To: The People of the United States of America

From: Tiberius Sempronius Gracchus

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Re: 10,000:1

Trickle-down economics doesn't work. Since World War II, $30 trillion has been transferred from American labor to capital relative to the 1947 labor share run-rate. This exceeds the entire net worth of Japan. The median bank account balance is $5k. The median retirement account balance is $65k. Half of Americans have less than $600.

Support for capitalism declines. The safety net expands. Socialism's popularity grows. The prospect of technology-driven job displacement looms. Racial disparities persist. But there are no good market-oriented plans designed to *cure the underlying causes* of these problems. Most proposals seek only to *treat the symptoms*. More safety net, more government transfers, higher minimum wages, universal basic income. Seductive, sometimes benevolent, these measures don't restore independent middle classes. They sustain, pacify, and perpetuate dependent lower classes. They're as useful to billionaires to prevent reform as they are to politicians to win votes.

To rehabilitate an independent middle class, we need a smarter approach. Not communism. Not socialism. Not another thousand band-aids. We must instead persuade *the market* to value gains for working households as much as it values gains in top-line numbers like gross domestic product or stock market indices. To revive productive and vigorous upward mobility, we must benchmark our economy against the median household net worth.

This can be accomplished peacefully only by enforcing a defined aspect ratio between the top and the median household net worth such that the economic outcomes of the top households rise and fall lockstep with the rise and fall of the median. I propose to set that ratio at 10,000:1. In 1776, America's social aspect ratio was below 1,000:1. In 1965, it was around 20,000:1. Today, it approaches 2,000,000:1. Taking the long view of history, 10,000:1 is a fair and reasonable middle ground to sustain a robust middle class.

Anchoring the top households to the median will encourage the market to raise the median. For by tethering the top households at 10,000x the national median net worth, they would enjoy future economic gains only in mathematical proportion to the rise in the median. A 10,000:1 ratio creates a powerful incentive: For every $10k by which the median increases, the cap increases by $100MM. The median net worth is currently about $120k, so a 10,000x multiple yields a $1.2BN cap. This is high enough not to stifle the pursuit of great fortunes and sustainable inequality that is the price of innovation. This ratio is capitalism's long-term incentive plan, but it doesn't make war upon the moneyed interest. Rather, it aims to harness its ambition.

To raise the median, *the market* must mitigate those factors depressing the calculation of the median. These include unemployment, gig employment, outsourcing, immigration, labor-saving technology, and sex and race-based pay disparities. Thus, to increase the median, the market must increase upward mobility. By enforcement of this 10,000:1 social aspect ratio – by operation of impartial and incorruptible mathematical law – the market must do this productively, without subsidies, and with dignity for all who are willing to work.

Should the market fail to raise the median, those who control it should pay the price for failure. That means the *top households*, not workers and the middle class. If the market fails to raise the median, the government could ratchet down the aspect ratio to increase its distributive force, as it collect revenues against the ratio to help serve the general welfare in proportion to the general necessity. Assuming the next generation of top households steps into the wealth of the current generation, a 10,000:1 ratio should generate over $5TN in revenues.

In all events, it's all math. America's economic problems are fundamentally mathematical problems. These problems demand mathematical solutions. Let capitalism flourish within the protective boundaries of mathematical reason and logic, made safe from the insatiable avarice of a few whose immoderation would eventually destroy it. Yet, as the ratio would only operate on households, this approach creates no new business regulations. This will allow businesses to accumulate unlimited capital, freed of threat and need of heavy corporate taxes.

A 10,000:1 ratio wouldn't only protect and rejuvenate capitalism, it would turn the logic of the trickle-down theory on its head. Whereas the trickle-down theory holds that the middle won't get richer unless the top gets richer, the ratio dictates that the top won't get richer unless the middle gets richer. And that is exactly how it should be.

GRACCHUS.