Dream Hoarders: How the American Upper Middle Class Is Leaving Everyone Else in the Dust, Why That Is a Problem, and What to Do About It

(Richard V. Reeves)

June 14, 2018

This isn't a great book, but it's a starting point for discussions that are worth having. Richard Reeves gently flogs his own class for their sins, an act he thinks is very daring, though he uses a thin, silken cord and doesn't put any muscle into it. The upper middle class, he says, is pulling up the bridge to the Castle of Success, protecting its own sons and daughters from the dragons outside, at the expense of the peasants milling about on the other side of the moat. He thinks this is bad, although he is confused as to exactly why that should be, since it seems "unfair," but he can't say what that is with any precision, and, after all, isn't personal choice the most important thing of all? So this book mostly goes nowhere, but it can tickle the mind into some genuine thought.

Reeves focuses on the upper middle class (the "UMC"), which he defines as households in the top twenty percent of income, making more than $112,000. In practice the bulk of this class is the "professional-managerial" elite (a term developed and examined in Joan William's *White Working Class*, which focuses on those lower down the class scale than the UMC). This elite has "hoarded," through a variety of devices, the ability for the next generation to succeed, defined as reaching the top quintile of the income distribution. The truly rich, the one percent, are excluded from this analysis—they are relevant, certainly, but they are different from you and me (although Reeves is insightful enough to note that, mostly, "The top 1 percent is not 'them'—it's us [the UMC], having a good year."). Thus, this book isn't really directed at me—I'm not in the UMC. But I used to be, for most of my life (even if now my goal is to scrabble into the top .01%, so that I am wholly outside Reeves's analysis, and don't have to be lashed by his silken whip).

As with most magazine articles padded out to books, Reeves lays out his arguments pretty clearly, but does not engage in a lot of point-counterpoint. Reeves first demonstrates how the UMC is separating itself from the bottom eighty percent. It has more money (by definition,

given the framework used). This is reinforced by assortative mating and by both parents earning high incomes (it is only among the permanent portion of the one percent that the wife not earning income is a class marker, though Reeves doesn't note that difference). The UMC don't smoke; they don't get fat; they therefore lead healthier, wealthier lives. UMC parents don't get knocked up before they intend to and they focus obsessively on their children. All this means that their children are advantaged from birth, because the typical child "is raised in a stable home by well-educated, married parents, lives in a great neighborhood, and attends the area's best schools." These effects multiply themselves over the generations, which is reinforced by IQ heritability (a topic Reeves mentions in passing, then recoils like he touched a hot stove). The UMC further sets itself physically apart by residential sorting and segregation. The result of all this is that their average human capital is higher than for the rest of American society, and that human capital stays within the UMC, since there is little movement into, and out of, the UMC.

So far, these are all the results of choices made by the UMC, bourgeois choices, to be exact, and Reeves finds it difficult to criticize choices, though every so often he comes close to making the claim that any help to one's children is immoral because life is a zero-sum game, and if you help your children, you are pushing other children down. But the UMC then supercharges the results of their choices by getting the government to pour some sugar on them. Lots of sugar. Mortgage interest deductions; residential zoning that increases home values and ensures access to good schooling; 529 plans; and much more. In effect, by the time college rolls around, the children of the UMC have been given a 200-meter head start in the 400-meter dash. Then, piled on top of these hoarded advantages, the UMC is much more able, due to money, contacts, and the mere familiarity that makes it possible to navigate the system, to send their children to the colleges that are most selective, and which act as gatekeepers to the types of jobs that guarantee their children their own spot in the UMC. (Reeves only motions at the reality that it is not education that is being obtained, but a filtering credential, though it's true the difference is not important to his point.) The UMC also uses other forms of wire-pulling to benefit their offspring. Then, as their children waft in the stratosphere of the social hierarchy as they

pass through college, parents in the UMC obtain for their children plum internships, using contacts not available to the non-UMC, and which are often unpaid, and thus not available to families who can't afford that, which lead to employment in the professional-management class, continuing the cycle.

What exercises Reeves most of all is legacy admissions to college, which he practically howls about, although it seems like something with a relatively small impact relative to the other causes of hoarding he outlines. He decries all legacies as "morally wrong" and "unfair," an offense to what would apparently be fair, an outcome decided by objective measurements of merit. Reeves is upset that no data is available on legacy admissions, but doesn't know, or won't admit, the real reason colleges don't release data on admissions, legacy or otherwise. It's because all selective colleges discriminate against Asians and engage in affirmative action for favored minorities to a degree most people would find "unfair" (Harvard is currently in the process of losing a lawsuit against it for its treatment of Asians). For Reeves, legacy admissions are the quintessential opposite of merit competition on a level playing field, which is his touchstone, and have generation-spanning ill effects (though their beneficiaries don't think it's an ill effect, and since it's a zero-sum game, you'd have to show some net societal loss to prove an ill effect, something Reeves makes no effort to do—he just repeats his mantra of "fairness," lack of which is not itself obviously an ill effect).

The net result is that the UMC uses all these advantages to ensure that others don't have equal opportunity. Thus, who is in the UMC, stays in the UMC (and, like *Fight Club,* doesn't talk about UMC, because they don't need to, and that might break the spell). "Others" is everyone else—not just groups traditionally viewed as disadvantaged, but a much broader group of people who, relatively speaking, are not only poor, and therefore unable to afford their children the paid-for advantages that permit the UMC to maintain their inter-generational ascendancy, but who also lack the social capital that permits the UMC to surf the waters of social dominance. But "circumstances" is a broad word. It covers both material lacks, mental gaps, and cultural failures. Reeves adduces J. D. Vance, of *Hillbilly Elegy* fame, as a rare example of someone who overcame the self-granted advantages of the UMC so he could join the UMC. He misses, or ignores, Vance's own main point—that

the problem is his culture, of lower-class Appalachian whites, which is defective, and which prevents the rise of its members totally outside the hoarding of advantages by the UMC. This is basically Charles Murray's point in *Coming Apart*, too, and Reeves overlooks it, even though he cites Murray extensively (along with Robert Putnam's *Our Kids*). While hoarding doubtless reinforces the UMC's position, it is far from clear that large sections of America would take advantage of the end of the UMC's hoarding if it happened. That is, it is pretty obvious, though Reeves ignores it, that the inability to compete with the UMC is often, or even primarily, driven by inferior culture—thus making America merely a microcosm of the world as a whole, where, for the most part, those farther down the scale are down the scale because their cultures dictate that result.

In any case, what Reeves wants is for people not in the UMC to join the UMC, in large numbers. Reeves notes that mathematically, if all the children of the UMC stay in the UMC, nobody not in the UMC will join the UMC. (That's not strictly true—it depends on the relative fertility of social classes, a topic Reeves doesn't address, but the basic point is accurate.) No migration between classes is a lack of "relative mobility." Almost all the statistics in this book rely on quintile analysis compared over time and over different groups. This is an easy-to-grasp and reasonable method of communicating his points. The problem is that quintiles are always relative—so, in nearly all instances, if the income of every quintile increased by a factor of ten, the bar graphs would look the same. In other words, Reeves ignores "absolute mobility." Of course, that's just the usual argument about whether if my income doubles, and yours quadruples, I have any ground for complaint. Reeves says yes—what matters is that those not in the top twenty percent have a decent chance of rising to that group. Which is defensible, if not self-evident.

What Reeves is upset about is clear enough. Why he thinks he has any ground to be upset is less clear. He does not complain that society as a whole performs worse on objective measures—say GDP per capita—as a result of the UMC dominating. Rather, he over and over again trills that this is a "moral" problem, one of "fairness." But he never tells us why that is, or why the UMC should care about his claim, since after all, all good liberals know that morals are merely something people in flyover country use to hide their bigotry. Reading the tea leaves,

including multiple favorable references to John Rawls, the Zardoz of modern liberals, it seems that for Reeves, fairness demands that each person not receive any benefits not of his own making. We must create our own veil of ignorance, and place our children behind it. This is not self-contradictory, and certainly America has long paid lip service to the idea that each person can make his own way, but why it is a moral imperative that children receive nothing more than food from their parents is never demonstrated, in any way at all, nor has it ever been a core American value, or a value in any other society (because it goes against the grain of human nature). And Reeves struggles with his own framework, since he clearly values emancipation and liberty as maximal values (like all good liberals), and can't reconcile that with the demands of fairness—he can't imagine actually restricting personal choice, even though personal choice creates all the problems he identifies. When your political class, i.e., liberals like Reeves, has spent the past fifty years destroying the idea that anyone has any duty to others, along with the idea that there is such a thing as virtue, you should not be heard to complain when your own class takes that to heart (and you should admit that the parade of horrors Charles Murray narrates about the lower classes is your fault).

Really, what Reeves exemplifies is what Jonathan Haidt calls "WEIRD morality." He has a moral scheme he thinks is universal but which is really an isolated exception in humanity, and not one that is superior or the coming thing. In that moral scheme, confined for the most part to wealthy Westerners, fairness is the highest moral criterion, and harm to others the only moral bad. In most moral schemes, fairness is subordinated to other considerations, including loyalty, authority, and sanctity, and harm to others is not the only moral bad. Reeves, however, firmly believes in John Stuart Mill's harm principle—but he can't find any actual harm here, only relative immobility, so he glosses over his philosophical conundrum. Along related lines, the book is generally marred somewhat by Reeves being unable to suppress other liberal tics. He demands in passing that the one percent pay more taxes, "much more," although it is irrelevant to both his arguments and solutions. He claims with a straight face that examples of increasing meritocracy are that the United States has "legalized same-sex marriage and opened up all military jobs to women," seemingly oblivious that the

former isn't exactly a question of competitive merit and the latter is an example of the exact opposite of merit, since all military standards have been slashed and are different for men and women, in order to be able to admit women as an ideological imperative. Most of these liberal twitches seem to be inserted into the book to insulate Reeves from the UMC ostracizing him; he thinks he is a big risk-taker for criticizing his own class, and maybe he is—after all, the liberal UMC is notoriously intolerant of and bigoted towards political difference, and never more so than in the current age, though my bet is that this will get worse before it gets better.

At the end, Reeves offers some tentative ideas for solutions. The first is to "reduce unintended pregnancies through better contraception," at which the reader chuckles, first at the idea that lack of contraception and education about it is why the lower classes have children out of wedlock, and then again at Reeves's unwillingness to even suggest that we school the lower classes to adhere to bourgeois values such as not having children out of wedlock, which values he has already identified, repeatedly, as the most critical element of the ongoing success of the UMC. (You may remember that Amy Wax, a law professor at Penn, got in trouble last fall for suggesting that bourgeois values led to success in life, even though that's as true as that water will wet us.) Another is to "increase home visiting to improve parenting," which might, I suppose, be beneficial to mothers of infants, but is not going to change the inferior cultures that Reeves identifies as the problem for the types of people who need home visits. His third idea is to get better teachers to teach children who are not in the UMC, through the device of rewards—but nowhere does he note that the core problem with getting good teaching is unionized teachers who reject categorization on merit, and who ensure that incompetent teachers linger for decades to haunt the lower classes. Then he talks about funding college, not through free college (which he correctly points out would mean mostly "free for the UMC"), but by tying loans to repayment based on income. He doesn't help himself by citing Jeb Bush, noted has-been, but more to the point, repayment based on income creates perverse incentives, such as encouraging people to get degrees in social capital-destroying areas like Women's Studies and Latino Studies (though even worse is the currently existing system, which forgives loans for graduates who "work" in

parasitic occupations in the government or so-called public service, that is, for left-wing pressure groups). On the other hand, he does endorse cutting back the tax benefits to large college endowments, something done last year (after the publication of this book) by the Republicans (thanks, Trump!) And he says 529 plans should be eliminated, since they almost exclusively benefit the UMC (though he, like most liberals, treats all our money as belonging to the government, and any allowing us to keep it as an unmerited grace that Uncle Sam should feel free to withdraw at any time). Finally, he suggests ending "exclusionary zoning," by which he means housing developments for not-rich people should not be prevented by zoning; ending legacy admissions to college; and opening up internships.

I actually agree in large part with Reeves. While his thinking isn't deep, for the most part it's not wrong on the substance. There is a deeper question, though, which is whether we should care if the UMC establishes itself as a permanent aristocracy. What Reeves describes is today's American aristocracy—the people who matter, who are relevant, who set the direction of the country. Of course, every society has always had an aristocracy—for proof of this you only have to know anything at all about Communism, which claimed to have no class distinctions, and instead inevitably had extremely sharp distinctions, between the *nomenklatura* and everyone else. Yes, Americans viscerally reject aristocracy, but they've still always had one, even if it disavows the label. True, there are skeins of aristocracy, not just one monolithic aristocracy (and, earlier in American history, regional aristocracies), but, viewed broadly, there is always an aristocracy. So, why should we care if a new aristocracy has established itself?

It is not because the UMC aristocracy looks out for its own interests, prime among which is ensuring the future of their children, including their enrollment into the aristocracy. That itself doesn't make today's UMC aristocracy any different from past aristocracies, even though this self-interest and self-perpetuation is Reeves's main complaint. But I can think of three reasons why this aristocracy is less desirable than, and qualitatively different from, any prior American aristocracy. First, it is a parasitical, rather than productive, class. In the past, the aristocracy was composed primarily of successful businessmen, with a smattering of artists and other culturally-significant people, along with outriders

such as prominent military men and politicians. Today, it is essentially a homogenous professional-managerial elite, who destroy value (many lawyers and most government professionals, along with many teachers and professors, and the vast majority of the college administrators); are purely transactions costs (the rest of the lawyers and the accountants, although in fairness they don't create the costs); or add strictly marginal and only economic value (the rest of the teachers, all the managers, and so forth). None of them individually add any significant economic value, and none add cultural value (though today's artists and authors mostly don't either, but that's another topic). Another way of saying that is that every generation of this aristocracy lacks merit—and they never had any, they just fell, with the help of the expansion of government, into the vacuum created by the destruction of the mid-twentieth-century aristocracy. They're a barnacle, not a beacon.

Second, and related, the UMC is the first American aristocracy to reject the idea that it has any obligations or duties to the rest of America. As traditionally viewed, the duties of the aristocracy included serving communitarian goals that enhance societal flourishing, including engaging in poorly remunerated true public service such as serving in the military (working for the government in a non-military capacity is not public service, it is public parasitism), as well as working for government policies that serve the common good. Not this UMC—they serve nobody but themselves, and they push policies destructive of the common good but good for them, such as unrestricted immigration and globalization. Robert Gould Shaw rolls over in the grave he shares with his men.

It appears to me, though this is hard to measure, that this aristocracy also behaves much more monolithically than any prior American aristocracy. It is not that they agree politically—liberals and conservatives can both be found in quantity in the UMC, though most are social liberals. But they act in lockstep to benefit their class—again, this is much of Reeves's complaint. And, related, they are the very essence of José Ortega y Gasset's "masses," unwilling to pursue, and uninterested in, excellence. Finally, I think that the UMC is mostly morally corrupt and existentially incompetent, filled with decaying Baby Boomers and their even more worthless offspring, but that is a longer topic than can be covered here.

Third, and this is the gravamen of Reeve's complaint, there is almost zero fresh entry into the aristocracy. It is not a question of fairness, though, as Reeves would have it; rather, it is a question of social comity. Where those lacking merit and providing nothing to the country hold the rest down, the masses become unhappy. When Horatio Alger was a cultural touchstone (even if the possibilities were exaggerated), a smart young man on the make could hope to end up in the aristocracy, if he worked hard and things broke his way. Now he's unlikely to even know he's a smart young man. This is true for the reasons identified by Reeves, such as his parents not being able to give him certain advantages, and not even knowing about certain opportunities. And even if he does realize he's a smart young man, the channels that helped raise others into the aristocracy in the past have been destroyed. Traditionally, in every society, those channels have been those in authority singling out the best among the non-aristocracy and helping them rise. In the past, teachers, clergymen, and other adults would raise promising children out of the crowd. Not anymore. Now that's either forgotten, in that the mere existence of superior merit or excellence is denied, or forbidden, in that those in authority are required to instead demand "diversity and inclusion," which means focusing on certain groups defined by preferred immutable characteristics and insisting that all their members be benefited and raised equally, by being given unearned benefits without reference to their personal merit (at the same time denying any favorable treatment to all those with disfavored immutable characteristics), all under the lying guise of ending supposed oppression. The result is essentially zero mobility, so this aristocracy is sclerotic, and effectively creates and continuously exacerbates pernicious divisions.

Reeves's solutions are silly, but he's not wrong that there's a problem. Perhaps the *Fight Club* reference is apt—smashing and replacing the aristocracy may be the only reasonable choice. Perhaps merely a decimation, *pour encourager les autres*. Maybe it will all fix itself, when Bernie Sanders sweeps to power, carried on a nursing home bed by a mob chanting "Power to the people!" Beats me, but my guess is that the system we have can't go on forever.