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Americans Like Billionaires More Than Democrats Do

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The apparent collapse of the Democrats' proposed "billionaire tax" is a triumph for the median voter theorem. At the same time, the proposal's viability is evidence that too many Democrats are seriously misreading the mood of the electorate. The rhetoric holding that the wealthy are undeserving seeks to tap into a popular fury that might not exist.

Sure, lots of people think wealth is too concentrated. But only a minority consider addressing inequality to be a government priority. And if the idea is that billionaires pose such a danger to society that the government should devise a system to take chunks of their fortunes by force — well, that doesn't seem to be the public's view.

In a 2020 survey, although there were noticeable partisan differences, Americans overwhelmingly (58%) concluded that the existence of billionaires was "neither good nor bad." Even among self-described Democrats, some 53% agreed.

This wasn't always the case. During the late 19th and early 20th centuries, there was plenty of anti-wealth sentiment. "It is no more than fair," reads an editorial in a Kansas newspaper in 1893, that taxes "should be assessed upon what is actual wealth." A tax on income, the editors argued, was worse than a tax on wealth, because "manufacturers and great land owners" would be off the hook.

A few years later, Life magazine mocked the arguments offered against a special levy on the richest Americans: "To tax millionaires in the same proportion that poor people are taxed, would be unreasonable. ... It would bring needless suffering on a lot of people who are already overburdened with a sense of their own unimportance."

While running for re-election to Congress in 1936, Democrat Finly H. Gray of Indiana conceded that Franklin D. Roosevelt's administration was running large deficits, but assured his audiences that their taxes would not be raised; the deficits would be funded by taxing "the idle rich class."

But the reasons were different then than they are now. In her book "American Citizenship: The Quest for Inclusion," Judith Shklar argues persuasively that the anger was a holdover of Jacksonian Democracy: People disdained the rich because the rich didn't earn a living. Paid work was an emblem of citizenship, and the "idle rich" rejected the emblem, choosing instead

a life of leisure. “Failure to work was not merely immoral in and of itself,” writes Shklar, “it also expressed a social ideology, the contempt for labor.”

In recent decades, the wealthy as a class have changed. A defining characteristic of today’s super-rich is that many of them, perhaps most, prefer to keep working. They’re no longer idle. Many are busy churning out products and services the public values.

That’s a big change; and people seem to be noticing. A study published this week finds that whatever disdain people might feel for billionaires as a class, they feel differently about the super-rich as individuals: “Participants thought that the wealth obtained by the richest Americans was more fair when they read about one of the top 25 wealthiest Americans than when they read about the top 25 as a group.”

It’s a point senators and members of the House ought to be familiar with. After all, that’s the same way the public views Congress itself: People tend to disapprove of the institution but approve of their representative.

Still, this sentiment might be turning. A 2019 Cato Institute survey on attitudes toward wealth found a stunning generation gap:

Across the board, younger people are more likely than older people to hold negative attitudes toward the rich. Americans under 30 are about 20-35 points more likely than Americans age 65 and older to feel “angry” when they read or hear about rich people (44% vs. 11%), to feel more “resentment” than “admiration” of rich people (39% vs. 16%), to believe it’s “immoral” for society to allow people to become billionaires (39% vs. 13%), and to believe that citizens taking violent action against the rich is sometimes justified (35% vs. 10%).

This is strong stuff. But in time the millennials will grow older; and, as a group, wealthier. As they move into the ruling class, will their views change? If not, perhaps a true wealth tax will one day become law; but that’s a column someone else will have to write.