

Not so deluded after all?

Andrew Eggers, May 12, 2005

It's a figure that just won't go away: 19% of Americans believe they are among the top 1% of income earners; another 20% expect to be there someday. Since David Brooks first deployed this factoid in a November, 2002, article in the *Atlantic Monthly*, I have heard several people make this point in blogs, at academic talks, and in casual conversation. Not only does it speak to a basic American (or human) predilection for self-aggrandizement, the figure also suggests a simple reason why Americans are so resistant to income redistribution: if everyone thinks he's rich, no one will respond to calls to soak the rich.

The problem with the figure is that it's completely wrong. More precisely, the numbers are right, but the interpretation is way off. Here is what David Brooks's wrote in his piece, "Superiority Complex:"¹

In America . . . we can all be celebrities in some little sphere, and we are very impressed with ourselves. During the most recent presidential election a Time magazine-CNN poll asked voters whether they were in the top one percent of income earners. Nineteen percent reported that they were, and another 20 percent said that they expected to be there one day.

Now let's have a look at the wording of the survey question that produced the numbers to which he refers:²

As you may know, Al Gore has claimed that George W. Bush's

¹David Brooks, "Superiority Complex," *Atlantic Monthly*, November 2002, Vol. 290, Issue 4, pg. 32.

²Survey by Time and CNN, conducted by Yankelovich Partners, October 25-October 26, 2000 based on telephone interviews with a national adult sample of 2,060. Thanks to Jeff Horwitt for providing the original survey.

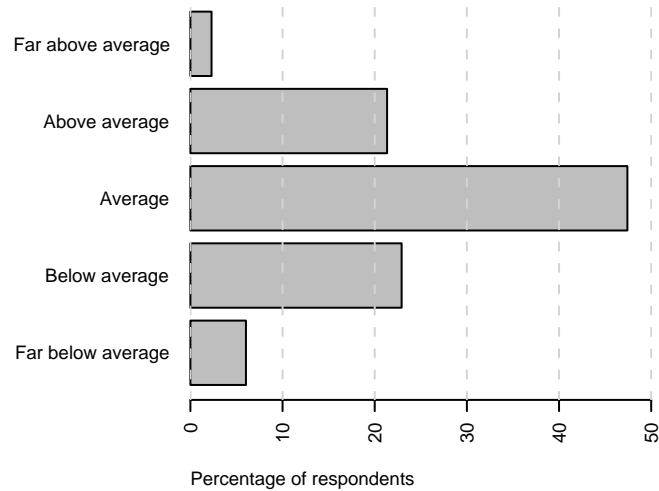
proposed tax cut will largely benefit those with high incomes, who he claims are the top 1%. Thinking about your own situation, do you think that you are in the top group that would benefit from Bush's proposed tax cut now, do you think you will be in this group that will benefit in the future, or do you think you will not benefit from Bush's tax cut?

19% Will benefit right away
20 Will benefit in the future
55 Will not benefit
6 Not sure

In the 2000 election, it was never a settled matter that Bush's tax cuts would only benefit the top 1%. Bush certainly rejected this claim throughout the campaign. The 19% of respondents who put themselves in "the top group that would benefit from Bush's proposed tax" therefore included both those who actually believed they were in the top 1% of income earners and those who believed that the tax cut would actually benefit a broader group, whether directly or indirectly. The question is an awful way to figure out how people assess their incomes relative to other Americans.

In fact, Americans don't seem to delude themselves up the economic ladder at all. Figure 1 shows how 2,800 Americans responded to a question in the 1998 General Social Survey asking, "Compared with American families in general, would you say your family income is far below average, below average, average, above average, or far above average?" Almost half of respondents said their family's income was average. The remaining respondents were more likely to put themselves below average than above average. Fewer than 3% said they were "far above average." This suggests to me that almost all of the 19% of people who said that they would benefit from Bush's tax cut chose that response because they disagreed with Gore's claim, not because

Figure 1: Self-assessed family income, 1998 General Social Survey



they put themselves in the privileged 1%.³

Let's do away with this pesky "fact." Not only because it's fiction, but also because it misrepresents the economic experience of Americans and obscures the political context for redistribution in this country.

³GSS respondents were economically representative of American families. The median respondent put his family's income in the \$35,000 to \$39,000 bracket; the median income of all households in 1998 was \$38,885. US Census Bureau, <http://www.census.gov/hhes/income/income98/in98def.html>.