

The plateauing of cognitive ability among top earners

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People with higher incomes also score higher on IQ-tests—up to a point. At high incomes the relationship plateaus and the top 1% score even slightly lower on the test than those whose incomes rank right below

them. This suggests that one cannot infer high intelligence from high income, shows a new study from Linköping University published in the *European Sociological Review*.

The researchers combine wage data from Swedish population registers with scores from cognitive ability tests taken from military conscripts at age 18-19.

"This data trove permits us to test, for the first time, whether extremely high wages are indicative of extreme intelligence. To do so, we needed reliable [income](#) data that covers the entire wage spectrum. Survey data typically miss top incomes, but the registers offer full income data on all citizens," says Marc Keuschnigg, associate professor at The Institute of Analytical Sociology at Linköping University and professor of sociology at Leipzig University.

The relationship between cognitive ability and wage is strong for most people across the wage spectrum. Above a threshold wage level, however, wage ceases to play a role in differentiating individuals of varying ability.

Above €60,000 annual wage, average ability plateaus at a modest level of +1 standard deviation. The top 1 percent earners even score slightly worse on cognitive ability than those in the income strata right below them. This is an important finding, because the top 1% earn exorbitant wages that are twice as high as the average wage among the top 2-3%, according to Marc Keuschnigg.

Recent years have seen much academic and public discussion of rising inequality. In debates about interventions against large [wage](#) discrepancies, a common defense of top earners is that their unique talents motivate the huge amounts of money they earn. However, along an important dimension of merit— cognitive ability—the study finds no

evidence that those with top jobs that pay extraordinary wages are more deserving than those who earn only half those wages.

The bulk of citizens earn normal salaries that are clearly responsive to individual cognitive capabilities. But among top incomes, cognitive-ability levels do not differentiate wages. Similarly, differences in occupational prestige (an alternative measure of job success) between accountants, doctors, lawyers, professors, judges, and members of parliament are unrelated to their cognitive abilities. With relative incomes of top earners steadily growing in Western countries, an increasing share of aggregate earnings may be allocated in ways unrelated to cognitive capability, according to the researchers.

More information: Marc Keuschnigg et al, The plateauing of cognitive ability among top earners, *European Sociological Review* (2023). [DOI: 10.1093/esr/jcac076](https://doi.org/10.1093/esr/jcac076)

Provided by Linköping University

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