



Written by [Michael Tennant](#) on October 24, 2018

Booker Proposes Redistributing Wealth to Poor, Minority Kids Via “Opportunity Accounts”

Senator Cory Booker (D-N.J.) thinks he has the solution to the wealth disparity between blacks and whites in America: redistribute money from “rich” whites to poor blacks, starting at birth.



Booker, who is expected to run for president in 2020, plans to introduce legislation that would create federal “opportunity accounts” for all children born in the United States. The government would seed each account with \$1,000 when the child is born. Each year until the child turns 18, the government would deposit up to \$2,000 more in the account, the amount decreasing as family income increases. At age 18, the child could then withdraw the money, but only to spend it on government-approved things such as college tuition or a house.

“There needs to be a new birthright in our country — universal ‘opportunity accounts’ that give EVERY single American kid a fair shot at the American Dream,” Booker [tweeted](#). “Everyone deserves economic opportunity — not just the 1%.”

Booker, wrote [Vox](#), “appears to be the first high-profile senator to introduce legislation to create such a program.” The senator “appears ready to focus on racial inequality in America, and how to solve it.”

Indeed, Booker is hardly disguising the fact that his program represents a significant transfer of wealth from whites to blacks and Latinos. Vox reported:

Booker’s office estimates that a child who remains in the lowest income bracket of the program (meaning she gets the largest, \$2,000 payments each year) would accrue \$46,215 by her 18th birthday. A child in the highest income bracket of the program (above 500 percent of the poverty line, or \$147,100 for a family of four) would end up with \$1,681 — just the original \$1,000 payment plus earnings accrued from the government investing it in low-risk funds.

They also project that the benefits of the program would go largely to minority children. Their figures suggest that the average black child will accrue \$29,038 in her account and the average Latino child would get to \$27,337. The average white child would end up with about half that (\$15,790).

A Booker aide told [The Hill](#) that the program would cost about \$60 billion if implemented in 2019 — while Washington is already running trillion-dollar deficits. The senator expects to recoup this cost “by increasing the capital gains tax rate by 4.2 points, increasing the estate tax to its 2009 level and raising taxes on multimillion-dollar inheritances,” noted the paper. Booker considers the government’s failure



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to soak the wealthy, thereby allowing them to pass their possessions down to their heirs, equivalent to “subsidizing the richest households,” he explained in a [statement](#).

Like most liberals, Booker believes that transferring other people’s money to the poor will lift them out of poverty; history, however, suggests otherwise. The U.S. government has spent well over \$22 trillion since President Lyndon Johnson declared war on poverty in 1964. “Yet progress against poverty, as measured by the U.S. Census Bureau, has been minimal, and in terms of President Johnson’s main goal of reducing the ‘causes’ rather than the mere ‘consequences’ of poverty, the War on Poverty has failed completely,” observed the [Heritage Foundation](#). “In fact, a significant portion of the population is now less capable of self-sufficiency than it was when the War on Poverty began.” Booker’s program would only make the poor even more dependent on government than they already are.

What’s more, it might not give their children much of a head start when they turn 18. After all, if millions of newly minted adults suddenly have thousands of dollars each to spend on particular goods and services, it stands to reason that the prices of those goods and services will increase, making those “opportunity accounts” worth considerably less. This is, in fact, what has happened to the cost and value of a college education since the government began offering students grants and low-interest loans.

Booker, one can be reasonably sure, isn’t thinking of any of this. Between his [left-wing ideology](#) and his desire for votes, Booker probably sees no downside to his program, including its patent unconstitutionality. But the downsides are real, and they need to be raised lest yet another expensive, counterproductive welfare program make its way onto the books.



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