



## Americans Care about Inequality When It Limits Opportunity

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Do Americans care that income gaps between the rich and everyone else are growing by leaps and bounds? When citizens do care, what do they want done about it? Across the political spectrum, debates about these questions have raged with new force since the Occupy Wall Street movement took to the streets, and they promise to heat up as politicians make tax fairness a central issue for the 2012 elections. To read daily coverage, though, is to hear little more than superficial or partisan assertions. We can do better by tracking public attitudes over many years.

### Longstanding Public Concerns

In 1987, the General Social Survey started to ask Americans about earnings and income inequality. Here is what people thought at that point, before academic experts and media analysts highlighted the issue of rising income inequality.

- Nearly three in five agreed that “differences in income in America are too large.”
- About half of Americans connected income inequality to the interests of the rich, agreeing that “inequality continues to exist because it benefits the rich and powerful.”
- Over half thought that executives of large corporations should be receiving a pay cut of 25 percent or more – and other polls taken since the 1970s reveal that from 70 to over 80 percent of Americans think corporate executives are overpaid.
- Two out of five disagreed with the claim that large differences in income are needed to provide incentives for greater economic growth.

American attitudes about inequality and the rich became more critical after 1987, but over time there has been no simple relationship between public concern and underlying increases in income gaps. Americans were actually most critical of income inequality in the early and middle 1990s – even compared to 2008 and 2010, during the recent financial meltdown and Great Recession. Whether concerns have since increased will not be apparent until fresh survey results become available in 2013. Still, past trends tell a lot about *when* and *why* people worry.

### Why Americans Care

What was so special about the early and middle 1990s? Americans became more dissatisfied with inequality as the economy expanded in the immediate aftermath of the early 1990s recession, while concerns subsided somewhat by the boom of 2000. Economic downturns do not directly spark anxieties about income inequality.

Rather, the central issue is whether the subsequent recovery and economic expansion benefit all Americans or boost just the rich. Americans pay close attention not simply to whether the economy is growing but whether it is growing in ways that help everyone. When growth does not lift everyone, the rich are not seen as deserving, and income inequality can symbolize unfairness.

On the assumption that journalism reflects as well as helps to shape public opinion, my research tracked how three top newsweeklies – *Newsweek*, *Time*, and *U.S. News and World Report* – presented issues related to inequality over the years. Excessive executive pay was a major topic of coverage during the early 1990s, and was assigned some blame for America's slow and inequitable economic performance. In the middle 1990s, downsizing and middle class decline were also front and center, even as corporate profits and the stock market began to take off. Newsweekly coverage captured public concern with inequality as a zero sum game in which the rich gain at the expense of broader economic opportunity.

Similar dynamics in attitudes and public debates may be unfolding again today. Worries about income inequality did not shoot up instantly at the height of the financial crisis and Great Recession of 2008 and 2009, but they seem to be growing over time, as the recovery helps the rich first and leaves others struggling. Occupy Wall Street and subsequent media coverage of issues of economic inequality and fairness may also matter.

### What Does the Public Want Done?

If income inequality matters when it limits economic opportunity, it stands to reason that policies to enhance opportunity *in the labor market* will be favored by Americans who say they are the most concerned about inequality. Available surveys do not ask all the right questions, but there are suggestive patterns:

- Americans who are more concerned about income inequality are also more likely to believe that executives earn too much and ordinary workers too little; and they are also more likely to say that “getting ahead” depends on “knowing the right people” and “coming from a wealthy family.”
- When it comes to solutions, the standard liberal menu of welfare programs, progressive taxes, and more spending on health care or Social Security does not necessarily get more support as people become more concerned about inequality.
- But rising concerns about income inequality are connected to increasing support for more spending on education; and higher taxes on the rich may garner support if posed as a means to an end such as expanding education and access to good jobs with fair pay.

My research clarifies when and why Americans care about income inequality. They worry not just because disparities are increasing, but because inequality may undercut opportunities for average citizens to get ahead. Reversing the trajectory of unfair economic growth is not a new desire for most Americans. People are looking for convincing ways to address the issue, and they want political and business leaders to expand labor market opportunities for all, not just hand out favors to the already prosperous and assume growth will trickle down.

**Read more in Leslie McCall, *The Undeserving Rich: Beliefs about Inequality, Opportunity, and Redistribution in American Society* (Cambridge University Press, 2013).**