

# Why This Year's Christmas Season Is So Angry

It's the economy, loser.

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Illustration: Braulio Amado

Diane Farmer, 54, is a lifelong Democrat from the New York City area now living in Palm Beach County, Fla. She attended Catholic schools and later belonged to unions while working for a phone company and then in a court clerk's office. She voted for Barack Obama in 2008 and 2012. But Farmer says she's never been more excited about a candidate than she is this time. Her choice? Donald Trump.

The convert to Trumpism shared her enthusiasm while stopping by glitzy Trump Tower on New York's Fifth Avenue to pick up her fifth "Make America Great Again" cap (free with every \$30 campaign contribution). "What he's saying is what everybody's thinking," she said. "Too many people are getting free stuff. We should send the illegals out of the country. I want them off welfare and food stamps. Go home, and come back again when you're ready to work." As for the Middle East: "We should have dropped the bomb and ended the issue. We need to annihilate that, uh ...," she said, trailing off.

This holiday season, Trump's glowing fireplace of fury is firing up people like Farmer who used to look to the left—as well as a surprisingly wide swath of the Republican Party—for answers. He's scoring his highest numbers ever among Republican primary voters—35 percent, according to the latest *New York Times*/CBS News poll. Enthusiasm for him only grew after he called for a ban on Muslims entering the country. To some, he seems divisive, but not to Farmer. "I thought Obama would be a unifier since he's black and white and Muslim [sic]. But he's an antagonizer," she said. "We need to try something different. We can't live like this."

Yup, it's an angry Christmas, and it's worth thinking about why. Something has changed to create such a shift in the public's leanings, from taking a chance on Obama's audacity of hope to delighting in Trump's straight-up audacity. Fear of Islamic terrorism has something to do with it. Wars in Iraq and Afghanistan that achieved approximately nothing and the stunning rise of China as a rival power have also left many Americans feeling confused and vulnerable. But the most potent fuel for Trumpism is undoubtedly the sick economy. A long stretch of underperformance has seeded mistrust in the American Dream among millions of would-be breadwinners, especially people without college educations.

As everyone knows by now, a winner-take-all economy is producing big gains for a thin stratum at the top but little for anyone else. Bernie Sanders likes to point out that the top 10th of 1 percent of families control as much wealth as the bottom 90 percent. The inflation-adjusted income of the median American household is lower now than in 2000. On average, young men are earning less after inflation than their fathers did at the same age. More than a fifth of American children live below the poverty line, according to Census Bureau data. Even though the unemployment rate is down to 5 percent and the last recession ended in 2009, 72 percent of Americans think the country is still in a recession, according to a Public Religion Research Institute survey released last month.

This isn't good for business, which is getting targeted for blame: Eighty-six percent of respondents in the PRRI survey said corporate offshoring of jobs is somewhat or very responsible for America's economic troubles, up from 74 percent in 2012.

Two kinds of populists come to the fore when anger over inequality and perceived injustice runs high, says Luigi Zingales. An Italian-born economist at the University of Chicago Booth School of Business and author of the 2012 book *A Capitalism for the People*, Zingales says Theodore Roosevelt represents the best kind of populist: someone who fought corruption and broke up monopolies to give ordinary people a chance. Trump, says Zingales, is more about affixing blame than creating opportunity. He likens him to Silvio Berlusconi, the freewheeling media magnate who was elected prime minister of Italy four times but was ultimately convicted of tax fraud. Trump and Berlusconi, Zingales adds, "are both very good at talking to the stomach of the people."

The erosion of trust that's both reflected in and accelerated by the Trump phenomenon has real economic consequences. Business is hard to conduct in societies with low levels of trust. The share of people who agree that "most people can be trusted" varied from a high of 66 percent in the Netherlands to a low of 3 percent in Trinidad and Tobago in the World Values Survey, 2010-14. Government and commerce can grind to a halt when trust is absent.

The U.S., with 35 percent saying most people can be trusted, is in the top third of countries for societal trust, which helps explain why it is one of the world's richest nations. That endowment of stability doesn't come with a lifetime guarantee, however, and U.S. politics has lately taken on a spiteful cast. "While Americans are inclined to 'hedge' expressions of overt animosity toward racial minorities, immigrants, gays, or other marginalized groups, they enthusiastically voice hostility for the opposing party and its supporters," according to *Fear and Loathing Across Party Lines: New Evidence on Group Polarization*, a study by Stanford political scientist Shanto Iyengar and Princeton postdoctoral researcher Sean Westwood that was published this year in the *American Journal of Political Science*. In four experiments, the authors found that discrimination based on political affiliation "exceeds discrimination based on race."

Marriages across party lines are down to below 10 percent from more than 30 percent in the 1960s, Iyengar says, citing others' research. The fabric of society is fraying. "I don't want to sound like I'm an alarmist, but I could see the possibility of violence, large-scale street movements which are politically motivated," he says in an interview.

Congress isn't helping matters, because it's even more polarized than the society it's supposed to represent. The result is debt-ceiling brinkmanship and repeated stalemates over legislation. The Voting Rights Act of 1965 passed with the votes of 73 percent of Democrats in the Senate and 94 percent of Republicans, a fairly narrow partisan gap. In contrast, the Affordable Care Act of 2010 passed with the support of 100 percent of Senate Democrats and zero percent of Republicans, notes Michael Cembalest, chair of market and investment strategy at JPMorgan Chase.

Trump complicates the polarization story because he draws support from some disaffected Democrats, like Farmer. But that might simply mean that the political parties themselves are realigning. The free-trade and open borders philosophy of pro-business Republicans is not, to say the least, on the rise.

Absent another Teddy Roosevelt riding into town, there's no easy solution for what ails the country. The hard solution is to rebuild trust by fixing the economy so it works for everyone. But turning things around will require everyone working together. Which isn't happening because, well, Americans no longer trust each other. There's the dilemma in a nutshell. Happy New Year!