

# Windfalls for Bankers, Resentments for the Rest

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There was a time in this country when a company reporting a few billion in earnings could count its money while basking in polite, reverent applause.

That time ended Tuesday.

It was the morning that [Goldman Sachs](#) reported net income of \$3.44 billion, a number that surprised even analysts who follow investment banking. [JPMorgan Chase](#) came two days later with news that it had earned \$2.7 billion in the second quarter, even more than it earned in the same period last year, before the economy had a cardiac infarction.

Then on Friday, [Citigroup](#) and [Bank of America](#) — two of the great basket cases of the meltdown — reported outstanding numbers, too.

All of these companies were beneficiaries of gargantuan government bailouts, in assorted forms and varied sums, but if they assumed they'd hear bravos for prompt paybacks and quick turnarounds, they were in for a shock. At a time when so many people are struggling with foreclosures and are either unemployed or worried about losing a job, these earnings were bound to stir up some basic questions of fairness.

And along with those questions, a rebirth, perhaps, of a type of anger that hasn't been widespread for a while: good old class resentment.

It's making a comeback. As recently as April, [President Obama](#) could say at a news conference at a [Group of 20](#) summit meeting, that Americans "don't resent the rich; they want to be rich," without raising eyebrows. Today, the first half of that comment is starting to sound like a stretch. And when it comes to people who earned their fortunes through the financial industry, it seems wrong.

Something closer to the current zeitgeist was captured last week by [Bill O'Reilly](#), the Fox News commentator, who likened Goldman Sachs bankers to pigs during a scathing segment on his TV show. "You've got to make an example of the big boy," he fumed in a rant about the company's tax-avoidance methods, suggesting Goldman ought to be punished for failing to cough up its fair share of taxes. "And this is the big boy."

[Jon Stewart](#) went the deadpan comedy route on his show this week: "Goldman Sachs makes \$3.4 billion in profit from April to June. I guess the bailouts are working. For Goldman Sachs."

Class resentment has waxed and waned in this country, but it is not typically a widespread, default emotion of the American middle class. This is at least in part because it's an article of faith here that through some combination of hard work and luck, you might get rich, too. And why abuse, soak or heap scorn upon a group you at least have a theoretical chance of joining?

The [recession](#) — with its yawning gap between the bonus class on the one hand and the foreclosed upon and newly jobless on the other — is changing that. It's not merely that Americans have, at least temporarily, abandoned the hope that they'll earn scads of money. It's the widespread sense that winners in this economy are produced by a game that's rigged.

Which is why the response to last week's earnings bonanza has been a mix of, among other things, bafflement and anger. If these companies can return to the festivities so quickly, were they really having the near-death experience they and the government claimed? And if taxpayers risked their money when they backstopped Wall Street's misadventures, why aren't they sharing in the upside now that the party has started again? And did these companies have the time to rethink the risk culture that landed us in this jam in the first place?

In private, Wall Street executives have questions of their own.

Like, wait a sec — isn't returning to profitability exactly what you wanted us to do? And if the nation's circulatory system of money is beginning to flow again, isn't that good news? Oh and by the way, we are paying you back.

It's telling that from politicians, there's been mostly silence.

Neither Representative [Barney Frank](#) nor Senator [Chris Dodd](#) — respectively, the Democrats who lead the House and Senate committees that handle banks — issued press releases about those earnings last week, according members of their staffs. Neither returned a call for this article.

The Obama administration, meanwhile, sounded like it was searching for the seam between cautious optimism and cautious skepticism. Mr. Obama's press secretary, [Robert Gibbs](#), was quoted in [Time](#) magazine saying that “the president continues to have concerns that compensation will be based on risky behavior instead of performance.”

But class resentment can be a powerful tool in politics, and you don't need to stoke it explicitly to enjoy its upsides. House Democrats have proposed a 5.4 percent surtax on those earning more than \$1 million as a means of underwriting [health care reform](#).

Whatever the wisdom of this idea, it is easier to imagine it catching on now that Goldman has posted its largest quarterly profit in 140 years — enough to set aside more than \$11 billion for bonuses, with the year only half over.

Of course, taxing and tsk-tsking the rich might be gratifying, but like everything else in economics it is sure to have some unintended consequences. Already, conservative and libertarian scholars warn that if there's enough blowback against bonuses, Wall Street will simply distribute windfalls in the form of salary — which might actually reduce incentives. Alternatively, the rich might just get better at shielding their wealth from the public.

And don't expect the new class resentment to remain a Wall Street-only phenomenon for long. Last Monday, news broke that the [“American Idol”](#) host [Ryan Seacrest](#) would be paid \$45 million to remain with the show for the next three years.

With other TV and radio gigs, as well as investments in restaurants and media companies, the guy is walking the one-man-conglomerate trail blazed by [Dick Clark](#). While Mr. Clark never inspired much hostility, a palpable irritation greeted the “American Idol” announcement. (Mr. Seacrest was called the “Viscount of Vapidity” in the widely read Deadline Hollywood Daily blog.)

It's true, Mr. Seacrest has never seemed as benign and lovable as Dick Clark. But there is also the question of timing. If you had to announce a multimillion-dollar raise, last week was the worst week ever.

Here are eight senators who may stand in the way of the public option -- along with the total amount of money they've received from health and insurance interests.

Who should we target first with local ads?

Sen. Max Baucus \$3,973,485

Sen. Evan Bayh \$1,565,088

Sen. Kent Conrad \$2,154,200

Sen. Dianne Feinstein \$1,749,887

Sen. John Kerry \$8,994,077

Sen. Mary Landrieu \$1,653,943

Sen. Joe Lieberman \$3,308,621

Sen. Ben Nelson \$2,214,71