A NATION OF MOOCHERS

AMERICA'S ADDICTION TO GETTING SOMETHING FOR NOTHING

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ST. MARTIN'S PRESS NEW YORK

For my little Frenchman, Elliott

Contents

Preface

Mooch: verb—*he was always mooching money from us:* beg, ask for money, borrow; *informal:* scrounge, bum, sponge, cadge.
noun—*she is such a mooch:* beggar; *informal:* bum, scrounger, cadger, freeloader, moocher.

(*Oxford American Writer's Thesaurus*)

Why "moochers"?

The title of this book could have been *Tin Cup Nation,* or *A Nation of Freeloaders*. This could have been a book about "dependency" or the "culture of entitlement."

But "moocher"—in all its anachronistic glory—perfectly captures the new culture of bailouts and irresponsible grasping, everything from corporations feeding at the trough to the permanent "victims" of Hurricane Katrina. Appropriately pejorative and judgmental, "moocher" is so old, it is fresh again. What it lacks in sophistication, it more than makes up for with its bracing bluntness. The next time you are at a cocktail party and a corporate CEO brags about his latest bit of government pork, try responding: "In other words, you are a moocher." You may ruin the party, but you will have effectively cut through an awful lot of euphemism and rationalization.

Befitting the times, "moocher" is already making a comeback. Ayn Rand's use of "moochers and looters" has gained new currency in the era of the Tea Party. Humorist P. J. O'Rourke titled his paean to Tax Day 2009 "A Nation of Moochers"[1]; syndicated talk-show host Neal Boortz has both talked and written extensively about the "moocher class"; and *Forbes* magazine recently introduced what it called the "moocher ratio" to measure the degree of dependence on government.[2] I hope this book will make a modest contribution in restoring the word to its rightful place in the American lexicon.

Part One

MOOCHER NATION

Scenes from Moocher Nation

Mankind soon learns to make interested uses of every right and power which they possess or may assume. The public money and public liberty … will soon be discovered to be sources of wealth and dominion to those who hold them; distinguished, too, by this tempting circumstance: that they are the instrument as well as the object of acquisition. With money we will get men, said Caesar, and with men we will get money.… [Our] assembly should look forward to the time, and that not a distant one, when a corruption in this, as in the country from which we derive our origin, will have seized the heads of government, and be spread by them through the body of the people; when they will purchase the voices of the people, and make them pay the price.

—Thomas Jefferson, *Notes on Virginia*, 1782

Q: Why are you here?
A: To get some money.
Q: What kind of money?
A: Obama money.
Q: Where's it coming from?
A: Obama.
Q: And where did Obama get it?
A: I don't know, his stash.… I don't know; I don't know where he got it from. But's he giving it to us. To help us. We love him. That's why we voted for him.

—Detroit, October 7, 2009, where thousands of residents turned out for free government money. According to the Associated Press, they were supposed to apply for federal antihomelessness grants, but many were under the impression they were registering for $3,000 checks from the Obama administration.

At the meeting, it was hard to discern where concerns over AIG's collapse ended and concern for Goldman Sachs began: Among the 40 or so people in attendance, Goldman Sachs was on every side of the large conference table, with "triple" the number of representatives as other banks, says another person who was there.…

The Goldman domination of the meetings might not have raised eyebrows if a private solution had been forthcoming.…

Of the $52 billion paid to AIG's counterparties, Goldman Sachs was the biggest recipient: $13 billion, the entire balance of its claim.

—*New York* magazine[1]

On Wednesday, 30,000 people suffered through hours in the hot sun, angry flare-ups in the crowd and lots of frustration and confusion for a chance to receive a government-subsidized apartment.

The massive event sometimes descended into a chaotic mob scene filled with anger and impatience.

—*The Atlanta Journal-Constitution*[2]

At 300 East 23rd Street in the exclusive Gramercy Park neighborhood of Manhattan, a new 98-unit luxury apartment complex has been built with an outdoor movie theater and panoramic city views. The problem is that not enough buyers are coughing up the $820,000 to $3 million the project's developers are asking for the privilege to own a unit in the building.… Last December, the Federal Housing Administration loosened its financing rules so that U.S. taxpayers would have the honor of backing loans with down payments as low as 3.5%. Now rich Manhattanites can better afford condos in buildings with pet spas, concierges and rooftop lounges like the one in Gramercy Park, all on the taxpayers' dime.

—The Heritage Foundation[3]

More than $69 million in California welfare money, meant to help the needy pay their rent and clothe their children, has been spent or withdrawn outside the state in recent years, including millions in Las Vegas, hundreds of thousands in Hawaii and thousands on cruise ships sailing from Miami.

—*Los Angeles Times*[4]

In Wilkinson County, Miss., a home has been flooded 34 times since 1978.…

The home's value is $69,900. Yet the total insurance payments are nearly 10 times that: $663,000. …

The insurer? The federal government.…

In Fairhope, Ala., the owner of a $153,000 house has received $2.3 million in claims. A $116,000 Houston home has received $1.6 million.

—*USA Today*[5]

A federal program designed to help impoverished families heat and cool their homes wasted more than $100 million paying the electric bills of thousands of applicants who were dead, in prison or living in million-dollar mansions, according to a government investigation.…

Illinois paid $840 toward energy bills for a U.S. Postal Service employee who fraudulently reported zero income even though she earned about $80,000 per year.

"Times are tough and I needed the money," she told investigators.

—Associated Press[6]

El Campo, Tex.—Even though Donald R. Matthews put his sprawling new residence in the heart of rice country, he is no farmer.… Yet under a federal agriculture program approved by Congress, his 18-acre suburban lot receives about $1,300 in annual "direct payments," because years ago the land was used to grow rice.

Matthews is not alone. Nationwide, the federal government has paid at least $1.3 billion in subsidies for rice and other crops since 2000 to individuals who do no farming at all.…

—*The Washington Post*[7]

Chapter 1

A NATION OF MOOCHERS

We are all born moochers; whether we choose to remain so determines our character and our future. All we have to lose is our dependency.

Is America becoming a country where the irresponsible and grasping increasingly live off of those who work, save, invest, and otherwise play by the rules? Have we reached a tipping point where more Americans are relying on the efforts of others rather than their own?

Are we becoming a nation of moochers?

We are very close to that point if we have not already crossed the line. From the corporate bailouts on Wall Street to the declining stigmas on default and dependency, the new moocher culture cuts across lines of class, race, and private and public sectors. Members of the middle class are increasingly as likely to become moochers as the poor; CEOS are as likely to belly up to the trough as the underprivileged; and the BlackBerry has emerged as a more effective tool for mooching than a tin cup. In the Great Bailout, an expensively educated, richly compensated, elaborately insulated, politically powerful, and well-connected elite toyed with the nation's wealth and bailed themselves out at the expense of millions of waitresses, steamfitters, shopkeepers, schoolteachers, farmers, retirees—and their children and grandchildren—in what may turn out to be the greatest intergenerational transfer of wealth in history.

Momentum

Moocher Nation is not driven by a coherent ideology or even a consistent approach to dealing with either need or "fairness." What it has is … momentum.

More programs of dependency generate more reliance on ever more and varied handouts, as the habit of dependency becomes ingrained and increasingly attractive to others. Subsidies breed subsidies; pork inspires pork (especially if it can masquerade as stimulus); tax credits multiply like bacteria; and lobbyists swarm at the prospect of congressional handouts. The explosion of bailouts and handouts creates its own dynamic: How can you say no to would-be moocher A when B and C are getting mountains of federal cash? How can politicians turn down farmers when the bankers are fattening at the trough; or plead for fiscal restraint to Main Street when Wall Street is awash in OPM (Other People's Money)? One CEO who jumps on a Gulfstream jet to fly to Washington to wring a few billion dollars from compliant senators inspires dozens, maybe hundreds, of other businessmen to book planes, trains, and limousines to get their own slice of somebody else's American Dream.

The stigma of dependency—being on the dole—still runs deep in American culture, certainly far deeper than in Great Britain or France, where students and pensioners take to the streets at the merest whiff of a suggestion that they might lose one of their cherished benefits. But it is not inexhaustible. The stigma has been all but erased in some central cities where the long lines that form even at the rumor of free stuff have become testaments to the pervasiveness of the moocher culture, a way of life passed from generation to generation.

Meanwhile, the infrastructure of mooching issues forth armies of social workers, caring professionals, caseworkers, program officers, bureaucrats, advocates, activists, and nonprofits, who see it as their mission to ease the transition of taxpayer dollars into the hands of the "disadvantaged," or at least the well-connected. Every crisis, every natural disaster or financial setback, becomes another occasion for expanding the size of the moocher state. Each cause has its own symbols of need and woe and justification for their own comfortable jobs as agents of the moocher culture: the deprived child, the bereft farmer, the impoverished oldster—but the message is always the same: more. Says the Tax Foundation's Scott Hodge: "Every marketing guru will tell you that people love free stuff and they will take as much as they can get whether they need it or not. But for a nation, this is a recipe for disaster."[1]

Human nature being what it is, politicians throughout the ages have understood that it is far easier and more popular to hand out bread and circuses, entitlements, and freebies than it is to take them away. Promises, even if they are unaffordable, tend to win more votes than truth telling, especially if that means delivering the bad news that there is no more free lunch and that government workers might have to contribute more to their own pensions.

Scenes of public employees besieging state capitols in Wisconsin and Ohio to protect their bloated benefits and union power are likely a preview of the ferocity with which the entitled will fight to keep their spot at the public trough.

Always More

There is an inexorable quality to the new culture. Regardless of how much has already been done or whether those efforts have succeeded or failed, advocates continue to press for ever greater efforts by the government to help the downtrodden. By definition, whatever has been or is being or will be done is insufficient: After trillions of dollars spent on the War on Poverty, more is urgently required, even if that means continually redefining poverty. But it is one thing to erect a safety net for the needy, and quite another to provide a soft down-filled mattress with a taxpayer-funded mint on the pillow and minibar privileges.

Some of these developments can be dismissed as artifacts of the deep recession, but the loss of the stigma associated with default and dependency may also mark a decisive shift in the American ethos and character. The Great Recession of 2007 saw the destruction of millions of jobs and vastly increased the numbers of Americans reliant on government. But the growth in dependency predated the deluge and Washington used the crisis as a pretext to further shrink the private sector and expand government dependency. This recession hit hardest those who played by the rules and sharpened the gap between the two Americas: those who had 401(k)s, owned a home they intended to pay for, and worked in the private economy, versus those who lived on government entitlements, deadbeats who defaulted on debts, and companies that benefited from bailouts or massive pork subsidies. All of this raises fundamental issues of fairness. As Oxford University ethicist Henry Shue says, "If whoever makes a mess receives the benefits and does not pay the costs, not only does he have no incentive to avoid making as many messes as he likes, but he is also unfair to whoever does pay the costs." And philosopher David Schmidtz explains, "To be just is to avoid, as best we can, leaving our neighbors to pay for our negligent choices."[2]

But that is precisely what has happened. Much of the anger of recent years stems from the realization by millions of Americans that the story of the ant and the grasshopper is being turned on its head: Increasingly, those who take responsibility are being asked to bail out the profligate.

The milestones are troubling:

- Even as more people became dependent on government, fewer were paying their share of the tab. By tax day in 2010, nearly half of U.S. households paid no federal income taxes. After years of cuts, credits, and outright rebates, 47 percent of households had no net liability at all. A family of four could make up to $51,000 without paying a nickel in federal income taxes.[3] Many of them have a "negative tax liability," which means they get a check from the government.

  "The result," notes the Associated Press, "is a tax system that exempts almost half the country from paying for programs that benefit everyone, including national defense, public safety, infrastructure, and education."[4]

- While the top 10 percent of earners now pay around 73 percent of the federal income tax burden, fully 40 percent of individuals actually get more money from the tax system than what they pay in. Rather than sending in a tax payment on April 15, the government actually sends them a check, paid for, of course, by other taxpayers. "In essence," writes the Tax Foundation's Hodge, "lawmakers have turned the IRS into an ATM machine for welfare benefits—and ATM now stands for Another Taxpayer's Money."[5]

- There are now more takers than makers in the American economy. As *The Wall Street Journal*'s Stephen Moore writes, in the United States today, government now employs nearly twice as many people (22.5 million) as work in all of manufacturing (11.5 million). "It gets worse," notes Moore. "More Americans work for the government than work in construction, farming, fishing, forestry, manufacturing, mining and utilities combined. We have moved decisively from a nation of makers to a nation of takers."[6]

- Reliance on government has hit an all-time high: By mid-2010, one in six Americans were receiving aid from antipoverty programs.[7*] For the first time since the Great Depression, Americans took more in government benefits—in the form of unemployment compensation, welfare, and other aids—than they collectively paid in taxes. Government transfer payments swelled to more than $2 trillion, more than the total amount of taxes paid by individual Americans. Not counting government employees, 64.3 million Americans depend on government to pay for food, health, and housing (up from 21.7 million in 1962). The Heritage Foundation's William Beach and Patrick Tyrell note that someone on government assistance now gets on average more than four times as much taxpayer money per year—$31,950—as he would have in 1962, adjusting for inflation.[8*] If government employees are added, more than 88 million Americans are now dependent on government for their livelihood—an increase of 163 percent since 1962.[9]

- Major Wall Street firms and failing car makers were handed hundreds of billions of dollars in taxpayer cash subsidies as rewards for their irresponsible risk taking and reckless deal making and spending. (Citigroup and General Motors each received $50 billion in direct aid; the total tab for bailouts may run into the trillions of dollars in a process that has "privatized gains and socialized losses.") Most Americans, however, were not "too big to fail" and went without bailouts.

- Middle Americans increasingly find that work no longer pays. A cover story in *Forbes* documented the perverse incentives (especially for families with college-age students) that punish success and provide incentives for lowering income.[10]

- Contemporary politics is dominated by the freebie. Cash for Clunkers: Other people buy you a car (and destroy perfectly good ones in the process). Home credits: Other people help buy you a house. Pork spending: Other people pay for your goodies. In the ultimate moocher culture, someone else buys your food, provides housing, heating, transportation, takes care of your kids, pays for your health care—and gives you a free cell phone.

- The casino-like mortgage bubble was succeeded by a massive transfer of wealth from taxpayers to bail out reckless lenders and borrowers alike, adding to the nation's exploding deficit. The unaffordable was bailed out by the unsustainable.

- A law professor from the University of Arizona argues that far more of the estimated 15 million American homeowners underwater on their mortgages should stiff their lenders and walk away from their mortgages. For good measure he suggests a spending binge before defaulting.[11] As a sign that the stigma of default is fading, *The Wall Street Journal* reports that more homeowners are taking his advice and "deciding to abandon their loan obligations even if they can afford the payments."[12]

- The gap between the two Americas (the public and private sectors) continues to grow. According to the Bureau of Economic Analysis, federal employees now earn more than double what private sector workers make. In 2009, the average federal civil servant pulled down pay and benefits of more than $123,000, while private employees made do with an average of $61,051 in total compensation. The gap between the two Americas has grown in the last decade, with the gap between the compensation of federal and private workers more than doubling.[13] In addition to the cushier salaries and benefits packages, government workers on average also have more job security and far richer pensions (and more vacation days).

- The number of Americans now using food stamps has exploded even as the stigma of dependency has declined.[14] Food stamp use hit a record 42.4 million in November 2010—a 58.4 percent jump in just three years.[15] One in eight adults and one in four children now use the subsidy. One academic study found that fully half of Americans—and fully 90 percent of black children—at one time or another received food stamps before the age of 20.[16]

- Even as dependence on government rose, *USA Today* reported that income from the private sector dropped to its lowest share of American personal income in history. In the first quarter of 2010, only 41 percent of the nation's personal income came from private business paychecks. Individuals received nearly a fifth of their income from government programs.[17] Another 10 percent was paid in salaries and wages to government workers; when the cost of lavish fringe benefits is added, the proportion swells even more.

- We are extending dependency throughout society both vertically and horizontally. By legislative fiat the new health care bill extends the dependency of children to age 26, at least when it comes to health insurance, thus codifying a rolling redefinition of the age of independence. The legislation also expands the scope of middle-class dependency by providing government subsidies for health insurance to families making up to roughly $88,000 a year. By 2019, according to the Congressional Budget Office, Obamacare will add another 16 million dependents to Medicaid, while another 19 million will receive taxpayer subsidies for their health insurance. By that year, the government will be responsible for 52 percent of the nation's health care spending.[18] This guarantees that dependency will begin at birth and extend throughout the adult life of many Americans.

- The 2011 federal budget envisioned a vast, permanent expansion of the welfare state, even after the recession ends. President Obama's budget called for spending more than 10.3 trillion on poverty programs over the next ten years.[19]

- Central cities have become laboratories of mooching where the focus of political and economic activity is the expansion of or access to benefit programs, support programs, or, in the better cases, government jobs with high security and lavish benefits but little accountability. In particular, public education systems have become massive jobs programs (exemplified by the "rubber rooms" set aside for tenured teachers who can't be fired) and perfect expressions of the moocher culture: You don't expect much of me and I won't expect much of you.

• To pay for all of this, taxes on future generations will have to be more than doubled to pay off an exploding national debt, which will reach 100 percent of the Gross Domestic Product (GDP) within a decade. By 2020, nearly half of all income tax revenues will go toward paying interest on the national debt.[20] By 2050, the national debt will rise to more than 300 percent of the GDP; by 2080, it will be eight times the size of the entire economy.[21]

OPM (Other People's Money)

This blizzard of transfer payments is advanced by advocates and politicians who rely on what William Voegeli wryly calls "non-Euclidean economics," in which taxpayers are led to believe that all of these goodies are paid for by someone else. By "blackening the skies with criss-crossing dollars," writes Voegeli, "the welfare state manages people's perceptions of its costs and benefits to encourage them to believe an impossibility; that every household can be a net importer of the wealth redistributed by the government."[22]

But despite the fondest hopes of those chasing the criss-crossing dollars, multiple mooches do not cancel each other out. The young may mooch off the old, the old off the young, but the result is not a wash. Rather, the mooching creates the habit and the expectation of relying on others; everyone feels not only entitled to the wealth of others, but convinced that they have to keep mooching or be left out. Only suckers pass up the free money.

The effect of all this on the national character goes beyond the impact on the economy. A culture of mooching undermines responsible behavior by rewarding and subsidizing failure, irresponsibility, and dependency.

In contemporary America, we now have two parallel cultures: an anachronistic culture of independence and responsibility, and the emerging moocher culture. We continually draw on the reserves of that older culture, with the unspoken assumption that it will always be there to mooch from and that responsibility and hard work are simply givens. But to sustain deadbeats, others have to pay their bills on time. Massive defaults are subsidized by the people who continue to meet their obligations to pay on time and in full. To paraphrase Margaret Thatcher, the problem with moochers is that sooner or later they run out of Other People's Money. This divide has become the flashpoint of American politics and will be for the next several decades.

A Moocher Checklist

What precisely is a "moocher"? Herewith some preliminary steps toward a definition.

A moocher is:

- Someone who believes there is always a free lunch and that somebody else should pay for it.
- Someone who expects others to pay to clean up their messes.
- Someone who lays claim to something to which they are not rightfully due.
- Someone who shifts the cost of their own irresponsibility onto others who have behaved responsibly, who, as a matter of choice, takes from or relies on the efforts and resources of others.
- Someone who takes unfair advantage of others to enrich themselves or otherwise bail themselves out.
- Someone who is a recipient of the transfer of wealth created by others (without just cause) or lives off the productive efforts of others and appropriates the fruits of their enterprise without making a proportionate contribution.
- Someone who voluntarily seeks to be dependent on others.

Are you a moocher? Here is a handy checklist:

- ☐ Are you over 21 and living at your mother's house?
- ☐ Does the government send you more money than you pay in federal income taxes?
- ☐ Have taxpayers bought you breakfast, a car, or a house in the last few years? (Please include tax credits for clunkers, electric cars, and new home purchases.)
- ☐ Has the government paid you not to grow something? Have you received "disaster aid" without having suffered any losses from a disaster?
- ☐ Do you receive payments from pension funds that are disproportionate to your contributions?
- ☐ Do you routinely get something for nothing?
- ☐ Do you work for Goldman Sachs, Citigroup, AIG, or the government?
- ☐ Have you walked away from your mortgage?
- ☐ Do you think the government has a stash of cash that you are entitled to draw from?
- ☐ Are you an able-bodied, childless adult who spends his/her day playing Guitar Hero, watching *The View,* or surfing the Net while your spouse works to support you?
- ☐ Do you work for a lobbyist, "public affairs" company, or other corporate group whose job it is to seek privileges, benefits, or pork from government?
- ☐ Are you living off or depending on money that will have to be paid back by your children and grandchildren?

If you answered yes to any of the above, chances are quite good that you are a citizen of Moocher Nation.

Chapter 2

HAVE WE REACHED THE TIPPING POINT?

By 2004, the nonpartisan Tax Foundation calculated, 20 percent of U.S. households were already getting about 75 percent of their income from the federal government. Government programs accounted for at least 40 percent of the income of another 20 percent of households, meaning that two in five households were reliant on the government for their livelihoods.[1]

Roughly 60 percent of American households actually were receiving more government benefits and services than they were paying back in taxes, and the Tax Foundation estimated that under the 2009 federal budget, 70 percent of households would take in more than they contribute.

“Look at it this way,” commented Rep. Paul Ryan (R-Wis.), “three out of ten American families are supporting themselves plus—through government—supplying or supplementing the incomes of seven other households. As a permanent arrangement, this is individually unfair, politically inequitable, and economically dangerous.”

The numbers, said Ryan, suggest that we are approaching or perhaps have even passed a “tipping point.” Once we pass that point, he says, “we will become a different people.”

The Sucker Principle

The explosion of free taxpayer cash has its own seductive logic.

If the government is handing out money, the argument goes, who am I to say no? Subsidies for flood insurance for my beachfront villa? Payments to farmers for disasters they didn’t suffer or for crops they never grew? Tax credits to buy myself a new car? Debit cards and free stays on luxury liners? In many circumstances the decision to pocket the free money is completely rational, if occasionally distasteful to both payers and payees. No one wants to be the first to walk away empty-handed, and everyone hopes they will be able to cash in before the pyramid collapses.

So what is the tipping point for most people?

Think about the common experience of standing in a line, for a bus, concert tickets, or a ride at Disney World. Generally, people will wait their turn, recognizing that the first-come, first-served system is, if not strictly fair, at least manageable and comprehensible and will in all likelihood result in getting on the bus, obtaining the tickets, or getting on the ride.

The queue is maintained by cultural norms and social pressure. If someone tries to jump the line, fellow line-goers likely will object and attempt to enforce the rules. But what if their attempt fails? What happens if not just one or two but dozens of individuals begin ignoring the line, jumping ahead of others and getting their hands on scarce and coveted tickets or bus seats?

Think of it as the sucker principle: The line remains intact only until those who play by the rules and wait patiently in line begin to regard themselves as suckers.

Now consider what happens when society's rewards go to those who jump the line and grab the subsidies, transfer payments, and other freebies offered by the government rather than to those who work, invest, and save prudently.

Tipping Points

One of the central questions of this book is whether we are at or nearing that "tipping point."

• When do independent, self-sufficient men or women realize that they are society's suckers, being made to work for the benefit of an ever-growing, ever-shifting, and increasingly insistent and more grasping class of moochers? When do they decide to jump the line?

• When does the principled politician who ran for office against pork and waste look around him at the rush for boodle and recognize that he and his constituents are being left out of one of history's great cash grabs? And when does he join the rush for the freebies?

• When does a businessman decide that the competitive free market—producing good products at a reasonable price—is a fool's game when competitors have invested more in clout than innovation? When does he decide that the free market is all well and good in principle but that a realist has to play the game of political grease to get access to cash subsidies, tax credits, pork barrel largesse, or mandates that compel the purchase of their product or service? When does the lobbyist become more important than the engineer, and the political fixer become more important than marketers, or designers? When do lawyers become more critical than the salesperson or the vice president of research?

Are we already there?

Plunder

In his classic *The Rise and Decline of Nations,* economist Mancur Olson describes the turning point in societies when special-interest coalitions emerge that are dedicated to seeking special privileges and benefits. Olson calls them "distributional coalitions" because they are focused not on increasing productivity or prosperity but rather on trying to "capture a larger share of the national income" through lobbying, pushing for more government regulations that protect and benefit them, while also engaging in what other economists call "rent-seeking," an inelegant term that essentially means mooching. Over time, these "distributional coalitions" cause growth to stagnate, and change the character and culture and ultimately the identity of a society.

"The incentive to produce is diminished," writes Olson, while "the incentive to seek a larger share of what is produced [by others] increases. The reward for pleasing those to whom we sell our goods and labor declines, while the reward for evading or exploiting regulations, politics, and bureaucracy and for asserting our rights, through bargaining or the complex understandings, becomes greater."[2]

"These changes in the patterns of incentives in turn deflect the direction of a society's evolutions," writes Olson, as he describes how a dynamic economy stagnates, then atrophies, and ultimately goes into decline.

Another early prophet of the rise of Moocher Nation, economist Frederic Bastiat, warned of what he called "the fatal tendency that exists in the heart of man to satisfy his wants with the least possible effort," which explains man's propensity for looting, rather than labor. Since men naturally gravitate toward the easiest path, "it follows that men will resort to plunder whenever plunder is easier than work." When that tipping point is reached, wrote Bastiat, "neither religion nor morality can stop it."

The whole point of the rule of law, argued Bastiat, was to make sure that plunder was not more rewarding than labor, and therefore its goal should always be "to protect property and punish plunder."

But Bastiat envisioned a world turned upside down: "It is impossible to introduce into society a greater change and a greater evil than this: the conversion of the law into an instrument of plunder."[3]

Celebrating Dependency

Not everyone, however, sees this "tipping point" as a bad thing; some leading "progressives" see the growth of dependency as an opportunity for political success.

Writing in *The Atlantic*, liberal analyst Thomas Edsall made a compelling case for the rise of a coalition of takers and dependents that will dominate American politics. In an article entitled "The Obama Coalition," Edsall argued that such a coalition of those dependent on government aid, public employees, minorities, unions, and other "Social Democrat"–minded liberals could cobble together a majority that would use its clout to spread around even more wealth.[4]

Edsall makes the "progressive" case for the "tipping point": More than one out of every four dollars of personal income in the United States, he notes, is now paid for with tax dollars. The percentage of Americans receiving government-financed medical coverage from Medicare or Medicaid has risen from 21 percent of the population in 1987 to 28.4 percent of the population in 2008, meaning that more than one in four were dependent on taxpayer-funded health care—even before the enactment of Obamacare.

"Over the last two years," he wrote, "there has been a massive increase in the number of people who have no place to turn except to the government." The passage of health-care legislation will accelerate the process, since a trillion dollars or so will be added to the totals of government transfer payments.

Edsall, who covered national politics for *The Washington Post* for a quarter-century, surveyed the economic and political scene and sees opportunity for the left: The Great Recession and the nation's fiscal crisis "and a demographic transition moving the nation closer to a non-white voting majority," he writes, have "revived, enlarged, and intensified the battle for limited government resources—pitting those seeking to protect what they have against those seeking more."

Constituencies "seeking more" from government are expanding, writes Edsall, noting that "three previously-marginalized groups—unmarried women, Latinos, and African Americans—made up 43 percent of the total electorate and just over 62 percent of the voters who backed Obama." (Note here Edsall's assumption that unmarried women, Latinos, and African Americans by definition support a growth in the dependency culture.)

Edsall envisions "the possibility that the political strength of voters whose convictions are perhaps best described as Social Democratic in the European sense is reaching a significant level in the United States," and if effectively organized, "such voters are positioned to set the agenda in the Democratic Party in the near future."

Essentially, Edsall and Paul Ryan are making parallel arguments; they agree that the nation is at a tipping point. In that sense, they are both right: The battle lines of the next few decades have been drawn. But where Edsall applauds the rise of a coalition of the dependent, Ryan sees an economic and cultural disaster.

"Before the 'tipping point,' Americans remain independent and take responsibility for their own well-being," said Ryan. "Once we have gone beyond the 'tipping point,' that self-sufficient outlook will be gradually transformed into a soft despotism a lot like Europe's social welfare states. Soft despotism isn't cruel or mean, it's kindly and sympathetic. It doesn't help anyone take charge of life, but it does keep everyone in a happy state of childhood. A growing centralized bureaucracy will provide for everyone's needs, care for everyone's heath, direct everyone's career, arrange everyone's important private affairs, and work for everyone's pleasure."

The Assumption of Incompetence

Ryan, of course, is right: There is a profound difference in the mentality, morality, and politics of the independent citizen and the moocher. You cannot be a moocher without surrendering, roughly in this order: your self-respect, your independence, and ultimately your freedom. Dependency fundamentally changes the relationship between the government and the governed; even a successful supplicant is, after all, still a supplicant. By definition, dependents have to focus on and cling to their sense of victimhood/incapacity. Politically, they must also rely on the acquisition of political favoritism and influence to continue to meet their needs. Moocher Nation is incompatible with the idea of Americans as capable and independent citizens; it is, however, entirely consistent with a vision of America as a land of dysfunctional victims.