

# Economic mobility is an illusory American dream

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Americans blithely buy in to a socio-economic system of increasingly vast financial inequity because we believe – despite evidence to the contrary – that everyone still has the opportunity to succeed, new studies by two Cornell psychologists have found.

"People have a deep desire to believe the economic system is fair, legitimate and just," says Shai Davidai. The doctoral candidate in the field of psychology is the co-author, along with Professor Thomas D. Gilovich, of a recently published report in the journal *Perspectives in Psychological Science*, "Building a More Mobile America – One Economic Quintile at a Time."

"We found that beliefs about the amount of upward economic mobility are different than those about downward mobility," notes Gilovich, the Irene Blecker Rosenfeld Professor of Psychology, "and that beliefs about economic mobility are different among people on different sides of the political spectrum."

The study polled more than 3,300 Americans in all economic quintiles (20 percent income increments), from the poorest to the richest, and reached five conclusions:

- People believe there is more upward mobility than downward mobility. (Evidence indicates otherwise; see below.)
- Americans overestimate the amount of upward mobility and underestimate the amount of downward mobility. (An earlier

study by Gilovich and Davidai found basketball fans believing the likelihood that a team ranked near the bottom of the league will rise to the top is higher than the likelihood that a team ranked near the top will drop to the bottom.)

- Poorer individuals believe there is more mobility than richer individuals do.
- Political affiliation influences perceptions of economic mobility, with conservatives believing that the economic system is dynamic – with more people moving both up and down.

The Cornell psychologists began their study of mobility beliefs by querying a nationwide sample of 3,034 Americans, ages 18-90, who were surveyed online (by Harris Poll on behalf of the Northwestern Mutual). Provided with a definition of the five income quintiles, respondents were asked to assess the likelihood of a "randomly selected" American born to a family in the poorest or richest quintile ending up as an adult in each of the five quintiles.

Data on political orientation came from a crowdsourcing survey of 290 Mechanical Turk participants. "We found a strong effect of political affiliation on participants' perceptions of economic mobility," the psychologists reported. "Overall, conservatives indicated that there is more economic mobility in the United States than liberals did."

Whereas previous studies by other researchers focused on Americans' "attitudes" about [economic mobility](#), Davidai and Gilovich say theirs is the first to document "concrete beliefs."

## Clearing cobwebs

When that ever-optimistic orphan, Annie, sings ("Just thinkin' about tomorrow clears away the cobwebs and the sorrow 'til there's none") she's probably not thinkin' about her economic peers. The real income of

the top 1 percent has risen 86.1 percent during the last two decades; the income of the remaining 99 percent of the population has increased only 6.6 percent, according to figures cited in the Davidai-Gilovich report.

"This rise in inequality has been accompanied by increasing hardship among those at the bottom," they write, noting that in 2010 the United States had almost 650,000 homeless people. And an additional 9.5 million families (46 million people) lived below the poverty line, a 50 percent increase since 1980.

"Americans as a whole do not seem as concerned as you might expect about this increase in income inequality," the authors write. "A strong faith in the possibility of upward mobility (along with relatively little concern about downward mobility) may dampen people's reactions to prevailing economic inequality."

Of course Daddy Warbucks ("My speeches are greeted with thunderous applause, at two universities bearing my name...") knew that all along.

Provided by Cornell University

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