

For the Love of Money, “Wealth and Compassion”: Who are the One Percent?

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The editors at [Cheapest Colleges](#) decided to research the topic of:

For the Love Of Money: Wealth and Compassion

Matthew 19:23

- Then said Jesus unto his disciples, Verily I say unto you, That a rich man shall hardly enter into the kingdom of heaven. – King James Bible “Authorized Version”, Cambridge Edition
- Plato and Aristotle deemed greed to be at the root of personal immorality, arguing that greed rives desires for material gain at the expense of ethical standards.
- “Greed, for lack of a better word, is good. Greed is right. Greed works. Greed clarifies and cuts through to the essence of the evolutionary spirit.” – Gordon Gekko (Michael Douglas in the movie, Wall Street)

Hall of infamy: America’s Greediest

William H. Vanderbilt, 1821-1884

He inherited vast wealth, and then got richer. Arguably the most wealthy and powerful man of his time, he controlled the world’s largest railroad network and became famous for saying: “The public be damned!... I don’t take any stock in this silly nonsense about working for anybody but our own.”

Charles Ponzi, 1882-1949

- So greedy, he had an entire scheme named after him.

Dennis Kozlowski 1946 -

As CEO of Tyco International, he defrauded shareholders of more than \$400 million. He once spent \$6,000 in company funds on a gold shower curtain, and had the company pay half the \$2 million price tag on his wife’s birthday party, which featured toga-clad hostesses.

Bernard Madoff 1938 -

He ran what might be the biggest fraud ever, totaling as much as \$50 billion. Among his victims were several charities and people he claimed as friends. He and his wife have the yachts, cars, an exclusive Upper East Side apartment and other real estate holdings to

prove it.

Wealth...and Greed

- Myth: Lower-class individuals may be more motivated to behave unethically to increase their resources or overcome their disadvantage.
- Truth: The opposite may be true: namely, that the upper class may be more disposed to the unethical. Greater resources, freedom, and independence from others among the upper class give rise to self-focused tendencies, which facilitate un-ethical behavior.

A 2012 U. of California, Berkeley research study showed upper-class individuals

- 1. Are more likely to break the law while driving, relative to lower-class individuals. AMAZING: Upper-class drivers are more likely to cut off pedestrians at a crosswalk. In the study, 34.9% of drivers failed to yield to the pedestrian. Also, upper-class drivers are significantly more likely to drive through the crosswalk without yielding to the waiting pedestrian.
 - 2. Exhibit unethical decision-making tendencies, relative to lower-class individuals
 - 3. Take valued goods from their mothers
 - 4. Lie in negotiations, more than lower-class individuals
 - 5. Cheat in their chances of winning prizes more than lower-class individuals
 - 6. Endorse unethical behavior at work more than lower-class individuals
 - 7. Tend to abandon moral principle in their pursuit of self-interest
-
- The recent economic crisis has been attributed in part to the unethical actions of the wealthy.
 - Relative to lower-class individuals, upper-class individuals are worse at identifying the emotions that others feel.
 - FUNNY: upper-class individuals are more disengaged during social interactions, like they check their cell phones or doodle on a questionnaire - compared with their lower-class peers.
 - In general, individuals from upper-class backgrounds are also less generous and altruistic.
 - Nationwide survey data showing that upper-class households donate a smaller proportion of their incomes to charity than do lower-class households, suggesting that upper-class individuals are particularly likely to value their own welfare over the welfare of others and, thus,
 - \$717,000: Average income of the top 1 percent of the American population.
 - \$51,000: Average income of the rest of the population
 - FACT: The 1 percent are worth about \$8.4 million, or 70 times the worth of the lower classes.
 - Within the 1 percent is an even smaller and wealthier subset of people, 1 percent of the top, or .01 percent of the entire nation.
 - \$27 million: Average income of the top .01 percent of American population. That is 540X

the national average income.

- 43: percentage of the nation's wealth controlled by the top 1 percent.

Who are the 1 percent?

- 80 percent of millionaires in America are the first generation of their family to be rich. They didn't inherit their wealth; they earned it.
- According to a recent survey of the top 1 percent of American earners, slightly less than 14 percent were involved in banking or finance.
- 1/3 of millionaires were entrepreneurs or managers of nonfinancial businesses.
- 16 percent of millionaires are doctors or other medical professionals.
- Lawyers made up slightly more than 8 percent of millionaires, and engineers, scientists and computer professionals another 6.6 percent.
- Sports and entertainment figures composed almost 2 percent of millionaires.
- NYU sociologist Dalton Conley says that "higher-income folks work more hours than lower-wage earners do."
- Overall, the rich pay an effective tax rate (after all deductions and exemptions) of roughly 24 percent. For all taxpayers as a group, the average effective tax rate is about 11 percent.
- Households with more than \$1 million in income donated more than \$150 billion to charity last year, roughly half of all US charitable donations.

Why the behavior?

- 1. Wealth and abundance give a sense of freedom and independence from others.
- 2. The less the wealthy have to rely on others, the less they may care about their feelings. This leads us towards being more self-focused.
- 3. Attitudes towards greed. Like Gordon Gekko, upper-class people may be more likely to endorse the idea that "greed is good." Wealthier people are more likely to agree with statements that greed is justified, beneficial, and morally defensible. These attitudes ended up predicting participants' likelihood of engaging in unethical behavior.

But wait...

On a more positive note, here's a shout out to America's top 5 philanthropists and the amount they gave in 2012.

- 1. Warren Buffett, \$3.1 billion
- 2. Mark Zuckerberg and Priscilla Chan, \$499 million
- 3. John and Laura Arnold, \$423 million
- 4. Paul Allen, \$309 million
- 5. Sergej Brinn and Anne Wojcicki, \$223 million

Citations

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