that individual's estate will be. Surviving spouses can take a generous bequest, invest it, and end up with an even more generous fortune to bestow upon their sons and daughters. In a Ten Times Rule America, this fortune compounding would cease. A surviving spouse would not be able to grow an inherited fortune, since any income from an inherited fortune above the ten times ceiling would be taxed away.

The fortune itself, meanwhile, would shrink, not grow, as the expenses of maintaining it — annual security fees to safeguard the family fine art collection, insurance for the family fleet of luxury cars — eat away at the size of the fortune. In a Ten Times America, in short, a huge bequest to a surviving spouse might often prove more burden than benefit.

So why would a mogul, in a Ten Times America, ever leave a huge fortune to a surviving spouse? Why leave a spouse a couple hundred million when a far smaller bequest would be enough to guarantee any spouse a life-long annual income at the ten times maximum? Wealthy people living under the Ten Times Rule would almost certainly leave their spouses considerably less fortune than they leave them now. And who would get that money that would have gone to spouses? Most likely the charitable sector. Charitable organizations, in a Ten Times America, would be among the biggest winners.

But what about the offspring of the wealthy? Wouldn't the wealthy be far more likely to leave fortune to offspring than charities? Not at all. What would be the point? In a Ten Times Rule America, wealthy offspring with incomes already above the maximum would have little to gain from inheriting additional assets. Wealthy people sitting down to do their wills would surely recognize this reality. They would be less likely, as a result, to leave their assets to their already wealthy offspring and more likely to leave these assets to charity — or to people who aren't already wealthy, people earning under the ten times maximum, people who would be able to retain any income these assets might generate. Who would these lucky people be? They might be long-lost cousins. They might be trusted chauffeurs. They might even be beloved, never-forgotten third grade teachers. They could be anybody — anybody not already wealthy. Only the most perverse wealthy, in a Ten Times Rule America, would leave significant fortune to the already fortunate.

Over time, this steady asset transfer from the highly privileged to the less privileged would inexorably narrow the gap between our most fortunate and everyone else. The Ten Times Rule, a tax on *income*, would help end the concentration of America's *wealth.*

IF A TEN TIMES RULE WERE EVER TO BECOME a matter of national political debate, friends of fortune would readily acknowledge, right at the outset, the capacity of an income maximum to *break up* wealth. But societies, these skeptics would argue, only advance when they *create* wealth. To serve as a vehicle for progress, a Ten Times Rule would have to build up wealth, not just break it down.

A point well-taken. Societies do need to create wealth to advance. Would a Ten Times Rule help create wealth? More specifically, would enterprises, our modern world's engines of wealth creation, become more productive and efficient under a Ten Times Rule? No question, for a nation considering whether to adopt a ten times ceiling, would be more important. For wealth to build in a Ten Times America, a Ten Times Rule would have to help enterprises become more effective and efficient.

What makes enterprises effective and efficient? The same sorts of qualities, researchers tell us, that make workplaces satisfying places to work. High-performing enterprises empower workers with decision-making authority. They help staff collaborate. They reward workers fairly. In effective enterprises, executives respect workers and, in turn, are respected by them.

American business leaders pay homage to these noble ideals at every opportunity. They spend tens of millions of dollars every year on conferences and courses designed to instill these ideals into managers and workers alike. But these investments, we have seen, have failed to pay off. America's most important enterprises have not become more effective over recent years. They have, if anything, become more deeply defective, as America's executives, in their rush for riches, have merged and purged their way to fortunes, blathered about synergy while shoving companies into bankruptcy, and mouthed commitments to quality while committing criminal conspiracies. The antics of our executives have left workers demoralized, not empowered, consumers suspicious, not satisfied. Our executives have not created wealth. They have expropriated it. The resulting inequality, within the workplace, has subverted and perverted enterprise success.

A Ten Times Rule would set off a quite different set of organizational dynamics. A Ten Times Rule would, almost immediately, end the incentives for executive behaviors that sap enterprise vitality. With an income ceiling in place, top-ranking executives would be less likely to rush into silly mergers, less likely to downsize away employee loyalty, less likely to shortchange consumers, less likely to hopscotch from one company to another, less likely to spend more time managing their company's share price than their company's operations. These behaviors have all proliferated, in our current deeply unequal America, because these behaviors all promise jackpot payoffs. In a Ten Times America, jackpots would no longer juice executive behavior. A Ten Times Rule economic landscape would be a jackpot-free economic landscape.

In a Ten Times Rule America, top executives would make, at most, ten times more than their lowliest employees. With only a ten times spread between top and bottom, enterprises would no longer be able to sustain corporate America's current abundance of hierarchical levels. Enterprise hierarchies would flatten. And with that flattening would come behaviors that nurture enterprise effectiveness. "Flatter" hierarchies would encourage the free and candid exchange of information that steep hierarchies stifle.[8] The more modest the compensation of "higher-ups," the less pressure on workers to defer to higher-up opinion. The less deference, the more dialogue, the more sharing of ideas, the more seizing of opportunities that employees closest to customers — or production — so often see first. The end result? Better enterprises. More productive enterprises.

Compensation compression, the smaller gap between top and bottom, would not just compress hierarchies. Compensation compression would shrink overall enterprise size. Oversized, sprawling corporate empires, with imperial CEOs lording over complex webs of divisions and branches, would almost inevitably start to subdivide once a Ten Times Rule reset the economic rules. Corporate emperors, in a Ten Times America, would lose their coin of the realm, their ability to dish out rewards large enough to keep the executives of subsidiaries content in subordinate roles. In a Ten Times America, these subordinates would likely chafe at taking orders from CEOs now earning not much more, if any more, than what they would be earning. Imperial CEOs, for their part, would have nothing to gain from struggling to hold their corporate empires together. They would earn just as much — the ten times income maximum — overseeing two subsidiaries as twenty.

Over time, under a Ten Times Rule, these new institutional realities would "splinter" America's corporate empires. More modestly sized business operations would come to dot the nation's economic landscape.[9] In these smaller companies, strategies that involve and empower workers in decision making have a much better shot at taking root. These smaller enterprises would be more likely to be effective enterprises.

The benefits from this corporate empire shrinkage, in a Ten Times Rule America, would spill even beyond this increased enterprise efficiency. Smaller enterprises would be less politically powerful enterprises. Smaller enterprises would not have the clout to extort tax subsidies — "pay us what we want or we'll take our ten thousand jobs elsewhere" — from overmatched state and municipal governments. Smaller enterprises would not have the political punch to ram through state legislatures statutes that exempt their operations from environmental safeguards. Smaller enterprises would not have the wherewithal to fix and rig marketplace prices. Smaller enterprises, most important of all, would be closer to the communities where they do business. Their executives would be more aware of the impact their decisions might have — and more accountable for those decisions.

What could America do, a young Ralph Nader once asked, "to direct corporate resources toward respecting the values and pleas that are beyond the balance sheet morality?"[10] America could enact the Ten Times Rule. No other single step would do more to make corporations more responsible organizations. Or more productive. The Ten Times Rule would unleash a corporate chain-reaction that would significantly level America's economic playing field. On that new field, we could create the wealth America needs.

A TEN TIMES CHAIN-REACTION might actually produce workaday changes far more fundamental than enterprises that are flatter and smaller. A Ten Times Rule might even help us address some of America's most intractable problems, among them the subordinate roles that people of color and women continue to play, despite years of law making and court decisions that have ruled discrimination against the law.

People of color and women in America already labor under an income ceiling of sorts, a "glass ceiling." The upper reaches of America's economy remain, a generation after the historic rights struggles of the 1960s and 1970s, overwhelmingly male and white. In 2002, of the top five hundred chief executives in America, only six weren't men. Women in corporate management started the new century earning 65 percent of what their male counterparts earned. During the biggest of the boom years, between 1995 and 2000, the earnings gap between men and women in corporate management actually widened.[11]

The statistics for people of color fit a similar pattern. Minority men and women, a federal Glass Ceiling Commission reported midway through the 1990s, make up just 3 percent of American corporate senior management. They earn 21 percent less than white senior managers doing the same work.[12]

The adoption of a Ten Times Rule would shatter this glass ceiling — from above.

At century's end, women overall constituted just over 9 percent of income-earners making between $500,000 and $1 million and just under 7 percent of income-earners making over $1 million.[13] In a Ten Times Rule America, corporations would no longer be compensating anyone over $500,000. High-ranking executives, over 90 percent of them male and white, would suddenly find themselves tumbling from the tops of flattening corporate hierarchies. They would smash, on the way down, into corporate America's glass ceilings. With hierarchies compressing, with income gaps between people of different genders and colors suddenly narrowing, women and people of color would likely feel less demoralized, and more willing to give their all for enterprise success. Enormous gaps in rewards, in a Ten Times America, would no longer "rub in" — or cement — their socially subordinate status. At the same time, throughout America, opportunities for executive leadership would be increasing. The proliferation of enterprises in a Ten Times America, as large enterprises subdivided into smaller operations, would give women and people of color many more chances to play leadership roles.

The Ten Times Rule, to be sure, would not magically wave away deeply ingrained biases. But the Ten Times Rule would erode the economic privilege that arbitrarily empowers some Americans over others. Toward justice, we could take few more significant steps.

NO ENTERPRISE, NOT EVEN an incredibly efficient and effective enterprise, can ever succeed solely on its own initiative. An enterprise can boast an enlightened management, a committed workforce, a wonderful product and still experience sheer, sad, and even sudden failure. Effective enterprises, to become and stay effective, need to do business in effective economies.

In effective economies, enterprises can count on obtaining the capital they need to start up and expand, the technology they need to operate efficiently, the qualified employees they need to get their work done, and the safe and secure business environment they need to produce and distribute their goods and services. Most of all, in an economy working effectively, enterprises can count on having a market, customers able to afford the goods and services they produce. Enterprises trapped in an economy that cannot supply these needed supports will not create wealth. Enterprises so trapped will likely not even survive. Healthy enterprises, in short, require a healthy economy.

Would a Ten Times Rule help create this economic health?

In any national debate about the viability of a Ten Times Rule, skeptics would delightedly seize upon this question. A Ten Times Rule, they would charge, would collapse the economy of any nation foolish enough to adopt it. That collapse, they would argue, would begin with the disappearance of the capital enterprises need for investment, since wealthy people save and invest a greater share of their income than average people. If the incomes of the wealthy were leveled down, where would investments for innovation come from?

The somewhat surprising answer: In a Ten Times Rule America, enterprises would find investment capital from essentially the same places they find capital today.

In our current economy, only a small share of investment capital actually comes directly out of the pockets of wealthy people. Investment capital comes, in large part, from the collective savings of average people, savings that have been institutionalized through pension funds and other retirement vehicles. Huge amounts of investment capital also come from the endowments of universities and other nonprofit institutions.

What about all those venture capitalists? Don't they play an essential investment role? They certainly do, but the venture capital companies these venture capitalists run get most of the dollars they funnel to entrepreneurs from retirement funds and large nonprofit endowments, not from private wealthy individuals. "Private equity," as business journalist Michael Peltz notes, "is largely an institutional market."[14] In the boom years, America's most celebrated venture capital company, Silicon Valley's Kleiner Perkins Caufield & Byers, annually handed entrepreneurs $100 billion a year. Those dollars came, in overwhelmingly numbers, from "university endowments and other institutions."[15]

In a Ten Times America, pension funds and other institutional sources of investment capital would have more, not less, to invest.

Consider, as an example, the pension funds that cover America's public employees. In a Ten Times America, public employment would enjoy a remarkable renaissance. A 100 percent tax on incomes over the ten times maximum would generate hundreds of billions of new federal revenue dollars. These dollars would likely fund a massive upgrade of education and other public services. More teachers would be staffing America's schools, more highway workers would be filling potholes, more rangers would be protecting parks. More public sector workers would be receiving paychecks, and more paychecks would translate into more pension fund contributions from public sector workers.

Private sector pension funds would keep pace. In a Ten Times Rule America, the redistribution of income *within* private enterprises — lower pay packages at the top, higher pay packages at the bottom — would leave average employees significantly more able to up their retirement contributions. And top executives, under the ten times income ceiling, would no longer have any powerful incentive to play games with employee pension fund dollars. Top executives currently can and do steer dollars out of pension funds to jack up corporate quarterly earnings — and their own personal option windfalls. The windfalls would disappear in a Ten Times America, and so would the incentive to deny pension funds the dollars they ought to be holding. Retirement funds, in a Ten Times America, would be exceptionally robust sources of needed investment capital.

But what about our other key institutional sources of investment capital, particularly foundation and university endowments? Don't these endowments get most of their dollars from wealthy people? If the Ten Times Rule leveled down the incomes of the wealthy, wouldn't these endowments suffer financially? Not really. In fact, probably not at all.

Under the Ten Times Rule, foundations and universities would continue to collect significant contributions from America's deepest pockets. Wealthy Americans earning income above a ten times ceiling, earlier pages have noted, would be able to reduce taxes on their income *under* the ceiling by making large charitable contributions. Foundation and university endowments would no doubt benefit from these contributions. Foundation and university endowments would likely benefit even more, under the Ten Times Rule, every time a wealthy person passes on. In a Ten Times America, we have seen, wealthy people would be writing out wills that leave more dollars to charities and fewer to already rich spouses and offspring, since, with an income ceiling in place, the already rich would be in no position to benefit from grand bequests. Alma maters, by contrast, would.

Some dollars that today go to promising young entrepreneurs do, of course, come straight from the pockets of wealthy people. These dollars would most certainly be less bountiful in a Ten Times Rule America. Would worthy entrepreneurial efforts, as a consequence, have to go without the capital they need to get going? Not hardly. Legitimate investments in worthy entrepreneurial efforts don't increase as dollars concentrate in the pockets of wealthy people. Speculation increases. In a Ten Times America, with wealth less concentrated, more dollars would be carefully invested and fewer dollars would be wasted — on silly schemes that promise quick fortunes.

In the boom years of the 1990s, as wealth concentrated at record rates, we saw these schemes "flower." One of these schemes even tried to drive America's neighborhood florists out of business.

In 1998, a small gang of wealthy Americans actually set out to redefine — and take over — the retail flower industry, one of America's most vibrant small business strongholds. The gang's leaders included the former top executives of the Blockbuster video chain. These execs had already made a fortune shoving local video stores out of business. They could make an even greater fortune, they figured, in the $15 billion retail flower industry. Their plan: buy up the top one thousand local florists in the nation's one hundred biggest local flower markets, create America's first-ever national flower store chain, then "go public" on Wall Street and make a stock trading killing.[16]

The Blockbuster boys had more than enough cash in their own pockets — some $10 million — to get the ball rolling. With that as leverage, they were on their way. In no time at all, they were wining and dining local florists all across the country. Locals who sold out to the new national flower chain, the Blockbuster gang leaders hinted, could look forward to magnificent stock option bonanzas. Hundreds of local florists took the bait. By April 1999, the gang had snatched up enough local outlets to start selling shares of stock on

Wall Street. These shares soon shot up 33 percent. This new flower empire, Wall Street figured, would streamline the flower business the same way Blockbuster had streamlined video rental. Economies of scale. One size fits all.

But that one size, in practice, pinched. The local florist shops bought up by the new chain now had to toe a strict national corporate line. That meant no more generous donations of flowers to local charities. No more letting regular customers pay on sixty-day schedules. No more free deliveries to hospitals. No more buying from anyone but chain-approved wholesalers, even if that meant peddling flowers of inferior quality. No more conducting business the way neighborhood florists had been conducting business for generations.

By spring 2000, the new flower chain's local outlets were losing customers right and left. The chain, in response, turned the screws even tighter. Layoffs. Cost-cutting. The customers kept disappearing. Finally, in April 2001, America's first floral empire filed for bankruptcy. Six months later, the empire folded.

In a Ten Times Rule America, none of this speculative waste would ever have taken place. With an income cap in effect, the Blockbuster boys would not have had the personal capital necessary to launch a credible takeover bid of America's flower stores. Nor would have the Blockbuster boys been able, in a Ten Times America, to seduce local florists to sell out simply by dangling stock options in their faces. Get-really-rich-quick schemes can only seduce in societies where people can indeed get really rich quick. In a Ten Times America, people would still be able to become rich, but not quick, and not really rich. In a United States that adopted the Ten Times Rule, speculators would find capital — and dupes — in short supply.

ENTERPRISES LOOKING FOR THE BASICS, not dupes, would find them in a Ten Times America. An educated workforce? The federal government, with revenues swelled by a 100 percent tax on income above the ten times ceiling, would be able to fund a total overhaul of American public education. Schools could be modernized, class sizes reduced, preschools expanded, college tuitions minimized, quality teachers recruited and retained. Access to new technology? Those same increased federal revenues could fund more in-depth R&D programs in America's labs and universities. A dependable infrastructure for bringing goods and services to market? A Ten Times America that kept the income from state and municipal bonds tax-free would have at its disposal, at virtually no cost, billions upon billions of dollars for public works projects to rebuild and renew long-neglected bridges, ports, railroads, and roads. Those projects would create jobs, those jobs would generate paychecks, and those paychecks would bestow upon enterprises the most important business basic of all: a steady supply of customers.

Customers would be plentiful in a Ten Times Rule America, partly because jobs would be more plentiful, but more because average people overall would simply have more income at their disposal. The Ten Times Rule, by taxing away the excess income of the rich and lowering taxes on everyone else, would steer a far greater share of America's income dollars into the pockets of average Americans. This redistribution, in turn, would have a powerful and positive impact on America's economy.

We can illustrate that impact with a picture, any picture — or painting — worthy enough to hang on a museum wall. A Rembrandt perhaps. A Cézanne maybe. Rich people like to purchase Rembrandts and Cézannes. They pay millions for them. The rest of us don't buy Rembrandts. Our big-ticket items are more likely to be refrigerators. With one million dollars, the cost of a modest Rembrandt, a thousand of the rest of us could replace our old refrigerators with new energy-efficient models.

Any society that opted for a Ten Times Rule would be opting for refrigerators — and a job-friendly economy. What, after all, creates more work, one thousand consumers buying energy-efficient refrigerators or one consumer buying a Rembrandt? A Ten Times Rule, by limiting the flow of dollars into the pockets of the already rich, by increasing the flow of dollars into the pockets of everyone else, would consistently and significantly enhance what economists call "mass purchasing power." Wealth, like manure, only does good when you spread it around. A Ten Times Rule would spread wealth — and give our slumbering economy a much-needed wake-up call.

Apologists for inequality, needless to say, have never appreciated analogies that equate great concentrations of wealth to great piles of manure. Societies that spread wealth, they insist, are doomed to perpetual slumber. Limit the ability of rich people to spend, their argument goes, and no one will do much spending. Innovative consumer goods, one conservative commentator, Tony Snow, tells us, always start off as expensive luxuries only the rich can afford. The rest of us wait "until the prices come down." Without free-spending rich people, Snow argues, few innovative products would ever make it to market and excite consumers. These rich, in effect, "shoulder the development costs of most new products and technologies."[17] Rich people, Snow concludes, carry "most of our economic weight."[18]

But that weight, in a Ten Times Rule America, could be shared. Public enterprises and agencies could easily provide markets for promising new products. Municipal transit authorities, for instance, could purchase fleets of vehicles that feature efficient new engine designs. School systems could put in bulk orders for desk furniture that incorporates new approaches to ergonomic design. NASA officials could commission the development of flame-retardant materials. Innovative products, in a Ten Times America, would have little trouble finding their way to market.

Innovative products, of course, require more than markets before they can become social realities. Innovative products require innovators. All new products need to be invented, developed, then championed. That process can demand a great deal of effort. Who would ever undertake this effort, opponents of a Ten Times Rule might likely shout, without the prospect of grand reward at the end of the day? Would we today, they ask, have computers on our desk-tops and software in our computers if our society a generation ago had shut the door to the accumulation of billion-dollar fortunes? Let Bill Gates have his billions, the argument goes, he has given us Windows. Inequality nurtures progress. The triumphs of our glorious Information Age, exult the friends of fortune, "prove" it.

The advances of the computer revolution actually do have a lesson for us, but not the lesson apologists for inequality suppose. We can have innovation, the computer revolution in fact teaches, without embracing greed, without smiling upon a deeply unequal distribution of riches.

Just ask Linus Torvalds, exhibit A in the case for equality and economic innovation.

Linus Torvalds cannot lay claim to having a household name. But this Finnish computer programmer has made contributions to innovation every bit as striking as any ever advanced by a Silicon Valley billionaire. Back in 1991, Torvalds, then a student in Helsinki, bought his first computer. His new PC carried a Microsoft operating system, as most computers still do, and Torvalds soon found himself frustrated by the Microsoft system's limitations. He could have simply gritted his teeth, like fellow frustrated users, and made do. But Torvalds chose not to take that course. He decided to write his own operating system. He tagged his new system, with a whimsical touch, Linux.

Torvalds did not then take the typical next move. He did not rush to cash in on his work. Instead, he posted Linux on the Internet and invited people to use it for free. That wasn't all. Torvalds also encouraged users to make improvements on his Linux program — and the young Finn set up a licensing system that required all improvements to be shared, for free, with all other users. This sharing strategy worked marvelously. Sharing, Torvalds found, begets sharing. Linux quickly evolved into a robust operating system that many computer experts rated as more stable and efficient than the Microsoft systems that dominate the PC market. By century's end, over 7 million people worldwide were using Linux, and that number was growing at double-digit annual rates.[19]

Torvalds himself opened the new century contentedly writing software in California. He had no billions to his name. That didn't matter. He had never sought billions.

"My main goal," as Torvalds once explained, "has always been to be in the position that I'm not ashamed of what I've done or am doing, and that I'm doing the best I can."[20]

Torvalds and Linux stand in the middle of what has become known, within the computer industry, as the "open source" movement. All over the world, experts and enthusiasts are writing computer code, sharing their work openly and freely, and watching others, operating in the same spirit, improve their initial work and advance it to higher levels of sophistication and quality. Some observers dismiss "open source" as a do-gooder protest against corporate computing's powers that be. But "open source" amounts to much more than that. The "open source" spirit amounts to a return to computing's roots, a return to the collaborative spirit that has generated the Information Age's greatest leaps forward, in everything from graphic interfaces to the Internet.

William McGill, who would later become the president of Columbia University, experienced this collaborative spirit early on, as a colleague of computing's first grand innovators, scientists like the widely admired J.C.R. Licklider of the Massachusetts Institute of Technology. "Few of these innovators are known to the public because they created the Internet in a collegial atmosphere, lacking in ego and greed," notes McGill.[21] Licklider and other innovators of the time, McGill observes, gave no thought to how rich their discoveries could make them. They were "driven by science" and "uninterested in credit." This, says McGill, "is the way it ought to be."

"I am saddened to think," he adds, "we have become so hardened by self-interest that we forget how science is supposed to work."

Innovation and invention, scientists like William McGill understand, can and do take place without the lure of great fortune. The chance to do interesting work, to feel part of something significant, offers talented people more than enough incentive to achieve and create at the highest levels. Creative people, notes psychologist Mihaly Csikszentmihalyi, don't love money. Creative people "love what they do."[22]

"It is not the hope of achieving fame or making money that drives them," this nationally respected analyst adds, "rather, it is the opportunity to do the work that they enjoy doing."[23]

Inequality *discourages* people from doing the work they most enjoy doing. In deeply unequal economies, in societies where rewards for some lines of work dwarf the rewards available from other lines of work, talented young people gravitate to the work that pays the most, not the work they find most personally appealing. They end up, for instance, in corporate law firms, spending eighty-hour weeks researching arcane points of obscure law. This work offers little intrinsic satisfaction. The work does offer, on the other hand, a chance to make partner — and annual incomes in the seven-figure range. Money trumps satisfaction. Talent goes to waste.

In a Ten Times Rule America, with a ceiling on income in place, no one field could ever astronomically outcompensate another. The nation's top figures in public interest law would earn in the same ballpark as the nation's top figures in corporate law. College presidents would make as much as bank presidents, top engineers as much as top stock analysts. Truly talented people, under the Ten Times Rule, would be more likely to go into fields they really enjoy — and be more likely to do great work in those fields.

Fewer people, meanwhile, would squander their energies lusting after jobs that promised colossal rewards for the tiny numbers of people able to make it to the top. In a Ten Times America, some lines of work might still carry higher monetary rewards than others. But no line of work would carry cash rewards dazzling enough to make talented young people stomach work they have no interest doing.

The talented simply do not need to be bribed, with colossal monetary rewards, to share their talents, a reality that apologists for inequality continually refuse to acknowledge. These apologists confuse wealth and reward. Wealth may be a reward. But rewards, to motivate, need not bring wealth. Applause can be a reward. Recognition can be a reward.

"Among the 50 states," as business commentator Daniel Akst points out, "not a single governorship has gone begging for want of bonuses and stock options."[24]

How much we earn, researchers agree, does certainly matter to us, but not as much as how much we earn compared to others around us. Most of us, economist Robert Frank notes, would rather take home $100,000 in a society where everyone else was making $90,000 than $110,000 in a society where everyone else was taking home $200,000.[25]

But what about those among us who don't just want to make *as much* as everybody else? What about the competitive among us who want to make *more* than everybody else? Would these competitive people be able to find satisfaction under the Ten Times Rule? Would a ten times economy be able to give these feverish competitors the incentive they need to perform at their best? Why not? Fierce competitors really don't care what they make. They just don't want to be beaten. They don't want anyone making more than what they earn. Fierce competitors, in a ten times economy, would still be able to climb their way to a "top." And at that top no one would be making more than they do. But that top would be a "top" with a difference. At this top — at the ten times limit — our nation's most competitively successful would not be earning colossally more than anybody else.

And that, in turn, would make an enormous difference for the rest of us. In a Ten Times Rule America, all people would be able to take pride in their work, in their contribution to society, because no one's work would be devalued by someone else's enormous compensation. In a Ten Times America, all work would have honor. All young people would have an incentive to do honorable work, the work they enjoy doing. Out of that work would come innovation. Out of that innovation would come wealth.

EARLY IN THE TWENTY-FIRST CENTURY, America's single largest organization, the AARP, asked a rather large national cross-section of adults — of all ages — what makes life worth living.[26] The vast majority of those surveyed placed earning a great deal of money near the bottom of their list. Happiness, those quizzed seemed to agree, comes instead from a combination of five much more significant factors: nurturing solid family ties, building friendships, helping people in need, getting a solid education, and having a satisfying job.

In a Ten Times Rule America, average Americans would be more likely to realize each of these five outcomes. But even this success, unfortunately, would not *guarantee* our happiness in a Ten Times America. Life does remain, to no small degree, about the money. To feel content, most of us need to see ongoing improvement in our economic circumstances. We can be content with an income of $50,000, as economist Robert Frank has noted, if we made $45,000 the year before. We will likely not be content with that same $50,000 if we earned $55,000 the year before.[27] Psychologically, we do better when we make modest, steady progress in our personal finances. Too much too soon, too little too late, leaves us sour. To keep us happy, a Ten Times Rule America would have to keep our incomes rising steadily.

And that's exactly what a Ten Times Rule would do. The reciprocity built into the Ten Times Rule, the direct link between incomes at the top and incomes at the bottom, would ensure a never-ending lobbying effort by people at the top to raise wages for people at the bottom. Rising wages at the bottom would, in turn, ripple throughout the economy and boost wages *between* top and bottom. In our current America, real wages have stagnated for three decades. In a Ten Times America, real wages would march steadily — and satisfyingly — ahead.

In a Ten Times Rule America, as a consequence, we would have in place a solid foundation for deep and lasting happiness. People would be moving up the economic ladder, modestly and steadily, within a society that values our time and our work. A Ten Times Rule would help us improve the quality of our lives.

But what about the *quantity* of our lives?

Quantity, as environmentalists have helped us understand, matters. The Earth's ecosystem can sustain only so much activity. At some point, the quantity of that activity endangers our natural ecosystems. We deplete natural resources faster than they can be replenished. We generate more waste than our Earth can absorb. Those of us around today may never live long enough to have to face a point of no return. We may be able to "grow" our economies, and then grow them a good bit more, without ever having to feel personally the environmental degradation we have wrought. But our children, or their children, will have no such luck. We ignore quantity at their peril, if not ours.

We do have an alternative. We can stop "growing" our economy in conventional economic terms, move toward what Herman Daly has called the "steady-state economy." We can shift our concentration from growth to development, from more to better. But this shift, as Daly emphasizes, will never be able to succeed without an equally momentous shift in how we think about rich and poor, about the distribution of income and wealth.

Any society wise enough to recognize that our ecosystem cannot support unlimited material production, Herman Daly notes, must also recognize that allowing 99 percent of a "limited total product to go to only one person" cannot possibly make sense — or be just. Limits on material production, in other words, at some point necessitate limits on distribution. Without limits on who gets what, limits on how much we burden the Earth become impossible to sustain. And what limits on distribution would help ensure sustainability? As a "formula for fairness," a ten times differential between minimum and maximum income strikes Daly as sensible and practical.[28]

"No one is arguing for an invidious, forced equality," he notes. "A factor of ten in inequality would be justified by real differences in effort and diligence, and would provide sufficient incentive to call forth these qualities."[29]

A ten times maximum, adds Daly, would help us create a better world, a sustainable world, a world where tomorrow's basic needs would "always take precedence over the extravagant luxury of the present."[30] How good a place might this world be? A world that rejects extravagance as a motive force, author Alan Durning suggests, would be much more than simply a world without environmental degradation. A world that lived by sufficiency, not excess, would offer "a return to what is, culturally speaking, the human home: to the ancient order of family, community, good work, and good life; to a reverence for skill, creativity, and creation, to a daily cadence slow enough to let us watch the sunset and stroll by the water's edge; to communities worth spending a lifetime in; and to places pregnant with the memories of generations."[31]

A world without excess. A ten times world.