

# **WHY CONCERNS ABOUT ECONOMIC INEQUALITY DO NOT TRANSLATE INTO SUPPORT FOR REDISTRIBUTIVE POLICIES**

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## **ABSTRACT**

Rising levels of economic inequality currently receive a great deal of attention from the mass public. However, the widespread concern has not lead to increased support for policies aimed at lessening inequality. Using data from multiple surveys and survey-experiments, this study investigates potential reasons for this weak link between concern about inequality and support for redistributive policies. Results show that many Americans fundamentally misunderstand the concept of economic inequality. Further, Americans' perceptions and preferences regarding inequality and related policies are highly affected by motivated reasoning and, to a lesser degree, by anti-government sentiment. Together, these factors help to explain the relatively weak link between concern about inequality and support for redistributive economic policies.

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Concern about economic inequality is widely shared by Americans. Most people recognize that inequality has increased, and a large majority of Americans feel that income differences are too large (Bartels, 2005; McCall, 2013). This aversion to current levels of inequality, however, is a curiously weak predictor of support for specific policies that might alleviate inequality (Kuziemoko et al., 2015; Zilinsky, 2014; Kenworthy & McCall, 2008). This puzzling pattern can be observed over time at the aggregate level as well. Study after study finds that American attitudes toward redistributive policies have rarely changed or have even shifted in a more conservative direction, despite the rising gap between rich and poor (Kenworthy & McCall, 2008; Kelly & Enns, 2010; Manza & Brooks, 2014; Luttig, 2013; Schmidt-Catran, 2014; Wright, 2017). If most voters prefer dramatically lower levels of economic inequality, and this sentiment is ostensibly shared by liberals and many conservatives alike (Pew Research Center, 2014; Kelley & Evans, 1993; Kiatpongsan & Norton, 2014; Osberg & Smeeding, 2006; Svallfors, 1997), then why do such policies enjoy so little support?

Using survey and experimental data, we examine why perceptions of rising inequality do not necessarily translate into support for more redistributive economic policies. Specifically, we investigate three possible explanations: 1) public misunderstanding of what the term inequality refers to, whether conceptually or empirically; 2) motivated reasoning, that is, when one uses partisanship or pre-existing opinions to guide perceptions of what will alleviate inequality; and 3) anti-government sentiment that prevents people from supporting government-based solutions, despite serious concerns about rising inequality.

Our results suggest that the concept of income inequality is not well-understood by the American public. Most respondents are unable to differentiate policies that address poverty from those that reduce inequality. Further, lack of understanding of the concept serves as a major hurdle in connecting concern to policy attitudes. Our findings also demonstrate a high degree of motivated reasoning, with respondents claiming that whatever policy they personally prefer is the policy best for reducing inequality. We find that anti-government sentiment plays only a marginal role in explaining weak support for redistributive policies; Republicans are less likely to support redistributive policies of all kinds, whether or not they are explicitly tied to government. We discuss the implications of these findings for understanding current public concerns about inequality.

### **Misunderstanding the problem?**

One possibility worth considering is that people simply misunderstand the concept of income inequality. We consider two forms of misunderstanding, one conceptual and the other statistical. While income inequality is a widely used term in contemporary public discourse, it has become so only recently. Indeed, economic/income inequality did not appear regularly in the press until the late eighties (McCall 2013, p. 65). As seen in Figure 1, the line tracking media references to economic/income inequality displays a sharp increase after 2011. Before that time, popular references to inequality occurred primarily with respect to racial (in)equality and gender (in)equality.

[Figure 1 here]

Further, the concept of inequality is inherently more complex than many economic concepts such as poverty, unemployment or recession. Understanding the concept of rising inequality requires the capacity for conceptualizing not just one, but two abstract entities—both the rich and the poor—and one must conceptualize these two income groups changing differentially over time. The sheer complexity of this concept suggests that scholars should not take for granted that what members of the public have in mind when voicing concerns about inequality is the same thing that social scientists have in mind. Academics may envision increasingly polarized income

distributions or graphic representations of inequality, but it is unclear how ordinary Americans conceptualize this issue.

Given the inherent complexity of income inequality and the relative novelty of the term as applied to income distributions, we predict that many Americans may misunderstand this highly abstract concept. In one of the few studies to date examining this question, Krupnikov and Levine (2014) point out that issues such as unemployment or poverty readily bring to mind concrete examples of ordinary citizens experiencing these problems. But they find that people are far less likely to think of inequality in terms of concrete examples of ordinary Americans.

Individuals vary a great deal in their abilities for abstract thinking (Anderson, 1990; Smith & Trope, 2006). Given that inequality refers to a form of variance, understanding also may be hampered by an individual's level of mathematical/statistical prowess. Relatively large parts of the American population have low levels of numeracy, that is, the ability to understand and utilize numerical and mathematical concepts (OECD, 2013, p. 75). Even among highly educated people, a substantial proportion exhibit low levels of numeracy (Lipkus, Samsa, & Rimer, 2001; Låg, Banger, Lindberg, & Friborg, 2014; Peters & Bjälkebring, 2015). Studies of the statistical notion of variance demonstrate that this concept is not easily understood, even among college students who have taken introductory courses on statistics (Slauson, 2008; Garfield & Ben-Zvi, 2008). As a result, we suspect that a limited understanding of variance—whether intuitive or mathematical—also plays a role in making concerns about inequality difficult to connect to policy preferences. To date, most public opinion assessments have simply assumed public understanding of this concept, despite its abstract, mathematical origins.

## **Motivated reasoning**

Motivated reasoning provides a second potential explanation for the lack of a tight connection between concern about inequality and support for policies to redress it. Policy preferences are heavily influenced by pre-existing opinions and political predispositions, both of which are heavily influenced by partisanship. Numerous studies of motivated reasoning demonstrate that reasoning on policy questions is driven not only by accuracy goals but also by directional, partisan goals (Kunda, 1990; Taber & Lodge, 2006; Erisen, Lodge, & Taber, 2014). Given that redistributive policies are familiar to most citizens and have been well-known for a long time, these preferences are likely to predate rising concern about inequality. Hence, people's opinions on redistributive policies may be driven by their pre-existing policy preferences or partisanship rather than by their understanding of how these policies relate to inequality.

Specifically, we expect that many people who prefer lower levels of inequality (at least when asked in the abstract) will tend to associate this outcome with whatever policies or parties they otherwise prefer. Motivated reasoning exerts a strong influence whenever people are confronted with a dissonance-provoking situation (Kunda, 1990; Petersen et al., 2013). Being concerned about rising inequality at the same time that one's party generally opposes redistributive policies is just such a situation. Hence, whenever people are presented with a policy that they already like, they will be motivated to associate the policy with desirable outcomes such as a lower level of economic inequality. This sort of motivated reasoning does not by any means require limited cognitive abilities. Studies suggest that individuals with a high level of cognitive reflection may be just as likely, if not even more likely, to engage in motivated reasoning (Kahan, 2012; Kahan et al., 2013).

## **Anti-Government Sentiment**

A third potential reason for the limited predictive power of concern about inequality involves American citizens' attitudes toward their federal government. The disjuncture of weak support for redistributive policies in the face of extremely high levels of concern about inequality could result from general opposition to government intervention. We know that issues of government spending and redistribution involve deep-seated ideological divisions, and conservatives are typically opposed to government remedies for social problems (Jacoby, 2000; Rudolph & Evans, 2005). Because most policies designed to redistribute income and reduce inequality involve government, those who favor smaller government may, quite logically, disapprove of rising inequality yet remain ideologically consistent in resisting government solutions (McCall, 2013, pp. 200-203). In this case, however, concerned members of the public should at least exhibit a desire to promote greater equality by other, non-governmental, means.

## RESEARCH DESIGN

To test the three possible explanations described above, we combined multiple methods including qualitative assessment of open-ended questions and quantitative approaches, including a representative national survey and a survey experiment. We began with an exploratory pilot survey executed using a convenience sample of Mechanical Turk respondents in May 2015. A total of 267 respondents were randomly assigned to be asked one of two different survey questions commonly asked about inequality. Half were asked, "Do you think the size of the gap in incomes between rich people and poor people has increased or decreased compared to what it was 20 years ago?" A second group was asked, "Do you think that income inequality is more or less of a problem today than it was 20 years ago?"

Our main point in asking these questions was not to analyze the answers quantitatively so much as to gain insight from open-ended follow up questions: "In your view, what are some of the reasons that [the gap between the rich and poor has increased/decreased] [income inequality is more/less of a problem today than it was 20 years ago]? What do you think has caused this to happen?" After an initial response, respondents were prompted, "Anything else? Please try and think of one additional explanation."

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

Following this exploratory survey, we commissioned a representative national survey of Americans asking questions designed to address each of the potential sources of inconsistency in attitudes toward inequality. Data were collected by YouGov of Redwood City, CA, specifically for purposes of this study. The survey was in the field in October 2015 with a sample size of 2,000 respondents.

In order to evaluate the extent to which people could correctly identify more redistributive policies, respondents were randomly assigned to receive one of three different question variants. In each case, they were asked,

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

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

Policy B, which would [...]

Across the three randomly assigned experimental conditions, only Policy B changed. In one condition, Policy B both raised the incomes of poor people and lowered the incomes of the rich, a highly effective means of reducing inequality. In a second condition, Policy B strictly raised the

incomes of the poor. In a third condition, Policy B strictly lowered the incomes of the rich (see Appendix A for question wording).<sup>1</sup> In all three conditions, Policy B was the policy choice that would do the most to reduce inequality between rich and poor, while Policy A simply raised average income across the board. In addition to assessing the accuracy of people's Perceptions of Redistributive Policies, these same three scenarios and experimental conditions were used to assess respondents' Perceptions of the Policy Best for Raising the Average Income. This question asked, "Which of these two policies would do the most to raise the average American income?"

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

To assess respondents' understanding of increasing variance, we created two questions designed to assess this skill without drawing on potential bias from people's political preferences or attitudes toward inequality. For these purposes, we used graphs, as shown in Figure 2. The question shown on the left side of Figure 2 displays six different color-coded building districts and asks which one has the most variation in the height of its buildings. Respondents could choose among any of the six colors.<sup>2</sup>

The second question, shown on the right side of Figure 2, was purposely designed to mimic the most commonly used graphs illustrating growing inequality over time, but in this case greater equality is illustrated, and the context is the average amount spent per year on dogs versus cats. We purposely avoided more complex language such as percentage change or other statistical references in order to make the question as straightforward as possible, and in order to make the correct answer obvious from merely glancing at the figure, without need for mathematical calculations.<sup>3</sup>

[Figure 2 here]

For purposes of assessing whether the weaker support among Republicans for redistributive policies stems from distrust of government solutions, we first examine Republican and Democratic support for a battery of redistributive policies in the context of our national survey, some of which are government policies and others which are sponsored by religious groups or private foundations. In addition, we embedded an actual experiment at the end of the national survey. Because the policies addressed in the survey could not be otherwise identical and still remain plausible, a survey experiment asked a series of statements addressing equality of opportunity, but substituted either "The government" or "Our society" as the agent of change, based on random assignment to conditions. For example, respondents were asked, "The government/Our society needs to invest more in job training to reduce income inequality," or "The government/Our society should do what is necessary to make sure that everyone has an equal opportunity to succeed" (see Appendix A). To the extent that dislike of government solutions is the source of Republicans' reticence to support redistributive policies, responses should demonstrate greater willingness to support a policy with

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<sup>1</sup> The policy choices were purposely worded so that regardless of whether one thinks about these policies additively or multiplicatively, the correct answer remains the same.

<sup>2</sup> While there are several existing numeracy scales, e.g., Lipkus et al. (2001) and Peters et al. (2006), these scales primarily test subjects' ability to understand and calculate probability, not variance.

<sup>3</sup> However, if those more mathematically inclined did choose to interpret the question in a more complex fashion, the correct answer would remain the same for both items.

respect to the general need for society to do something as opposed to having government in particular serve as the solution. Thus we experimentally manipulate whether policies are provided by government or non-governmental actors to see whether anti-government sentiment interferes with support for inequality-reducing policies.

## RESULTS

### Misunderstanding What Inequality Means

We began our analysis of results by examining the qualitative data from MTurk respondents who were asked about either “income inequality” or “the gap between rich and poor.” Do people understand these commonly asked questions? In response to the question asking directly about “income inequality,” the open-ended responses revealed some confusion as to the type of inequality to which the question referred. Among those in this random half of the sample, 7.5% explicitly or implicitly referred to racial inequality or gender inequality. Although the question clearly asks about income inequality, frequent references in public discourse to other forms of inequality led some to misconstrue the question:

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

Although racial and gender biases may be causes of income inequality, income inequality itself refers to the size of the income gap between rich and poor, regardless of gender or race. We are not arguing that a small proportion of answers here serve as an evidence for how the public at large misunderstand what inequality means. However, it does reveal that the concept as abstract as income inequality may bring different social problems in the minds of some Americans.<sup>4</sup> If discussions of income inequality are misconstrued as one about gender inequality, for instance, it is hard to see why people would support increase taxes on rich or support other types of redistributive policies that are about wealth disparity.

Turning to our representative national survey, we next evaluated the extent to which people could choose the more redistributive policy from a question offering only two policy options. Looking across all three experimental conditions, 48% of respondents chose the wrong answer for the policy that would best reduce income inequality. Instead, they chose the policy that raised

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<sup>4</sup> It is worth noting that among respondents who were randomly chosen to be asked instead about “the gap in incomes between rich people and poor people,” there were no signs of misconstruing this as a question about racial or gender inequality. Given that the question is intended to be about wealth disparity, the question about rich and poor clearly outperformed the question directly using the term “income inequality.”

everyone's incomes (Policy A) as the more redistributive policy. Moreover, given that there were only two policy options from which to choose, this is not an impressive rate of accuracy since it is roughly what one would obtain by flipping a coin.

In addition, as shown in Figure 3, more people in the condition offering the option of raising the incomes of the poor correctly selected the redistributive option than in the conditions offering either the option of 1) both raising the income of the poor and lowering the incomes of the rich, or 2) the condition that only lowered the incomes of the rich. Logically, one would think that both lowering the incomes of the rich and raising the incomes of the poor would be most effective at reducing the gap between rich and poor. This was not, however, how respondents interpreted these policies. Instead, they were most likely to choose the correct option when the alternative to increasing all incomes involved strictly increasing the incomes of the poor. Rates of correct responses differed significantly by experimental conditions ( $F_{(2, 1988)}=39.88, p<0.001$ ).

[Figure 3 here]

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

As shown further in Figure 4, although Republicans were more likely on the whole to choose the incorrect policy for purposes of improving inequality, both Republicans and Democrats showed similar patterns in that they were most likely to select the correct policy when raising everyone's income was paired with the option of raising the incomes of the poor, and least likely to get it right when the paired options were raising everyone's incomes versus lowering the incomes of those at the top of the income distribution.

[Figure 4 here]

Overall, Americans' understanding of the impact of various economic policies is shockingly low. In total, only 22% of respondents correctly chose both the policy best for purposes of redressing inequality, and the policy best for raising average incomes in the country as a whole. Moreover, Figure 3 suggests a strong partisan pattern in which perceptions of the "best" policies for reducing inequality are driven by rationalization of respondents' own policy preferences.

Variance is at the core of a conceptual understanding of inequality, and our two numeracy items were designed to tap people's understanding of this concept, whether intuitive or mathematical, without reference to any political policies. Given the simplicity of these questions, the percentage of correct answers was not particularly impressive, although it was better than for the choices between Policy A and Policy B. For the Building Height variance question, 61% of people chose the correct answer. For the Cat/Dog Spending question, 57 percent selected the correct answer. Those who gave correct answers to a question were scored as 1, while incorrect answers were scored as 0. Roughly half of the respondents were correct on just one of the two items.

Table 1 utilizes these answers as predictors of correct answers to the policy option questions. Surprisingly, education does not play a significant role in improving accuracy. However, whites were more likely to select the correct policy option for improving inequality. In Table 1, Model 2, we show the same regression as in Model 1, but this time including both of the apolitical variance understanding measures as explanatory variables. As shown in Model 2, the Cat/Dog spending item, which reflects the same kind of understanding that is needed to process the graphs often used to illustrate growing income inequality, significantly predicts correct policy choices even after taking

into account all other explanations. Notably, the previous pattern of coefficients did not change, but the ability to understand this graph nonetheless makes a significant independent contribution to correctly identifying the most redistributive policy. This finding suggests that lack of statistical understanding of the concept of variance plays at least some role in the weak link between concern about inequality and support for redistributive preferences. Building Height Variance, the easier of the two questions, made no independent contribution to providing a correct answer on the policy choice questions.

[Table 1 here]

## **Motivated Reasoning**

Beyond misunderstanding the concept of inequality, motivated reasoning is the second potential explanation that we consider. To what extent are people reporting that whatever policy they personally favor is also the policy that happens to be best for purposes of reducing inequality? Given the tendency to rationalize one's own policy preferences even in the face of contradictory information, motivated reasoning could lead people who favor Policy A over Policy B to likewise perceive Policy A to be better than Policy B for purposes of reducing inequality. Figure 5 shows respondents' answers to the question of which policy is best for reducing inequality relative to those who expressed personal preferences for Policy A over Policy B. Here, as predicted, we find a pattern consistent with motivated reasoning. Whatever policy one prefers is also "best" for purposes of assuaging one's concerns about inequality. For example, among those who personally preferred Policy A, which raised everyone's incomes by comparable amounts, close to 70 percent also said that Policy A was best for reducing inequality. Similarly, among those who preferred Policy B, well over 80 percent also chose Policy B as the policy best for purposes of reducing inequality. The effect is substantial; if a respondent prefers a policy that reduces income inequality, the probability of giving the correct answer is roughly three times greater than when he or she prefers the policy that raises everyone's income.

[Figure 5 here]

Further, as confirmed in both models in Table 1, even after taking into account rationalization of their own policy preferences, Republican partisans are generally more likely to answer that raising all incomes equally will best reduce inequality. So both their personal policy preferences encourage this conclusion, and their party identification also independently does so. Why might this be the case? Is there a rationale for believing that a rising tide which lifts all boats could also reduce inequality? Certainly, a rising tide could help lift those in poverty out of this condition, but we do not see an easy way for it to reduce inequality per se. Overall then, motivated reasoning and partisanship appear to play the most important roles in people's understanding of what policy is best for reducing inequality. From this perspective, high levels of concern about inequality are not necessarily internally inconsistent with Republicans' most often stated policy preferences. They are at least supporting the policy they perceive to be best for reducing inequality.

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

A third possible explanation for the tenuous link between concern about inequality and support for redistributive policies is that even if people across partisan lines care about income inequality to a similar degree (Norton & Ariely, 2011), Republicans might not like redistributive government policies because they are opposed to big government. In other words, they could be concerned about the problem of inequality, but not see government as the answer. If this is true,

then Republicans should at least show support for non-governmental policies with the goal of reducing income inequality.

Using survey measures of people's preferences for both government-implemented and non-governmental policies to reduce income inequality, we constructed two policy support indexes, one indicating support for redistributive governmental policies, and the other for non-governmental efforts to accomplish this same end (see Appendix A). We predicted that Republicans would be less likely to support redistributive policies that expressly involve government implementation than policies that did not. However, contrary to our expectations, as shown in Figure 6, Republicans were slightly more supportive of governmental efforts than of non-governmental policies designed to reduce inequality ( $p < .001$ ). And again counter to our expectations, the gap between levels of support for governmental versus non-governmental policies is greater for Democrats than for Republicans ( $F_{(1,1581)} = 361.91$ ,  $p < 0.001$ ). Democrats are significantly more supportive than Republicans of both governmental and non-governmental efforts to reduce inequality ( $F_{(1,1581)} = 1412.07$ ,  $p < .001$ ;  $F_{(1,1581)} = 323.34$ ,  $p < .001$ ).

[Figure 6 here]

To be fair, because most redistributive policies with which people are familiar are, indeed, government policies, our non-governmental policies may be less popular with both Democrats and Republicans simply because they are less familiar. Moreover, these policies were not identical in all other respects, so simple mean comparisons could obscure the hypothesized partisan pattern. Thus in Table 2 we use a multivariate analysis to examine whether concern about the income gap predicts redistributive policy support to a greater extent for Democrats with government policies, and for Republicans when it comes to non-government remedies.

[Table 2 here]

As illustrated in Table 2, those who concur that the gap between rich and poor has increased are more likely to support these policies, just as one would expect. But surprisingly, perceiving that the income gap has increased is an especially strong predictor of redistributive policy support among Republicans. To formally test the hypothesized interactions between partisanship and increasing concern about inequality, we interacted all independent variables in the models in Table 2 with partisanship in order allow other coefficients to vary by party as well (see Appendix C, Table 2A for fully interacted model). Democrats are supportive of redistribution in general, whereas among Republicans, believing that this problem has worsened is a more important element in garnering support for redistributive policies. Contrary to our hypothesis, the link between perceiving a growing gap between rich and poor and supporting redistributive policies is stronger for Republicans than for Democrats, particularly when it comes to support for non-governmental policies. Although the pattern is the same for government policies, this interaction is only marginally significant ( $p < .10$ ).

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

In contrast to Figure 6, in this more tightly controlled design, the average level of support for these policies was slightly lower when “The government” was the stem of the question rather than “Our society” ( $F_{(1,1998)}=16.77, p <.001$ ). However, as shown in Figure 7, when broken down by partisanship, the results demonstrate the same pattern as in Figure 6. Democrats were significantly more supportive of both governmental and non-governmental policies designed to reduce inequality ( $F_{(1,789)}=394.51, p <.001$ ;  $F_{(1,790)}=230.44, p <.001$  respectively).

To summarize, Democrats exhibit more support for policies reducing inequality than Republicans, regardless of whether it is government implementing the policy, and regardless of whether the policy focuses on equality of outcomes or equality of opportunity. Based on this evidence, we conclude that weak relationships between concern about inequality and redistributive policy support do not appear to be a function of anti-government sentiment.

## Robustness Checks

To address the possibility that some of these results are artifacts of specific question wordings or the order in which questions were asked, we ran a replication survey using Amazon’s Mechanical Turk in May 2016 ( $N=617$ ). We used this opportunity to address two potential concerns with respect to our findings. First, we wanted to confirm that our question asking which policy was best for purposes of reducing inequality was not simply interpreted as which policy is “best,” thus accounting for the remarkable strength of our motivated reasoning findings in which the policy best for purposes of redistribution is strongly linked to respondents’ own preferences. Second, we wanted to test whether order effects might have occurred based on whether the question asking a respondent’s preferred policy preceded or followed the question about which policy was best for purposes of reducing inequality.

In a  $2 \times 2 \times 2$  between-subjects design, respondents were randomly assigned to be asked 1) either of two question wordings, which policy [is best for reducing/would do the most to reduce] income inequality, and 2) which policy they personally prefer between Policy A that raises the incomes of all Americans by an equal amount and Policy B that [raises the bottom/lowers the top], and 3) the order in which these two questions above were asked [preference asked first or second].

Our results confirmed our previous interpretation of findings. Whether the respondent provided a correct answer for the policy that reduced income inequality did not depend on the question wording or whether the inequality question was asked before the personal preference question. However, as in our original findings, the rate of correct responses differed significantly by the Policy B wordings, with respondents who were randomly assigned to “raise the bottom” condition much more likely to provide the correct answer than those assigned to the option of lowering the incomes of those at the top ( $F_{(3,614)}=90.63, p <0.001$ ). Here, as before, respondents appear to see the remedy for inequality as either raising everyone’s incomes or as raising the incomes of the poor in particular.

## DISCUSSION

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

First, even when policies are stripped of the political baggage associated with well-known policies such as welfare, Americans do no better than chance at differentiating between policies that reduce inequality and policies that raise the average American income.

In addition, low levels of understanding of the concept of variance in the U.S. limit people's abilities to understand the concept of increasing income inequality. Indeed, even when given examples of the kind often used to illustrate the problem of rising inequality, a large proportion of respondents do not understand or interpret it correctly. Even when apolitical questions eliminated respondents' abilities to project their own political preferences onto their perceptions, their limited understanding of innumeracy further contributed to mistakes in selecting the policies best for purposes of redistribution. Income inequality is a highly abstract concept; in this context, misunderstanding should come as little surprise.

Further, people's perspectives on which policies are best for purposes of reducing inequality are heavily driven by motivated reasoning. In other words, whatever policy they personally prefer is also seen as the policy best for addressing the problem of increasing inequality. Assuming their answers are sincere, this form of projection allows people to remain internally consistent in perceiving inequality to be problematic, while not necessarily endorsing redistributive policies. Could financial incentives increase the extent to which respondent provided the correct answers with respect to redistributive policies (e.g., Bullock et al. 2015; Prior et al. 2015; Khanna & Sood 2017)? Possibly, but given that people outside of experimental settings are not generally rewarded for knowing correct answers on partisan issues, our survey questions nonetheless provide a valid picture of how people generally think about inequality in the context of their expressed policy preferences.

Finally, although we find that Republicans are somewhat more likely to favor policies ensuring equality of opportunity so long as they are not explicitly tied to government, Republicans are still less likely to support redistributive policies of all kinds. Dislike of big government accounts for little if any of Republican reticence about redistributive policies.

## CONCLUSION

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

It is ironic that the most popular remedy for inequality in the minds of the public does not target the actual source of the development. In the United States, inequality has increased primarily because the wealthiest Americans have become even wealthier, not because the poor have become poorer (Gorden and Dew-Becker, 2005). Nonetheless, perhaps because extreme wealth does not appear to be an urgent problem that needs fixing, this is not the focus of public attention.

Instead, in voicing concerns about inequality, people are most concerned about poverty rather than inequality per se. Although inequality and poverty are not completely unrelated, they are not the same problem. America has only recently deemed income inequality the "defining challenge of our time" (Obama, 2013). The surprising lack of popular discontent with wealth disparities in the United States is a long-standing puzzle. Inequality levels in the U.S. have long been high relative to

those of most other countries. To care about inequality, members of the mass public must be concerned not only about whether people have the resources to live comfortably, but also with the relative wealth of others. In other words, they must actively compare the haves and the have nots.

Previous studies of inequality in America have concurred that Americans endorse, if not favor, economic differences among people (Hartz, 1955; Hochschild, 1981; Sombart, 1976). Indeed, these material differences were viewed as part of the much coveted American dream. The idea of flattening income disparities, even to citizens in the lowest income bracket, was said to “take all the fun out of life” (Hochschild, 1981, p. 30).

Given the perceptions and policy preferences documented in this study, we suspect that many, if not most, Americans do not understand the term “inequality” in the same way academics do. Instead, “income inequality” has become a new way of expressing concern about poverty. Coverage of poverty has amounted to less than 1% of news space in recent years (Froomkin, 2013). We suspect this is because inequality has supplanted poverty as a means of discussing this same underlying concern. The desire to aid those in need far surpasses the desire to lower the incomes of the rich.

Despite the fact that inequality in the U.S. has been fueled exclusively by the rise of the very rich, Americans appear to care less about lowering the incomes of the rich than about the ongoing plight of the poor. We suspect that in the minds of most Americans, inequality in the sense of income variance is not the central problem, and this is why they do not favor redistributive policies such as higher taxes on the rich (see Feldstein, 1999; Frankfurt, 2015). They generally favor raising everyone’s income rather than decreasing inequality, and if they favor redistributive policies at all, they are in favor of raising the incomes of the poor. Thus while increasing inequality may be a serious problem for American elites, what the public actually wants when it says it wants greater equality may be altogether different.

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Table 1. Factors Predicting Correct Policy Choice for Reducing Inequality

	Model 1	Model 2
Logistic regression		
Personal preference for policy that reduces inequality	2.554*** (0.129)	2.560*** (0.130)
Republican	-0.433* (0.172)	-0.465** (0.172)
Democrat	0.146 (0.164)	0.124 (0.165)
White	0.595*** (0.150)	0.544*** (0.151)
Age	-0.008* (0.004)	-0.007 (0.004)
Education	0.062 (0.043)	0.033 (0.044)
Female	-0.131 (0.122)	-0.103 (0.123)
Family Income	0.037* (0.019)	0.034 (0.019)
Building Variance		-0.047 (0.124)
Cat/Dog graph		0.364** (0.127)
Constant	-1.023*** (0.275)	-1.087*** (0.294)
Pseudo R-squared	0.256	0.260
Observations	1,699	1,699

Note: Entries are logit coefficients with standard errors in parentheses.

\*\*\* p<.001, \*\* p<.01, \* p<.05

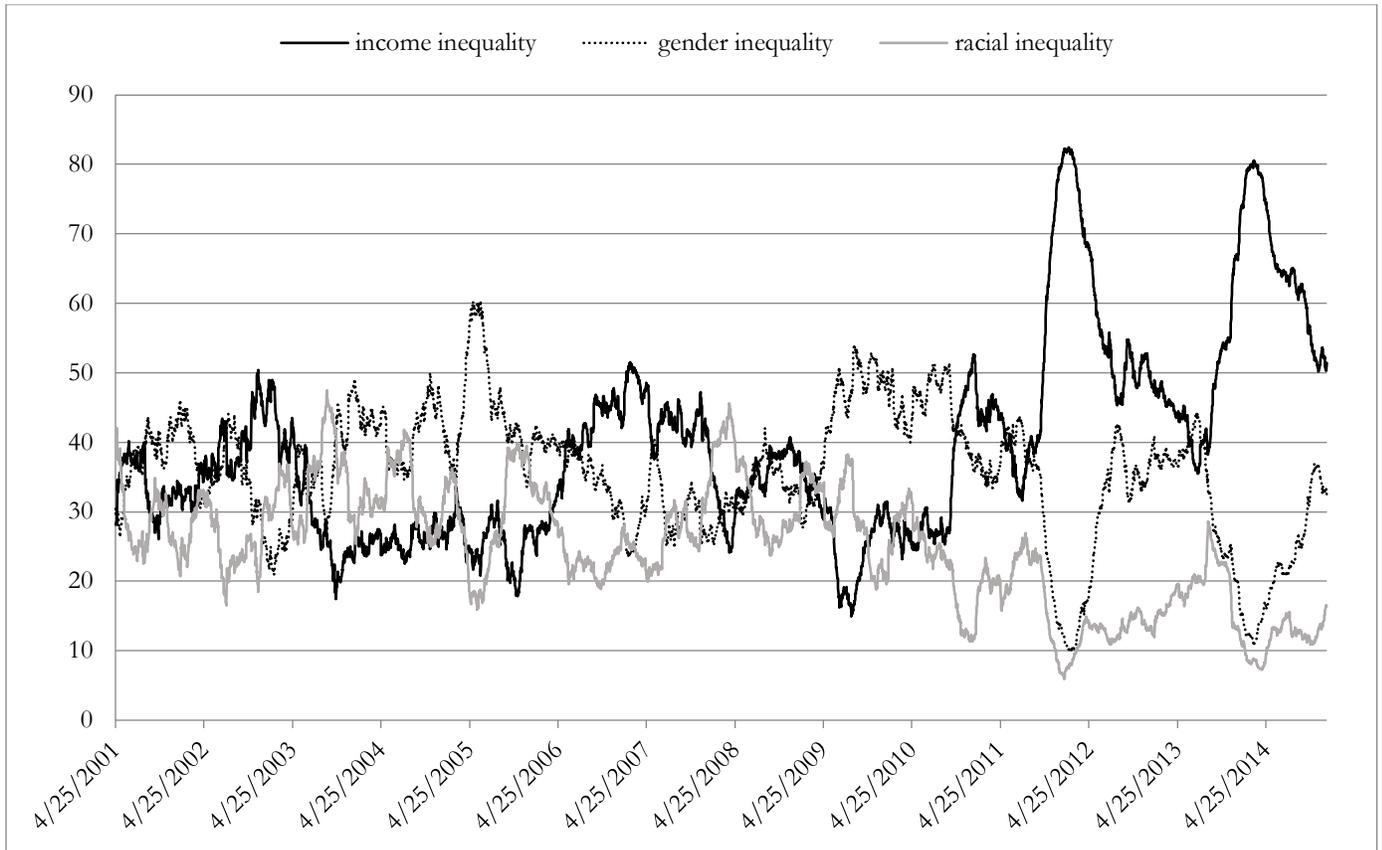
Table 2. Partisan Differences in Support for Governmental and Non-governmental Redistribution

	Government policy support index			Non-government policy support index		
	All Sample	Democrats	Republicans	All Sample	Democrats	Republicans
The extent to which a respondent agrees that the income gap has increased	0.225*** (0.022)	0.163** (0.027)	0.253*** (0.040)	0.103*** (0.021)	0.085* (0.033)	0.116** (0.035)
Republican	-0.744*** (0.057)			-0.354*** (0.053)		
Democrat	0.576*** (0.053)			0.261*** (0.050)		
White	-0.015 (0.049)	0.008 (0.050)	-0.126 (0.125)	0.073 (0.046)	0.107 (0.061)	-0.005 (0.109)
Age	-0.006*** (0.001)	-0.000 (0.001)	-0.012*** (0.002)	-0.006*** (0.001)	-0.004* (0.002)	-0.009*** (0.002)
Education	-0.020 (0.014)	0.046** (0.016)	-0.092** (0.027)	0.047*** (0.013)	0.073*** (0.019)	0.009 (0.023)
Female	0.095* (0.040)	-0.143** (0.045)	0.322*** (0.075)	-0.028 (0.037)	-0.164** (0.055)	0.155* (0.066)
Family Income	-0.044*** (0.006)	-0.021** (0.007)	-0.059*** (0.010)	-0.022*** (0.006)	-0.003 (0.009)	-0.035*** (0.009)
Constant	3.087*** (0.121)	3.454*** (0.141)	2.828*** (0.259)	2.663*** (0.114)	2.790*** (0.172)	2.575*** (0.225)
Observations	1,709	773	596	1,709	773	596
R-squared	0.445	0.084	0.208	0.176	0.064	0.087

Note: Entries are OLS coefficients with standard errors in parentheses.

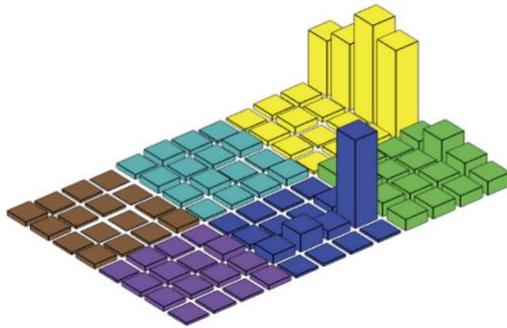
\*\*\* p<.001, \*\* p<.01, \* p<.05

Figure 1. Percentage of U.S. Newspaper Coverage of Three Kinds of Inequality Over Time



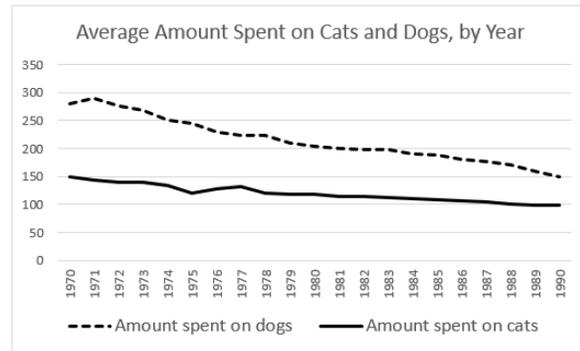
Note: Lines track references to economic/income inequality, gender inequality and racial equality as a percentage of all references to inequality/equality. We used Lexis-Nexis “Major US Newspapers” file. For details, see Appendix B.

Figure 2. Apolitical Assessments of Respondents' Understanding of Variance



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

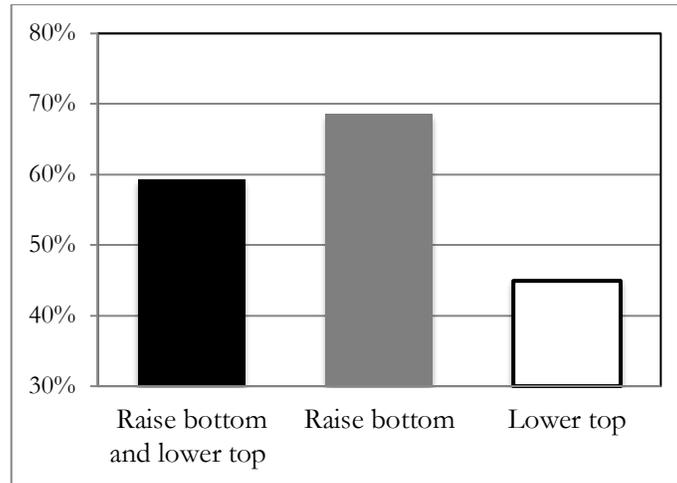
- a) Brown
- b) Turquoise
- c) Yellow
- d) Green
- e) Blue
- f) Purple



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

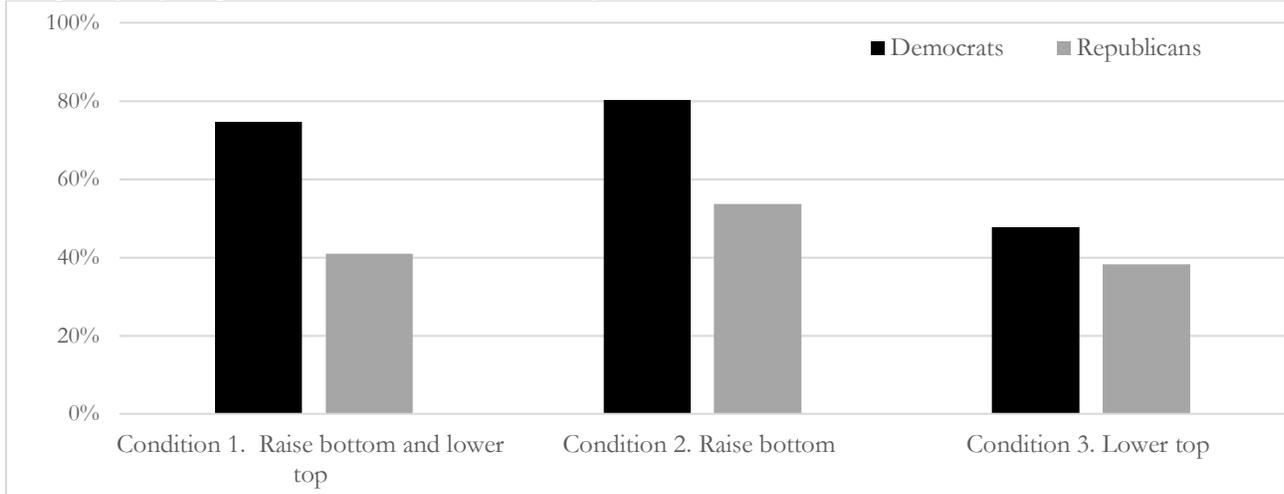
- a) More equal from 1970 to 1990
- b) Less equal from 1970 to 1990
- c) About the same disparity in 1970 as in 1990.”

Figure 3. Percentage of Respondents Who Correctly Chose the Policy that Reduces Income Inequality, by Experimental Conditions



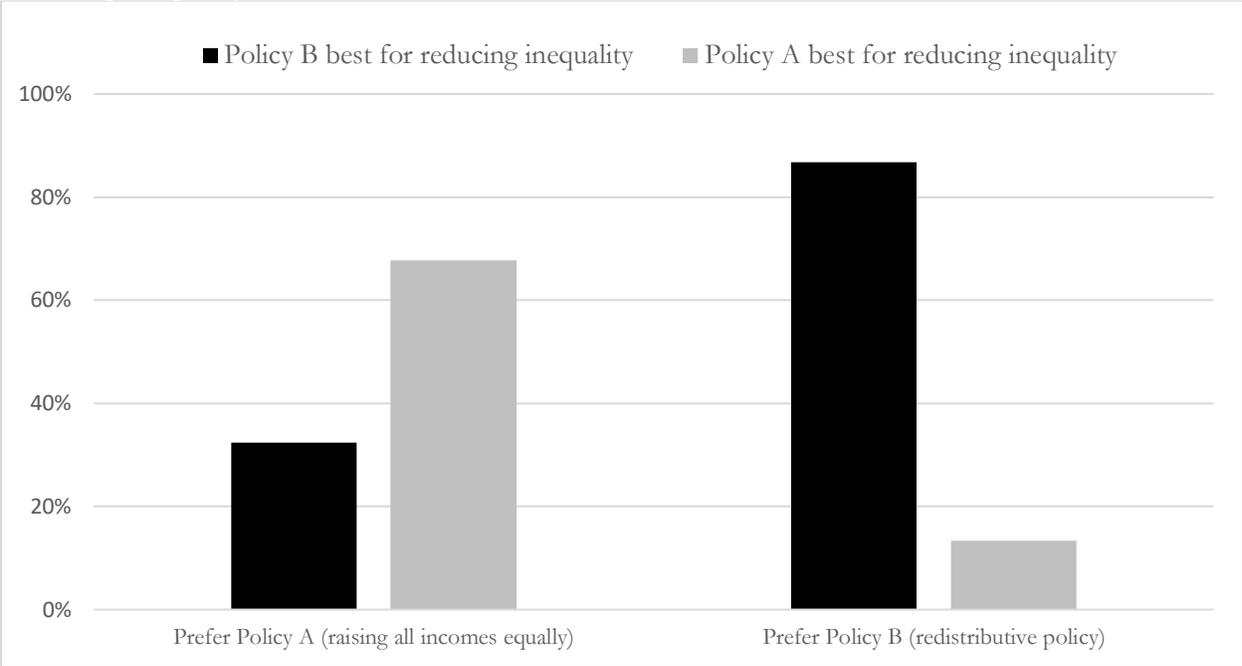
Note: Bars represent percentage of respondents who picked the correct policy that reduces inequality (coded as 1) over the policy that raises everyone's income (coded as 0). Percentages were significantly different by experimental conditions ( $F=39.88$ ,  $p<0.001$ ). Pairwise comparisons show that each experimental condition is significantly different from the others.

Figure 4. Percentage of Partisan Respondents Who Correctly Chose the Policy that Reduces Inequality, by Experimental Condition and Party



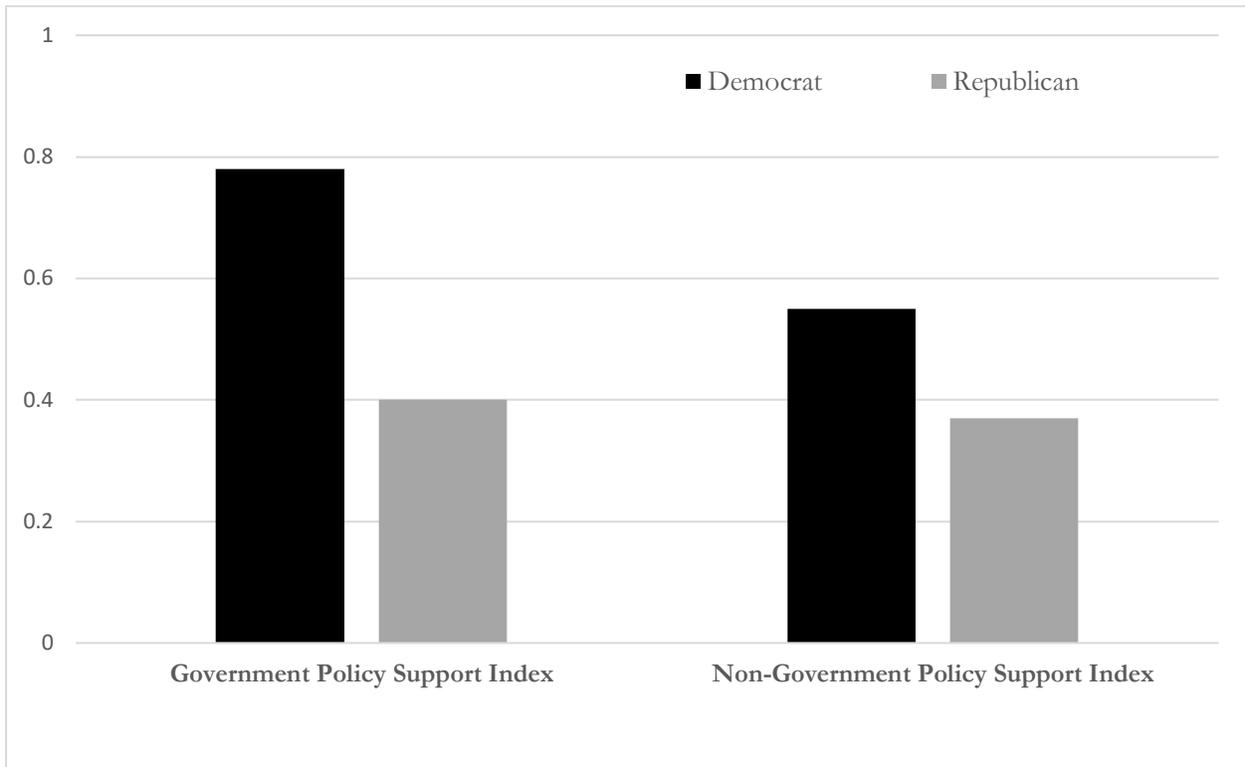
Note: Bars represent percentage of self-identified Democrat and Republican respondents who picked the correct policy that reduces inequality (coded as 1) over the policy that raises everyone's income (coded as 0). Means were significantly different by experimental conditions for Democrats ( $F=46.05$ ,  $p<0.001$ ) as well as for Republicans ( $F=6.18$ ,  $p<0.01$ ).

Figure 5. Respondents' Own Policy Preferences Drive the Perception of Which Policy is Best for Reducing Inequality



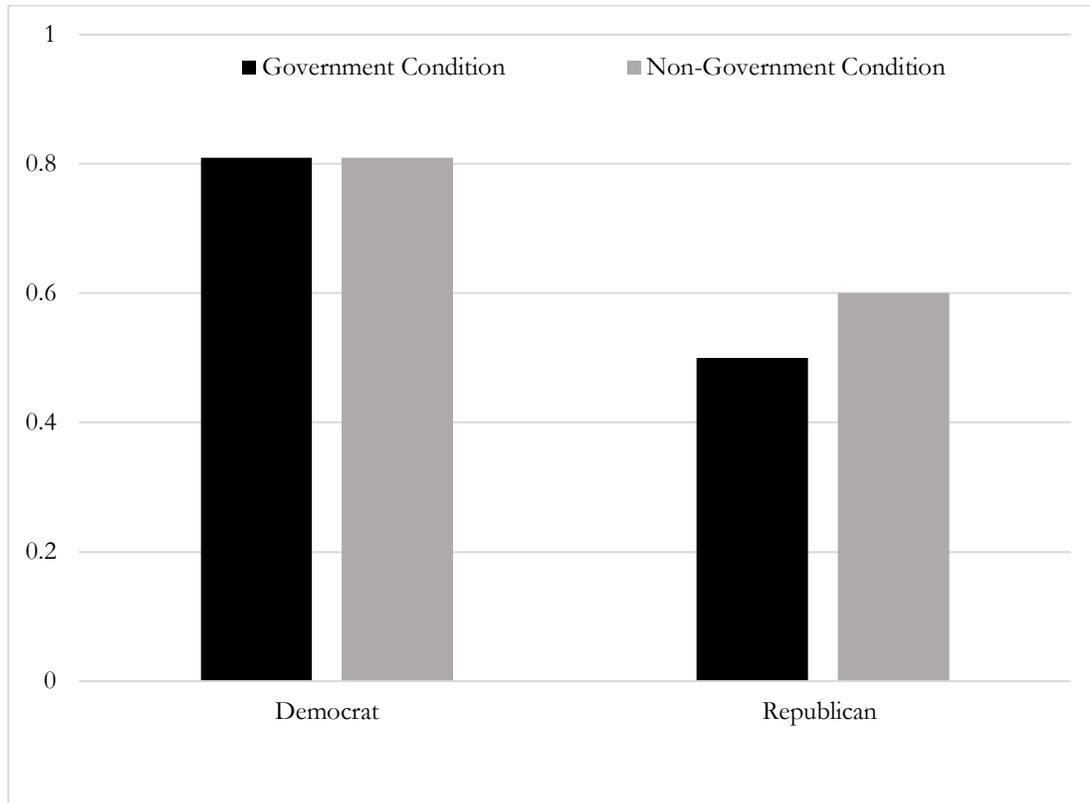
Note: Bars represent percentage of respondents choosing Policy A or Policy B when asked to choose the policy which best reduces inequality. Respondents who prefer policy B were significantly better at identifying the correct answer ((F=854.20, p<.001).

Figure 6. Mean Levels of Support for Redistributive Policies, by Partisanship



Note: In both the government and non-government policy support indexes, the partisan differences were statistically significant at  $p < .001$  level. All indexes are rescaled so that they range from 0 to 1 for ease of interpretation.

Figure 7. Mean Levels of Support for Policies Encouraging Equality of Opportunity, by Experimental Condition and Party



Note: Bars represent mean level of support for policies that enhance equality of opportunity by experimental condition and party identification. Support levels differed by government and non-government experimental conditions ( $F=22.07$ ,  $p<.001$ ) and by party identification ( $F=404.93$ ,  $p <.001$ ). There were significant interaction effects in which Democrats are more supportive than Republicans in government-condition ( $F=22.29$ ,  $p<.001$ ) All the questions and indices are rescaled so that they range from 0 to 1 for ease of interpretation.