Thinking about choice diminishes concern for wealth inequality

June 25 2012

Against the backdrop of a worldwide recession, wealth inequality has become a prominent theme in discussions about politics and the economy. In some ways, Americans seem to advocate a more equal distribution of wealth. In surveys and public opinion polls, for example, the majority of Americans supports having a strong middle class. But, when it comes to specific policies, they often vote against measures that would narrow the gap between those with the highest and lowest incomes.

In a new study published in Psychological Science, a journal of the Association for Psychological Science, researchers Krishna Savani of Columbia Business School and Aneeta Rattan of Stanford University investigate the underlying factors that explain Americans' contradictory opinions on wealth.

They surmised that one factor – the concept of choice – might be particularly influential in discussions about wealth. "Choice is a pervasive and highly valued concept in the U.S.," say the authors. If we assume that people make free choices, they theorized, while at the same time we acknowledge that some people are rich and others are poor, we may be more likely to believe that inequality in life outcomes is justified and reasonable because it must be the result of individual choice.

In a series of six experiments, they put their theory about the effects of a choice mindset to the test.

In the first experiment, participants were randomly assigned to a control or a choice condition. The participants in the control condition were asked to list five things they did in each of four time periods the previous day; in the choice condition, the participants listed five choices instead. All of the participants then rated how disturbed they were by statistics about existing wealth inequalities in the United States.

The results of the experiment confirmed the researchers' hypothesis. After controlling for certain characteristics like political orientation, socioeconomic status, and gender, Savani and Rattan found that participants in the choice condition were less disturbed about wealth inequalities in the U.S. than participants in the control condition. And these findings were supported in a second experiment, in which the researchers used a priming technique to incidentally highlight the concept of choice.

In a third experiment, the researchers found that when the concept of choice is activated, people under-emphasize the role of societal structures in allowing individuals to create and accumulate wealth.

Evidence from the first three experiments convinced Savani and Rattan that choice is indeed an important factor underlying Americans' attitudes toward wealth inequality. "When people think in terms of choice, they become focused on the idea that people gain wealth through their own choices and not because of social protections. This additional emphasis on individual agency leads them to be less disturbed the wealth inequalities that exist," the authors explain.

With these results in hand, they decided to look at how a choice-oriented mindset affects attitudes toward specific policies.

In a fourth experiment, they investigated how thinking about choice might influence support for policies that aim to equalize the distribution of resources in the context of education. In line with their hypotheses, participants in the choice condition were less supportive of redistributive policies than participants in the control condition. The relationship was explained by participants' beliefs about individuals' entitlement to keep their wealth.

In a fifth experiment, the researchers confirmed that the effects of choice are specific to redistributive policies and not to some more general reluctance to support government spending on public goods.

In July 2011, Savani and Rattan were in the midst of conducting their research when current events intervened. The federal government was faced with a decision: raise the debt ceiling or default on the national debt. The researchers decided to seize the moment: "We wanted to see if the concept of choice could shift people's attitudes even with the nation's economic future hanging in the balance."

In the week prior to the resolution of the debt crisis, they surveyed participants, asking them how supportive they would be of different policies that might help to resolve the federal debt crisis, all of which involved increasing taxes on the wealthy. As in the previous studies, participants who were not thinking about choice were relatively supportive of increasing taxes given the stakes at hand. By comparison, the participants who were made to think about choice were significantly less supportive of such policies, even when faced directly with the consequences of maintaining the status quo.

Overall, Savani and Rattan believe their research offers critical insights into how people think about wealth inequality. "When the U.S. faces hard economic challenges, people often talk about needing to make difficult choices. But our findings suggest that when Americans are prompted to think about making choices, they might act in ways that are inconsistent with their own attitudes."

Given how important the issue of wealth inequality is in American society, Savani and Rattan hope to continue research in this area. "Issues of income inequality affect so many aspects of people's lives – how happy they are, what they strive for, what opportunities their kids have – and also influence governmental decisions – what public services to provide, how to tax individuals, and how to allocate benefits," they say. "Investigating additional factors that influence people's attitudes toward income and wealth inequality will be a fascinating and important question for future research to explore."

Provided by Association for Psychological Science