

Issue Brief: Public Opinion and Socioeconomic Status/Class

Key Words

Gini coefficient, inequality, American Dream, poverty, middle class

Description

This issue brief demonstrates the complex and often contradictory manner in which Americans view members of different socioeconomic classes and the disparities between them. While a majority of Americans think that inequality is currently excessive, they do not believe in leveling out incomes and believe inequality is inherently just.

Key Points

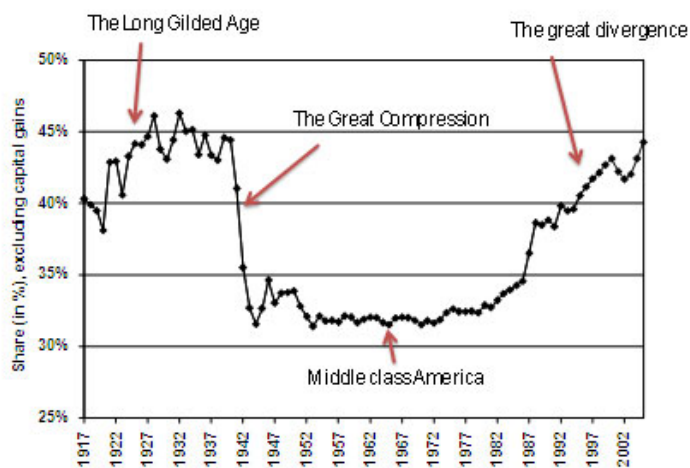
- The Gini Coefficient today is at its highest point since 1947.
- Most Americans today say that inequality is excessive, but they do not approve of leveling out incomes across different income groups.
- Americans generally believe in the American Dream, which states that through hard and independent work, a person can attain success regardless of family background.
- At the same time, Americans are practical and are willing to increase taxes on the wealthy, and pay more taxes themselves, in order to decrease inequality.

Images



http://anticap.files.wordpress.com/2009/10/the_abyss_of_inequality_307515.jpg

Income share of richest 10% of the population



<http://psrblog.files.wordpress.com/2009/08/trend-in-income-inequality1.jpg>

Issue Brief

The traditional view of socioeconomic status in the United States invariably refers to the American Dream, which distinguishes the United States from other countries. This American Dream refers to the idea that working hard allows people the opportunity to rise up in society and class, regardless of socioeconomic status at birth. The American tradition includes a belief in free enterprise, small government, and equality of opportunity, but not equality of results (Ladd 33). This ideology is mainly conservative, but in practice, a majority of Americans are more liberal.

Inequality in the United States has increased since the latter half of the twentieth century. In fact, the Gini coefficient, a measure of inequality of wealth, demonstrates that inequality in the United States is at its highest point today since 1947 (Page 6). 1% of the population owns 16% of the wealth in the United States. A large majority of Americans recognize this increasing disparity between the rich and the poor and find it worrisome, even though they grossly underestimate the incomes of the highest-paid, such as CEOs (Page 20). In a sense, the United States is experiencing another Gilded Age, like the one in the late nineteenth century, when Robber

Barons earned millions of dollars while many were impoverished. The differences in income may not seem so stark today because they are not so physically evident, such as in the way people dress or address people of different income groups. Nevertheless, the gap between the wealthy and the poor in terms of pure income is greatly widening.

Despite worry about increasing inequality, many Americans still believe in the American Dream that hard work leads to rewards. Americans feel that income disparity has increased excessively, but in 1998 only 5% of Americans said they resented the incomes of the richest of the country (Ladd 28). Inequality in itself, most Americans believe, is not unjust. Indeed, Americans agree that CEOs and heart surgeons should earn more money than factory workers and secretaries (Page 42). The American Dream still exists in the sense that Americans think that the opportunity to succeed is more important than equal success across the nation. Increasing opportunity is more important than redistributing wealth, according to 64% of Americans (Ladd 107). Most Americans do not desire caps on the incomes of the highest-earning members of society, and they do not want the government to abolish different social classes or income levels (Ladd 103).

Most Americans do not believe that society should be made completely equal in terms of income, but they do feel that the difference between rich and poor has grown too much, and they are willing to change this through governmental policy. A majority of Americans agree with a baseline income for the poorest and limited redistribution to decrease inequality (Ladd 104). Two-thirds of Americans are willing to pay taxes in order to fund programs that increase opportunity through training, education, and protection against illness (Page 23). Recently, the passage of health care reform, led by President Obama, struck at the growing inequality today

through pragmatic measures (Leonhardt 1). Clearly, it is not the case that most Americans believe in the ideology of complete personal responsibility with regard to income.

The American Dream is certainly not dead, in the sense that a majority of Americans believe that hard work can make a difference in one's income and socioeconomic status, as opposed to more rigid countries such as Britain. However, while most Americans may have these conservative ideals, in practice they are willing to pay taxes and increase taxes on the wealthy in order to have a more just society. A mere glance at American's perspective on class in the abstract may lead to a misguided conclusion, while in reality it is very complex.

General References

United States Census Bureau
<http://www.census.gov>

CIA World Factbook (Gini Index, unemployment rates)
US: <https://www.cia.gov/library/publications/the-world-factbook/geos/us.html>

CNN's Fortune 500 (See how the richest are portrayed, how they made their incomes.)
<http://money.cnn.com/magazines/fortune/fortune500/2009/>

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Leonhardt, David. "In Health Bill, Obama Attacks Wealth Inequality." *New York Times*. 23 March 2010.
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