"Occupy Wall Street" gets a boost from a new report on income distribution

OF ALL the many banners being waved around the world by disgruntled protesters from Chile to Australia the one that reads, "We Are the 99%" is the catchiest. It is purposefully vague, but it is also underpinned by some solid economics. A report (http://cbo.gov/ftpdocs/124xx/doc12485/10-25-HouseholdIncome.pdf) from the Congressional Budget Office (CBO) points out that income inequality in America has not risen dramatically over the past 20 years—when the top 1% of earners are excluded. With them, the picture is quite different. The causes of the good fortune of those at the top are disputed, but the CBO provides some useful detail on that too. The biggest component of the increase in after-tax income for the top one percent is "business income" as opposed to income from labour or investments (though admittedly these things are hard to untangle). Whatever the cause, the data are powerful because they tend to support two prejudices. First, that a system that works well for the very richest has delivered returns on labour that are disappointing for everyone else. Second, that the people at the top have made out like bandits over the past few decades, and that now everyone else must pick up the bill. Of course it is a little more complicated than that. But this downturn ought to test the normally warm feelings in America of the 99% towards the 1%.