CHAPTER FOUR

American Beliefs about Income Inequality:

What, When, Who, and Why?

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INTRODUCTION

It is often said that Americans don't care about income inequality. If they did, they would be outraged at its historic rise over the past generation and would support redistributive policies to reduce it. Some even suggest that a shift in social norms was a major factor *contributing* to the rise in inequality. According to this view, American norms of equality must have became more permissive over time, at least relative to the decades following the Second World War when tax rates on the rich were more than double what they are today, unions were strong, the minimum wage was high, and big employers provided ample and secure benefits to their employees. Otherwise, Americans would have prevented the decline of these equality enhancing institutions. Moreover, Americans continue to believe overwhelmingly in the role of hard work in getting ahead even though the distance needed to travel to the top gets longer and longer by the day. Faith in the American Dream of upward mobility appears to be as strong as ever.

Such arguments conform to our conservative image of Americans as individualistic and anti-government, but they are not based on surveys of beliefs about income inequality. They are based on surveys of beliefs about government redistribution and opportunities for upward mobility. Views about these other issues, such as lukewarm support for redistributive policies and optimism about the possibility of upward mobility, do imply that income inequality is of little concern to Americans. Yet the handful of survey questions that ask directly about income inequality reveals that most Americans prefer less inequality than they think exists, and sometimes much less. They also believe that opportunity is more restricted than the typical survey questions portray, as I show in this chapter and in much greater detail in the next chapter. While recently scholars have usefully shown that Americans *do* care about inequality, there is no agreement on what this really means, particularly for public policy. This is because scholars have yet to tackle the key questions of exactly *what* Americans believe, *when* they believe it, and *why* they believe it, all neglected topics in the era of rising inequality and yet necessary to illuminate the politics of the issue. Indeed, it remains somewhat of a paradox that our convictions are so strong and yet our evidence so weak.[1]

In this chapter, I focus exclusively on beliefs about income inequality, drawing a strict separation between these beliefs and beliefs about redistribution and opportunity. These other topics will be taken up in subsequent chapters once a clearer picture of American beliefs about income inequality emerges. I organize the discussion in this chapter around the standard questions of what, when, who, and why. I begin in the first section with the seemingly simple question of *what* Americans think about income inequality. I discuss several dimensions of beliefs about income inequality that have not been studied before and yet seem particularly apropos in the period of rising inequality. For example, despite the mighty growth of incomes at the top over the past several decades, there has been no discussion of how Americans associate

[1] Permissive social norms regarding income inequality are now a widely cited reason for higher income inequality in the United Sates. This explanation is a residual one, however, cited by economists unable to find any other empirically documented reason for the increase in inequality (Krugman 2002, Piketty and Saez 2003). For a view that loosened social norms among executives enabled the rise of executive compensation, see Bebchuck and Fried (2003). Scholarship that focuses on beliefs about opportunity and redistribution includes, among others, Alesina and Glaeser (2004) and Benabou and Tirole (2006), who argue that these beliefs are endogenous to the political economy of redistribution rather than the other way around. Recent scholarship documenting that Americans care about income inequality, but from a variety of view points, includes Bartels (2005, 2008), McCall and Kenworthy (2009), Page and Jacobs (2009), and Newman and Jacobs (2010). See Chapter Two for a full discussion.

income inequality with the fortunes of the rich. A second example is the relationship between economic growth and income inequality, a topic of major debate in economics and yet perhaps considered too esoteric for ordinary Americans.[2] But in fact survey researchers in the 1970s and 1980s routinely asked Americans about how their beliefs about inequality were shaped by its potential to foster incentives for innovation and growth.[3] This focus has been lost in recent years, however. We do not know whether Americans believe that income inequality fuels economic growth, whether they think it can have adverse effects on the economy, as suggested by the recent financial crisis, or whether they think both are possible. These are some of the central issues in the study of attitudes about income inequality that are explored in this chapter.

I then move on to more challenging questions, beginning with the question of *when* Americans think what they do about income inequality. American beliefs about income inequality are often assumed to be static and enduring, with perhaps episodic swings during short periods of reform or the trough of a business cycle. Recent scholarship has suggested that American concerns about inequality grew as levels of inequality itself grew to excessive levels, whereas other scholars, as noted above, assume that norms of inequality have become more permissive. But neither stability nor change has been documented conclusively as of yet; mostly they remain intriguing hypotheses of previous research.[4] The five time points of survey data spanning the twenty years from 1987 to 2008 that are available from the GSS allow us to do so.

If Americans beliefs are not static, which I find to be the case, a number of explanations of *why* Americans believe what they do can then be tested for the first time. Are American

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[2] Benabou (2000), Andrews et al. (2009), Voichovsky (2010).

[3] McCloskey and Zaller (1984), Kluegal and Smith (1986), Lane (1986).

[4] Page and Jacobs (2009) and Newman and Jacobs (2010) argue that concerns have increased with rising inequality, citing McCall (2005, 2007) and Kenworthy and McCall (2006), though also noting that we find a more complicated, nonlinear trend (see McCall and Kenworthy 2009). This analysis is extended below.

beliefs a consequence of the vicissitudes of economic insecurity and changes in the business cycle or of the rise in inequality itself? And if the latter, how do Americans know about the rise in income inequality? Finally, *who* among Americans hold such beliefs? Do Americans think as one when it comes to the issue of income inequality, adhering to the American Dream as a national ideology? Or are shifts over time the result of growing polarization between income and partisan groups, in concert with increasing polarization in the income distribution and in partisan politics?

In sum, even if Americans are said to care about income inequality, it is crucial to understand what exactly they believe and why they do so, for this will open a much needed window into how they think income inequality *specifically* should be treated as a social, economic, and political issue. This is a different question than how they think other forms of inequality (e.g., access to education or health care) or economic hardship (e.g., poverty, old age) are to be treated. As this study takes place during a period of substantial economic, political, and social change, it capitalizes on a changing context to determine the motivations that lie at the core of stated beliefs about income inequality. Although it is impossible to generalize from this period to other periods, we can assess whether the New Gilded Age conforms to the expectations and assumptions we have developed about American beliefs about income inequality.

We will find that they do not. Americans are surprisingly attuned to distributional outcomes; they care about the equitable nature of economic growth rather than economic growth per se. But there is no straightforward correspondence between personal financial hardship or rising levels of inequality and outrage over the widening gap in income and wealth. Nor are the politics of the issue neat and tidy, for there is evidence of both polarization and mass beliefs shifting and evolving over time. These findings will be critical ingredients in understanding income inequality as a distinct social issue and in deciphering, in future chapters, the paths that connect beliefs about income inequality to preferences for expanding opportunities and redistributing incomes in a more just and fair manner.

WHAT DO AMERICANS BELIEVE?

Arguably the best individual-level data on multiple dimensions of beliefs about income inequality replicated over time in the era of rising inequality come from the Social Inequality Modules of the General Social Survey (GSS) in 1987, 1996, 2000, and 2008, and the International Social Survey Program (ISSP) in 1992 (Kelley et al. 2002).[5] There are three relevant questions present in all five years in which the module was included:

> Do you agree or disagree (with responses including strongly agree, agree, neither, disagree and strongly disagree):
>
> 1. Differences in income in America are too large.
> 2. Inequality continues to exist because it benefits the rich and powerful.
> 3. Large disparities in income are necessary for America's prosperity.

If the third question is inverted to read "Large disparities in income are unnecessary for America's prosperity", agreement to each question implies a lack of support for inequality. The range of responses to these questions from strongly agree to strongly disagree also conveys the intensity of support for or opposition to inequality, which can be used to gauge whether views

[5] The General Social Survey is a full probability, personal-interview survey of the United States population. Response rates (RR5) are: .754 for 1987, .761 for 1996, .700 for 2000, and .704 for 2008. The 1992 ISSP data were gathered from the 1991 sample of the General Social Survey. The original response rate for 1991 was 0.778 and 84 percent of the sample was successfully re-interviewed in 1992. Blacks were oversampled in 1987 and the oversampled cases were dropped from the analysis. All analyses reported here are for unweighted data. Several weighting schemes were tested (e.g., the GSS weighting variable *wtssall* for all years and the ISSP weighting variable *v176* for the 1992 data) and they did not alter the substantive results. The 2008 data consist of the cross-sectional sample only and not the panel sample.

about inequality are becoming polarized as well. As a short hand, I refer to these questions as the "too large", "benefits", and "prosperity" questions, respectively. While it would be helpful to have additional questions, these three questions are unique in their substantive focus on income inequality, replication over time during the period of rising inequality, attention to issues of survey question bias, and coverage of multiple conceptual themes.[6]

Each of these characteristics is vital to analyzing beliefs about income inequality, especially over time, but particularly advantageous is the conceptual range of the questions. They include a straightforward question about whether existing levels of income inequality are acceptable and two novel questions alluding to the rich, a social group rarely studied or referenced in survey questions about income inequality but of obvious *a priori* relevance to the issue in much the same way that the poor are relevant to the study of poverty. In the first of the two questions, notions of fairness are invoked as the "rich and powerful" are expressly identified as a social group that both "benefits" from inequality and perpetuates it to its own advantage. The association of inequality with the rich is explicit in this question, but a further implication is that the rich *reproduce* inequality from one generation to the next at the expense of equal opportunities for all, an interpretation that holds up to closer scrutiny in the next chapter. The

[6] The ISSP and GSS also include questions about the actual and preferred pay rates of a select group of occupations, and these data have been used to analyze attitudes about inequality. However, these questions are not as suitable for over-time analysis for three reasons: (1) they are not available in as many years (1996 and 2008 are missing), (2) the selection of occupations varies across the available years, and (3) top coding of responses is set at a relatively low one million dollars for all years, which is particularly problematic for analyzing trends in perceptions of executive pay. For different purposes, I examine these in detail on the following chapter. See Kelley and Evans (1993) and Osberg and Smeeding (2006) for point-in-time analyses of these questions. Other questions on inequality in the American National Election Studies ask about equal rights, equal opportunities, and equal chances without referring to any particular type of inequality, allowing respondents to answer with different forms of inequality in mind. Regarding survey question bias, the questions are framed in two different ways so that agreement bias and measurement error do not run in the same direction for all three questions (the first two are toward opposition and the third is toward support of inequality). The focus on changes over time also minimizes bias because absolute levels of opposition/support are less important. Finally, the first question is not asked in sequence with the second and third questions, limiting the problem of priming from one question to the next.

second of the questions is less direct in its reference to the rich; it implies that the possibility of becoming rich is a spur to succeed in an unequal society. Great wealth and power is the reward for hard work and talent, which in turn stimulates innovation, growth, and a prosperous society that benefits all Americans. Thus we have two entry points for investigating whether Americans believe that the distribution of income benefits only those in the winners circle or whether it is fair and functional for the nation as whole.

While these aspects of the questions break new ground, there is one significant shortcoming they share. None of the three are factual in nature, asking either how much inequality exists or whether it has grown or fallen over time. Consequently, they cannot reveal whether Americans were aware of the *trend* of rising income inequality. But no questions exist in any other dataset or public opinion poll that could determine this for two reasons. First, many survey researchers doubted whether factual questions of this kind were useful given the complexity and abstractness of the issue and the extent of factual misinformation in the population more generally and thus did not ask them. Second, more recently, factual questions have appeared in major surveys but only beginning in the early 2000s; therefore we have no earlier time points against which to compare and interpret the results.[7] In the absence of targeted

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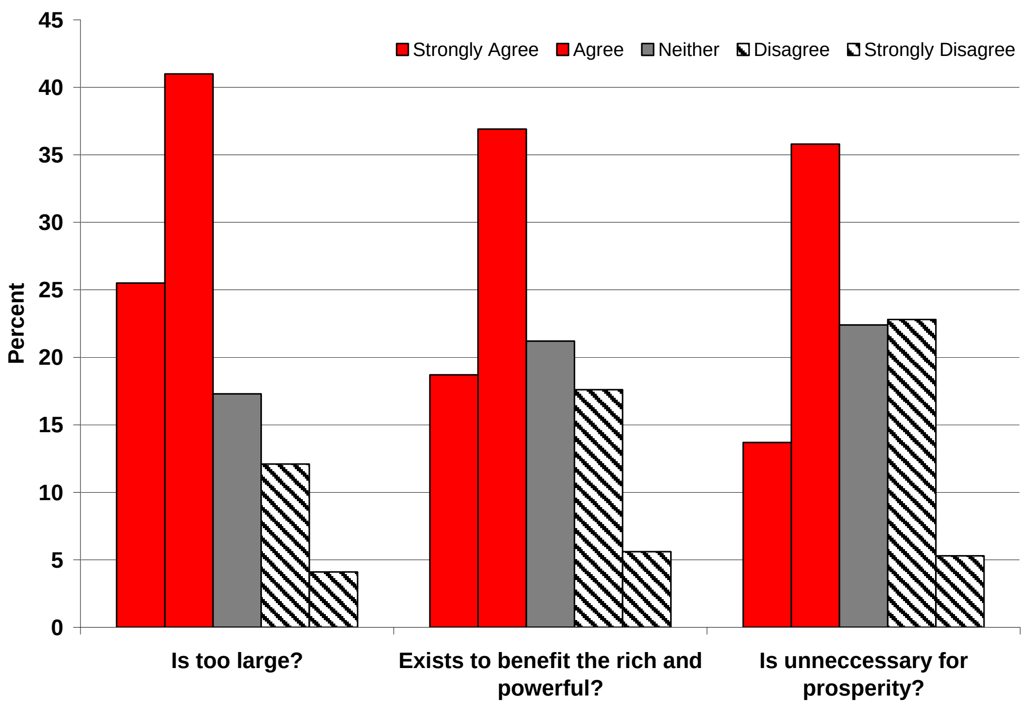
[7] Ladd and Bowman (1998). See Bartels (2005) for factual questions added to the 2002 ANES, which were then replicated in 2004 and 2008. I discuss these in greater detail in the next chapter. They show that most people think that income inequality increased over time: 74 percent in 2002, 81 percent in 2004, and 79 percent in 2008 said that "differences in income between rich people and poor people in the United States today is larger than 20 years ago" (as opposed to "smaller" or "stayed the same"). These response levels resemble those of the longest running question that is factual in nature. The terminology is also similar in some respects, with "rich" and "poor" mentioned in both. The question is a Harris poll about whether the rich are getting richer and the poor are getting poorer. Agreement to this question shot up from less than a majority (45 percent) in 1966 to well over a majority (61 percent) in 1972. Thereafter and up to the present (2009), agreement fluctuated from 65 to 83 percent, with peak levels of agreement occurring in the early 1990s. The marked rise in the sixties and seventies predates the rise in income inequality, so it is unclear why this occurred; perhaps it was because of greater visibility of the poor rather than the rich at that time. Subsequently, both questions seem to indicate that Americans consider rising inequality to be a natural or normal state of affairs *at all times*. Nevertheless, to the extent a trend for the Harris question can be isolated, it is consistent with the nonlinear trend in the GSS data shown below.

questions about how informed Americans are about rising inequality, the time series of questions with the same wording across years in the GSS can help to identify whether American concerns are activated by changes in economic conditions or by the issue of income inequality itself or by some other factor. If American attitudes toward inequality shift, this would suggest that there are conditions under which inequality is perceived as more or less acceptable even if we cannot know for certain whether it is their awareness of exact levels or changes in levels of inequality *per se* that prompted such shifts. We return to these questions after a first look at what Americans think about income inequality for the period as a whole, shown in Figure 4.1.

Figure 4.1. Responses to three questions about whether inequality…
(pooled 1987, 1992, 1996, 2000, and 2008 GSS)



Responses to the three questions about income inequality leave little doubt that Americans are unsatisfied with the current state of affairs. The modal category for all three questions is agreement in the range of 35 to 40 percent: agreement that income differences are too large, that inequality continues to exist because it benefits the rich and powerful, and that large disparities in income are unnecessary for prosperity. Because the modal response to the last question was originally "disagreement" that large disparities in income are *necessary* forprosperity, the strength of these results cannot be attributed solely to the tendency to agree to questions of this nature. Strong agreement to each question is also between 2.5 and 5 times larger than strong disagreement to the question. Taken together, agreement and strong agreement ranges from 49.5 to 66.5 percent of all responses. Over the twenty year period from 1987 to 2008, then, half to two thirds of Americans accepted neither the current level of income inequality nor its stated rationale as a driver of economic prosperity that benefits all Americans and not just the rich and powerful.

DO AMERICAN BELIEFS CHANGE AND, IF SO, WHEN?

On average, sentiment regarding income inequality is in the negative direction, but this impression could be skewed by only one or two years of intense concerns. In most other years, sentiment could be more neutral or even positive, in line with popular assumptions of a tolerantly unequal America. As shown in Figure 4.2, agreement does range widely across years and questions, from 38 to 77 percent (combining strongly agree and agree responses) among the 15 year-by-question combinations (3 questions and 5 years). This variation across both questions and years presents a number of puzzles, most especially the nonlinear pattern of shifts in beliefs about inequality. But for the moment, note that in 12 of the 15 year-by-question combinations, a

50 percent or greater share of respondents are in either agreement or strong agreement to the three questions (and 49 percent for a 13th combination). Agreement is also the modal category in all circumstances, and typically by a long shot (see Table 4.1). Thus American concerns about income inequality fluctuate but they do so predominantly in the zone of disapproval.

Notably, the shape of the fluctuations is not random across questions but is nearly identical for two of the three questions and very similar for the third. There are three segments to the trend. The first and strongest is a large increase in the 1990s in the share of respondents who agreed and especially strongly agreed to these questions. The percentage strongly agreeing that income differences are too large and continue to exist because they benefit the rich and powerful doubled from 15 to 33 and from 14 to 29, respectively, between 1987 and 1996. Even larger is the increase in those strongly agreeing that income differences are unnecessary for prosperity, which rose from 6 to 26 percent between 1987 and 1996. The mid-1990s is the peak in both strong agreement and total agreement for two of the three questions (the "benefits" and "prosperity" questions). The peak in strong agreement is in 1996 for the "too large" question as well, but total agreement peaks earlier in 1992.

The second and third segments of the trend occur as concerns about inequality subside from their peaks in the early or middle 1990s and then either flatten out or stage a rebound in the 2000s. For the straightforward question on whether income differences are too large, agreement declines from 1996 to 2000 and then levels off at a point that exceeds the level of agreement at the beginning of the period in 1987. Therefore a larger share of Americans desires a lower level of income inequality at the end of the period than at the beginning (64 versus 58 percent). For the other two questions, levels of strong and total agreement subside in 2000 to a point very close to

Figure 4.2. Agreement to three questions about income inequality: trends over time (GSS).

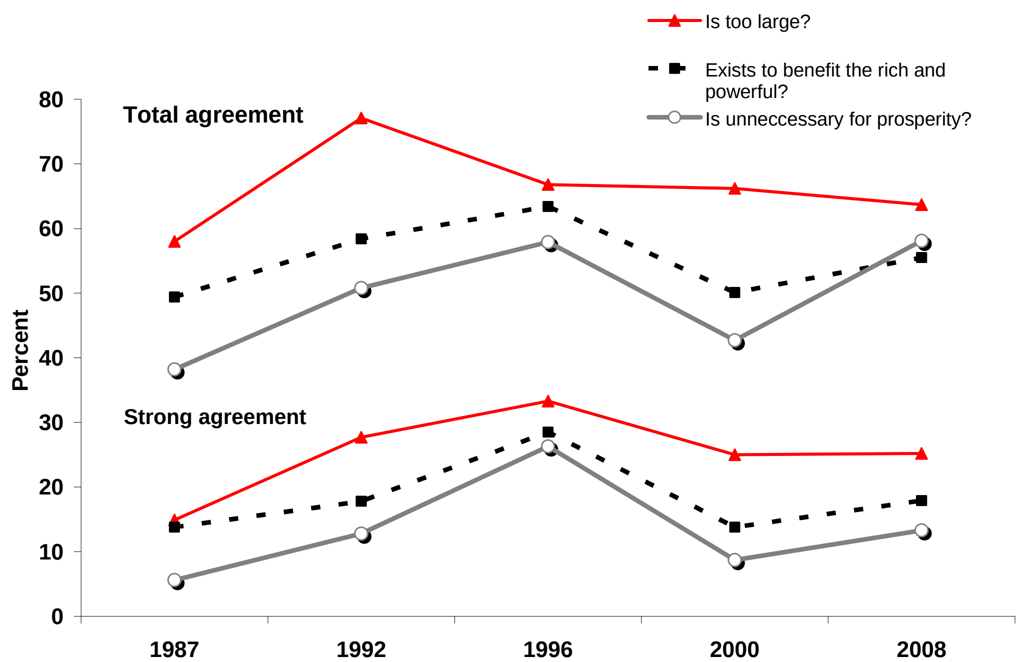


Table 4.1. Full responses to three questions about income inequality: trends over time (GSS).

Questions		Percent Distribution 1987	1992	1996	2000	2008
Do you agree or disagree: Differences in income in America are too large? (INCGAP, 1=strongly agree)	Strongly Agree	14.9	27.7	33.3	25.0	25.2
	Agree	43.1	49.4	33.5	41.2	38.5
	Neither	22.4	11.4	12.8	21.5	19.9
	Disagree	16.3	9.7	12.1	9.2	13.2
	Strongly Disagree	3.3	1.7	8.4	3.2	3.2
	Mean	**2.50**	**2.08**	**2.29**	**2.24**	**2.31**
Do you agree or disagree: Large differences in income are *unnecessary* for America's prosperity? (INEQUAL5, 1=strongly agree)*	Strongly Agree	5.6	12.8	26.3	8.7	13.3
	Agree	32.6	38.0	31.6	34.0	44.8
	Neither	29.3	22.9	12.9	29.9	17.6
	Disagree	26.9	22.2	20.9	22.4	21.5
	Strongly Disagree	5.6	4.2	8.3	4.9	2.8
	Mean	**2.94**	**2.67**	**2.53**	**2.81**	**2.56**
Do you agree or disagree: Inequality continues to exist because it benefits the rich and powerful? (INEQUAL3, 1=strongly agree)	Strongly Agree	13.8	17.8	28.5	13.8	17.9
	Agree	35.6	40.6	34.9	36.3	37.6
	Neither	27.1	18.8	13.7	27.2	20.4
	Disagree	19.2	18.7	14.3	17.8	18.5
	Strongly Disagree	4.3	4.2	8.6	4.9	5.5
	Mean	**2.64**	**2.51**	**2.40**	**2.64**	**2.56**

* This question's wording was inverted so that strong agreement indicates opposition to inequality.

their 1987 levels and then tick up again by the end of the period in 2008. The strongest increase in total agreement occurs for the question about whether inequality is unnecessary for prosperity, which matches its previous peak in the mid-1990s. Thus concerns about inequality grew over the twenty year period from 1987 to 2008 but not in a linear fashion as one might expect if growing concerns simply corresponded to growing awareness and opposition to rising income inequality.

But how much confidence should we have in these trends? Are they relatively minor or the result of random noise? One important piece of evidence indicates that the puzzle of nonlinearity is not isolated to trends in agreement. Looking at the rest of the distribution of responses shown in Table 4.1, we find the same pattern over time in strong *disagreement* to thequestions, a measure of greater acceptance of income inequality. However, acceptance of inequality does not decrease as opposition increases, as one would expect, but rather it increases. This is a sign of greater polarization in views about income inequality at the very moment that opposition is most intense, and it occurs for all three questions. For example, the highest level of strong disagreement occurred in 1996 accompanied by the highest level of strong agreement. The share of "neither" responses also dipped considerably in 1996. Note that this nonlinear pattern of polarization was most pronounced for the “too large” question, leading to higher *mean* levels of acceptance of income inequality in 1996 even as strong opposition was at its twenty year peak (see Table 4.1). By 2000, polarization had subsided and the full distribution of responses more closely resembled the distribution in 1987.[8]

A final test of the nonlinear pattern can be conducted using logistic regression. I estimated separate logistic regression equations with the three inequality questions as the

[8] For all three questions, 1996 has the greatest variance in responses. Polarization as measured by negative values of kurtosis (kurtosis value – 3) is greatest in 1996 for the “too large” and “prosperity” questions and about the same in all years for the “benefits” question.

dependent variables and year dummies for all years but the base year of 1987. The preferred model here, and for most of the rest of the book, is a binary logistic regression with "strongly agree" coded as one and the other responses coded as zero. I use this coding for several reasons. First, it is the most valid measure of the intensity of concern or opposition. Second, it offers an (extremely) conservative estimate of the share of people who oppose inequality, since it does not include the large number of Americans who "simply" agree that income differences are problematic in one way or another. Third, as the trend in polarization illustrates, the proportionate changes in responses over time vary for each of the five categories (strongly agree, agree, neither, disagree, and strongly disagree), suggesting that the parallel regressions assumption of an ordered logistic regression is too restrictive.[9] Although I focus on the "strongly agree" logistic regressions here and throughout the rest of the chapter and book, I tested many other specifications as well and they were consistent with results presented below. I also estimated an OLS regression of an index that adds the responses of the three inequality questions together. These results are provided in the Appendix and I report on them, as well as the results from other regression models, where appropriate.

Consistent with the discussion thus far of Figure 4.2 and Table 4.1, the models indicate that there is significantly greater opposition to inequality after 1987 for all three inequality questions (results not shown). Further, intense opposition *and* intense acceptance are significantly greater in 1996 than in all other years ($p < .01$) and neutral responses are significantly lower in 1996 than in all other years for two of the three questions and all but one of

[9] This is the case with the effect of time on the outcome variables considered here (Long and Freese 2003; Williams 2006).

the other years for the third question.[10] Intense opposition to inequality also shows consistent signs of being greater in 1992 and 2008 than in 2000 for the “prosperity” and “benefits” questions. In short, a clear peak arises in 1996, followed in order by 1992/2008, 2000, and 1987.[11] The nonlinear pattern with the early and mid-1990s as the peak of opposition continues to stand out as both a sign of significant shifts in beliefs about inequality over time and as a puzzle that drives the rest of the chapter. I turn now to consideration of potential explanations of American concerns about income inequality over the twenty year period from 1987 to 2008.

WHY DO AMERICAN BELIEFS CHANGE?

Although the nonlinear trend complicates the story of beliefs about income inequality, it has a scientific upside: it provides a unique trend line against which trends in other economic and political conditions can be compared. For example, if the business cycle affects beliefs about income inequality, beliefs should shift in the expected direction *at each inflection point* of the trend in unemployment, when the economy is expanding as well as contracting. In addition to the business cycle, prior research and theory suggests several other explanations of why American beliefs may change, most of which are social phenomenon that are dynamic. In this section, two broad groups of explanations are examined.

[10] Binary logistic regressions with strong disagreement or strong agreement as the outcome (equal to 1) show that these responses are significantly greater in 1996 than in all other years for all three questions. When “neither” is the outcome, responses are significantly lower in 1996 than in all other years for the “prosperity” and “benefits” questions. For the “too large” question, “neither” responses are lowest in both 1992 and 1996.

[11] Ordered logistic regressions further show that opposition to inequality was significantly higher in 1996 than in all other years for the "prosperity" and "benefits" questions with one exception (a probability level of p=0.06 relative to 2008 for the prosperity question). Since the "too large" question is affected by polarization of responses in 1996 to a greater degree than the other questions, the ordered logistic regression shows that opposition was highest in 1992, followed by 1996. The index regression shows peak levels of opposition in 1992 and 1996 that are equivalent and higher than in the other years.

The first is inspired by median-voter models in which particular political or economic segments of the population will be more inclined to oppose existing levels of inequality than other segments. If particular subgroups expand or contract because of economic or political transformations, such as changes in the distribution of income or partisanship, concerns about inequality might similarly expand or contract. The over-time shift in concerns about inequality might therefore be a result of what are called compositional shifts in the population, an increase or decrease in the size of certain groups relative to other groups that is significant enough to shift average opinion as well. Did compositional shifts take place in such a way as to explain both the ups and downs of American public opinion about income inequality? Or did they occur on a more minor scale, overwhelmed by countervailing tendencies among the mainstream of Americans? This first group of explanations is concerned, then, with the question of *who* cares about income inequality.

The second group of explanations is derived from theories of American Exceptionalism, the American Ethos, and the American Dream, in which Americans are considered tolerant of inequality. This view implies that Americans hold relatively undifferentiated attitudes toward inequality and, in comparative perspective, relatively unique ones as well. Despite the universal appeal of American Dream ideology, however, some proponents of this view acknowledge an undertow of ambivalence in American attitudes toward inequality. Although little discussed in previous research, such sentiments are potentially triggered by conditions under which Americans as a whole are disapproving of inequality.[12] I group these conditions into two sub-

[12] Lane (1962) argues that Americans expect some but not much opportunity for upward mobility but he wrote during a period of robust and equitable economic growth. Lipset (1996) acknowledges that restructuring can be painful but denies that were ever any serious structural challenges brought about by rising inequality; the process has led to upskilling rather than deskilling. McClosky and Zaller (1984), Kluegal and Smith (1986), Hochschild (1991, 1995), all mention potential changes in beliefs brought about by social and economic changes. For example, gender and racial inequalities and poverty were the structural challenges that occupy center stage in Kluegal and Smith's

categories: macroeconomic conditions and norms of fairness related to inequality itself. Each of these will require further theoretical development, which is taken up in later sections. Since *who* cares about income inequality is an easier question to answer, I begin there.

Who Cares about Income Inequality?

The increase in opposition to inequality after the late 1980s could conceivably be due to an increase in the population share of one or more groups that tend to dislike inequality, such as liberals or those with low incomes. In particular, it is often assumed that those at the bottom of the income distribution, who are most hurt by rising income inequality, will follow their self interest and agitate for redistribution in a time of rising income inequality. To determine whether beliefs about inequality shifted over the 1987 to 2008 period because of these types of compositional shifts, I estimate pooled cross-sectional logistic regression models with a set of year dummies and compositional covariates.[13] If shifts in composition fully or largely account for the shifts in attitudes, the dummy variable coefficients for 1992, 1996, 2000 and/or 2008 will

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account (see also Hochschild 1995), but the inflation and unemployment of the 1970s was also mentioned as a potentially new challenge on the horizon. These conditions could limit respondents' perceptions of opportunity and dispose them to a more structural interpretation of unequal outcomes, as opposed to one rooted in individual responsibility and just deserts. Other scholars recorded significant shifts—or the potential for them—during this period as well. Hochschild (1981), for example, argues that "[i]t does not seem farfetched to see the 1940s, 1950s, and 1960s as an era of expansion and optimism, and to see the 1970s as an era of slowing down and of increasing pessimism. That leaves the 1980s poised for an explosion of anger and demands for change among those left behind earlier" (Hochschild, 1981:15). In later work, Hochschild argued that such periods are viewed as only "temporary but correctable anomalies in an otherwise well-functioning system" (Hochschild 1995: 256).

[13] $\mathrm{Ln}(p_i/1\text{-}p_i) = \alpha + \Sigma\, \beta_j X_{ij} + \Sigma\gamma_k T_{ik} + \Sigma\, \delta_m(X_{ij}{*}T_{ik})_{im}$, where p_i = probability of opposing inequality for individual i; X_j = one of J covariates; T_k = one of K=4 year dummies for 1992, 1996, 2000 and 2008; and $(X_j{*}T_k)_m$ = one of M interactions with year dummies (the interactions are examined later). The covariates include all theoretically relevant variables that were available in all five years as well as demographic controls. These include: demographic characteristics (e.g., gender, race, age, family status, residential location, etc.), direct or objective economic status (i.e., education and family income), indirect or subjective economic status (i.e., subjective class identification and chances for upward mobility), and political orientation and ideology (i.e., partisan identification and political ideology). A list of all dependent and independent variables, along with descriptive statistics, is provided in the Appendix.

shrink in size and no longer be statistically significant. We could then explain the trend in attitudes toward inequality in terms of group-specific experiences and ideologies. If the time trend is not accounted for by these shifts, we may infer that changes in opposition reflect more general, population-wide shifts.[14]

Four types of compositional shifts are potentially relevant. The first and most important is economic status. If large portions of the economy's growth go to those at the top of the distribution, the incomes of those in the middle and below may stagnate or even decline. As discussed in earlier chapters, this has in fact occurred.[15] To the extent that individuals associate trends in inequality with trends in their relative compensation, self-interested opposition to the existing level of inequality may increase among those who are falling relatively or absolutely behind.[16] If this is the case, compositional shifts toward one group or the other could have affected the overall distribution of attitudes toward inequality. After experimenting with several different measures of income, and finding little difference among them, I used a straightforward measure of family income, with income set at the mid-point of each income category specified in

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[14] It is also possible that people have changed their understandings of what inequality means, which is plausible given the high degree of abstraction inherent in the term. However, it is still unlikely that large numbers of Americans changed their levels of tolerance *systematically* due to changes in their *individual* conceptions of what inequality means. A more likely scenario is that individuals were subject to similar information that shifted the meaning of inequality in similar ways.

[15] See Lemieux 2008, Piketty and Saez 2003.

[16] Median-voter models (Meltzer and Richard 1981) predicts that the median voter would be better off supporting redistributive programs when median income falls below mean income (as it does in times of rising inequality), implying that voters with income at the median or lower should be more likely to oppose increasing levels of inequality. A revealing experiment by Kluegal and Smith (1986: 110) showed that more than a majority of Americans believed that greater equality was in their material interest, with 62 percent agreeing that "more equality of incomes would allow my family to live better." However, self-interested opposition to inequality fell to 42 percent among those who first responded to questions about the fairness and functionality of inequality in principle. Material self-interest is therefore a potentially important factor in determining responses to growing income inequality, as long as it is not dampened by the view that rising inequality is beneficial for overall economic growth and innovation.

the original GSS data.[17] I also add a set of dummy variables for subjective class position, measured as lower, working, middle, and upper, using "lower" as the omitted group.

A second potentially important compositional shift is in the educational make up of the population. In addition to being a common indicator of economic status—the working class is frequently and increasingly defined as those without a college degree, for example—education can affect how individuals filter new information about changes in social and economic conditions.[18] Those with more schooling are generally less apt to blame rising inequality on individual deficiencies, such as low skills, and more apt to perceive rising inequality as unfair. This may reflect a tendency toward social liberalism associated with higher education or it may reflect a tendency by those with access to more information to consider counter-hegemonic responses.[19] Net of income, then, education may be positively associated with opposition to inequality. Educational attainment has risen over time, so this could perhaps be the cause of rising opposition to inequality. Education is measured in ordinal fashion, with five categories ranging from less than high school (coded 1) to postgraduate degree (coded 5).

The third compositional to consider is political orientation and ideology. Although previous research has not found pivotal differences across political and ideological lines in

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[17] Family income is top coded at different values across survey years by the GSS. The top code with the largest share of the high income population is in 1996, capturing 12.85 percent of the analysis sample. The other years were recoded to have top codes with similar shares of the high income population. Analyses were run both with the consistent top codes and without them and the results were similar.

[18] In fact, many economists argue that income inequality has grown mainly as a result of changes in the demand for skills as measured by the premium in wages that college-educated workers earn relative to non-college educated workers (Goldin and Katz 2008). See also Tuxiera and Rogers (2000) and Frank (2005) for political analyses that define the working class as the non-college-educated.

[19] On the role of education in liberalizing and informing beliefs, see Kluegal and Smith (1986), Zaller (1992). The hegemonic claim is that rising inequality is an inevitable consequence of technological change, whereas the empirical evidence casts doubt on this relationship (Voichovsky 2009).

beliefs about inequality, I investigate them here because of a more recent interest in growing partisan polarization in the United States. Moreover, information about politically salient issues and policy preferences can be heavily influenced by party orientation and political ideology.[20] If liberals and/or Democrats increased their population share, this more liberal orientation might account for the over-time increase in opposition to inequality. This may especially be the case in 1992, 1996, 2000, and 2008, election years in which the Democratic presidential candidate won the popular vote. I allow non-linear effects of political orientation and ideology by entering three dummy variables for party orientation and three for political ideology.[21]

Finally, a variety of demographic controls are included in the models of compositional shifts. These include age, gender, race, marital status, household size, presence of children, employment status, and region of the country. On the whole, these turn out to have little effect on the time trend and are not of strong substantive interest, so I do not discuss them further.[22]

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[20] On polarization, see McCarty, Poole, and Rosenthal (2006) and Gelman (2008). On the role of politics in shaping policy preferences, see Zaller (1992) and Bartels (2008).

[21] "Conservatives" includes slightly conservative, conservative, and strongly conservative; "Moderates" includes only moderates; and "Liberals" includes strong liberals, liberals, and slight liberals. Partisan differences were less straightforward to disaggregate given the ambiguous nature of the "other party" category. I experimented with several breakdowns and found the greatest overall parsimony with the following grouping: "Republican" includes strong Republicans, Republicans, and independents/near Republicans; "Democrats and Independents" includes independents, independents/near Democrats, and Democrats; "Strong Democrats and Other Party" includes strong Democrats and other party.

[22] The greatest compositional effect of the demographic variables appears in 2008, with average age increasing and the white share of the population decreasing to account for some of the increase in opposition to inequality from 1987, especially for the "benefits" question (age is positively associated with concerns about inequality and being white is negatively associated). Newman and Jacobs (2010) show that cohort effects do not affect trends in responses to whether income differences are too large in their analysis of data up to 2000.

Figure 4.3. Strong agreement to three questions about income inequality: trends over time for typical respondent (GSS).

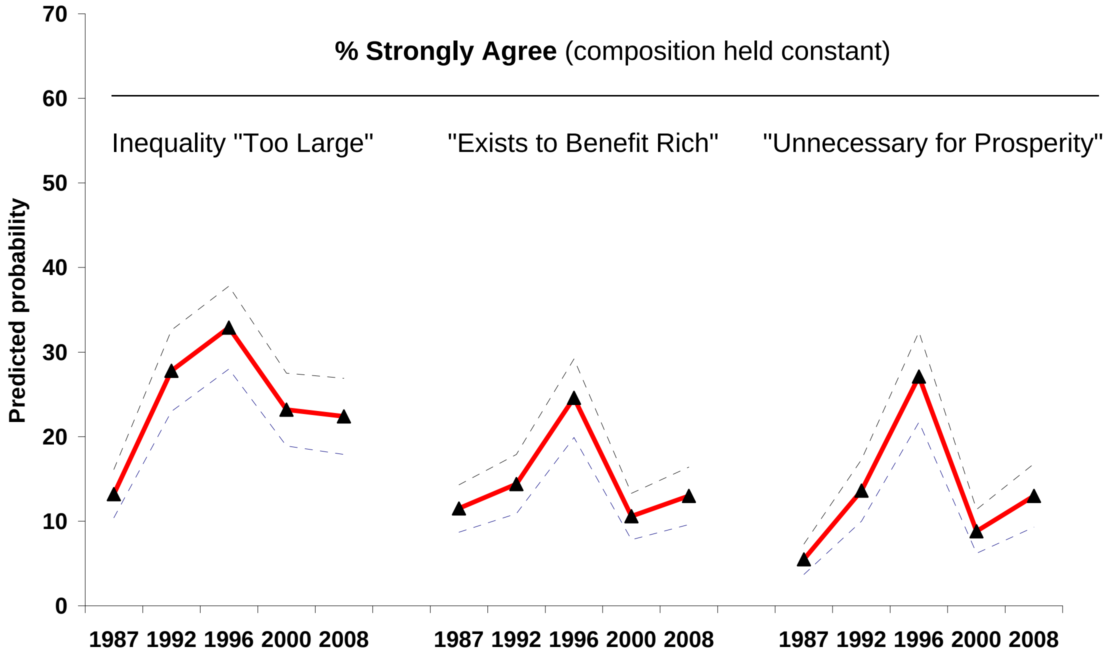


Table 4.2. Pooled regressions of inequality questions, 1987-2008: Year coefficients in nested models (GSS)

	1987 (omitted)	1992	1996	2000	2008
(1) OLS regression of index of three inequality questions* (N=3,899)					
Year dummies (R^2=.02)		0.43 (.056)	0.45 (.057)	0.18 (.059)	0.36 (.054)
+ Demographic variables (R^2=.03)		0.43	0.43	0.16	0.33
+ Family income (R^2=.04)		0.43	0.44	0.19	0.38
+ Subjective class (R^2=.05)		0.43	0.44	0.19	0.34
+ Education (R^2=.06)		0.41	0.41	0.17	0.31
+ Political variables (R^2=.14)		0.46 (.053)	0.45 (.053)	0.20 (.056)	0.33 (.053)
+ SOL will improve (R^2=.17)		0.36 (.052)	0.40 (.053)	0.20 (.055)	0.25 (.052)
(2) Binary logistic regression of strong agreement that "income differences are too large" (N=4,110)					
Year dummies (R^2=.02)		0.82 (.117)	1.06 (.115)	0.48 (.127)	0.72 (.116)
+ Demographic variables (R^2=.03)		0.82	1.06	0.44	0.62
+ Family income (R^2=.04)		0.83	1.07	0.49	0.69
+ Subjective class (R^2=.04)		0.86	1.06	0.48	0.62
+ Education (R^2=.05)		0.84	1.04	0.46	0.59
+ Political variables (R^2=.07)		0.92 (.121)	1.13 (.120)	0.52 (.131)	0.62 (.122)
+ SOL will improve (R^2=.08)		0.82 (.123)	1.08 (.120)	0.52 (.132)	0.52 (.124)

* Full range of responses to the three questions (coded -1 to +1) is added together. The outcome ranges from -3 to +3, with a mean of 0.75 and a standard deviation of 1.17.

The results of the compositional analysis are presented in Figure 4.3, which provides predicted probabilities for each year from the full compositional model. To compare across years, the composition is fixed with the values that define a typical respondent.[23] Table 4.2 provides additional information on the effect of each compositional shift on the year coefficients as they are entered sequentially in nested models. In this table, only two inequality outcomes are shown for illustrative purposes, as the trends are similar for all questions. Both the figure and the table show clearly that the trend in attitudes toward inequality is not fully explained by compositional shifts among economic and political subgroups. The coefficients for the year dummies remain positive, statistically significant, and sizeable in magnitude. Indeed, as Table 4.2 makes apparent, there was little change in the year coefficients as each subsequent set of compositional factors was entered into the model. Based on the results from the full compositional model in Figure 4.3, the probability of strongly agreeing to the three questions increased by a factor of 2.15, 1.27, and 2.33 from 1987 to 1992 for the "too large", "benefits", and "prosperity" questions, respectively. From 1987 to 1996, the factor increases were still higher: 2.54, 2.27, and 4.50. Intense opposition to inequality was less likely in 2000 and 2008 than in 1996 but still significantly greater than in 1987 for two of the three questions. Thus the nonlinear trend in attitudes toward inequality is virtually unchanged by compositional shifts.

Although the increase in opposition to inequality was broad-based, some groups were more (or less) likely than others to oppose inequality in all five years and changes in the size of these groups do account for a small portion of the trend in opposition to inequality over the years

[23] The composition is fixed with median values for categorical variables and means for ordinal variables: female, white, married, employed, not living in the South, self-identified as middle class, a democrat or independent, and moderate, and with mean age, household size, children, education, and family income.

of the study. By the same token, some explanations for the trend can be ruled out by the patterns of compositional shifts that did occur. Three findings in particular stand out.

First, taken as a whole, the indicators of economic status— family income, subjective social class, and even education—have little effect.[24] Although I experimented extensively with the functional form of both the income and education variables, in few of the models predicting strong opposition to inequality were both consistently significant, even in models without any other controls. Both education and income have stronger effects in the equations with the full distribution of responses added together into an index (as shown in the Appendix). This reflects their uneven impact across the three inequality questions as well as across the response categories of each question. Subjective social class is also uneven in its impact, serving to dampen concerns in the earlier years by a shift towards higher class identities (as shown in Table 4.2 by the increase in the coefficients when it is entered) and raise concerns in the later years, especially in 2008, by a shift back toward lower class identities. In fact, the effects of an increase in mean income and a decrease in social class identification, which indicates lower social class identification, mostly cancel each other out in 2008. This could be a significant trend to follow in the future.

Second, the results affirm earlier suspicions that family income and education are not associated with opposition to inequality in the same way. As expected, the sign of the family income coefficient is negative in all equations with strong agreement as the outcome and in the index equations indicating that those with lower incomes are more likely to oppose inequality. In contrast, where education is strongly and linearly significant, it is in a positive direction. Those

[24] This is consistent with much previous research (Verba and Orren 1985; Kluegal and Smith 1986; Gilens 1999) but also might be the result of common method and endogeneity bias among the attitudinal variables, something I examine further below. Comparisons of the strength of effects are based on standardized coefficients, which are not shown.

with higher education are more likely to strongly agree that inequality is "unnecessary for prosperity" and to express more opposition to inequality when all three questions are combined in the index models (shown in the Appendix). Education is not significant in the other two binary response models.[25] Thus education appears to reflect a socially liberal orientation toward inequality or access to specialized information rather than objective economic status as such. Because of this difference in effects, increases in mean education and income over time tend to cancel each other out in their impact on attitudes about inequality.

Third, political ideology and partisanship are strongly and consistently associated with attitudes toward inequality in the expected directions: Democrats are significantly more inclined to oppose current levels of inequality than Republicans, and liberals are more inclined to do so than conservatives. But since the population became slightly less liberal in the 1990s relative to 1987 (see the descriptive statistics in the Appendix), shifts in ideological leanings were *not* conducive to raising opposition to inequality, and therefore the coefficients become more positive when these variables are entered into the model (as shown in Table 4.2). These results further suggest that increasing opposition to inequality in the mid-1990s was widespread, growing even in the face of a slight rightward ideological shift.

Although the effects of income, education, and subjective social class were not impressive, it is possible that some economically vulnerable groups had heightened concerns about growing income inequality only in the early and mid-1990s when the issue appears to have become more salient. That is, it could be that their *beliefs* changed more dramatically than their

[25] Part of this effect could be attributed to response bias as well. Recall that the prosperity question is unique in that agreement signified support for inequality in its original wording. Opposition to inequality would therefore have to be registered by disagreement in the original wording. Because agreement bias tends to be greater for those with less education, the strong positive effect of education could reflect this bias (i.e., among those who were opposed to inequality, the educated were more likely to respond with disagreement than the less educated) (Zaller 1992).

share of the population. This may be true of particular political and ideological groups as well, providing evidence of increasing political and ideological polarization over time. The evidence for shifts in concerns among subgroups is a change in the size and significance of coefficients as measured by an interaction term between year and the characteristics that should affect beliefs about income inequality, namely the primary factors explored in the compositional analysis: income, partisan identification, political ideology, education, and subjective social class (along with the full set of compositional controls). With one exception, Figures 4.4 and 4.5 present the results in which I found a significant year-interaction term for the question about whether income differences are too large. The results are illustrated for the same typical respondent across years, as was done in Figure 4.3.

Among other things, the shifts in beliefs over time reflect a period of heightened polarization by family income as well as a swell of mainstream opposition to inequality among moderates, both occurring during the height of opposition to inequality. Partisanship and education vary in their effects over time as well. Beginning with the evidence of polarization, there are clear signs in the spread of views between income groups and partisan groups. Even though family income does not have an effect on the intensity of opposition in most years, it does have this effect during the height of intense opposition to inequality in the mid-1990s. The effect becomes significantly negative in 1996 for two of the three questions (the "too large" and "benefits" questions), as well as in the index model. As shown by the patterned bars on the left side of Figure 4.4, this polarization was characterized by upper income respondents becoming *less* disturbed by inequality in 1996 than they were in 1992, whereas respondents in the middle and at the bottom of the income distribution became more disturbed, along with the general

Figure 4.4. Strong agreement that income differences are too large: polarization (in grayscale) by family income and partisanship over time for a typical respondent (GSS).

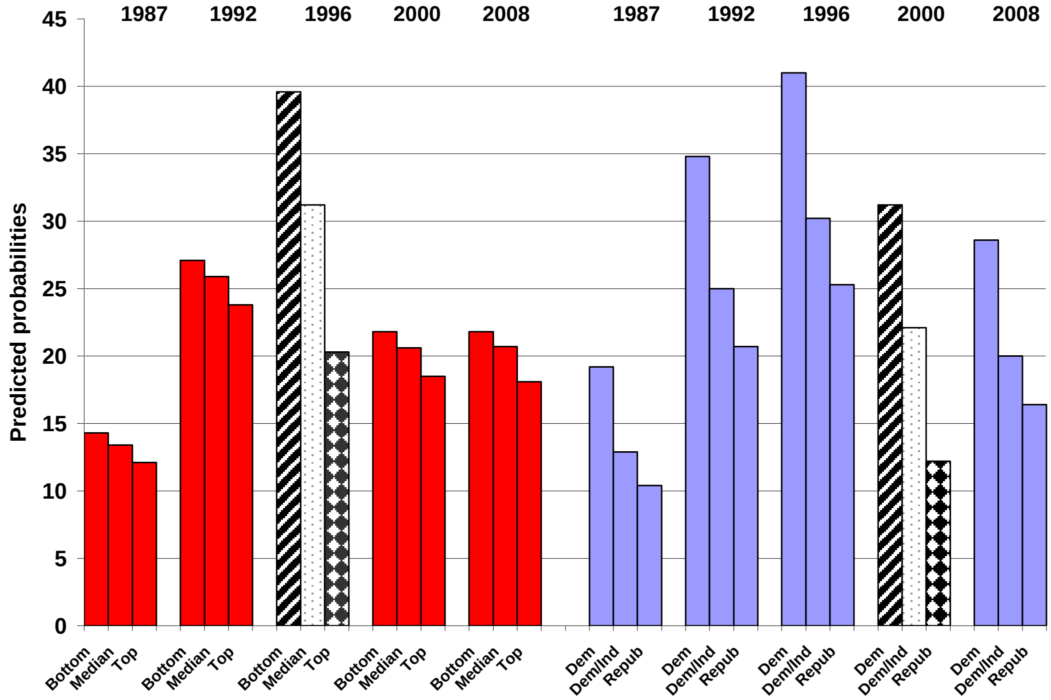
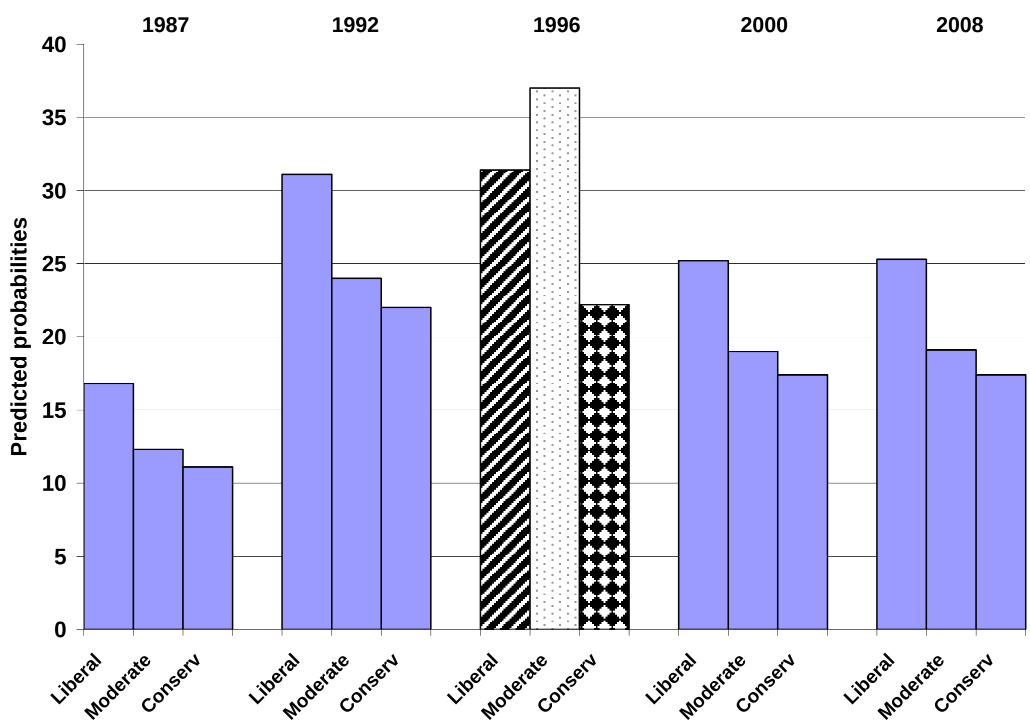


Figure 4.5. Strong agreement that income differences are too large: moderate (in grayscale) opposition to income inequality in 1996 for a typical respondent (GSS).



population.[26] In all other years, you can see little variation in views among the top, middle, and bottom of the income distribution regarding whether income differences are too large. Polarization also grew in views between strong Democrats and Republicans for two of the three questions (the "too large" and "benefits" questions). Unlike polarization by income, however, political polarization was highest in the year 2000 and not earlier in the 1990s when opposition to inequality was greatest for all partisan groups.[27]

Second, there is equally compelling evidence of growing mainstream skepticism of inequality in the early and especially middle part of the 1990s. As shown in Figure 4.5, moderates—accounting for some 40 percent of the sample—grew significantly more opposed to inequality in 1996 in response to the "too large" question and in the index of all three questions. In fact, their opposition surpassed that of liberals: the share of moderates strongly agreeing that income differences are too large rose by 25 percentage points from 1987 to 1996, from 12 to 37 percent, whereas it rose by 14 percentage points for liberals, from 17 to 31 percent.[28] Another indicator of growing mainstream opposition is not shown in the figures but concerns the impact of educational differences. At the height of opposition in the mid-1990s, educational differences

[26] In the interaction model with the "too large" question as the outcome, the average predicted probability of strongly agreeing declined from 0.24 to 0.20 between 1992 and 1996 for the top coded category of respondents, which is roughly the 87th percentile of the distribution. By contrast, the average predicted probabilities for the median and bottom 10th percentile increased by 5 and 12 percentage points, reaching as high as 40 percent among those at the bottom.

[27] For example, those in the Republican category were 19 percentage points less likely than those in the strong Democrat and other party category to strongly agree that income differences are too large in 2000, whereas this difference was 9 percentage points in 1987 and 2008, 14 percentage points in 1992, and 12 percentage points in 1996.

[28] This interaction effect is also significant in the index equations. To determine whether the composition of moderates changed significantly in a liberal direction from 1987 to 1996, explaining the increase in intense opposition among them, I examined the party identification of moderates and found that moderates actually became significantly more conservative in their party identification (moving toward the Republican end of the scale, p=0.018 with no other controls).

were of little consequence in response to the question of whether large disparities in income were necessary for prosperity. In all other years, the most educated group, postgraduates, were more likely to be skeptical of the role that income inequality plays in generating prosperity. This suggests that the biases toward the educated that are built into this demanding question were somehow overcome during the middle 1990s, facilitating more widespread agreement that inequality is unjustified.

In sum, the balance of evidence continues to point toward a unique concentration of concerns about income inequality among mainstream Americans in the mid-1990s. This is illustrated by both the unusual increase in opposition among moderates and the breakdown of educational divides in opposition. It is also confirmed by the ongoing significance of the time trend after the inclusion of compositional and behavioral controls. This is not to dismiss signs of polarization, however. Polarization among income groups is consistent with the spike in polarization in responses in1996 that we discussed earlier, in which increases in strong agreement were accompanied by increases in strong *disagreement*. In addition, polarization by family income is exactly what most political economy models would predict: rational preferences derived from an individual's relative position in the income distribution.

But several questions remain. Why did this occur in only one of the five years that span our twenty-year period, not to mention the year of peak opposition? Those with top incomes were the only group to significantly decrease their opposition at this time, even as Republicans increased their opposition and conservatives maintained the same level they had in 1992, as shown in Figures 4.4 and 4.5. Rising partisan polarization in beliefs about income inequality does not appear until the end of the 1990s, perhaps suggesting that politicization of the issue came after the debut of income inequality as an economic and social problem of popular interest.

Thus heightened concerns about inequality were widespread but they were by no means universal. Those with a stake in rising inequality could have been reacting at different times to the winds of change engulfing them. I return to this possibility later in the discussion.

Mainstream Shifts in Attitudes Due to Macroeconomic Changes

If the views of particular groups of Americans are not primarily responsible for the increase in concerns about income inequality in the early and middle 1990s, perhaps the shift in public opinion stems from a more general reason that cuts across social divides. If this is true, a leading candidate is the state of the national economy. In a recent review of public opinion on inequality, for example, Schlozman et al. write that "[a]ttitudes appear to vary somewhat with the business cycle…Economic downturns tend to produce more egalitarian sentiments."[29] Similarly, one of the most influential theories of public opinion maintains that changes in policy preferences or "mood" are tethered to the rhythms of economic ups and downs. Even Americans who are expected to have little information or sophistication about economic matters are attuned to economic indicators that affect their livelihood and cost of living. They become more liberal when unemployment is high, favoring government action to mend the economy, and more conservative when inflation is high, favoring a brake on spending. Thus American views about income inequality, like other policy-related issues, may move together across groups and in tandem with salient indicators of economic conditions.[30]

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[29] Schlozman et al. 2005:23. However, as far as I can tell, there is no research that tests this proposition. Gilens (1999) finds support for this proposition but he examines attitudes towards welfare instead of inequality as the outcome.

[30] On policy mood, see Erikson, MacKuen, and Stimson (2001); on awareness of basic economic indicators among the least sophisticated, see Enns and Kellstedt (2008); on movements across groups or "parallel publics," see Page and Shapiro (1992).

I evaluate this possibility in two ways. The first involves another question from the GSS and the second a comparison between the trend in beliefs about inequality and the trend in various economic indicators such as unemployment and growth. Because inflation has been relatively tame during the entire twenty-year period of this study, I do not examine it separately as an economic indicator, though it is probably factored into responses to the GSS question that I analyze. This question asks respondents about the chances of improving their standard of living given "the way things are in America today."[31] The current economic context is not mentioned explicitly, but it is probably safe to assume that it would be one of the main reasons that Americans would feel a sense of opportunity, or a sense of insecurity, about their chances for upward mobility in the future. In addition, a subjective sense of improving one's standard of living would seem to usefully include the price of consumption items such as a home or a college education for one's children. These are central to living the American Dream and yet may have become unaffordable (or affordable) over time even though inflation has been modest.[32] Thus this question is likely to capture reactions to both the consumption and production sides of the economy. Finally, this question provides an assessment of future economic horizons, something that economists in particular argue is important in shaping beliefs about inequality and redistribution, perhaps even more than current economic position as measured by income.[33]

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[31] There are actually several GSS questions that are potentially relevant here but they are not available in all years, such as questions about job insecurity, financial satisfaction, and intergenerational mobility. However, they were uneven and much weaker indicators of beliefs about inequality in cross-sectional analyses in individual years than the question about improving one's standard of living.

[32] Warren and Tyagi (2004) and Frank (2007) discuss the increasing cost of major consumption items such as health care, housing, and a college education. Frank argues that rising costs are in part a function of rising income inequality, in which the rich favor privatization of services and drive up the costs of quality for everyone. This in turn creates less risk sharing and greater economic insecurity (Hacker 2006).

[33] Piketty (1995); Benabou and Ok (2001); Alesina et al. (2004).

The responses to this question are shown in Figure 4.6. Although the majority of Americans are optimistic about their chances for future upward mobility, their optimism is not uniform over time, and a substantial minority are pessimists. On the one hand, across all of the years in which this question is asked during our time period, nearly 60 percent or more agree or strongly agree that “the way things are in America today, people like me and my family have a good chance of improving our standard of living." On the other hand, the share that strongly disagrees or disagrees is a quarter or more of the sample at three different time points. In fact, pessimism about future economic mobility increased during the same period that opposition to inequality rose; the share of respondents strongly disagreeing or disagreeing jumped from 11 percent in 1987 to 25 percent in 1992 and 24 percent in 1996. Pessimism then declined to 14 percent in the year 2000 before peaking at 27 percent in 2008. This rollercoaster-like pattern seems to match at least some of the pattern of opposition to inequality. Are the two related to one another?

They appear to be quite strongly related to one another. Table 4.2 provides the marginal effects of beliefs about upward mobility on beliefs about income inequality from the full compositional model. The coefficients are negative, indicating that greater optimism results in a significantly lower likelihood of strongly agreeing to each of the three questions about income inequality. For example, becoming more optimistic by one point on a five point scale decreases the likelihood of strongly agreeing that inequality is too large by about 20 percent (-.039/.21) and benefits the rich by about 30 percent (-.044/.14). Returning to Table 4.2, we see that indeed part of the increase in the time trend of opposition to inequality is due to the increase in the share of mobility pessimists in the population. This effect is strongest in 2008 when pessimism about

Figure 4.6. The standard of living (SOL) of people like me and my family will improve.

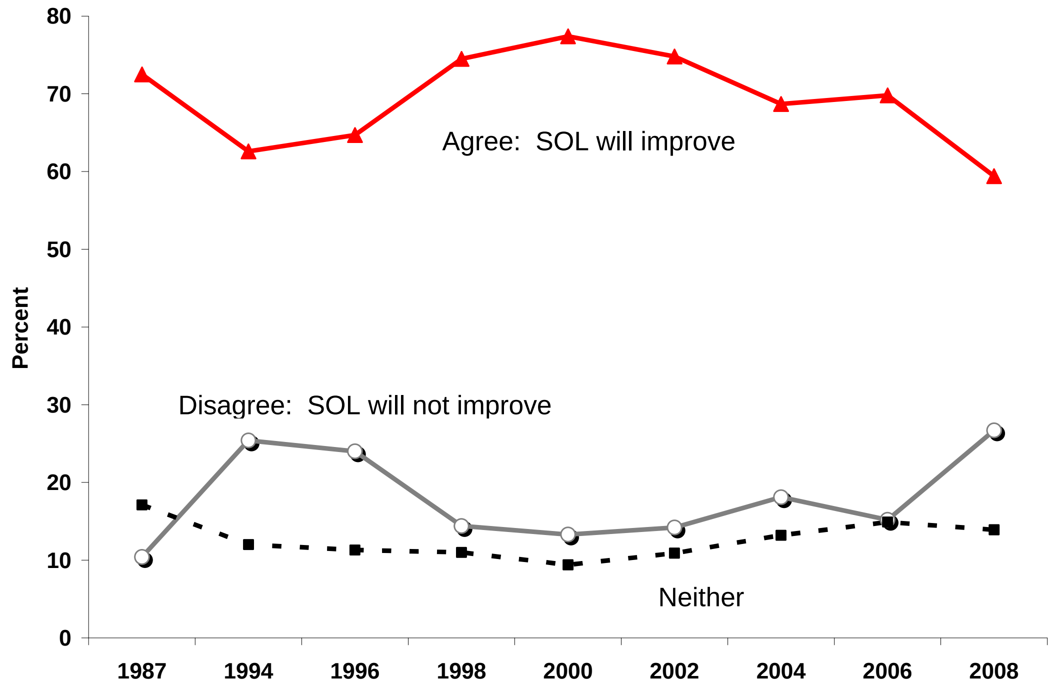

Table 4.2. The effect of beliefs about getting ahead on beliefs about income inequality.

Strong agreement that inequality is ...	**"Too Large"**	**"Benefits Rich and Powerful"**	**"Unnecessary for Prosperity"**
Probability of strong agreement for typical respondent[a]:	.21	.14	.11
(1) Marginal effects[b]:			
Standard of living will improve[d]	-0.039 (.006)**	-0.044 (.006)**	-0.021 (.005)**
N	4,110	4,018	4,063

Source: General Social Survey in 1987, 1996, 2000, 2008, and International Social Survey Program in 1992.
Notes: [a]A typical respondent is female, white, married, employed, and not living in the South; self-identifies as middle class, a democrat or independent, and moderate; has mean age, household size, children, education, and family income; and has mean values on the focal variable and year dummies. [b]Marginal effects are evaluated for the typical respondent (defined above) and at the mean of the focal variable. [c]The codes for this variable are 1=strongly disagree to 5=strongly agree. The within-sample mean is 3.6 and standard deviation is 1.03.

upward mobility was unusually high. When this variable is entered, the year coefficients tend to decline and revert to their baseline level or much lower, as in 1992 and 2008. However, even when the increase in mobility pessimism is strongest, as in these years, the net time trend in opposition to inequality remains positive, strong, and significant. The same is true for the increase from 1987 to 1996.

If anything, the relationship between beliefs about upward mobility and income inequality appears weaker at the peak of opposition to income inequality (1996) and at the peak of pessimism about upward mobility (2008). For example, mobility pessimists did not grow more disturbed about income inequality than other groups did in the 1990s. While one's subjective sense of future economic mobility was strong and significant in nearly all years and for all questions about income inequality, the size of the effect in 1996 is in the middle of the pack or smaller than in other years (in terms of the size of the coefficient). Similarly, I explored whether beliefs about mobility and inequality were more highly correlated in 1996 than in other years after controlling for factors that affect both kinds of beliefs (i.e., the compositional factors discussed above). The correlation was smallest in 2008, the year in which pessimism about upward mobility was greatest, followed by 1996, the year in which concerns about income inequality were greatest.[34] It is as though the two diverged at the moments of their peak expressions, indicating that beliefs about opportunity and inequality are perceived as distinct from one another.

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[34] The correlation of errors from a bivariate probit regression equation in which responses to both questions are outcomes provides a measure of the strength of this relationship and tests for endogeneity. The mobility question should be considered endogenous if it is correlated with the same omitted macro-level explanatory factors that potentially affect opposition to inequality – such as macroeconomic conditions and levels of inequality, which I will examine shortly – or if it is closely intertwined in people's minds with the fairness of income inequality that the two are simultaneously determined. There is a significant correlation of errors (*rho*) between perceptions of inequality and mobility, but the correlation is relatively low and uneven, in the .20 to .40 range. Still endogeneity produces inconsistent coefficients for the endogenous variable as well as for other explanatory variables, such as the time

Despite the inability of this particular question about social mobility to fully solve the puzzle of why beliefs about income inequality became so oppositional in the mid-1990s, however, we should not lose sight of the fact that it turned out to be a superior measure of economic well-being in helping to understand why Americans think about income inequality the way they do. Whether we conceptualize it as a measure of optimism about the future or economic security in the present, it is the most important economic indicator of views of income inequality that we have encountered. This not only affirms the prominent place scholars give to social mobility and economic security as issues of utmost concern to Americans, it establishes income inequality as within their orbit. Rather than substituting one for the other, or prioritizing one over the other (i.e., equality of opportunity is a more important social norm than equality of outcomes), we must treat them as analytically distinct dimensions of beliefs about class in America, and account for the various ways in which they interact with one another.

One step in that direction is to examine how beliefs about social mobility and income inequality correspond to trends in indicators of *actual* economic conditions. As we saw above in Figure 4.6, there is an ebb and flow of optimism about living the American Dream. This corresponded closely but not exactly to the trend in opposition to income inequality, missing the peak of opposition in 1996. What might distinguish the two series from each other? Thus far I have treated the mobility question as tapping an individual's sense of their *own* chances for upward mobility rather than their sense of opportunities for upward mobility in society more generally, which by comparison may track national economic conditions more tightly and offer a

trend. I use the bivariate probit equations as well as instrumental variables equations (2SLS) to provide consistent estimates of the equation's full parameters at the expense of efficiency (Wooldridge 2002: 472-478; Baum et al. 2003). The time trend in opposition to inequality is robust to corrections for endogeneity in both models. Instrumental variables equations were estimated only for the equation in which valid instruments could be found, namely the equation with the "prosperity" question as the outcome. Because demographic variables and objective and subjective economic status variables were not significant in the "prosperity" models, but were significantly associated with the mobility variable (in a reduced form equation), they were used as instruments.

more pessimistic view of the future (i.e., individuals tend to be more pessimistic about others than about themselves). Because the question is asking about "me and my family" and not society overall, my original interpretation is a plausible one, and the high levels of optimism suggest that individuals are responding in this way. However, the question's reference to "*people like* me and my family" could prompt responses about opportunities more broadly, depending on the size and placement of one's reference group. This could in turn be closely tied to views about the national economy, helping to identify American *perceptions* of economic ups and downs in addition to actual indicators of business cycles.

I therefore compare the trend in beliefs about upward mobility to the trend in unemployment, which are shown in Figures 4.6 and 4.7, respectively. The trend in unemployment is shown as a monthly average for the year prior to the typical starting date of data collection by the General Social Survey. This way we can capture economic conditions at roughly the same time as the survey.[35] Recall that mobility pessimism is high and comparable in size in 2008 (28 percent), 1992 (25), and 1996 (24), and low and comparable in size in 1987 (11)and 2000 (14). Unemployment during our survey years is at its highest in 1992 (7.04 percent) and 1987 (6.89) and at its lowest in 2000 (4.15) and 2008 (4.74), with 1996 (5.61) in between. The two series overlap in 1992 and 2000, signaling that high (low) levels of unemployment are associated with high (low) levels of pessimism about social mobility.

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[35] The General Social Survey typically is fielded across the spring months of the year. In order to measure unemployment over the twelve months preceding the survey, I define it as the average monthly rate from April of the previous year to March of the survey year. Note also that unemployment and growth rates do not overlap exactly. I use unemployment rates because the public is more likely to be aware of these, but growth rates also do not indicate that the macroeconomic performance of the economy was weakest in 1996. In fact, averages of second to first quarter GDP growth rates are roughly equivalent for all survey years except 2000, in which the average was higher.

Figure 4.7. Average monthly unemployment rate, April to March, 1980-2008 (BLS).

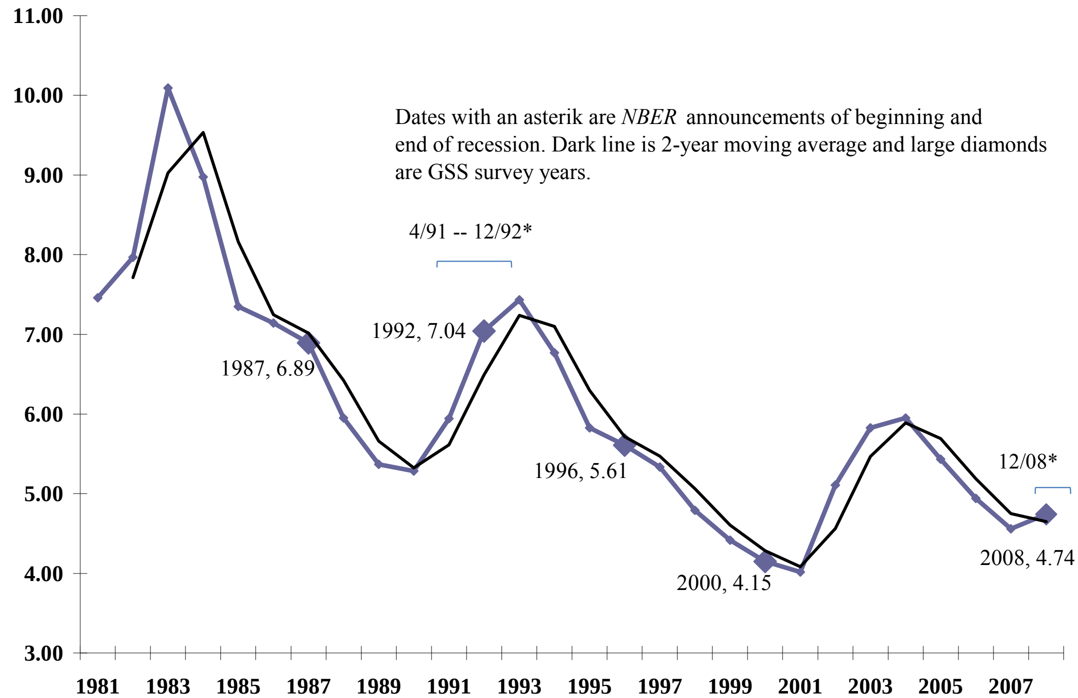
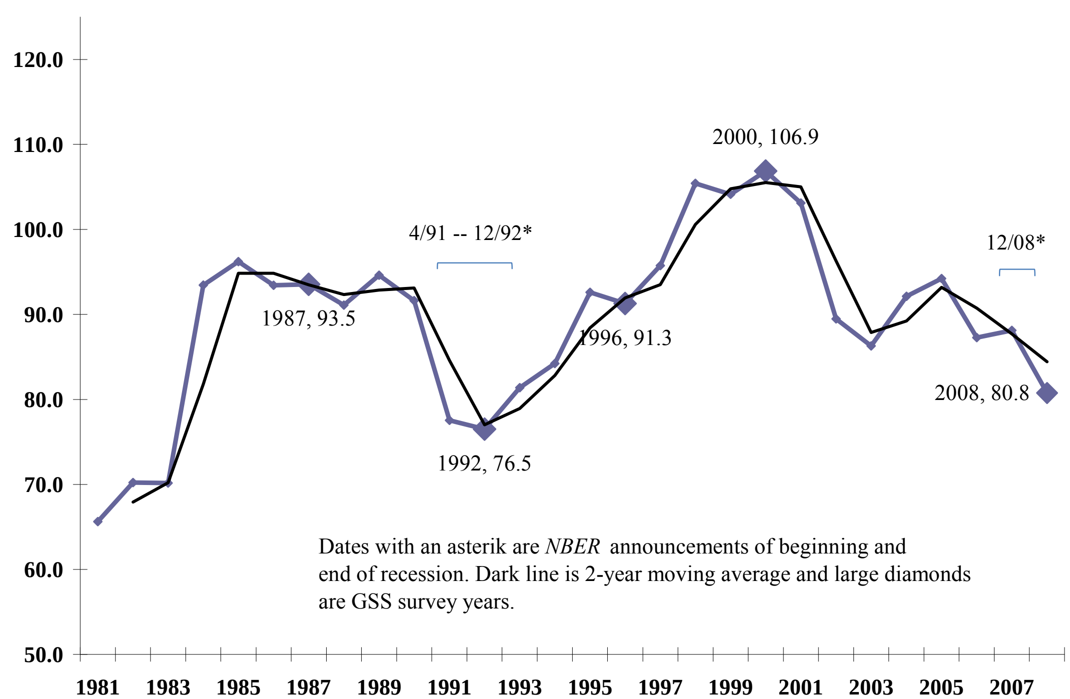


Figure 4.8. Average monthly index of consumer sentiment, April to March, 1980-2008 (University of Michigan Survey of Consumers).



Yet there are several discrepancies between the two series as well. First, pessimism about the future continues into 1994 and 1996 after unemployment rates begin to come down from their highs of the early 1990s (the recession ran from July of 1990 to March of 1991 but unemployment is a lagging indicator and did not peak until after the official end of the recession). Feelings of economic insecurity about the future therefore persisted well after the recession, all the way into the mid-1990s. Second, and conversely, feelings of economic insecurity predated the rise in unemployment during the latest recession, which officially began in December of 2007 but was not announced until a year later. Economic anxiety was high while the General Social Survey was fielded but before the recession was "called." Although this is not surprising given the considerable financial turmoil of the time (Bear Sterns collapsed in March of 2008), when predictions of an impending recession were commonplace, it exposes the inadequacy of key business cycle indicators in predicting perceptions of the openness and, as we will see, fairness of the economy. These latter perceptions must be distinguished from perceptions of joblessness or growth alone.

The above discussion implies that beliefs about social mobility do a much better job than unemployment rates (or growth rates, though not shown) in tracking beliefs about income inequality, and indeed the discrepancies between the trends in unemployment and beliefs about income inequality are substantial. First, if opposition to inequality was a result of macroeconomic performance, strong opposition should have been greater in 1987 and 1992 than in 1996, following the higher unemployment rates in those years. But that is not what we observe. Second, the unemployment rate cannot readily explain the nadir in opposition in 1987 relative to both 2000 and 2008. In particular, the year 2000 was one of the strongest years in modern economic history and therefore should have led to the lowest level of concern about inequality in our data set, yet opposition to inequality is still greater in 2000 than in the beginning of our series in 1987. And opposition is considerably higher in 2008 than in 1987 despite having a much lower degree of joblessness. Compared to what we would expect based on the business cycle, opposition to income inequality is less in 1987 than it should be and greater in 1996 and 2008 than it should be.

But perhaps we are looking in the wrong place; perhaps it is consumer sentiment rather than macroeconomic performance that is the more proximate trigger of anxieties about the future and concerns about income inequality. As you can see from a comparison of Figures 4.7 and 4.8, the trend in consumer sentiment is similar but not identical to the trend in unemployment. The most notable difference is that consumer sentiment is on the wane in 2008 even though unemployment rates are still low. This is much more consistent with levels of anxiety and concerns about income inequality at that time. Consumer sentiment is also much lower in 1992 than in 1987 even though the unemployment rates are similar, which is also more consistent with less economic anxiety and fewer concerns about income inequality in 1987. Still, 1996 remains in the middle of the pack, which is where its unemployment rate also sits. The degree of consumer sentiment in 1996 is more or less on par with that in 1987 and more confident than in 2008, whereas beliefs about inequality are more critical. In sum, although we do not have a long enough time series of beliefs about either social mobility or income inequality to more systematically test their association with indicators of macroeconomic performance and consumer confidence, the *prima facie* evidence suggests overwhelmingly that changes in both economic anxiety about the future and opposition to inequality cannot be attributed to the standard indicators of economic conditions.

Mainstream Shifts Due to Changes in Income Inequality and Media Coverage

According to the evidence presented thus far, the shift in concerns about inequality cannot be fully accounted for by the composition of subgroups, increasing polarization of views among subgroups, worry about one's own future economic mobility, the business cycle, or consumer sentiment, although the subjective measure of social mobility comes the closest. The main trend that I find is not among subgroups but among the mass public. Americans viewed income inequality as more objectionable in the early and mid-1990s than in the late 1980s, the year 2000, and the late 2000s. Is there an explanation that can account for both the rise in concerns between the late 1980s and mid-1990s and the later decline to levels that were still higher than in 1987? The final set of data that I harness to address this question are consistent with both general increases and decreases in concerns about inequality during the two decades of our study.

In this section I describe trends in actual levels of income inequality and media coverage of income inequality to examine whether rising levels of income inequality may have itself triggered heightened concerns. As the previous sections have shown, there are other reasons given for why Americans care about income inequality, other than income inequality itself. In addition, as discussed in the introduction, several scholars have suggested that *more* permissive and tolerant social norms are one of the main reasons for the rise in income inequality in the United States.[36] They may be referring to politicians or affluent Americans, though it is unclear from their writings. Yet they may also be referring to the general public for seeming to have sat back and ignored the historic rise in income inequality. Thus the proposition that Americans may be both aware of the distribution of income and capable of forming a critical opinion about it is

[36] Krugman (2002), Pikettey and Saez (2003). It is now commonplace to cite social norms as one of the explanations of rising inequality in lists that include technological change, globalization, immigration, etc. (McCall and Percheski 2010).

by no means an obvious one.[37] It is also not an easy one to prove. Having disproved many competing explanations, it is now time to explore the evidence in favor of the idea that Americans developed distinctively critical views about *income inequality* as such during the early and middle 1990s.

Unfortunately, this raises an entirely new can of worms, for if Americans are concerned about income inequality, we should have a theoretical justification for such concerns; that is we should want to know *why* they are concerned about income inequality. There are in fact a variety of potential reasons, ranging from violations of norms of fairness to concerns about its social consequences. Examples of the former include perceptions that levels of inequality exceed some ideal (but imprecise) level; that very high incomes at the top and/or very low ones at the bottom are unduly influenced by luck, greed, or personal connections and are not commensurate with contributions to society; or that inequalities are the result of discrimination or otherwise represent an unfair restriction of opportunity.[38] Examples of the latter include perceptions that inequality results in high rates of crime, underfunded public institutions, lack of access to higher education, large disparities in health outcomes, residential and social segregation, and/or undue political influence by the wealthy.[39] My aim is not to adjudicate among these specific reasons here, but to determine whether the trends we observe in actual levels of inequality and media coverage of inequality are consistent with the trend in concerns about inequality over the 1980s,

[37] See Bartels (2005) and Campbell (2010) for skepticism about the salience and transparency of the issue to Americans given their inability to connect their beliefs about income inequality to their views about progressive taxation. Bartels analyzes data at a single point in time in the early 2000s, however. For a contrary view of how attitudes about tax policy (but not income inequality) are shaped by the political environment, see Hacker and Pierson (2005). Page and Jacobs (2009) find Americans to be mostly informed and aware of rising income inequality, as do Newman and Jacobs (2010).

[38] Jencks et al. 1972; Kluegal and Smith 1986; Hochschild 1981, 1995; Miller 1991; Evans and Kelley 1992.

[39] Neckerman 2004; Laureau and Conley 2008.

1990s, and 2000s. (I provide a more elaborate test of some of these reasons in the following two chapters when I discuss the relationship between beliefs about income inequality and beliefs about economic opportunity and redistribution.)

Numerous sources of data could be used to document the trend in wage inequality, earnings inequality, income inequality, or wealth inequality, to name just a few of the variants of economic inequality studied by economists and other social scientists. I begin with data from the Census Bureau. Over the full time period of this study, the Census measure of income inequality is by far the most commonly referenced in political discussion and debate and by journalists and scholars.[40] This is because this information is disseminated by the Census Bureau in its annual Current Population Report on *Income, Poverty, and Health Insurance*, which is widely read by journalists covering economic issues. Since the aim is to examine the American public's response to changes in inequality, it makes sense to use this measure since it this is the one with which they are most likely to be familiar.[41] Inequality is measured with the Gini coefficient, which is the portion of total household income that would need to be redistributed from high-income households to low-income ones in order to have a completely equal distribution. Each year is reported as well as a two-year rolling average to take into account possible lags in awareness.[42]

[40] The data actually come from the March Current Population Survey (CPS). The survey asks approximately 60,000 American households about their earnings and income during the previous year. The Census Bureau uses these data to calculate the degree of income inequality among households. These income data have a variety of limitations: they do not take into account noncash transfers, they do not subtract taxes, and they undercount very high incomes (due to topcoding), but they are widely used (see the text for further discussion).

[41] The now widely reported measure of income held by the top percentiles and fractiles of the income distribution using tax data was not available until the early 2000s (Piketty and Saez 2003), after a good portion of the period of our study. Note also that academic and expert knowledge of rising earnings and income inequality did not spread widely until the early 1990s (Levy and Murnane, 1992), even though there were several commentaries on the phenomenon in the 1980s (e.g., Harrison and Bluestone 1988; Phillips 1990).

[42] For the two-year lag, the level of inequality in a particular year is the average for that year and the previous one.

The trends reported here are consistent with other widely used measures of inequality, and I also discuss alternative measures of inequality that follow different trajectories.[43]

Figure 4.9 shows the trend in income inequality from the beginning of its rise (1980) to the end of the period for which we have attitudinal data (2008). Once again the large diamonds highlight the years for which there are attitudinal data: 1987, 1992, 1996, 2000 and 2008. Inequality according to this measure increased between 1980 and the early 1990s, jumped between 1992 and 1993 because of a change in the Census Bureau's data collection methods, and then continued to increase in the late 1990s and the 2000s. Although not immediately apparent from the figure, the rate of increase was greater in the 1980s than in later years. This is generally true for other measures of inequality as well; all began to rise steeply in the 1970s or 1980s, most continued to rise for some part of the early to mid-1990s, and then followed different trajectories in the late 1990s. Some measures either declined throughout the 1990s or toward the late 1990s (the $50^{th}/10^{th}$ percentile ratio of hourly wages, as shown in Figure 4.10), reached a plateau (the college/high school wage premium), or continued to increase strongly (the $95^{th}/50^{th}$ ratio of hourly wages, also shown in Figure 4.10). One of the most distinctive features of rising inequality is also shown in Figure 4.10: a decline in the median real hourly wages of men from 1980 to the latest year of data available, 2007. But there is fluctuation in this trend as well, with median real hourly male wages bottoming out in 1994. Does any part of these trends correspond to the trend in attitudes toward income inequality?

[43] See especially Gottschalk and Danziger (2005), Mishel, Bernstein, and Allegreto (2007), and the review in McCall and Percheski (2010).

Figure 4.9. Gini coefficient of pre-tax, pre-transfer money income, 1980-2008 (Census Bureau).

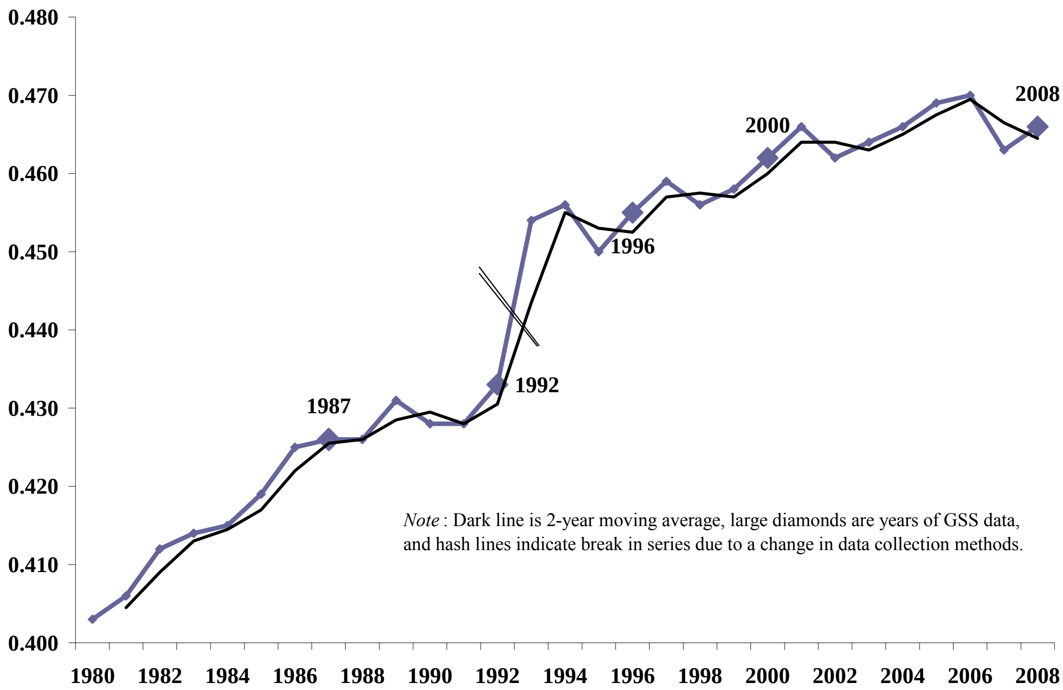
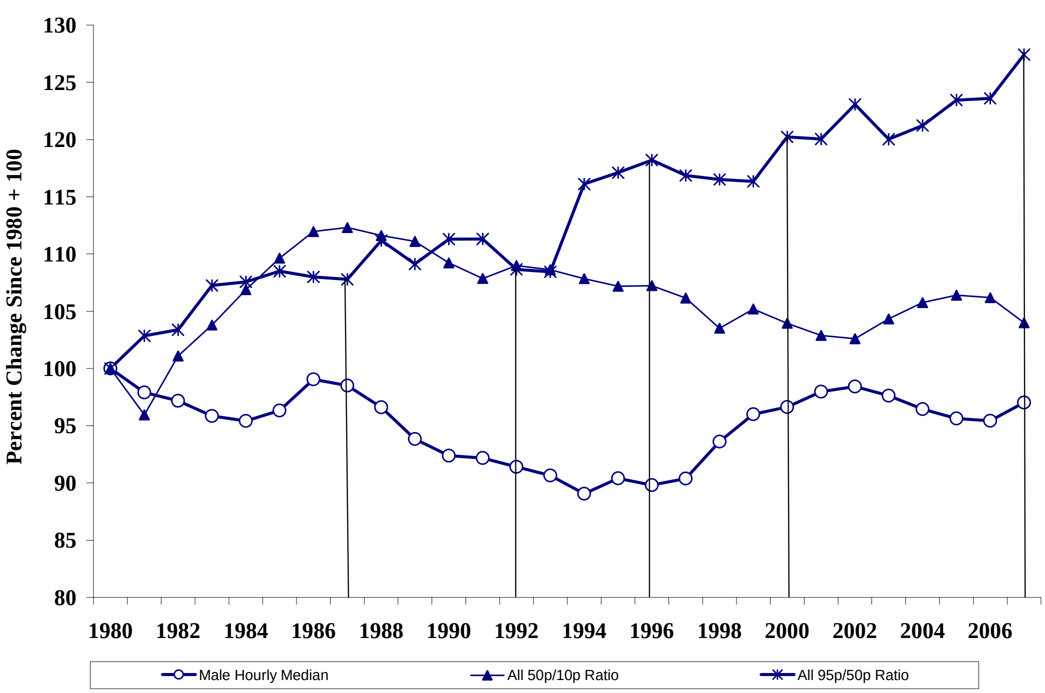


Figure 4.10. Hourly wage ratios (for men and women combined) and median male real hourly wages, 1980-2007 (Economic Policy Institute).



It is highly unlikely that most Americans have direct access to data on the degree of income inequality, and therefore it is safe to assume that Americans were unaware of each of these component trends. Rather, the most plausible conclusion to draw from these data is that Americans were either aware of the general trend towards increasing inequality or the trend in real hourly wages, or both. These are more likely to be news and political topics and real wages are more readily accessible to Americans in the form of their own paychecks and consumption expenditures. I discuss the content of media coverage of income inequality and related issues in a moment (and it detail in the previous chapter), but here I want to reiterate the point that only two aspects of the trend in rising inequality are relatively uniform across measures and thus potentially accessible to the public: the rise in the 1980s and early 1990s and the continued high levels of inequality (with the $50^{th}/10^{th}$ ratio an exception in both cases).

In the most simplistic terms, then, income inequality rose and then did not decline. The period in which income inequality did not decline also included the first sustained rise in real earnings for middle-wage men in a decade in a half. These two periods of the rise and then the stabilization of income inequality correspond to the two periods in which concerns were growing, until the mid-1990s, and then declining at the end of the century to levels that were still higher than in the late 1980s. Income inequality was stabilizing but it was not returning to previously low levels, thus attitudes remained elevated relative to the 1980s as well. If we are to confine ourselves to strict overlaps in trend lines, however, it is only the trend in median real hourly male wages that tracks attitudes about income inequality almost perfectly. Among explanations considered thus far in this chapter, then, both the continuing rise in inequality and the fall of real wages up until the mid-1990s are the only ones that are consistent with the peak in opposition to income inequality as well as anxiety about future upward mobility that persisted into the mid-1990s. The increase in wages after this point is, furthermore, consistent with the decline in opposition and anxiety in the year 2000.

Even if we assume minimal knowledge of trends in income inequality, however, there is still the question of how Americans acquired that knowledge. For most, the main source of information is likely to be media reports.[44] To supplement the data on trends in income inequality, I examined media coverage of inequality and social class distinctions in the same years that trends in unemployment, consumer sentiment, income and wage inequality are examined. Because the previous chapter provides an extensive analysis of media coverage, I present only a summary of the main findings here.[45]

As shown in Figure 4.11, the pattern of media coverage differs from the pattern of income inequality in important ways. Unlike inequality, the number of press stories was much lower in the 1980s than in the 1990s because the first increase in coverage was concentrated in the early and middle 1990s.[46] After the mid-1990s, media coverage of inequality drops off. The

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[44] Page and Shapiro 1992; Zaller 1992.

[45] I used the *Readers Guide to Periodical Abstracts* to search for articles in the three major American newsweeklies: *Newsweek*, *Time*, and *US News & World Report* (Gilens 1999). I searched for articles with the following subject keywords: income inequality, meritocracy, wage differentials, and equality as part of a broader category on “inequality”; and executives/salaries, elites, big business, rich, upper classes, overclass, avarice, white collar workers, middle class, blue collar workers, skilled workers, minimum wage, class conflict, and social classes as part of a broader category on “social class” groups and distinctions. After removing duplicates and unrelated articles, the population of articles from these newsweeklies numbered 432 (50on inequality and 382 on social class) over the 28 year period. The findings reported below are not sensitive to whether I include articles on inequality or class alone. Several other analyses of these articles, including content coding of a larger sample of articles (from a larger number of keywords) is consistent with the findings reported below. See chapter three for details.

[46] In addition to the media analysis presented in the previous chapter, several scholars writing about the early and mid-1990s mention the negative media coverage of inequality at the time (e.g., Newman 1993; Jacoby 1997; Ladd and Bowman 1998; see also Morin and Berry 1996). For example, Jacoby (1997: 262) wrote of Patrick Buchanan's visibility in the Republican primaries of 1996 and his focus on issues of inequality, aiming "his rhetoric at top executives such as Robert E. Allen, the head of AT&T, who receive huge salaries while laying off thousands of workers" (Jacoby 1997:262). Ladd and Bowman (1998:1-2,114) also described a "media bombardment of stories about fabulous salaries and extravagant lifestyles" in the mid-1990s. Murphy (1997) describes the importance of the

trend presented in Figure 4.11 never returns to its previous peak but it pops up again toward the middle and end of the 2000s. When other definitions of articles about inequality are used (as discussed in the previous chapter), there is also a spike in the year 2000, though some of the increase is due to a more positive slant in tone.[47] Overall, coverage was higher in the 2000s than in the 1980s.[48] Thus there was little discussion of income inequality until the pronounced increase in the early and middle 1990s, after which the trend has another couple of peaks in the 2000s. The peaks and valleys after the mid-1990s run counter to the trend in actual income inequality, which according to most measures either remained at high levels or continued to increase in the late 1990s and 2000s. The peaks and valleys of coverage after the mid-1990s are more similar to the trend in median male wages.

Given that both income inequality and media coverage of income inequality increased between 1987 and 1996, the increase in Americans' concerns about inequality over this period is consistent with an increase in concerns about the rise in income inequality itself, as portrayed by the media. In later years, inequality continued to rise or remain at high levels but media coverage fluctuated and at some points even became more positive, as in the year 2000. Public opposition to inequality declined after the mid-1990s, consistent with the decline in media coverage, but it

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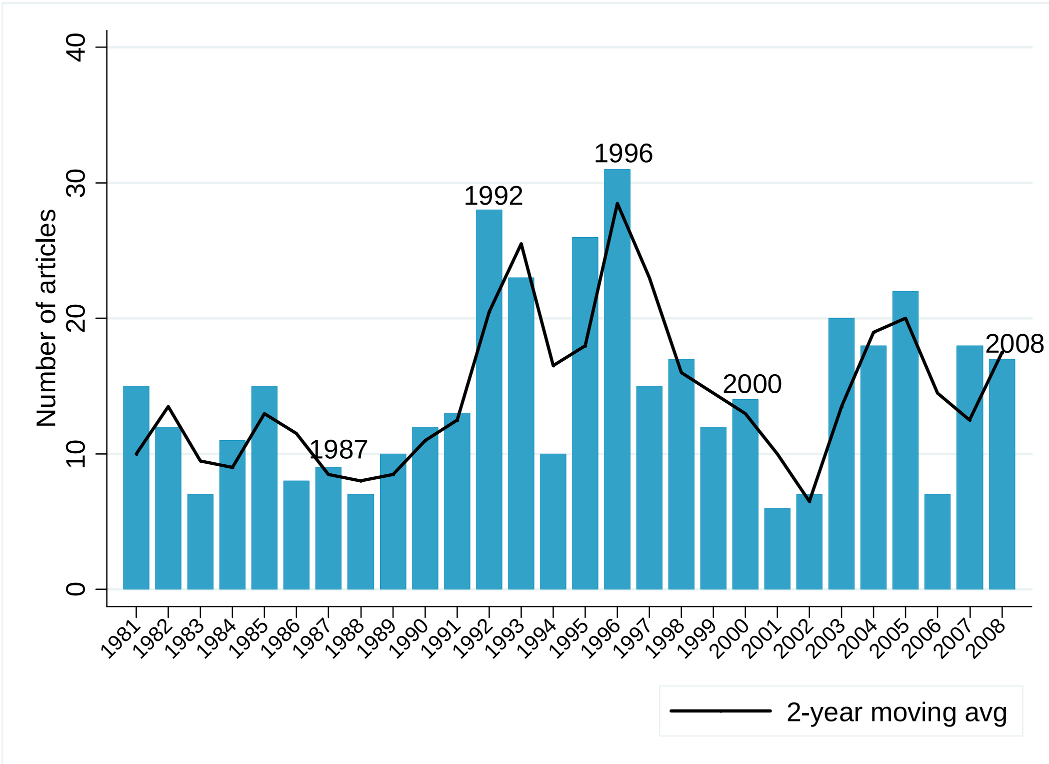
issue of excessive executive pay in the presidential campaign of 1992 and Hetherington (1992) of the unrealistically negative media coverage of the economy during that election.

[47] When articles are restricted to those that discuss the trend in *rising* inequality, the spike in coverage in the year 2000 is not as high as the peak in the mid-1990s. That is, the discussion of *rising* inequality was greater in the 1990s than in the year 2000. To the extent that the level of coverage is similar in the mid-1990s and the year 2000, it is because the commentary on income inequality turned more positive in the year 2000.

[48] The overall trend from 1981 to 2008 in Figure 4.11 is confirmed by a poisson regression with total number of articles regressed on year dummies and with 1987 as the excluded category. Since coverage was so low in 1987, most coefficients in the 1990s and 2000s were significantly greater relative to the excluded category (p<=0.05). However, the years with the largest coefficients were 1996, 1995, and 1992.

Figure 4.11. Newsweekly articles on themes of inequality and class, April to March, 1981-2008.



remained higher than in 1987, consistent with higher levels of income inequality and media coverage than in the 1980s (as well as lower median male wages). Thus generally higher levels of concern since the late 1980s could be explained by higher levels of income inequality and media coverage of the issue, while the relative decline in opposition after the mid-1990s could be explained by a falloff in media coverage, a decline in the consistency of the message, and an improvement in wages at the middle of the male distribution. Based on the content analysis presented in the previous chapter, as well as the results from the rest of this chapter, I further consider reasons as to why media attention rose and declined when it did in the next and concluding section.

Not only are levels of concern about income inequality high among Americans – half to two-thirds agree or strongly agree to the three questions about income inequality – but there is a clear trend toward greater concern about income inequality from the late 1980s (1987) to the mid-1990s (1996). Strong opposition doubled or quadrupled over this period. This was followed by a falloff in concern by the end of the 1990s (2000) and an uptick in 2008. For two out of the three inequality questions, concern about inequality was still significantly greater in the 2000s than in 1987. This nonlinear trend is strong in the face of shifts in the income and education distributions, insecurities about future economic mobility, demographic shifts, the business cycle, consumer sentiment, and ideological orientations toward somewhat greater conservatism in the 1990s.[49] Concerns about inequality were widespread throughout the mainstream of America and peaked at a time when income inequality was emerging as a distinct social and economic issue of national importance as indicated by media coverage.

When taken together, the findings from previous sections paint a new picture of the context and character of opposition to inequality. The absolute increase from 1992 to 1996 in strong agreement was much greater for the "prosperity" and "benefits" questions than for the "too large" question. In particular, the absolute increase for the "prosperity" question is much larger than for the other two and yet bias toward opposition in the wording of this question is less than for the other two questions. This suggests that concern was relatively focused on the fairness and functionality of income inequality in the mid-1990s. The correlation of beliefs about inequality and opportunities for upward mobility are also weaker in 1996, indicating that individual

[49] Studies of policy mood also show relatively low levels of liberalism in the mid-1990s as compared to the late 1980s and the late 2000s (Stimson 2009; Kellstedt 2000). For example, conservative welfare reform was enacted at this time. In addition, the popular vote in the presidential elections of 1992, 1996, and 2000 all went to a Democratic candidate despite variation in levels of concern about income inequality. Thus the presidential election cycle is not consistent with the trend either.

concerns about economic conditions and future opportunities gave way to more general concerns about inequality and opportunity at a societal level. Even the greater degree of income polarization in responses to the questions in 1996, accompanied by a smaller showing of "neither" responses, suggests something unusual about this period. Amidst a broad-based trend toward increasing opposition — spread across education groups and intensifying among mainstream groups such as moderates — those at the top with an economic stake in rising inequality reacted by defending its fairness and necessity. Importantly, there is no evidence that inequality had become a partisan issue as of yet.[50]

It is especially noteworthy that at this time Americans did not appear to be conflating inequality with troubles in the macroeconomy. The high degree of intense opposition occurred in a year in which macroeconomic performance was actually better than in both 1987 and 1992. Despite this, the media analysis shows that journalists and politicians were attuned to the issue of inequality. The message was that the economy was growing, but it was growing inequitably. This likely resulted in a general, if slanted, knowledge of rising inequality rather than a detailed knowledge of its level or trend. A space was opened up to question whether inequality was necessary for widespread prosperity or whether it unfairly benefited the rich at the expense of ordinary Americans in a zero-sum fashion, making the rich undeserving of their riches. Thus Americans were not misperceiving the economic fundamentals of the time but rather were responding to the skewed nature of economic growth.[51]

[50] Mainstream opposition accords well with Zaller's (2004: 204) argument that "low information" voters tend to be more centrist and labile in their attitude formation and thus more apt to respond critically when "societal problems arise," and Althaus' (2003) contention that information bias is mitigated when information is more widely available, as when an issue is receiving heightened media attention.

[51] This interpretation is partially consistent with Hetherington's (1996:392) observation that periods "when growth is positive but not dramatic" could raise the influence of media coverage of the economy on political outcomes (as he showed was the case in 1992). However, I am arguing that both media and public perceptions could be focused on

By the end of the 1990s, much had changed. Economic conditions improved for the average American and for those at the bottom. Although the business cycle does not correspond exactly to the observed trend in opposition to income inequality, a broader notion of economic opportunity likely played an important role at this time as unemployment was at its lowest level since the late 1960s, some measures of inequality declined or leveled off, median male wages increased, and celebrations of the new high-tech economy and "charismatic CEO's," the deserving rich, were ubiquitous.[52] The fruits of economic restructuring were finally "lifting all boats," even if some boats were lifted much higher than others. Perhaps not surprisingly, media coverage of *rising* inequality declined despite 2000 being a presidential election year and despite ongoing increases in the concentration of income at the top. Coverage shifted and became more mixed in its message. There were now a number of stories in which proponents championed the benefits (i.e., growth) of income inequality. Partisan polarization is most evident at this time as well. But mainstream views of inequality bounced back to more tolerant levels, as Americans maintained a diffuse desire for less inequality (more so than in 1987) but were not as concerned about the fairness or functionality of inequality as they had been earlier in the decade.[53]

We now know that the economic euphoria at the turn of the twenty-first century was short-lived. With only one data point and many important events in the 2000s, we cannot say as much about present views about income inequality as we could about views in the 1990s, but the

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the *distributional* consequences of economic growth rather than economic growth per se. I provide further evidence in the next chapter that American views of the economy became more positive in the mid-1990s along with actual levels of growth even though their levels of economic anxiety about the future and their opposition to inequality remained high, as shown above.

[52] Krueger and Solow 2001; Khurana 2002.

[53] Almost a quarter of Americans still strongly maintained that income differences were too large (but net predicted probabilities for strong agreement to the other two questions dropped to 0.11 and 0.09).

lessons of the 1990s are instructive. On the one hand, income inequality continued to grow in the 2000s, pessimism about upward mobility was at a high point in our time series in 2008, consumer sentiment was at its second lowest level, subjective class location was at a low point, and inequality-related issues were getting renewed coverage by the media especially during the middle to late 2000s (including coverage of *rising* inequality). Other compositional shifts, such as the aging and growing racial/ethnic diversity of the population, also fostered greater concerns about income inequality in 2008 than in 2000 or 1987. On the other hand, the economy had not yet imploded at the time of the interviews (indeed, Figure 4.7 shows that unemployment was lower than in 1987, 1992, or 1996) and a contentious presidential primary season threw a wide range of issues into the limelight. Most importantly, based on the findings from the 1990s, compositional shifts, recessionary periods, presidential elections, and economic anxiety are not sufficient to produce intense concerns about inequality. Inequality must itself be implicated in the economic doldrums most Americans perceive either in their own lives or among the broader population, even during periods of economic expansion. This probably did not occur until later in 2008 or early 2009 when the financial system collapsed and "Wall Street" was blamed for the blight of "Main Street."

Thus Americans care most about income inequality when it becomes a societal problem. Until now, social scientists have been unable to test this possibility. In earlier decades income inequality was stable or even declining, and we had no consistent time series data on attitudes specifically about income inequality. Then, the emphasis was on the ambivalence and inconsistency of beliefs about income inequality as compared to beliefs about opportunity and government redistribution. Desires for less income inequality seemed to sit uneasily, and weakly, along side views of opportunity as widely available to those who work hard and limited support for government redistribution of income. This perspective persists strongly today, as does the less nuanced view that Americans are tolerant of income inequality.

Yet in the more recent period for which we have time series data, it is now possible to see how historically specific this perspective is. I evaluated the relationship between beliefs and conditions under quite different scenarios, yielding different views of Americans' concerns about inequality: relative concern when growth is perceived as inequitable, such as during the early and middle 1990s, and relative tolerance when growth is perceived as equitable, such as during the late 1980s and the late 1990s. Since growth was equitable in the postwar years up until the 1970s and, most likely, perceived to be equitable throughout the 1980s before the issue gained public attention, the dominant *theoretical* views of ambivalence and tolerance were consistent with distributive outcomes during a pivotal period of contemporary American history. But much has changed. Whether or not the 1990s will ultimately be considered unique will depend not only on whether income inequality continues to grow, which is likely, but whether it gains the kind of critical attention about its negative consequences that it did during the early and middle 1990s.

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Appendix
Descriptive Statistics for Dependent and Independent Variables

	1987	1992	1996	2000	2008
Are income differences too large?					
Mean[a] (SD= -1 to SA=1)	.250	.459	.356	.378	.347
Mean[b] (SA=1 to SD=5)	2.50	2.08	2.29	2.24	2.31
N	1230	1244	1395	1188	1026
Does inequality continue to exist to benefit the rich and powerful?					
Mean[a] (SD= -1 to SA=1)	.178	.244	.302	.181	.219
Mean[b] (SA=1 to SD=5)	2.64	2.51	2.40	2.64	2.56
N	1185	1211	1348	1138	998
Are large disparities in income unnecessary for prosperity?					
Mean[a] (SD= -1 to SA=1)	.029	.165	.233	.096	.222
Mean[b] (SA=1 to SD=5)	2.94	2.67	2.53	2.81	2.56
N	1207	1222	1373	1159	1005
Mobility: People like me and my family have a good chance of improving our standard of living.					
Strongly Disagree	1.5	4.9	3.8	2.5	3.8
Disagree	9.0	20.2	20.5	11.6	23.8
Neither	17.3	20.2	11.1	9.1	15.0
Agree	53.1	44.0	51.4	53.4	42.2
Strongly Agree	19.2	10.7	13.3	23.4	15.2
Mean[b] (SD=1 to SA=5)	3.79	3.35	3.50	3.84	3.41
N	1246	1235	1895	1877	1355
Subjective Social Class					
Lower Class[c]	5.1	4.9	5.9	5.1	8.7
Working Class[c]	43.6	41.3	45.2	45.7	45.1
Middle Class[c]	47.0	51.6	45.1	45.4	42.5
Upper Class[c]	4.3	2.2	3.9	3.9	3.6
Mean[b] (Lower=1 to Upper=4)	2.51	2.51	2.47	2.48	2.41
N	1444	1265	2884	2803	2007
Political Ideology [d]					
Liberal[c]	28.7	24.6	25.4	26.5	27.4
Moderate[c]	39.0	36.8	38.1	39.9	38.3
Conservative[c]	32.3	38.6	36.5	33.7	34.3
Mean[a] (Lib=1 to Con=3)	2.04	2.14	2.11	2.07	2.07
Mean[b] (7 categories, 1-7)	4.04	4.23	4.19	4.10	4.11
N	1378	1120	2743	2644	1933

	1987	1992	1996	2000	2008
Partisan Identification[e]					
Strong Democrat[c]	19.5	17.2	15.3	16.5	21.3
Democrat/Independent[c]	43.4	46.7	48.0	49.8	45.5
Republican[c]	37.1	36.1	36.8	33.7	33.2
Mean[a] (SD=1 to R=3)	2.18	2.19	2.21	2.17	2.12
Mean[b] (8 categories, 1-8)	3.70	3.90	3.88	3.83	3.72
N	1459	1258	2898	2805	2010
In Sample Means					
Three Question Index	0.46	0.89	0.91	0.64	0.82
Too Large	0.15	0.29	0.34	0.23	0.27
Benefits	0.14	0.17	0.28	0.14	0.18
Prosperity	0.06	0.14	0.29	0.10	0.14
Sex (Male=1, Female=2)	1.53	1.54	1.53	1.55	1.53
Race[c] (White=1)	0.86	0.84	0.80	0.80	0.72
Age	43.7	44.6	43.4	44.3	47.2
Marital Status[f]	2.16	2.14	2.35	2.50	2.52
HH Size	2.70	2.78	2.51	2.56	2.48
Children[c] (any under 18yrs=1)	0.39	0.42	0.39	0.37	0.33
South[c] (=1)	0.32	0.29	0.33	0.35	0.36
Employed[c] (=1)	0.68	0.66	0.70	0.67	0.64
Family Income (2008$/$10^4$)	5.313	5.280	5.262	5.733	6.001
Education (1-5, LHS to COL+)	2.62	2.85	2.89	2.85	2.86
Lower Class[c]	0.05	0.04	0.06	0.04	0.08
Working Class[c]	0.42	0.40	0.44	0.45	0.49
Middle Class[c]	0.49	0.54	0.46	0.46	0.40
Upper Class[c]	0.04	0.02	0.04	0.05	0.04
Mobility	3.80	3.38	3.56	3.85	3.43
Strong Democrat[c,e]	0.18	0.16	0.15	0.17	0.23
Democrat/Independent[c,e]	0.43	0.43	0.46	0.46	0.42
Republican[c,e]	0.39	0.41	0.39	0.38	0.35
Liberal[c,d]	0.30	0.24	0.24	0.27	0.28
Moderate[c,d]	0.37	0.35	0.40	0.37	0.38
Conservative[c,d]	0.33	0.41	0.36	0.36	0.34
N	1014	773	714	613	825

Source: 1987, 1996, 2000, and 2008 GSS and 1992 ISSP.

Notes: [a] Recoded values for analysis. [b] Original values. [c] Coded as dummy variables for analysis. [d] "Conservatives" includes slightly conservative, conservative, and strongly conservative; "Moderates" includes only moderates; and "Liberals" includes strong liberals, liberals, and slight liberals. [e] "Republican" includes strong Republicans, Republicans, and independents/near Republicans; "Democrats and Independents" includes independents, independents/near Democrats, and Democrats; "Strong Democrats and Other Party" includes strong Democrats and other party, [f] Marital status consists of five categories from married=1 to never married=5.

OLS Regression Results of the Index of Three Questions on Income Inequality

	Three Question Index	
	Model 1	Model 2
Constant	1.903**	1.889**
	(0.180)	(0.180)
1992	0.362**	0.360**
	(0.052)	(0.052)
1996	0.398**	0.571**
	(0.053)	(0.099)
2000	0.201**	0.199**
	(0.055)	(0.055)
2008	0.249**	0.244**
	(0.052)	(0.052)
Family Income	-0.024**	-0.019**
	(0.006)	(0.006)
Education	0.086**	0.086**
	(0.016)	(0.016)
Other Demographic Controls	YES	YES
Subjective Class (Lower Class)		
Working Class	-0.078	-0.064
	(0.080)	(0.080)
Middle Class	-0.229**	-0.214**
	(0.083)	(0.083)
Upper Class	-0.474**	-0.445**
	(0.123)	(0.123)
Standard of Living Will Improve	-0.217**	-0.220**
(Strongly Disagree=1 to Strongly Agree=5)	(0.017)	(0.017)
Party Identification (Strong Democrats and Other Party)		
Democrats and Independents	-0.251**	-0.255**
	(0.049)	(0.049)
Republicans	-0.606**	-0.613**
	(0.054)	(0.054)
Ideology (Liberals)		
Moderates	-0.146**	-0.187**
	(0.045)	(0.048)
Conservatives	-0.418**	-0.415**
	(0.048)	(0.048)

Continued	Three Question Index Model 1	 Model 2
Interactions with Year		
Family Income * 1996		-0.048**
		(0.014)
Moderates * 1996		0.200*
		(0.091)
N	3899	3899
Adjusted R2	0.1747	0.1783

*Note*s: The index is constructed as follows: responses to each inequality question are coded as 1=strongly agree, 0.5=agree, 0=neither, -0.5=disagree, and -1=strongly disagree; the three question index was then calculated by adding the responses to all three inequality questions (thus ranging from -3 to +3). Coefficients are unstandardized. Probability levels are indicated by **, $p <= .01$; *, $p <= .05$; †, $p <= .10$.