

Responsible Behavior Punished. Rich Bounce Back as Poor Stagnate.

If you were careful, responsible and diligent and didn't overextend yourself buying that big apartment in the prime central area and the second apartment to rent out, but maintained a reasonable debt to income and debt to equity ratio, you did OK but you certainly didn't do as well as the guy who bought bigger than he could afford, was less than candid on his loan application for his buy-to-let in prime central, levered himself to his eyeballs and got bailed out when central banks the world over cut rates and did whatever they possibly could to ensure that a free market selection process for weeding out imprudent risk takers was confounded and conservative and responsible investors were disadvantaged.

The interventions and bailouts were entirely unfair. The bailouts were sold to us by the governments that the investment banks had the world over a barrel and that Wall Street had Main Street as hostages and human shields.

And now we are told (in a Bloomberg article Jun 18, 2015) that As the Rich Bounce Back, the Middle Class Stays Stagnant.

When income and wealth inequality are moderate, there is less motivation to challenge the status quo. However, at some level of inequality, when the bottom half of the population by wealth ask themselves what the probability is that they and their children might progress to the top half through diligence and effort, and the answer is pretty low, then change may come.

