Introduction

The flight from Washington, D.C., to Jacksonville, Florida, takes two hours, more than enough time to change a life. No one knows why Joseph Sharkey stood up on that flight, turned around, and placed the passenger seated behind him in coach in a headlock. Maybe the passenger was talking too loud. Maybe he was bumping the back of the seat with his foot. According to witnesses, the passenger did nothing to provoke the attack. The ruckus brought the flight crew scrambling to break it up. Sharkey, undeterred, kneed a flight attendant in the groin. He then walked to the emergency exit door and tried to open it in midflight. The flight attendant and several passengers finally managed to overwhelm him and placed him in plastic handcuffs. He was arrested when the plane touched down, and faced up to twenty years in prison.

Bad behavior in first class has a different flavor. In 2009 Ivana Trump was on a flight from Palm Beach to New York when some children seated nearby started making noise. She put on headphones to drown out the commotion, but then a crying baby pushed her too far. She flew into a rage, calling the children “little fuckers” as officers escorted her off the plane.

Airplanes are microcosms of our world and the everyday anxieties we encounter there. We are thrown together with hundreds of strangers, forced into a level of intimacy ordinarily reserved for loved ones or professional colleagues. We are crammed into a narrow metal tube, triggering our evolved fear of enclosed spaces. Once the plane is aloft, there is no escape, and time seems to drag on without end. We find ourselves thousands of feet in the air, triggering our evolved fear of heights. The aircraft rumbles and shakes just enough to never let us forget that we are stranded in the air with nothing, so far as we can see, holding us up. So we sit, lacking control over when we depart and when we arrive, and when we can use our approved electronic devices. We wait, unsure of who is on board with us, how well the flight is going, or who owns the armrest. All the while, we are reminded of our mortality. What experience could be more existential?

But even more than the anxieties they provoke, there is another aspect to airplanes that makes them a notable microcosm of life. Airplanes are the physical embodiment of a status hierarchy. They are a social ladder made of aluminum and upholstery in which the rungs are represented by rows, by boarding groups, and by seating classes.

Picturing the seating plan of a plane in these terms helps explain why people attack strangers and curse at children in the strange confines of the friendly skies. A recent study led by psychologists Katherine DeCelles and Michael Norton showed that the status hierarchy of air travel is a dramatic, if hidden, force on our behavior while flying. The researchers analyzed data from millions of flights to identify what factors predicted the incidence of air rage. First they compared flights that had a first-class section to those that did not. They reasoned that if status inequalities were driving bad behavior, then we should see more air rage on flights that have a first-class cabin than those that don't. As they discovered, the odds of an air rage incident were almost four times higher in the coach section of a plane with a first-class cabin than in a plane that did not have one. Other factors mattered, too, like flight delays. But the presence of a first-class section raised the chances of a disturbance by the same amount as a nine-and-a-half-hour delay.

To test the idea another way, the researchers looked at how the boarding process highlights status differences. Most planes with a first-class cabin board at the front, which forces the coach passengers to trudge down the aisle, dragging their baggage past the well-heeled and the already comfortably seated. But about 15 percent of flights board in the middle or at the back of the plane, which spares the coach passengers this gauntlet. As predicted, air rage was about twice as likely on flights that boarded at the front, raising the chances of an incident by the same amount as waiting out a six-hour delay.

This air rage study is revealing, but not just because it illustrates how inequality drives wedges between the haves and the have-nots. What makes it fascinating to me is that incidents of rage take place even when there are no true have-nots on a flight. Since an average economy-class ticket costs several hundred dollars, few genuinely poor people can afford to travel on a modern commercial airplane. Yet even relative differences among the respectable middle-class people flying coach can create conflict and chaos. In fact, the chaos is not limited to coach: First-class flyers in the study were several times more likely to erupt in air rage when they were brought up close and personal with the rabble on front-loading planes. As Ivana Trump's behavior can attest, when the level of inequality becomes too large to ignore, everyone starts acting strange.

But they do not act strange in just any old way. Inequality affects our actions and our feelings in the same systematic, predictable fashion again and again. It makes us shortsighted and prone to risky behavior, willing to sacrifice a secure future for immediate gratification. It makes us more inclined to make self-defeating decisions. It makes us believe weird things, superstitiously clinging to the world as we want it to be rather than as it is. Inequality divides us, cleaving us into camps not only of income but also of ideology and race, eroding our trust in one another. It generates stress and makes us all less healthy and less happy.

Picture a neighborhood full of people like the ones I've described above: shortsighted, irresponsible people making bad choices; mistrustful people segregated by race and by ideology; superstitious people who won't listen to reason; people who turn to self-destructive habits as they cope with the stress and anxieties of their daily lives. These are the classic tropes of poverty and could serve as a stereotypical description of the population of any poor inner-city neighborhood or depressed rural trailer park. But as we will see in the chapters ahead, inequality can produce these tendencies even among the middle class and wealthy individuals.

What is also notable about the air rage study is that it illustrates that inequality is not the same as poverty, although it can feel an awful lot like it. That phenomenon is the subject of this book. Inequality makes people *feel* poor and *act* poor, even when they're not. Inequality so mimics poverty in our minds that the United States of America, the richest and most unequal of countries, has a lot of features that better resemble a developing nation than a superpower.

As has been reported often, income and wealth inequality are higher now than they have been in generations. Today the richest eighty-five people in the world hold more wealth than the poorest 3.5 billion inhabitants of the planet combined. In America the richest 1 percent take in more than 20 percent of all income in the richest nation that has ever existed.

Comprehending the scale of economic inequality in America today is difficult because it butts up against the limits of our imagination. It's like trying to envision the distance of a light-year, or to grasp the enormity of the brain's hundred billion neurons, or how vastly greater still are the hundred trillion connections among them. Numbers like that are simply not on a human scale. So let's first look at the economy in a more relatable framework and ask how people think of their own economic positions within it.

Many human traits, like height, follow a roughly bell-shaped curve. This curve has a bulky middle, where most people are clustered around the average, with sloping tails that trail away toward zero on both ends. The pattern is the same for a wide range of traits, like the number of ridges in a fingerprint, the chemical properties of the ingredients in a Guinness, or the chest circumference of Scottish soldiers. The bell curve was once believed to be a universal law of nature. That turned out to be mistaken, but the pattern is so common that it's easy to see why earlier thinkers would have drawn that conclusion.

When people consider their own social class, they seem to think within the parameters of a bell curve. A survey by the Pew Research Center recently asked Americans to identify their class. A classic bell curve emerged, with an astounding 89 percent of respondents describing themselves as middle class. Only 7 percent viewed themselves as members of the lower class, and only 2 percent placed themselves in the upper class. In the view of Americans, we are nearly all middle class.

Look at the actual income distribution in Figure 1, however, and you will see a very different story. To put it on a human scale, I have scaled the graph so that the top one tenth of one percent is at the height of a six-foot-tall man's head. The vertical axis shows annual incomes; the horizontal axis shows how many households are at each earning level. Starting at the left of the latter, the first inch corresponds approximately to the poorest 20 percent of Americans. Progress to the top of the toe of the model's wingtips, and you reach the median income, where half of American households are below that point and half are above. The bottom 80 percent are marked off at the $100,000 point: If your family makes six figures, then you are in the top 20 percent, and you are four inches up the yardstick.

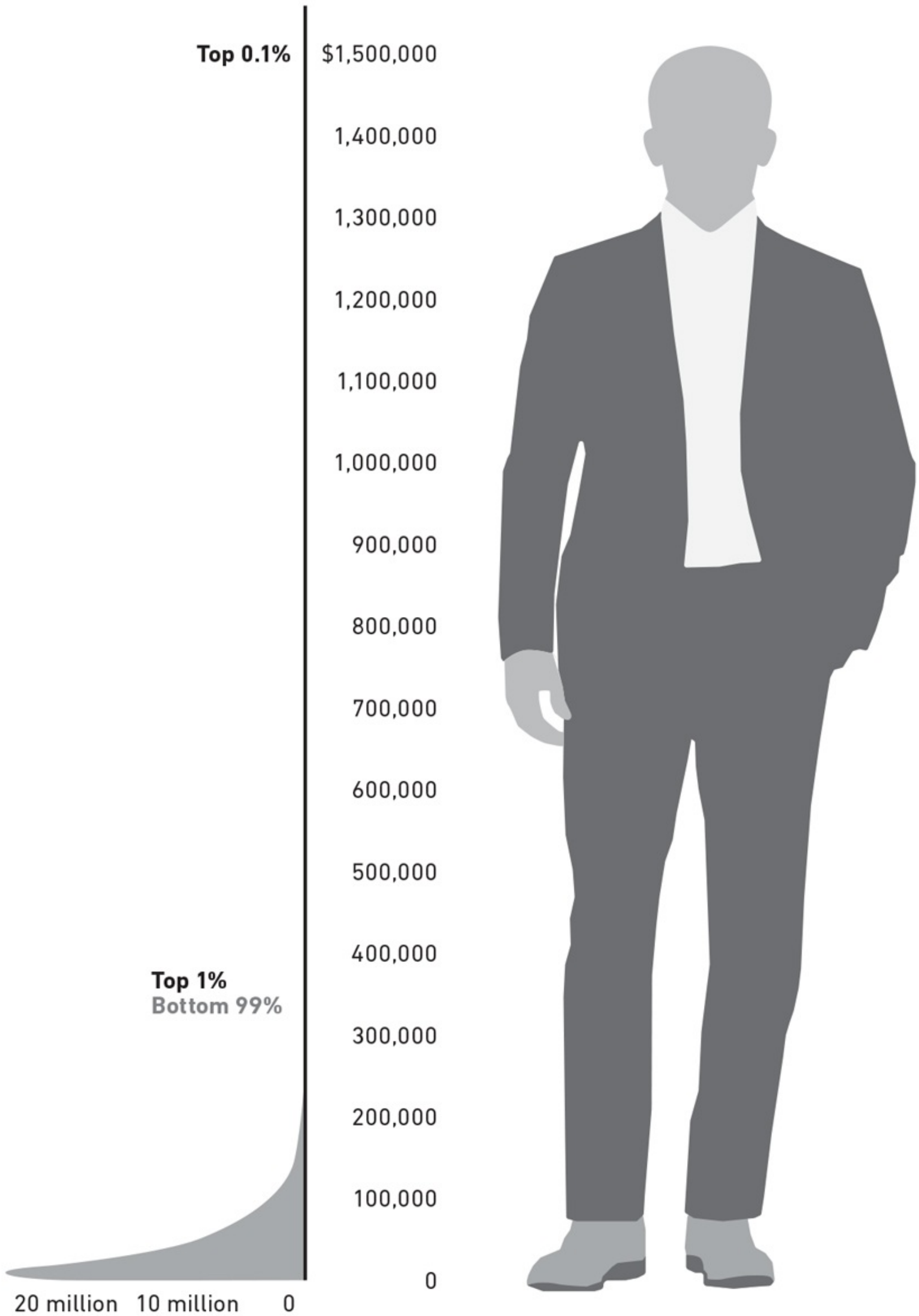

Figure 1. U.S. income distribution scaled to the height of a human.

The big concentration on the left reveals that almost the entire population is huddled together near the bottom. The hair-thin line reaching upward shows that the number of people whose earnings reach into the millions becomes a tiny sliver. There is no bell curve here. Eighty percent of all households reside beneath the model's ankles.

While the top of the scale is capped at $1.5 million, some people make much more than that. Had the ultrawealthy been included, this book would have had to be much taller to keep the graph to scale—or the portion where the bottom 99 percent reside would have been too microscopic to read. So, like most illustrations of income distribution, this one leaves out Alex Rodriguez and most professional athletes. It does not account for Oprah Winfrey at the top of celebrity incomes, and it ignores hedge fund managers. If it did include the annual income of John Paulson, currently the highest-earning hedge fund manager, the chart would have reached not to the head of a six-foot-tall man, but to the roof of a towering building.

Income distributions are always lopsided, for two main reasons. The first is that the bottom has a natural lower boundary, because you can't make less than zero—at least not for long. The second is that it takes money to make money. Because wealth can be invested and therefore multiplied, money creates a natural cycle in which the rich get richer, stretching out the tail. Those who have nothing to invest simply can't participate in that cycle and remain clumped at the bottom.

Even though income distributions are always skewed, today's distribution in the United States is many times more unequal than in the past, and much more so than that of other developed economies. Figure 2 shows how incomes have changed over the past fifty years for each income quintile, as well as for the richest 5 percent. (The dollar amounts are adjusted for inflation.) You can see the long tail from Figure 1 in action: The rich are getting richer, while the poor are . . . well, the poor are doing something interesting. The poorest fifth of Americans have been standing pretty much in place for the last fifty years.

You probably did not expect this result for the poor (or the middle class, for that matter, who have barely budged, either), as the well-known aphorism clearly states that the rich get richer while the poor get poorer. That's also the message most people gather from news headlines about America's growing inequality. We hear almost daily about growing economic anxiety, about an increasing sense of desperation and diminished hopes for the future. In one recent poll, half of Americans under thirty said the American dream was dead. That anxiety is real, and one of the aims of this book is to fully understand it. But in terms of inflation-adjusted income, the poorest fifth are right where we left them in 1967.

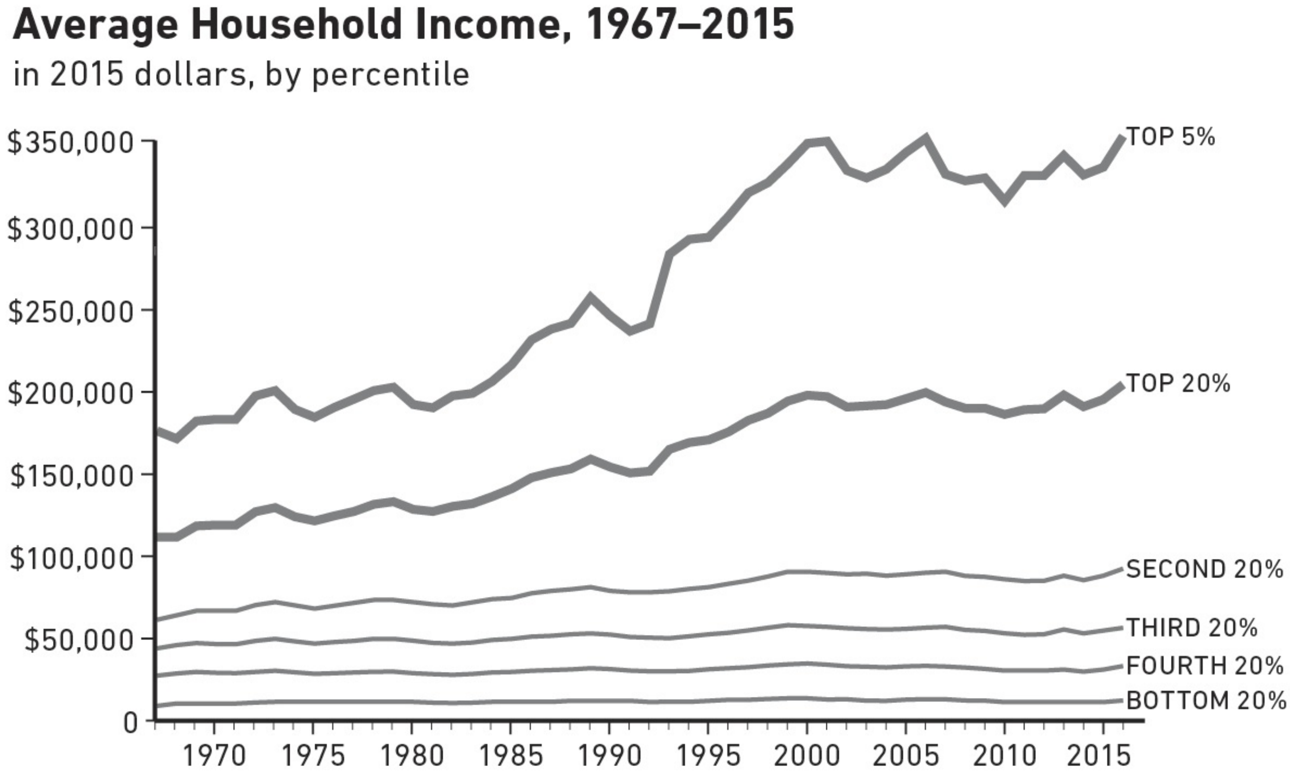

Figure 2. Average household income (2015 dollars), 1967–2015, by percentile. From U.S. Census.

Visit http://bit.ly/2oDjk71 for a larger version of this image.

While the poor may not in fact be getting poorer, a striking aspect of inequality is that even standing in place feels like falling behind if other people around you are moving ahead. Have you ever been on a stationary train when a train next to you departs? It feels for all the world as if you are suddenly moving in the opposite direction. As the upper classes have become steadily richer, both the middle class and those living in poverty have felt poorer and poorer by comparison. But this feeling is not just an illusion. As we will see in the pages ahead, it has deadly serious consequences.

Shelves full of books have been written on the causes of economic inequality, focusing on such large-scale historical trends as advances in technology and globalized trade patterns, or political policies like taxation and spending priorities. This book does not deal with such analyses. Rather, it examines what inequality does to us as *people*. It investigates how the wealth of others—the top 5 percent, 1 percent, or tenth of a percent—changes how we experience the world.

Why would the wealth of the rich have an effect on how middle-class people live? After all, there is no direct logical connection between the two. There is also no logical connection between the movement of a train next to me and my own sense of motion, yet one still affects the other. The fact that it does cannot be explained by the properties of trains. Rather, the explanations can be found in the human mind, with its power to transform perceptions (*Hey, we're moving!*) into actions (*Grab the handrail!*).

Why, for example, does feeling poor subtract as many years from your life as actually being poor? Why does the size of your neighbor's house affect your stress hormones? Why does financial insecurity lead us to make self-defeating decisions that only lead to more insecurity? Why does your financial success lead you to regard those who disagree with you as idiots and morons rather than simply as people with a different opinion?

Learning the answers to these questions won't change income distribution, and *The Broken Ladder* will not offer new policy proposals to change tax rates or strengthen Social Security. It will, however, offer something just as significant. It will help explain some of the paradoxes of living in a modern, globalized, high-tech world, one where flat-screen TVs are cheap but financial security is out of reach, a world where the average house is 2,600 square feet but the family living in it cannot afford $400 cash for an emergency.

While assessing the macro-level causes and economic consequences of inequality is important, my goal here is more personal. It is to connect what we know about income distributions and census data to what it is actually like to be an individual living in this time and this place, surrounded by family and friends and coworkers all moving together into a future we don't comprehend. Understanding how wealth distributions shape our thinking can make us more adept at living within them. If enough people come to accept these ideas, they may enable us to take steps to reduce inequality itself. For now, we will begin with the human experience we recognize from turbulent planes and motionless trains and other people's elegant houses. All of which make us feel as if we are falling.