Despite the turmoil and trauma that dominate any day’s news these are good times for much of the world. Hundreds of millions of Asians, Africans, and Latin Americans have escaped from abject poverty over recent decades. In many countries long split between a wealthy few and impoverished masses, a true middle class is taking shape. Economic inequality, on a planetary scale, has been falling.\(^1\)

The United States presents a sharply different picture. The shared prosperity of the mid-20\(^{th}\) century began to crumble in the 1970s. Inequality grew, at first slowly but then with accelerating speed, to reach levels unknown since the Gilded Age.\(^2\) The top fifth of households have collected half or more of total income from 2000 onward. The trend is even more pronounced at the very upper end—the top 5 percent gaining more than the rest of the top fifth, the top 1 percent and 0.1 percent even more so—and when calibrated by accumulated wealth rather than annual income. The net worth of the top one-tenth of one percent of American families is now roughly equal to that of the bottom 90 percent of families combined.\(^3\)

The growing share of top earners has been at the expense less of the very poor than of the middle. In contrast to happier trends in Turkey, China, Brazil and many other countries, the middle class in America has been shrinking.\(^4\) Average annual income for the middle three-fifths of households, when adjusted for inflation, has actually fallen since the start of the millennium. This is not exclusively an American phenomenon. The middle class in other rich countries has also been under pressure. But the growth of inequality is far graver in the U.S. than elsewhere. A standard statistical measure of inequality called the Gini coefficient is higher in the United States than in any other mature industrialized country. By a cruder and more intuitive metric—the ratio of the annual income of the top tenth versus the bottom tenth—the United States is twice as unequal as the average for the Organization for Economic Cooperation and Development, and three times the level of Germany, Switzerland, or the Netherlands.\(^5\)

Beyond these arid statistics is the blunt reality of downward mobility for millions of Americans, with the economic, political, social and cultural damage this entails. The consequences have been documented by Robert D. Putnam\(^6\) and (with a sharper ideological edge) by Charles Murray, among other scholars.\(^7\) A landmark 2015 study found that downwardly-mobile Americans were not just economically disenfranchised and politically disaffected, but were suffering early deaths from drug addiction, suicide, and self-neglect.\(^8\)

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There is no single explanation for the growth of inequality and the decline of the middle class. Despite lively disagreement about their relative importance, virtually all analysts see multiple causes. One indisputable factor is globalization. Growing trade, immigration, and the enlistment of labor from less-developed countries into integrated production systems means that Americans face competition from equally-able but less expensive international rivals. By the most elementary economic logic this undermines their earning power and job security. A related but separate force is technological progress or (more precisely) skill-biased technical change. Smart machines displace the less-skilled while leveraging the capabilities of the most-skilled. True enough, these threats are lapping higher on the economic spectrum as some highly-educated workers find themselves replaceable by machines or off-shore labor. But the pressure on bank tellers, assembly-line workers, and check-out clerks remains far greater than that on architects or radiologists. Beyond globalization and automation are less clear-cut legal, institutional and cultural drivers of inequality. These include restrictions on labor unions, the erosion of wage and hour regulations, and the relaxation of cultural norms against wildly disparate compensation.\(^9\)

Yet the worldwide forces of global economic integration and technological progress have only dented the middle class in many rich countries while damaging it far more seriously in the United States. Why in America have laws and institutions done less to cushion the drivers of inequality (and sometimes more to magnify them) than elsewhere? Much of the explanation, of course, is the individualistic ethos that always has and perhaps always will mark American culture. But there may be an additional reason why the economic winds sweeping across all rich countries have wreaked disproportionate havoc on shared prosperity in the United States: The American middle class’s loss of elite champions.

While I concede the risk of romanticizing the past, and recognize that dog-eat-dog has been a potent theme throughout America’s economic history, privileged Americans have at times clearly felt, and acted upon, a degree of economic solidarity with their less fortunate fellows. Sometimes but not always the elite champions of the middle class had themselves risen from humble origins. Alexander Hamilton was no simple prophet of spreading the wealth, but his truncated life was largely devoted to building institutions to create and sustain widespread prosperity.\(^10\) The reverence in which we hold Abraham Lincoln for preserving union and ending slavery obscures his economic agenda. Two scholars recently made an intriguing case that Lincoln’s misgivings about slavery were driven in part by his commitment to middle-class prosperity, which he believed to be imperiled by the same “peculiar institution” that beset enslaved blacks.\(^11\) While Andrew Carnegie’s accumulation of wealth featured clear affronts to shared prosperity his later philanthropy was a prodigious boon to the mass of Americans. “The problem of our age,” commences Carnegie’s famous essay The Gospel of Wealth, “is the proper administration of wealth, so that the ties of brotherhood may still bind together the rich and poor in harmonious relationship.”\(^12\) Franklin Delano Roosevelt, himself a scion of privilege, drove through a sequence of New Deal reforms that by most analysts’ reckoning had much to do with the mid-century surge of America’s middle class.

Probably more important than these and other marquee figures have been the many less-lofty elites who founded banks and factories, chaired school boards, launched universities, led foundations and chambers of commerce, and otherwise established the conditions for broad upward mobility. Such leaders have always been driven by the interests of themselves and their families, to be sure, but it would be foolish to claim that Carnegie’s “ties of brotherhood” haven’t mattered to American economic

\(^9\) Many scholars have addressed this issue, including me in The Warping of Government Work (Harvard University Press 2008) Chapter 1.
\(^12\) Andrew Carnegie, “Gospel of Wealth,” North American Review,” June 1889
history. A fictional (and idealized) version of the elite agent of mass prosperity is George Bailey, the hero of Frank Capra’s film *It’s a Wonderful Life*. Bailey is a businessman, not a philanthropist, but his life’s work makes the difference between the middle-class idyll of Bedford Falls and the alternative-reality dystopia of Pottersville. At crucial junctures in his career he tilts toward solidarity, and these choices make all the difference.

I suspect—though this is currently more a suspicion than a conviction—that elite solidarity with the American masses is becoming less prevalent. My goal for this year is to test whether this suspicion can be empirically validated and, if so, to prepare a broader research project into the causes, consequences, and potential responses to the phenomenon.

As a simple economic matter, of course, the dissolving links between elites and the rest of the American population are blindingly obvious. When Henry Ford built his auto company there was no practical alternative to employing American workers. His considerable contributions to mass prosperity were pretty much entirely accidental. An entrepreneur today can easily tap talent in Greece, Croatia, and Pakistan, as does a friend of mine launching an IT firm. But I mean something beyond this disaggregation of economic value chains and the consequent de-coupling of American enterprise from American employment. Sentiments of solidarity—generally less potent than market forces but by no means negligible—are likewise becoming more global, more general, less circumscribed by national boundaries.

This supposition, I must confess, is so far largely based on the most casual kind of empiricism. For much of the past decade I have been focused on curriculum rather than research, first as a co-founder of Harvard’s first true joint degree in business and government and then as faculty chair of our Masters in Public Policy degree, for which I am leading an ambitious multi-year curriculum reform. Through this work I have learned a great deal about the drives and dreams of many talented young people. They are, with only a few exceptions, remarkably idealistic—personally ambitious, yes, but also deeply committed to making the world a better place. But relative to my recollections of students I encountered early in my career—and to my even less reliable memories of myself and my friends at the same age—their idealism seems far less directed toward their less favored countrymen. They are committed to curbing climate change, resisting the spread of HIV in Africa, combating malaria, easing Mid-east tensions, promoting women’s education, advancing human rights. Relatively few dream of rebuilding Detroit’s economy, or lifting the scourge of drug abuse from rural Maine. There are categorical exceptions, including the large numbers who have spent a stint with Teach for America, and a dozen specific exceptions that come immediately to mind. But as a broad tendency their “ties of brotherhood” seem diminishingly national.

This is in many respects a splendid development. It would be churlish to fault young American elites for transcending parochialism. But if this is an empirically verifiable and general trend, its implications require attention. If a 21st-century George Baily would be running the Gates Foundation’s Global Health Division, we need a Plan B for Bedford Falls. The current plan for my next book, which would engage much of my energy in 2017 and 2018, is to explore how to square the restoration of shared American prosperity with realism about the cosmopolitan sentiments of many of the most talented young Americans. While I am cautiously optimistic about a range of potential remedies to the erosion of the middle class, they are undeniably more challenging the less we can count on elite solidarity with their less favored fellows.

But before leaning into a major effort to deal with the implications of the trend, I need to make sure that it is a trend. There are bits and pieces of systematic evidence consistent with a broad disconnect

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between elites and the mass of Americans\textsuperscript{14}, but much of this hypothesized scenario rests on impressions and anecdotes. If it is indeed a valid generalization about shifts in the sentiments and ambitions of young American elites there will be evidence to be found. Thus I propose to devote the summer of 2016 to seeking such evidence. This will require approximately half of my time—to identify potential data sources, provide detailed research direction, and assess and interpret the evidence as it accumulated—and most of the summer for a resourceful research assistant. Likely sources include survey research, Bureau of Labor Statistics compilations, literature reviews, higher-education institutions’ data on choices of majors and first jobs, and other obvious hunting grounds. I expect a creative student will be able to identify data sources that have not yet occurred to me.

\textsuperscript{14} For instance, the Chicago Council on Global Affairs’ (formerly Chicago Council on Foreign Relations) quadrennial survey of elite and broad public opinion.