

# Economic Inequality, Intergenerational Mobility, and Belief in Meritocracy in the United States

Frederick Solt  
University of Iowa

Inequality Mini-Conference

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<http://github.com/fsolt/meritocracy>

# A Big Question

- ▶ What's the Relationship Between Economic Inequality and Democracy?
- ▶ Inequality: Self-Correcting or Self-Reinforcing?
  - ▶ Meltzer-Richard or Benabou?
  - ▶ Unequal Representation: A Smoking Gun?
  - ▶ Political Participation: Energized or Demobilized?

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- ▶ belief that outcomes result from individual effort
- ▶ a core tenet of American Dream
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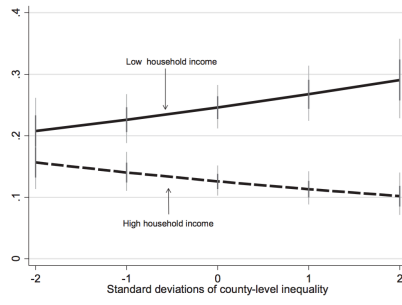
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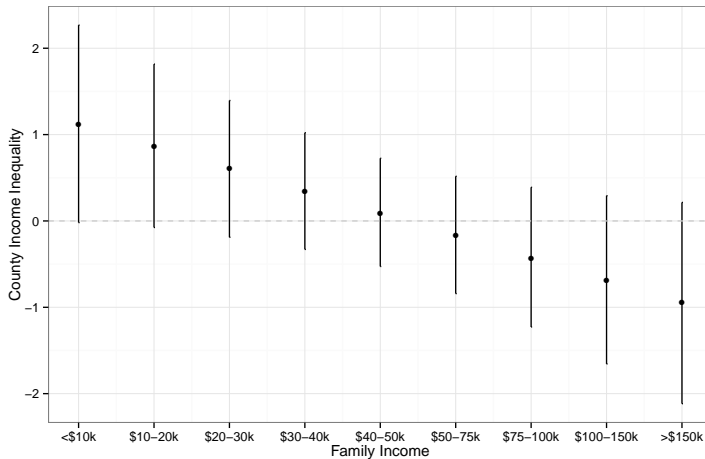
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FIGURE 2 The Polarizing Effect of Local Inequality on Belief in Meritocracy across Income Levels for White Americans, 2005–09



# Misinterpreted Interaction Terms



## Another Theory

### Relative Power Theory

- ▶ High inequality increases power of rich . . .
  1. to win overt conflicts
  2. to control agenda
  3. to shape attitudes
- ▶ leading poor to adopt beliefs of rich: meritocracy ↑
- ▶ and, possibly, self-interest of rich: meritocracy ↑

# Yet Another Theory

## Economic Mobility

- ▶ High inequality decreases mobility
- ▶ leading poor to recognize stratification: meritocracy ↓
- ▶ and, possibly, the rich as well: meritocracy ↓

# Data

## Individual-Level Data

- ▶ Religious Landscape Survey
- ▶ > 35,000 respondents
- ▶ 'Most people who want to get ahead can make it if they're willing to work hard'
- ▶ plus income and controls

## Contextual Data

- ▶ Commuting Zones
- ▶ Equality of Opportunity Project
- ▶ Income Inequality
- ▶ Relative Mobility

A problem: ~20% missing data at individual level

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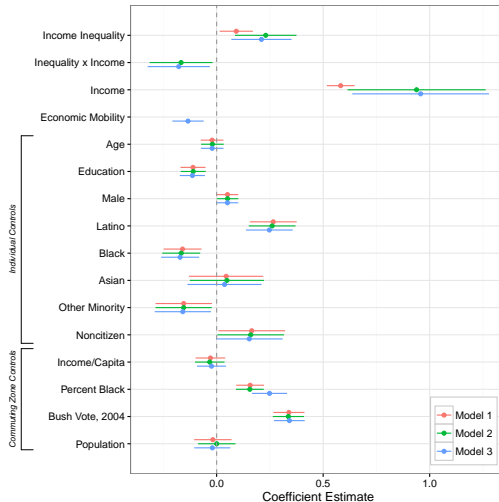
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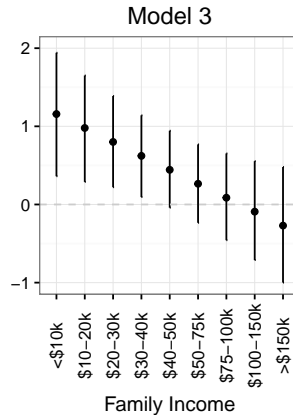
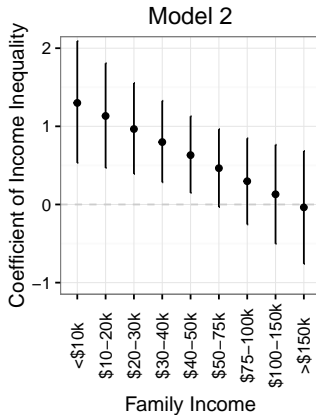
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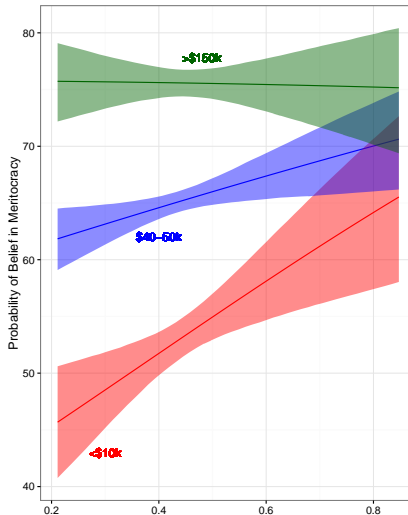
# Predicting Belief in Meritocracy



# Estimated Coefficients of Income Inequality by Income



## Belief in Meritocracy by Income



# Moving Forward

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- ▶ *IF* results hold up:
  - ▶ NO reason to think mere exposure breeds opposition
  - ▶ In fact, support for the opposite
  - ▶ Inequality is not self-correcting

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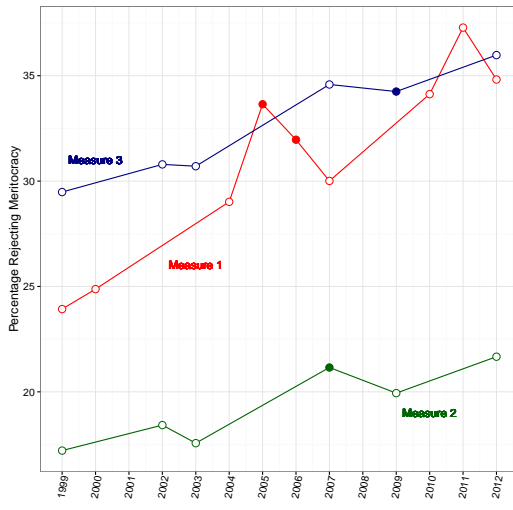
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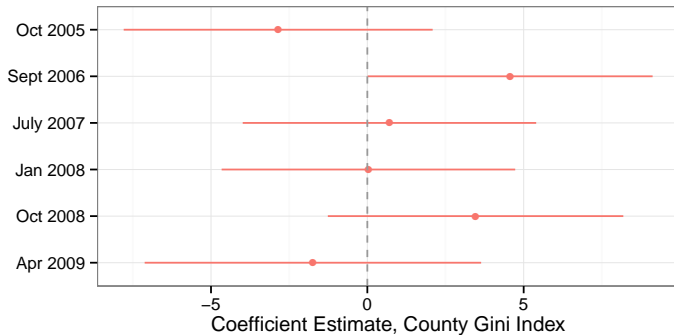
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# Pooling of Incomparable Observations



## Excluded Data

Coefficients on Belief U.S. is Divided into 'Haves' and 'Have-Nots'



Can you guess which one was reported?