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The P.R. Problem of the Rich

by Robert Frank

Did the wealthy cause the economic crisis or are they merely victims?

The question has been the subject of a debate spurred by the publication of a letter in *Elite Traveler*, a luxury magazine distributed on private jets. The letter to readers was written by *Elite Traveler* Editor Doug Gollan, who said the rich are being wrongly persecuted. He told jet-setters to ignore the attacks and keep spending, since their spending keeps the economy running:

“As we enter 2009, it is amazing to see how the general media has tried to shame wealthy individuals into not spending. The fact of the matter is the economic slump was not caused by the wealthy, it was caused by aspirational consumers who took out bigger mortgages than they could handle, leased cars they couldn’t afford and took vacations they shouldn’t have.

“Should a person with a net worth of, say, 100 million have scaled back his or her holiday party because of the times? If we want to speak about getting the economy going again, the answer is no....I do hope you continue to do the things that provide you the enjoyment that you’ve earned and your financial wherewithal supports.”

The letter was then reprinted in the May issue of [Harper’s Magazine](#) (subscription required) and apparently touched off all manner of populist outrage. In a follow-up interview on NPR’s “[On The Media](#),” Mr. Gollan added that politicians in Washington are only adding to the unfair attacks since “trying to explain to the general public the importance of rich people is probably not what you would call a great campaign platform.”

Mr. Gollan makes some important points. Spending by the wealthy does create jobs, though so do their savings and investments. We would all be better off today if the wealthy kept spending, though it might be better for their PR and damp any populist outrage if their spending favored less in-your-face conspicuous consumption and more quieter, service-related items—like restaurants, vacations, hotels, household staff, etc.

But assigning blame for the financial crisis is a bit more complicated. Sure, a statement like “the economic slump was not caused by the wealthy” probably passes muster, but the wealthy certainly deserve a share of the blame—as does almost every sector of society. The rich borrowed, leveraged, made risky bets and lost sight of the long-term consequences of their actions, just like everyone else.

That said, their image is tarnished. How do you think the rich could be re-branded in today’s economy?