UT professor finds economic inequality is self-reinforcing

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When the gap between the haves and have-nots gets larger, one would think the have-nots would want more help, most likely in the form of government programs, to fight rising inequities.

Not so, says Nate Kelly, assistant professor of political science at the University of Tennessee, Knoxville.

Kelly, along with Peter Enns of Cornell University, conducted a study analyzing economic inequality and public opinion toward government intervention. The study has been published in the October edition of the *American Journal of Political Science* and can be viewed by visiting this link.

What he found defies expectations.

"When inequality in America rises, both the rich and the poor become more conservative in their ideologies. It is counterintuitive, but rather than generating opinion shifts that would make redistributive policies more likely, increased economic inequality produces a conservative response in public sentiment," said Kelly.

As the rich become richer and the poor become poorer, both sides reduce their support for government programs such as welfare. This desire only increases as the economic gap widens. Therefore, inequality is a self-perpetuating phenomenon.

"Economic inequality is, in fact, self-reinforcing. When economic inequality is high or low, it is likely to produce even higher or lower future levels of inequality. We find that economic inequality is self-reinforcing, not due to lack of responsiveness to the poor, but to how the preferences of both the rich and the poor respond to changes in income inequality," said Kelly.

The researchers came to this conclusion by analyzing hundreds of thousands of responses to survey questions from 1952 to 2006.

"Subjects who were poor were explicitly asked if they thought the government spent too much money on welfare and more of them answered 'yes' during times of high inequality," said Kelly.

This isn't because the poor do not know their financial situation. In fact, the authors found that the poor were more acutely aware of wealth differences than the rich to the point of overstatement. Instead, the authors speculate that elites such as political leaders play a large role in distracting and shaping public opinion about issues such as welfare.

The authors also believe the media may be a key factor in how government programs are framed in the public eye. For instance, in good economic times the media focus on individual achievement, which may influence the poor to oppose government programs. During bad economic times, the media focuses on people being down on their luck and the government helping them.

Kelly is currently working to determine the causes of his surprising finding. He hopes his next discovery may help halt the seemingly inexorable rise in inequality.

"What is clear from our work is that the self-reinforcing nature of economic inequality is real, and that we must look beyond simple defects

in the policy responsiveness of American democracy to understand why this is the case."

Provided by University of Tennessee at Knoxville