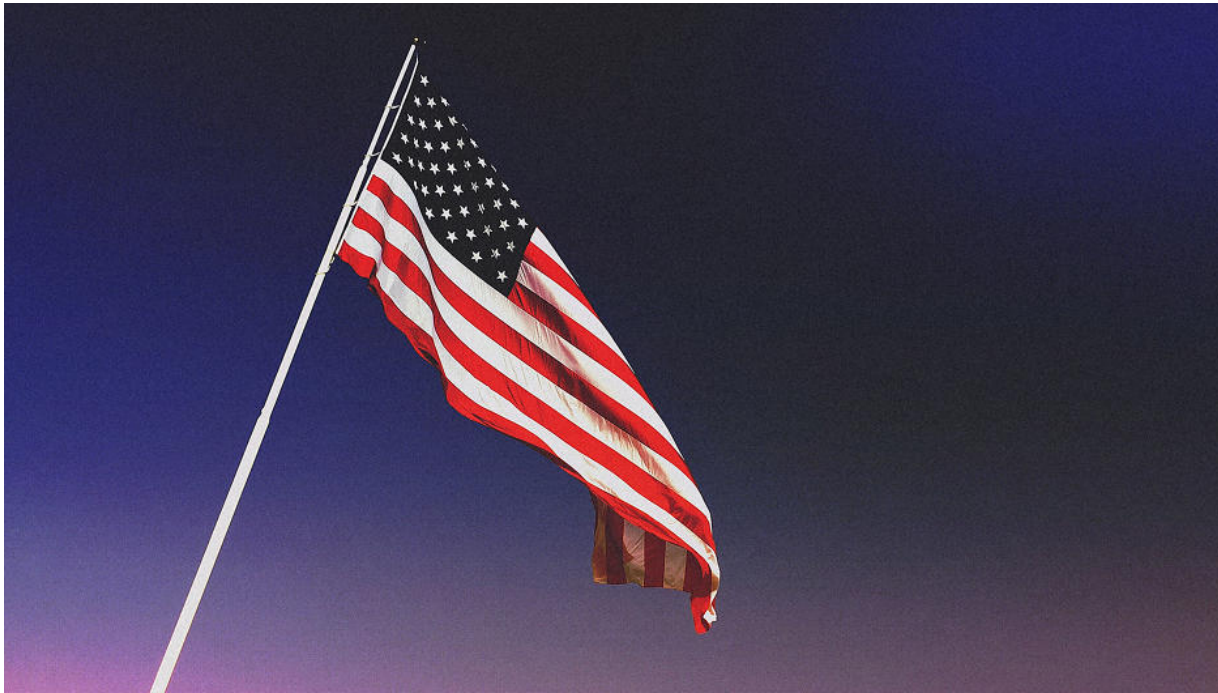


2 MINUTE READ

Where The American Dream Is The Most Dead, People Believe In It The Most Strongly

A child born into poverty in Denmark has a better chance of being wealthy than one born in the U.S., but people here—especially in the South—drastically overestimate their chances of moving up in the world.



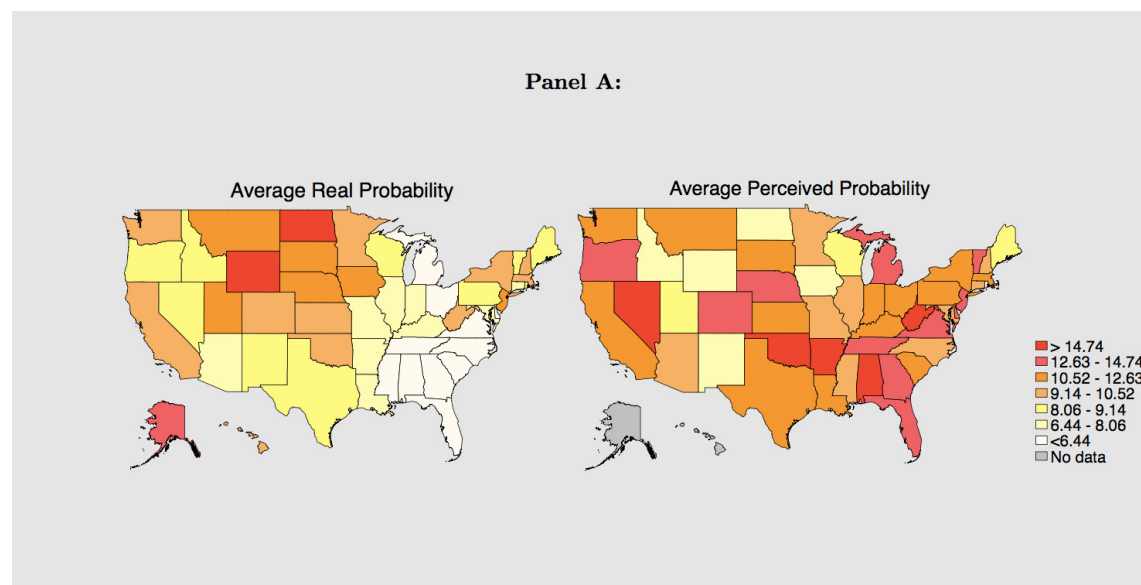
[Photo: Kathi Moore/EyeEm/Getty Images]



[BEN SCHILLER](#) | 01.13.17 | 6:00 AM

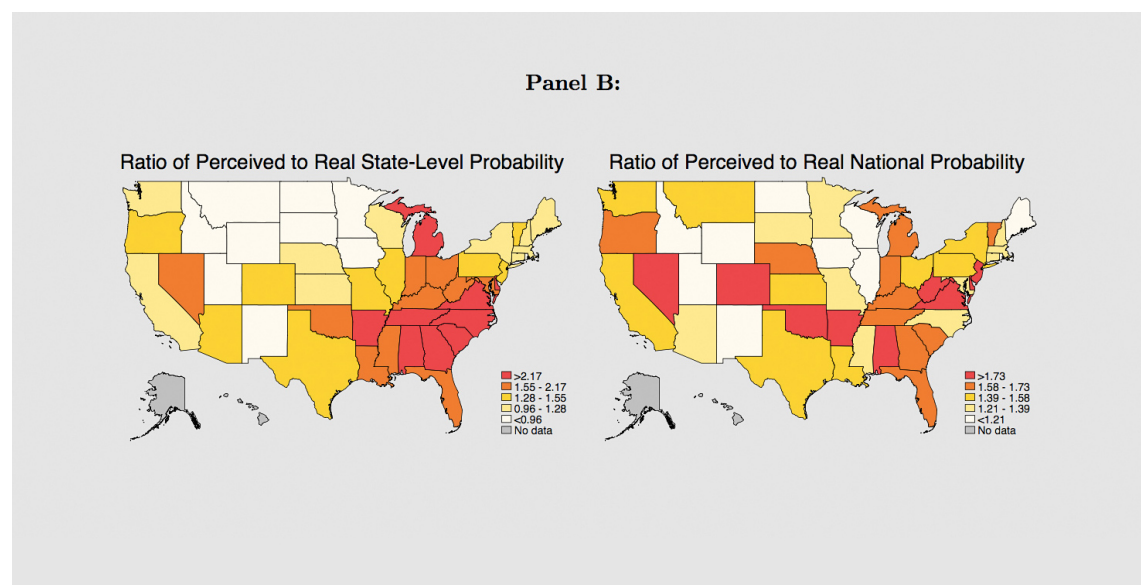
Americans have traditionally distinguished themselves from people in other countries by believing in Horatio Alger-type stories. The nation was founded on the idea that anyone who works hard enough, and has enough talent, can make it here—and don't let anyone tell you otherwise. Europeans, by contrast, have (generally speaking) been more pessimistic. They, too, believed in hard work. But they have rarely considered the economic system fair to all people and that governments don't have a role in leveling the scales of opportunity or economic outcomes.

In a sense, this broad distinction still holds today—at least in perception. Surveys show that majorities of Americans continue to believe in the American dream (even if the numbers are down a lot since the 1990s). And Europeans are still more pessimistic. What's changed is that the actuality is no longer true. These days, a child born into poverty in Denmark is more likely to rise to the top than the corresponding poor child born here (though there are regional variations).



Remarkably, faith in the American dream may be stronger in the very places where social mobility is weakest, according to a new paper from three Harvard economists. Take a look at the maps

reproduced here. They compare probabilities that someone will move from the bottom fifth (quintile) of the income scale to the top fifth with the perceived probability of that happening. Across the south-east of the country, from Mississippi to North Carolina, less than 6 out of 100 kids on average will move from the bottom quintile to the top. But people there imagine the rate is double that. In Alabama, for example, the perception is that 15 out of every 100 children will move from bottom to top, according to the economists' survey.



Across the U.S. as a whole, Americans overestimate the probability of making it from the bottom quintile to the top quintile by almost

50%. The actual probability is that 7.8 kids out of 100 will do it, but we believe the probability to be on average to be 11.4 kids. It "seems that information about mobility has not yet made its way into people's minds, given that both left- and right-wing respondents still overestimate mobility in the U.S.," says Stefanie Stantcheva, one of the authors, in an email. She says the higher perception-actuality gaps in the South could be explained by higher rates of "income segregation"—that is, that richer and poorer people tend to live further apart.



[Photo: Jake Ingle via Unsplash]

As well as gauging perceptions of mobility, the research also compares attitudes to redistribution—for example, through investments in education, or increased taxes on higher earners. In general, whether someone favors more redistributive policies is highly correlated, one, with their level of pessimism about mobility, and two, their political leanings. Even when right-wing respondents are informed about actual levels of mobility, "it has no effect at all on their support for redistribution," according to the authors, who put the finding down to "extremely negative views of government."

In fact, the debate about growing levels of income inequality in this country seems to have had little effect on attitudes to redistribution of income. According to the General Social Survey (GSS), a big, long-running sociological poll, support for redistribution has fallen slightly since the 1970s, even among people earning below-average incomes. Most Americans, it seems, still believe in self-made upward mobility and are not yet ready to copy more European-style policies.

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