

Who Supports Wealth Redistribution? Self-Interest, Symbolic Politics and American Exceptionalism Approaches Towards 1990 Public Opinion

Abstract

Economic inequality has been significantly rising in the United States, making it the most unequal advanced industrialized democracy. Understanding factors that influence public attitudes towards inequality and potential remedies such as redistribution of wealth, gives a reference point for tracking subsequent preference-policy links. This research utilizes survey data from the 1990 General Social Survey to explore factors influencing preferences towards redistribution as gross wealth consolidation among the top 10% was only starting to reemerge. Empirically applying theories of economic self-interest, symbolic politics and American exceptionalism to wealth redistribution preferences, the research finds economic self-interest as having the biggest role in predicting attitudes.

Introduction

Public opinion on economic inequality illuminates a key contradiction regarding the ethos of the American Dream's promise of opportunity for mobility, and the reality of relatively fixed economic positions. This issue continues to generate public opinion salience on the role of the government in reducing economic inequality as the United States progresses in an "age of growing inequality" (Gilbert, 2015). While recent scholarship focuses on contemporary public opinion regarding the morality of economic inequality and the role of government in reducing the economic disparity, the focus of this paper is to analyze public opinion on a specific function of the social welfare state - redistribution of wealth - at a time when economic inequality was only beginning to intensify (Saez, 2014). Using public opinion data from 1990, this paper will explore the impact of potential factors including economic self-interest, symbolic politics and American exceptionalism on preferences towards wealth redistribution in the political context following Ronald Reagan's presidency. By examining public opinion on preferences for redistribution during the conception of the 10% consolidation of wealth, I hope to cultivate a fuller understanding on probable factors that affect attitudes towards wealth redistribution and subsequently condoned the rise of income inequality following 1990 and beyond.

Literature Review

Fundamental tension in American values' of freedom and equality makes the topic of redistribution a highly politicized issue. Whereas public opinion on the social welfare state in general has remained relatively stable from 1970 to 1980 (Shapiro and Young, 1989), current attitudes towards redistribution are uniquely bimodal (Osberg and Smeeding 2016). Polarization

towards wealth redistribution preferences specifically may escalate following 1980 as Reagan era tax cuts further concentrated wealth among economic elites (Gilbert, 2015) skyrocketing economic inequality (Saez, 2014). As the median income began to fall further below the mean in the 1990s, an application of Allan Meltzer and Scott Richard's theory (1981) would suggest more generous attitudes towards redistribution as inequality grows.

Allan Meltzer and Scott Richard's theory (1981) relates to overall public opinion support for redistribution as a function of the macro environment of inequality, but also empirically links the notion of self-interest in one's position towards redistribution. Pulling many ideas from Anthony Downs' An Economic Theory of Democracy (1957), Meltzer and Richard argue that attitudes towards redistribution are largely dependent on one's own economic interest. As rational choice theorists argue that individuals are primarily motivated by the desire to maximize their own utility, preferences towards wealth redistribution is thus contingent on how the policy would affect individual actors' economic bottom line. There is ample support for the self-interest understanding of redistribution preferences as self-interest can be easily deduced along class lines, in which attitudes often follow (Meltzer and Richards 1981; Dion 2010; Shapiro and Young 1989; McCarthy, Davis, Garand and Olson 2016). In addition to concrete class lines, relative economic well-being has shown to have an effect on consciousness of inequality (Newman, Johnston and Lown 2015) and redistribution preferences specifically (Meltzer and Richard 1981; Luttig 2013; Kuziemko, Norton, Saez and Stantcheva 2015).

An alternative explanation for preferences towards redistribution is that of symbolic politics. Rather than differences in redistribution emerging as only a function of class conflict, there is literature suggesting a role of symbolic and identity politics (Shapiro and Young 1989).

Ideological frameworks (liberal to conservative continuum) have been shown to significantly impact one's long standing preferences (Sears, Lau, Tyler and Allen 1980; McCarthy et al. 2016), as well as partisanship identity (democrat, republican). Individuals who express more liberal belief systems and view themselves as Democrats have been shown to be more supportive of redistributive policies than individuals indicating a conservative belief system and identifying as Republicans (Frohlich and Boschmann 1986; Franko, Tolbert and Witko 2013; McCarthy et al. 2016). Additionally, religiosity--but not religious affiliation--has a significant effect on redistributive preferences. Specific interpretations of scripture in Christianity or identifying as "religious right" has a negative relationship with support for redistribution (McCarthy et al. 2016).

Other demographic aspects that are found in symbolic politics seem to have a role in one's preference for redistribution. There appears to be a strong positive effect for age (Dion 2010; McCarthy et al. 2016) and identifying as female (Dion 2010; McCarthy et al. 2016; Frohlich and Boschmann 1986). Preferences for redistribution have been shown to share a negative relationship with increase in educational attainment (Dion 2010). Racial and ethnic identities have a strong influence over redistribution preferences, particularly as identifying as black increases the likelihood of preferring wealth redistributions (McCarthy et al. 2016). The racial influence of opinion towards redistribution could be traced to the racialization of the social welfare state during the Reagan and Nixon administrations, particularly relevant for the 1990 data.

A Marxist perspective on an individual's symbolic politics that clearly contradicts their economic self-interest for redistribution can be argued as a form of false consciousness. The

transmission of bourgeois' ideology that manifests in symbolic politics could be seen as a tool to control the lower classes and prevent them from voting for their best interest. As literature finds that high socioeconomic status is strongly correlated with voting against redistribution which clearly aligns with their economic self-interest, less correlation has been found among lower class individuals with favoring redistribution (Dion 2010; Luttig 2013; Berinsky 2002). However, when lower class individuals are educated on their self-interest, the level of support for redistribution increases significantly (Kuziemko et al. 2015; Franko et al. 2013). Thus, when respondents from lower socioeconomic status' are exposed to their economic interest in regard to redistribution, self-interest appears to play a larger role than originally anticipated.

The United States serves as an interesting level of analysis for public opinion on wealth redistribution as it continues to be found as one of the most unequal industrialized countries (Gilbert, 2015), yet many of the foundational beliefs of the United States are national myths of meritocracy. In part due to defense of the ideology of the American Dream, a preliminary question emerges on how Americans' attitudes towards the function and morality of capitalism and wealth concentration are constructed. Seymour Martin Lipset's (1996) theory of "American exceptionalism" has been historically applied to this to this question, in which he posits that Americans are unique in they way they conceptualize inequality and mobility. In this theory, values of freedom are highlighted over human decency in the function of a laissez-faire economy. Morality of inequality, as understood in the framework of American exceptionalism, is a crucial addition to the analysis in attitudes towards wealth redistribution. Perceived morality of inequality has been found to be the biggest factor in redistributive preferences (Franko,

Tolbert, and Witko 2013; McCarthy et al. 2016), which bolsters the salience of support or opposition rooted in self-interest or symbolic politics.

Data and Methods

To test theories of self-interest, symbolic politics and American exceptionalism on attitudes towards the government's role to redistribute wealth, a multivariate ordinary least squares regression was performed on data from the 1990 General Social Survey (GSS), conducted by the National Opinion Research Center (NORC). This data was gathered through personal interviews with survey administrators and survey respondents on a variety of social, political and economic issues. The independently drawn survey sample consisted of English-speaking residents of the United States who were 18 years or older. Stratified proportional probability was implemented in participant selection to ensure appropriate representation of regions and urbanicity.

The dependent variable gauging preferences for wealth redistribution was measured through the statement "It is the responsibility of the government to reduce the differences in income between people with high incomes and those with low incomes" on a 5 point Likert-type scale from strongly agree to strongly disagree. Independent variables for self-interest's influence for redistribution was measured through the respondents' occupational prestige score based off of the NORC ratings, income, and perceived socioeconomic status when 16 and current family's level of income compared to "American families in general." Symbolic politics influence on redistribution was operationalized with questions regarding self-identification on the liberal to conservative ideological continuum, partisanship, educational attainment, urbanicity when an

adolescent, race, gender, region, religious affiliation and religiosity. Questions regarding American exceptionalism attitudes towards inequality's function and morality were additionally included for analysis with 4 point Likert-style questions "Only if differences in income are large enough is there an incentive for individual effort" labeled as function and "Personal income should not be determined solely by one's work. Rather, everybody should get what he/she needs to provide a decent life to his/her family," labeled as morality.

Results

Overall, the distribution of preferences towards redistribution of wealth is fairly normally distributed (mean = 3.07, median = 3, and mode = 4), resulting in a slightly negative skew (skew = -.10). See Figure 1. The data analysis yielded support for self-interest, symbolic politics and American exceptionalism influence on preferences towards redistribution. See Table 1. The regressions suggest that the biggest predictors for pro-redistribution attitudes is actual and relative income, liberal-conservative ideology, partisanship, age, urbanicity when adolescent, education and believing that everyone has a right to a decent life.

The economic factors gauging the self-interest hypothesis towards wealth redistribution attitudes suggest a significant effect, accounting for 7% of the variance in attitudes towards redistribution. After including symbolic politics, occupational prestige rankings suggest a smaller role as it may share variance with other factors such as education. Both actual and relative income proved to be the biggest elements of self-interest in which support for redistribution declines as both of those measures increase. Relative income provided the highest indicator of

self-interest, suggesting a 0.17 point decrease in redistribution as relative income increases by 1 point. Relative income when an adolescent did not produce significant results.

The addition of symbolic politics to the self-interest model explains 5% more of the variance in attitudes towards redistribution. Political ideology (liberal-conservative) and party identification appeared to have the biggest impact under symbolic politics, as those who express a more conservative political ideology and identify as republican are much less likely to support wealth redistribution. Age also yielded significant results, as older people are less likely to support redistribution compared to younger people. This trend is especially interesting as previous studies have found an increase in age correlates positively towards redistribution preferences (Dion 2010; McCarthy et al. 2016). This discrepancy with our analysis and previous research could be contributed to cohort effects as the data for our analysis is from 1990.

Identifying as white had a significant interaction in the last regression, in which identifying as white increases opposition towards redistribution by 0.27 points on a 5 point scale. Identifying as black or another non-white race did not obtain significance, which is notable considering the racialization of welfare policy during the 1980s and early 1990s. However, both identifying as black or another non-white race trended in the expected direction of favoring redistribution. An increase in education also yielded a significant result for decrease in redistribution support. Contrary to literature, neither gender nor religiosity had significant results. Interestingly, urbanicity when an adolescent yielded significant results as those who grew up in more rural areas are more likely to support redistribution. The interaction of urbanicity as an adolescent and later preferences towards redistribution suggest an influential role of political context on urban or rural environments during one's formative years.

Ideals of American exceptionalism suggested the highest correlation in preferences towards wealth redistribution. Interestingly, respondents who believed that inequality was necessary to raise initiative, a common assumption under the ideology of American exceptionalism regarding the function of capitalism, were not more likely to either significantly support or oppose wealth redistribution. While function of inequality was not significantly correlated with redistributive preferences, the morality of inequality was the most statistically significant factor in understanding one's preferences towards redistribution. The belief that regardless of one's initiative, everyone deserves the opportunity to "provide a decent life to his/her family" yielded a 2.6 point increase on attitudes regarding redistribution. While highly statistically significant, one should be careful in extrapolating causality from the morality of inequality on preferences towards redistribution as the two questions are highly intertwined and should be understood within the context of the funnel of causality in policy preferences (see Campbell, Converse, Miller and Stokes 1960). The underlying question between both of those survey items could be capturing the same response in regard to ethics of inequality. The inclusion of attitudes towards function and morality of inequality additionally explained 5% more of the variance after self-interest and symbolic politics were included. All previously mentioned variables explained 17.6% of the variance in attitudes towards redistribution of wealth.

Discussion

Overall, the differences in preferences towards wealth redistribution seem to be a nexus of both self-interest and symbolic politics, with economic self-interest accounting for slightly

more of the variance in attitudes towards wealth redistribution. In addition to those two camps of theories, the added morality of inequality as understood in the frame of American exceptionalism provided the highest statistically significant insight into preferences of redistribution. All of the factors accounted for less than 20% of the explained variance, leaving much of the variance in preferences towards redistribution unexplained by factors included in my analysis.

While preferences towards redistribution of wealth can not be only understood as a microcosm for class conflict, self-interest along class lines were the most concrete independent factor in predicting attitudes. Symbolic politics did play a role in understanding support for redistribution most notably with partisanship and ideological identification, and ideals of American exceptionalism regarding morality of inequality contributed in perhaps increasing or decreasing personal salience on the issue of redistribution.

As past research has suggested that lower income participants are less aware of their self-interest with redistributive policies than high income participants (Meltzer and Richard 1981; Luttig 2013; Kuziemko, Norton, Saez and Stantcheva 2015), policy implications require access to education and information regarding redistributive policies (such as the Estate tax) with clear explanations of how implementation of the particular policy would impact different socioeconomic brackets. If education of redistribution policies was disseminated with a particular focus on lower income Americans, public opinion towards redistribution might more accurately reflect the self-interest of the American class structure. After making education of redistributive policies accessible, policy that corresponds with the public opinion should then be implemented.

As the United States continues to descend into the “age of growing inequality” (Gilbert 2015), it is necessary to pause and reflect on the roots of income and wealth consolidation that can be found in the 1990s and assess the public opinion that has allowed the United States to become the “most unequal rich country on earth” (Fishers and Smeeding 2016). Going forward, specific focus on reducing economic inequality--either through wealth redistribution or other facets of the social welfare state--should be considered and properly educated to the public in order to restore the promise of the American Dream to the reality of the United States.

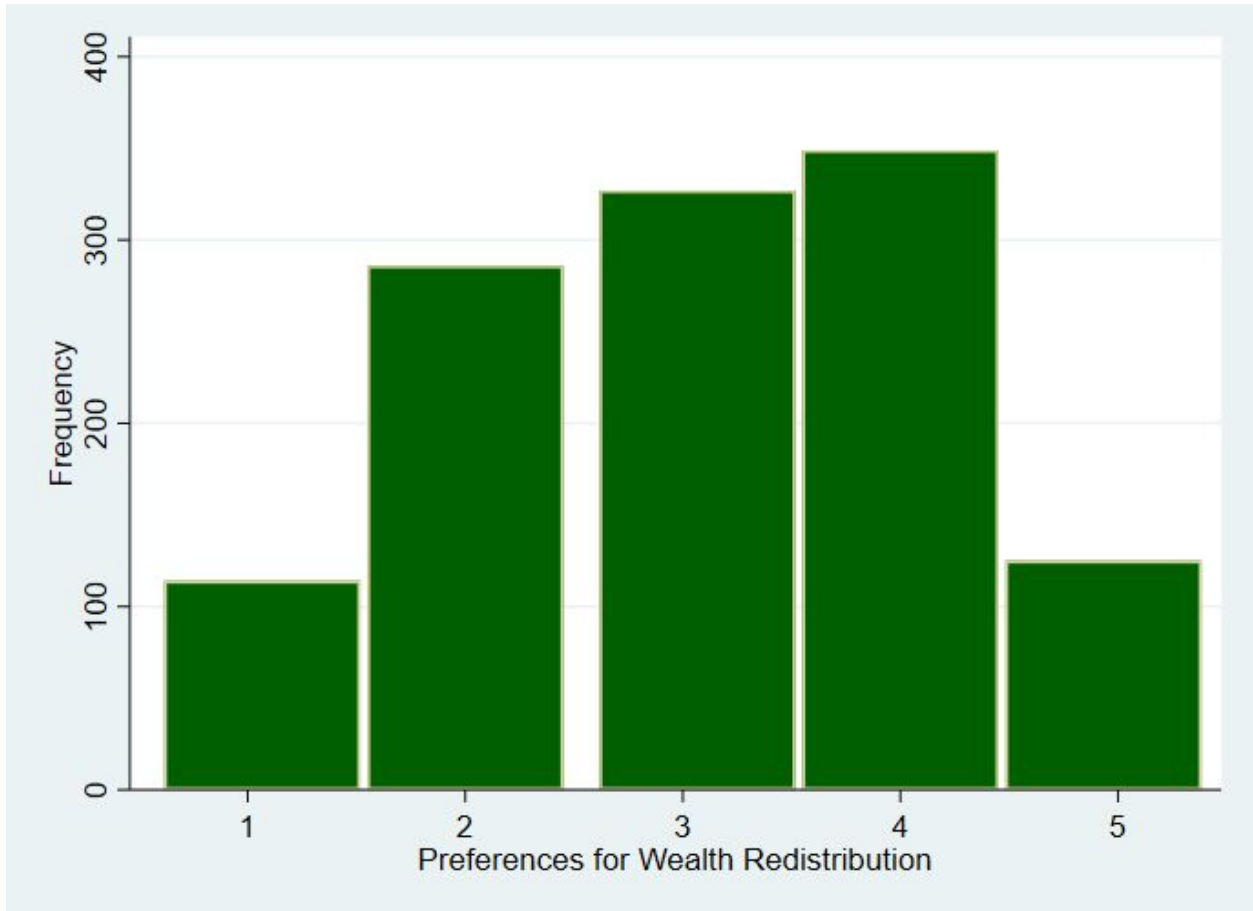


Figure 1. Distribution of preferences towards wealth redistribution in 1990 General Social Survey.

Table 1
Determinants of preferences for redistribution of wealth from 1990 General Social Survey.

	Coefficients (SE)	Coefficients (SE)	Coefficients (SE)
Occupational prestige	.008 (.003)**	.005(.003)	.002(.003)
Income	.060(.017)***	.064(.018)***	.050(.018)**
Relative income	.175(.048)***	.138(.048)**	.132(.049)**
Relative income as adolescent	.048(.040)	.030(.042)	.019(.043)
Liberal-conservative ideology		.118(.028)***	.092(.029)*
Party identification		.057(.019)**	.062(.020)*
Age		.006(.002)**	.005(.002)*
Urbanicity as adolescent		-.054(.024)*	-.053(.025)*
<i>Ethnicity</i>			
White		.239(.197)	.270(.137)*
Black		.026(.224)	
Other			
Gender		.026(.071)	-.092(.256)
Religiosity		-.025(.054)	.048(.074)
<i>Religious affiliation</i>			
Protestant		.043(.224)	-.052(.050)
Catholic		.086(.230)	.057(.237)
Jewish		.223(.329)	.115(.243)
None		.109(.278)	.475(.345)
<i>Region</i>			
North		-.054(.105)	.117(.291)
South		.089(.094)	-.094(.109)
West		.064(.105)	.112(.098)
Education		.096(.038)*	-.052(.057)
Function			.081(.040)*
Morality			.051(.055)
Constant	1.48(.195)***	.592(.415)	.257(.050)***
R ²	.071	.122	.240(.433)
			.176

Note. Listwise deletion of data with missing values. Ordinary least squares regression. Range of non-dummy variables: occupational prestige (17-86), relative income (1-5), liberal-conservative ideology (1-7), party identification (0-6), urbanicity (1-6), religiosity (1-3), education (0-4), incentive (1-4) decency (1-4). * $p < .05$ ** $p < .01$ *** $p < .001$

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