Three Far-Left Economists Are Influencing The Way Young People View The Economy And Capitalism

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Emmanuel Saez and Gabriel Zucman are University of California, Berkeley economics professors and key players in designing economic policy for 2020 Democratic hopefuls Elizabeth Warren and Bernie Sanders.

Saez and Zucman helped design Warren and Sanders' wealth tax plans and have presented misleading calculations that claim "Medicare for All" would cut taxes for most Americans, despite Sanders admitting he would raise taxes on the middle class in order to achieve his "Medicare for All" plan.

Their work is based mostly on French economist Thomas Piketty. All three hold hard-left-wing values and push false bulk data on how high wealth and income inequality is.

The three most influential economists in the 2020 election promulgate falsehoods about the American economy. Could this affect the way young people view economics for the rest of their lives? The answer is yes.

Saez, Zucman, and Piketty's Rise to Prominence

There's a reason Saez, Zucman, and Piketty's work is so influential. It's used in mainstream media outlets, by international organizations, and by two of the three 2020 Democratic front-runners — Warren and Sanders, who created their economic policies based on the trio's conclusions.

Not only do Saez and Zucman come from one of the most prestigious universities in America, they also have their work published in major mainstream media outlets such as the New York Times and Bloomberg news.

A recent New York Times article was titled "The Rich Really Do Pay Lower Taxes Than You," and the subtitle for a recent Bloomberg piece was "The Wealthiest 400 Americans Have the Lowest Rates." Both of these statements were written based on conclusions from Saez, Zucman, and Piketty, and both of them are false — we'll get to why, later.

Even global entities, including the <u>International Monetary Fund</u>, have used Saez's data. These radical, left-wing economic ideas are spreading not only through mainstream media outlets, which have a clear bias, but through international organizations that are the cornerstone of understanding and learning international fiscal policy for students.

After establishing expert credibility — despite the data manipulation they have used to get here — Saez and Zucman have become sought-after talent by the Warren and Sanders campaigns. Their data, while incorrect, fits the Warren and Sanders narrative perfectly.

Their Work Is Attracting Young People

A September <u>College Reaction/Axios poll</u> finds college students prefer Warren and Sanders to front-runner Joe Biden. Nearly 20 percent of college students prefer Warren, while 15.5 percent prefer Sanders. The one thing these two candidates have in common: They want to cancel student debt and change the economic system at large.

The two candidates, if elected, also plan to implement a wealth tax. <u>Warren's wealth tax</u> plan includes taxing assets in excess of $50 million at 2 percent annually, and those in excess of $1 billion at 3 percent annually. Warren's plan will supposedly bring in $2.75 trillion in revenue, according to none other than Saez and Zucman. Warren's campaign claims this revenue would <u>be used to eradicate $50,000 in student debt for 42 million Americans</u>.

Sanders <u>plan is far more drastic</u>, but it draws on similar conclusions from the three influential economists.

It's clear Saez, Zucman, and Piketty have massive influence over the plans, talking points, and narratives of Warren and Sanders. Therefore, it's fair to conclude that if young people are attracted to Warren and Sanders for their economic plans, young people are simultaneously attracted to Saez, Zucman, and Piketty's false economic theories.

Why Saez, Zucman, and Piketty's Data Is False

Saez, Zucman, and Piketty's data is wrong for two primary reasons. First, they make flawed assumptions.

In Saez and Zucman's most recent study, they created estimates on the forecasted 2018 average tax rates, figures which do not exist yet. A David Splinter <u>study</u>, commenting on Saez and Zucman's 2019 study, found that Saez and Zucman concluded that across income groups, tax rates are similar — between 25 and 34 percent. The Splinter study proved that in actuality, "U.S. tax rates are graduated, ranging from 12 percent for the bottom half to 50 percent for the top 0.01 percent of taxpayers."

Saez and Zucman's flawed assumptions led to radically different results between their conclusion and those of other economists.

Second, Saez and Zucman purposefully distort income data, inflating the top-end income in their study. Without going into the lengthy discussion, which can be found <u>here</u>, Saez and Zucman misrepresented information to get a desired outcome. After all, most economists and available

data show the U.S. has a progressive tax system, not a regressive tax system like Saez, Zucman, and Piketty suggest.

Cato Institute's director of tax policy and studies, Chris Edwards, cites a 2018 report wherein economists found that the data from the trio is "sparse, inconsistent, and unreliable" and "not very consistent with other reputable sources."

The most widely accepted data is from the Congressional Budget Office. Its studies conclude that people with a higher income pay higher tax rates. This model is widely accepted by economists, and other data sources from prominent think tanks fall in accordance with the CBO's model as well.

Are These Lies Infiltrating College Classrooms?

Luckily, plenty of liberal scholars are skeptical of the data coming from Saez, Zucman, and Piketty.

A well-known liberal economist and former Treasury secretary, Larry Summers claimed the wealth tax idea espoused by Warren and Sanders was built on bad economics, bad policy, and bad data. Summers took a direct shot at Saez and Zucman, claiming their $200 billion projected revenue for the project was grossly overestimated. So, have faith that this idea is braced only by factions of the Democratic Party.

However, while professors and scholars may be hesitant to use Saez, Zucman, and Piketty's data directly, they will not be hesitant to use data from, say, the IMF, an institution most students will learn about during their time in college. Remember from earlier, the IMF's data incorporates aspects of Saez, Zucman, and Piketty's conclusions.

The most frightening scenario would be one in which Sanders, or more likely Warren, becomes the eventual Democratic nominee. Students and professors alike will begin to dig into their plans, which, as concluded earlier, are based entirely off the trio's false data points and conclusions.

Professors may not teach these ideas directly, but there is a large chance, in a prominently liberal classroom, these ideas will be propped up by professors and students alike.

How Will This Affect The future?

Capitalism is already vastly unpopular among young people. A new YouGov/Victims of Communism poll found 70 percent of millennials are "likely to vote socialist."

Imagine what this number will be as falsehoods and error-prone statistics that promote a socialist agenda are considered indisputable facts.

Saez, Zucman, and Piketty are truly dangerous for the future of conservatism, the Democratic Party, and most importantly — capitalism.