the village VOICE

Eat the Rich

The rich are richer than ever, but don't ask them for help

By Tom Robbins
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If you want a true picture of New York's current economic plight, take a look at a remarkable graph showing the share of income going to the top 1% of earners over the past 100 years.

The chart is the product of the Fiscal Policy Institute, the labor-backed group that is one of the lone voices trying to be heard over the ever-growing roar demanding that wages and benefits for workers be knocked down as low as possible.

If you look at this chart for a while, an image comes to mind: It is a long hammock with a slumbering tycoon stretched out in blissful repose. His head is tucked comfortably on the years right before the Great Depression when he and his pals controlled almost 25 percent of all income earned. His back and posterior then slide down in a long graceful arch from the late '40s through the '70s. This is the period considered the Golden Age of America's middle class, when workers managed to capture a greater share of the pie, standards of living rising accordingly. Back then, our upper strata did just fine, too, enjoying a robust 10 percent of the pot. Then, in the '80s in the Reagan era, the graph starts to climb again. From there, it spikes up and up. This is where the snoozing baron now has his feet comfortably planted atop his magnificent wealth, while the rest of us tread water.

Morgan Schweitzer

The numbers on the chart show that nationally, America's top earners are now taking in 24 percent of the income, back to where they were just before their gluttony crashed Wall Street in 1929. But they are pikers compared to New York. Our state's most privileged class holds 35 percent of the dough. Here in the city, the fat cats do even better, with a whopping 44 percent. This is why New York State ranks last in terms of the income gap between rich and poor. And it is why New York City is the most polarized of the nation's 25 biggest urban areas.

"If New York City were a nation," reports James Parrott, economist for the institute, "its level of income concentration would rank 15th worst among 134 countries, between Chile and Honduras. Wall Street," he adds, "with its stratospheric profits and bonuses, sits within 15 miles of the Bronx—the nation's poorest urban county."

Yet while this income inequality grows by the hour, the talk in Albany and City Hall is that we cannot ask this luxury class to carry any more of the burden. These politicians hold that the only acceptable solution to an estimated $10 billion state budget deficit is to cut programs that mainly serve the poor and middle class, while asking state workers to do more with less. The no-new-taxes zealots are so wedded to this notion that they are even looking to immediately shut down the modest so-called "millionaire's tax," which expires at the end of this year.

If you make the rich pay more, this argument holds, they will vote with their feet and head to Florida and places where they get an even freer ride than they do here. Mayor Bloomberg makes this point every chance he gets, even though when he won his own high-income tax measure to meet the post-9/11 fiscal crisis, he dismissed that same argument as so much nonsense.

Then we have this new group of millionaires and business representatives that is being hailed by the new governor, Andrew Cuomo, and which calls itself the "Committee to Save New York." A better name would be "Committee to Save Our Advantages." One of the co-chairmen of this group is a young man named Rob Speyer who is heir to one of New York's great real estate fortunes. I am sure he has matured enormously since then, but some 15 years ago, when we were reporters working in the same newsroom, his idea of a big investigative scoop was a sting on cab drivers: He left wallets with $100 bills in the back of taxis, and then waited to see if drivers returned them, cash safely tucked inside. Those that didn't pass this test got their pictures in the paper, labeled as rip-off menaces. You read the stories and wondered, if the tables were turned, how many photos of reporters, editors, and real estate tycoons we might see.

Speyer's most recent foray was to buy Stuyvesant Town and Peter Cooper Village in hopes of replacing rent-regulated middle-class tenants with free-market apartments filled with upper-income residents. This enormous greed resulted in default and the biggest real estate debacle in recent city history.

All in all, this group does not inspire great confidence, and it is fairly frightening to think they may be setting our state's agenda. Cuomo has much smarter people right around him who hopefully have his ear.

This kind of broadside at the ruling elite seems as good a swan song as any. I could just as easily write again about the alleged leader of New York City's unions who is supposed to be leading the people's charge against these forces, but who is too distracted trying to cover up his own earnings. Or I could reminisce about my very first *Voice* article, co-authored in 1985 with Wayne Barrett, which recounted how city housing funds for the poor were secretly spent to build a lush, mob-controlled restaurant in Bay Ridge, Brooklyn. That story, too, links back to today's debate about the way forward for New York, but I will leave it in the archives for now. Suffice to say that it has been an honor to have held the floor this long in an honored institution. Many thanks to many wonderful readers.