

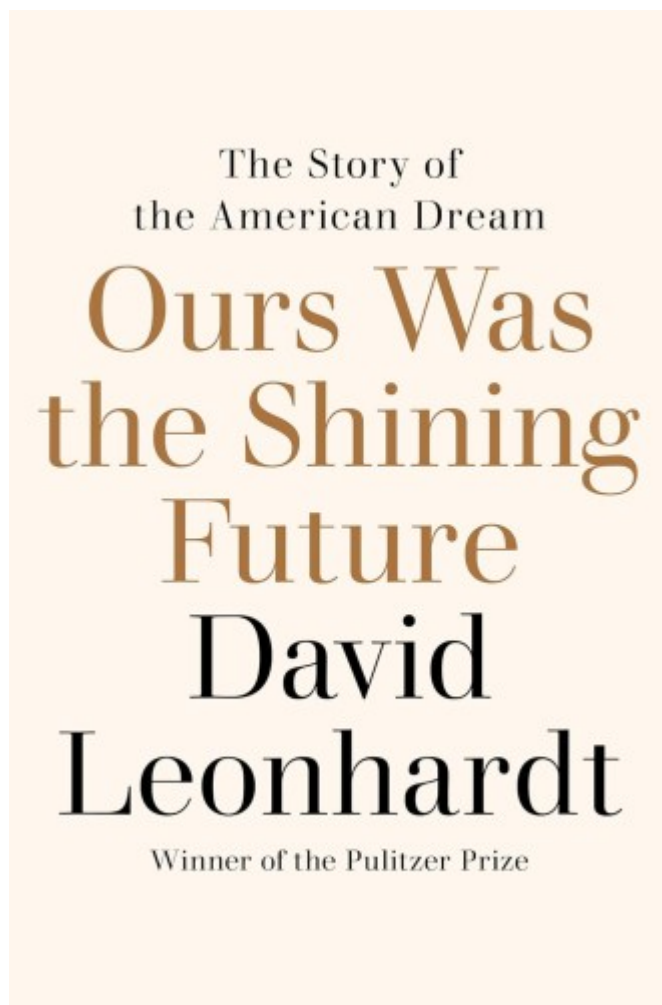
What happened to the American dream in the 20th century?

David Leonhardt tells the story in the language of economic analysis.

by [Jesse Zink](#) in the [November 2024](#) issue

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In Review



Ours Was the Shining Future

The Story of the American Dream

By David Leonhardt

Random House

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Why is everyone so disappointed in the state of the post-pandemic economy? Economic indicators are generally positive, but polls indicate that many people think the US economy is headed in the wrong direction. David Leonhardt's new book was conceived well before the pandemic, but it speaks to this moment of economic discontent. The *New York Times* senior writer offers in this book a history of the decline and fall of the American dream. His point of departure is this statistic: while children born in 1940 had a 92 percent chance of growing up to have higher household incomes than their parents, children born in 1980 have about a 50 percent chance. No wonder everyone is so upset: we are all operating with a sense of unmet expectation.

Leonhardt divides the economic history of the United States from the Great Depression to the present into two eras. The first is "democratic capitalism," encompassing Roosevelt's New Deal, Eisenhower's campaign of public investment, Johnson's Great Society, and the regulatory agencies of the Nixon administration. The second, "rough-and-tumble capitalism," was driven by the ideas of Milton Friedman and Robert Bork, reached its peak during the Reagan administration, and then was confirmed and extended by Reagan's successors, both Democratic and Republican. According to Leonhardt, the period of democratic capitalism was marked by economic growth shared by workers and managers alike and underlain by strong unions. Rough-and-tumble capitalism, by contrast, has seen a significant growth in income inequality and the weakening of unions.

Leonhardt describes himself as someone who offers "human storytelling interwoven with plainspoken analysis." Certainly the stories just keep coming in this book. The chapters open with portraits of individuals that Leonhardt (usually) wants to lionize. The archetypal hero for Leonhardt is probably Asa Philip Randolph, who began his career as a union organizer among Pullman porters and then built on this success to work for integration in factories, greater civil rights for Black Americans, and economic prosperity for workers. Leonhardt quotes Randolph in words that could summarize Leonhardt's own view: "The great movements that achieve justice and also make the world a better place to live in are movements that are based upon economic facts and economic problems and economic conditions." Civil rights were

a by-product of union organizing.

The economic transition described in this book is vitally important to understanding the current state of the US economy and US politics. Leonhardt does not shy away from skewering a few sacred cows. He dismantles the neoliberal ideas of Friedman and Bork and demonstrates why they did not have their intended impact. He also retells the story of immigration legislation to point out how liberal supporters of immigration reform in the 1960s failed to deliver what they promised. Instead of keeping immigration at the same levels, the 1965 Immigration and Nationality Act led to a surge in immigration that, in Leonhardt's view, contributed to depressing wages for workers.

Leonhardt leaves out two significant factors. The story he tells is largely chronological from the 1930s to the 1980s, but it peters out afterward, with only passing references to the Clinton, Bush, and Obama administrations. This means that the era of globalization and the financialization of the economy that took off in the post-Cold War years of the 1990s is mentioned only briefly. But the global trade era surely had an impact on income inequality by expanding the potential pool of labor for employers, weakening unions, and tilting the scales toward capital.

Likewise, in his discussion of business leaders in the 1940s and 1950s who were open to negotiating with unions, Leonhardt does not account for Gary Gerstle's argument that the growth of unions in this period was fueled by a desire to stave off support for international communism. Nor is there much reference in this book to climate change, although climate change is, among much else, an economic issue, and its impacts will fall on lower-wage workers first. In the 21st century, the American dream is no longer shaped (if it ever was) simply by what takes place in the United States.

Leonhardt calls for a Democratic Party that is less upscale and more able to articulate core American values like patriotism, freedom, and the common good.

The second omission is evident in Leonhardt's telling of the story of Texas congresswoman Barbara Jordan, whose work on immigration from the 1970s to the 1990s he cites admiringly. He briefly notes how important Good Hope Baptist Church in Houston was to her upbringing. It was a "warm cocoon of love" that gave her a sense of deep community that she sought to pursue in her political career. But Leonhardt never returns to her religious values, instead telling a more technocratic

story of her policy recommendations. This is a trend that recurs throughout the book. Leonhardt often mentions in passing the religious background of some of his figures but fails to connect this background with the values that served as the foundation for their work.

Leonhardt concludes with a call for a broad popular movement to end “our modern Gilded Age” and promote economic policies that benefit workers: reduce corporate concentration, raise taxes on the wealthy, promote union organizing, and much more. He says this will require a Democratic Party that is less upscale and more able to speak clearly about core American values like patriotism, freedom, and the common good. For him, economic considerations are paramount, and politics must be organized around precisely these considerations. Yet I am not sure that most people—economics writers aside—engage in politics primarily from a place of economic consideration. Economic interests are always underlain by questions of value, and these values are often shaped by religious conviction. It is on this terrain of value that the American dream must be reclaimed. Religious leaders have a vital role to play in this work.