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Mixing Capitalism and Socialism: Policies To Moderate Systemic Wealth Concentration in the United States

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“With capitalism, man exploits man. With socialism, it’s the other way around.”¹

As the 2020 election rhetoric unfolds, President Donald Trump has drawn a line in the sand proclaiming the United States will never be a socialist country. In part, this is a tactical move to split the Democratic Party’s center from its avowedly socialist left wing while arousing America’s historic discomfort with the socialist label.² Sen. Bernie Sanders and other leftward Democrats describe an increasingly unequal America in which a capitalist system, reinforced by the political leverage of the elite, is fattening the fortunes of people at the top, while leaving millions struggling to pay for housing, food, transportation and medical care. Championing free-market capitalism, the administration and Republican majorities in the last Congress pushed through major tax cuts for the wealthiest and continue working to trim welfare and social insurance programs.

It would be a shame if election debate devolves into a simplistic brawl over abstract labels, competing “isms” – caricatures an extremely complex economic and political system. Closer to the truth, and more constructive, is to take a closer look at how capitalism and socialism already are co-embedded in nation’s policies and economy. Modern nations to a large extent function as blends of these two concepts with each extreme posing systemic dangers to public welfare and the stability of democratic governance. Varying types of socialism have evolved in response to displacement of workers and revaluation of life left in the wake of capitalism’s stream of changing technologies.

This paper explores two basic questions. The first is the extent to which capitalism, which emphasizes the rights of individuals to pursue their interests,

and socialism, which focuses on group needs, tend to function in tandem as much as they do in conflict. Purist capitalism creates extreme inequality and anarchy. Purist socialism exerts a magnetic pull toward totalitarianism, lack of economic initiative, and a lower standard of living as the prices paid for equality and stability. However, if neither force wins out, each can help balance the extreme risks posed by of the other.

Many agree that the political pendulum in recent decades has swung in favor of capitalism. The paper also discusses a range of public policies that can be used to reduce its imbalances and risks, particularly capitalism's tendency to concentrate wealth. These policies include programs to help the poorest, social insurance, higher taxation of income and wealth, and rechanneling to all citizens a portion of profits from private exploitation of public assets and business activities enabled by public laws and infrastructure.

The political antagonism between capitalists and socialists belies what is often a complementary relationship. These concepts are modern-day manifestations of ancient drives that have helped shape human evolution: competition and cooperation. In order to survive, individuals need to adapt to or change their environment and be strong enough to reproduce. This involves asserting oneself and one's interests and competing in the physical and biological world. But success in nature can't be the result of individuals acting alone.³ Surviving while raising children requires formation of families and larger social groups, all functions demanding cooperative behavior and the weighing of self-interest against group interest.

Characteristics of Capitalism

Some definitions are in order. Capitalism is an economic and political system based on ownership of private property, ability to exchange goods in competitive markets, and improvement of the standard of living through development of technology. Businesses selling products and services to consumers have an incentive to expand profits by making more efficient use of labor, machines, and materials. Accumulated profits can be invested to develop new technology that can help consumers buy cheaper and better product and producers cut costs. Capitalist systems cannot operate without rules and ethical standards. Today's

economies need political systems that provide military and police protection to facilitate trade, laws protecting private property, rules to support fair trade and labor practices and limit monopoly, and monetary and banking systems.

Since the allies' victory in the Second World War, capitalism has played a key role in expanding global wealth and lifting billions of people out of poverty. However, as public policies put in place during and following the war and Great Depression have aged, Western capitalist economies faced renewed criticisms including disempowering and devaluing workers and putting many out of work.⁴ Its emphasis on relentless introduction of efficient ways to make things and to introduce new products leads to booms and depressions. As labor becomes more specialized and machinery replaces labor, workers often have less bargaining leverage to protect jobs and wages.

Capitalism is a form of utilitarianism or materialism. When viewed as a tool, capitalism can promote survival and the quality of life. Yet, by becoming an end in itself, capitalism can undermine biological survival. For example, if people realize that a way to increase individual wealth and consumption is to have fewer children, family structure may weaken and the birth rate ebb to a point where a population begins to decline. A weakness long ago forecast by analysts of capitalism, people in the United States and many other relatively wealthy countries today fail to produce enough offspring to replace themselves and support further economic growth and social insurance systems.⁵ A fundamental question arises: What is more important to human survival: amassing material wealth or passing life and genes forward in time? Another challenge is environmental. If capitalism's failure to price the negative impact of pollution results in lower food production and large-scale environmental damage, then the Earth may not be able to support as much human life.⁶

Systemic Wealth and Income Concentration

Despite the buffering effects of government programs for the poorest and social insurance in developed nations, rising income and wealth inequality since the 1970s has spurred a new generation of political economists to re-explore what many see as another major imbalance in capitalism: systemic inequality. In his landmark "Capital in the 21st Century," Thomas Piketty makes the general case

that, if the rate of return on capital is greater than the growth rate of a nation's economy, then wealth will tend to concentrate at the top of the economic spectrum.⁷ The work of Piketty and many others in documenting wealth and income concentration has broadened the scope of the economics profession to examine interactions of politics and the marketplace and put more emphasis and resources into how policies impact people in different economic strata. Earlier this year, for example, the U.S. Federal Reserve Board announced it has created a new dataset to provide quarterly updates tracking wealth distribution. According to the Fed research team: "Wealth concentration is an important characteristic of the United States economy, with evidence mounting that concentration has increased over the last 30 years."⁸

While U.S. workers' productivity has increased, wages for all but the most affluent have stagnated. A significant and possibly growing share of the population owns little or no productive capital. In an unvirtuous cycle, those with money have enough leverage to tilt public policy in their favor. Wealth combined with political power begets more wealth. Growing attention to this phenomenon has raised many concerns. Without shifts in policy, greater concentration of wealth could lead to a smaller middle class; higher levels of poverty; greater pressure for spending to meet the needs of the elderly, disabled and poor; constrained aggregate demand for goods and services; and less capacity to raise government revenue.⁹ Many economic models assume that capitalism distributes the profits and savings of the wealthy into investments that lift all boats through economy-wide growth. Yet, there's ample evidence that savings does not automatically transfer into investment and much of it remains in the coffers of individuals and corporations. Some argue that the advantage of those on top in amassing wealth and political power is so pronounced that, absent redistribution through taxes, expanded social insurance to protect against the risk of lacking basic necessities, or other means, the playing field can only be leveled by social and labor supply disruptions brought on by wars, revolutions, and plagues.¹⁰

Evolution of Modern Democratic Socialism

Concepts of modern socialism arose as millions left rural areas to work in factories. In the 19th century, Karl Marx's seminal critique of capitalism

emphasized the power of factory owners and financiers to exploit workers in order to expand profits. Using analytical methods that had a deep influence on mainstream economics, Marx saw capitalism as a step forward from the post-feudal system it replaced but argued that it led a massive degree of unequal wealth and power.¹¹ He saw human history as a series of competing forces driven by class conflicts. He foresaw a revolution led by the working class that would institute a highly centralized form of socialism, and ultimately a communist society based on common ownership and planned control of the means of production. The main problem with Marx's utopian vision is that yoking the entire economy under the control of a government can easily devolve into a totalitarian regime.

In his classic "Capitalism, Socialism and Democracy," political economist Joseph Schumpeter analyzed the evolution of socialism from capitalism and whether socialism could be compatible with democratic governance. Writing as New Deal policies were being put in place and Second World War breaking out, Schumpeter defined socialist society as one with "an institutional pattern in which the control over the means of production and over production itself is vested with a central authority...as a matter of principle, the economic affairs of society belong to the public and not to the private sphere."¹² This definition is a good point of departure. His analysis does not distinguish socialism from communism in functional terms, only as historical labels.

Schumpeter reckoned that a socialist society could operate under a democratic form of government. He cautioned, however, that conjoining centralized control of the economy with a country's political apparatus would run a high risk of undermining democracy. To be fair, a similar risk is posed in a nominally democratic country dominated by private monopolies or oligarchies that may use surplus profits to buy influence from government officials or gain control of the military. The result in such a case might be a banana republic rather than a communist regime. Neither case offers an efficient means of investing profits or feedback loops to match production with what diverse groups of people want or need.

Schumpeter applauded Marx's analytic contribution as an economist and sociologist but was skeptical of Marx as a prophet and viewed his vision of communism as utopian religion. Schumpeter had a favorable view of entrepreneurial capitalism's ability to improve the overall quality of life, despite his emphasis on the creative destruction left in its wake of constantly changing technology.

Like Marx, many believers in "unfettered markets" also make religious leaps of faith. There is no stable pure form of capitalism in the strict libertarian sense. Markets need structure, protection from piracy and corruption, and laws to enforce property rights and reliable commercial transactions. Before capitalism grew to dominate Western culture, it sprouted on top of a post-feudal institutions that provided a religious, and social basis for its incubation – including the church, Christian beliefs of spiritual equality, the rule making power of the sovereign. Many of the institutions that bound societies together withered as capitalist systems came of age.

Strategies for Moderating Risks Posed by Capitalism

With the benefit of hindsight, this essay now examines a series of adaptations to the excesses of market capitalism with varying intensity of government intervention and control of the market. In the heat of political discourse, many of these policies might be called socialist approaches or steps toward a socialist system.

- 1. As discussed above, an extreme adaptation is a Marxist system that, through revolution or evolution, eliminates private property and production, endowing the government the power to plan and operate the country's industrial sector as well as how products and services are distributed.**

Ironically, revolutions imposing this type of socialism have only been possible in countries, such as Russia, China and Cuba, that were latecomers to capitalism in which the transition from agrarian feudal society to large scale industrial production was the most abrupt and disruptive. Such revolutions typically did not occur in industrialized countries with democratic traditions that already had begun modifying capitalist systems to buffer some of their negative impacts on those with the least wealth and power.

2. More commonly found today are blended political economic systems that protect private property and production while regulating the economy and buffering the negative impacts of capitalism enough to achieve political stability. The government fosters capitalism by helping to develop needed public infrastructure to enable and expand trade (e.g., building transportation networks, policing market conduct and competition, and operating education systems). The political system, in turn, provides workers and consumers with enough leverage to claim resources to reduce the impact of unemployment and poverty. Minimum wage regulation, wage supplements, welfare payments, food stamps, mental hospitals and prisons, health coverage for the low-income families, and winter sheltering of the homeless are examples of government initiatives typically targeted to the most needy and lowest income. Such programs often carry some degree of social stigma and tend to be run as cheaply as possible. Those benefiting have the least political power.

A National Academy of Sciences, Engineering and Medicine study group recently estimated that the Earned Income Tax Credit (EITC) and refundable portion of Child Tax Credit dramatically reduce the U.S. child poverty rate. Without these wage supplement programs, the child poverty rate would be 18.9 percent rather than 13 percent. Similarly, elimination of food stamps would raise the child poverty rate to 18.2%.¹³

3. Modern governments also operate social insurance programs with sustainable financing systems to make sure that all workers and their families receive basic services such as medical care and have enough income to survive in old age or when unable to work through disability. The primary examples in the United States are Social Security and Medicare. Although designed to help the poor, it can be argued that Medicaid also functions as a *de facto* social insurance program by paying for long term care for aged middle-class people who don't have enough savings to otherwise afford it. Many social insurance "purists" will disagree, in part because the legislation creating Medicaid does not explicitly describe it in social insurance terms.

Rather than targeting only the poorest and more vulnerable, social insurance involves collecting contributions, typically through taxation, and distributing benefits among the entire population or a major cross-section of it, such as the elderly. Social insurance typically is authorized through legislation that articulates communitarian principles. Political support for social insurance programs tends to be anchored in the middle class. They have proven to be durable stabilizers insuring against market risks.

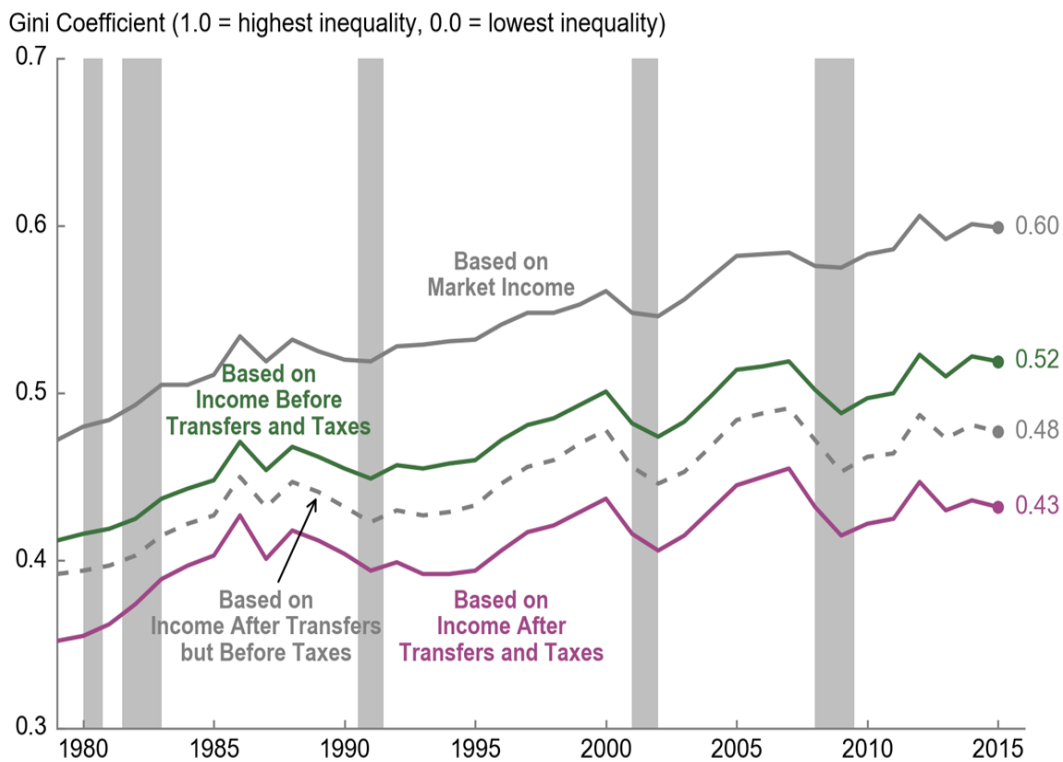
Because major U.S. social insurance programs provide income and medical services to the elderly, the greying of the population has increased political tension over future funding. These programs require a lot of money and will need more. Medicare spending is expected to grow from 2.9 percent of GDP in 2018 to 6.1 percent in 2047.¹⁴ Social Security spending amounted to five percent of U.S. GDP in 2016 and is projected to grow to about six percent by 2035.¹⁵ Medicaid absorbs about 2.5% of GDP and can be expected to grow since most of its spending goes toward long term care for the elderly and disabled. Also, more states will likely expand Obamacare coverage for single working-age adults.¹⁶ These three programs soon will funnel about one seventh of U.S. income from one set of taxpayers to another of beneficiaries. Maintaining and updating these programs will likely require higher taxes, not just for the wealthy few, but also for the middle class.¹⁷

Growing wealth inequality already has constricted revenue for Social Security, the nation's most popular public program. In recent decades, as Americans at the top of the economic spectrum amassed equities, bonds, and other assets, the portion of national income from capital investment rose significantly while the share of national output going to labor has fallen.¹⁸ Labor's share of U.S. output fell about eight percentage points between 1995 and 2013 compared to just over three percentage points across other OECD countries. Because Social Security relies primarily on a tax on labor for its sustenance, the relative growth of capital income gradually is choking off a source of revenue.¹⁹

Wider economic disparities may gradually result in low-income workers being unable to afford, and high-income taxpayers being unwilling to pay, tax increases needed to help an already shrinking American middle class²⁰ keep social insurance

programs afloat. In the United States, this drama is evidenced in conflicts over how to pay for Social Security and Medicare for the now-retiring Baby Boomers. Financing these programs in the future will require benefit cuts, higher taxes, or both – all politically painful decisions. Meanwhile, public debt has reached historic highs. To make matters worse, the last Congress ramped up long-term fiscal pressure by enacting major tax cuts.

Figure 1 – Inequality in U.S. Household Income, 2015²¹



As shown in Figure 1 above, public policies that transfer wealth and provide social insurance have significantly reduced the level of American inequality -- but not its upward march. (Note that the picture predates recent development in the economy and recent tax changes, which primarily benefited the people with higher incomes.) Figure 2, below, shows that, while federal taxes tend to be progressive (rates rising with income), government transfers are less so, depending on how one looks at them. For example, households in the lowest-

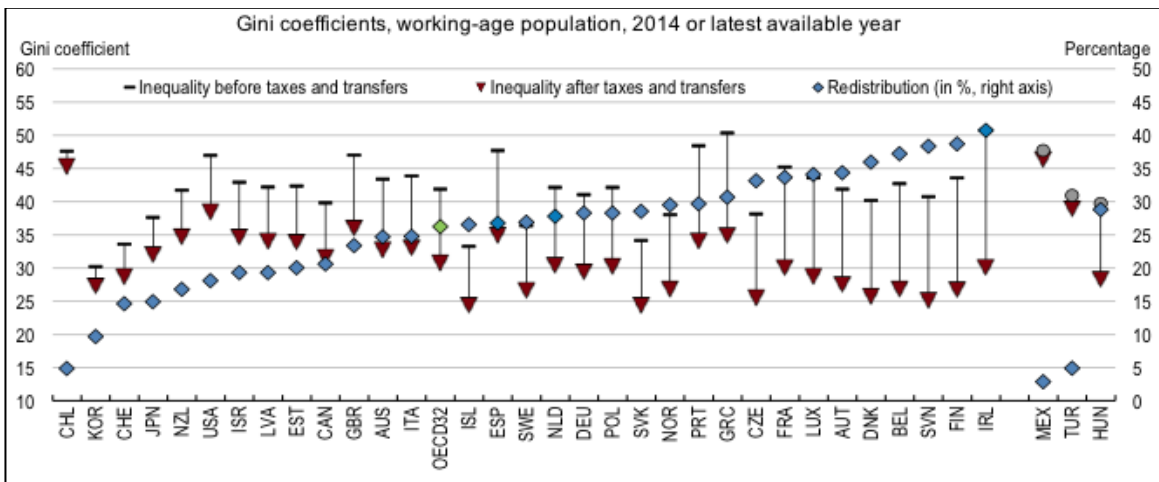
income fifth (quintile) of the population receive less in government transfers in absolute amounts than in the higher-income quintiles. However, lower-income households receive much more in government transfers *relative to their market income* -- and enough to lift many families over the official poverty line. One might wonder why the federal government provides income subsidies to affluent people at all since this might appear to be an inefficient use of tax revenue. Higher-income people and allied business lobbies have enough political leverage to legislate large income and wealth transfers favoring themselves, including tax breaks on mortgages and employer-provided health coverage and pensions. These tax breaks and others, in effect, cancel out much of the American tax system's progressivity.

Figure 2 – Average Household Income, Transfers, and Taxes, by Before-Tax Income Group, 2013²²

Average Household Income, Transfers, and Taxes, by Before-Tax Income Group, 2013						
Dollars						
	Lowest Quintile	Second Quintile	Middle Quintile	Fourth Quintile	Highest Quintile	All Households
Market Income	15,800	31,300	53,000	88,700	253,000	86,400
Government Transfers	9,600	16,200	16,700	15,000	12,000	13,900
Before-Tax Income	25,400	47,400	69,700	103,700	265,000	100,200
Federal Taxes	800	4,000	8,900	17,600	69,700	20,100
After-Tax Income	24,500	43,400	60,800	86,100	195,300	80,100

Across OECD countries, taxes and transfers reduce market income inequality by slightly more than 25 percent. However, as shown in Figure 3 below, this average masks wide variation, ranging from a 40 percent reduction in Ireland to around five percent in Chile.²³ Although taxes and transfer programs play a crucial role in redistributing income and reducing inequality, widening inequality resulting from globalization and other developments have increased pressure to raise taxes on the highest levels of income and wealth, and spurred debate about introducing universal basic income (UBI).²⁴ A recent study of a variety of UBI experiments concludes that funds distributed would do more good if invested in social insurance or public programs targeted to the most vulnerable.²⁵

Figure 3 - The Equalizing Effect of Taxes and Transfers Varies Widely across OECD countries²⁶



4. Governments can directly operate a significant part of the economy. For many reasons, it is difficult and unwise for nations to place control and operation of the military in the hands of the private sector. History shows, for example, that the

loyalty of Rome's legions to wealthy commanders rather than elected bodies was a major factor in the downfall of its republic.

Perhaps ironically, capitalist countries with large military commitments already have taken a step toward socialism to the extent that the government plans and operates a major part of the economy. The United States, still the world's most powerful nation and self-appointed guardian of global trade, spends more than any other nation on defense, about 3.5 to 6 percent of GDP depending on what's included in the accounting.²⁷ Playing the role of world policeman may leave the United States with less political and budgetary slack compared to its trading partners to operate social programs without approaching a possible "tipping point" at which an economy as a whole might be thought of as centrally planned.

During major wars, capitalist democracies can take on many characteristics of socialist regimes. In the United States, mobilizing for World War II led to a much more powerful executive branch, large tax increases, a war production board, wage and price controls, and mandatory military service. The Roosevelt administration exerted tight control over a normally quasi-independent Federal Reserve Bank in order to help finance the war with low-interest bonds.²⁸ U.S. military spending rose from 1.6% of GDP in 1940 to 37% in 1945.²⁹ Top U.S. marginal personal income rates reached their highest points during World War I (77 percent), the Great Depression (79 percent), and World War II (94 percent) and have gradually declined since 1946. (See Table 1 below.) Militarization can have equalizing cultural impacts, such as wage compression and the beginning of the civil rights movement in the U.S. during the 1950s.

Fighting an existential war against fully mobilized totalitarian nations meant mimicking them to some degree. It's interesting to note that, despite its eventual failure to compete with Western capitalism in the posts-war period, the Soviet Union's communist government and centrally planned economy, with American aid, was effective in repulsing the German invasion.

Table 1 – Highest U.S. Marginal Income Tax Rates³⁰

19-Feb-15

Historical Highest Marginal Income Tax Rates

Year	Top Marginal Rate	Year	Top Marginal Rate	Year	Top Marginal Rate
1913	7.0%	1948	82.13%	1983	50.00%
1914	7.0%	1949	82.13%	1984	50.00%
1915	7.0%	1950	84.36%	1985	50.00%
1916	15.0%	1951	91.00%	1986	50.00%
1917	67.0%	1952	92.00%	1987	38.50%
1918	77.0%	1953	92.00%	1988	28.00%
1919	73.0%	1954	91.00%	1989	28.00%
1920	73.0%	1955	91.00%	1990	28.00%
1921	73.0%	1956	91.00%	1991	31.00%
1922	58.0%	1957	91.00%	1992	31.00%
1923	43.5%	1958	91.00%	1993	39.60%
1924	46.0%	1959	91.00%	1994	39.60%
1925	25.0%	1960	91.00%	1995	39.60%
1926	25.0%	1961	91.00%	1996	39.60%
1927	25.0%	1962	91.00%	1997	39.60%
1928	25.0%	1963	91.00%	1998	39.60%
1929	24.0%	1964	77.00%	1999	39.60%
1930	25.0%	1965	70.00%	2000	39.60%
1931	25.0%	1966	70.00%	2001	39.10%
1932	63.0%	1967	70.00%	2002	38.60%
1933	63.0%	1968	75.25%	2003	35.00%
1934	63.0%	1969	77.00%	2004	35.00%
1935	63.0%	1970	71.75%	2005	35.00%
1936	79.0%	1971	70.00%	2006	35.00%
1937	79.0%	1972	70.00%	2007	35.00%
1938	79.0%	1973	70.00%	2008	35.00%
1939	79.0%	1974	70.00%	2009	35.00%
1940	81.10%	1975	70.00%	2010	35.00%
1941	81.00%	1976	70.00%	2011	35.00%
1942	88.00%	1977	70.00%	2012	35.00%
1943	88.00%	1978	70.00%	2013	39.60%
1944	94.00%	1979	70.00%	2014	39.60%
1945	94.00%	1980	70.00%	2015	39.60%
1946	86.45%	1981	69.13%		
1947	86.45%	1982	50.00%		

Note: This table contains a number of simplifications and ignores a number of factors, such as a maximum tax on earned income of 50 percent when the top rate was 70 percent and the current increase in rates due to income-related reductions in value of itemized deductions. Perhaps most importantly, it ignores the large increase in percentage of returns that were subject to this top rate.

Most Western nations finance health insurance for all citizens. Some work through private-sector insurers and medical providers. Great Britain combines national financing with a government run medical system. In the U.S., the Veterans Administration operates its own health system while larger programs, including Medicare and Medicaid, pay insurers and health care providers to provide services to beneficiaries. Roughly half of Americans receive health coverage as government-subsidized employee benefits.

The extent of government ownership and direct control over production and services is an important factor in analyzing the type and extent of socialism imposed on a capitalist system. Today, some on the left draw distinctions between the kind of “social democracy” practiced by Nordic countries to modify market economies, and more intrusive “democratic socialism,” which seeks replacement of a worldwide system of capitalist exploitation in need of

fundamental reform.³¹ In Norway, which is typically thought of as a social democracy, government-owned enterprises account for nearly 60 percent of GDP, mostly through Equinor, the state-owned oil company, but employ only about 10 percent of the national workforce. All told, the Norwegian public sector employs about 30 percent of the workforce, the highest proportion in the capitalist world.

5. Growing economic inequality has amplified the case to expand the use of wealth taxes, particularly for those in top echelons. Expanding the use of wealth taxes is controversial and encumbered by many technical issues. Yet, some already are deeply embedded in U.S. public finance. American state and local governments use property taxes on the value of homes and vehicles to finance education and other programs. The federal government has long taxed the wealth of the dead through the estate tax. Though there is constant political pressure to eliminate it, only two in every 1,000 estates is subject to the estate tax.³² Until recently, discussion of expanding wealth taxes was virtually taboo. Now, many on the left have set their sights on expanding the estate tax and instituting novel forms of wealth taxes in order to fund various improvements of the social safety net and to stem the transfer of wealth between generations.³³

Working with colleagues of Piketty, presidential candidate Sen. Elizabeth Warren has proposed both expanding the estate tax and enacting a new progressive wealth tax on the very rich.³⁴ UC Berkeley's Emmanuel Saez and Gabriel Zucman make the case that Warren's proposal to tax the assets of the ultra-wealthy could raise substantial revenue (about one percent of U.S. GDP) and help moderate wealth concentration without significant negative effects on the economy.³⁵ Among countries that already have a wealth tax, revenue collected varies from 0.2 percent of GDP in Spain and France to about one percent of GDP in Switzerland. Enforcing a wealth tax would require the IRS to develop new capacity to track and value various types of assets in real time. A former Republican, Warren portrays herself as a believer in capitalism whose experience and legal

research revealed the need for aggressive regulation of its harmful impacts on consumers and average working people.

One of Piketty's central ideas is that when the rate of return on capital is greater than the growth of the economy, the rich will get richer. Wealthier people and owners of capital have enough political power to extract surplus profits from businesses, generate higher rates of return on investments, and constrain wages. There is no "invisible hand" in the marketplace that naturally corrects tendency of wealth to concentrate. In most countries, the bottom half of the income distribution has zero or very small amounts of net assets, other than the imputed value of social insurance programs. While about half of workers have no earnings from property, those with the largest aggregations of capital tend to receive higher rates of return, in part due to their ability to afford superior financial advice. Another explanation for higher rates of return for wealthier people is that they can put more of their capital in higher-risk, higher-return ventures while the less well-off need to keep a higher proportion of assets liquid and can't afford to take on as much risk.³⁶

Extracting taxes from the wealthiest and most powerful in society is always challenging for governments.³⁷ It's very difficult to ascertain how much someone is worth and there are many ways to keep assets such as cash, stocks, and bonds from public view. In 17th century Europe, when capitalism mostly involved small-scale workshops rather than factory mass production and complex financial systems, English and French tax collectors counted a residence's windows to estimate the owner's wealth.³⁸ This way, net worth could be estimated crudely from outside the dwelling. The instinct to avoid taxes was strong. Windows were often disguised or boarded up, which could result in unhealthy living conditions. In today's global economy, if governments set wealth taxes too high, property owners have an incentive to hide them, shelter them, or to move them to other political jurisdictions. The same dynamic plays out with taxes on corporate profits.

6. **In theory, if earnings from capital systemically outstrip reward for labor, strategies to lessen growing inequality could include funneling a slice of profits to individuals. Institutionalizing such strategies could result in a form of inclusive capitalism in which all workers can own and/or benefit from working capital while avoiding centralized control of production.** Business owners can voluntarily share ownership and profits through Employee Stock Ownership Plans or pay employees in the form of stocks or stock options. However, capital-sharing practices like these are not widespread in the United States. Further, many workers lack the financial skills to generate rates of return from equities or financial instruments comparable to wealthier people or to simply protect themselves from predatory practices.

Shortly after oil from Alaska's North Slope began flowing to market, the state created the Permanent Fund through which it sets aside a share of oil and gas revenues to benefit current and future generations. Each year, Alaskans register to receive dividends from the fund. The amounts usually range from \$1,000 to \$2,000 per person and \$4,000 to \$8,000 for a family of four.³⁹ Fund distributions are very popular among voters and perceived more as an adaptation of capitalism than a socialist intervention. Last year, following a backlash after his administration cut payment amounts, independent Gov. Bill Walker opted not run for re-election.

A similar fund could be set up nationally to share revenue the federal government collects for rights to extract minerals, oil, and gas and use federal land for agriculture. Some experts say that Uncle Sam does not collect enough rents for use and depletion of natural resources.⁴⁰ Somewhat higher fees and rents for exploiting natural resources, however, are unlikely to generate the amount of revenue that needed to change a structural advantage of capital over labor. Yet, such a national fund might provide workers with modest amounts of income or seed capital and provide psychological and symbolic reinforcement for a larger system of inclusive capitalism. Revenue could also be channeled into the fund from fees for the use of airwaves and federally funded transportation corridors and ports.

Nineteenth century American political economist Henry George, whose ideas helped spark the Progressive Movement, argued that, while workers should own the value of what they themselves produce, economic rents (surplus profits) derived from land and natural resources should belong equally to all members of society. He reasoned that society could “recapture the value of its common inheritance, raise wages, improve land use, and eliminate the need for taxes on productive activity” by taxing land values.⁴¹

While improving economic equity, Alaska places no restrictions on how residents can use fund dividends. Dividends spent on consumption fail to provide many residents with savings and compounded capital earnings over time. The same issue occurs with compensation in the form in stock that can be converted into instant cash. Another problem with both systems is that capital investment is not diversified. When the state’s oil depletes or the firm offering an ESOP hits a rough patch, payments dry up.

Capital Sharing through Universal Retirement Savings and Investment Systems

Some countries have set up systems that include all workers in diversified capital investment. Both Australia and Great Britain operate universal retirement savings systems in which funds are invested in working assets. Time will tell whether these systems will have large enough impacts to make capitalism more equitable through broad ownership of working assets and returns comparable to investors with higher income and wealth.

In the United States, work toward universal retirement savings coverage has been slow and opposed by powerful lobbies representing wealthier people, the employee benefit industry, and businesses. Several states are experimenting with expanded or near-universal retirement savings programs. Current federal policy of encouraging voluntary contributions to workplace retirement savings accounts through tax breaks favoring those in higher tax brackets arguably widens the wealth gap, while leaving millions of workers outside the system with little or no assets.⁴² A fairer system would subsidize worker contributions more progressively and leave no one out. A universal retirement savings system – particularly for workers with limited income -- requires two basic elements: Funds to put in a

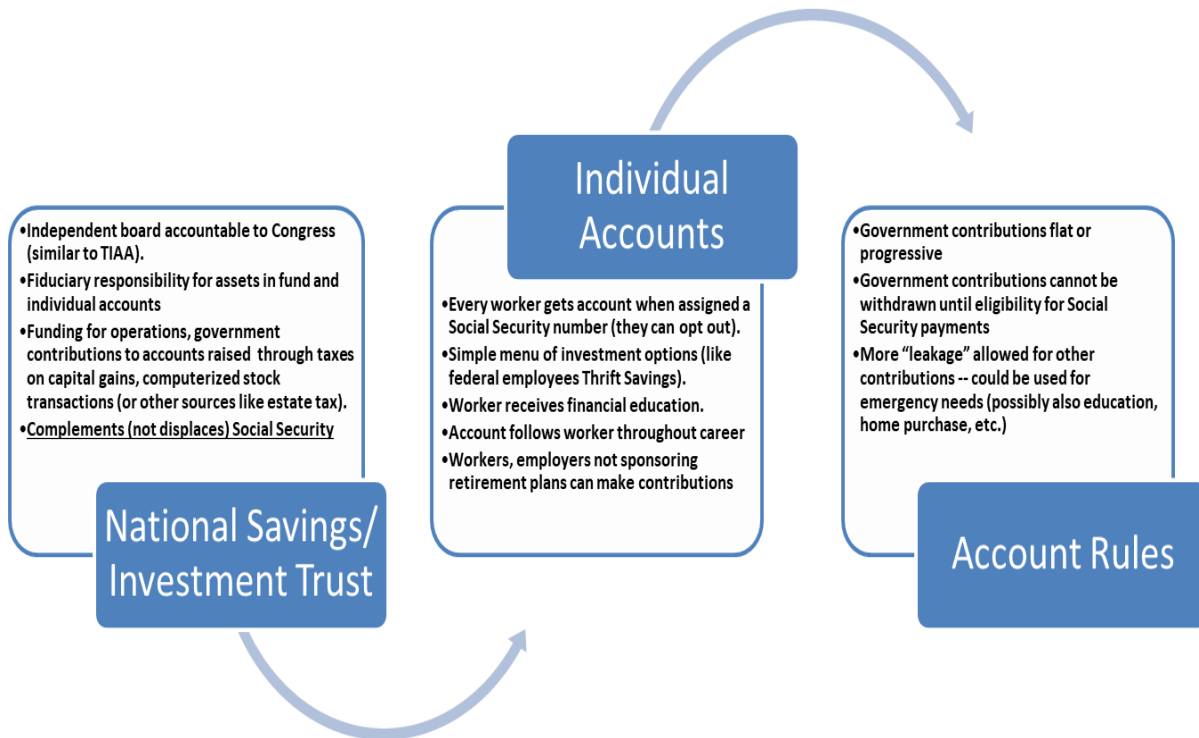
long-term savings and investment account, and an account overseen by a fiduciary.

Congress, for example, could set up a national system of individual retirement savings accounts for everyone issued a Social Security number. These accounts would not replace, but rather would complement Social Security and existing private-sector retirement plans.⁴³ A board overseeing this system would have a fiduciary duty for managing the accounts, which would be particularly helpful to workers whose employers offer no retirement plan, and to low-wage workers excluded from today's retirement savings system. The accounts could also provide a helpful service to employers, and lower administrative costs, by accepting 401(k) and 403(b) transfers from small "orphaned" accounts left behind when employees leave their jobs.⁴⁴

The federal government could make modest contributions to these accounts to complement workers' contributions -- optimally, the lower someone's wage, the higher the contribution. Workers would be offered basic financial education and would have some latitude to choose from a basic menu of investment options resembling what federal employees have. Seed money to put in individual accounts could be raised by through progressive adjustments to current retirement savings tax subsidies, required employer contributions, or in novel ways such as a small tax on equity market transactions.⁴⁵

Figure 4 – Model for a Universal Retirement Savings and Investment System⁴⁶

Universal Retirement Saving System



Now, almost half of Americans have zero savings for retirement. A modest investment of public \$\$ could improve the financial security of half our population and the lives of older people. This system would make every worker an owner of working capital.

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Paradoxically, in order to reap the benefits of capital investment, many workers, particularly those with low wages and immediate cash needs, must be influenced to save money that they otherwise might choose to spend. To accommodate diverse worker preferences, the accounts could be designed with some flexibility to allow withdrawals for emergencies or to allow a certain amount to be withdrawn each year.⁴⁷ However, to achieve a public purpose of providing income

security in old age, most of the balance, including all government contributions, should be shielded from early withdrawals.⁴⁸

What's in a Name? Competitive Socialism? Inclusive Capitalism? Commonwealth?

Political antennae on the right sense a weak spot. Americans generally are accepting of the words social, social work, sociology, social science, and sociability. They very much like Social Security. But many, particularly older Americans who lived during the Cold War era, cringe when hearing the term “socialism.” They associate the socialist brand with the kind communism practiced in Mao’s China and Stalin’s Soviet Union: work camps, mass executions, denial of human rights, and famines.⁴⁹ China and Russia’s present-day combinations of state and oligarchical capitalism built on chassis of communist bureaucracy are hard for average people to fathom and easy for politicians to stereotype. Critics of socialism spotlight the distress of Venezuela while ignoring similar chaos and poverty in nearby non-socialist dictatorships. Despite these entrenched biases, many younger American voters see merit in the broader social safety net provided by many allies in Europe.⁵⁰

The connotations of a political label are crucial. A few percentage points are often the margin needed to win or lose public office. So, why not consider some new ones – or old ones? What about “commonwealth,” a label commonly found in the American political ecosystem. Policies to soften the bite of market capitalism – including taxes/programs to help the poorest, social insurance, selected government-run enterprises, more progressive income taxes and wealth levies, and universal profit sharing and capital ownership – could be portrayed as features of a “commonwealth” rather than a socialist state. States of all political hues – Kentucky (red), Massachusetts (blue), and Virginia (purple) – already are officially called commonwealths. Commonwealth is a traditional English term describing a political community working for the public good. According to Wikipedia, the term implies the sharing of wealth: “Originally a phrase (the common-wealth or the common weal – echoed in the modern synonym ‘public weal’) it comes from the old meaning of ‘wealth’, which is ‘well-being’, and is itself a loose translation of the Latin *res publica* (republic).”⁵¹ Would a political

movement working toward “A Greater Commonwealth,” for example, smell sweeter to voters than “Democratic Socialism”?

During the Great Depression, Roosevelt chose the “New Deal” to communicate a raft of egalitarian policies. His rival Sen. Huey Long also avoided socialist labelling when he launched a far more redistributive proposal in 1934 under the banner of “Share Our Wealth.”⁵² Support for the program surged as the Louisiana populist and his followers organized Share Our Wealth clubs around the country. By the summer of 1935, more than 27,000 clubs boasted a combined membership of exceeding 7.5 million. Long’s agenda echoes some of today’s “socialist” proposals, such as free college, but went much further, setting caps on wealth, income, and inheritance and guaranteeing every family an annual income of \$2,000, which was one-third the national average. Long was assassinated in September 1935.

Sharing the Nation’s Wealth

America’s founding documents reflect a cultural bias toward equality of opportunity, liberty to pursue economic interests, and constraint of federal executive and legislative power.⁵³ Beginning with the Washington administration’s struggle to finance Revolutionary war debts and pay soldiers, the federal government has faced difficulty gaining political support to finance collective needs. The first income tax was authorized during the nation’s greatest crisis, the Civil War. The legacy of the slave economy still creates conflicts among workers based on race, making it harder for Americans to coalesce around social democratic concepts that took root more easily in other industrial countries with more homogenous populations. The identity politics of today’s left continue to deflect attention from widening economic inequality.

The economic crisis of the Great Depression provided political impetus for establishment of the country’s first social insurance programs: Social Security and Unemployment Insurance. But the Roosevelt-era Congress was not yet ready to enact national health insurance. Major steps toward that goal came in 1965 with the creation of Medicare for the elderly and disabled, and in 2010 with passage of the Affordable Care Act, which has dramatically lowered the number of working-age uninsured.

In part because of the division of power between the House, Senate, and executive branch, opportunities to pass major social legislation in the United

States occur rarely, when one party dominates. This also makes it difficult to eliminate major programs. Social insurance programs carry additional protection from repeal because they are considered “entitlements” that don’t require periodic Congressional authorization. In contrast, spending for most health and welfare programs directed at the poor, requires annual authorization and appropriation, allowing many procedural opportunities to narrow their spigots. Poverty programs are financed with general revenues. Social Security, Medicare, and unemployment benefits are mainly financed through payroll taxes, shielded from regular political battles over spending priorities.

The more culturally accepted, the more a public program redistributing income and wealth can be hardwired into the economic apparatus. People are less likely to miss payroll taxes culled by employers on behalf of the government before they get their paychecks than they are if the government attempts to extract taxes from money already in hand. The difficulties in imposing a wealth tax bear this out. Such taxes create incentives to hide wealth, move wealth to another country, or shift profiting seeking activity outside the reach of the system.⁵⁴

Generating funds for wealth sharing systems may face similar issues of avoidance. For example, if companies traded on public stock exchanges are tapped for contributions, investors could move funds to private equity funds, bonds, or other financial instruments. For these reasons, it makes practical sense to glean capital revenue from natural resources or business profits broadly from the supply side, preferably before it lands in the hands of individuals. Pre-distribution is favorable to redistribution.

Should amounts being re-directed through capital sharing systems to lower-income individuals fail to stem systemic wealth concentration, or have unintended negative impacts, future governments could adjust accordingly. Of course, such systems would not operate in isolation. They would function as one set of many tools working to manage income and wealth gaps including other strategies mentioned in this paper. After authorization by the government, it’s important for wealth sharing systems to be operationally insulated from the political sphere. Their governing bodies should include a variety of key actors in the economy including businesses, workers, and those with experience in fiscal and monetary policy.

Binding Cultural Values

As with other policy interventions, the political will to tax the wealthy or set up profit-sharing systems is likely to be strongest when a nation faces an imminent threat or when a critical mass of voters perceives that the economy systematically leaves them behind. When the wolf is at the door, the wealthy are more inclined to open their pocketbooks and tolerate higher taxes in order to mobilize the lower ranks to put their lives on the line in the common interest, or to prevent civil war. In the long run, however, an egalitarian political economy requires cultural values that bind citizens together and help smooth over differences during periods of relative peace and prosperity.

American leaders have struggled to reconcile conflicting values of equality and freedom since the nation's beginning. In stark contrast to Thomas Jefferson's emphasis on republican equality, Federalist John Adams argued that individuals were fundamentally unequal in nature: some more intelligent and stronger than others. He thought freedom to act in one's interest would naturally amplify inequality, and that the false notions of equality espoused by his Democratic opponents threatened the aristocracy necessary to maintain national stability.⁵⁵ Despite the predominance of capitalist values, American culture still honors a sense of what Adams called "moral equality" among its people as well as equality of opportunity to improve one's lot in life. Facing sometimes violent resistance from the owners of capital, the United States has managed to eliminate slavery and extend civil and voting rights from men with property to the entire citizenship, while maintaining a large degree of economic freedom.

In the ebb and flow of history, economic systems ("isms") grow from cultural soil that analysts often take for granted and that anchor and sometimes counteract their extremes. Modern socialism stemmed from exploitive capitalism which, in turn, emerged within the stability of institutions it was replacing such as an established aristocracies and monarchical national states, burgeoning democracies, and a growing commercial class. When the American Constitution was written, Enlightenment values of science and reason were challenging traditional religious beliefs. Many of America's founders viewed organized religion as foolish, but most presumed a Christian-era idea of human equality.⁵⁶ Inside this world view, people find themselves in hierarchical roles - master/slave,

wealthy/poor, worker/proprietor, male head of household/wife and children. They give Caesar his due. But all live equal in spirit under the authority of a supreme power and are guided by reciprocity of the golden rule.

As capitalist productivity and its consequential disruption grew, Marx predicted that socialism would ultimately lead to a classless, stateless, humane form of communism living by the following principle: "From each according to his ability, to each according to his needs."⁵⁷ This is the same principle that many Christian and other religious groups strive toward. The key distinction is how the principle is put to work. In the Marxist world, equality is imposed by a dictatorship supposedly representing the working class. In the sphere of religious teaching, working hard and sharing profits to meet others' needs is voluntary. As the role of religion and sense of spiritual equality fades in the face of growing materialism, what forces could or will emerge to bind society together?

Thoughtful analysts favorable to capitalism pay much attention to how economic liberty and social equality can co-function within a society. Exploring how the ideas of Marx and other socialists took root in across Europe, Schumpeter observed: "Every country has its own socialism."⁵⁸ Piketty, Stiglitz, Milanovic and many others exploring the distributional fairness of today's political economy are suggesting ways to reform capitalism, not overturn it.⁵⁹

As the world economy was being reorganized after World War II, economist Friedrich Hayek, intellectual champion of many today's libertarians, pointedly described social insurance as compatible with capitalism. His defense of individual liberty and economic freedom includes this passage: "...Where, as in the case of sickness and accident, neither the desire to avoid such calamities nor the efforts to overcome their consequences are as a rule weakened by the provision of assistance -- where, in short, we deal with genuinely insurable risks -- the case for the state's helping to organize a comprehensive system of social insurance is very strong...(T)here is no incompatibility in principle between the state's providing greater security in this way and the preservation of individual freedom."⁶⁰

Throughout "The Wealth of Nations," often hailed as a manifesto of the free market, Adam Smith wrestles with principles of equality and fairness. His first principle of taxation is that the wealthy have to greatest obligation: "The subjects

of every state ought to contribute towards the support of the government, as nearly as possible, in proportion to their respective abilities; that is, in proportion to the revenue which they respectively enjoy under the protection of the state.”

⁶¹ He likened a nation to a large estate in which all should contribute to its upkeep in proportion to how much each benefits from the government’s protection.⁶² Applied to the problem of systemic wealth concentration in today’s capitalist regimes, Smith’s moral reasoning is not incompatible with a democratic commonwealth ensuring that all citizens share the profits of the nation’s industry and resources.

¹ Old witticism, author unknown.

²“I’m a proud Democrat. I’m also a proud capitalist.” Stephanie Murphy, Washington Post, April 28, 2019. https://www.washingtonpost.com/opinions/2019/04/28/im-proud-democrat-im-also-proud-capitalist/?utm_term=.8e8294b11bd5

³ “When It’s Good To Be Antisocial,” Silvia Golumbeanu, Nautilus, downloaded April 27, 2019. https://getpocket.com/explore/item/when-it-s-good-to-be-antisocial?utm_source=pocket-newtab

⁴ “Global Inequality: A New Approach for the Age of Globalization,” Branko Milanovic, Harvard University Press, 2016.

⁵ For example, see: “Capitalism, Socialism and Democracy,” Joseph Schumpeter, Third Edition, Thomas K. McGraw, 2008, pp. 157-158. (Originally published by Harper & Brothers in 1942.) “As soon as men and women learn the utilitarian lesson and refuse to take for granted the traditional arrangements that their social environment makes for them, as soon as they acquire the habit of weighing the individual advantages and disadvantages of any prospective course of action—or, as we might also put it, as soon as they introduce into their private life a sort of inarticulate system of cost accounting—they cannot fail to become aware of the heavy personal sacrifices that family ties and especially parenthood entail under modern conditions and of the fact that at the same time, excepting the cases of farmers and peasants, children cease to be economic assets. These sacrifices do not consist only of the items that come within reach of the measuring rod of money but comprise in addition an indefinite amount of loss of comfort, of freedom from care, and opportunity to enjoy alternatives of increasing attractiveness and variety—alternatives to be compared with joys of parenthood that are being subjected to a critical analysis of increasing severity.” Also see: “What’s Next For American Fertility Rates - And Social Security?,” Elizabeth Bauer, Forbes, May 17, 2018, <https://www.forbes.com/sites/ebauer/2018/05/17/whats-next-for-american-fertility-rates-and-social-security/#2c4f0f5865e7> downloaded May 5, 2019, and: “Beijing’s one-child policy is gone. But many Chinese are still reluctant to have more.,” Anna Fifield, May 4, 2019. https://www.washingtonpost.com/world/asia_pacific/beijings-one-child-policy-is-gone-but-many-chinese-are-still-reluctant-to-have-more/2019/05/02/c722e568-604f-11e9-bf24-db4b9fb62aa2_story.html?utm_term=.f47f3493189a downloaded May 5, 2019.

⁶ “Capitalism Has Failed—What Next?,” John Bellamy Foster, Monthly Review, Feb. 1, 2019. <https://monthlyreview.org/2019/02/01/capitalism-has-failed-what-next/#en98backlink>.

⁷ “Capital in the 21st century,” Thomas Piketty, Paris School of Economics, March 2014, presentation based upon “Capital in the 21st Century,” Harvard University Press, March 2014. The political power of the wealthy and increasing substitution of technology for labor play important roles in wealth concentration. <http://piketty.pse.ens.fr/files/Piketty2014Capital21c.pdf>

⁸ “Introducing the Distributional Financial Accounts of the United States,” Michael Batty, Jesse Bricker, Joseph Briggs, Elizabeth Holmquist, Susan McIntosh, Kevin Moore, Eric Nielsen, Sarah Reber, Molly Shatto, Kamila Sommer, Tom Sweeney, and Alice Henriques Volz, Federal Reserve Board, March 2019. <https://www.federalreserve.gov/econres/feds/files/2019017pap.pdf>

⁹ See also: “The Price of Inequality: How Today’s Divided Society Endangers Our Future,” Joseph Stiglitz, W.W. Norton and Company, 2012.

¹⁰ During the Black Death, for example, the loss of a large part of the workforce led to higher wages.

¹¹ “Classical Sociological Theory,” George Ritzer and Jeffrey Stepnisky, SAGE, 2018. p. 174.

¹² “Capitalism, Socialism and Democracy,” Schumpeter, pp. 167-168.

¹³ See: “A Roadmap to Reducing Child Poverty,” 2019. <https://www.nap.edu/read/25246/chapter/1#ii> downloaded May 2, 2109.

¹⁴ <https://www.kff.org/medicare/issue-brief/the-facts-on-medicare-spending-and-financing/>

¹⁵ <https://www.nasi.org/learn/socialsecurity/economy-share>

¹⁶ <https://www.statista.com/statistics/217097/medicaid-spending-and-forecast-in-the-us-as-a-percentage-of-the-gdp/>

¹⁷ “Democrats want to expand welfare by soaking the rich. That doesn’t add up.” Henry Olsen, Washington Post, April 15, 2019. https://www.washingtonpost.com/opinions/2019/04/15/democrats-want-expand-welfare-by-soaking-rich-that-doesnt-add-up/?utm_term=.453087b72275.

¹⁸ OECD Employment Outlook 2018: <http://www.oecd.org/unitedstates/Employment-Outlook-UnitedStates-EN.pdf>.

¹⁹ Growing inequality has shrunk Social Security’s revenue. Revitalizing its tax base could help restore solvency without cutting benefits,” Karl Polzer, Center on Capital & Social Equity, July 2018. <http://inequalityink.org/resources/Soc%20Security%20shrinking%20tax%20base%204.pdf>. For a shortened version of this essay, see: “There’s a way to save Social Security, but it involves taxing the rich,” Karl Polzer, Washington Examiner, Aug. 2, 2018. <https://www.washingtonexaminer.com/opinion/op-eds/theres-a-way-to-save-social-security-but-it-involves-taxing-the-rich>.

²⁰ Using different definitions, many have found evidence of a changing and shrinking U.S. middle class. For example, see: (Pew) https://www.pewsocialtrends.org/2015/12/09/the-american-middle-class-is-losing-ground/st_2015-12-09_middle-class-01/, (Urban) <https://www.urban.org/sites/default/files/publication/81581/2000819-The-Growing-Size-and-Incomes-of-the-Upper-Middle-Class.pdf>, and (IMFblog) <https://blogs.imf.org/2016/06/28/rising-income-polarization-in-the-united-states/>.

²¹ Source: CBO, 2018 - <https://www.cbo.gov/publication/54646>. In this figure, the Gini coefficient is a measure of income inequality that ranges from zero (the most equal distribution) to one (the least equal distribution). Income before transfers and taxes is market income plus social insurance benefits. Market income consists of labor income; business income; capital income (including capital gains); income received in retirement for past services; and other nongovernmental income sources. Social insurance benefits consist of benefits provided through Social Security (Old-Age, Survivors, and Disability Insurance); Medicare (measured as the average cost to the government of providing those benefits); unemployment insurance; and workers’ compensation. Income after transfers and taxes is income before transfers and taxes plus means-tested transfers minus federal taxes. *Means-tested transfers* are cash payments and in-kind transfers from federal, state, and local governments. The largest means-tested transfers consist of transfers provided through Medicaid and the Children’s Health Insurance Program (measured as the average cost to the government of providing those benefits); the Supplemental Nutrition Assistance Program (formerly known as the Food Stamp program); and Supplemental Security Income. Federal taxes consist of individual income taxes, payroll taxes, corporate income taxes, and excise taxes.

²² Source: CBO, 2016 - "Distribution of Household Income and Federal Taxes, 2013," CBO <https://www.cbo.gov/publication/51361>

²³ "Income redistribution through taxes and transfers across OECD countries," Orsetta Causa and Mikkel Hermansen, VOX, March 23, 2018, <https://voxeu.org/article/income-redistribution-through-taxes-and-transfers>

²⁴ For examples, see: "Options for Universal Basic Income: Dynamic Modeling," Penn Wharton, University of Pennsylvania, March 29, 2018. <http://budgetmodel.wharton.upenn.edu/issues/2018/3/29/options-for-universal-basic-income-dynamic-modeling>, and: "Assured Income," William Arnone, Peter Barnes, Renée M. Landers, and Griffin T. Murphy, National Academy of Social Insurance, April 2019. <https://www.nasi.org/research/2019/assured-income>

²⁵ "Universal basic income doesn't work. Let's boost the public realm instead," Anna Coote, *The Guardian*, May 6, 2019. <https://www.theguardian.com/commentisfree/2019/may/06/universal-basic-income-public-realm-poverty-inequality>

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²⁷ For examples, see: "The Biggest Military Budgets As A Percentage Of GDP," Niall McCarthy, *Forbes*, June 25, 2015. <https://www.forbes.com/sites/niallmccarthy/2015/06/25/the-biggest-military-budgets-as-a-percentage-of-gdp-infographic-2/#6534eb7f4c47>, and "The Pentagon's Trillion-Dollar Boondoggle," *truthdig*, May 7, 2019. <https://www.truthdig.com/articles/the-pentagons-trillion-dollar-boondoggle/>

²⁸ "Think the Fed is truly independent? Wrong. Think it's a lackey? Wrong again." Robert Samuelson, *Washington Post*, April 22, 2019. https://www.washingtonpost.com/opinions/can-the-fed-stay-independent/2019/04/21/edd4e54e-63b5-11e9-bfad-36a7eb36cb60_story.html?utm_term=.bfba3278cede Also: "The Myth of Independence — How Congress Governs the Federal Reserve," Sarah Binder and Mark Spindel, 2017, Princeton University Press. <https://books.google.com/books?id=WfSnDgAAQBAJ&pg=PR14&lpg=PR14&dq=robert+samuelson+sarah+binder+pindel&source=bl&ots=vssuAGHzio&sig=ACfU3U2Vn7dDEXIJSjTDQZvU2tC7pSk-Qg&hl=en&sa=X&ved=2ahUKEwjUoe2cxtzhAhWkiOAKHQq7DCIQ6AEwChOECaGQAQ#v=onepage&q=%22centralizing%20power%20in%20the%20hands%22&f=false>.

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³⁰ Tax Policy Center. <https://www.taxpolicycenter.org/statistics/historical-highest-marginal-income-tax-rates>

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³⁷ https://taxfoundation.org/warren-wealth-tax/?gclid=CjwKCAjwy7vIBRACEiwAZvdx9oPPP09OgDtJG613_4TmQMC8pFDVN0dw4LA-riGnfMH9ZoGIKgYorhoC0fYQAvD_BwE

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⁴³ A reviewer of this essay who favors social insurance noted that expanding Social Security coverage, particularly for lower-income workers, is an option to filling in gaps in the defined contribution retirement savings system.

⁴⁴ “What to Do With 'Orphaned' 401(k)s: People often forget they have 401(k)s at a former employer,” Scott Holsopple, U.S. News & World Report, June 3, 2014. <https://money.usnews.com/money/blogs/the-smarter-mutual-fund-investor/2014/06/03/what-to-do-with-orphaned-401-k-s>.

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⁴⁷ “Short-term Financial Stability: A Foundation for Security and Well-being,” Aspen Institute, April 2019. https://assets.aspeninstitute.org/content/uploads/2019/04/Short-Term-Financial-Stability_Report.pdf

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⁵⁰ A provocative discussion of the vulnerability posed by being labeled a socialist in American culture, and many other themes explored in this essay, can be found in: “Is Poverty Necessary? An idea that won’t go away,” Marilynne Robinson, Harper’s Magazine, May 15, 2019. <https://harpers.org/archive/2019/06/is-poverty-necessary-marilynne-robinson/>

⁵¹ <https://en.wikipedia.org/wiki/Commonwealth>

⁵² Huey Long: the Man, the Mission, and the Legacy: Share Our Wealth Proposal:

<https://www.hueylong.com/programs/share-our-wealth.php>. Downloaded April 28, 2019. The Share Our Wealth proposal included:

- Capping personal fortunes at \$50 million each — equivalent to about \$600 million today (later reduced to \$5 - \$8 million, or \$60 - \$96 million today).
- Limiting annual income to \$1 million (about \$12 million today).

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- Limiting inheritances to \$5 million (about \$60 million today).
 - Guaranteeing every family an annual income of \$2,000 (or one-third the national average).
 - Free college education and vocational training.
 - Old-age pensions for all persons over 60.
 - Veterans benefits and healthcare.
 - A 30-hour work week.
 - A four-week vacation for every worker.
 - Greater regulation of commodity production to stabilize prices.

⁵³ See The Federalist Papers.

⁵⁴ “Joseph Stiglitz: Elizabeth Warren & Bernie Sanders Want to Make the Economy Work for All Americans,” Democracy Now!, April 24, 2019.

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⁵⁸ “Capitalism, Socialism and Democracy,” p. 325.

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