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Final Essay: the American Dream

In 2001, my parents, my 2-year-old sister, and I moved to the United States. Initially, my parents came here so that they could work and send money back to build a home in Mexico. However, the allure of the *American Dream* soon enticed them to stay here permanently. They saw that the wages and opportunities that were offered to them and their children back home paled in comparison to those of our new country. They recognized that their children could achieve *American Dream*, defined as **“The ability for most Americans to experience significant upward social mobility relative to their parents, through hard work and educational attainment”**. Yet in modern times, this social mobility that was once the pride and joy of our country has become less fluid and more akin to molasses. Rising income inequality, stagnant worker wages, burgeoning college prices, governmental economic and social policies, as well as a combination of societal factors have rendered the American Dream just that—a dream that has become exclusively accessible to a small group of people.

Historically speaking, the social mobility that defined the American Dream has been much more accessible to the average citizen than it is in 2017. In fact, immigrants from throughout the world flocked (and still do) to this country in order to escape the hardships—economic, social, or otherwise—that were present in their home countries. They regarded the United States of America as the promise land of opportunity, where they would be free from the

rigid class hierarchy found in many European and Asian cultures; free to climb the social ladder and provide a better future for themselves and their family.

However, the situation has changed significantly in the past half a century or so. Former “developing” countries’ economies are on the rise, with some even outpacing the United States. These countries are beginning to provide their citizens with better opportunities for social advancement, thus reducing the appeal of moving the United States. Domestically, social mobility has degraded to the point where **“many people will [actually] experience downward mobility relative to their parent’s status during their lifetimes”** (Ritzer 203)¹⁴. Because of this, the United States has been usurped as the best country for upward social mobility. The Pew Charitable Trusts’ Economic Mobility Project found that the United States

stands out as having less, not more, intergenerational mobility than do Canada and several European countries. American children are more likely than other children to end up in the same place on the income distribution as their parents. Moreover, there is emerging evidence that mobility is particularly low for Americans born into families at the bottom of the earnings or income distribution. (Isaacs 2016)⁸

The slip in social mobility has had a profound effect on American society and inequality, one of which is an increased burden that low-income individuals and families must bear. While somewhat paradoxical, **“higher-income individuals consume, as a fraction of their income, less than lower-income individuals do”**¹⁰. This relationship was examined by the Brookings Institute, which studied low-income families in Philadelphia. They found that low-income families pay significantly more for certain goods and services than middle income families would for the same ones. For example, low income families **“pay at least \$500 more than other families in the city for the same type of car,”**¹⁰ and an additional \$400 more for insurance.

Low income families are also more likely to **“take out short-term loans, which in Pennsylvania may have an annual interest rate of more than 450 percent”**¹⁰ and are more likely to use cash checking services, which **“may legally charge up to three percent to cash payroll checks—a fee that amounts to \$450 a year for a household earning \$15,000”**¹⁰. Moreover, low-income families are more likely to buy furniture, home appliances, and technology on installment plans, where the markup **“averages 90 percent over the purchase price”** (Katz and Fellowes)¹⁰. All these costs that the poor accrue simply out of the virtue of their social class have been crudely-named the “ghetto tax”, which digs low-income people deeper into the hole of economic disparity and makes social mobility increasingly difficult, if not downright impossible, for some people.

Though ghetto taxes aren’t actual taxes levied against low-income people, state and federal governments have been shown to unfairly tax low- and middle-income families. The Institute on Taxation & Economic Policy (ITEP) found that **“Virtually every state tax system is fundamentally unfair, taking a much greater share of income from low- and middle-income families than from wealthy families”** (Davis et al 1)⁶. ITEP takes issue with this, warning that **“Unfair tax systems not only exacerbate widening income inequality in the short term, but they also will leave states struggling to raise enough revenue to meet their basic needs in the long term”** (3)⁶. These actual taxes coupled with the taxes levied by society against low-income people are perhaps the factors that impede the development and expansion of personal wealth, which can be transferred from generation to generation. The wealth disparity in this country is one of the largest contributing factors to the socioeconomic gap.

Further broadening the socioeconomic gap is the in-group favoritism that occurs among the wealthy, especially in the form of marriage. Matthew O’Brien writes in *The Atlantic*: **“Well-**

off couples get married more, stay together more, read to their children more, and otherwise have more time and money to spend on their children's education”¹¹. Chapter 11 in our textbook highlights the role a healthy, nurturing relationship plays in the future success of their child, particularly the amount and type of interaction and communication between parents and their children. According to research conducted by Hart and Risley, professional families spoke more words to their children during their first three years of age than working-class families and significantly more than welfare families. Hart and Risley concluded that **“children’s exposure to differences in parenting practices and styles is highly correlated with [their] vocabulary growth, vocabulary use, and intelligence”¹⁴** and thus **“enter formal schooling with large differences in ability because they are exposed to very different home environments”** (Ritzer 334)¹⁴. This early influence in children’s life has been shown to have lasting impacts on how the child will perform in school as they age, meaning children of lower income families are often at a disadvantage and have to work harder to achieve the same educational and social status.

Even if children of working- or middle-class families were to beat the mounting odds against them to reach this level, higher education is no longer the great equalizer it once was. The fact that **“High-income kids who don't graduate from college are 2.5 times more likely to end up rich than low-income kids who do get a degree”¹¹** is a blunt testament to the bleak reality of the situation (O’Brien). Nonetheless, most people are lead to believe that a higher education is a must for a successful future. Despite the ballooning costs of college tuition and other related fees, automation and globalization has forced many people who once held comfortable jobs to attend or return to college in order to remain employable and competitive in

their field. This has created a market that is ripe for exploitation by the likes of the for-profit college industry, a predatory relationship that was explored by the PBS film *College, Inc.*

The for-profit universities profiled in the documentary *College, Inc.* preyed on students **“that traditional higher education has given up on”**⁴. They enticed them with alleged opportunities to improve their career aspects and overall future without the hassle or stress of attending public universities. What they don’t reveal is the price tag, which students often have to take out hefty loans to pay. The return-on-investment on these for-profit universities is also minimal compared to non-profit universities. Those who do graduate from for-profits often struggle to find a well-paying job in their field and are thus more likely to default on their student loans than other graduates. In fact, for-profit university students **“represent just 10 percent of all college students but nearly half of all defaults”**⁴. Similarly, their student debt is **“more than twice that of students at traditional schools”**⁴. Perhaps the low quality of education has to do with the fact that some of these crooked institutions, like the University of Phoenix, spend upwards of \$130 million on advertisements and only a fraction of that on actual educational materials and instructors.

Structural functionalists would debate that while the notion of the American Dream is inherently unequal and oppressive to some, it arguably constitutes the very backbone of our country’s ego. Simply put, the **“Stratification is needed first to ensure that people are motivated to occupy the less pleasant, more difficult, and more important positions in society”** and is also **“needed to be sure that people with the right abilities and talents find their way into the appropriate positions”** (Ritzer 207)¹⁴. The problem is that this **“assumes higher-level occupations, such as physicians and lawyers, are more important to society than such lower-positions as laborers and janitors”** (208)¹⁴. *Critical theorists* also criticize

structural functionalists because often times, **“economic rewards motivates the wrong people to occupy these [highly-paid] positions”** (208) ¹⁴.

The wealthy would probably look at the current state of affairs through the structural functionalist point-of-view. They would likely see a person’s place in society is more or less dictated by the immediate monetary value they are able to produce. Workers become wage slaves whose ultimate pursuit in life is money. Their work defines them and often prevents them from pursuing what they’re truly passionate about and leaves them feeling disillusioned with life, eluding to the Marxist theory of worker alienation.

This unhealthy glorification of constant, arduous wage labor—a tenet that’s central to achieving the American Dream—has been linked to a load of negative psychological and social side effects. A 1993 article in the Journal of Personality and Social Psychology found that **“the relative centrality of money-related values and expectancies is negatively related to college students' well-being and mental health”**⁹ and that **“a high centrality of aspirations for financial success is associated with interview ratings of lower global adjustment and social productivity and more behavioral disorders”**⁹. In essence, the dog-eat-dog capitalist society of today has made people much more selfish and much less trusting of others. It creates a system where people try to one-up each other rather than collaborate to discover solutions. It places immense pressure on individuals to succeed and conform to society, even if it compromises their personal well-being and mental health.

This environment of stress, paranoia, and fierce competition often leaves people entirely convinced that they are unable to make profound change and must simply accept the unjust system they live in. People will beat themselves up and believe that they simply didn’t work hard enough to make it to the top—despite their best, most sincere efforts. They’ll hold the rich with

near god-like reverence, believing that they made it to where they are solely through their hard, honest work—the epitome of the American Dream.

David Rockefeller and Steve Jobs are just two of the names that come to mind when discussing the embodiment of the American Dream. Classic rags-to-riches stories have emboldened many working- and middle-class people to consider themselves “temporarily embarrassed millionaires” with the belief that they will one day obtain handsome income and accumulate ample wealth through hard, honest work. While some of them will indeed make it big, the vast majority do not. Writer Kurt Vonnegut succinctly summarized the irony of this American Delusion in his seminal book *Slaughterhouse Five*, saying:

America is the wealthiest nation on Earth, but its people are mainly poor, and poor Americans are urged to hate themselves. To quote the American humorist Kin Hubbard, 'It ain't no disgrace to be poor, but it might as well be.' It is in fact a crime for an American to be poor, even though America is a nation of poor. Every other nation has folk traditions of men who were poor but extremely wise and virtuous, and therefore more estimable than anyone with power and gold. No such tales are told by the American poor. They mock themselves and glorify their betters. The meanest eating or drinking establishment, owned by a man who is himself poor, is very likely to have a sign on its wall asking this cruel question: 'if you're so smart, why ain't you rich?' (Vonnegut 1972)¹

This self-loathing, pull-yourself-up-by-the-bootstraps attitude is what has largely discouraged collective social movements that are otherwise commonplace in Asia, Europe, and South America. It is the reason our country is the only industrialized nation without socialized universal healthcare, the reason there is no strong, unified American socialist political party, and

the reason that Americans have an irrational fear of socialism in general. It is what has divided American workers and has allowed them to become susceptible to division on grounds of religion, race, or social status while discouraging unity rooted in a shared economic class.

Considering how downtrodden, divided, and unorganized everyone else is, why would the rich care about socioeconomic inequality anyway? They live in a world where they are seemingly insulated from external pressures, where they do not share the same worries and concerns of the non-wealthy. In a 2012 *Vanity Fair* article titled “The 1 Percent’s Problem”, economist and Columbia University Professor Joseph Stiglitz argues that the rich should have a vested interest in the success and well-being of the middle- and working-class. To Stiglitz, the relationship between income inequality in a country and the prosperity of all its citizens (rich included) is simple:

It is no accident that the periods in which the broadest cross sections of Americans have reported higher net incomes—when inequality has been reduced, partly as a result of progressive taxation—have been the periods in which the U.S. economy has grown the fastest. It is likewise no accident that the current recession, like the Great Depression, was preceded by large increases in inequality. (Stiglitz 2012)¹⁵

It has been proven that higher wages and better worker treatment result in increased worker happiness and productivity. A 2015 study by economists at the University of Warwick **“found that happiness led to a 12% spike in productivity, while unhappy workers proved 10% less productive”** (Revensencio)¹³. This dip in productivity has cost US companies nearly \$600 billion a year in lost profits. Furthermore, a 2014 study by the Center for Economic and Policy Research showed **“that the 13 states that increased their minimum wages on Jan. 1 [2014] have had stronger employment growth than the 37 states that didn’t”** (Davidson)⁶. It

is quite evident that companies have plenty to gain from increased productivity and consumer spending that would result from better wages and improved worker treatment.

However, the thought that the wealthy, ruling elite would actually ever concede even some of their power and make it easier for the rest of us to succeed, simply out of the sheer generosity of their heart, is laughable. As famed social reformer and abolitionist Frederick Douglass once wrote, “**Power concedes nothing without a demand. It never did and it never will**” ⁷. The majority of the civil liberties and rights people, especially minorities such as People of Color, women, and members of the LGBTQ+ community, enjoy today have come as a result of staunch, unwavering direct action. These events didn’t just happen because those in power had an epiphany one day and discovered that what they were doing was detestable.

Our textbook states that social movements are some of the most important catalysts of social change. They have brought dictators and their regimes down and have transformed entire societies and economies. As Gustav Le Bon noted in his book *The Crowd: Study of the Popular Mind*:

The great upheavals which precede changes of civilizations such as the fall of the Roman Empire and the foundation of the Arabian Empire, seem at first sight determined more especially by political transformations, foreign invasion, or the overthrow of dynasties. But a more attentive study of these events shows that behind their apparent causes the real cause is generally seen to be a profound modification in the ideas of the people. (Le Bon 2014) ²

But in order for social movements to be effective, “**there must be openings or opportunities within the political system**” ¹⁴. Social movements are also more likely to succeed if there is

“physical proximity of those involved”¹⁴ and if they have **“‘free spaces’ where those involved can meet”** (Ritzer 451)¹⁴. Finally, there must be fluid and wide mobilization of material, social-organizational, human, moral, and cultural resources. Successful social movements that have radically upended the status quo, such as American Revolution, the Civil Rights movement, or the more recent Arab Spring, have all benefitted from having these three prerequisites.

In the United States—and arguably, throughout the world—the conditions necessary for broad, effective social change are coming to a boil. In most of the country, worker wages have stagnated while the wages of CEOs and other executives have grown heartily. Many key industries in the United States, such as construction, manufacturing, and energy, have been gutted of well-paying jobs—either by automation, new technology, cheaper capital in developing nations, or a combination of these factors. These bad economic conditions have exasperated social tensions, with **“a majority of African-Americans (56 percent) and whites (60 percent)”** feeling that race relations in this country have deteriorated in the past few years (Booker)³. Furthermore, large swaths of people are frustrated with their elected officials who are perceived as do-nothing rent seekers—especially after the Republican Congress’ enabling of Donald Trump and failed repeal of Obamacare. All these factors have culminated into an overall environment of stewing animosity, one that is quite polarized along political and racial lines.

However, any effective social movement that would restore the conditions necessary for the American Dream faces a litany of obstacles. The sheer size and diversity of the United States alone would make it difficult for people to unite under one common objective. Our underdeveloped mass transit infrastructure and consuming work schedules would make it difficult for a lot of people to mobilize quickly and efficiently. It is worth noting that the internet and social media have greatly facilitated the communication and organization of large groups of

people, providing the perfect vehicle for the mobilization of resources needed for sweeping social change. The problem is that politicians are slowly chipping away at net neutrality and internet freedom, sewing fears that the any dissenting communication and organization will be silenced completely. Dictators in other countries have filtered or entirely blocked citizen's access to the internet, so it wouldn't be hard imagining it happen domestically. Furthermore, access to "free spaces" where people can assemble is becoming increasingly restrained. In just the past few years, legislation that would punish and penalize peaceful protesters has been introduced in ten different (Republican-controlled) states, such as the proposal to **"allow motorists to run over and kill any protester obstructing a highway as long as a driver does so accidentally"** in North Dakota, or the one **"that would instruct police to use 'any means necessary' to clear protesters off a roadway"** in Indiana (Woodman)¹⁶.

It is clear that those in power are going to fight tooth-and-nail to maintain it and will not hesitate to assert their dominance. The United States has criticized strongmen and dictators around the world who have used coercion to maintain their grip, but politicians in the United States have done the same. Instead of doing it through the barrel of a gun, however, they have done it through the tip of a pen. Social and economic legislation that has masqueraded as benefitting the public good has actually served as one of the largest impediments in achieving the American Dream for many people. Policy makers tell us the prosperity will trickle down to everyone on the social hierarchy, but those at the bottom are left dying of thirst. Though the rich are laughing to the bank due to these policies, they will only further increase the inequality between the haves and the have-nots and, eventually, lead to an unprecedented collapse of the US and world economy that will consume them as well.

We had a slight scare in 2008 and, for the most part, made it out okay. This time around, however, I don't think the bankers, politicians, and businessmen that spurred this economic and societal downfall will be as lucky as they were nearly ten years ago. The public is becoming increasingly aware of their nefarious practices that are corroding away one of the bastions this country rests upon: the American Dream. Diplomacy and watchful waiting can only go so far. It's is arguably only a matter of time before the poor and working-class feel like they are left with no other viable recourse and the heads start rolling. As Le Bon gravely warned, **"When the structure of a civilization is rotten, it is always the masses that bring about its downfall"** (Le Bon 15)². The capitalism that once paved the way for the American Dream has mutated into something that is rotten and unsustainable; if significant changes aren't made, it can spell the end of us all.

The American Dream is not dead yet, but it is in critical condition. The social and economic policies implemented by our government in the past four decades have maimed it, rendering it nearly unrecognizable. Though the wealthiest echelons of US society have benefitted from this exploitation, they have plenty to be worried about in regards to burgeoning economic and social disparity. I agree with Stiglitz when he argues the rich should **"put any latent notions of altruism aside and reduce the idea to one of unadulterated self-interest"**¹⁵ in order to reduce inequality, since it is unlikely they will do so out of genuine compassion and empathy for their fellow man. We're all on the same boat, at least for the foreseeable future, so it is important for those with the resources to help those who aren't as fortunate.

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