DREAMING THE IMPOSSIBLE DREAM:

IS A WEALTH TAX NOW POSSIBLE IN AMERICA?

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Introduction

• Wealth Inequality Trends

• The Dangers of Wealth Inequality

• Wealth Tax should be used as a tool to directly curb Wealth Inequality
The History of Inequality

Gini Index

Greatest inequality

Kuznets Curve

Degree of development
AN OLIVER STONE FILM

WALL STREET

“GREED IS GOOD.”
- Gordon Gekko
• In 1979 the top 1% owned 20.5% of the nation’s wealth
• Today?

A RISING TIDE LIFTS ALL BOATS.
"I'VE NEVER SEEN A TIDE RISE LIKE THAT BEFORE!"
726.7%  
Increase in CEO annual compensation from 1978 to 2011

349.1%  
Increase in S&P 500 from 1978 to 2011

5.7%  
Increase in worker annual compensation from 1978 to 2011

Income Gains Widely Shared in Early Postwar Decades — But Not Since Then

Real family income between 1947 and 2012, as a percent of 1973 level

Source: CBPP calculations from U.S. Census Bureau data

Center on Budget and Policy Priorities | cbpp.org
• Economic Studies show high inequality at the start of a decade negatively impacts economic performance in the ensuing period
• Political Ramifications
  – Citizen’s United, unlimited spending
  – Effective Unequal Votes
  – Power to Threaten Elected Officials Using Mere Existence of Wealth
    • (i.e., without actually spending anything!)
  – Generational Entrenchment
• Social Ramifications
  – Divergence of society between rich and poor undermines social cohesion and shared values necessary for well functioning economy and democracy
  • Michael J. Sandel: What Money Can't Buy: The Moral Limits of Markets
  • Charles Murray: Coming Apart: The State of White America 1960-2010
  – Social Mobility decreases as inequality rises and classes become more stratified
An Equality Tax Approach

- But not your typical wealth tax proposal
- A targeted tax aimed at directly reducing inequality rather than revenue raising
- Revenue used to reduce roots of inequality via education and retraining programs
An Equality Tax

- Annual 5% tax on Net Worth over $100 million
- Increasing to a 10% tax on Net Worth over $500 million
- Proceeds focused on bringing bottom up, not top down
Unworkable!

Un-American!

Unconstitutional!

Un-Thinkable!
What am I worth?

Unworkable?
Will Atlas Shrug?
Un-American?

Unfair?

Class Warfare?
Got Social Mobility?
no American citizen ought to have a net income, after he has paid his taxes, of more than $25,000 a year.

Approximately $350,000 in today's dollars

Un-Thinkable?
A one time 14.25% tax should be imposed on individual wealth greater than $10 million.
WE ARE
THE
99%