ENVY OF THE RICH IS ONE REASON AMERICANS FAVOR REDUCING INCOME INEQUALITY

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Research question

- Why do some Americans evaluate income inequality in the US as too high, but others do not?

- Integrating insights from social psychology into a model of social structural influences, we ask: Does envy (the desire to "chop the top"), matter to these evaluations, even above and beyond other well known influences?

Data and Methods

Data and Methods

- Data are from the International Social Science Survey Round 20, USA 2016-2017,

- N= 2911

- MTurk sample

- Analysis: descriptive, factor analysis, and OLS.

Focal predictor: Envy

4 Envy Questions

- Are you envious of people who...

- Earn a lot more than you do?

- Are rich – envy them?

- Have a vast amount of money?

- Answers: (Scored in equal intervals: 1.00/ .75/ .50/ .25/ 0)
  - Definitely envy
  - Envy
  - Maybe
  - Do not envy
  - Definitely do not envy

Answers tightly linked: Alpha reliability of .95

Envy scale: Measurement

Measurement of envy. Correlations, means and standard deviations. USA 2016-2017.

| | Items in the scale (Alpha=.95) | | |
	(1)	(2)	(3)
Panel A: Inter-item correlations			
(1) Earn a lot more than you do	1.00		
(2) Are rich	.88	1.00	
(3) Have a vast amount of money	.85	.90	1.00
Panel B: Criterion variables			
Age	-.22	-.20	-.21
Male	-.04	-.02	-.04
Church attendance	-.13	-.13	-.15
Education	.01	.00	.00
Occupational status	-.03	-.02	-.02
Family income (ln)	-.06	-.04	-.03
Democratic Party	.12	.09	.09
For a more equal income distribution	.20	.17	.17
Panel C: Means & standard deviations			
Mean (points, 0 through 1)	0.49	0.49	0.51
Standard deviation	0.28	0.29	0.30
Number of cases	2,491	2,486	2,480

Other predictor variables

Measurement of control variables is fairly straightforward and they are many, so I will not detail them here. I am happy to share our draft paper with anybody who is interested.

(write to: MariahEv2@gmail.com)

Response variable: Inequality evaluation

University of Nevada,

Response variable: ≠ attitudes (items; 5-point)

Differences in income in <country> are too large.

There is too much of a difference between rich and poor in this country.

It is the responsibility of the government to reduce the differences in income between people with high incomes and those with low incomes.

One of the most important aims in this country over the next ten years should be to reduce differences in income between people with high incomes and those with low incomes.

Income and wealth should be redistributed toward ordinary working people.

Response variable: ≠ attitudes measurement 1

Measurement of attitudes toward income inequality and redistribution.
Correlations, means and standard deviations. USA 2016-2017.

	Items in the scale (Alpha=.92)				
	(1)	(2)	(3)	(4)	(5)
Panel A: Inter-item correlations					
(1) Differences too large	1.00				
(2) Differences between rich and poor	.84	1.00			
(3) Government responsibility to reduce	.75	.73	1.00		
(4) Aims for country: reduce differences	.64	.62	.75	1.00	
(5) Redistribute income and wealth	.68	.67	.75	.75	1.00
Panel B: Other variables					
Envy (3 item scale)	.17	.18	.18	.16	.16
Age	-.06	-.06	-.10	-.12	-.09
Male	-.06	-.06	-.03	-.03	-.06
Parents' education	.01	.01	.02	.02	.00
Church attendance	-.01	-.02	-.01	-.03	-.02

Models

# From total to direct effect

$InequalityEvaluation = f(Envy) + e_1$ [Eq. 1]¶

$InequalityEvaluation = f(Envy, ParentsEducation, ParentsOccupation, Parents\$, ParentsChurchGo,) + e_2$
     [Eq. 2]¶

$InequalityEvaluation = f(Eq.\ 2\ variables, ParentsParty) + e_3$ [Eq.3]¶

$InequalityEvaluation = f(Eq.\ 3\ variables, Education, Occupation, FamilyIncome) + e_4$ [Eq.4]¶

$InequalityEvaluation = f(Eq.\ 4\ variables, PerceivedSelfInterest) + e_5$ [Eq.5]¶

$InequalityEvaluation = f(Eq.\ 5\ variables, Party) + e_6$ [Eq.6]¶

Description

Envy the rich?
USA 2016-2017
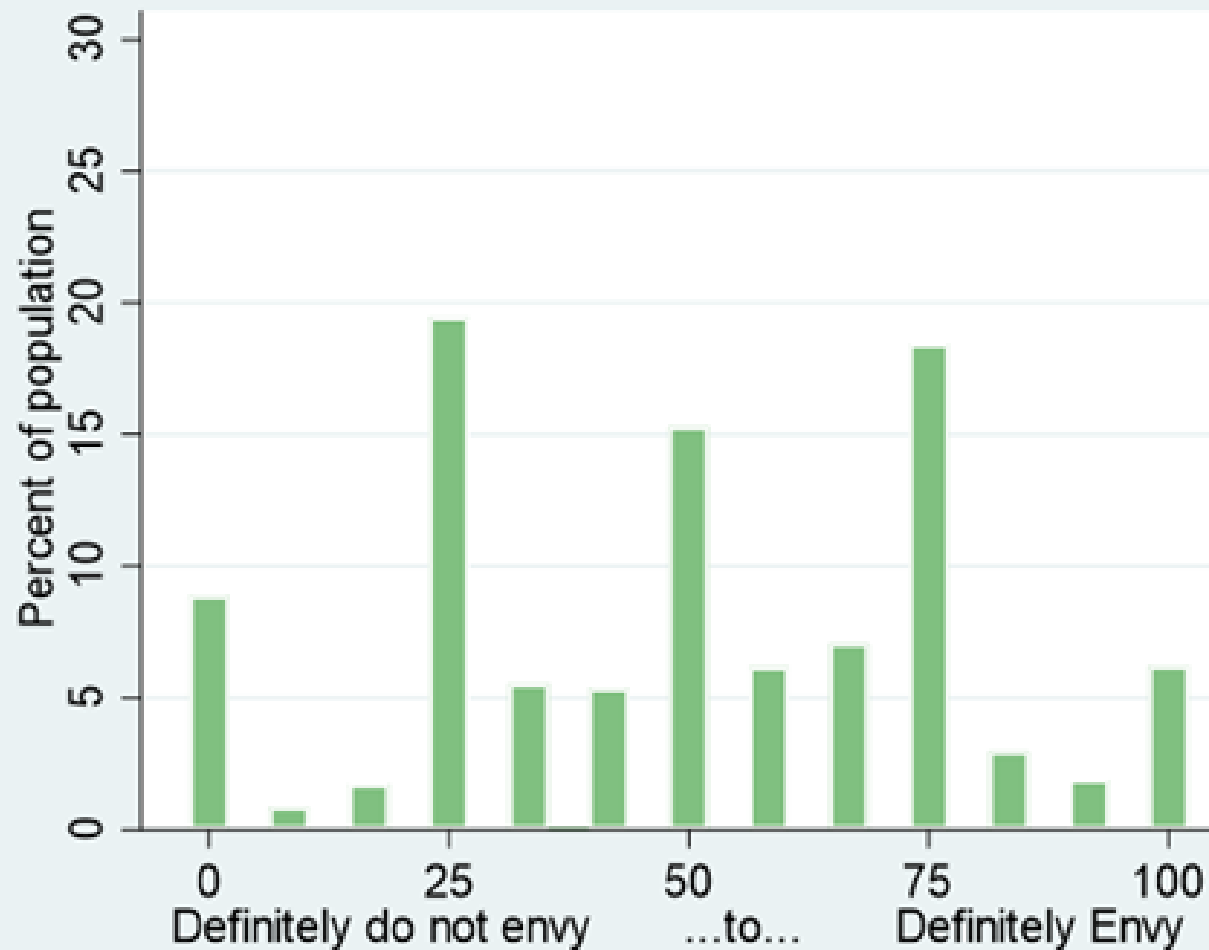
mean=50, standard deviation=28, N=2,492

Income should be more equal
USA 2016-2017

Percent of population

Strongly disagree ...to... Strongly agree
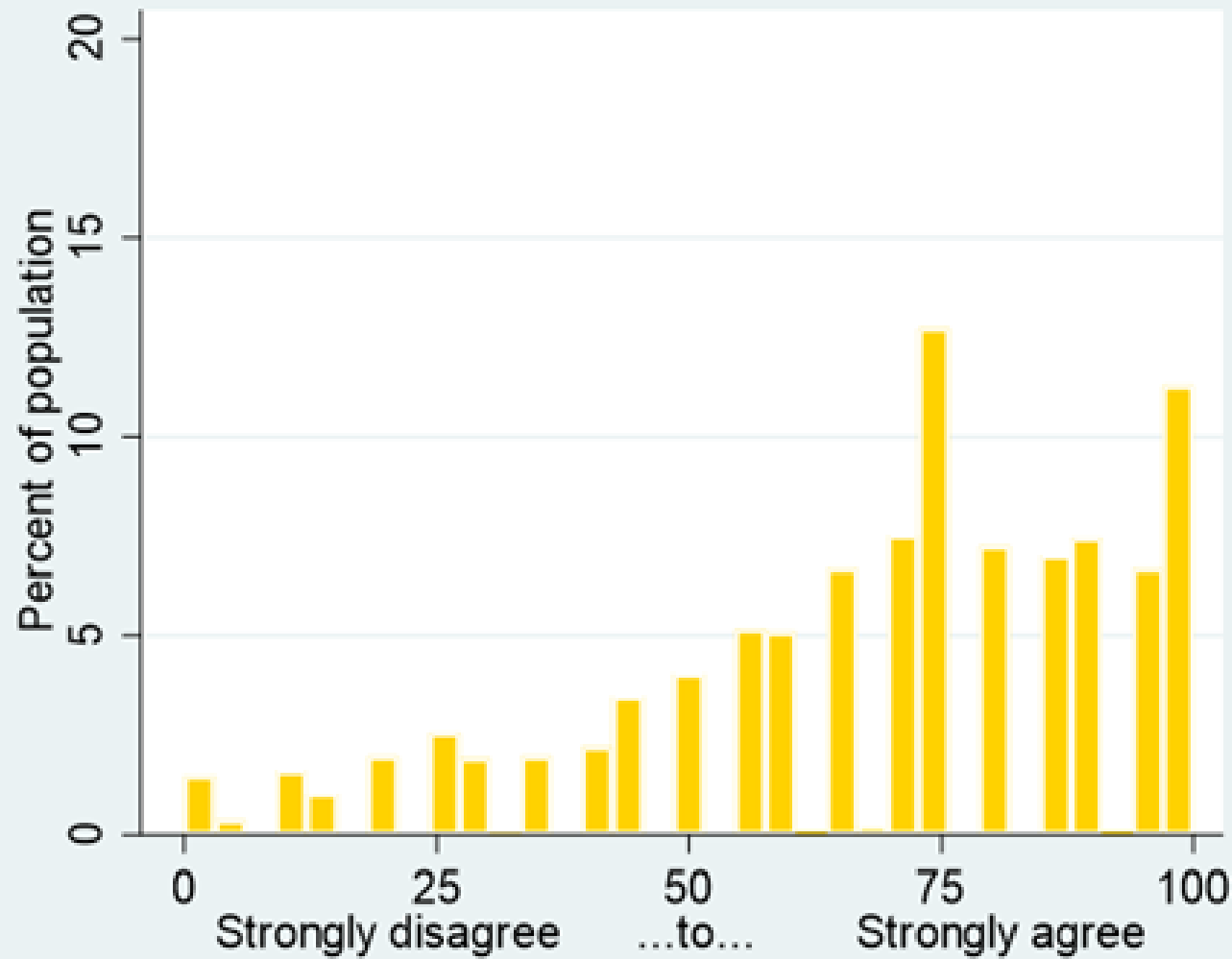
mean=69, standard deviation=25, N=2,496

Analytic results

Influences on attitudes toward reducing income inequality. Total effects in dashed blue outline, assuming the block recursive causal order shown; direct effects in column 6; and indirect effects are the difference between the two. OLS standardized regression coefficients. International Social Science Survey Round 20, USA 2016-2017, first and second preliminary samples. Significant self-interest (egotropic) considerations in red italic. Coefficients not significantly different from zero at p<.05 are greyed out.

			Favors reducing income inequality			
	(1)	(2)	(3)	(4)	(5)	Direct effect (6)
Envy	0.18 ***	0.18 ***	0.18 ***	0.18 ***	0.15 ***	0.11 ***
Age		-0.08 ***	-0.08 ***	-0.07 ***	-0.06 **	-0.01
Male		-0.03	-0.03	-0.04	-0.03	0.00
Parents' education		0.01	0.01	0.01	0.02	0.00
Church going at age 14		0.01	0.04	0.04	0.03	0.01
Parents' occupation		-0.02	-0.01	-0.02	-0.02	-0.02
Parents' subjective rank		-0.05 *	-0.03	-0.03	-0.02	-0.02
Parents' political party			0.21 ***	0.20 ***	0.18 ***	-0.01
Education				0.04	0.03	0.01
Occupational status				0.00	0.02	0.01
Family income (ln)				-0.15 ***	-0.12 ***	-0.08 ***
Expects personal gain from equality					0.23 ***	0.18 ***
Democratic party						0.50 ***
R-squared	0.03	0.05	0.09	0.11	0.16	0.36
Cases	2,492	2,294	2,294	2,144	2,143	2,009

* p<0.05, ** p<0.01, *** p<0.001

Discussion

Sneak preview: Key findings

- (1) Envy has a moderately strong relationship with seeing the current income distribution as too unequal (total effect).

- (2) This effect persists unchanged after taking family political and stratification background, demographics, and current social class/stratification position into account.

- (3) It persists when we also control perceived economic self-interest and positive feeling about the poor.

- (4) Part of the effect is indirect through political party preference, but the direct effect of envy remains moderately important even when party is taken into account.

It's about attitudes and allegiances, not class

Evaluating income inequality as too high or too low is...

• mainly a matter of party politics, especially conformity to a "party line".

• some greed, a third as important as politics

• a fifth as important as politics, is the green monster: the envious would bring down the rich.

• parents or own class matters little: Only prosperity matters at all (effect one-sixth as important as party politics)

Not the "democratic class struggle"

Thus, the struggle over income inequality in the modern US is not the savage 19th century politics of class conflict that set the poor against the prosperous and workers against bosses. It is not really the "democratic class struggle", if it ever was. Instead it is mostly a clash of cultural and "team" commitments – only lightly tethered to socioeconomic location-- that sets Democrats against Republicans, with small doses of naked greed and sheer envy thrown in.

END

Equality or economic growth? A quantitative analysis of public preferences for welfare state equality versus free market prosperity

Jonathan Kelley (UNR), MDR Evans (UNR), Sarah Kelley (Child Trends)

Income:

	AMERICA NOW	Possibility 1: Welfare state development, 20 years from now	Possibility 2: Free market development, 20 years from now

$250,000 a year — Top: $240,000

$200,000 a year

$150,000 a year — Middle: $150,000

$100,000 a year — Top: $100,000

$75,000 a year — Top: $75,000 | Middle: $75,000

$60,000 — Bottom: $60,000

$50,000 a year — Middle: $50,000 | Bottom: $50,000

$25,000 a year — Bottom: $25,000

No income
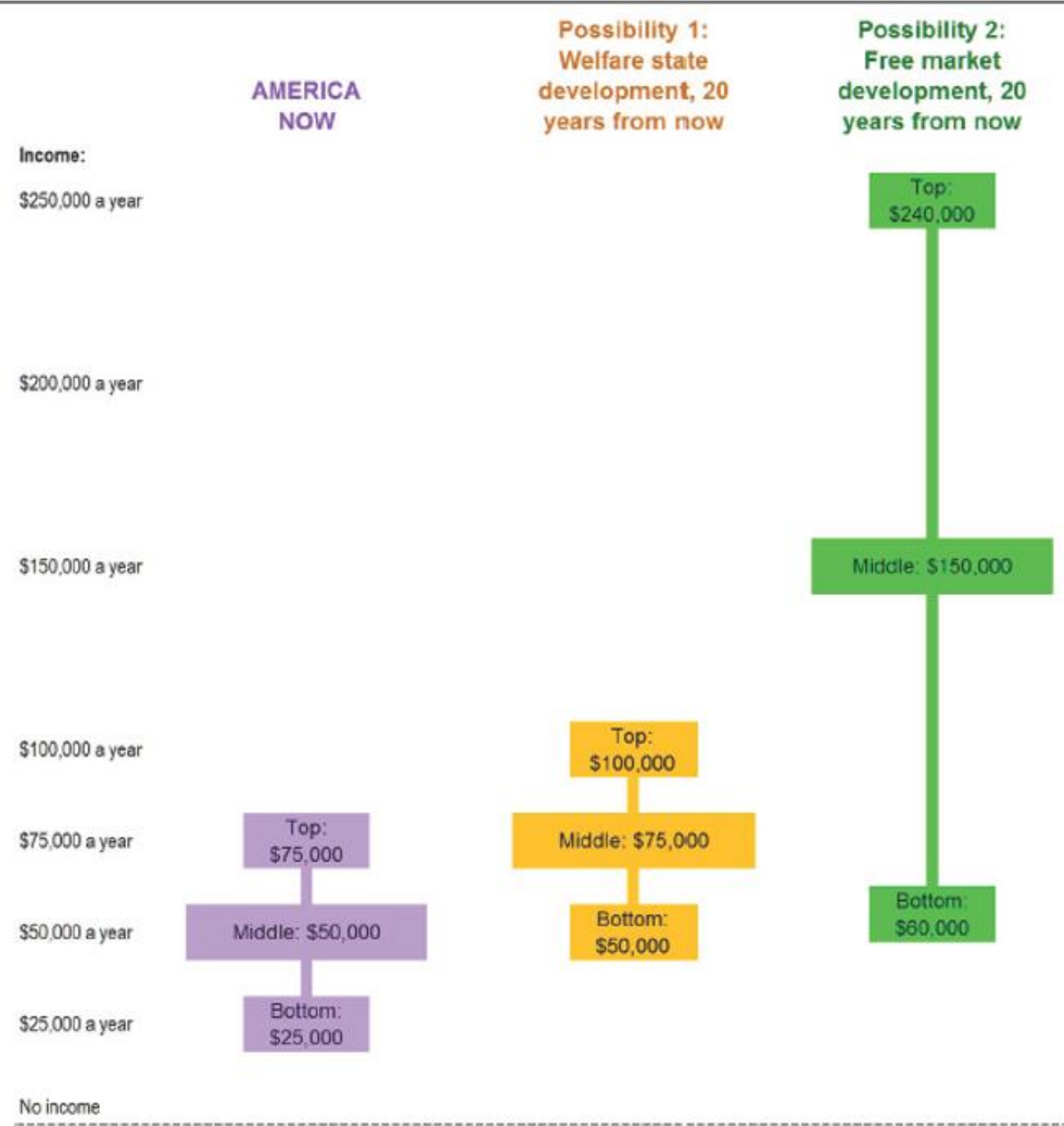
How would you rate the way America is now (the diagram in purple)?

○ Very Good ○ Good ○ Mixed ○ Bad ○ Very Bad

Now two possibilities for what happens to America over the next 20 years ...

Possibility 1: Welfare states like Sweden have strict government regulation of the economy (see the middle diagram). High taxes take money from those at the top and give it to those at the bottom, so people at the top have only twice as much as those at the bottom. But economic growth is usually slow, around 2% a year.

Possibility 2: The free market approach has little government regulation and low taxes -- as in Singapore or Chile (see the diagram on the right). This often produces rapid economic growth, around 4% a year. But it also allows big income differences, with people at the top having about four times as much as those at the bottom.

Looking at these two possibilities...

	Very Good	Good	Mixed	Bad	Very Bad
How would you rate Possibility 1, the welfare state approach (in orange)?	●	●	●	●	●
How would you rate Possibility 2, the free market (in green)?	○	○	○	○	○

And between these two options..

	Definitely Welfare! (in orange)	Welfare	Equal	Free Market	Definitely Free Market! (in green)
Which would you prefer?	○	○	○	○	○
Which is best for families at the bottom?	○	○	○	○	○

Abstract:

Rising conflict over inequality, globalization and growth in wages elite occupations has raised key questions about what kind of economic future we should strive for. Do we want the fastest economic growth possible, even if that means rising inequality? Or do we want to curb inequality, even if that means slower growth? Materialist logic, economic theory, and much of modern politics (especially on the right) argue for prosperity; but (especially on the left) compassion and welfare considerations tend toward equality.

Abstract, continued. When offered an explicit choice between futures based on different economic models – a much richer, but unequal society as a result of faster growth, or a just slightly richer but more equal society as a result of welfare state policies – opinion is deeply divided. The average American slightly prefers faster growth at the cost of inequality but a very substantial minority prefer much slower growth if it leads to a more equal society; Australians are similar. This suggests that aversion to inequality plays an important role. We find also that preferences for free market vs welfare state development are strongly tied to political party identification, to perceptions that the current economic order is meritocratic, and to evaluations of the likely economic future.

```
N=1095

            |  bpNowQ bpWel~eQ   bpFreeQ bpWel~tQ bpWel~mQ
------------+---------------------------------------------
    bpNowQ  |  1.0000
  bpWelfareQ|  -0.0937   1.0000
    bpFreeQ |   0.0469  -0.4026   1.0000
 bpWelfBestQ|  -0.0731   0.6404  -0.6714   1.0000
 bpWelfBott~Q|  0.0433   0.3844  -0.5085   0.6192   1.0000

  PntStatusQ|   0.0036   0.0269   0.0071   0.0427   0.0248
       AgeQ |   0.1063  -0.1006   0.0472  -0.0927  -0.0797
      MaleQ |   0.0607  -0.0568   0.1073  -0.0987   0.0204
      EdNow |   0.0908  -0.0268   0.0013   0.0091   0.0411
     StatusQ|   0.0633  -0.0385   0.0007  -0.0228   0.0125
   lnFamIncQ|   0.1175  -0.0973   0.0475  -0.1148  -0.0600
   Democrat8|  -0.1592   0.4508  -0.3430   0.4803   0.2636
    pyrNowQ |   0.2266  -0.1129   0.1286  -0.1378  -0.0622
   pyr10yrQ |   0.1463  -0.0925   0.1301  -0.1415  -0.0735
   pyrOughtQ|  -0.1087   0.2117  -0.0588   0.1582   0.1025
     Merit9 |   0.2542  -0.3141   0.2730  -0.3335  -0.1516
      Corr9 |  -0.1617   0.2200  -0.2051   0.2388   0.1400
  hip5yrUSAQ|   0.2313  -0.2101   0.1826  -0.2136  -0.0825
  hip5yrYouQ|   0.1962  -0.1459   0.1776  -0.1608  -0.0652
    pyrEgal9|  -0.0986   0.4638  -0.3509   0.4472   0.2591
     o2High |   0.0581  -0.2089   0.1947  -0.2391  -0.1110
      o2Low |  -0.1231   0.1445  -0.1003   0.1486   0.0924
```

Abstract, continued.

MEASUREMENT: The issue is posed using our novel pictorial images of unequal societies, which are clearer and more explicit than verbal measures. **DATA :** International Social Science Survey, Round 20, USA 2016-2017 – an internet based representative sample (N> 2,500) – and earlier rounds of the ISSS conducted by mail in Australia based on a simple random sample of the compulsory electoral register (N>5,000). **METHOD**: Confirmatory factor analysis for scales. OLS for analysis, controlling for family background, current demographics, social class/ stratification position, and other potentially confounding influences.

Opportunities for Social Mobility

Jonathan Kelley (University of Nevada), **MDR Evans** (University of Nevada), and **SMC Kelley** (Child Trends)

Introduction

The primary goal of modern nations is economic development, conventionally measured by income. This is amply justified by the attendant increase human wellbeing. And human wellbeing is a proper goal for human society – quite possibly the primary goal – amply supported by logic ("We hold these truths to be self-evident..."), by philosophy (Bentham...), by most political parties, and by the near unanimous consent of the governed.

We here document the existence of another goal even more beneficial: Social mobility – opportunities for advancement in the labor market, opportunities to get ahead.

Living in a society where <u>opportunities</u> are good makes people happier – happier quite apart from any additional income it brings them, apart from the better jobs it entails, and apart from the education that facilitates all this. Good opportunities, in and of themselves, are a great human benefit. They also lead people to feel that American society benefits them and their family.

These findings are consistent with long-standing social psychological research on "internal locus of control" – in a variety of personal and social settings, feeling that one is personally in control (whether or not that is objectively true) has many good consequences. Here we extend these findings from psychology to the economy.

Data

Data are from the International Social Science Survey, Round 20, USA 2016-2019. The main wave (January 2019) is a representative US national sample (N> 1,700) from Survey Sampling International's internet panel. The 2016 and 2017 developmental waves (N=1,323 and 1,173) are Amazon mechanical Turk samples, also US wide. Analysis suggests that for multivariate purposes they are virtually equivalent to the main wave, and so are pooled with it here.

Scale Analysis

Inter-item correlations; correlations with criterion variables

```
(obs=3,778)
             |   poorStd   poorFdm   poorImp    mrtAny   mrtSkill  mrtEfrt
-------------+------------------------------------------------------------
    poorStdQ |    1.0000
    poorFdmQ |    0.6647    1.0000
    poorImpQ |    0.7233    0.6410    1.0000
   meritAnyQ |    0.6968    0.6102    0.6597    1.0000
 meritSkillQ |    0.5107    0.5142    0.4971    0.6339    1.0000
 meritEffortQ|    0.5645    0.5401    0.5498    0.6621    0.7459    1.0000

    lnFamIncQ |   0.1801    0.1561    0.1771    0.1790    0.1608    0.2023
     e5yrUSQ |    0.4008    0.4017    0.4107    0.4544    0.4035    0.4356
     feelWHO9 |   0.2616    0.2374    0.2206    0.2757    0.2706    0.2847
     satEQLS9 |   0.2909    0.2734    0.2394    0.2970    0.2949    0.3160
```

The scale clearly fits the classic measurement model which requires both high correlations among items and that the scale items have similar correlations with other relevant variables.
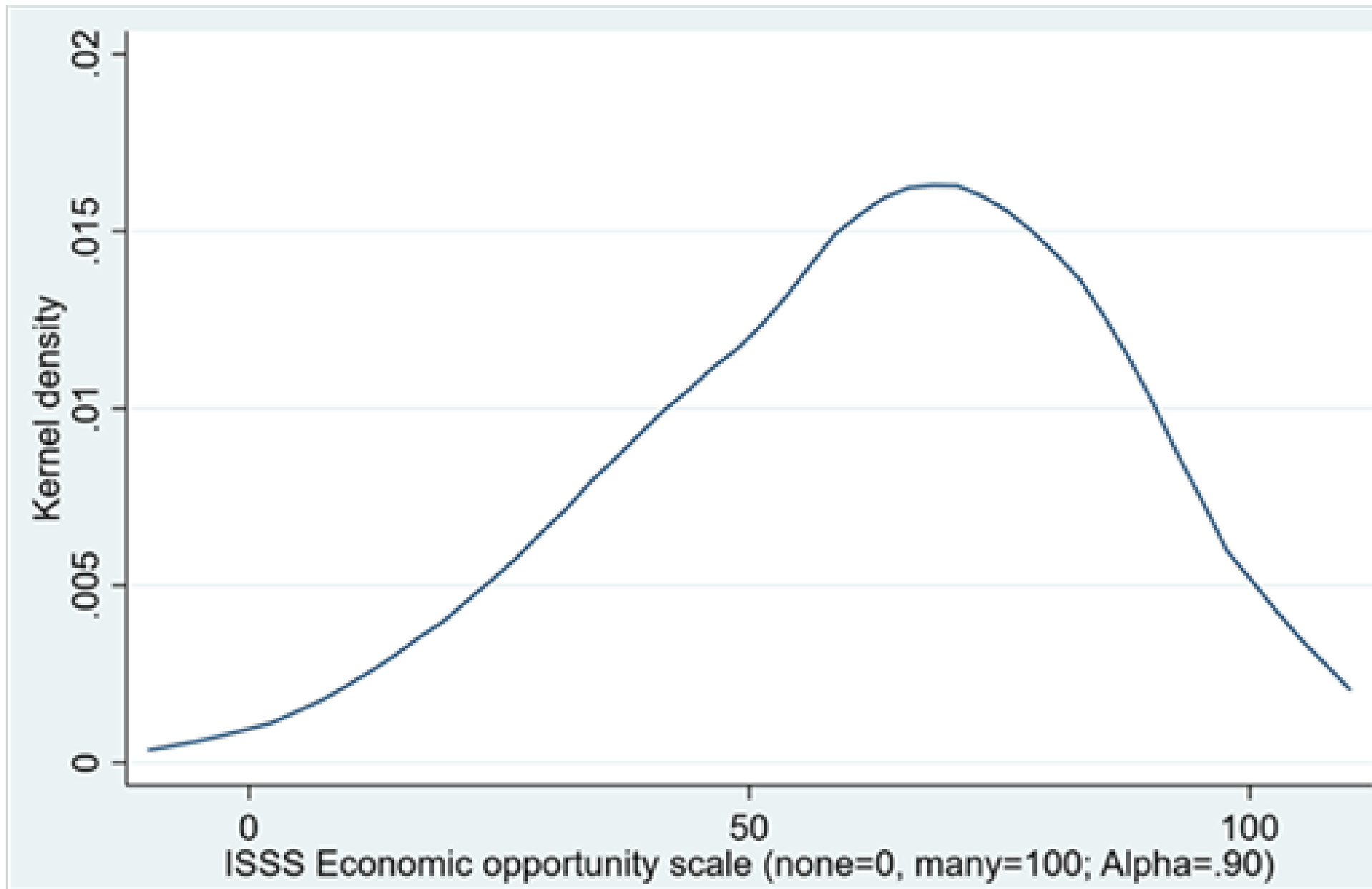
Mean = 62 points out of 100 (between "Neither Agree nor Disagree" and "Agree") Standard deviation = 22

Variable definitions:

EconOpp9   Economic opportunity. ISSS 6 item scale (alpha=.90)

e5yrYouQ   US econ system NEXT 5 YEARS brings YOU more benefits than harm

feelWHO9   Psychological well-being, World Health Organization scale (0-100)

satEQLS9   Wellbeing scale (life satisfaction, happy)

PntEdQ   Mothers & fathers education (years)

PntStatusQ   Mothers & fathers occupational status, averaged (JK scores)

pntParty8   Parents Democratic (mo & fa, 0 to 1) missing=.5

AgeQ , MaleQ , MarriedQ

EdNowQ   Education now (years; no adjustment for educational plans)

StatusQ   Occupation: Kelley Worldwide Status Score

lnFamIncQ   ln family income ($1000s) Minimum $5000

pyrNowQ   Pyramid: What type of society is the US (ISSS image, equalitarian high)

pyrOughtQ   Pyramid: What the US OUGHT to be like? (ISSS image, equalitarian high)

Corr9   Corruption necessary to get ahead, get to the top (ISSS scale)

	e5yrYouQ (1)	e5yrYouQ (2)	feelWHO9 (3)	feelWHO9 (4)	satEQLS9 (5)	satEQLS9 (6)
PntEdQ	-0.03	-0.01	-0.05*	-0.02	-0.02	0.00
PntStatusQ	0.07***	0.07***	0.06**	0.05**	0.03	0.03
pntParty8	-0.09***	-0.05**	0.01	0.03*	-0.02	0.01
AgeQ	-0.03*	-0.03	0.04*	0.04**	0.02	0.02
MaleQ	0.12***	0.05***	0.07***	0.03*	-0.01	-0.05***
MarriedQ	0.06***	0.01	0.05**	0.02	0.14***	0.10***
EdNowQ	-0.00	0.03	0.01	0.04*	0.04*	0.06***
StatusQ	0.08***	0.05**	0.06***	0.04*	0.09***	0.07***
lnFamIncQ	0.13***	0.07***	0.22***	0.17***	0.26***	0.21***
pyrNowQ		0.05***		-0.01		0.01
pyrOughtQ		-0.11***		-0.02		-0.04**
Corr9		-0.10***		-0.01		-0.04**
EconOpp9		0.33***		0.26***		0.27***
N	3594	3554	3618	3577	3579	3539
R-sq	0.080	0.233	0.095	0.158	0.166	0.242

Standardized beta coefficients

* p<0.05, ** p<0.01, *** p<0.001

Conclusions

Believing that this country offers you and other people good economic opportunities – good chances for social mobility, a good chance to get ahead, to improve your lot, to achieve a good standard of living – is hugely beneficial.

>> It makes you think that "this country's economic system over the next 5 years" is likely to bring you and your family much more benefits than harm (column 2 in the table, last row, highlighted in blue).

>> It greatly improves your psychological wellbeing on the World Health Organizations WHO-5 scale (column 4, last row).

>> It greatly improves your overall wellbeing – arguably the key goal of national governments (column 6, last row).

>> Overall seeing good economic opportunities is even more beneficial than having a high family income (compare the two rows highlighted in blue).

>> Socio-economic status explains relatively little about all this (columns 1, 3, and 5 in the table).

Thus perceptions about the nation, and most especially perceptions about you and other people's economic opportunities, are hugely important, more important by far even than a family's income.