

Analyst: Occupiers' stereotypes wrong

Chris Woodward - OneNewsNow - 11/11/2011

An author and analyst of domestic policies says the Occupy Wall Street movement is wrong about bankers, hedge-fund managers, and taxes.

The Occupy movement says the rich are getting richer and banks and hedge-fund managers are partly to blame for the economy because they are not paying their fair share of taxes. Those claims have won the support of sports and entertainment figures, as well as that of President Barack Obama. In an [article for the New York Post](#), however, Michael Tanner of the [Cato Institute](#) says each of these stereotypes is wrong.

"The rich have most of their money tied up in investments, and since the recession hit, the stock market has not done particularly well," he explains. "And that means the rich have lost a great deal of money. In fact, according to a new study by The Tax Foundation, we've actually been shedding millionaires and billionaires in this country. We have considerably fewer than we had in 2007."

The protesters also claim that the wealthy people in America are either "trust-fund babies" who inherited their money, or greedy bankers and hedge-fund managers. But the research analyst asserts that roughly 80 percent of U.S. millionaires actually earned their own money, and less than 14 percent of them were involved in banking or finance. And he points out that the rich also pay their fair share of taxes.

"If you look at the top one percent, they have about 18 percent of all the income in this country, but they pay about 36 percent of the federal income tax," Tanner reports. "So they certainly seem to be paying a disproportionate amount of taxes, but it's a disproportionate amount that they overpay."

As for billionaire investor Warren Buffett, who claims he is paying a lower tax rate than his secretary, Tanner says that comparison is misleading because Buffett's income is mostly from capital gains, which were already taxed at their origin through the corporate income tax.

He concludes in his article that the rich are the ones who create jobs. And while he concedes that some of them may have gained their riches through dishonesty and taking advantage of others, he believes "public policy should be based on something more than class warfare, envy, and stereotypes."