

Do Americans still believe in capitalism?

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A decade ago, hating the rich was all the rage. In cities across America, members of the “occupy” movement marched against the wealth concentration of the top 1%.

Usually somewhere across town, members of the Tea Party held similar demonstrations, generally aimed at politicians they felt were spending money too freely.

In some ways, these were two manifestations of the same perception — that common people were suffering because of the actions of the elite. Only the definitions of the elite were different.

So it may be interesting to see the results of the latest Welfare, Work and Wealth Survey, published by the Cato Institute, a libertarian think tank in Washington. It found that 84% of Americans think there is nothing wrong with trying to make as much money as you can, if it is done honestly, that is.

They also believe that when the economy grows, it benefits more than just rich people. A total of 79% said economic growth helps poor people more than welfare spending.

That doesn't mean the rich get a pass. The survey found 61% in favor of raising taxes on families making more than \$200,000 per year, and 53% would set the top marginal tax rate at 70% on incomes over \$10 million per year. The current top rate is 37% for individuals earning more than \$500,000, and for married couples earning more than \$600,000.

At the same time, however, 62% oppose taking money from the rich to give to the poor, which is the definition of a taxpayer-funded welfare program, and which seems to contradict their feelings about the top tax rate. Public opinion often bulges with maddening contradictions, which is why we don't let people decide every issue at the ballot box.

Writing for MarketWatch earlier this year, analyst Jared Dillan said, “If you want more money, a bad way to go about getting it is hating people who have it.”

And Americans, despite it all, tend to want more money, which means they don't like to hate the very people they're trying to become. A total of 71% said they feel more admiration than resentment toward wealthy people.

The survey may be as much a reflection of the times as a barometer of any permanent national condition. If the economy were to turn bad and unemployment lines were to grow, my guess is people quickly would become resentful of the rich or believe they don't contribute much to the well-being of anyone else.6%

If you were to ask these same questions of people back in the 1930s, when loans were defaulting and farms were being auctioned, you'd get different answers.

It is, however, an interesting snapshot of Americans heading into the 2020 election season. An unfolding effort to impeach the president may make the coming year hard to predict, but Americans tend to vote on the condition of their pocketbooks above all else.

However, the survey also noted stark differences between Republicans and Democrats. Half of the Democrats surveyed said Donald Trump has soured them on capitalism. Only 6% of Republicans said the same thing. Asked whether billionaires are a threat to democracy, 54% of Democrats said yes, while 79% of Republicans and 62% of Americans overall said no. More Democrats said they felt favorably toward socialism (64%) than toward capitalism (45%).

This likely explains why so many Democratic candidates sound favorable towards soaking the rich during primary season. It will be interesting to hear what the eventual nominee has to say during the general election season next year.

Young people and the far left were the scary outliers in the survey. More than a third of the under-30 crowd (35%) and 47% of those who have very favorable attitudes toward socialism said it may be justified to take violent actions against the rich at times. Overall, only 17% agreed.

Those of us who believe violence contradicts civil society can be heartened by the notion that youth eventually matures.

Speaking of the 1930s, or actually the prosperous years preceding them, author F. Scott Fitzgerald began the story, "The Rich Boy," by saying, "Let me tell you about the very rich. They are different from you and me."

He was talking about people who were born that way and were able to "possess and enjoy early." Today, the aspiring rich apparently don't care about those differences, or they are eager to explore them.

As a whole, this is still a nation that believes in capitalism and that a rising tide lifts all ships.

As we learned a decade ago, that feeling can ebb and flow with the times. But my guess is a politician would be foolish to ignore this.