



University of Connecticut
Center for Survey Research & Analysis

Embargoed until July 6, 2007, 12 a.m.

Contact:

Monika McDermott, CSRA Research Director (860) 486-3002

Samuel Best, CSRA Director (860) 486-2451

Two Americas but One American Dream

Americans see an income gap in the United States that is too large and that has only gotten worse over the last quarter century, according to a new national survey conducted by the Center for Survey Research and Analysis (CSRA) at the University of Connecticut. The survey shows that 7 in 10 Americans think income differences are too large, and 69% think money and wealth in this country should be more evenly distributed.

<u>Income Differences:</u>		<u>Distribution of Wealth:</u>	
Are too large	72%	Should be more even	69%
Are not too large	28%	Is fair	26%

At the same time, however, Americans have faith in the American Dream. Three-quarters believe it is possible to start out poor in America and get rich through hard work. Consistent with this ideal Americans support ensuring those who want to work have jobs, and that those jobs pay a living wage.

The Problem

The idea that there are two Americas – one rich and one poor – is widespread, with most demographic groups agreeing that discrepancies in income are "too large." Even those Americans in higher income brackets believe the differences are excessive: 64% of those making household incomes of \$80,000 or more a year agree the differences are too large, including 45% who "strongly" agree. Not surprisingly, however, agreement is even more extensive at lower income levels. Nearly three-quarters of those with annual household incomes of less than \$40,000 feel income differences are too great.

<u>Household Income</u>	<u>Differences in Income Are Too Large</u>	
	<u>Agree</u>	<u>Disagree</u>
Less than \$40,000	73%	26%
\$40,00 - \$80,000	76%	23%
More than \$80,000	64%	36%

Opinions over the distribution of money and wealth evidence a similar pattern. A 52% majority of those in the highest income bracket feel wealth should be more evenly distributed, as do an overwhelming 80% of those making under \$40,000. Even Republicans – a group typically thought to oppose the redistribution of wealth – believe the allocation should be more even. A 56% majority of Republicans believe wealth distribution should be more even, as do 81% of Democrats. Overall, only 26% of Americans feel the current wealth distribution is "fair."

According to the CSRA survey, Americans believe the income gap has been growing over the past 25 years. Eighty-two percent feel that the gap in wealth between middle-class and upper-class Americans has increased. Only 10% think it has remained constant, and 7% believe it has shrunk.

Despite what they currently see as an uneven, and unfair, distribution of wealth, Americans still believe in the American Dream – that anyone can get ahead if they work hard enough. Three-quarters of Americans believe it is possible to start out poor in this country but become rich by working hard. Only 23% say it is not possible.

Perhaps as a result, Americans do not think poverty arises out of a lack of opportunity. A 58% majority of Americans disagree with the statement that "The poor are poor because the American way of life doesn't give people an equal chance." A 41% minority feel our way of life causes poverty. But Americans also do not blame the work ethic of the poor for poverty – 56% disagree with the statement that "Many poor people simply don't want to work hard."

Despite their faith in the system and the poor, Americans feel the income gap might be necessary as a tool to spur people to work harder. A 58% majority of Americans say it is either definitely or probably necessary to have large differences in pay in order to get people to work hard. Forty percent say it is not necessary to have some people make much more than others to encourage hard work.

	<u>Income Gap is Necessary for:</u>	
	<u>Get People to Work Hard</u>	<u>America's Prosperity</u>
Yes	58%	38%
No	40%	61%

"Americans appear conflicted over the inequities in our economic system," explains CSRA Research Director, Professor Monika McDermott. "On the one hand they think the income gap is too large, but on the other hand they see it as a necessary incentive for people to work hard."

Americans do not believe, however, that large differences in income are necessary for American prosperity. Only 38% agree with the idea that the income gap is necessary for the country's economic success, while 61% disagree.

Jobs

In general, Americans do not think the federal government is responsible for closing the income gap. Sixty-three percent say it is *not* the government's responsibility, while 35% say it is. Americans do support, however, a government role in ensuring that those who want to work can, and can earn a living wage while doing so.

Two-thirds of Americans (67%) feel that the federal government should see to it that everyone who wants to work can find a job. This includes a majority of the most well-off Americans – 56% of those earning over \$80,000 – and an overwhelming majority of those making much less – 76% of those making under \$40,000. Support is also broadly spread across the political spectrum – 65% of Republicans agree that government should play this role, as do 79% of Democrats and 58% of independents.

	Support
Government ensure living wage	76%
Government ensure people can find jobs	67%
Government invest more in worker retraining	54%

Americans are also in general agreement that jobs should pay enough for people to stay out of poverty according the CSRA survey. Seventy-six percent of Americans favor "having the government set the minimum wage high enough so that no family with a full time worker falls below the official poverty line." Only 21% oppose the idea. Also relatively popular is having the federal government invest more in worker retraining and education to help people keep up with a changing economy. Fifty-four percent of Americans say the government should do more in this area.

Other policy ideas are more divisive. While Americans support having the government ensure that people can work if they want to, they are torn over whether the government should actually provide federal jobs for those who cannot find private employment. Americans are evenly divided, 51% think the government should hire the unemployed and 46% think they should not. Views on this issue divide starkly according to income. Roughly two-thirds of those earning under \$40,000 a year feel the government should provide jobs, while two-thirds of those making over \$80,000 a year feel the government should *not*.

<u>Household Income</u>	<u>Government Should Provide Jobs for the Unemployed</u>		<u>Government Should Provide Standard of Living for the Unemployed</u>	
	<u>Yes</u>	<u>No</u>	<u>Agree</u>	<u>Disagree</u>
Less than \$40,000	68%	26%	64%	33%
\$40,00 - \$80,000	48%	51%	45%	52%
More than \$80,000	33%	65%	36%	61%

Americans are also split on whether or not the government should provide those who are unemployed with a decent standard of living. Fifty percent of all Americans feel the government should guarantee the unemployed a decent living standard while 48% think the government should not. Income level also plays a strong role in opinions on this issue – 64% of people with household incomes of less than \$40,000 agree that the government should provide the unemployed with a decent living standard. In sharp contrast, 61% of high income Americans disagree.

According to Professor McDermott: "There are very clear divisions in program preferences along income lines. While all income levels agree that income gaps are too large and wealth distribution is not fair, the potential solutions are in dispute."

Taxes

According to Americans in the new CSRA survey, part of the success offered by the American system involves paying more in taxes if you do succeed. Fifty-six percent feel that people with high incomes should pay a larger share of their income in taxes than should those with low incomes, including 20% who say those earning higher incomes should pay a "much larger share." Forty-one percent of Americans feel that high income and low income residents should pay the same share of their incomes in taxes, and three percent think those with higher incomes should pay less. Majority support for progressive taxes is found at all incomes levels.

Consistent with the idea of the relatively well-off paying more in taxes, Americans lend particular support to the idea of actively redistributing wealth through the tax system. A 56% majority of Americans feel the government should redistribute wealth through taxes, specifically by imposing "heavy taxes on the rich." Thirty-nine percent think the government should not do so. Even 52% of those making over \$80,000 per year support the idea.

Support for substantial taxes on the rich may be widespread by income, but not by partisanship. Nearly three-quarters of self-identified Democrats believe the government should impose heavy taxes on rich Americans, compared to a 54% majority of Republicans who say the government should not.

McDermott sums up: "The American people still believe in the American Dream, that success is achievable through hard work. And while the dream may be elusive for a lot of people, Americans say its existence is what keeps people working hard."

###

This survey was conducted by the Center for Survey Research and Analysis (CSRA) at the University of Connecticut, among 500 adults nationally, from June 18 – July 2, 2007. The survey was designed and sponsored by Prof. Lawrence Jacobs of the Hubert H. Humphrey Institute of Public Affairs at the University of Minnesota, and Prof. Benjamin Page of Northwestern University. A random-digit-dial technique was used to select respondent households (sampling both listed and unlisted telephone numbers). Respondents were selected randomly within households. The margin of error for the survey is ± 4.4 percentage points.

Do you think it's still possible to start out poor in this country, work hard, and become rich?

Possible	75%
Not possible	23
Don't Know	2
Refused	0

Some people earn a lot of money while others do not earn very much at all. In order to get people to work hard, do you think large differences in pay are...

Absolutely necessary	16%
Probably necessary	42
Probably not necessary	28
Definitely not necessary	12
Don't Know	2
Refused	1

Please tell me whether you agree or disagree with the following statements:

Differences in income in America are too large.
(PROBE: STRONGLY/SOMEWHAT AGREE/DISAGREE)

Strongly Agree	50%
Somewhat Agree	22
Somewhat Disagree	13
Strongly Disagree	15
Don't Know	1

Large differences in income are necessary for America's prosperity.
(PROBE: STRONGLY/SOMEWHAT AGREE/DISAGREE)

Strongly Agree	16%
Somewhat Agree	22
Somewhat Disagree	26
Strongly Disagree	35
Don't Know	1
Refused	0

It is the responsibility of the government to reduce the differences in income between people with high incomes and those with low incomes.

(PROBE: STRONGLY/SOMEWHAT AGREE/DISAGREE)

Strongly Agree	17%
Somewhat Agree	18
Somewhat Disagree	20
Strongly Disagree	43
Don't Know	2

Do you think that the gap in wealth between wealthy Americans and middle class Americans has gotten larger, gotten smaller or stayed about the same in the last twenty-five years?

Gotten larger	82%
Gotten smaller	7
Stayed the same	10
Don't Know	1
Refused	0

Do you feel that the distribution of money and wealth in this country today is fair, or do you feel that the money and wealth in this country should be more evenly distributed among a larger percentage of the people?

Distribution is fair	26%
Should be more evenly distributed	69
Don't Know	5
Refused	0

Please tell me whether you agree or disagree with the following statements

The poor are poor because the American way of life doesn't give all people an equal chance.

Agree	41%
Disagree	58
Don't Know	1
Refused	0

Many poor people simply don't want to work hard.

Agree	41%
Disagree	56
Don't Know	2
Refused	0

The government in Washington ought to see to it that everyone who wants to work can find a job.

Agree	67%
Disagree	32
Don't Know	2
Refused	0

The government should provide a decent standard of living for the unemployed. (PROBE: STRONGLY/SOMEWHAT AGREE/DISAGREE)

Strongly Agree	22%
Somewhat Agree	28
Somewhat Disagree	27
Strongly Disagree	21
Don't Know	3
Refused	0

Do you favor or oppose having the government set the minimum wage high enough so that no family with a full time worker falls below the official poverty line?

Favor	76%
Oppose	21
Don't Know	3
Refused	0

Do you think the federal government should provide jobs for everyone able and willing to work but who cannot get a job in private employment?

Yes	51%
No	46
Don't Know	3

Some people say that the federal government should invest more in worker retraining and education to help workers adapt to changes in the economy. Others say that such efforts just create big government programs that do not work very well. Which do you think is more likely to succeed?

Government should invest more	54%
Big programs that don't work	39
Don't Know	6
Refused	0

People feel differently about how far a government should go. Here is a phrase which some people believe in and some don't. Do you think our government should or should not redistribute wealth by heavy taxes on the rich?

Should	56%
Should not	39
Don't Know	4
Refused	0

Do you think that people with high incomes SHOULD pay a larger share of their income in taxes than those with low incomes, the same share, or a smaller share?
(PROBE: MUCH/JUST SMALLER/LARGER)

Much larger share	20%
Larger	36
The same share	41
Smaller	2
Much smaller share	0
Don't Know	0
Refused	1
