

Economic Status: Americans Assess Opportunity, Fairness, and Responsibility

By Jack Ludwig

Gallup's first "Haves and Have-Nots" survey was conducted in the spring of 1998 against a backdrop of one of the longest sustained periods of economic expansion in US history.¹ With few exceptions, satisfaction with various aspects of Americans' lives (including family life, household income, housing situation, and the future facing themselves and their families) are at or near all-time highs. Not only is the average respondent's self-assessed "present" position at its highest level since Gallup first asked this question in 1964, but the average self assessment of one's likely position "five years from now" outdistances all previous askings by an even wider margin.

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When asked about levels of economic inequality in the US, however, and whether the situation is becoming more or less extreme, Americans are less sanguine. Thirty-nine percent of respondents agree that as a nation "America is divided into haves and have-nots." This represents a significant increase from 1988, when only 26% answered this way.

Gallup also assessed perceptions of whether the percentage of Americans living below the poverty line and the percentage of the nation's wealthiest were increasing or decreasing from year to year. Historically, majorities routinely answer "increasing" to both questions—supporting the idea that "the rich get richer while the poor get poorer." For 1998, the percent saying there has been an increase in the number of people living below the poverty line *decreased* from the previous asking (from 79% in 1990 to 62% in 1998), while the percentage citing perceived increases in the number of rich Americans *increased* (from 65% in 1990 to 74% in 1998). In other words, the public perceives a relative expansion at the upper end of the economic continuum and a contraction at the lower end.

This reading of the data emphasizes the change over time, instead of focusing on the absolute marginal distributions. The interpretation is consequential for understanding perceptions of fairness because Americans appear much less troubled by disproportionate wealth than by disproportionate poverty.

Perceived change in the percentage living in poverty is highly correlated with perceptions about the fairness of the US economic system. In contrast, the relationship between these perceptions of fairness and the perception of change in the percent "rich" is weak or nonexistent. The fact that Americans' evaluations of "fairness" appear related to perceptions of change in poverty, but not wealth, suggests that the existence of poverty may be more central to the views of fairness than is the disparity between rich and poor.

Perceptions of Fairness

The 1998 Gallup study took a multifaceted approach to the issue of fairness,

attempting to ascertain whether Americans still view the United States as the "land of opportunity." Despite sometimes heated controversy about how best to achieve the ideal of equal opportunity, the data suggest that Americans are quite satisfied with current opportunities for the average person. When the University of Michigan's National Election Survey first asked in 1952 about opportunities to get ahead in America, 87% said there was plenty of opportunity, and only 8% said that the average person didn't have much chance to advance. In 1998, Gallup found 81% responding there is "plenty of opportunity," but the percentage saying that the average person didn't have much chance to get ahead had doubled to 17%. Asked whether there is more opportunity, less opportunity, or about the same amount of opportunity for the average person "than there used to be," twice as many said "more" than "less" (43% vs. 20%).

Further, when asked whether the fact that some people in the US are rich while others are poor "represents a problem that needs to be fixed" or "is an acceptable part of our economic system," 52% endorse the need for a correction while 45% think the situation acceptable. Predictably, opinion that the situation requires fixing is highest among those with the lowest incomes; but what's remarkable is the level of concern with the disparity expressed by those with higher incomes. Four in ten (43%) with annual household incomes of \$75,000 or more say these economic disparities need fixing. And, nearly four in ten (37%) with less than \$15,000 in income call the situation "acceptable."

It seems likely that those who see economic disparity as a problem are more concerned about the existence of poverty than the existence of dispro-

portionate wealth. For one thing, answers to the “needs fixing” item bear no relationship to perceptions of whether the percentage of those who are rich is increasing or decreasing, but show a significant relationship with responses regarding changes in the percentage of those living below the poverty line. More generally, when asked whether we have too many, too few, or about the right number of rich people in this country, most Americans (50%) say that the number is about right, while another 20% say there are too few, and only 25% say that there are too many.

When asked if “the economic situation in the United States is basically fair” or “basically unfair” in a question focusing on equality of opportunity, 68% choose “fair” while an appreciable minority, 29%, claim the system is unfair. Again, while one might speculate those at the low end of the socioeconomic spectrum would be particularly critical of the system, it is noteworthy that “basically fair” is the majority position (52%) even among those whose annual household income falls below \$15,000.

Although Americans appear satisfied with the opportunity for the average person to get ahead and are more likely to believe that opportunity is increasing rather than decreasing, there are distinct undertones of dissatisfaction with the fairness of income distribution. This dissatisfaction—although related to socioeconomic status—is not restricted to just those at the lower end of the education, income, or wealth distributions.

Responsibility for Solutions

If one focuses on a narrow definition of the poverty problem—helping the poor—Americans have been inclined to look to the government to play a central part in the solution. But there is evidence that opinion may be changing. In a 1989 Gallup survey, 36% named the government as the most responsible group for helping the poor, 19% named the church, 18% named the poor themselves, and another 12% the families and relatives of the poor. In the 1998 survey, 32% named the government and 14% the church, while the percentage naming the poor themselves rose ten points to 28%, and the percentage citing the families and relatives of poor people remained stable at 12%. Thus, over the past decade at least, Americans’ opinions about who should shoulder the burden of poverty have tilted away from the government and toward the poor and their families.

It is important to be careful in characterizing public opinion on this issue—question wordings that provide limited options or extreme opinion positions, or that stir emotions of compassion for the disadvantaged, often yield substantially different results. When asked whether it is the government’s responsibility to “...improve the social and economic position of the poor” or whether no special efforts should be made “because they should help themselves,” the public favors government intervention over leaving the problem to the poor

by a two-to-one margin (65% versus 29%).

In responding to an open-ended question about what the government should do to help the poor, the public favors job training and education over direct income disbursements. Specifically, 38% mention improving education and 29% job and skills training; another 16% would like to see more job opportunities for the nation’s most disadvantaged. Only 12% suggest direct financial aid.

What about government efforts to limit the upper end of the distribution—that is, taxing the rich in order to reduce income inequality? Repeating a question originally asked by the Roper Organization in the wake of the Great Depression, the 1998 Gallup survey found that 51% are against government intervention by levying heavy taxes on the rich. Forty-five percent, however—even more than in 1939—would favor this option (in 1939, 35% were in favor).

These data suggest Americans increasingly believe the most economically disadvantaged have a responsibility to help themselves, but concede the system is less fair than it could be, and that remedies to create a less economically divided society are desirable.

As one would expect, those considered “haves” (whether based on self-identification or on socioeconomic measures) are more likely than the “have-nots” to view the system as fair and opportunities as plentiful. But it is striking that Americans at the upper end of the socioeconomic spectrum are not overwhelmingly positive in their evaluation of the current distribution of wealth, while those at the lower end of the spectrum are far less critical than might be expected.

The data briefly and partially summarized here add significantly to the public opinion record on perceptions of fairness and opportunity in the US. And, as important, repeated surveys based on the same questionnaire will add analytic depth to an already rich archive of public opinion information.

Endnote:

The Gallup Poll Social Audit Survey “Haves and Have-Nots: Perceptions of Fairness and Opportunity,” jointly sponsored by the Gallup Organization and General Motors Corporation, was conducted in the spring of 1998 to provide a baseline measurement of American’s perceptions of economic inequality and related topics. The telephone survey of 5,001 adults is the first in a planned series of periodic assessments on this topic.



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