

## Obama Blames the Rich

By [Rich Lowry](#)

December 9, 2011 12:00 A.M.

A haze of ugliness hung over Pres. Barack Obama earlier this week in Osawatomie, Kan., where he delivered a speech as malodorous as an Occupy Wall Street encampment and about as thoughtful.

He communed with the spirit of Teddy Roosevelt, who delivered his famous 1910 “New Nationalism” speech there defining progressivism for the next century. The president was after smaller game. He merely needs a campaign theme to patch him over for the next year, so any old argument will do. He settled on all but blaming the rich for trashing the American Dream. Income inequality, he said, “gives lie to the promise that’s at the very heart of America.”

How so? The president maintains that with inequality on the rise, it had already become more difficult in 1980 than at the end of World War II for a child to climb out of poverty into the middle class. What happened between World War II and 1980? For one, we had the advent of the Great Society. The fact that the creation of a liberal dream state coincided, in his view, with the diminution of advancement might make a more reflective man stop and think. Not our president.

The federal government already runs a sprawling, massively redistributionist system of taxes and benefits. The top 1 percent earns about 17 percent of all income and pays about 37 percent of all federal income taxes. By the reckoning of Robert Rector of the Heritage Foundation, the welfare system has paid out roughly \$16 trillion since the beginning of the War on Poverty. According to Cornell economist Richard Burkhauser, once tax policy, transfer payments, and the like are taken into account, all income groups have gained since the late 1970s.

But President Obama implied that some people are poor because other people are rich, an assumption of class antagonism antithetical to the American idea and tenuously connected to the evidence. Consider a concrete example. The president’s former top budget official, Peter Orszag, departed the administration to work at Citigroup for \$2 million to \$3 million a year. Putting aside the seamliness and the merits of Orszag’s pay and that of his cohorts on Wall Street, how does his paycheck make it harder for anyone else to get ahead? Orszag’s income doesn’t increase out-of-wedlock childbearing, incarceration, or lack of work effort — all significant obstacles to advancement up the income scale.

If inequality were foreclosing opportunity, we would have seen steadily declining mobility since the late 1970s. Scott Winship of the Brookings Institution, an expert in this area, says that as near as we can tell, the data don’t bear that out. We are “sticky at the bottom,” meaning we have trouble getting people out of the bottom fifth, but that has been a longstanding failing. It’s not the product of a new zero-sum dynamic where Reverse Robin Hoods are pillaging the poor.

Everyone agrees the ticket ahead in America is education. Children from the bottom fifth who get a college degree have only a 16 percent chance of staying in the bottom fifth and a 19 percent chance of making it to the top fifth and getting excoriated by the most powerful man in the world. In his speech, President Obama called for a “national mission” to improve education in the same breath as he inveighed against “laying off good teachers.” Does it ever occur to him that some of the teachers might not be good? The teacher’s unions have surely done more to hamper upward mobility in America than the nation’s most loathsome collection of banksters.

We should endeavor to create the conditions for economic growth, transform education fundamentally, and champion the bourgeois virtues at every opportunity. But President Obama only wants shiny new wrapping paper for his same old proposals — taxes on the rich, infrastructure spending, and regulation. This familiar litany is now supposed to be the answer to complex, decades-long trends. It’s good to know he takes himself so seriously; no one else should.

— *Rich Lowry is the editor of NATIONAL REVIEW. He can be reached via e-mail: [comments.lowry@nationalreview.com](mailto:comments.lowry@nationalreview.com). © 2011 King Features Syndicate*

[Permalink](#)