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Poor Get Richer, Rich Get Poorer

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Despite the false and angry charges from the president and the Wall Street Occupiers, the truth is that the earnings of both the so-called 1 percent (the supposedly rich) and the 99 percent (the supposedly poor) shift dramatically over the years.

The number of Americans earning more than \$10 million a year has fallen by [55 percent](#) since 2008. As for the Democrats' favorite whipping boys, the politically disparaged millionaires, 80 percent of them are not "trust-fund babies" as they have been branded by some. Rather, they are "the first of their family to be wealthy," according to Cato Institute scholar Michael Tanner. A column by Tanner appeared earlier this month in the New York Post.

Moreover, as Donald J. Boudreaux, professor of economics at George Mason University, and a lawyer, has explained, the 20 percent in the lowest tier of taxpayers grew [by 91 percent](#) over a nine-year period measured by the IRS in a study in 2005. There is no reason to suppose that earnings in America are not dynamic and fluid. A young person not long out of college, for example, may be in the lowest fifth of income earners. But by the time he or she is in their mid-fifties, depending on the work they are in and their position, they could well be in [the top bracket](#), where the gross adjusted income averages about \$325,000.

The nonpartisan Tax Foundation has found that since 2007, there has been a 39 percent decline in the number of American millionaires. As Tax Foundation tables also show the 1 percent of all taxpayers shovel out an average rate of a little over 23 percent of all taxes paid. The top five percent pays almost 59 percent of all income taxes. The bottom 50 percent pays only a skimpy 2.7 percent of U.S. income taxes.

The Associated Press reports that [poverty](#) in the U.S., in this Obama depressed economy, has reached a record high.

"New census data paint a stark portrait of the nation's haves and have-nots at a time when unemployment remains persistently high...(with) more Hispanics, elderly and working-age poor have fallen into poverty."

Poverty differs widely, however, from that perceived by most Americans. Most of whom the government defines as "in poverty" are not poor in any ordinary sense of the term. The overwhelming majority of the poor have air conditioning, cable TV, and a host of other modern amenities. They are housed, have enough food and other basic needs, including medical care. Some poor Americans do experience significant hardships, including temporary food shortages or inadequate housing, but these poor souls are in the minority.

Poverty is of serious social concern. But exaggeration and misinformation about poverty obscure the nature, extent, and causes of real material deprivation, as the well known political scientist and scholar James Q. Wilson has observed.



As Wilson stated Americans today have a [better life](#) than "more than all but the richest persons a hundred years ago." Even as early as 2005, the typical household defined as poor by the government had a car and air conditioning. For entertainment, the household had two color televisions, cable or satellite TV, a DVD player, and a VCR. If there were children, especially boys, in the home, the family had a game system, such as an Xbox or a PlayStation. In the kitchen, the household had a refrigerator, an oven and stove, and a microwave. Other household conveniences included a clothes washer, clothes dryer, ceiling fans, a cordless phone, and a coffee maker.

"The home of the typical poor family was not overcrowded and was in good repair. In fact, the typical poor American had more living space than the average European. The typical poor American family was also able to obtain medical care when needed."

The motley mob of discontents and zealots gathering in Zuccotti Park and in a number of locations around the country have demonstrated their vast ignorance of capitalism and economics as well as a frightening lack of social grace—often resorting to violence, which attracts undesirables, ranging from labor union thugs to socialists (sometimes one and the same).

As Hoover Institution senior fellow Thomas Sowell has said: "Americans are generally given 'class' labels on the basis of their transient location in the [income stream](#). If most Americans do not stay in the same broad income bracket for even a decade, their repeatedly changing 'class' makes class itself a nebulous concept. Yet the intelligentsia are habituated, if not addicted, to seeing the world in class terms."

A "sense of economic anxiety" and a "combustible climate" helps to explain both the [volatility](#) in the presidential campaign and the protest movements posing as Occupy Wall Street, purportedly to express grievances against banks, perceived income equality, and a belief the poor and the middle class have been stomped on. So said The New York Times October 26.

The total ignorance by so many in the public and in politics about the nature of shifting income levels at different life periods is at the root of much of today's climate of unrest. But for some the truth is easily pushed aside by the well-developed politics of class warfare.

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