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1 – THE NEW POWER CLASS

Yesterday's political power sources came out of the tangible economy of production, industry, resource extraction and manufacturing. Today's new political power sources, in contrast, hail almost entirely from outside the material economy, and many come from outside the realm of the market system entirely: entertainment, the news media, institutional education, and the software side of the technology industry, particularly social media. These organizations manipulate not tangible things and resources but ideas, concepts and images. This represents a major transformation of our social, economic and political structures.

According to Joel Kotkin, executive editor of NewGeography.com, the administrative class, whom he calls the new clerisy, has grown in size and power throughout the past half century, as has its privileges. He writes:

Even in tough times, high-level academics enjoy tenure and have been largely spared from job cuts. Between late 2007 and mid-2009, the number of U.S. federal workers earning more than \$150,000 more than doubled, even as the economy fell into a deep recession. Even as the private sector and state government employment has fallen, the ranks of federal *nomenklatura* have swelled so much that Washington, D.C., has replaced New York as the wealthiest region in the country....

To understand the possible implications of the new power arrangement, it is critical to understand the nature of the new clerisy. Unlike traditional capitalist power groups, including private-sector

organized labor, the clerisy's power derives not primarily through economic influence *per se* but through its growing power to inform opinion and regulate everything from how people live to what industries will be allowed to grow, or die....

Most distinctive about the clerisy is their unanimity of views. On campus today, there is broad agreement on a host of issues from gay marriage, affirmative action and what are perceived as "women's" issues to an almost religious environmentalism that is contemptuous toward traditional industry and anything that smacks of traditional middle class suburban values. These views have shaped many of the perceptions of the current millennial generation, whose conversion to the clerical orthodoxy has caught most traditional conservatives utterly flat-footed....

Such experts, of course, see little need for give and take with their intellectual inferiors, in Congress or elsewhere. This attitude is expressed in the administration's increasing use of executive orders to promote policy goals such as better gun control, reduced greenhouse emissions or reform of immigration. Whatever one's views on these issues, that they are increasingly settled outside Congress represents a troublesome notion.

Like empowered bureaucrats everywhere, the clerisy also sometimes reserves a nice "taste" for themselves, much as the old bishops and upper clergy indulged in luxury and even prohibited pleasures of the flesh.

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So who loses in the new order? Certainly unfashionable companies – oil firms, agribusiness concerns, suburban homebuilders – face tougher times from regulators and the mainstream media. But the biggest losers likely will be the small business-oriented middle class. The small business owner, the

suburban homeowner, the family farmer or skilled construction tradesperson are intrinsically ill-suited to playing the insiders' game in Washington. Played up to at election time, they find their concerns promptly abandoned thereafter, outliers more than ever in a refashioned political order.

2 – AMERICANS NO LONGER AGREE ON A CORE SET OF SHARED VALUES, ALREADY SECEDING FROM ONE ANOTHER

What does America stand for? Is there a core set of shared values on which all Americans agree, even if their opinions on everything else are quite divergent? These are the questions asked recently by [Michael Snyder](#) on his always-interesting blog. His answers are uncomfortable.

How about the Constitution? Surely we all agree on the shared values embodied there, including federalism (a federation of strong, independent states)? Well, the *New York Times* recently published an opinion piece by a university law professor that called for giving up on the Constitution. This is in fact a widely held belief in law schools across the country.

What about freedom and liberty? Surely these values are universally held. No, in fact a recent poll found that 51% of Americans believe “it is necessary to give up some civil liberties in order to make the country safe from terrorism.”

What about economics? Aren't we united by a common economic philosophy called free-market capitalism? Sadly, according to a Pew Research Center survey, 49% of Americans in the 18-to-29-year-old age bracket have a positive view of socialism while only 46% have a positive view of capitalism.

What about the belief that religion is a positive force for good in America? Actually, the number of Americans with no religious affiliation has exploded in recent years, and the share of Americans who are Christian (in a country that as recently as 50 years ago could unmistakably be called a “Christian nation”) has fallen precipitously.

If there is not a core set of shared values that the entire nation can agree upon, where does that leave us? In a very difficult place, concludes Snyder.

Syndicated columnist [Pat Buchanan](#) would agree.

He asks what we are to make of petitions from tens of thousands of citizens to secede. While no one takes this possibility seriously, he writes, the sentiments behind it ought not to be minimized. For we have become two Americas:

One America believes our history is a catalog of crimes against people of color, that women have an inviolable right to abortions, that condoms should be handed out to sexually active teens in schools where Darwinism should be taught as revealed truth, while Bibles, prayers and religious symbols should be permanently expelled.

The other America sees all this as unpatriotic, godless and decadent.

One America believes in equality of rights; the other demands equality of results brought about through the redistribution of income and wealth, affirmative action, racial and gender set-asides, and quotas.

One America believes in gun control; the other in gun rights.

Seceding is not a solution, writes Buchanan. We are, however, seceding from each other. Citing William Bishop's book, *The Big Sort*, we are increasingly choosing to live among our own.

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3 – A TRIBAL AMERICAN FUTURE

Michael Anton reviews Tom Wolfe's *Back to Blood* on City-Journal.org. Here's an excerpt:

The book's title is meant to explain what happens when higher bonds of citizenship and community break down: people retreat to their tribal and clannish instincts. Despite what our elites like to think, humanity has not outgrown these instincts. In some times and places, we temporarily rise above them, but we're always capable of sinking back – and Wolfe shows not only that we are doing so, but how. *Back to Blood* is a poetic affirmation of Robert Putnam's pained conclusion that diversity erodes trust and social cohesion....

The book's most important subject is the increasing Latinization of the American population and its effects on American life, an underexplored topic in fiction and anywhere else. Two-thirds of Miamians speak Spanish as a first language versus only a quarter for English....

Most of the book's Cubans consider themselves white compared with the city's other Latinos – and especially its blacks – but they bristle with resentment at the true gringos: thatchy-haired

Americanos. Non-Hispanic whites today make up less than 12 percent of Miami's population, but because they control the commanding heights beyond Miami's borders, they continue to elicit awe and envy. Wolfe has deftly captured the way that whiteness – with its historic if declining social prestige – becomes, for people with third World ancestry, both an aspiration and a source of tribal antipathy....

Indeed, as everyone in the business world has long known, Miami today is no longer really an American city, but an international one: the business and financial capital of Latin America. It's a sort of free port, only loosely affiliated with any nation, like the market towns of the Holy Roman Empire or colonial Hong Kong. Its advantages over other plausible sites in the region include superior infrastructure, better laws, less corruption, and lower crime (for now). America derives some benefit from the enormous wealth that pours into the city; capitals the world over have always been effective wealth collectors. But America suffers, too, and Wolfe is not afraid to show how.

Back to Blood takes a hard stare into America's future.

4 – GOVERNMENT DRIVES INEQUALITY

In a rather stunning series of articles, Reuters concludes that the federal government, in seeking to reduce income inequality, is in fact one of the most potent factors driving it, especially in the nation's capital. Here's an excerpt:

REDISTRIBUTING UP

In the town that launched the War on Poverty 48 years ago, the poor are getting poorer despite the government's help. And the rich are getting richer because of it. The top 5 percent of households in Washington, D.C., made more than \$500,000 on average last year, while the bottom 20 percent earned less than \$9,500 – a ratio of 54 to 1.

That gap is up from 39 to 1 two decades ago. It's wider than in any of the 50 states and all but two major cities. This at a time when income inequality in the United States as a whole has risen to levels last seen in the years before the Great Depression.

Americans have just emerged from a close presidential election in which the government's role as a leveling force was fiercely debated. The right argued the state does too much; the left, too little. The issue is now at the center of tense negotiations over whose taxes to raise and what social programs to cut.

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The federal government does redistribute wealth down to struggling Americans. But in the years since President Lyndon Johnson took aim at poverty in his first State of the Union address, there has been an increasingly strong crosscurrent: The government is redistributing wealth up, too – especially in the nation’s capital.

The beneficiaries are not the billionaire financiers and celebrities who have come to personify income inequality in the 21st century. Yet the Washington elite are just as much part of the trend, having influenced laws and decisions that alter the entire country’s distribution of income.

THE FEDERAL FUNNEL

Two decades of record federal spending and expanding regulation have fostered a growing upper class of federal contractors, lobbyists and lawyers in the District of Columbia area. The federal government funneled \$83.5 billion their way in defense and other work in 2010 – an increase of more than 300 percent since 1989, even after adjusting for inflation. Private industry poured more than \$3 billion into lobbying to influence the government, nearly double what it spent a decade ago.

Like spokes on a wheel, the high-rise offices of this elite radiate out from Capitol Hill along major arteries deep into suburban Maryland and Virginia. The latest Census figures placed 10 of the capital’s surrounding counties in the top 20 nationwide for median household income – up from six in 1990.

DATA FINDINGS

The analysis found that inequality has risen not just in plutocratic hubs such as Wall Street and Silicon Valley, but also in virtually every corner of the world’s richest nation:

- Inequality has increased in 49 of 50 states since 1989.

- The poverty rate increased in 43 states, most sharply in Nevada, ravaged by the housing bust, and in Indiana, which saw a rise in low-paying jobs.
- Twenty-eight states saw all three metrics of socioeconomic well-being worsen. There, inequality and poverty rose and median income fell.
- In all 50 states, the richest 20 percent of households made far greater income gains than any other quintile – up 12 percent nationally.
- Income for the median household – in the very middle – fell in 28 states, with Michigan and Connecticut leading the way.
- The five largest increases in inequality all were in New England: Connecticut first, followed by Massachusetts, New Hampshire, Rhode Island and Vermont. The decline in manufacturing jobs hit New England’s poor and middle hard, while the highly educated benefited from expansion in the biotech and finance industries.
- The only state that didn’t see a rise in inequality: Mississippi, which had an insignificant dip. The Magnolia State was one of the few to post a drop in poverty and a rise in income, but it still ranks worst in the nation on both counts.

Public policy isn’t the only driver of inequality. Technological change has driven demand for high-skill professionals and eliminated a layer of lower-skill jobs. Weakened unions have lost power to lift wages. Perhaps the biggest factor of all is that the people on the winning side of these tectonic shifts – entrepreneurs, financiers and chief executives – are earning ever-larger fortunes.

But government makes a difference.