

At a time when the United States is falling so far short of its own egalitarian ideal of Alger-style meritocracy, current economic and social trends are likely to make things worse. Piketty's predictions, like all predictions, are far from proven; indeed, there are serious doubts about some of his assumptions. But if he turns out to be even fractionally right, we are in trouble. So, what is to be done? It hardly needs saying that there is no quick and easy fix. But there is also no excuse for sitting on our hands while the idea of opportunity becomes close to a cruel joke for so many. Opportunity is a public good, as well as a private one.

The good news is that U.S. politicians are waking up to the dangers of a divided nation. The bad news is that there is almost no consensus on which divides matter. Democrats emphasize inequalities in material dimensions, especially money; Republicans focus on class gaps in family, schooling, and community. Of course both are right. Cash gaps and class gaps both matter, and any political agenda that addresses only one side of the equality equation is destined to fail.

If we start with the money gap, Piketty's proposed remedy, logically enough, is to levy heavier taxes on capital gains and wealth. This has been dismissed as a utopian, even un-American idea. Even now, when the desire to tax the rich could be expected to be at its zenith, Americans remain unenthusiastic redistributors. Indeed, an aversion to taxing inheritance is one of the few issues on which there is frequent bipartisan agreement. To Obama's credit, he has tried to reverse the tide. To no avail. Even blue states like Maryland are reining back their estate taxes.

But this could change. There is actually a fairly deep anti-wealth seam in the American ideology of egalitarian individualism, as Piketty himself notes. Jefferson and Thomas Paine favored high taxes on estates to prevent the re-creation of an aristocracy. Even Andrew Carnegie, who loathed taxes in general, was a fan of the ones on inheritance: "I say the community fails in its duty, and our legislators fail in their duty, if they do not exact a tremendous share..." of the "enormous sum" bequeathed by the wealthy to their heirs. To this day, many wealthy Americans—Warren Buffett perhaps the most prominent and outspoken among them—continue to speak up against the unfairness of the tax system, and some, like Buffet and Bill Gates, have pledged to give away much of their fortunes rather than pass it on to their children.

Wealth inequality is a direct threat to a society that aspires to be ordered by merit and marked by social mobility. So proposals to tax the wealthy and use the revenues to fund opportunity-enhancing strategies are far from "un-American." They are, in fact, quintessentially American. If the estate tax were returned to the level of the President George H.W. Bush years, for example, it would raise an additional \$300 billion to \$400 billion over the next decade—twice as much as we need to fund universal pre-K.

There is a long way to go to persuade the American public of this, of course, but it is conceivable that with the right public framing, and consistent political pressure, opinion on wealth taxes could shift. The new investment income tax on couples with joint

incomes of over \$250,000 to fund Obama's Affordable Care Act provides a glimmer of hope that capital gains taxes are not completely off the table.

The social divide must also be addressed—with money, more creative thinking about how to help people acquire the skills they need, and institutional and financial support for those falling behind. Tackling the parenting gap, for example by expanding home visiting programs, ought to be a bipartisan cause. Likewise, action to even up quality in K-12 schools, with a concerted attack on “exclusionary zoning laws” that secure the borders of school catchment areas for the benefit of the affluent, more choice in schools for children of the lowest-income parents, and big financial incentives to attract the best teachers to the toughest schools.

On the political left, there are plenty of people who think it is time to consign Horatio Alger to the dustbin of history. For them, the Alger myth is little more than a cultural conjuring trick, providing an illusion of opportunity to distract the masses from gross inequalities of income and wealth. It can also act as a convenient untruth for the elite, who can rest assured of their intrinsic superiority: “Born on third base ... thinking they hit a triple,” in football coach Barry Switzer’s vivid phrase.

But abandoning Alger—giving up on the American Dream—is not an option. While Bellamy and Piketty provide rich seams of ideas to mine, there is no prospect of a Euro-egalitarian turn in American politics. The American body politic would simply reject a graft of European-style social democracy. It’s pointless for progressives to get frustrated about this. Attachment to the ideal of equal opportunity is not a blind spot in the vision of voters. Americans do have strong egalitarian instincts, but they go hand-in-hand with a fierce commitment to individualism. The ideal of merit-fueled mobility is a fixed feature of American politics and ideology. It comes, almost literally, with the territory. Even if it were possible to retire the Alger myth, it would be a mistake. The national commitment to the principles of natural equality, opportunity, and upward mobility is an American strength. Only a politics that goes with this American grain stands any chance of creating a more equal nation.

On that spring evening in the nation’s capital, the crowd had gathered not to bury Alger, but to praise him. It is now time to pay him more than lip service. Equal opportunity must and will remain the quintessential American ideal. The challenge is to live up to it.