

put aside some money to ensure that their children can get a decent education. Much depends on whether people own their own home, and if so, whether they have a mortgage and how much the payments are. Taking these comments into account, I have modified the scheme I proposed in 2006, when I suggested that all those in the top 10 percent, but not the top 1 percent, give 10 percent of their income. Now I am proposing that those in the lower part of this group, that is, in the top 10 percent, but not in the top 5 percent, should give only 5 percent of their income.

The scale proposed above needed some fine-tuning, however, to avoid the creation of a penalty for moving from one income bracket into the next. For simplicity, I suggested that all income should be taxed at one rate, with that rate depending on the income bracket. So people whose income is \$147,000 would, in my scheme, be giving away 5 percent, or \$7,350, leaving themselves \$139,650, but if their income rose to \$148,000 they give away 10 percent, leaving only \$133,200. That makes no sense. We can fix this problem in the same way as is done for progressive tax scales.

<i>Income Bracket</i>	<i>Donation</i>
\$105,001–\$148,000	5%
\$148,001–\$383,000	5% of the first \$148,000 and 10% of the remainder
\$383,001–\$600,000	5% of the first \$148,000, 10% of the next \$235,000, and 15% of the remainder
\$600,001–\$1.9 million	5% of the first \$148,000, 10% of the next \$235,000, 15% of the next \$217,000 and 20% of the remainder
\$1,900,001–\$10.7 million	5% of the first \$148,000, 10% of the next \$235,000, 15% of the next \$217,000, 20% of the next \$1.3 million, and 25% of the remainder
Over \$10.7 million	5% of the first \$148,000, 10% of the next \$235,000, 15% of the next \$217,000, 20% of the next \$1.3 million, 25% of the next \$8.8 million, and 33.33% of the remainder

Now let's add in the number of taxpayers in each bracket. With that information, and the average income in each bracket, we

can calculate how much the suggested levels of giving would yield from American taxpayers.

<i>Income Bracket</i>	<i>Number of Taxpayers</i>	<i>Average Income</i>	<i>Minimum Remaining</i>	<i>Total Raised</i>
\$105,001–\$148,000	7,418,050	\$122,353	\$99,800	\$45 billion
\$148,001–\$383,000	5,934,440	\$210,325	\$140,600	\$81 billion
\$383,001–\$600,000	741,805	\$464,716	\$352,100	\$32 billion
\$600,001–\$1.9 million	593,444	\$955,444	\$536,700	\$80 billion
\$1,900,001–\$10.7 million	133,525	\$3.7 million	\$1.59 million	\$102 billion
Over \$10.7 million	14,836	\$29.6 million	\$8.19 million	\$131 billion
Total	14,836,100			\$471 billion

So these suggested levels of giving would yield a total of \$471 billion a year for the world's poorest billion people—not from all the world's affluent people, but from just 10 percent of American families! (Sachs, remember, estimated that it would take a maximum of \$189 billion a year to meet the Millennium Development Goals.)

Bill Clinton, in his bestselling book *Giving*, tells his readers about the suggestions I made in my earlier *New York Times* essay but then adds:

I think it's unrealistic to expect this level of giving to global causes in the short run, for several reasons: some wealthy people don't believe the money will be spent wisely . . . some people with high incomes but little accumulated wealth want to build an estate before they give a large portion of their money away; \$132,000 a year goes a lot further in Little Rock than it does in New York City; and many wealthy people are already committed to giving money to other charitable causes in America.¹³

Clinton goes on to suggest a more modest scheme, in which those in the top 1 percent give 5 percent of their income, and the rest of the top 10 percent give just 1 percent. For those in

the top 10 percent but not the top 1 percent, that is only one-third of what they already give, and would require nothing more than redirecting a portion of that giving from domestic charities to those working in the world's poorest countries.¹⁴

But is it really asking too much of people earning at least \$383,000 to live on a pretax income of \$352,100 instead? What is considered an "unrealistic" level of giving in one time and place may seem quite modest in another. Surprisingly, Americans earning less than \$20,000 a year actually give a higher percentage of their income—a substantial 4.6 percent—to charity than every other income group until we get to those earning more than \$300,000 a year.¹⁵ That suggests that if the rich had the same culture of giving as the poor, they would give more than Clinton proposes. As we saw in chapter 5, much will depend on the way in which we appeal to people, and on the institutional structures and social practices under which we live. Until we have tried to change these structures and practices as that chapter described, we cannot really know how much people may eventually be willing to give. It isn't clear exactly who Clinton has in mind when he refers to "wealthy people." But on the proportions of income I am recommending, those earning over, say, \$300,000 a year will be able to meet the public standard of contribution to the task of eliminating global poverty without coming remotely near impoverishing themselves. They will still be able to live at a very comfortable level, dine at good restaurants, go to concerts, take luxurious vacations, and change their wardrobes each season. I very much doubt that any of them will be noticeably less happy.

If your income doesn't put you in the top 10 percent, you still almost certainly have income that you can spare—remember that bottle of water or can of soda you bought instead of drinking the water that runs out of the tap? I won't specify the details, because as the letter from the Sacramento woman indicates, the percentage of a person's income available

for discretionary spending varies greatly once their income gets down to around \$100,000. But think about how much you can give. Getting to 5 percent may not be difficult, and will enable you to feel that you've done more than your share. And if the lower 90 percent of taxpayers were to give, on average, just 1 percent of their earnings, that, added to the suggested donations from the top 10 percent, would bring the total to around \$510 billion.

Obviously, the rich in other nations should share the burden of relieving global poverty. There is an increasingly large number of wealthy people in non-OECD countries like China, India, Brazil, Chile, and South Africa. Of the 855 million rich people in the world, 17 percent, or 148 million, live in countries with average incomes below that of Portugal (and this figure is growing rapidly). This includes 11 percent who live in countries with average incomes below that of Brazil. These people should also be doing their share of combating global poverty, whether in their own countries or elsewhere.¹⁶

For simplicity, let's take one-third as a fair share for the United States, since that is roughly proportionate to the U.S. share of the total income of the OECD nations.¹⁷ On that basis, extending the scheme I have suggested worldwide would provide more than \$1.5 trillion annually for development aid. That's eight times what the UN task force estimated would be required to meet the Millennium Development Goals by 2015, and twenty times the shortfall between that sum and existing official development aid commitments.¹⁸ It is ample to cover not only the aid itself, but also research and experimentation into what forms of aid work best.

It was not until I calculated how much America's richest 10 percent actually earn and compared that with what Sachs estimates would be required to meet the Millennium Development Goals that I fully understood how easy it would be for the world's rich to meet the basic needs of those living in ex-

treme poverty all over the world. I found the result astonishing. I double-checked the figures and asked a research assistant to check them as well. But they were correct. If the UN task force is right, then the Millennium Development Goals are far too modest. If we fail to achieve them—as present indications say that we well may—we cannot excuse ourselves by saying that the target was a burdensome one, for it plainly is not. The target we should be setting for ourselves is not halving the proportion of people living in extreme poverty, and without enough to eat, but ensuring that no one needs to live permanently in such degrading conditions.

That goal is possible. Here's a seven-point plan that will make you part of the solution to world poverty.

1. Visit www.TheLifeYouCanSave.com and pledge to meet the standard.
2. Check out some of the links on the website, or do your own research, and decide to which organization or organizations you will give.
3. Take your income from your last tax return, and work out how much the standard requires you to give. Decide how you want to give it—in regular monthly installments, quarterly, or just once a year, whatever suits you best. Then do it!
4. Tell others what you have done. Spread the word in any way you can: talk, text, e-mail, blog, use whatever online connections you have. Try to avoid being self-righteous or preachy, because you're probably no saint, either, but let people know that they, too, can be part of the solution.
5. If you are employed by a corporation or institution, ask it to consider giving its employees a nudge in the right direction by setting up a scheme that will, unless they