What Do Americans Talk about When They Talk about Inequality?

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Abstract

Rising levels of inequality currently receive a great deal of attention from the mass public. But what do ordinary people have in mind when they talk about inequality? In this study, we use both survey and survey-experimental data to investigate whether Americans understand this highly abstract concept the way that academics have in mind. Results show substantial evidence of misunderstanding, and this helps to explain the relatively weak link between concern about inequality and support for redistributive economic policies.
What Do Americans Talk about When They Talk about Inequality?

Income inequality is a widely used term in contemporary public discourse, but it is not always clear what the people championing its reduction have in mind. Should the rich ideally earn less? Should the poor earn more? Or perhaps both? Moreover, income inequality is a complex concept. Thinking about rising inequality involves the capacity for conceptualization of not just one, but two abstract entities—both the rich and the poor—and one must conceptualize these two income groups changing differentially over time. At the very least it involves comparisons of four different quantities.

The sheer complexity of this concept suggests that scholars should not take for granted that what members of the public have in mind when voicing concerns about inequality is the same thing that scholars have in mind. Indeed, much of what is known about public opinion advises that complex issues invite multiple interpretations. Academics may envision increasingly polarized income distributions or graphic representations of inequality, but how do ordinary people conceptualize this problem?

Most public opinion assessments have assumed a tacit public understanding of this concept, despite its obvious mathematical origins. But do Americans really understand the notion of variance in income as distinct from its mean level? Poverty is intuitively understood as problematic for a poor person, but wealth alone does not strike most as problematic. Moreover, inequality can be high or low in very poor societies as well as in relatively affluent ones.

The current consensus from public opinion research on this topic is that Americans are very concerned about income inequality. People recognize that inequality has increased during the last 20 years (Bartels 2005; McCall 2013), and most voters want dramatically lower levels of economic inequality (Kelley & Evans 1993; Kelley & Zagorski 2004; Osberg & Smeeding 2006; Svallfors 1993, 1997). Surprisingly,
people across the political spectrum ostensibly are in remarkable agreement about the ideal level of inequality (Kiatponsan & Norton 2014; Norton & Ariely 2011).

Both Republicans and Democrats report high levels of concern about this issue (Pew Research Center 2014). However, such concern is a curiously weak predictor of support for policies that might alleviate inequality. As a result, some have questioned whether the American public really wants substantially lower levels of inequality. In this study we use survey and experimental data to examine levels of public understanding of this phenomena, and to better understand what inequality means to the average American.

We investigate five possible explanations for the weak connection between perceptions of rising inequality and support for more egalitarian economic policies. First, we use open-ended questions to get a sense of how people understand the question when they are asked about income inequality. Next, we examine whether the American public is capable of differentiating a policy that reduces inequality from one that increases the mean level of income. Third, we assess the extent to which motivated reasoning drives perceptions of which policies are best for purposes of alleviating inequality. Fourth, we use apolitical measures of people’s numeracy, and particularly their intuitive understanding of variance, to evaluate the extent to which low levels of numeracy limit people’s abilities to understand the concept of inequality. Finally, we investigate the possibility that the strength of the relationship between concern and policy support is limited by anti-government sentiment associated with conservative ideology. Because most policies designed to redistribute income and reduce inequality involve government, and conservatives are typically opposed to government remedies for social problems, they may, quite logically, disapprove of rising inequality yet remain ideologically consistent in resisting government solutions.
Roadblocks to Popular Understanding of Economic Inequality

Given the inherent complexity of income inequality, we predict that many Americans have a difficult time fully understanding this highly abstract concept. In one of the few studies to date examining this question, Krupnikov and Levine (2014) demonstrate that people are far less likely to think of inequality in terms of ordinary Americans than when they think about other economic issues. Issues such as unemployment or poverty, by contrast, readily bring to mind examples of ordinary citizens experiencing these problems. But inequality is inherently a relational concept, meaning that it can only be understood with reference to some other group or individual.

As a result, inequality is more likely to be conceptualized in abstract terms. Why does it matter that it is difficult to think of inequality in concrete terms? Identification of individuals affected by specific problems has marked effects on attitudes (Ostfeld & Mutz 2014; Slovic 2007; Small & Loewenstein 2003). Yet, we cannot, for example, speak of a single individual as being “unequal.”

In addition, we suspect that policy preferences involving income redistribution may be affected by people’s pre-existing preferences and political predispositions. Studies of motivated reasoning demonstrate that reasoning on policy questions is powerfully driven not just by accuracy goals but also by directional goals (Kunda 1990; Taber & Lodge 2006). Hence, people’s understanding of the concept of economic inequality may be affected by how this concept relates to their policy preferences. We investigate this possibility by analyzing the predictive power of policy preferences and party identification on the understanding of economic inequality.

Further, we further anticipate that an individual’s level of mathematical/statistical prowess will affect the extent to which he or she understands economic inequality. Relatively large parts of the American population have low levels of numeracy, that is, the ability to understand and utilize numerical and mathematical concepts. (OECD 2013: 75) Even among highly educated individuals, a substantial
proportion exhibit low levels of numeracy (Lipkus, Samsa, & Rimer 2001; Låg, Bauger, Lindberg, & Friborg 2014; Peters & Bjalkebring 2015). Income inequality is closely tied to the statistical notion of variance. This concept in particular is not easily understood, even among college students who have taken introductory courses on statistics (Slauson 2008). As a result, we suspect that an understanding of variance—whether intuitive or mathematical—also plays a role in correctly understanding economic inequality.

For conservatives in particular, there is yet another potential explanation for the limited predictive power of concern about inequality when it comes to supporting redistributive policies. Relatively weak support for redistributive policies in the face of extremely high levels of concern about inequality could result from a desire to promote greater equality by other, non-governmental, means. If one dislikes government involvement more generally, then genuine concern might not translate into support for government policies (McCall 2013, p. 200). But will conservatives actually support efforts to reduce inequality so long as they do not involve big government? We investigate this possibility in the context of a nationally-representative survey experiment.

**Research Design**

In order to answer these questions, we began with an exploratory pilot survey executed using a convenience sample of Mechanical Turk respondents in May 2015. A total of 267 respondents were randomly assigned to be asked one of two different questions commonly asked about inequality. Half were asked, “Do you think the size of the gap in incomes between rich people and poor people has increased or decreased compared to what it was 20 years ago?” A second group was asked, “Do you think that income inequality is more or less of a problem today than it was 20 years ago?”
Our main point in asking these questions was not to analyze the answers quantitatively so much as to gain insight from open-ended follow up questions: “In your view, what are some of the reasons that [the gap between the rich and poor has increased/decreased] [income inequality is more/less of a problem today than it was 20 years ago]? What do you think has caused this to happen? After an initial response, respondents were prompted, “Anything else? Please try and think of one additional explanation.”

These open-ended data were used for two purposes. First, they allowed us to assess which of these two closed-ended questions was most easily understood by respondents. In addition, the open-ended responses gave us a sense of the ways in which survey questions about inequality could be misconstrued.

Following this exploratory survey, we commissioned a representative national survey of Americans asking questions designed to address each of the potential sources of inconsistency in attitudes toward inequality. Data were collected by YouGov of Redwood City, CA, specifically for purposes of this study. The survey was in the field in October 2015 with a sample size of 1,994 respondents. In order to evaluate the extent to which people could correctly identify a more redistributive policy, respondents were randomly assigned to receive one of three different question variants. In each case, they were asked,

Which of these two policies would do the most to reduce inequality?

Policy A, which would raise the incomes of all Americans by an equal amount, or

Policy B, which would […]

Across the three randomly assigned experimental conditions, only Policy B changed. In one condition, Policy B both raised the incomes of poor people and lowered the incomes of the rich. In a second condition, Policy B strictly raised the incomes of the poor. In a third condition, Policy B strictly lowered the incomes of the rich (see Appendix A for question wording). In all three conditions, Policy B was the

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1 The policy choices were purposely worded so that regardless of whether one thinks about these policies additively or multiplicatively, the correct answer remains the same.
policy choice that would do the most to reduce inequality between rich and poor, while Policy A simply raised average income across the board.

In addition to assessing the accuracy of people’s Perceptions of Redistributive Policies, these same three scenarios and experimental conditions were used to assess respondents’ Perceptions of the Policy Best for Raising the Average Income. This question asked, “Which of these two policies would do the most to raise the average American income?”

Yet another question used the same policy options, A and B, to assess the respondent’s own Preference Between Policy Options. In this case, respondents were asked, “If you had to choose between Policy A, which would raise the incomes of all Americans by an equal amount, and Policy B, which would […]], which would you choose?” Thus respondents reported which policy they personally preferred, as well as the policy they thought would do the most to reduce income inequality, and the policy they thought best for purposes of raising the average income. Any given respondent remained in the same experimental condition with the same policy options for all three questions.

To assess levels of numeracy and understanding of variance in particular, we created two questions designed to assess this skill without drawing on potential bias from people’s political preferences or attitudes about inequality. For these purposes, we used graphic images, as shown in Figure 1. The question shown on the left side of Figure 1 displays six different color-coded districts and asks which one has the most variation in the height of its buildings. Respondents could choose among any of the six colors. The graphic display shown on the right side of Figure 1 was purposely designed to mimic the most commonly used graphs illustrating growing inequality over time, but in this case greater equality is illustrated, and the context is the average amount spent per year on dogs versus cats. We purposely avoided more complex

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2 While there are several existing numeracy scales, e.g., Lipkus et al. (2001) and Peters et al. (2006), these scales primarily test subjects’ ability to understand and calculate probability, not variance.
language such as percentage change or other statistical references in order to make the question as straightforward as possible, and in order to make the correct answer obvious from merely glancing at the figure, without need for mathematical calculations.

[Figure 1 here]

For purposes of assessing whether the weaker support among Republicans for redistributive policies stems from distrust of government solutions, we first examine Republican and Democratic support for a battery of redistributive policies, some of which are government policies and others which are sponsored by religious groups or private foundations. Because these policies could not be otherwise identical and still remain plausible, we also executed a survey experiment in the context of our national survey. When asked a series of statements about addressing equality of opportunity, we substituted either “The government” or “Our society” as the agent of change. For example, respondents were asked, “The government/Our society needs to invest more in job training to reduce income inequality,” or “The government/Our society should do what is necessary to make sure that everyone has an equal opportunity to succeed” (see Appendix A). To the extent that dislike of government solutions is the source of Republicans’ reticence to support redistributive policies, they should show greater willingness with respect to equality of opportunity rather than equality of outcomes, and with respect to the general need for society to do something as opposed to having government serve as the solution.

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3 However, if those more mathematically inclined did choose to interpret the question in a more complex fashion, the correct answer would remain the same for both items.
Results: Misunderstanding Economic Inequality

We began our analysis of results by examining the qualitative data from MTurk respondents who were asked about either “income inequality” or “the gap between rich and poor.” Do people understand these commonly asked questions about income inequality?

In response to the question asking directly about “income inequality,” the open-ended responses revealed some confusion as to the type of inequality to which the question referred. Among those in this random half of the sample, 7.5% explicitly or implicitly referred to racial inequality or gender inequality. Although the question clearly asked about income inequality, frequent references in public discourse to other forms of inequality led some to misconstrue the question:

- Nothing has changed! People are still dealing with racism and the glass-ceiling.
- Racism, social and class warfare.
- There is also more of a segregation in terms of education, healthcare, and neighborhood.
- People of color and women are being treated much more poorly than men and especially white men.
- Women's rights and women becoming better at those jobs that pay more.
- There are more women in the workforce than back then.
- Women have made great strides in today’s economy.
- People have more respect for women now.
- Women are working in more fields and are still being paid significantly less than men.

Although racial and gender biases may be causes of income inequality, income inequality is about the size of the gap between rich and poor, regardless of gender or income. Interestingly, among respondents who were randomly chosen to be asked instead about “the gap in incomes between rich
people and poor people,” there were no signs of misconstruing this as a question about racial or gender inequality. Given that the question is intended to be about wealth disparity, the question about rich and poor clearly outperformed the question directly using the term “income inequality.”

Turning to our representative national survey, we next evaluated the extent to which people could choose the more redistributive policy from a question offering only two policy options. Combining across all three experimental conditions, 48% of respondents chose the wrong answer for the policy that would best reduce income inequality. Instead, they chose the policy that raised everyone’s incomes (Policy A) as the more redistributive policy. Although one can see why this is an attractive option, it does not do much to improve the problem of income inequality. Moreover, given that there were only two policy options from which to choose, this is not an impressive rate of accuracy since it is roughly what one would obtain by flipping a coin.

In addition, as shown in Figure 2, more people in the condition offering the option of raising the incomes of the poor correctly selected the redistributive option than in the conditions offering either the option of 1) both raising the income of the poor and lowering the incomes of the rich, or 2) the condition that only lowered the incomes of the rich. Logically, one would think that both lowering the incomes of the rich and raising the incomes of the poor would be most effective at reducing the gap between rich and poor. This was not, however, how respondents understood these policies. Instead, they were most likely to choose the correct option when it involved strictly increasing the incomes of the poor. Rates of correct responses differed significantly by experimental conditions (F=39.88, p<0.001).

[Figure 2 here]

As noted, variance is a particularly difficult concept for people to understand, even students in statistics courses. Nonetheless, even more surprisingly, we found roughly equal levels of misunderstanding in response to questions about which policy was best for purposes of raising the average income as for the
question asking about which policy would be best for reducing inequality. The correct answer for raising the mean was consistently Policy A, which raised everyone’s income. Nonetheless, a similar percentage of this representative sample (42%) chose the wrong answer for the policy that would raise the average income as selected the incorrect answer for the policy that would best reduce inequality.

As shown further in Figure 3, although Republicans were more likely on the whole to choose the incorrect policy for purposes of improving inequality, both Republicans and Democrats showed similar patterns in that they were most likely to select the correct policy when raising everyone’s income was paired with the option of raising the incomes of the poor, and least likely to get it right when the paired options were raising everyone’s incomes versus lowering the incomes of those at the top of the income distribution.

[Figure 3 here]

Overall, Americans’ understanding of the impact of various economic policies is shockingly low. In total, only 22% of respondents correctly chose both the policy best for purposes of redressing inequality, and the policy best for raising average incomes in the country as a whole. The strong partisan pattern shown in Figure 3 led us to focus next on the extent to which perceptions of “best” policies for reducing inequality are driven by rationalization of respondents’ own preferences.

Motivated Reasoning

To what extent are people reporting that whatever policy they personally favor is also the policy that happens to be best for purposes of reducing inequality? Given the tendency to rationalize one’s own policy preferences even in the face of contradictory information, motivated reasoning could lead people who favor Policy A over Policy B to likewise select Policy A over Policy B for purposes of reducing inequality. Figure 4 shows respondents’ answers to the question of which policy is best for reducing
inequality relative to those who preferred Policy A to Policy B. Here, as predicted, we find a pattern consistent with motivated reasoning. Whatever policy one prefers is also “best” for purposes of reducing inequality. For example, among those who personally preferred Policy A, which raised everyone’s incomes by comparable amounts, close to 70 percent also said that Policy A was best for reducing inequality. In contrast, among those who preferred Policy B, well over 80 percent also chose Policy B as the policy best for purposes of reducing inequality. The effect is substantial; if a respondent prefers a policy that reduces income inequality, the probability of getting the correct answer for the policy that best reduces inequality is roughly three times greater than when he or she prefers the policy that raises everyone’s income.

[Figure 4 here]

Further, as shown in the first column of Table 1, even after taking into account rationalization of their own policy preferences, Republican partisans are also more likely to think that raising all incomes equally will best improve inequality. So both their personal policy preferences encourage this conclusion, and their party identification also independently does so. It is important to ponder why this might be the case. Is there a rationale for people believing that a rising tide that lifts all boats could also reduce inequality? Certainly, a rising tide could help lift those in poverty out of this condition, but we do not see an easy way for it to reduce inequality per se.

Model 1 in Table 1 also shows that education does not play a significant role in improving accuracy, contrary to what one might have expected. Whites, younger people and those with higher family incomes were more likely to select the correct policy option for improving inequality. But motivated reasoning and partisanship appear to play the most important roles in people’s understanding of what policy is best for reducing inequality. From this perspective, high levels of concern about inequality are not necessarily internally inconsistent with Republicans’ most often stated policy preferences. They are at least supporting the policy they perceive to be best for reducing inequality.
The Role of Innumeracy

Variance is at the core of a conceptual understanding of inequality, and our two numeracy items were designed to tap people’s understanding of this concept, whether intuitive or mathematical. Given the simplicity of these questions, the percentage of correct answers was not particularly impressive, although it was better than for the choices between Policy A and Policy B. For Numeracy Item 1 (the building height variance question), 61% of people chose the correct answer. For Numeracy Item 2 (the cat/dog spending question), 57 percent selected the correct answer. Those who gave correct answers to a question were scored as 1, while incorrect answers were scored as 0. Roughly half of the respondents were correct on just one of the two items.

In Table 1, Model 2, we show the same regression as in Model 1, but this time including both numeracy measures as explanatory variables. As shown in Model 2, Numeracy Measure 2 significantly predicts correct policy choices even after taking into account all other explanations. Notably, the previous results did not change, but this particular measure of Numeracy makes a significant independent contribution to understanding inequality. We suspect that it outperforms the building height numeracy question because it resembles the graphs often used to illustrate growing income inequality.

The Role of Anti-Government Sentiment in Support for Redistributive Policies

While the majority of Americans acknowledge that income inequality has increased compared to 20 years ago, this has not resulted in mass support for redistribution; indeed, recent empirical studies suggest that rising income inequality has instead promoted conservatism (Ashok et al. 2015; Kelly and Enns 2010; Luttig 2013). There is a surprisingly tenuous link between the degree to which people think that income
inequality has increased, and their support for policies involving redistribution. As discussed thus far, this could occur for a variety of reasons including misunderstanding the concept of inequality, motivated reasoning, and a lack of understanding of what policies would do the most to reduce inequality.

Yet another possible explanation is that even if people across partisan lines care about income inequality to a similar degree (Norton & Ariely 2011), Republicans might not like redistributive policies because they are opposed to big government. In other words, they could be concerned about the problem of inequality, but not see government as the answer. If this is true, then Republicans should at least show support for non-governmental policies with the goal of reducing income inequality.

Using survey measures of people’s preferences for both government-implemented and non-governmental policies to reduce income inequality, we constructed two policy support indices, one indicating support for governmental policies with implications for inequality, and the other for non-governmental efforts to accomplish this same end (see Appendix A). We predicted that Republicans would be less likely to support redistributive policies that expressly involve government implementation than those that did not. However, as shown in Figure 5, Republicans were slightly more supportive of governmental efforts than of non-governmental policies designed to reduce inequality (p<.001). Counter to our expectation, the gap between levels of support for governmental versus non-governmental policies is greater for Democrats than for Republicans (F=73.46, p<0.001), and Democrats are significantly more supportive than Republicans of both governmental and non-governmental efforts to reduce inequality (F=1412.07, p<.001; F=323.34, p<.001).

To be fair, because most redistributive policies with which people are familiar are, indeed, government policies, our non-governmental policies may be less popular with both Democrats and Republicans simply because they are less familiar. Moreover, these policies were not identical in all other
respects. Thus in Table 2 we use a multivariate analysis to examine whether concern about the income gap predicts redistributive policy support to a greater extent for Democrats with government policies, and for Republicans when it comes to non-government remedies. Notably, Table 2 also controls for both one’s own abstract policy preference.

[Table 2 here]

As illustrated in Table 2, preferring the abstract policy option that reduces inequality is a consistent predictor of supporting actual government policies as well as non-governmental efforts to reduce inequality. Further, those who concur that the gap between rich and poor has increased are also more likely to support these policies, just as one would expect. But surprisingly, perceiving that the income gap has increased is an especially strong predictor of redistributive policy support among Republicans. This remains true regardless of whether one looks at support for government or non-governmental policies. It appears that Democrats are supportive of redistribution regardless, whereas among Republicans, believing that this problem has worsened is an essential element in garnering support for redistributive policies. But contrary to our hypothesis, the link between perceiving a growing gap between rich and poor and supporting redistributive policies is stronger for Republicans than for Democrats when it comes to either government policies or non-governmental efforts to reduce inequality.

Our final test of whether Republican concerns about inequality are simply expressed differently from those of Democrats utilized policy questions addressing equality of opportunity. According to many scholars, this is the ground on which liberals and conservatives meet (McCall 2013). Although Republicans may care more about rewarding hard work and merit, both groups agree that equality of opportunity is important to offer all citizens, regardless of equality of eventual outcomes. Thus a random half of our national sample was asked questions with stems at the beginning of the question making it explicit that these would be government-implemented policies involving equality of opportunity, while the other half
received identical questions, changing only the stem. For example, respondents answered questions asking if they agreed or disagreed that “[“The government/Our society] should do what is necessary to make sure that everyone has an equal opportunity to succeed.”

Interestingly, in contrast to Figure 5, the average level of support for these policies in the public as a whole was slightly lower when asked with “The government” as the stem of the question (F=16.77, p<.001). However, as shown in Figure 6, when broken down by partisanship, the results demonstrated the same pattern as in Figure 5. Democrats were significantly more supportive of both governmental and non-governmental statements about reducing inequality (F=394.51, p <.001; F=230.44, p <.001 respectively), although Republicans showed slightly higher levels of support for non-government-attributed redistributive preferences. We thus conclude that Democrats exhibit more policy support for reducing inequality than Republicans, regardless of whether it is government implementing the policy, and regardless of whether the policy focuses on equality of outcomes or equality of opportunity. Weak relationships between concern about inequality and redistributive policy support do not appear to be a function of anti-government sentiment.

**Discussion**

Do Americans understand the concept of increasing income inequality? Our findings cast serious doubt on the extent to which this term is well understood by the American public. Instead, we find that a number of obstacles prevent people from understanding the concept, and in translating concern about increasing inequality to policies designed to reduce it.

First, some respondents confuse economic inequality with racial and gender inequality, although we suspect this percentage may be relatively small. More importantly, even when policies are stripped of the political baggage associated with well-known policies such as welfare, Americans do no better than chance
at differentiating between policies that reduce inequality and policies that raise the average American income.

In addition, low levels of numeracy in the U.S. limit people’s abilities to understand the concept of increasing variance. Indeed, even when given examples of the kind of graph often used to illustrate the problem of rising inequality, a large proportion of respondents did not understand it. Even though the apolitical context eliminated respondents’ abilities to project their own preferences onto their perceptions, innumeracy further contributed to misunderstanding the policies best for purposes of redistribution. To be fair, income inequality is a highly abstract concept, so misunderstanding should come as little surprise.

People’s perspectives on which policies are best for purposes of reducing inequality are heavily driven by motivated reasoning. In other words, whatever policy they personally prefer is also seen as the policy “best” for addressing the problem of increasing inequality. This form of projection allows people to remain internally consistent in perceiving inequality to be problematic, yet not necessarily endorsing redistributive policies.

Finally, although it is true based on our survey-experiment that Republicans are somewhat more likely to favor policies ensuring equality of opportunity so long as they are not explicitly tied to government, Republicans are still less likely to support redistributive policies of all kinds. Dislike of big government accounts for little if any of Republican reticence about redistributive policies.

What are the implications of these findings for understanding current public concerns about inequality? Rising inequality is real; however, what people talk about when they talk about inequality appears to be poverty more than inequality per se. Although there can be no doubt that actual levels of inequality have increased in the United States, it is not at all clear that people understand what they are asking for when they advocate greater income equality. By far the most popular redistributive policy option among Americans is raising the incomes of poor people, followed by raising the incomes of poor people
while simultaneously lowering the incomes of the wealthy, followed by the least popular option, lowering the incomes of the wealthy.

In this sense it is ironic that the most popular remedy for inequality in the minds of the public does not target the source of the problem. The typical graph used to illustrate inequality is shown in Figure 7, where one sees the income gap widening over time. As shown in Figure 7, inequality has increased in the U.S. primarily because the wealthiest Americans have become even wealthier, not because the poor have become poorer. Nonetheless, perhaps because extreme wealth does not appear to be an urgent problem that needs fixing, this is not the focus of public attention.

[Figure 7 here]

Instead, it appears that in voicing concerns about inequality, what people are most concerned about is poverty rather than inequality per se. Although inequality and poverty are not completely unrelated, they are not the same problem. America has only recently deemed income inequality the “defining challenge of our time” (Obama 2013), but the surprising lack of popular discontent or uprising against wealth disparity in the United States is, in reality, a long-standing puzzle. Inequality levels in the U.S. have long been high relative to those of other countries. To care about inequality, members of the mass public must be concerned not only about whether people have the resources to live comfortably, but also with the relative wealth of others. In other words, they must actively compare the have and the have nots, and resent the status of the wealthy.

Studies of inequality in America in previous eras concurred that Americans endorse, if not favor, economic differences among people (Hartz 1955; Hochschild 1981; Sombart 1976). The idea of flattening income disparities, even to citizens in the lowest income bracket, seemed to “take all the fun out of life” (Hochschild 1981: 30). Instead, these material differences were viewed as part of the much coveted American dream.
Given the perceptions and policy preferences that we have documented, we suspect that many if not most Americans do not understand the term “inequality” in the same way academics do. Instead, “income inequality” has become a new way of expressing concern about poverty. Coverage of poverty has amounted to less than 1% of news space in recent years (Froomkin 2013). We suspect this is because inequality has supplanted poverty as a means of discussing this same underlying concern. Although economic discourse is currently framed in terms of “inequality,” the concern expressed by the public appears to focus on poverty. The desire to aid those in need far surpasses the desire to lower the incomes of the rich.

Although actual inequality in the U.S. has been fueled exclusively by the rise of the very rich, Americans appear to care less about this than about the ongoing plight of the poor. Ironically, the status of the poor has not changed much in either direction during this same time period. If anything, the status of the poorest Americans has improved slightly. Nonetheless, we suspect that in the minds of most Americans, inequality in the sense of income variance is not the central problem, and that this is why they do not favor policies designed to reduce it (see Feldstein 1999). They generally favor raising everyone’s income rather than decreasing inequality, and if they favor redistributive policies at all, they are in favor of raising the incomes of the poor. Thus while increasing inequality may be a serious problem for American elites, what the public actually wants when it says it want more equality may be altogether different.
Table 1. Factors Predicting Correct Policy Choice for Reducing Inequality

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<tr>
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<th>Model 1</th>
<th>Model 2</th>
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<td>Personal preference for policy</td>
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<td>2.560***</td>
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<td>that reduces inequality</td>
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<td>(buildings)</td>
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Note: Entries are logit coefficients with standard errors in parentheses.  
*** p<0.001, ** p<0.01, * p<0.05
### Table 2. Factors Predicting Support for Redistributive Policies

<table>
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<tr>
<th></th>
<th>Government policy support index</th>
<th>Non-government policy support index</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>All Sample</td>
<td>Democrats</td>
</tr>
<tr>
<td>Personal preference for abstract policy that reduces inequality</td>
<td>0.206*** (0.022)</td>
<td>0.157*** (0.027)</td>
</tr>
<tr>
<td>The extent to which a respondent agrees that the income gap has increased</td>
<td>0.353*** (0.040)</td>
<td>0.128** (0.045)</td>
</tr>
<tr>
<td>Republican</td>
<td>-0.679*** (0.056)</td>
<td></td>
</tr>
<tr>
<td>Democrat</td>
<td>0.548*** (0.052)</td>
<td></td>
</tr>
<tr>
<td>White</td>
<td>-0.037 (0.048)</td>
<td>-0.003 (0.050)</td>
</tr>
<tr>
<td>Age</td>
<td>-0.006*** (0.001)</td>
<td>-0.000 (0.001)</td>
</tr>
<tr>
<td>Education</td>
<td>-0.022 (0.014)</td>
<td>0.044** (0.016)</td>
</tr>
<tr>
<td>Female</td>
<td>0.091* (0.039)</td>
<td>-0.136** (0.045)</td>
</tr>
<tr>
<td>Family Income</td>
<td>-0.042*** (0.006)</td>
<td>-0.022** (0.007)</td>
</tr>
<tr>
<td>Constant</td>
<td>2.981*** (0.118)</td>
<td>3.412*** (0.141)</td>
</tr>
<tr>
<td>Observations</td>
<td>1,700</td>
<td>772</td>
</tr>
<tr>
<td>R-squared</td>
<td>0.468</td>
<td>0.093</td>
</tr>
</tbody>
</table>

Note: Entries are OLS coefficients with standard errors in parentheses

*** p<0.001, ** p<0.01, * p<0.05
Figure 1. Apolitical Assessments of Respondents’ Understanding of Variance

The diagram below shows the height of buildings in 6 different districts, each represented by a different color. Which district has the most variation in the height of its buildings?

a) Brown
b) Turquoise
c) Yellow
d) Green
e) Blue
f) Purple

Based on the graph shown below, the average amount spent per year on dogs and cats has become

a) More equal from 1970 to 1990
b) Less equal from 1970 to 1990
c) About the same disparity in 1970 as in 1990.”
Figure 2. Percentage of Respondents Who Correctly Chose the Policy that Reduces Income Inequality, by Experimental Conditions

Note: Bars represent percentage of respondents who picked the correct policy that reduces inequality (coded as 1) over the policy that raises everyone’s income (coded as 0). Percentages were significantly different by experimental conditions ($F=39.88$, $p<0.001$). Pairwise comparisons show that each experimental condition is significantly different from the others.
Figure 3. Percentage of Partisan Respondents Who Correctly Picked the Policy that Reduces Inequality, by Experimental Condition

Note: Bars represent percentage of self-identified Democrat and Republican respondents who picked the correct policy that reduces inequality (coded as 1) over the policy that raises everyone's income (coded as 0). Means were significantly different by experimental conditions for Democrats ($F=46.05, p<0.001$) as well as for Republicans ($F=6.18, p<0.01$).
Figure 4. Respondents’ Own Policy Preferences Drive the Perception of Which Policy is Best for Reducing Inequality.
Figure 5. Mean Levels of Support for Redistributive Policies, by Partisanship

Note: In both government/non-government policy support index, the partisan differences were statistically significant at p<.001 level. All the questions and indices are rescaled so that they range from 0 to 1 for the ease of interpretation.
Figure 6. Mean Levels of Support for Policies Encouraging Equality of Opportunity, by Partisanship

Note: Bars represent mean level of support for policies that enhance equality of opportunity by experimental condition and party identification. The support levels differed by experimental condition (F=22.07, p<.001). In both government-condition and non-government condition, Democrats are more supportive than Republicans. (F=22.29, p<.001) All the questions and indices are rescaled so that they range from 0 to 1 for the ease of interpretation.
Figure 7. Levels of Income Inequality in the U.S.

US real average after-tax income
1979=100

Recessions

Source: Congressional Budget Office
References


Supplemental Materials

Appendix A: Survey Question Wording

Abstract Policy Preferences and Understanding Questions:
Respondents were randomly assigned question A, B, or C. The order of the two answer choices (Policy A vs Policy B) were also randomly assigned within each question.

A: If you had to choose between Policy A, which would raise the incomes of all Americans by an equal amount, and Policy B, which would raise the incomes of people below a certain income by a given amount and lower the incomes of people above a certain income by the same amount, which would you choose?

B: If you had to choose between Policy A, which would raise the incomes of all Americans by an equal amount, and Policy B, which would raise the incomes of people below a certain income by the same amount, which would you choose?

C: If you had to choose between Policy A, which would raise the incomes of all Americans by an equal amount, and Policy B, which would lower the incomes of people above a certain income by the same amount, which would you choose?

Which of these two policies would do the most to reduce income inequality?

Which of these two policies would do the most to raise the average American income?

Government Policy Support Index
Items were measured on a strongly agree/strongly favor (1) to strongly disagree/oppose (5) scale. Government Policy Support Index was constructed by taking the mean of the ten items. (Cronbach’s alpha = 0.92).

To what extent you agree or disagree with each of the following statements:

(a) The government should take measures to reduce differences in income levels.
(b) It takes money to make money, so the government should give low interest loans to those who have good ideas and want to start small businesses.
(c) It is the responsibility of the government to reduce the differences in income between people with high incomes and those with low incomes.

To what extent do you favor or oppose each of the following:

(a) Government subsidies to low-income workers so they can afford health insurance
(b) Government subsidies to low-income workers so they can afford housing
(c) Government subsidies to low-income workers so they can afford childcare services
(d) Raising the minimum wage
(e) Increasing the tax rate on Americans earning more than $250,000 a year
A basic income policy is when the government of a country gives every adult a basic income every month regardless of whether they are rich or poor. Would you favor or oppose giving all Americans a basic income every month?

The Securities and Exchange Commission of the U.S. federal government recently adopted a new rule that requires companies to disclose how much more its chief executive officer (CEO) makes relative to its employees. Do you favor or oppose this new rule?

**Non-Government Policy Support Index**
Items were measured on a strongly agree/strongly encouraged (1) to strongly disagree/strongly discouraged (5) scale. *Non-Government Policy Support Index* was constructed by taking the mean of the eight items. (Cronbach’s alpha = 0.70).

To what extent you agree or disagree with each of the following statements:

(a) Religious organizations should take measures to reduce differences in income levels.
(b) Charities should take measures to reduce differences in income levels.
(c) Private foundations should take measures to reduce differences in income levels.

Some employers have policies that offer a bonus to employees who help fill a job opening by referring a friend or family member who gets the job. Do you think such policies should be encouraged, should be discouraged, or neither?

To what extent you agree or disagree with each of the following statements:

(a) Company policies should make sure that people do not get hired because of who they know.
(b) If a person has a great idea for a business, they will have no problem finding private investors to give them the money necessary to get started.
(c) We should have laws or policies that prevent people from making use of their personal connections to get ahead.
(d) Companies should voluntarily disclose how much more their chief executive officer (CEO) makes relative to their employees.

*Policies that Enhance Equality of Opportunity (Survey Experiment):*
*Respondents were randomly assigned to the government condition or non-government condition for all items. Items were measured on a strongly agree to strongly disagree scale.*

To what extent you agree or disagree with each of the following statements:

(a) [The government needs/Our society needs] to invest more in job training to reduce income inequality.
(b) [The government/Our society] should do what is necessary to make sure that everyone has an equal opportunity to succeed.
(c) [The government spends/Our society spends] too much money improving our education system.
(d) [The government/ Private foundations] should provide low interest student loans so anyone who wants to work hard can go to college.