

Greed, Excess and America's Gaping Class Divide

How the rich get richer and everybody else gets screwed

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demented earnestness in the fashion section article, an honest argument that with mortgages and private school tuition and co-op fees and taxes, it really was very hard for a certain kind of New Yorker to get by on half a million a year.

The proposed salary cap -- remember, this cap was only going to be for banks that had fucked up badly enough to need a federal bailout - became the *cassus belli* for a propaganda war launched from the general direction of Wall Street, where the notion that the government should restrict the salaries of exactly the irresponsible greed-heads who caused a global financial crisis was met with blunt outrage.

Sirota's list highlights another bizarre aspect of the \$500k story. During the debate over the proposed cap, one of the things we started to hear from the Antoinette class was a general sense of wonder at the notion that anyone considered them rich. It turns out that a great many of the people who make big six-figure incomes consider themselves middle class. A University of Chicago professor arguing against the repeal of the Bush tax cuts made waves by saying he was "just getting by" with his \$250,000 income, while ABC's Charlie Gibson and CNN reporter Kiran Chetry in recent years suggested that \$200-\$250,000 is middle class (Chetry's exact quote was that "in some parts of the country," \$250K "is middle class").

All of this is a testament to the amazing (and rapidly expanding) cultural divide that exists in this country, where the poor and the rich seldom cross paths at all, and the rich, in particular, simply have no concept what being broke and poor really means. It is true that if you make \$300,000 in America, you won't feel like you're so very rich once you get finished paying your taxes, your mortgage, your medical bills and so on.

For this reason, a lot of people who make that kind of money believe they are the modern middle class: house in the burbs, a car, a kid in college, a trip to Europe once a year, what's the big deal? They'd be right, were it not for the relative comparison -- for the fact that out there, in that thin little itzmus between the Upper East Side and Beverly Hills, things are so fucked that public school teachers and garbagemen making \$60k with benefits are being targeted with pitchfork-bearing mobs as paragons of greed and excess. Wealth, in places outside Manhattan, southern California, northern Virginia and a few other locales, is rapidly becoming defined as belonging to anyone who has any form of job security at all. Any kind of retirement plan, or better-than-minimum health coverage, is also increasingly looked at as an upper-class affectation.

Courtesy of good friend and Supreme Court of Asshole-dom justice David Sirota comes this revolting list of Marie Antoinettoid moments from recent years, in an article called "[The New 'Let Them Eat Cake!'](#)"

Some of the moments on the list are easily recalled -- Berkshire Hathaway gazillionaire Charlie Munger's famous "suck it up and cope" quote, coming from a guy whose company was heavily invested in bailed-out banks, was an obvious inclusion -- but others are quite shocking.

For instance, I was completely floored by the *New York Times'* pseudo-ironic take on the government's response to the financial crisis, a piece entitled "[You Try to Live on \\$500K in This Town.](#)"

This came at a time when President Obama was considering curtailing compensation for bailed-out bankers at \$500,000.

The piece was sort of meant to be taken half as a joke, but it is not hard to detect an element of

Historical Context: In 2008, the economy was destroyed by big investment firms overspeculating in complicated investments. To save the economy, the governments spent trillions to secure keep these companies from collapsing. By 2011, the date of this article, big banks and finance firms were making record profits. Everyone else, however, was still struggling to get by.

That the Tea Party and their Republican allies in congress have so successfully made government workers with their New Deal benefits out to be the *kulak* class of modern America says a lot about the unique brand of two-way class blindness we have in this country. It's not just that the rich don't know the poor exist, and genuinely think a half a million a year is "[not a lot of money.](#)" as one "compensation consultant" told the *New York Times* after the crash.

It also works the other way -- the poor have no idea what real rich people are like. They apparently never see them, which is why the political champions of middle America are at this very minute campaigning in congress [to extract more revenue from elderly retirees and broke-ass students](#) while simultaneously fighting to preserve a slew of tax loopholes for the rich, including the carried-interest tax break that allows hedge fund billionaires to pay about half the tax rate of most Americans.

This is also going on because both parties are betraying the desires of the actual voters, who by and large actually do favor taxing the wealthy (they favor it intellectually anyway, when asked by pollsters). But we don't see mobs on the street demanding Stevie Cohen and John Paulson and George Soros give up their special 15 percent tax rate, because no actual people have ever seen Stevie Cohen, John Paulson or George Soros in the wild.

To most people, the undeserving rich guy is the ex-police lieutenant down the street who's been collecting a six-figure pension for years after spending two decades writing traffic tickets before retiring at 43. Seeing that guy lounging in the dugout pool you paid for with your constantly rising property taxes is enough to piss anyone off, which is why it's not hard to understand where a lot of that Tea Party anger is coming from.

But if you want to see a *real* asshole, you have to somehow get invited to things like the \$5 million birthday party of another guy on Sirota's list, private equity creep Steven Schwarzman. After throwing his elaborate fete for himself, Schwarzman -- who is said to make \$400 million a year, and made \$600 million when his company went public -- compared

Barack Obama to Hitler for even considering rolling back his carried-interest exemption, which, again, allows him to pay 15% taxes while some of the rest of us pay twice that or more. "It's a war," he said. "[It's like when Hitler invaded Poland.](#)"

If you think your local Andy Griffith is a greedy pig because he retired in his forties and built an addition to his garage with your tax money, try hanging out with a guy who eats \$400 crabs, [throws himself \\$5 million parties](#) where he is [serenaded by Rod Stewart and Patti Labelle](#) (who sang "Happy Birthday"), and then compares the president to Hitler when word leaks out that he might have to pay taxes at the same rate as a firefighter or a kindergarten teacher.

But America never gets to meet that guy, because all of those parties are invite-only, and the only reporters that go tend to do so with kneepads on -- like the extraordinary Andrew Ross Sorkin, who as Sirota notes, predictably wrote a slurpicious "[In Defense of Schwarzman](#)" piece after the event (his thesis, to the extent that I could make it out, seemed to be that there are even bigger assholes than Schwarzman). As a result, the popular outrage gets steered toward state employees greedily living off their own pensions, not toward the truly deserving targets hiding in the Hamptons and Gstaad and St. Tropez.

Anyway, definitely advise checking out David's piece. You'll be grinding your teeth by the time you finish.