

COUNCIL *on*  
FOREIGN  
RELATIONS



WORKING PAPER

# Resilient American Values

Optimism in an Era of Growing Inequality and Economic  
Difficulty

Andrew Kohut and Michael Dimock

May 2013

*The Renewing America initiative is supported in part by a generous grant from  
the Bernard and Irene Schwartz Foundation.*

The Council on Foreign Relations (CFR) is an independent, nonpartisan membership organization, think tank, and publisher dedicated to being a resource for its members, government officials, business executives, journalists, educators and students, civic and religious leaders, and other interested citizens in order to help them better understand the world and the foreign policy choices facing the United States and other countries. Founded in 1921, CFR carries out its mission by maintaining a diverse membership, with special programs to promote interest and develop expertise in the next generation of foreign policy leaders; convening meetings at its headquarters in New York and in Washington, DC, and other cities where senior government officials, members of Congress, global leaders, and prominent thinkers come together with CFR members to discuss and debate major international issues; supporting a Studies Program that fosters independent research, enabling CFR scholars to produce articles, reports, and books and hold roundtables that analyze foreign policy issues and make concrete policy recommendations; publishing *Foreign Affairs*, the preeminent journal on international affairs and U.S. foreign policy; sponsoring Independent Task Forces that produce reports with both findings and policy prescriptions on the most important foreign policy topics; and providing up-to-date information and analysis about world events and American foreign policy on its website, CFR.org.

The Council on Foreign Relations takes no institutional positions on policy issues and has no affiliation with the U.S. government. All views expressed in its publications and on its website are the sole responsibility of the author or authors.

The ability of the United States to influence world events rests on a robust, competitive economy. CFR's Renewing America initiative sponsors meetings, research, analysis, recommendations, and outreach on how best to revitalize the country's economic strength and build the foundations for future prosperity and influence. As part of the Renewing America initiative, the Renewing America publication series generates innovative policy recommendations on revitalizing the U.S. economy and replenishing the sources of American power abroad. Policy recommendations and research papers in this series focus on six broadly defined issue areas: infrastructure; education and human capital development; debt and deficits; corporate regulation and taxation; innovation; and international trade and investment. The Renewing America initiative is supported in part by a generous grant from the Bernard and Irene Schwartz Foundation.

For further information about CFR or this paper, please write to the Council on Foreign Relations, 58 East 68th Street, New York, NY 10065, or call Communications at 212.434.9888. Visit CFR's website, [www.cfr.org](http://www.cfr.org).

Copyright © 2013 by the Council on Foreign Relations®, Inc.

All rights reserved.

Printed in the United States of America.

This paper may not be reproduced in whole or in part, in any form beyond the reproduction permitted by Sections 107 and 108 of the U.S. Copyright Law Act (17 U.S.C. Sections 107 and 108) and excerpts by reviewers for the public press, without express written permission from the Council on Foreign Relations.

## Introduction

The Great Recession of 2007–2009 has profoundly affected the American people. Personal economic stress levels are high, and insecurity about jobs, housing, education, and retirement is up among nearly all segments of the public, with many families reorganizing their lives to adjust for declining wealth and real income, as well as poor job prospects. At the national level, Americans are expressing record levels of frustration with what they see as a dysfunctional political system in Washington.

Yet despite the American people's struggles with this extended period of economic difficulty, their core values and beliefs about economic opportunity, and the nation's economic outlook, remain largely optimistic. And though the gap between the wealthy and the poor is widening, there is little evidence that economic class is becoming a greater factor in American values than in the past. Working-class Americans are certainly frustrated—both with current economic circumstances and with what they see as a political and economic system that gives unfair advantages to those who are already ahead. But on the whole, Americans remain certain that the nation can solve its problems, that hard work ultimately pays off, and that as long as the system treats everyone fairly, income divides are an acceptable part of a healthy economy.

This resilience suggests that while economists may debate whether the fundamentals of the American economy are in decline, the public's mood, so far, can be better interpreted as that of retrenchment, not defeat.

## Perceptions of U.S. Decline

Recessions cause doubt about the United States' vitality and prospects. Great recessions cause greater doubt. And, indeed much has been written during this Great Recession that calls into question U.S. vitality in almost every regard—internationally, economically, politically, and socially. Writing in *New York* magazine recently, Frank Rich characterized the outpouring of national pessimism from intellectuals, pundits, and politicians as a case of “full decline panic.”<sup>1</sup>

Real questions about the state of the nation also arose during the economic troubles of the late 1970s and early 1980s, and they were only put to rest when President Ronald Reagan could declare “morning in America” as the recession ended in 1984. Prior to that, American malaise was not only an unfortunate catchphrase associated with a major presidential address by President Jimmy Carter, but it also captured the view that the United States was in retreat, if not free fall.

Similar concerns arose a decade later, during the next economic downturn. One only needs recall the attention drawn to Paul Kennedy's *The Rise and Fall of Great Powers*, which was a leading indicator of what the *New York Times* then described as a new intellectual movement, the “School of Decline.”<sup>2</sup> And that school was in full attendance as the United States was seen as slipping behind Japan economically.

There have been various instances of doubt about U.S. vitality over the past four decades, but today this misgiving is accompanied by the emergence of class issues as another harbinger of decline. Rising economic inequality has brought into focus growing class divides, both economic and social/cultural. Although “America in decline” has been a recurrent theme in difficult times, the notion of class conflict has traditionally been rejected on the grounds that Americans do not see their society as one structured by class. But the sheer weight of evidence of growing economic inequality, as well as passionate protests such as the 2011 Occupy Wall Street movement, have recently brought class issues to the fore.

Income inequality certainly became a hot-button issue during the 2012 presidential campaign. A Pew Research Center poll, for example, attracted an extraordinary amount of attention when it found that 66 percent of Americans believed there were “very strong” or “strong” conflicts between the rich and the poor—an increase of 19 percentage points since 2009.<sup>3</sup>

There are indeed any number of indications of growing income inequality that could spark changes in values along class lines and raise new doubts about the United States' status and prospects. For the first time in recent history, most Americans have experienced a decline in both income and wealth over the past decade.<sup>4</sup> Middle-income and especially lower-income Americans have been hit hardest, while the higher-income segment of the public has been affected least. A greater percentage of Americans fall into the upper- and lower-income categories, while the middle class has shrunk in size. In another reflection of greater class divisions, residential segregation by income has increased markedly during the past three decades in the thirty largest U.S. metropolitan areas.

These trends notwithstanding, an in-depth look at national surveys of values and basic attitudes illustrates that even in the face of daunting economic circumstances, the American public is not easily

swayed from its core values and beliefs. Although the Great Recession has shaken people's confidence in the political and economic system and dampened their outlook on the nation's future, most Americans remain optimistic. There is little indication that beliefs in individualism, the efficacy of hard work, and the potential for personal progress have been seriously eroded by the economic body blows the American public has absorbed over the past four years.

Of particular note, though middle-class and lower-class Americans have been most hurt by the hard times of recent years, they continue to see their lives as better than that of their parents, and they expect that their children will be better off than they are. Further, Pew Research Center's longitudinal value trends find that over the past twenty-five years, there has been no widening of the division between the upper-middle class and the working class with respect to self-confidence, individualism, and sense of personal empowerment. Similarly, there is little to suggest in the values trend lines that the industriousness, religiosity, and social values of the lower-middle class have eroded precipitously, as some argue.

Nor has the emergence in the political discussion of class and growing income inequality fundamentally changed public opinion. Despite the attention to the "1 percent versus 99 percent" framework of the Occupy movement, not to mention Republican presidential nominee Mitt Romney's "47 percent" remark, there is no indication of increased class antagonism between Americans.

While the middle and lower classes clearly recognize growing income disparities, they do not resent the rich, and they are not calling for policies to reduce the wealth gap. They continue to admire the rich and see income inequality as an acceptable part of the American economic system.

As in the past, they themselves aspire to be rich, but what they see is a greater lack of fairness in public policy, which increasingly is seen as favoring the rich and powerful rather than promoting opportunities for people like themselves. Indeed, what the general public wants is not a war on the rich, but more policies that increase their prospects to get ahead.

## American Optimism, Self-Confidence, and Individualism

By modern historical standards, these have been tough times for the American public. Though the United States enjoyed rising prosperity each decade after World War II, that stretch of economic growth came to an end in 2000. Median household income was lower in the past decade than in the 1990s, and the net worth of the average family declined by 35 percent over the same period (see Figure 1).<sup>5</sup>

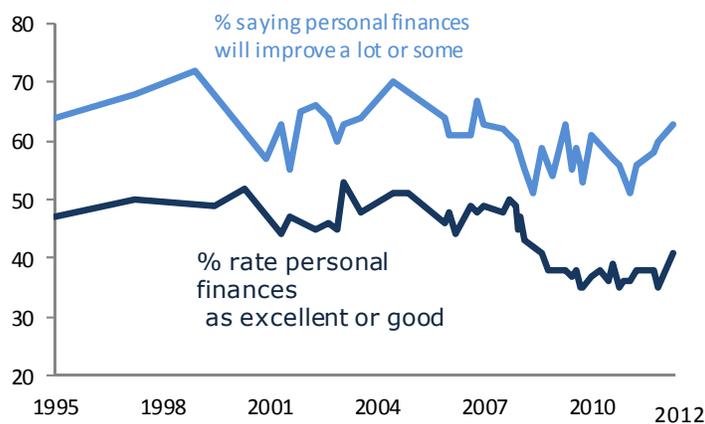
**Figure 1. Median Household Income Adjusted for Household Size, 1970–2010**  
(scaled to reflect a three-person household in 2011 dollars)



*Note:* Households are assigned to income categories based on their size-adjusted income in the calendar year prior to the survey year (e.g., 2010 income is reported in the 2011 survey).

*Source:* Pew Research Center

**Figure 2. Personal Financial Ratings and Expectation**



*Source:* Pew Research Center

The American public has noticed this change. During the past five years, an average of less than 40 percent of people rated their finances as excellent or good, compared to 48 percent earlier in the decade and in the mid-to-late 1990s (see Figure 2). However, in a display of characteristic optimism over this difficult period, nearly six in ten Americans expected their finances to improve in the coming year.<sup>6</sup> Despite a prolonged recession, levels of optimism about better times one year ahead are comparable to what they have been over the past two decades.

This is not to say that the public's mood has not been shaken by this prolonged downturn. Indeed, it has, but Americans' fundamental confidence remains intact. The impact of the great recession has been to temper American optimism rather than ravage the public's outlook for themselves and for the nation.

A 2012 Pew Research Center survey found that 79 percent of workers say they either earn enough money to lead the kind of life they want (48 percent) or expect to in the future (31 percent).<sup>7</sup> This is no lower than at the peak of the boom in 1999, when 77 percent said they either already did (39 percent) or expected to (38 percent) earn enough to live the life they wanted.

Similarly, when questioned in the boom years of the late 1990s about their long-term expectations, supermajorities expected the economy to be stronger over the long term and were optimistic about the country's and their families' future (see Table 1).<sup>8</sup> In 2010, optimism was more modest but remained the majority point of view: 56 percent of people continued to think the economy will be stronger over the next forty years, down from 64 percent a decade earlier.

**Table 1. Most Americans Still Optimistic About the Long-Term Future**

<i>Over the next forty years, view of...</i>	<b>May 1999</b> %	<b>April 2010</b> %
<b>Life of you/your family</b>		
Optimistic	81	64
Pessimistic	15	31
Don't know	4	4
<b>Future of the United States</b>		
Optimistic	70	61
Pessimistic	27	36
Don't know	3	3
<b>The U.S. economy will be . . .</b>		
Stronger	64	56
Weaker	31	39
Neither/Don't know	5	5

*Source:* Pew Research Center/*Smithsonian* magazine, April 21–26, 2010

The continued positive outlook—despite the hard times—is a measure of the resilience of American values. The Pew Research Center's twenty-five-year tracking of American values finds little indication of deflation in the public's basic confidence in the efficacy of hard work, the nature of personal success, and the nation's capacity to solve its problems.

While the public rates its current financial situation as low as it has at any point over the past twenty-five years, it remains bullish about the ability of the American people to overcome challenges. Nearly seven in ten (69 percent) agree that “as Americans, we can always find a way to solve our

problems and get what we want.”<sup>9</sup> In 1987, when this question was first asked, 68 percent of people expressed this opinion.

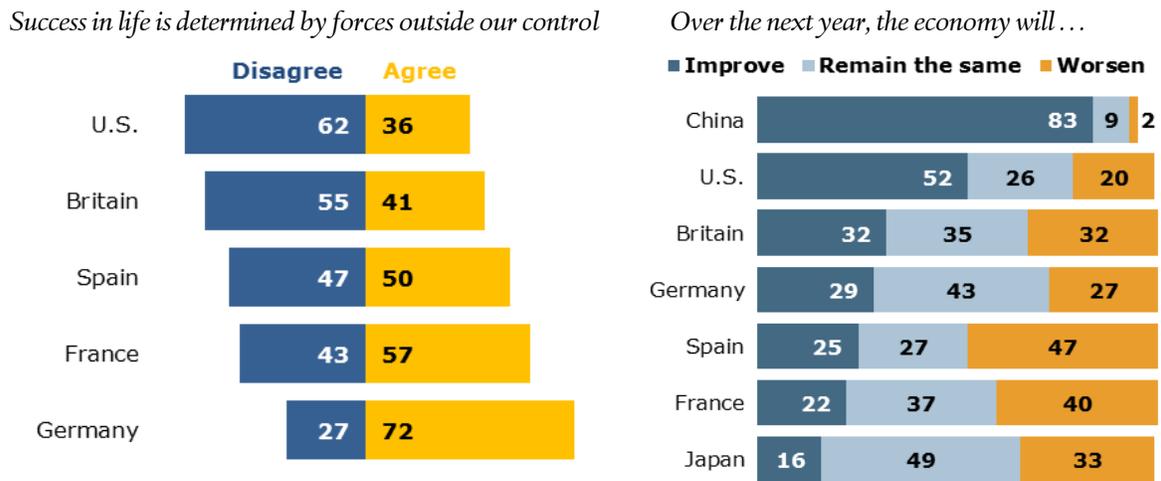
Majorities continue to reject the idea that hard work offers little guarantee of success and that success is outside of an individual’s control. Just 35 percent say that “hard work offers little guarantee of success”; 63 percent disagree. Twenty-five years ago, only slightly more people rejected the notion that hard work is futile.

Similarly, Americans continue to express highly individualistic attitudes. Unlike Europeans, they believe that they themselves, not larger forces in society, determine whether they will be successful in life (see Figure 3).

Currently, 36 percent of Americans agree that “success in life is pretty much determined by forces outside our control,” while 62 percent disagree, a sentiment that has changed little in twenty-five years.<sup>10</sup> In western Europe, the prevailing view has been and continues to be that success in life is not determined by the individual, but by the powers that be.

It should not be surprising, then, that the Pew Global Attitudes Project finds more economic optimism in the United States following the Great Recession than it does among the publics of all other major economies, excepting the Chinese, who were polled prior to the onset of their economic slowdown.

Figure 3. American Individualism and Optimism Relative to Other Countries



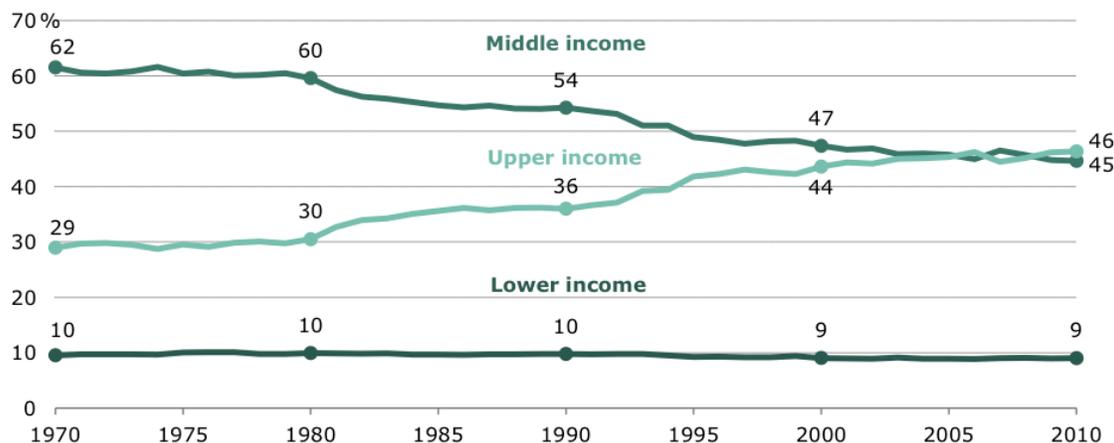
Source: Pew Research Center Global Attitudes Project, April 2011 and April 2012, respectively

## Despite Growing Inequality, Consistent Class Divisions

At the same time that surveys find the Great Recession having only a modest effect on overall public optimism, the actual economic impact has been substantial, and borne primarily by less affluent Americans. This raises the question of whether those who have borne the brunt of difficult times have become disillusioned, and whether as a consequence class resentment is on the rise.

The contrasting impact of changing economic fortunes on the rich and the poor is daunting. Economic data from the U.S. Census and the Federal Reserve Bank shows that inequality has risen dramatically over the past three decades and has become even more pronounced in the 2000s. According to analyses by the Pew Research Center's Social and Demographic Trends project, the share of U.S. aggregate household income accounted for by higher-income households increased from 29 percent in 1970 to 46 percent in 2010 (see Figure 4).<sup>11</sup> The share accounted for by middle-income households fell from 62 percent in 1970 to 45 percent in 2010. The share of lower-income households remained a meager 9 percent.

**Figure 4. Percentage Distribution of U.S. Aggregate Household Income (by income tier, 1970–2010)**



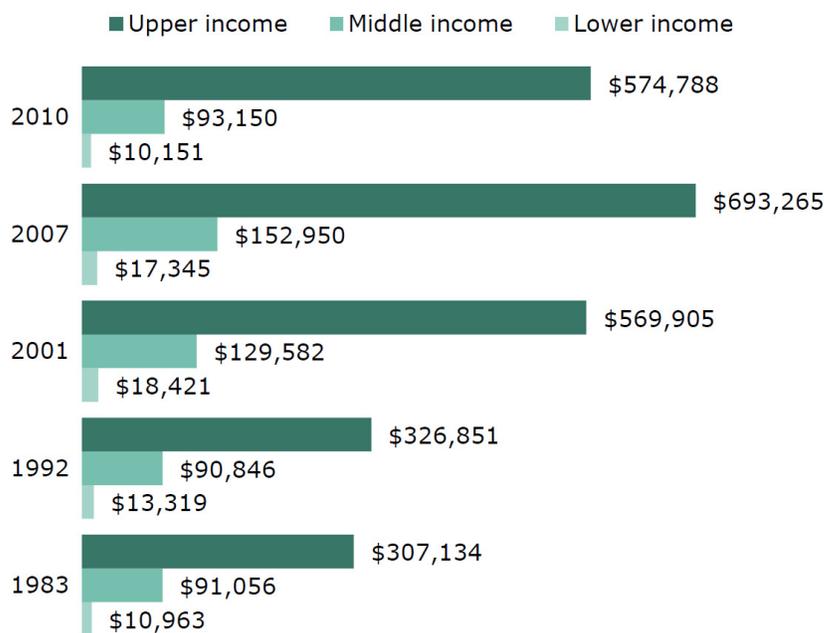
*Notes:* Households are assigned to income categories based on their size-adjusted income in the calendar year prior to the survey year (e.g., 2010 income is reported in the 2011 survey). Their adjusted incomes are then totaled to compute the share of an income group in U.S. aggregate household income. Percentages in each year may not add to 100 percent due to rounding.

*Source:* Pew Research Center tabulations of the Current Population Survey, Annual Social and Economic Supplements, 1971–2011

Pew Research Center analysis also found that the middle class is shrinking. Defined as those with household incomes between two-thirds and twice the national median, the share of adults who fall into the middle-class category fell from 61 percent in 1971 to 51 percent in 2011.<sup>12</sup> Over the course of this period, there was “a dispersion of the population into the economic tiers both above and below.” The higher-income tier rose from 14 percent of adults in 1971 to 20 percent in 2011, and the lower-income tier rose from 25 percent to 29 percent.

Pew Research termed the 2000s “the lost decade of the middle class.” Not only did the median income of middle-class Americans decline by 5 percent over this decade, but their median wealth (i.e., assets minus debt) declined by 28 percent (see Figure 5). And it was even more of a “lost decade” for those in the lower-income tier, whose already low wealth levels plunged by 45 percent. In contrast, the median wealth of the higher-income tier was essentially unchanged—it rose by 1 percent during the 2000s.

**Figure 5. Median Net Worth of Lower-, Middle-, and Higher-Income Families, 1983–2010 (in 2011 dollars)**



*Notes:* Median net worth is the difference between the assets owned and liabilities held by a family. Families are assigned to income categories based on their size-adjusted family income.

*Source:* Pew Research Center tabulations of Survey and Consumer Finances data, 1983–2010

Pew Research Center’s survey also found fewer Americans thinking of themselves as middle class.<sup>13</sup> In 2012, just 49 percent of adults described themselves as such, while 53 percent had said they were middle class in early 2008. More dramatically, the 2012 poll also found an increase in those who self-identify as being in the lower or lower-middle class—32 percent placed themselves in these categories, up from 25 percent in 2008.

Other indicators show a similar pattern. When asked to think back to four years ago—2008—more self-described upper-class Americans said they were in better shape, not worse (42 percent versus 34 percent). Middle-class people have an opposite view on balance, with more saying they were in worse shape, not better (42 percent to 32 percent). And by more than a two-to-one margin, lower-class people report being in worse shape (58 percent versus 24 percent).

Surveys suggest that these Americans’ continued optimism is due to a sense of having made progress over the course of their lives, despite recent difficulties. Notably, for all the evidence of a lack of earnings growth and a spiraling wealth gap, most people (57 percent) still say their standard of living is better than that of their parents.<sup>14</sup> This is only somewhat lower than the number who held that view two decades ago (64 percent in 1994), and most middle-class respondents (60 percent) and a

near majority of the lower class (47 percent) say they are better off than their parents were at a comparable age.

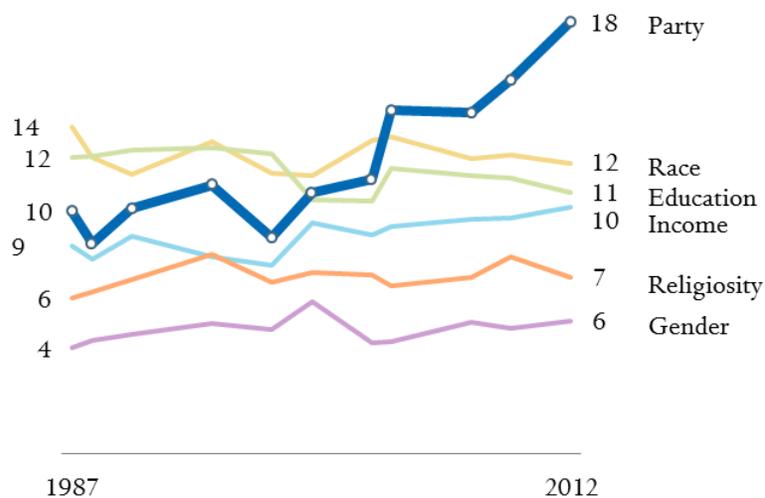
And though their current circumstances may be stressful, self-described middle- and lower-class Americans gave no indication that they were less optimistic about their children's prospects than upper-class citizens: four in ten in all three categories expect that their children will have a better standard of living than they do.

Indeed, the Pew Research Center has tracked a wide range of public values for a quarter century, and there is no indication of greater divides between less affluent and more affluent Americans in a range of measures related to well-being, including feelings of efficacy, individualism, and personal empowerment.<sup>15</sup>

In most respects, the American public's values have changed little over the past twenty-five years. And though divisions have grown within American society, they are along political rather than class lines.

Over the past fifteen years, the values gap between Republicans and Democrats has doubled in size. Across forty-eight questions asked consistently over this time, the average difference between the share of Republicans and Democrats who hold each view stood at eighteen percentage points in 2012, up from nine points in 1997 (see Figure 6).<sup>16</sup> Existing partisan disagreements over the scope and role of government have grown even wider, and areas in which Republicans and Democrats did not previously differ—such as environmental protection, immigration, and religion—have become highly fractious.

**Figure 6. While Partisan Values Gap Grows, Class Divides Do Not (average difference on forty-eight values questions, by demographic)**



Source: Pew Research Center 2012 Values Survey

Yet whether social class is defined by income or education, the differences in the core values of upper- and lower-class Americans are no wider today than they were a quarter century ago (see Figure 7). To be sure, class divides exist, particularly when it comes to views of opportunity and the role of government. Those in the lowest quartile of household income are twice as likely as those in the highest quartile to say that “hard work offers little guarantee of success” (46 percent versus 23 percent). But that gap differs little from twenty-five years ago (41 percent among the lowest income ver-

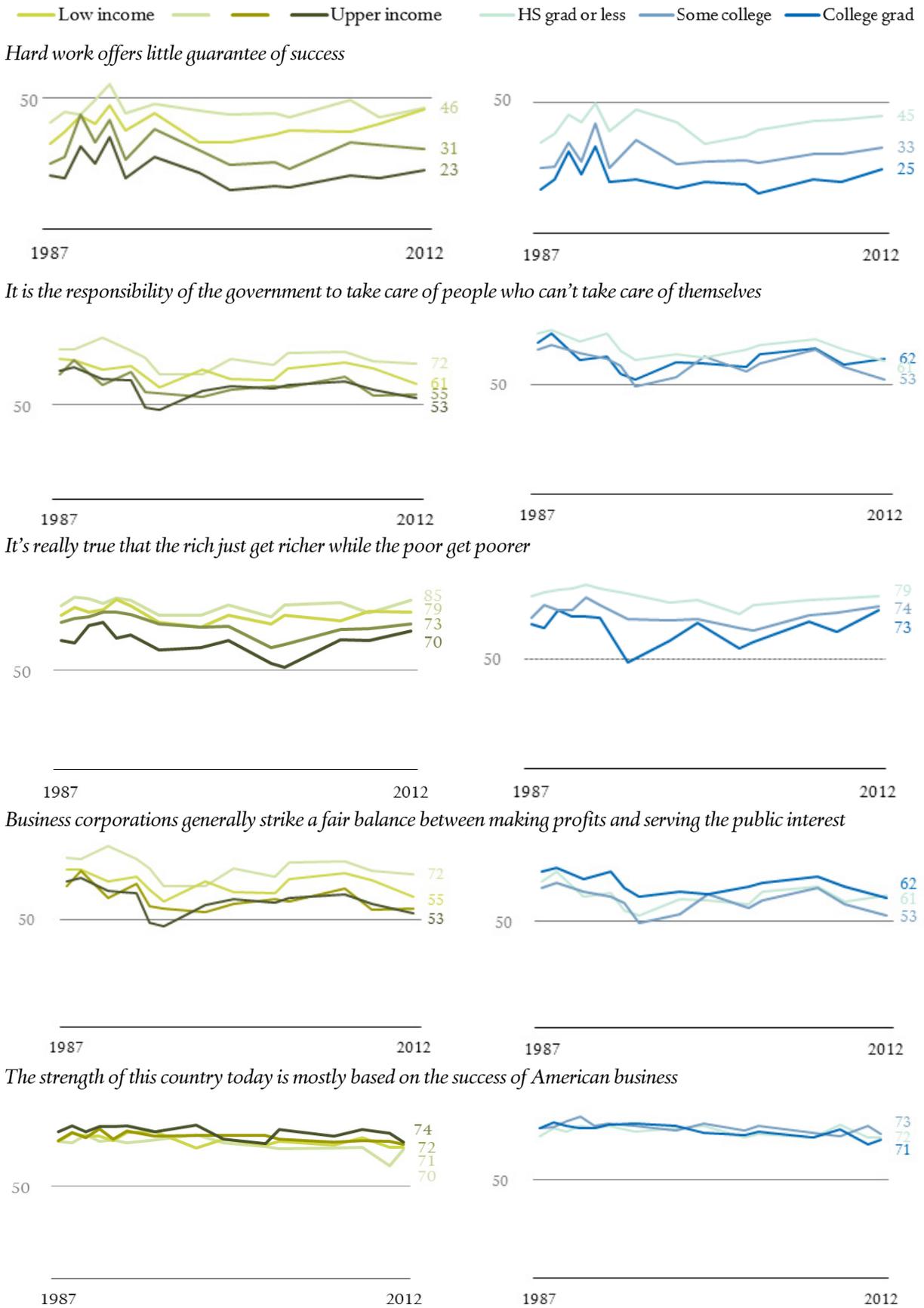
sus 21 percent among the highest). The same is true when the views of college graduates are compared with those of people who never attended college.

And lower-income Americans have consistently expressed a stronger commitment to the social safety net than higher-income Americans, though there has never been much of a divide in this realm among Americans of different education levels.

The core critique of the Occupy Wall Street movement was that economic institutions in the United States had been captured to serve the interests of big businesses rather than of regular Americans. Yet when it comes to views of the free market and the role of business, public sentiment has not grown notably more skeptical, and class divides have consistently been small. Fully 72 percent of Americans say the strength of this country today is based primarily on the success of American business; it was 75 percent a quarter century ago.<sup>17</sup> This view is held by more than seven in ten Americans across income and education lines.

Although businesses are part of the United States' strength, they are hardly without fault in the public's eye: only 38 percent say business corporations strike a fair balance between making profits and serving the public interest. This skepticism, too, has been relatively consistent over the past twenty-five years, and lower-income Americans are no more likely to criticize business motives than are higher-income Americans.

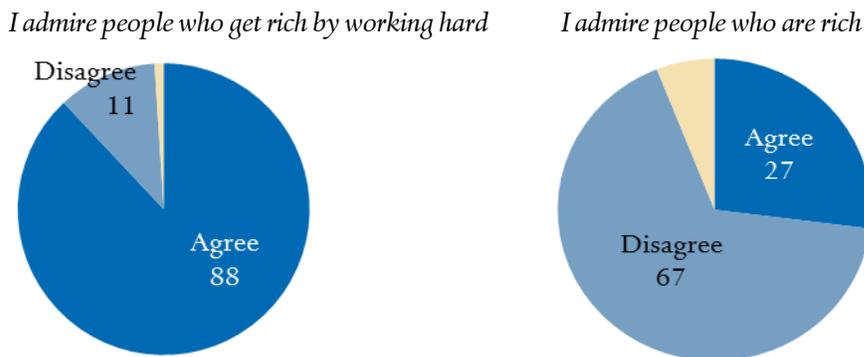
**Figure 7. Values by Income and Education**



Source: Pew Research Center 2012 Values Survey

Though many Americans may feel that “the rich just get richer” in this country, there is little resentment of the wealthy among those lower on the socioeconomic scale. This is not to say that wealth, in and of itself, garners public respect—only 27 percent of Americans say they admire people who are rich (see Figure 8).<sup>18</sup> But achieving wealth remains almost universally respected—88 percent say they admire people who get rich by working hard. This has been a near-universal American value over the past two decades, with little disagreement by education level or income. In every income category, more than eight in ten Americans say they admire people who get rich by working hard, and this has been true consistently over the past two decades.

**Figure 8. The Rich Are Widely Admired ... If They Work Hard**



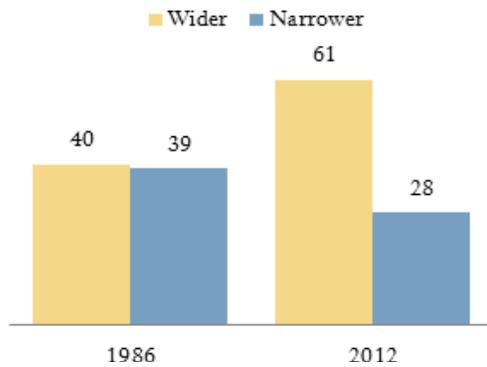
Source: Pew Research Center 2012 Values Survey

Overall, there is little evidence that class has become a more significant factor in American political values. Though poorer and richer Americans differ on questions of opportunity and the role of government, these gaps have neither grown nor shrunk over time. Most fundamentally, both low- and high-income Americans remain broadly committed to the core precepts of the free market—individual effort remains central to personal success, while business remains central to the nation’s success.

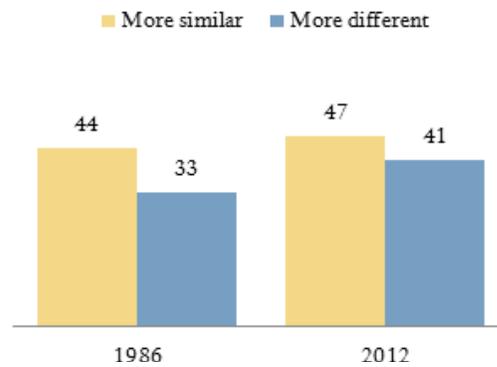
Although the real income gap in U.S. society is growing, it is not leading to a greater gap in political and social values. And the American public itself sees this distinction. People are keenly aware of the growing wealth and income gap in U.S. society (see Figure 9). Fully 61 percent say the gap in living standards between middle-class and poor people has become wider over the past decade, up from 40 percent in 1986. But a plurality continues to believe that the values of middle-class and poor people have converged.

**Figure 9. Public Sees Wider Income Divide, But Not Wider Values Divide**

*The gap in living standards between middle class and poor people has become ...*



*The values of middle-class and poor people have become ...*



Source: Pew Research Center 2012 Values Survey

When it comes to the gap between the middle class and the rich, people see larger divides on both fronts: 71 percent say the gap in living standards has grown wider, and 69 percent also believe that the values held by rich people have diverged from those of middle-class people. And this perception spans class itself: higher- and lower-income Americans are equally likely to see these divides widening.

Despite these differences, few Americans cast aspersions on the wealthy. Though their values may be seen as different, just 23 percent believe rich people have *lower* moral values than most other people. A wide majority believes that the moral values of rich people are either the same (55 percent) or higher (15 percent) than average. The fact that people recognize differences between classes, and even register that there are conflicts, does not imply resentment, dislike, or “class warfare.”

## A Growing Social and Cultural Values Gap?

In his recent book *Coming Apart: The State of White America, 1960–2010*, sociologist Charles Murray suggests that democracy in the United States is at risk because of the erosion of civic culture.<sup>19</sup> The behaviors and values of upper- and lower-class Americans, he argues, have diverged in such a way that it tears at the fabric that holds the nation together. In particular, he proposes that while higher-income Americans continue to pass these core values on to their children, the transmission of civic culture has broken down among those at the lower end of the socioeconomic spectrum.

The core of Murray’s argument is not about political values—such as the proper scope of government or its policies—but personal values, or what people prioritize in terms of personal, family, and community goals. Specifically, he breaks this down into what he refers to as the “Founding Virtues”: industriousness, marriage, religiosity, and honesty.

While Murray’s statistics on marriage and divorce rates, crime rates, single parenting, disability claims, and personal bankruptcies describe many of the challenges working-class Americans face in the modern economy, his inference that these trends reflect an erosion of core values in the working class is not supported by polling evidence. Rather, Pew Research Center surveys find no evidence that lower-income and less-educated Americans value hard work, patriotism, religion, or family any less than they ever have.

Murray’s arguments about class clearly echo the public’s views on poverty (see Table 2). Seven in ten Americans (71 percent) believe that poor people have become too dependent on government assistance programs.<sup>20</sup> A slimmer majority (54 percent) feels that many people today think they can get ahead without working hard.

There is little class divide on these judgments—most Americans at all income levels express skepticism about the work ethic of others, whether it is the dependency of poor people on government or a lack of work ethic.

Table 2. Many Americans, Across Classes, Question Americans' "Work Ethic"

		Total %	\$100k+ %	\$30-\$100k %	Under \$30k %
Poor people have become too dependent on government assistance programs	Agree	71	65	77	68
	Disagree	24	31	21	26
Many people today think they can get ahead without working hard and making sacrifices	Agree	54	56	54	53
	Disagree	45	42	44	46

Source: Pew Research Center

Yet there is little evidence that working-class Americans hold fundamentally different values about the importance of work (see Table 3). A major 2008 study by the Pew Research Center's Social and Demographic Trends project found 61 percent of adults saying that "being successful in a career" was very important to them personally, and this was slightly higher among low-income Americans (69 percent) than those at the upper end of the income scale (58 percent).<sup>21</sup> Low-income Americans also place a higher importance on a man being able to support a family financially.<sup>22</sup>

Table 3. The Personal Importance of Work

	Total %	\$100k+ %	\$30-\$100k %	Under \$30k %	Gap
Being successful in a career is very important to me personally	61	58	58	69	-11
In order to be ready for marriage, it is very important that a man can support a family financially	67	61	65	74	-13

Source: Pew Research Center

Murray suggests a steep decline in the religious connection of working-class whites, but polling data show little evidence of this (see Table 4).<sup>23</sup> Though there is a slow increase in the share of Americans who say they are not religious, this is no steeper among those in the lower classes. In fact, to the extent that there is a religious divide, it cuts the other way, with upper-class Americans less likely to register strong religious commitment. And this division has neither grown nor shrunk over the past quarter century. About the same share of higher- and lower-income Americans say that living a religious life is very important to them personally.

Table 4. The Personal Importance of Religion

	Total %	\$100k+ %	\$30–\$100k %	Under \$30k %	Gap
Living a religious life is very important to me personally	52	50	53	53	-3
Prayer is an important part of my daily life	76	63	74	83	-20
I never doubt the existence of God	80	71	82	83	-12
I attend church weekly	37	32	38	36	-4

Source: Pew Research Center

Similarly, there are no substantial class divides when it comes to volunteerism and sense of community (see Table 5). Roughly half of both high-income (54 percent) and low-income (56 percent) Americans say that doing volunteer work or donating to charity is very important to them personally, and huge majorities of both say that everyone has a duty to be involved in community activities to address local issues.<sup>24</sup> And while low-income Americans are less interested in national politics, they express the same level of interest in keeping up with news about politics in the area where they live.

Table 5. The Personal Importance of Community, Charity, and Volunteering

	Total %	\$100k+ %	\$30–\$100k %	Under \$30k %	Gap
Everyone has a duty to be involved in community activities to address local issues	89	89	91	88	+1
I'm interested in following local politics	34	33	35	33	0
Doing volunteer work or donating to charity is very important to me personally	52	54	50	56	-2

Source: Pew Research Center

One of Murray's criticisms of working class values is the decline of marriage as an institution, and there is little doubt that marriage rates have fallen and out-of-marriage births have grown substantially among the poor but not among the wealthy. Yet surveys suggest no clear values gap when it comes to marriage and family (see Table 6).<sup>25</sup> Lower-income Americans are about as likely as those with higher incomes to rate marriage and children as very important to them, and to say that divorce should be avoided except in an extreme situation. Those with children say they have family meals together at the same rate, and nearly all married people, regardless of income, cite the lifelong commitment of marriage as a very important reason for their unions.

Table 6. Views of Parenting and Family

	Total %	\$100k+ %	\$30–\$100k %	Under \$30k %	Gap
Divorce should be avoided except in an extreme situation	38	33	41	37	-4
The present institution of marriage is becoming obsolete	39	25	36	48	-23
One parent can bring up a child as well as two parents together	51	44	50	56	-12
More unmarried couples raising children is a bad trend for society	43	42	50	35	+7
More single women having children without a male partner to help raise them is a bad trend for society	69	71	73	62	+9
A pre-school child is likely to suffer if his or her mother works	35	28	33	40	-12
More mothers of young children working outside the home is a bad trend for society	37	38	41	34	+4
A child needs a home with both a father and a mother to grow up happily	61	60	59	62	-1

Source: Pew Research Center

Class has little relation to peoples' personal feelings about marriage and children, but higher- and lower-income Americans do express different views about family structures more generally (see Table 7). Low-income Americans are twice as likely as high-income Americans to say that the present institution of marriage is becoming obsolete (48 percent versus 25 percent).<sup>26</sup> And they are far more supportive of single parenting—fewer see the trend toward more children out of wedlock as a bad thing for society, and more believe that a single parent can do as good a job raising a child as can two parents together. Although these differences align with Murray's hypothesis about a values disparity between higher and lower socioeconomic groups, they are the exception, not the rule, when it comes to the broad range of values that Americans of all socioeconomic backgrounds share.

Table 7. The Personal Importance of Family and Commitment

	Total %	\$100k+ %	\$30–\$100k %	Under \$30k %	Gap
Having children is very important to me personally	61	62	61	59	+3
Being married is very important to me personally	53	56	53	50	+6
Eat dinner together as a family every day ( <i>among those with children eighteen and under at home</i> )	50	48	54	47	+1
Making a lifelong commitment is a very important reason to be married ( <i>among married adults</i> )	87	83	87	90	-7

Source: Pew Research Center

## It's Not About Class, But Lack of Fairness

With a year of the Occupy Wall Street movement stoking the fires, not to mention the growing reality of income inequality, it is not surprising that class conflict had entered the political dialogue even before Barack Obama and Mitt Romney squared off on the issue in the 2012 presidential campaign. A November 2011 national survey found a swelling percentage of Americans believing that there are strong conflicts between the rich and the poor.<sup>27</sup> To many who seized on the results of the survey, that trend suggested that class divisions were indeed growing.

But a closer look at the polls then and since indicates that although Americans have been hearing more about class divisions, there is no indication that the public is on the verge of a populist revolt.

First, from the public's perspective, economic inequality is hardly new and indeed is as American as apple pie. A series of fourteen national Pew Research Center surveys taken periodically since 1987 found an average of 75 percent of the American public thinking that the "rich are getting richer and the poor are getting poorer."<sup>28</sup> Public acknowledgment of economic inequality goes back a long way. A 1941 Gallup poll found 60 percent of respondents reporting that there is too much power in the hands of a few rich people and large corporations in the United States.<sup>29</sup>

Second, there is not now nor has there been significant class animosity (see Table 8). An early 2012 Gallup survey found 63 percent of Americans believe the country benefits from having a class of rich people.<sup>30</sup> This view is unchanged from opinions about the rich two decades ago, when an almost identical percentage expressed this opinion in a Gallup poll. And this holds even among low-income Americans: 60 percent of those with household incomes below \$30,000 say the nation benefits from having a class of rich people.

**Table 8. Little Resentment of the Wealthy in General**

	1990			2012		
	Yes	No	No opinion	Yes	No	No opinion
Do you think the U.S. benefits from having a class of rich people, or not?	62	32	6	63	34	3
All in all, if you had your choice, would you want to be rich, or not?	59	38	3	63	35	1

Source: Gallup organization, May 2012

Further, there is little demand for addressing economic inequality as a social issue (see Tables 9 and 10). In a December 2011 Gallup survey, most Americans (54 percent) rated reducing “the income and wealth gap between the rich and the poor” a relatively low priority for the federal government; just 46 percent rated it as important for the government to tackle, compared with 70 percent who wanted to see policies aimed at increasing equality of opportunity.<sup>31</sup> In the same survey, a 52 percent majority believed that income inequality is an “acceptable part of our economic system.” This is a slight increase over the 45 percent that held that view back in 1998.

**Table 9. Increasing Equality Is Far More Important Than Reducing the Income Gap**

How important is it that the federal government enact policies to . . .	Extremely/ Very Important %	Somewhat/ Not important %
Increase the equality of opportunity for people to get ahead if they want to	70	30
Reduce the income and wealth gap between the rich and the poor	46	54

Source: Gallup, November 28–December 1, 2011.

**Table 10. And Fewer See Income Disparities as a Problem to Be Fixed**

Is the fact that some people in the U.S. are rich and others are poor . . .	1998 %	2011 %
A problem that needs to be fixed	52	45
An acceptable part of our economic system	45	52
No opinion	3	3

Source: Gallup, November 28–December 1, 2011

To be sure, reducing economic inequality matters more to low-income Americans. Some 64 percent of those earning less than \$30,000 a year say it is important for the government to enact policies to reduce the income and wealth gap, compared with just 34 percent of those earning \$75,000 or more.<sup>32</sup> Yet even among the poor, creating opportunity is a far greater priority than tackling inequality—84 percent of low-income Americans say it is important for the federal government to enact policies designed to increase the equality of opportunity for people to get ahead if they want to.

Americans do not appear to dislike or resent the rich. Gallup not only reported that a majority of Americans believe having a class of rich people is a good thing, but it found that the majority of Americans who do not consider themselves rich now would *like* to be rich if they had their choice.<sup>33</sup> In fact, slightly more Americans now than in 1990 say they would want to be rich if they had a choice.

What is in play these days is that the public, struggling with difficult times and an uncertain future, is up in arms about what it perceives is a lack of fairness in public policy. There are many indications of this in recent polling. For example, 61 percent of Americans say the economic system in this country unfairly favors the wealthy, and Pew Research surveys in recent years have detailed the specific nature of their complaints.<sup>34</sup>

Tax policy is a prime example. In recent years, dissatisfaction with the tax system has increased markedly, and the focus of the public's complaint is not how much it has to pay, but rather that wealthy people are not paying their fair share of the nation's tax burden (see Table 11). Just 11 percent say they are bothered by the amount they pay in taxes, while 57 percent believe that the wealthy do not pay their fair share.<sup>35</sup>

**Table 11. Tax Fairness: It's Less About What I Pay Than What the Wealthy Don't Pay**

	March 2003 %	December 2011 %	Change
<b>The federal tax system is ...</b>			
Very/moderately fair	51	43	-8
Not too/at all fair	48	55	+7
Don't know	1	3	
<b>You pay ...*</b>			
More than fair share	55	38	-17
Less than fair share	1	5	+4
About right amount	41	52	+11
Don't know	3	5	
<b>What bothers you most ...</b>			
Amount you pay	14	11	-3
Complexity of system	32	28	-4
Feel wealthy people don't pay fair share	51	57	+6
Don't know	2	4	

*Note:* Trend data from NPR/Kaiser/Harvard poll, except \*from February 2000 Pew Research Center. Figures may not add to 100 percent because of rounding.

*Source:* Pew Research Center, December 7–11, 2011

The public's concerns are not targeted solely at the wealthy. The government's response to the 2008 market and housing crash sparked resentment about unfair treatment at both ends of the economic spectrum. From the very beginning, the public was overwhelmingly opposed to loans to Detroit automakers.<sup>36</sup> It was also initially divided over the government coming to the aid of financial institutions during the market crash, but by 2010 the division of opinion about the bailouts had turned into outright opposition. No doubt outrage over Wall Street bonuses played a major role in this trend. Pew Research Center surveys at the time found that 86 percent of people disapproved of the bonuses, with as many as 62 percent saying they were angered by them.<sup>37</sup>

Yet at the same time, much of the public was also put off by assistance to homeowners facing foreclosures on mortgages they could not afford. A policy aimed at helping those with the most to lose from the crisis was seen by many as an unfair handout to the irresponsible—just 46 percent favored the government helping homeowners facing foreclosure, while 46 percent were opposed to the idea.<sup>38</sup> In fact, nearly as many people were angry about bailing out underwater homeowners (39 percent) as were about bailing out banks (48 percent).<sup>39</sup>

Since then, public disapproval of the practices of major financial firms has only increased, so much so that despite their concerns about growing government, Americans looked the other way when the government consistently and overwhelmingly supported financial regulatory reform. But reforms have not allayed people's concerns. In December 2011, 56 percent of Americans said the power and influence of banks and financial institutions represented a major threat to the country.<sup>40</sup>

During a time of prolonged economic hardship, Americans are clearly upset about a perceived lack of fairness. What the public wants is not a war on the rich, but rather more fairness in public policy, and policies that promote opportunity. And although the public has grown increasingly aware of the income divide in the United States, there is, if anything, a decline in the share who say it is a problem than needs to be fixed, and a growing number see it as an acceptable part of the U.S. economic system.

In short, the same pattern exists with respect to class divisions that was observed regarding optimism, self-confidence, and individualism. So far, traditional American values have remained resilient under dramatically changing economic conditions.

## Conclusion

In many ways, the outcome of the 2012 presidential election summed up the public's point of view: at a time of continued discontent about conditions and worries about the future, Americans chose continuity over change. This is hardly a choice that an electorate mired in a declinist outlook would have taken.

Yes, voters continue to have a bleak view of the national economy. According to national exit polls, 76 percent rated the national economy as “not so good” or “poor.”<sup>41</sup> Just 25 percent said their finances were better than four years ago. Nonetheless, a late October 2012 Pew Research Center survey found voters increasingly optimistic that recovery is at hand (30 percent) or soon to come (31 percent).<sup>42</sup> More broadly, opinions about the state of the nation were much more upbeat on Election Day than they were four years earlier. In 2008, a whopping 75 percent of voters told exit pollsters that the country was on the wrong track, while just 20 percent saw it on the right track. By 2012, the electorate had begun to see significant progress, with 46 percent saying the country was on the right track, compared to 52 percent still seeing it on the wrong track.

Americans are quick to seize on good news. They are accustomed to things getting better. If the United States is in decline, the public will be the last to acknowledge it. Substantial drops in wealth and real income notwithstanding, large majorities have consistently believed that “as Americans we always find a way to solve our problems.”

Continued optimism, even in the face of such an experience, may persist in part because the average citizen looks around and continues to see affluence and economic progress. That the rich are getting richer and the poor poorer is another belief long held and little changed over a long period of time. Continued affluence in the system raises hopes—“Yes, my children can do as I did in becoming better off than my parents.”

But for that to happen, Americans say, a fairer system is needed. And that is the rub. Americans do not resent the rich, but they do increasingly deplore the unfairness of the economic system, which is seen as the culprit. The public does not look at decline in its financial well-being as a function of sagging American vitality and fortunes, but rather as a product of a system that has created a new Gilded Age.

That attitude was very much in play on Election Day, and it may be this era's legacy. Throughout the campaign, most voters saw Mitt Romney as a candidate of the rich rather than of the middle class. On Election Day, a majority told exit pollsters that the U.S. economic system favors the wealthy. They saw Romney's policies, unlike President Obama's, as potentially favoring the rich.

Americans have weathered a bad economic storm with characteristic optimism left largely intact, but also with a greater resolve about what they see as the solution to the problem: fix the economy and give us a fairer shot at getting ahead.

## Endnotes

1. Frank Rich, "Mayberry R.I.P.," *New York* magazine, July 22, 2012, <http://nymag.com/news/frank-rich/declining-america-2012-7/>.
2. Paul Schmeisser, "Taking Stock: Is America in Decline?" *New York Times Magazine*, April 17, 1988, <http://www.nytimes.com/1988/04/17/magazine/taking-stock-is-america-in-decline.html?pagewanted=all&src=pm>.
3. Paul Taylor et al., "Rising Share of Americans See Conflict Between Rich and Poor," Social and Demographic Trends, Pew Research Center, January 11, 2012, [http://www.pewsocialtrends.org/files/2013/01/Rich\\_vs\\_poor-final\\_1-10-13.pdf](http://www.pewsocialtrends.org/files/2013/01/Rich_vs_poor-final_1-10-13.pdf).
4. Andrew Kohut et al., "Partisan Polarization Surges in Bush, Obama Years: Trends in American Values: 1987–2012," Center for the People and the Press, Pew Research Center, June 4, 2012, <http://www.people-press.org/files/legacy-pdf/06-04-12%20Values%20Release.pdf>.
5. "The Lost Decade of the Middle Class: Fewer, Poorer, Gloomier," Social and Demographic Trends, Pew Research Center, August 22, 2012, <http://www.pewsocialtrends.org/files/2012/08/pew-social-trends-lost-decade-of-the-middle-class.pdf>.
6. "As Fiscal Cliff Nears, Democrats Have Public Opinion on Their Side; Record Numbers See Country as Divided," Center for the People and the Press, Pew Research Center, December 13, 2012, <http://www.people-press.org/files/legacy-pdf/12-13-12%20Political%20Release.pdf>.
7. Kohut et al., "Partisan Polarization Surges in Bush, Obama Years: Trends in American Values: 1987–2012."
8. "Public Sees a Future Full of Promise and Peril: Life in 2050," Center for the People and the Press, Pew Research Center, June 22, 2010, <http://www.people-press.org/files/legacy-pdf/625.pdf>.
9. Kohut et al., "Partisan Polarization Surges in Bush, Obama Years: Trends in American Values: 1987–2012."
10. Andrew Kohut et al., "Pervasive Gloom about the World Economy: Faith in Hard Work, Capitalism Falter, but Emerging Markets Upbeat," Global Attitudes Project, Pew Research Center, July 12, 2012, <http://www.pewglobal.org/files/2012/07/Pew-Global-Attitudes-Project-Economic-Conditions-Report-FINAL-July-12-2012.pdf>.
11. "The Lost Decade of the Middle Class: Fewer, Poorer, Gloomier," Pew Research Center.
12. Ibid.
13. Ibid.
14. Ibid.
15. Kohut et al., "Partisan Polarization Surges in Bush, Obama Years: Trends in American Values: 1987–2012."
16. Ibid.
17. Ibid.
18. Ibid.
19. Charles Murray, *Coming Apart: The State of White America, 1960–2010* (New York: Crown Forum, 2012).
20. Kohut et al., "Partisan Polarization Surges in Bush, Obama Years: Trends in American Values: 1987–2012."
21. Paul Taylor et al., "Inside the Middle Class: Bad Times Hit the Good Life," Social and Demographic Trends, Pew Research Center, April 9, 2008, <http://www.pewsocialtrends.org/files/2010/10/MC-Middle-class-report1.pdf>.
22. "The Decline of Marriage and Rise of New Families," Social and Demographic Trends, Pew Research Center, November 18, 2010, <http://www.pewsocialtrends.org/files/2010/11/pew-social-trends-2010-families.pdf>.
23. Taylor et al., "Inside the Middle Class: Bad Times Hit the Good Life"; and Kohut et al., "Partisan Polarization Surges in Bush, Obama Years: Trends in American Values: 1987–2012."
24. Ibid.
25. Taylor et al., "Inside the Middle Class: Bad Times Hit the Good Life"; and "The Decline of Marriage and Rise of New Families."
26. Paul Taylor et al., "As Marriage and Parenthood Drift Apart, Public is Concerned about Social Impact," Social and Demographic Trends, Pew Research Center, July 1, 2007, <http://www.pewsocialtrends.org/files/2007/07/Pew-Marriage-report-6-28-for-web-display.pdf>; and "The Decline of Marriage and Rise of New Families," Pew Research Center.
27. Taylor et al., "Rising Share of Americans See Conflict Between Rich and Poor."
28. Kohut et al., "Partisan Polarization Surges in Bush, Obama Years: Trends in American Values: 1987–2012."
29. "For the Public, It's Not about Class Warfare, But Fairness," poll analysis, Center for the People and the Press, Pew Research Center, March 2, 2012, <http://www.people-press.org/2012/03/02/for-the-public-its-not-about-class-warfare-but-fairness/>.
30. Frank Newport, "Americans Like Having a Rich Class, as They Did 22 Years Ago," Gallup, May 11, 2012, <http://www.gallup.com/poll/154619/Americans-Having-Rich-Class-Years-Ago.aspx>.

- 
31. Frank Newport, "Americans Prioritize Economy Over Reducing Wealth Gap," Gallup, December 16, 2011, <http://www.gallup.com/poll/151568/Americans-Prioritize-Growing-Economy-Reducing-Wealth-Gap.aspx>.
  32. Ibid.
  33. Newport, "Americans Like Having a Rich Class, as They Did 22 Years Ago."
  34. "Frustration with Congress Could Hurt Republican Incumbents," Center for the People and the Press, Pew Research Center, December 15, 2011, <http://www.people-press.org/files/legacy-pdf/12-15-11%20Congress%20and%20Economy%20release.pdf>.
  35. "Tax System Seen as Unfair, in Need of Overhaul," Center for the People and the Press, Pew Research Center, December 20, 2011, <http://www.people-press.org/files/legacy-pdf/12-20-11%20Taxes%20release.pdf>.
  36. "Psychology of Bad Times Fueling Consumer Cutbacks," Center for the People and the Press, Pew Research Center, December 11, 2008, <http://www.people-press.org/files/legacy-pdf/475.pdf>.
  37. "Midterm Election Challenges for Both Parties," Center for the People and the Press, Pew Research Center, February 12, 2010, <http://www.people-press.org/files/legacy-pdf/589.pdf>.
  38. "Psychology of Bad Times Fueling Consumer Cutbacks," Pew Research Center.
  39. "Midterm Election Challenges for Both Parties," Pew Research Center.
  40. "Frustration with Congress Could Hurt Republican Incumbents," Pew Research Center.
  41. Figures can be found at "Election Center," CNN, <http://www.cnn.com/election/2012/results/race/president>.
  42. "Presidential Race Dead Even; Romney Maintains Turnout Edge," Center for the People and the Press, Pew Research Center, October 29, 2012, <http://www.people-press.org/files/legacy-pdf/10-29-12%20FINAL%20Political%20Release.pdf>.

## About the Authors

**Andrew Kohut** is the founding director of the Pew Research Center and director of the Pew Global Attitudes Project.

**Michael Dimock** is the director of the Pew Research Center for the People and the Press.