

Americans overestimate income for children from wealthy families—and underestimate it for children from poor ones

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Americans overestimate the future income for children from wealthy and middle-income families, but underestimate that for children from

poor ones, finds a new study by New York University sociologists.

The research, which appears in the journal *Proceedings of the National Academy of Sciences (PNAS)*, runs counter to popular perceptions, as well as to some previous research, that holds Americans, overall, have optimistic views of [economic mobility](#) in America.

"Our results suggest that the once-prevailing belief that Americans tolerate inequality because they see great promise in economic mobility may not hold true today," observes Siwei Cheng, an assistant professor in NYU's Department of Sociology and the paper's senior author. "In fact, the American public is acutely aware of, and in fact quite pessimistic about, the remarkably unequal distribution of economic opportunities among [children](#) from rich and [poor families](#)."

"Intergenerational mobility" refers to the odds that children will move up or down in socioeconomic status relative to their parents. Previous research has shown that intergenerational mobility has remained low and stable in the United States over the past few decades. Yet, popular discourse often assumes that Americans are optimistic about intergenerational mobility—and perhaps overly so—even if they are concerned about inequality.

Moreover, previous scholarship has produced conflicting results, with some studies showing that Americans are optimistic about intergenerational mobility and others indicating pessimism.

The *PNAS* study, which also included Fangqi Wen, an NYU doctoral candidate, sought a more precise method to gauge how perceptions of intergenerational mobility aligned with reality.

To do so, the researchers developed a survey instrument soliciting the public's perceptions (3,077 U.S. adults) on the relationship between the

parents' and child's [income](#) ranks. Specifically, they asked participants to indicate where they thought a particular child's own [family](#) income would rank when he or she reached the age of 40. In addition, the participants were split into discrete groups and were given different descriptions of the child's background. In one, the child was described as a [college graduate](#) and, in another, was portrayed as someone who "worked hard" in life, a condition designed to gauge whether respondents believe individual effort to be a factor promoting mobility. In a third, no description was given—this served as a baseline group. These descriptions were added right after the information on the person's parental income rank was given (e.g., ranked in the middle or in the top 10% of all U.S. families).

They then compared these views against actual income data. This allowed the researchers to match perception of future income with real numbers. So, for instance, if the survey respondents predicted future income for children from rich and poor families to be more unequal than what the data showed, they were pessimistic about intergenerational mobility. By contrast, if they saw future income as more equal than what actually occurred, they were optimistic.

Overall, the findings showed that those surveyed overestimate the economic prospect for children from rich and middle-income families while underestimating that for those from poor families.

In addition, the perceptions of some types of respondents offered some interesting findings. For example, the following categories of respondents were more pessimistic about the equality of mobility prospects across parental income ranks: those aged 18 to 29, white, living in a household with \$30,000-\$99,999 annual income, owning a house or paying some rent, leaning liberal, or with a bachelor's degree.

In fact, those with a bachelor's degree were the most pessimistic about

the equality of mobility outcomes—and especially so for children from the lowest 30 percent of the income distribution. This particular finding is consistent with previous studies.

Finally, results based on the different hypothetical children yielded some notable results. Specifically, when a hypothetical person is described as having a [college degree](#), the respondents perceived slightly higher income ranks for children across the parental income spectrum. However, the perceived change in income level was much smaller than the change in reality, suggesting that the public underestimates not only the amount of mobility overall, but also the contribution of a college degree to mobility.

Similarly, intergenerational mobility for a hypothetical "hard-working" child was not seen as significantly greater than that for the baseline measurement, further indicating that the public is pessimistic about the equality of opportunity—even when the hypothetical person is assigned attributes that should promote economic mobility (i.e., hard work and a college degree).

"This research challenges the prior belief that Americans hold an optimistic view about the openness of the society and is instead consistent with the idea that the everyday experiences of highly unequal opportunity between children from poorer and wealthier families may have shaped how the general public thinks about the opportunity structure of the American society," Cheng and Wen conclude.

More information: Siwei Cheng et al., "Americans overestimate the intergenerational persistence in income ranks," *PNAS* (2019).
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