

# Intergenerational Mobility and Preferences for Redistribution

Alberto Alesina, Stefanie Stantcheva, and Edoardo Teso



# Typically Documented Views on Social Mobility

## Americans:

- Econ system mostly “fair,” American dream alive
- Wealth is reward for ability and effort
- Poverty due to inability to take advantage of opportunity
- Effort pays off

- 70% of Americans versus 35% of Europeans believe you can climb social ladder if you work hard (WVS)
- Yet, intergenerational mobility not systematically higher in the US (Chetty *et al.* 2014)

## Continental Europeans:

- Econ system is basically unfair
- Wealth due to family history, connections, sticky social classes
- Poverty due to bad luck, society's inability to help the needy
- Effort may payoff

## This Paper: Research Questions

- Do people have realistic views about intergenerational mobility?
- What are their views on fairness, such as the role of effort vs. luck?
- Link between perceived intergenerational mobility and preferred redistribution policies?
  - ▶ **Equality of opportunities** policies (education, bequest taxes)
  - ▶ **Equality of outcome** policies (social insurance, progressive income taxation)?
- Heterogeneity by socio-economic background, political views, own mobility experience?
- Causal effect of perceptions on policy choices?

## Method: Surveys and Randomized Experiments

- Online surveys on representative samples in the US, UK, France, Italy, and Sweden. [▶ Stats](#)
- Research agenda ahead.
- Can collect more data to reduce noise, further treatments to test channels. Suggestions very welcome!
- Survey structure: Background / Fairness / Randomized: Info on Mobility / Perceptions of Mobility / Policies / Randomized: Views on government
- Sample collected in one big wave September 2016  
 $N = 1,600$  for IT, UK, FR,  $N = 2000$  for U.S.,  $N = 1,000$  for SE.
- For descriptive analysis append wave Feb 2016,  $N = 500$  per country.

[▶ Sample](#)

# Outline of this Talk

- 1 Survey and Methodology
- 2 Data on Actual Social Mobility
- 3 Perceptions and Misperceptions
- 4 Heterogeneity in Perceptions
- 5 Perceived Role of Effort
- 6 Geography of Perceptions in the U.S.
- 7 Perceptions and Policy Preferences
- 8 Randomized Information Experiment

## Related Literature

**Theory:** Piketty (1995), Benabou and Ok (2001), Alesina and Angeletos (1995), Benabou and Tirole (2006), Saez and Stantcheva (2016).

**Empirical Evidence on belief differences and redistribution:** Alesina and Glaeser (2004), Alesina and La Ferrara (2005), Alesina and Giuliano (2011).

**Empirical Studies of Social Mobility:** Gottschalk and Spolaore (2002), Solon (2002), Jantti *et al.* (2006), Goldin and Katz (2009), Blanden (2011), Fryer and Katz (2013), Corak (2013), Chetty, Hendren, Kline, and Saez (2014), Akcigit, Grigsby, and Nicholas (2016), Aghion, Akcigit, Hyytinen, and Toivanen (2016), Chetty, Hendren, and Katz (2016).

**Experimental manipulation of beliefs:** Kuziemko, Norton, Saez, and Stantcheva (2015), Perez-Truglia and Cruces (2016), Karadja, Mollerstrom and Seim (2016), Cruces *et al.* (2013), Newman *et al.* (2014).

# Survey and Methodology

## Survey Structure

- **Background** socio-economic questions, own social mobility experience, political experience.
- **Fairness:** Fair system, reasons poor, reasons rich. [▶ Detail](#)
- **Randomized “information”** experiment to shift views on extent of social mobility. [▶ Randomization](#)
- **Perceptions of intergenerational mobility** in own country.
- **Policies:** Overall intervention, overall support for equality of opportunity, income taxes, estate tax, budget.
- **Government:** views on role and capacities of government (order randomized, pre or post info treatment).

## Eliciting Beliefs on Upward Mobility

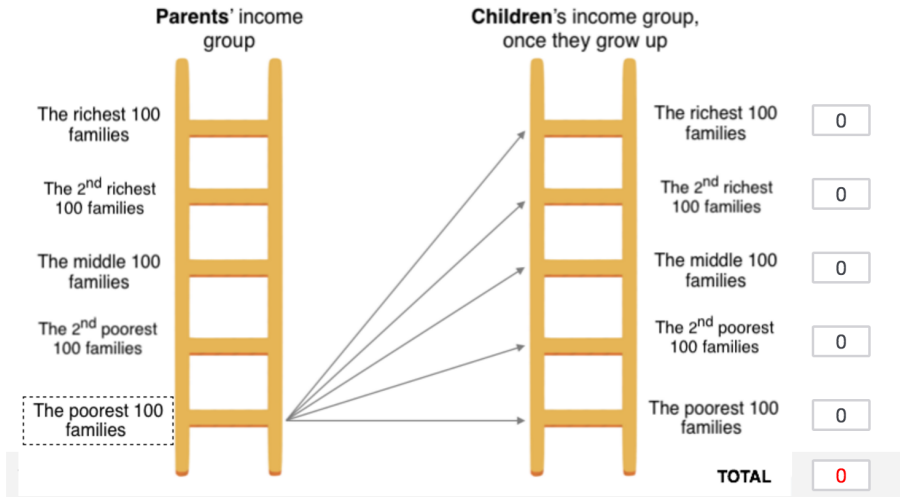
*For the following questions, we focus on 500 families that represent the U.S. population. We divide them into five groups on the basis of their income, with each group containing 100 families. These groups are: the poorest 100 families, the second poorest 100 families, the middle 100 families, the second richest 100 families, and the richest 100 families.*

*In the following questions, we will ask you to evaluate the chances that children born in one of the poorest 100 families, once they grow up, will belong to any of these income groups.*

*Please fill out the entries to the right of the figure below to tell us, in your opinion, how many out of 100 children coming from the poorest 100 families will grow up to be in each income group.*

# Eliciting respondent's beliefs on upward mobility

Here are **500 families** that represent the US population:



## Eliciting Beliefs on Upward Mobility (II)

Qualitative questions for robustness:

*Do you think the chances that a child from the poorest 100 families will grow up to be among the richest 100 families are: [Close to zero, Low, Fairly Low, Fairly High, High].*

“American dream question:”

*How do you feel about the following statement? “In [country] everybody has a chance to make it and be economically successful.”*

Ask about mobility conditional on “effort” and “talent.”

*Consider 100 children coming from the poorest 100 families. These children are very determined and put in hard work both at school and, later in life, when finding a job and doing that job.*

*Consider 100 children coming from the poorest 100 families. These children are very talented.*

Robustness: provided absolute cutoffs for quintiles: no change.

# Questions on Policies

**Logic:** Split desired policies into components

- i) overall government involvement and intervention,
- ii) how to share a given tax burden,
- iii) how to allocate a given budget.

**Income taxes** on top 1%, next 9%, next 40%, bottom 50%. [▶ Detail](#)

**Budget allocation** on 1) Defense/ Security, 2) Infrastructure, 3) Education, 4) SS, Medicare, DI, and SSI, 5) Social Insurance and Income Support Programs, 6) Health. [▶ Detail](#)

**Estate tax:** Rate support. [▶ Detail](#)

**Support for equality of opportunity policies:** subject to other policies being reduced (qualitative, robust, no free lunch). [▶ Detail](#)

# Questions on Role and Capacities of Government

Randomized block (outcomes/ pre-existing characteristics):

Trust in government

Tools of the government

Are unequal opportunities a problem?

Scope of government: to reduce unequal opportunities for children from rich and poor backgrounds, from 1 to 7.

Is lowering or raising taxes better for reducing unequal opportunities? [▶ Detail](#)

## Ensuring reasonable answers

Appeal to people's social responsibility. [▶ Detail](#)

Warn that “careless answers” will be flagged.

Constrain answers to add up to 100. Tabulating answers – few strange patterns. [▶ Detail](#)

Attention check question (0.88%), Meade and Craig (2012).

Time spent on separate questions' pages and overall survey time.

Ask for feedback post survey, whether felt survey was biased (18%).

Asked for questions in different orders (ascending vs. descending) and on different pages.

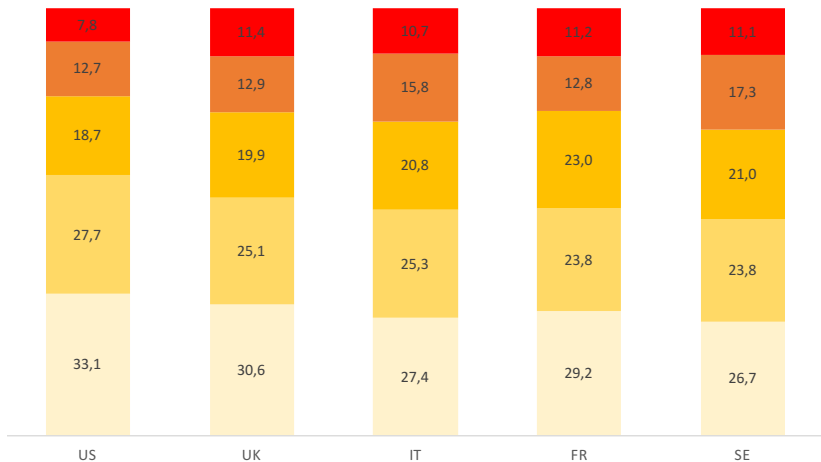
# Data on Actual Intergenerational Mobility

## Sources of Data on Intergenerational Mobility

- US: Administrative tax-return data (Chetty *et al.*, 2014) [▶ Detail](#)
- UK: sample of 2806 parents-children, from the British Cohort Study
- France: sample of 4,581 parents and 1,444 children, from survey "Formation et Qualification professionnelle", INSEE
- Italy: Administrative tax-return data (Acciari *et al.* 2016)
- Sweden: 20% random sample from Statistics Sweden's administrative registers (Jantti *et al.*, 2006)
- Currently (we think), best data available. Future research may compare our respondents' answers to better data). Levels interesting per se.

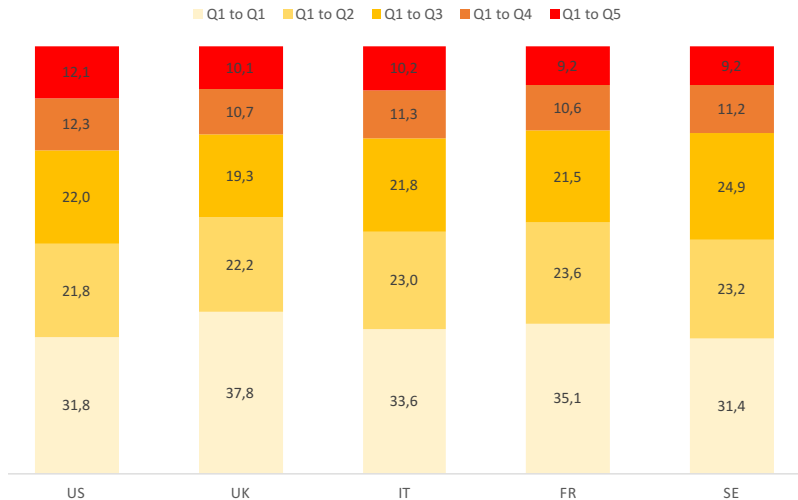
# Transition probabilities from Bottom 20%

Q1 to Q1   Q1 to Q2   Q1 to Q3   Q1 to Q4   Q1 to Q5



# Perceptions and Misperceptions

# Respondents' perceived transition probabilities



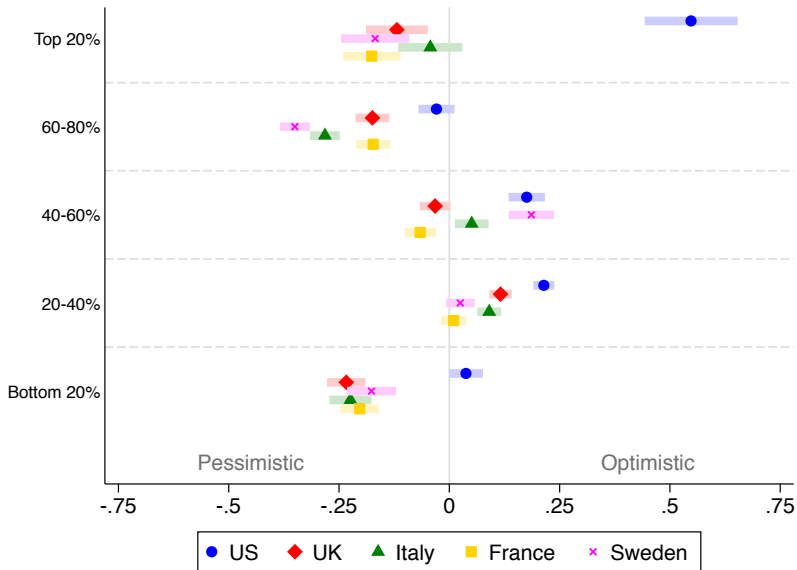
## Measuring respondents' (mis)perceptions of mobility

- For each respondent  $i$  from country  $c$ , for each quintile  $q$ , we measure:

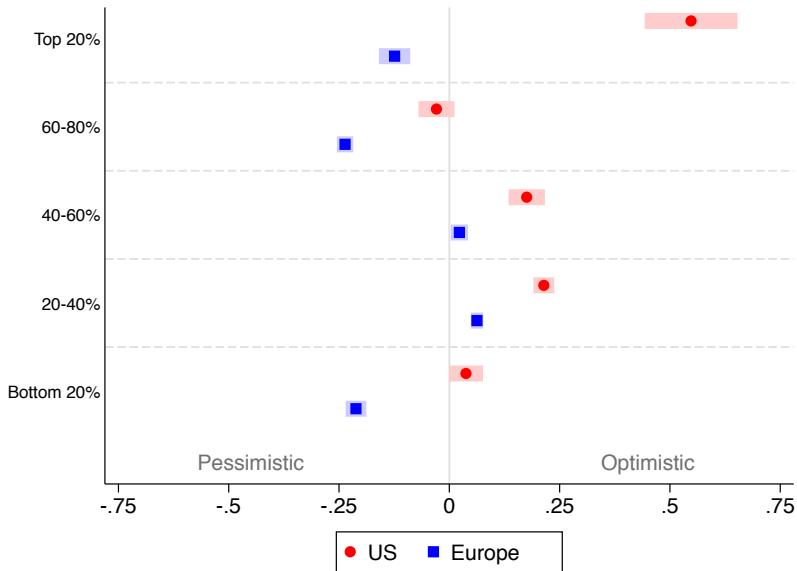
$$Optimism_{icq} = \frac{Perceived\ Prob(Q1\ to\ Qq) - Real\ Prob(Q1\ to\ Qq)}{Real\ Prob(Q1\ to\ Qq)}$$

- for  $q = 1, 2$ , flip sign.
- Average across all respondents from a country.
- Just a way of representing data relative to best current estimate we have.

# Misperceptions



# US versus Europe: Opposite Misperceptions



## Views on Fairness

	Economic System Fair	American Dream Alive	Effort Reason Poor	Effort Reason Rich
All	0.37	0.32	0.32	0.32
US	0.52	0.54	0.48	0.41
UK	0.46	0.39	0.37	0.32
France	0.20	0.17	0.24	0.31
Italy	0.10	0.09	0.14	0.17
Sweden	0.65	0.41	0.33	0.38
Left-wing	0.26	0.21	0.19	0.18
Right-wing	0.45	0.41	0.42	0.44

Discrepancies in system fairness and “American dream” of making it:  
US, UK, SE  $\perp$  FR, IT

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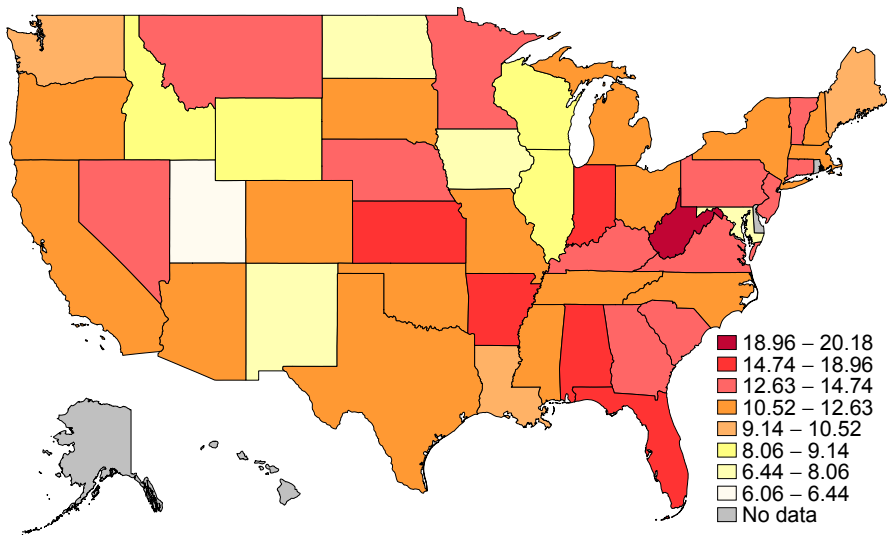
Discrepancies in perceived role of effort: US, UK, SE  $\perp$  FR, IT

## Views on Fairness

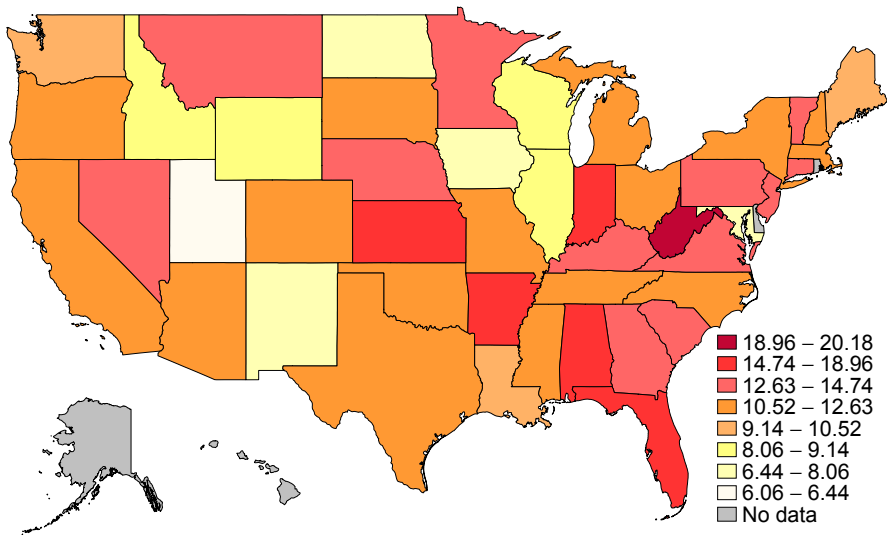
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Same two discrepancies between left and right wing (across political affiliation vs. across countries).

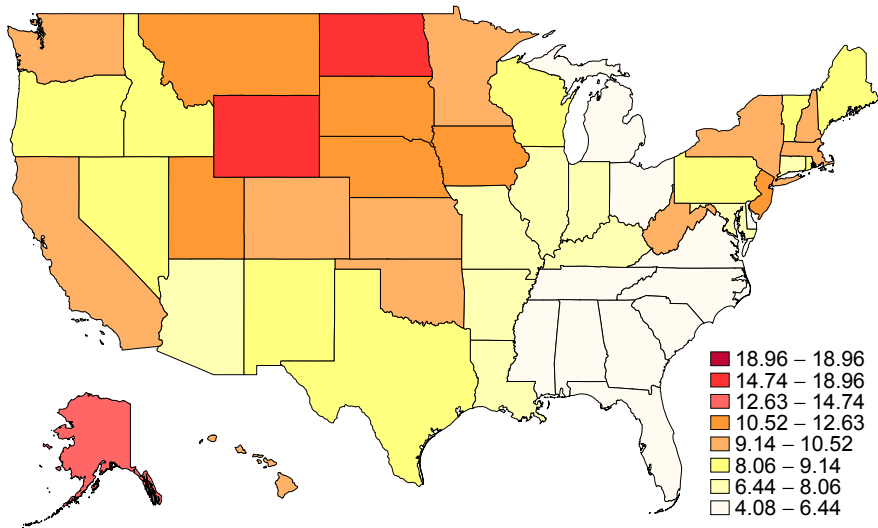
# The Geography of Mobility Perceptions in the U.S.



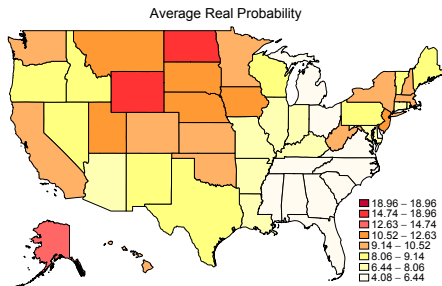
# Perceived Probability of Making it to the Top in the U.S.



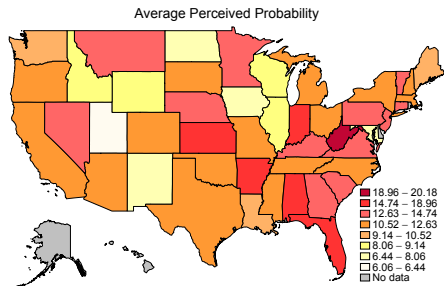
# Actual Probability of Making it to the Top in the U.S.



# More Optimism in the Least Mobile States



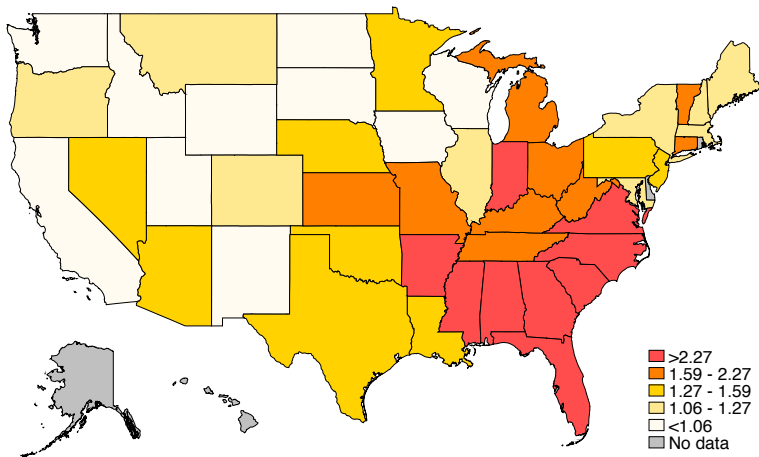
(a)



(b)

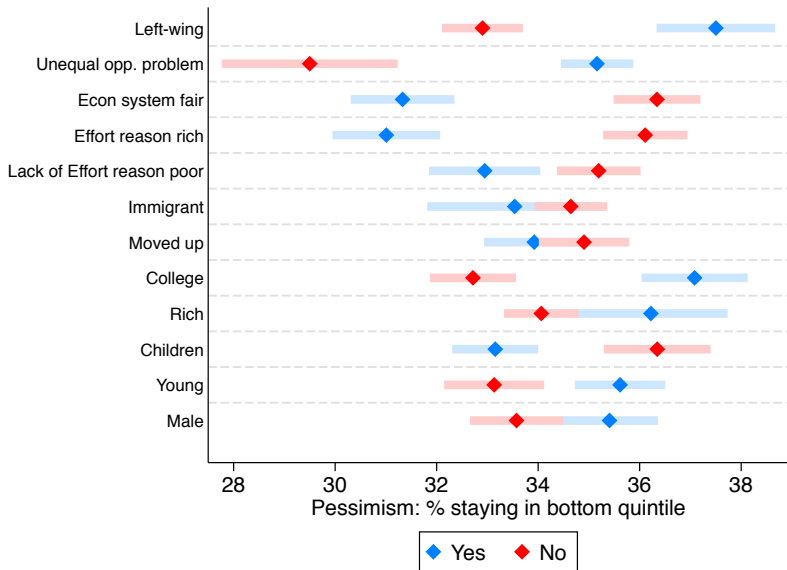
# Degree of Overoptimism per State

- Perceived probability/true probability in different states.  $\text{Corr} = -0.3$ .

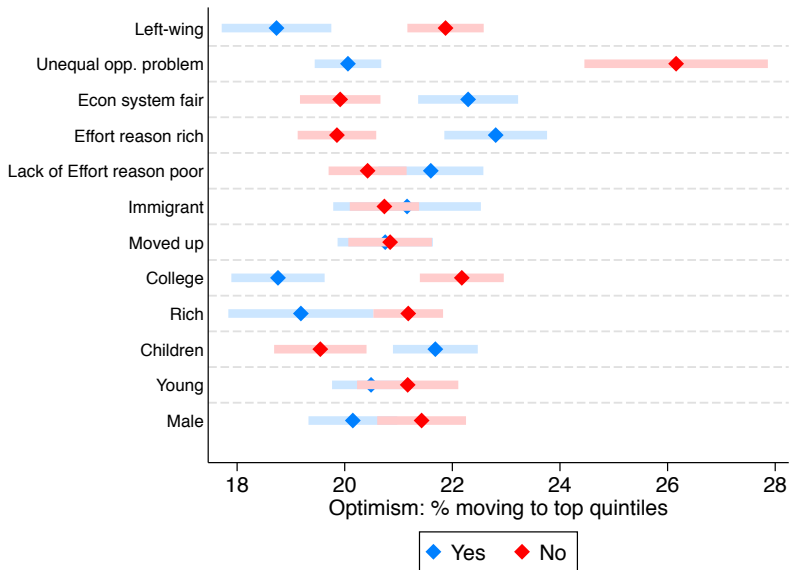


# Heterogeneity in Perceptions

# Pessimism: Staying in the bottom quintile



# Optimism: Moving to the top quintiles



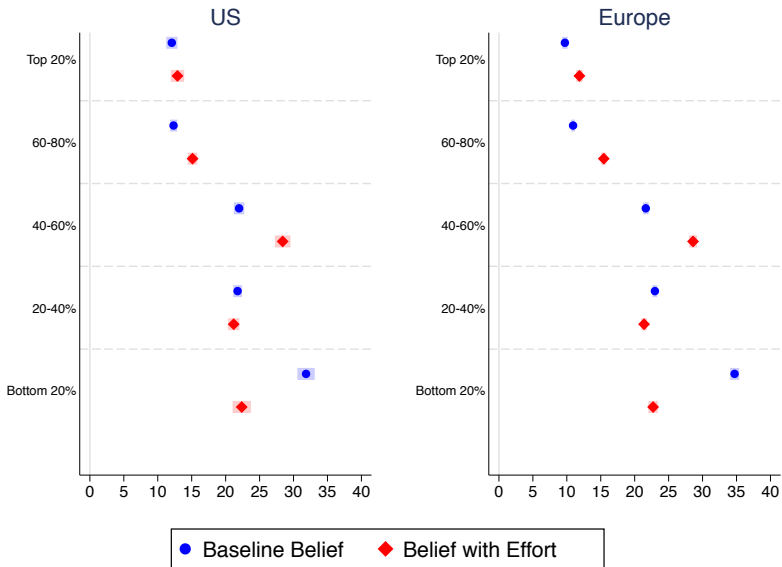
## Across all countries, more pessimistic:

- Men
- Young people (only for staying poor)
- Who do not have children
- High income
- College educated
- Who are not children of immigrants
- Who believe being rich is result of advantages
- Who believe being poor is result of circumstances (only for staying poor)
- Who believe system is unfair
- Who believe unequal opportunities are a problem
- Left-wing

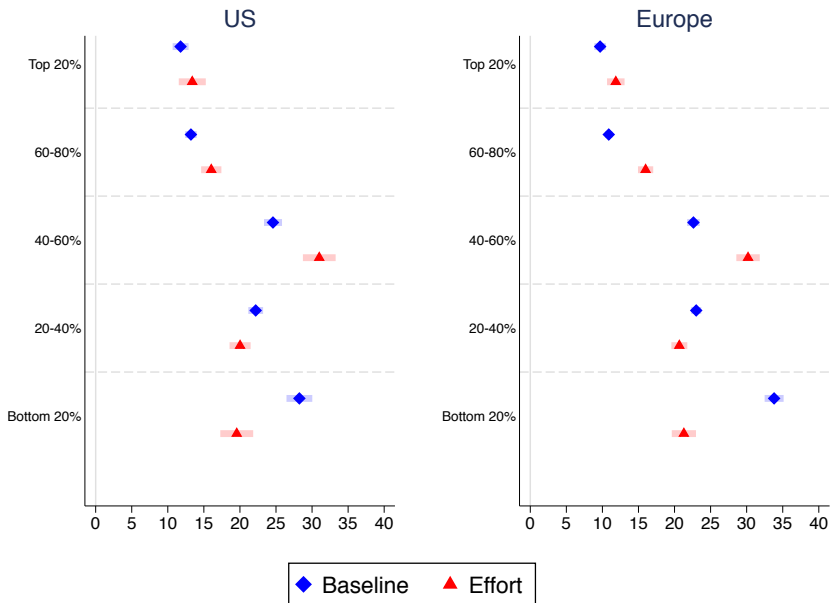
# Perceived Role of Effort and Talent

# Perceptions conditional on effort: A bleak “Best case Scenario”

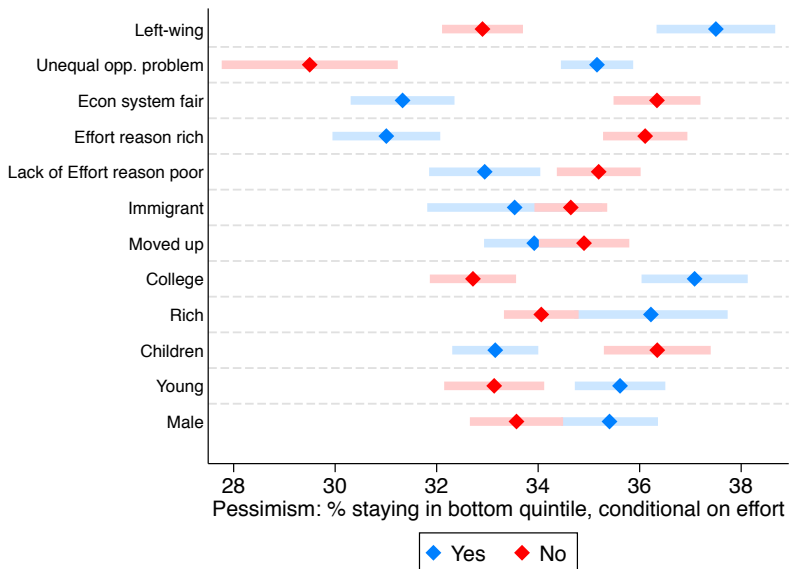
## US and EU: Effort make same, significant difference, except for very top.



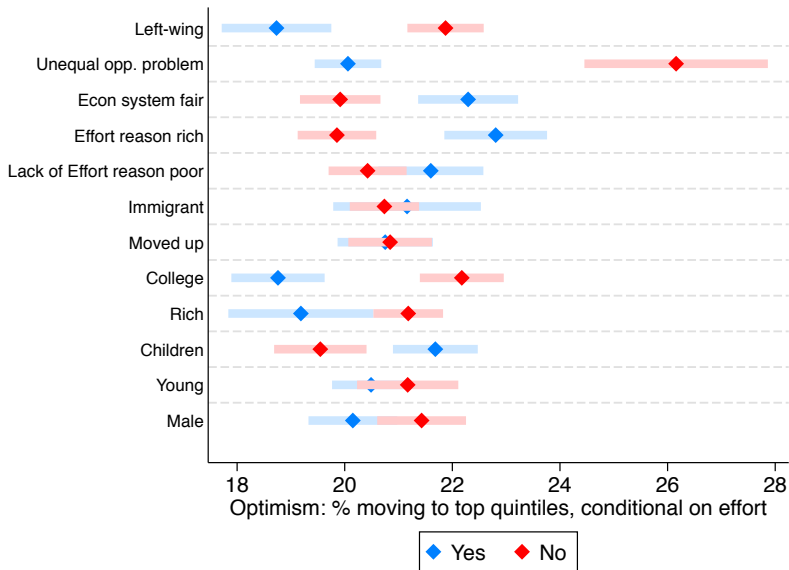
# Conditioning on "Belief in effort":



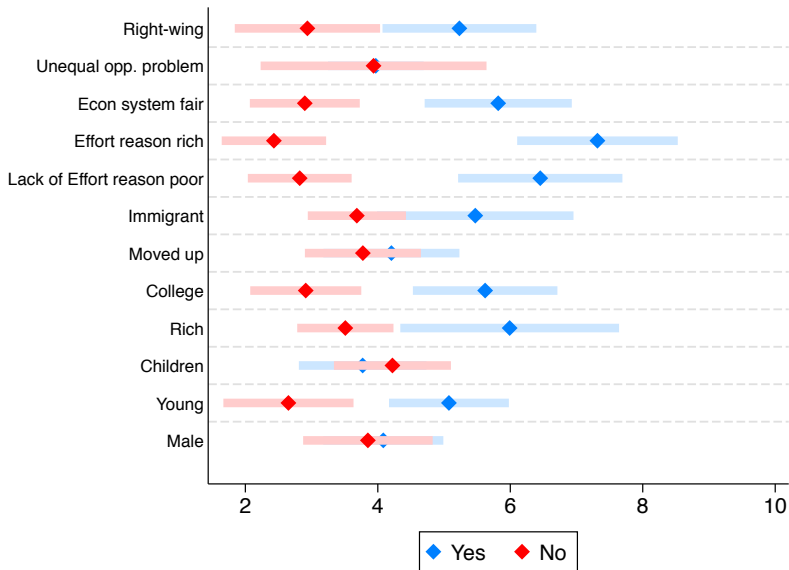
# Pessimism: Staying in the bottom quintile conditional on effort



# Optimism: Moving to the top quintiles conditional on effort



# Moving to the top quintiles conditional on effort minus no effort



# Perceptions and Policy Preferences

# Perceptions and Policy: Conceptual framework:

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Parents

income =  $m(\text{parents}_{-1}, \text{effort}, \text{luck})$

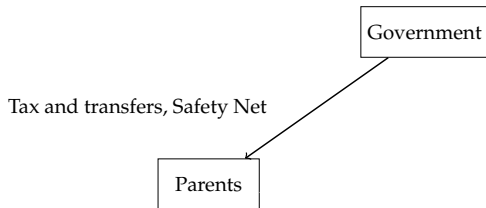
# Perceptions and Policy: Conceptual framework:

Government

Parents

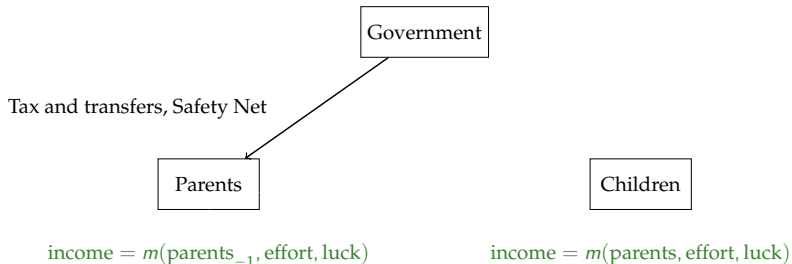
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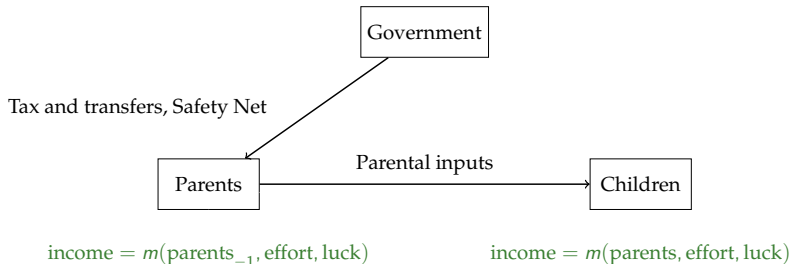


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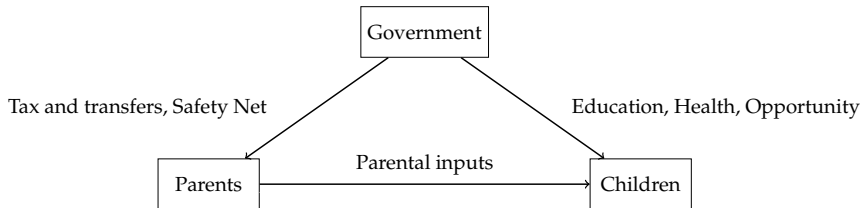
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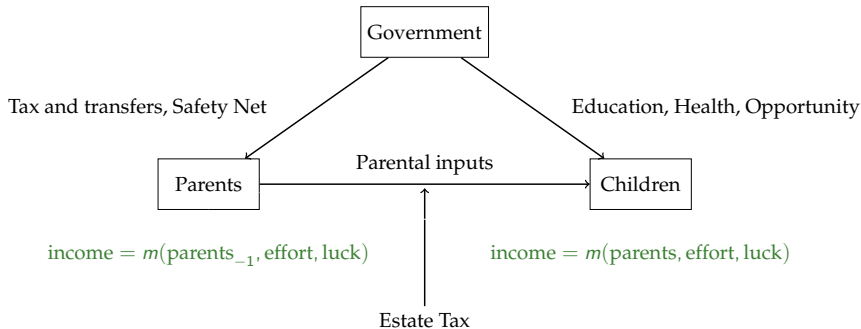
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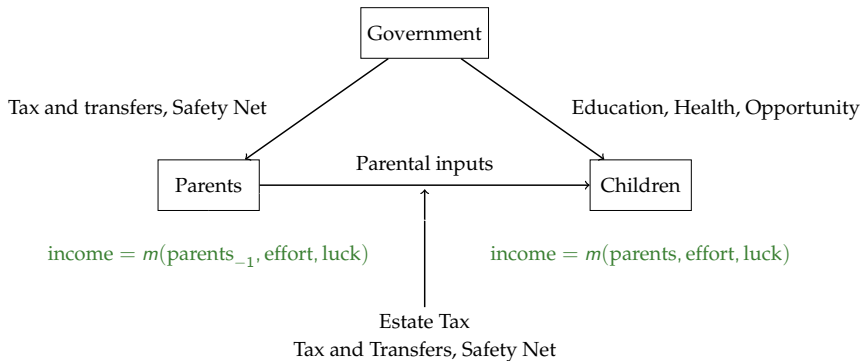
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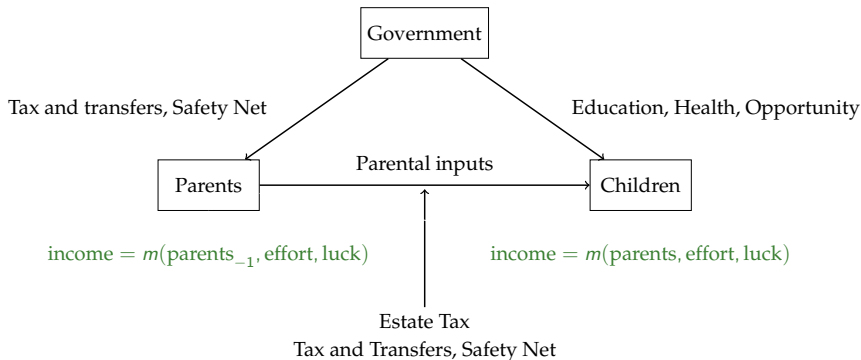
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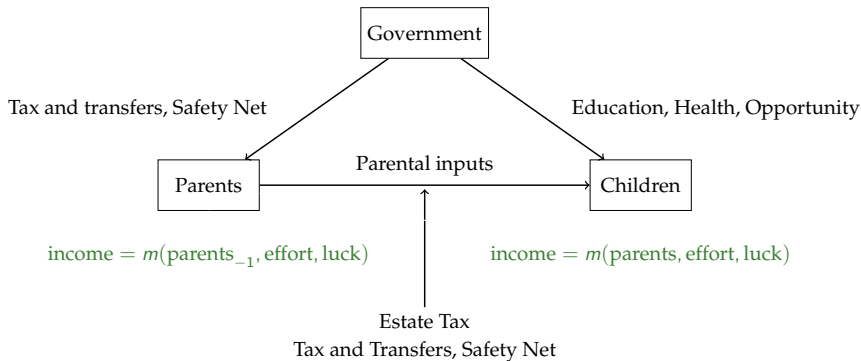


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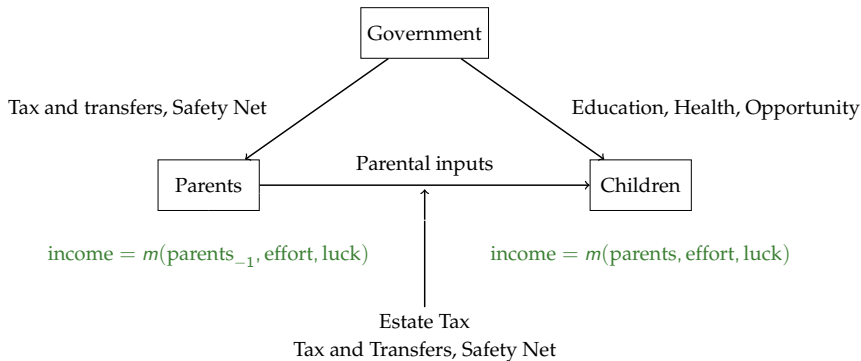
More pessimistic  $\Rightarrow$   $\uparrow$  taxes, safety net if i) rich parents less deserving and ii) to reduce transmission to children (equality of outcome on parents = equality of opportunity to children).

# Perceptions and Policy: Conceptual framework:



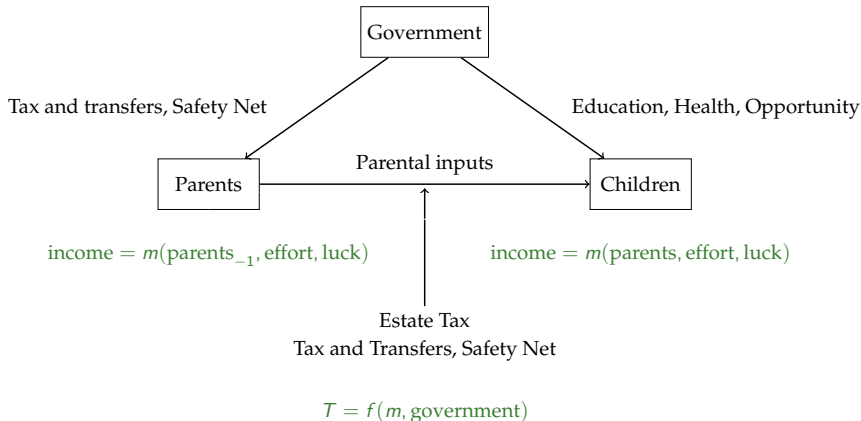
More pessimistic  $\Rightarrow$   $\uparrow$  budget to equality of opportunity policies,  $\uparrow$  estate tax to reduce transmission.

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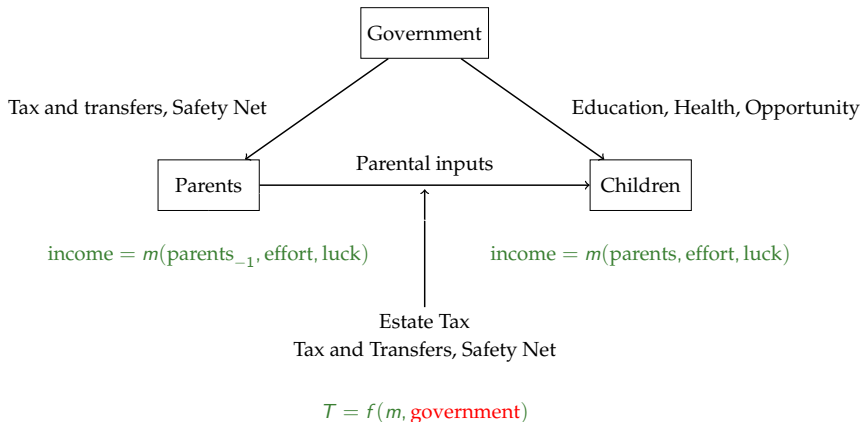


More pessimistic conditional on effort  $\Rightarrow$  should increase same policies even more. More scope for safety net as role of luck has increased in relative terms.

# Perceptions and Policy: Conceptual framework:



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Policies depend on mobility (and its components) and on views of government.

## Preferences for Taxes and Budget Allocation

	Tax Rate Top 1	Tax Rate Bottom 50	Support Estate Tax	Budget Opportunities	Budget Safety Net	Support Equality Policies
All	39.23	10.48	0.29	38.26	14.06	3.75
US	33.51	8.92	0.37	32.93	13.54	3.60
UK	36.93	6.71	0.33	41.12	13.45	3.88
France	43.39	8.76	0.22	38.44	13.42	3.63
Italy	37.51	10.62	0.23	38.84	15.75	3.94
Sweden	50.40	22.73	0.27	42.80	14.49	3.74
Left-wing	41.56	9.19	0.41	39.80	15.19	4.08
Right-wing	37.78	12.03	0.19	37.23	12.99	3.48

Safety net similar everywhere (note: budget constrained and recent terrorism).

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Support for policies for opportunity very high in general.

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Estate tax not very popular.

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U.S.: lower taxes, lower spending on policies for opportunities.

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Left/right-wing split on taxes, budget, and on level of equality of opportunity policies (choices constrained by revenue requirement!).

## Views of Government are Multidimensional and Complex

	Trust Government	Government Tools	Government Intervention	Lowering Taxes Better	Unequal Opp. Problem
All	0.19	0.71	5.41	0.37	0.88
US	0.25	0.76	5.03	0.35	0.84
UK	0.17	0.82	5.49	0.25	0.85
France	0.06	0.48	5.39	0.51	0.89
Italy	0.08	0.73	5.89	0.44	0.93
Sweden	0.49	0.81	5.27	0.30	0.90
Left-wing	0.19	0.77	5.82	0.22	0.94
Right-wing	0.20	0.65	4.99	0.58	0.82

Questions try to capture different aspects. Composite object: one item may or may not be enough to hamper policies.

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Most are reluctant to trust government, across countries and political spectrum.

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	Trust Government	Government Tools	Government Intervention	Lowering Taxes Better	Unequal Opp. Problem
All	0.19	0.71	5.41	0.37	0.88
US	0.25	0.76	5.03	0.35	0.84
UK	0.17	0.82	5.49	0.25	0.85
France	0.06	0.48	5.39	0.51	0.89
Italy	0.08	0.73	5.89	0.44	0.93
Sweden	0.49	0.81	5.27	0.30	0.90
Left-wing	0.19	0.77	5.82	0.22	0.94
Right-wing	0.20	0.65	4.99	0.58	0.82

Agreement government has some tools and capacities to act against unequal opportunities.

## Views of Government are Multidimensional and Complex

	Trust Government	Government Tools	Government Intervention	Lowering Taxes Better	Unequal Opp. Problem
All	0.19	0.71	5.41	0.37	0.88
US	0.25	0.76	5.03	0.35	0.84
UK	0.17	0.82	5.49	0.25	0.85
France	0.06	0.48	5.39	0.51	0.89
Italy	0.08	0.73	5.89	0.44	0.93
Sweden	0.49	0.81	5.27	0.30	0.90
Left-wing	0.19	0.77	5.82	0.22	0.94
Right-wing	0.20	0.65	4.99	0.58	0.82

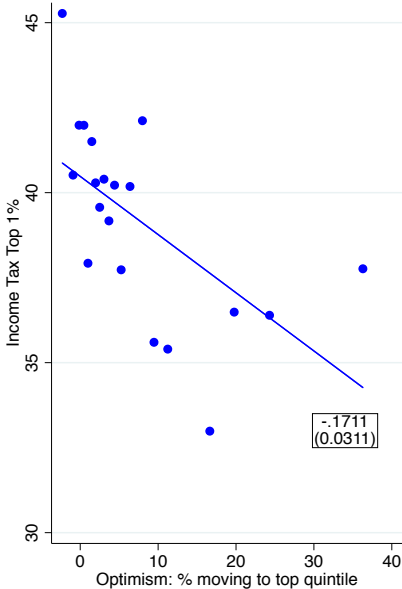
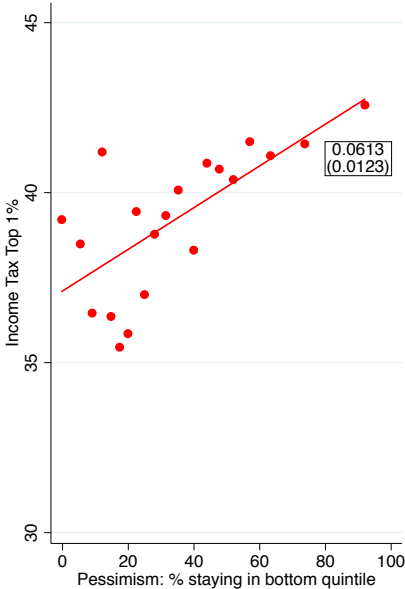
Almost consensus unequal opportunities – if exist – are a problem.

## Views of Government are Multidimensional and Complex

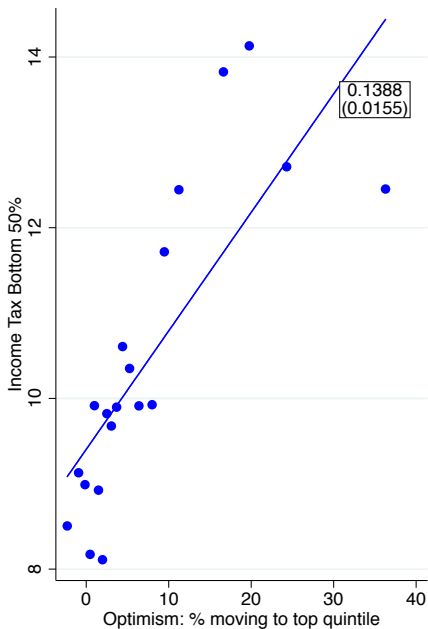
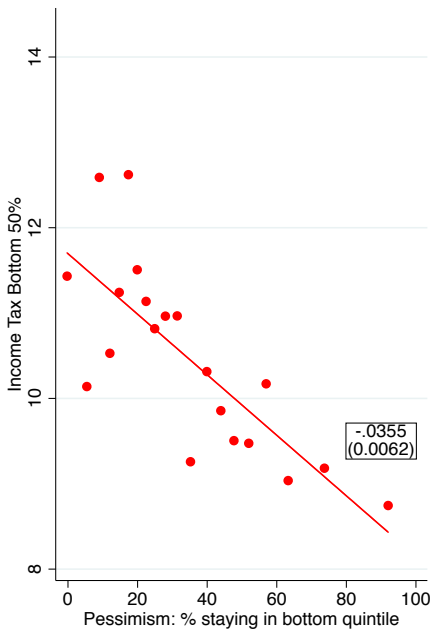
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France	0.06	0.48	5.39	0.51	0.89
Italy	0.08	0.73	5.89	0.44	0.93
Sweden	0.49	0.81	5.27	0.30	0.90
Left-wing	0.19	0.77	5.82	0.22	0.94
Right-wing	0.20	0.65	4.99	0.58	0.82

Disagreement (across countries and political affiliation) about level of intervention to reduce inequality in opportunities and about direction of change.

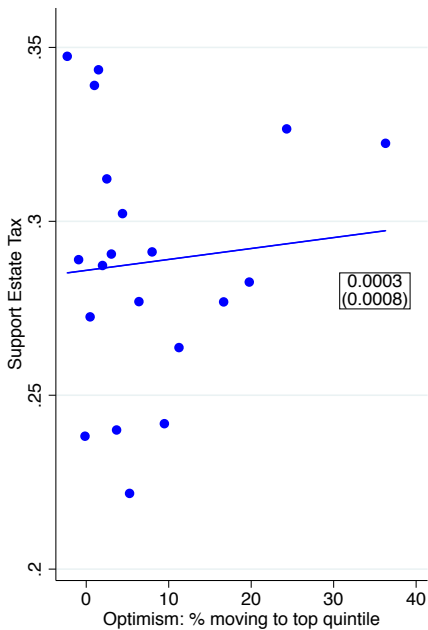
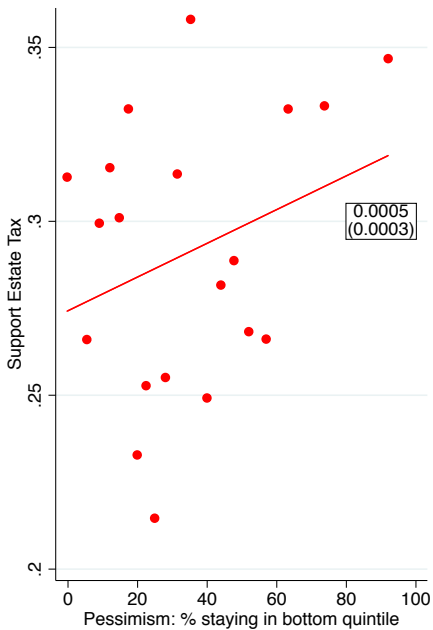
# Top 1% taxes strongly correlated with pessimism and optimism



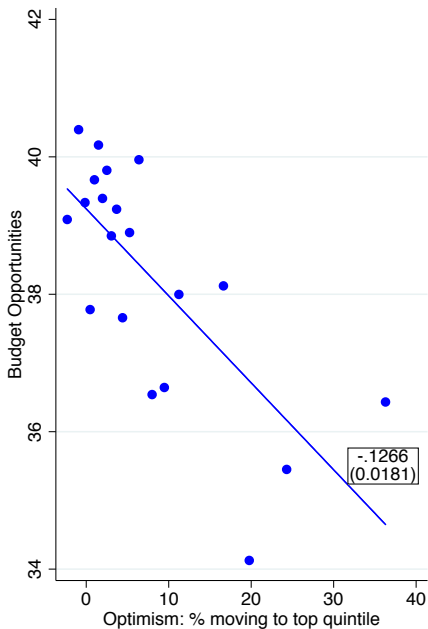
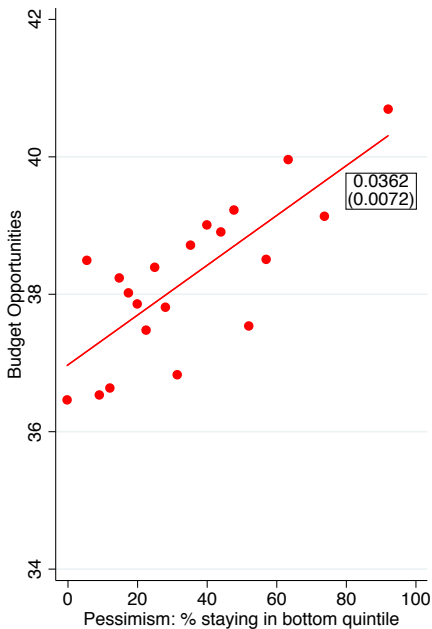
## Bottom 50% taxes strongly correlated with perceptions



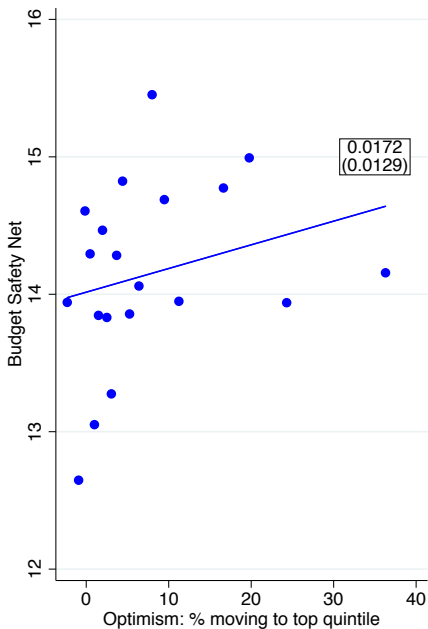
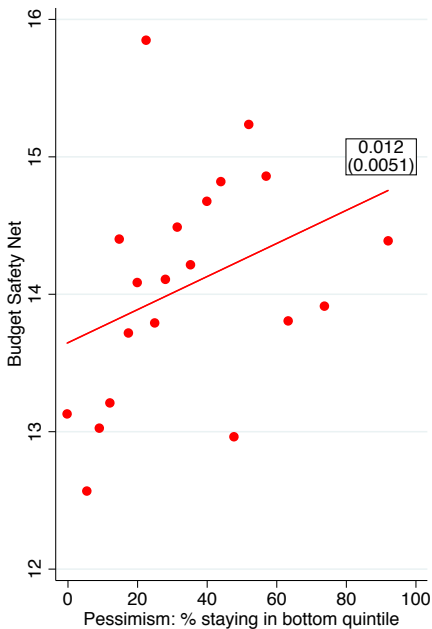
## Estate tax mild, insignificant correlation



# Budget for Education + Health very significantly correlated



# Safety Net budget only sensitive to chance of staying poor



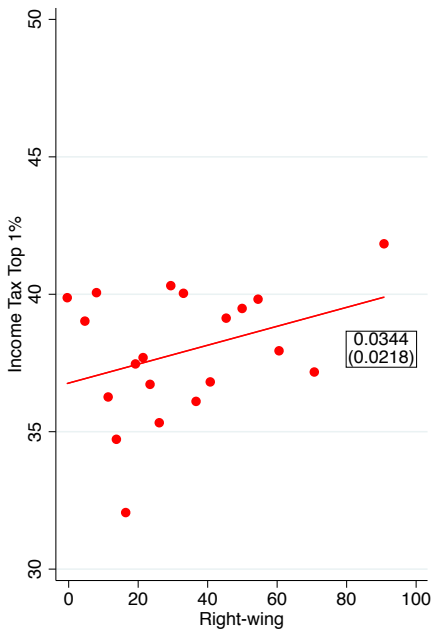
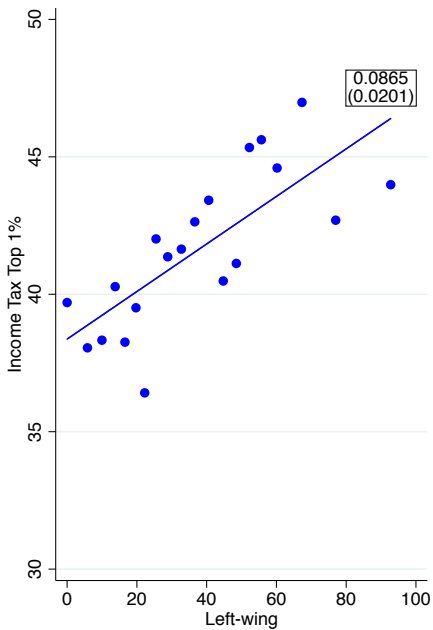
## Correlation of perceptions and policies stronger conditional on effort

	Tax Rate Top 1 (1)	Tax Rate Bottom 50 (2)	Budget Opportunities (3)	Budget Safety Net (4)	Support Estate Tax (5)
<i>All (3623 respondents)</i>					
Chance from q1 to q1	0.0613*** (0.0123)	-0.0355*** (0.00616)	0.0362*** (0.00721)	0.0120** (0.00509)	0.000485 (0.000308)
Chance from q1 to q5	-0.0683*** (0.0204)	0.0662*** (0.0102)	-0.0665*** (0.0119)	-0.00984 (0.00841)	0.000539 (0.000509)
Chance from q1 to q1 effort	0.0730*** (0.0194)	-0.0155* (0.00930)	0.0241** (0.0110)	0.0318*** (0.00803)	0.00114** (0.000484)
Chance from q1 to q5 effort	-0.111*** (0.0307)	0.0769*** (0.0146)	-0.0896*** (0.0173)	-0.0187 (0.0127)	-0.000288 (0.000768)

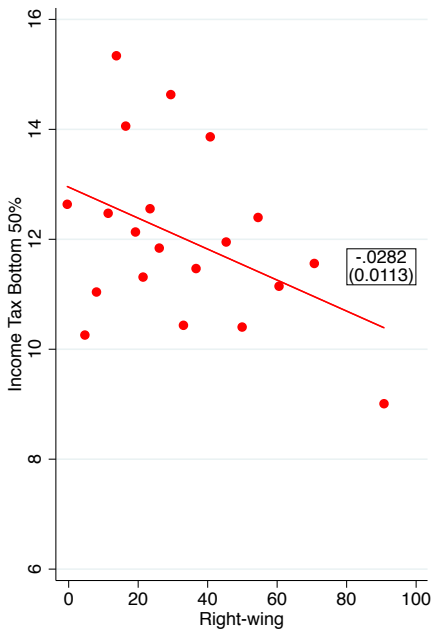
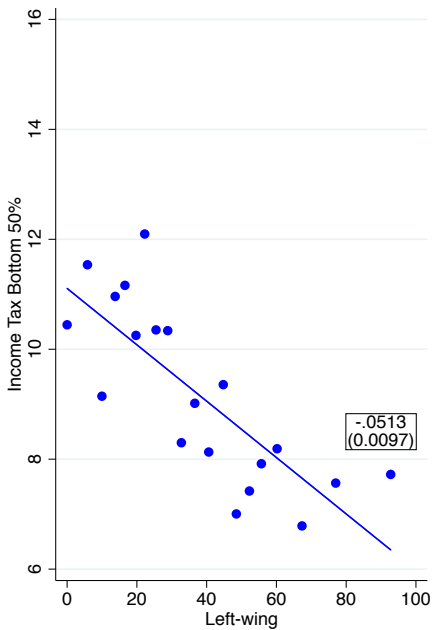
Effect of perceptions conditional on effort stronger on Taxes, Safety net (ex post redistribution ↑), and effect on opportunity policies.

Some effect on estate tax.

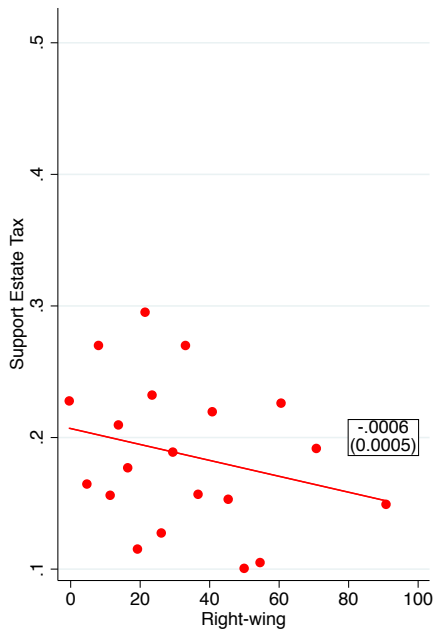
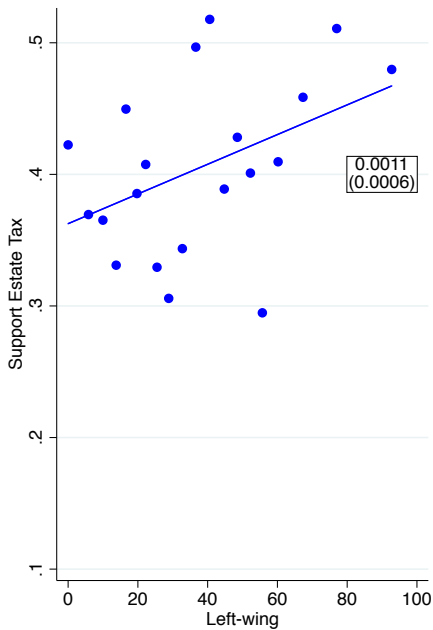
# Left-wing pessimists prefer higher top taxes



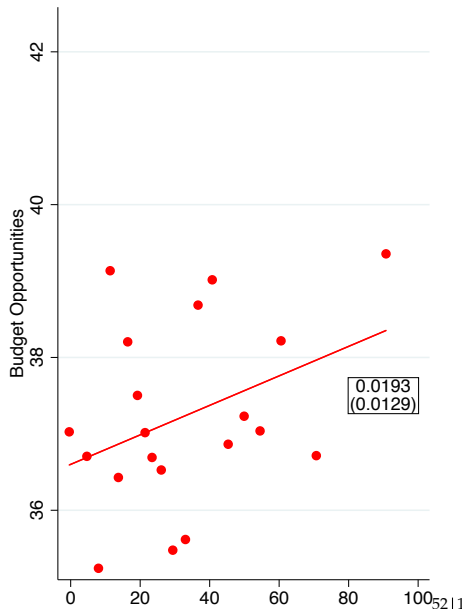
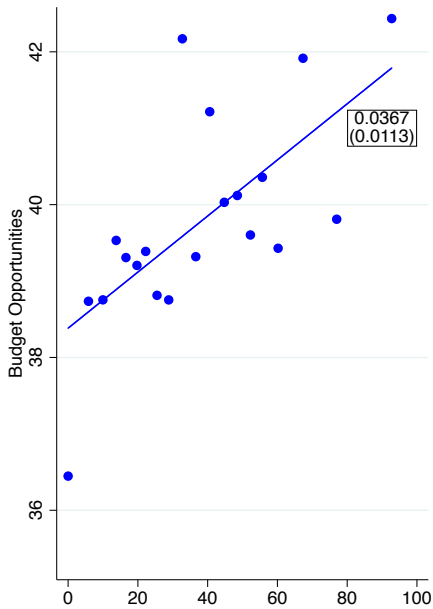
# Left-wing pessimists prefer lower bottom 50% taxes



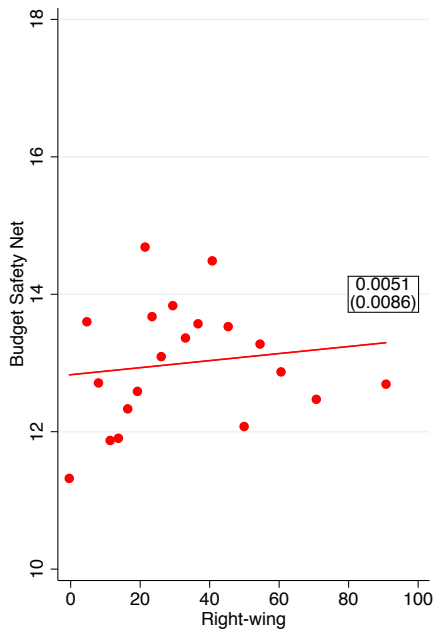
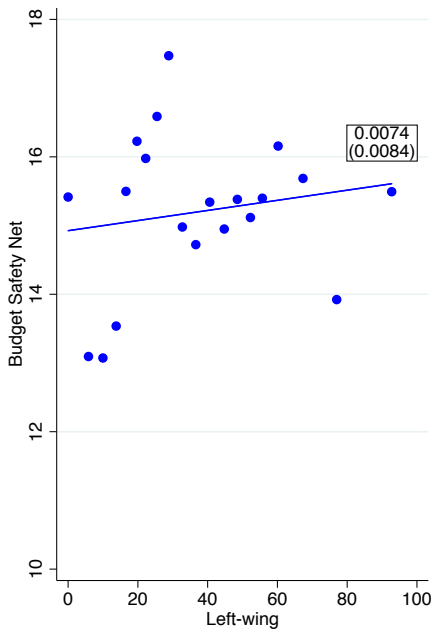
# Left-wing pessimists support the estate tax more



# Left-wing pessimists support more budget to health + education



# Safety net support very weakly related to pessimism



## Stark left/right-wing differences in correlation between perceptions and policy

	Tax Rate Top 1 (1)	Tax Rate Bottom 50 (2)	Budget Opportunities (3)	Budget Safety Net (4)	Support Estate Tax (5)
<i>Left (1235 respondents)</i>					
Chance from q1 to q1	0.0865*** (0.0201)	-0.0513*** (0.00966)	0.0367*** (0.0113)	0.00737 (0.00842)	0.00113** (0.000562)
Chance from q1 to q5	-0.0952*** (0.0334)	0.0805*** (0.0160)	-0.104*** (0.0185)	-0.00533 (0.0139)	-0.000678 (0.000931)
Chance from q1 to q1 effort	0.0742** (0.0293)	-0.0104 (0.0145)	-0.00794 (0.0159)	0.0314*** (0.0114)	0.00112 (0.000829)
Chance from q1 to q5 effort	-0.215*** (0.0569)	0.108*** (0.0280)	-0.0835*** (0.0308)	-0.00504 (0.0225)	-0.00207 (0.00162)
<i>Right (1187 respondents)</i>					
Chance from q1 to q1	0.0344 (0.0218)	-0.0282** (0.0113)	0.0193 (0.0129)	0.00513 (0.00861)	-0.000605 (0.000484)
Chance from q1 to q5	-0.00805 (0.0357)	0.0484*** (0.0184)	-0.0322 (0.0212)	0.000110 (0.0141)	0.00112 (0.000791)
Chance from q1 to q1 effort	0.0705* (0.0376)	-0.0309* (0.0181)	0.0372* (0.0208)	0.0271* (0.0139)	0.000618 (0.000837)
Chance from q1 to q5 effort	-0.0843 (0.0539)	0.0545** (0.0259)	-0.0772*** (0.0297)	-0.0410** (0.0199)	0.0000684 (0.00120)

## Left-wing not systematically more sensitive to perceptions conditional on effort

	Tax Rate Top 1 (1)	Tax Rate Bottom 50 (2)	Budget Opportunities (3)	Budget Safety Net (4)	Support Estate Tax (5)
<i>Left (1235 respondents)</i>					
Chance from q1 to q1	0.0865*** (0.0201)	-0.0513*** (0.00966)	0.0367*** (0.0113)	0.00737 (0.00842)	0.00113** (0.000562)
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Chance from q1 to q1 effort	0.0742** (0.0293)	-0.0104 (0.0145)	-0.00794 (0.0159)	0.0314*** (0.0114)	0.00112 (0.000829)
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Chance from q1 to q1	0.0344 (0.0218)	-0.0282** (0.0113)	0.0193 (0.0129)	0.00513 (0.00861)	-0.000605 (0.000484)
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Chance from q1 to q5 effort	-0.0843 (0.0539)	0.0545** (0.0259)	-0.0772*** (0.0297)	-0.0410** (0.0199)	0.0000684 (0.00120)

## Right-wing only sensitive to perception conditional on effort.

	Tax Rate Top 1 (1)	Tax Rate Bottom 50 (2)	Budget Opportunities (3)	Budget Safety Net (4)	Support Estate Tax (5)
<i>Left (1235 respondents)</i>					
Chance from q1 to q1	0.0865*** (0.0201)	-0.0513*** (0.00966)	0.0367*** (0.0113)	0.00737 (0.00842)	0.00113** (0.000562)
Chance from q1 to q5	-0.0952*** (0.0334)	0.0805*** (0.0160)	-0.104*** (0.0185)	-0.00533 (0.0139)	-0.000678 (0.000931)
Chance from q1 to q1 effort	0.0742** (0.0293)	-0.0104 (0.0145)	-0.00794 (0.0159)	0.0314*** (0.0114)	0.00112 (0.000829)
Chance from q1 to q5 effort	-0.215*** (0.0569)	0.108*** (0.0280)	-0.0835*** (0.0308)	-0.00504 (0.0225)	-0.00207 (0.00162)
<i>Right (1187 respondents)</i>					
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Chance from q1 to q5	-0.00805 (0.0357)	0.0484*** (0.0184)	-0.0322 (0.0212)	0.000110 (0.0141)	0.00112 (0.000791)
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## Cherished idea is “Making it from rags to riches conditional on effort”

	Tax Rate Top 1 (1)	Tax Rate Bottom 50 (2)	Budget Opportunities (3)	Budget Safety Net (4)	Support Estate Tax (5)
<i>Left (1235 respondents)</i>					
Chance from q1 to q1	0.0865*** (0.0201)	-0.0513*** (0.00966)	0.0367*** (0.0113)	0.00737 (0.00842)	0.00113** (0.000562)
Chance from q1 to q5	-0.0952*** (0.0334)	0.0805*** (0.0160)	-0.104*** (0.0185)	-0.00533 (0.0139)	-0.000678 (0.000931)
Chance from q1 to q1 effort	0.0742** (0.0293)	-0.0104 (0.0145)	-0.00794 (0.0159)	0.0314*** (0.0114)	0.00112 (0.000829)
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<i>Right (1187 respondents)</i>					
Chance from q1 to q1	0.0344 (0.0218)	-0.0282** (0.0113)	0.0193 (0.0129)	0.00513 (0.00861)	-0.000605 (0.000484)
Chance from q1 to q5	-0.00805 (0.0357)	0.0484*** (0.0184)	-0.0322 (0.0212)	0.000110 (0.0141)	0.00112 (0.000791)
Chance from q1 to q1 effort	0.0705* (0.0376)	-0.0309* (0.0181)	0.0372* (0.0208)	0.0271* (0.0139)	0.000618 (0.000837)
Chance from q1 to q5 effort	-0.0843 (0.0539)	0.0545** (0.0259)	-0.0772*** (0.0297)	-0.0410** (0.0199)	0.0000684 (0.00120)

## Across Countries: Common Trends and Specific Patterns

In all countries, budget to opportunities/support for opportunities strongly correlated with perceptions of mobility.

Much less correlated with Safety net policies or Estate tax.

In Europe (except SE), perceptions matter, whether conditional or unconditional on effort, both on tax and spending side.

In U.S.: mostly, it's perceptions conditional on effort that matter (consistent with stronger belief in role of effort), and mostly on spending, not on taxes.

# Randomized Information Experiment

# Randomized Information Experiment

**Causal relationship** views on mobility → policy preferences?

Or simply individual characteristics (e.g.: political affiliation).

Cannot exogenously shift actual social mobility → shift perceptions instead.

Interpretation 1 (megalomaniac): suggestive evidence on preferred direction of policies if less mobility.

Interpretation 2 (more realistic): evidence on response to information.

Our randomized treatment satisfies three criteria:

- 1 Shift perceptions towards more pessimism (Treatment [here](#))
- 2 Truthful, but not precise, so as to be homogeneous across countries.
- 3 Does not allude to any policies or to government at all.

# First Stage Effects

	Q1 to Q1 (1)	Q1 to Q2 (2)	Q1 to Q3 (3)	Q1 to Q4 (4)	Q1 to Q5 (5)	Q1 to Q4 (qual.) (6)	Q1 to Q5 (qual.) (7)	American Dream Alive (8)
<i>All Countries</i>								
Treated	10.01*** (0.606)	-2.400*** (0.301)	-5.886*** (0.324)	-1.808*** (0.215)	0.0830 (0.362)	-0.0934*** (0.0108)	-0.0760*** (0.00960)	-0.0252** (0.00984)
Control mean	34.46	22.78	22.01	10.70	10.05	0.384	0.272	0.324
<i>US</i>								
Treated	8.877*** (1.211)	-2.391*** (0.592)	-5.524*** (0.644)	-1.920*** (0.439)	0.958 (0.771)	-0.131*** (0.0220)	-0.113*** (0.0202)	-0.0555** (0.0219)
Control mean	32.05	21.76	22.40	12.11	11.68	0.474	0.344	0.544
<i>UK</i>								
Treated	9.385*** (1.346)	-2.009*** (0.621)	-5.441*** (0.617)	-1.712*** (0.437)	-0.223 (0.774)	-0.0871*** (0.0224)	-0.0802*** (0.0194)	-0.0401* (0.0236)
Control mean	39.06	22.07	19.46	9.845	9.571	0.321	0.225	0.387
<i>Italy</i>								
Treated	10.36*** (1.335)	-2.188*** (0.702)	-6.829*** (0.715)	-1.628*** (0.511)	0.282 (0.816)	-0.0419* (0.0242)	-0.0287 (0.0218)	0.00474 (0.0150)
Control mean	32.71	23.37	22.78	10.94	10.20	0.349	0.252	0.0892
<i>France</i>								
Treated	11.18*** (1.314)	-3.501*** (0.667)	-5.913*** (0.748)	-1.871*** (0.449)	0.103 (0.750)	-0.102*** (0.0237)	-0.0869*** (0.0203)	-0.00335 (0.0190)
Control mean	35.27	24.06	22.11	9.822	8.737	0.366	0.250	0.170
<i>Sweden</i>								
Treated	11.24*** (1.675)	-1.846** (0.869)	-5.849*** (1.021)	-2.097*** (0.617)	-1.446 (0.975)	-0.110*** (0.0300)	-0.0664** (0.0270)	-0.0304 (0.0312)
Control mean	32.97	22.91	24.15	10.41	9.558	0.400	0.279	0.408

## First Stage on Left and Right Wing Separately

	Q1 to Q1 (1)	Q1 to Q2 (2)	Q1 to Q3 (3)	Q1 to Q4 (4)	Q1 to Q5 (5)	Q1 to Q4 (qual.) (6)	Q1 to Q5 (qual.) (7)	American Dream Alive (8)
<i>All Countries: Left (2422 respondents)</i>								
Treated	10.19*** (1.061)	-2.366*** (0.540)	-6.160*** (0.540)	-1.976*** (0.360)	0.314 (0.643)	-0.0847*** (0.0174)	-0.0645*** (0.0149)	-0.00152 (0.0157)
<i>All Countries: Right (2528 respondents)</i>								
Treated	12.28*** (1.056)	-2.234*** (0.519)	-6.288*** (0.600)	-2.557*** (0.382)	-1.204* (0.626)	-0.133*** (0.0195)	-0.0968*** (0.0173)	-0.0388** (0.0174)

First stage effects are stronger for right-wing respondents (including perception of making it to the very top).

Easier to shift right-wing respondents as more optimistic to start with.

## Follow-up Responses and Persistence of the Treatment

	First Survey All Respondents (1)	First Survey Who Took Follow Up (2)	Follow up Respondents (3)
<i>Q1 to Q1</i>			
Treated	8.869*** (1.211)	10.58*** (2.597)	6.634*** (2.432)
Control mean	32.05	29.06	28.89
Obs.	1907	399	399
<i>Q1 to Q2</i>			
Treated	-2.383*** (0.592)	-1.478 (1.361)	-0.176 (1.522)
Control mean	21.76	22.10	24.38
Obs.	1907	399	399
<i>Q1 to Q3</i>			
Treated	-5.523*** (0.644)	-5.443*** (1.415)	-2.093 (1.558)
Control mean	22.40	22.63	22.41
Obs.	1907	399	399
<i>Q1 to Q4</i>			
Treated	-1.919*** (0.439)	-2.758*** (0.940)	-2.242* (1.232)
Control mean	12.11	12.14	12.33
Obs.	1907	399	399
<i>Q1 to Q5</i>			
Treated	0.957 (0.771)	-0.903 (2.008)	-2.123 (1.705)
Control mean	11.68	14.08	11.99
Obs.	1907	399	399

## Treatment Effects on Policies: only on left-wing respondents

	Tax Rate Top 1 (1)	Tax Rate Bottom 50 (2)	Support Estate Tax (3)	Budget Education (4)	Budget Opportunities (5)	Budget Safety Net (6)	Budget Infrastructure (7)
<i>All Countries: (7553 respondents)</i>							
Treated	0.0328*** (0.0110)	-0.00450 (0.0107)	0.0184 (0.0112)	0.0171** (0.00801)	0.0151* (0.00880)	0.00653 (0.00599)	-0.00702 (0.00649)
<i>All Countries: Left (2533 respondents)</i>							
Treated	0.0490*** (0.0187)	0.00380 (0.0179)	0.0132 (0.0180)	0.0297** (0.0144)	0.0365** (0.0164)	-0.00451 (0.0116)	-0.0202* (0.0106)
<i>All Countries: Right (2425 respondents)</i>							
Treated	0.0298 (0.0190)	-0.0322* (0.0190)	0.0151 (0.0199)	0.00886 (0.0136)	0.00209 (0.0146)	0.00822 (0.00931)	0.00706 (0.0128)

## Treatment Effects on Policies: only on left-wing respondents

	Support Equal. Pol. (1)	Government Intervention (2)	Lowering Tax Better (3)	Unequal Opp. Problem (4)
<hr/> <i>All Countries: (7553 respondents)</i>				
Treated	0.0244** (0.00985)	0.00544 (0.0113)	-0.00662 (0.0110)	0.0367*** (0.0140)
<i>All Countries: Left (2533 respondents)</i>				
Treated	0.0437** (0.0194)	0.0422** (0.0187)	-0.00195 (0.0159)	0.108*** (0.0271)
<i>All Countries: Right (2425 respondents)</i>				
Treated	0.0141 (0.0140)	0.00576 (0.0191)	-0.0370* (0.0200)	-0.00460 (0.0206)
<hr/>				

## Explanations for Treatment Effects

Treatment ineffective on right-wing?

Right-wing had stronger first stage (start from baseline higher optimism).

Missing link between mobility and policies.

Don't want to prime people about policies

Right-wing's pessimism/optimism only mildly correlated with policy preferences.

Asked directly about govt involvement and tools.

Polarization on the Role of Government: "preaching to the choir" or "preaching to the deaf."

Right wing have worse views about government (next section) and these redistributive policies (e.g.: more likely to think freeing the economy is better).

Left-wing already support high levels of redistribution.

# Polarization and Views of the Government

**Share who believe that either i) government not trustworthy or  
ii) can do nothing or very little or iii) should not intervene  
much, or iv) should lower taxes and free economy to reduce  
unequal opportunities**

	Left	Center-Left	Center-Right	Right
All	.57	.66	.89	.92
US	.55	.58	.9	.99
UK	.53	.58	.84	.85
France	.85	.8	.93	.93
Italy	.62	.76	.9	.88
Sweden	.29	.44	.87	.95

## Trust in government positively correlated with support for redistributive policies, mostly among right-wing respondents

	Tax rate Top 1 (1)	Tax rate Bottom 50 (2)	Budget Opportunities (3)	Budget Safety Net (4)	Support Estate Tax (5)
<i>All Countries: (3619 respondents)</i>					
Trust government	-0.113 (0.780)	-1.383*** (0.392)	1.317*** (0.461)	0.359 (0.324)	0.0524*** (0.0197)
<i>All Countries: Left (1233 respondents)</i>					
Trust government	-2.609* (1.335)	-0.764 (0.643)	1.145 (0.759)	0.545 (0.560)	0.0520 (0.0376)
<i>All Countries: Right (1187 respondents)</i>					
Trust government	1.063 (1.280)	-1.317** (0.667)	1.919** (0.759)	0.182 (0.511)	0.0628** (0.0287)

## Next Steps

More experiments wanted to understand channels.

Exogenously shift trust in government.

Shift perceived role of effort.

Establish link between mobility and policies?

Longer-run persistence.

Study also in the U.S.: racial issues. In Europe: immigrants.

# Appendix

## Survey waves, date and sample size

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	Sample size	Date
Wave A - US	501	February 2016
Wave A - US Extra	209	April 2016
Wave A - UK	552	February 2016
Wave A - France	550	February 2016
Wave A - Italy	550	February 2016
Wave A - Sweden	554	February 2016
Wave B - US	2002	September 2016
Wave B - Follow Up	423	September 2016
Wave B - UK	1600	September 2016
Wave B - France	1600	September 2016
Wave B - Italy	1601	September 2016
Wave B - Sweden	1003	September 2016

## Sample characteristics

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	Wave A	Wave B
Male	0.47	0.49
Age	43.52	42.84
Married	0.51	0.48
Has children	0.55	0.59
Native	0.93	0.93
Employed	0.64	0.65
Unemployed	0.09	0.09
Not in labor force	0.21	0.21
Has university degree	0.36	0.37
Liberal policy views	0.35	0.34

# Randomization Groups

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	Treatment/Control	Saw govt. block before/after mobility questions	Effort/talent
Group 1	Control	Before	Effort
Group 2	Treatment	Before	Effort
Group 3	Control	After	Effort
Group 4	Treatment	After	Effort
Group 5	Control	Before	Talent
Group 6	Treatment	Before	Talent
Group 7	Control	After	Talent
Group 8	Treatment	After	Talent

---

**We are a non-partisan group of academic researchers from Harvard.** Our goal is to understand how information we see and hear in the media influences views on policies. No matter what your political views are, this is an important question and by completing this survey, you are contributing to our knowledge as a society. You might not agree with all the information presented, and that is perfectly fine. Our survey will give you an opportunity to express your own views.

It is very important for the success of our research that you **answer honestly** and **read the questions very carefully** before answering. Anytime you don't know an answer, just give your best guess. However, please be sure to spend enough time reading and understanding the question. To ensure the quality of survey data, your responses will be subject to sophisticated statistical control methods. **Responding without adequate effort may result in your responses being flagged for low quality.**

It is also very important for the success of our research project that you **complete the entire survey**, once you have started. This survey should take (on average) about 10 minutes to complete.

*Notes: Your participation in this study is purely voluntary. Your name will never be recorded. Results may include summary data, but you will never be identified. If you have any question about this study, you may contact us at [socialsciencestudies@gmail.com](mailto:socialsciencestudies@gmail.com)*

## Share of respondents with Strange patterns in "ladder" question

	Wave A	Wave B
100 in any quintile	0.03	0.04
100 in quintile Q2 or Q3 or Q4 or Q5	0.02	0.02
0 in quintile Q1 or Q2 or Q3	0.09	0.11
20 in each quintile	0.06	0.05

## Fairness Questions

Do you think the economic system in the United States is:

Basically fair, since all Americans have an equal opportunity to succeed

Basically unfair, since all Americans do not have an equal opportunity to succeed

Which has more to do with why a person is poor?

Lack of effort on his or her own part

Circumstances beyond his or her control

Which has more to do with why a person is rich?

Because she or he worked harder than others

Because she or he had more advantages than others [▶ Back](#)

## Questions on Role of Government

*How much of the time do you think you can trust the government to do what is right? [Never/.../Always].*

*To reduce the inequality of opportunities between children born in poor and rich families, the government has the ability and the tools to do: [Nothing,....A lot].*

*If children from poor and rich backgrounds have unequal opportunities in life, do you think this is: [Not a problem at all/.../A very serious problem].*

*What do you think would do more to make the opportunities for children from poor and rich families less unequal? [Lowering taxes on wealthy people and corporations to encourage more investment in economic growth/ Raising taxes on wealthy people and corporations to expand programs for the poor.]*

*Some people think that the government should not concern itself with making the opportunities for children from poor and rich families less unequal. Others think that [...] Think of a score of 1 as meaning that the government should not concern itself with making the opportunities for children from poor and rich families less unequal, and a score of 7 meaning that the government should do everything in its power to reduce this inequality of opportunities.*

## Overall intervention

*Do you support more policies to increase the opportunities for children born in poor families and to foster more equality of opportunity, such as education policies? Naturally, to finance an expansion of policies promoting equal opportunity, it would have to be the case that either other policies are scaled down or taxes are raised. [I very strongly oppose more policies promoting equality of opportunity/ I oppose more policies promoting equality of opportunity/ I am indifferent/ I support more policies promoting equality of opportunity/ I very strongly support more policies promoting equality of opportunity.]*

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**The government currently raises a certain amount of revenue through the income tax in order to sustain the current level of public spending. In your view, what would be the fair split of the tax burden to sustain public spending?**

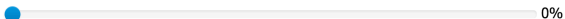
The income tax\* rate is the percentage of your income that you pay in federal income tax. For example, if you earn \$30,000 and you pay \$3,000 in income taxes, your income tax rate is 10%.

Please use the sliders below to tell us how much you think each of the following groups should pay as a percentage of their total income.

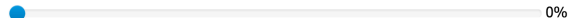
While you adjust the four sliders for each group, the fifth bar at the bottom moves in order to show you how much of the current revenue you have been able to raise so far. The bar appears red as long as you have not raised enough revenue, or if you have raised more money than what is needed.

You will only be able to move to the next question when you meet the revenue target and the bar becomes green.

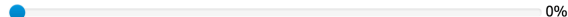
**The top 1% (Richest)**



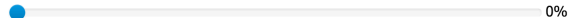
**The next 9% (Only 1% of households earn more, 90% earn less)**



**The next 40% (Only 10% earn more, 50% earn less)**



**The bottom 50% (Poorest)**



**Revenue raised**



**You have not raised enough revenue.**

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[https://harvard.az1.qualtrics.com/SE/?SID=SV\\_OD1WRIZia9pMxU1](https://harvard.az1.qualtrics.com/SE/?SID=SV_OD1WRIZia9pMxU1)

1) **Defense and National Security**, which refers to the costs of the Defense department and the costs of supporting security operations in foreign countries.

2) **Public Infrastructure**, which includes, among others, transport infrastructure like roads, bridges and airports, and water infrastructure.

3) **Spending on Schooling and Higher Education**, including help for children from low income families to attend school and university.

4) **Social Security, Medicare, Disability Insurance and Supplementary Security Income (SSI)**, which provide income support and help with health care expenses to the elderly and the disabled.

5) **Social Insurance and Income Support Programs**. This covers help to the unemployed (through unemployment insurance) and help for low income families (such as through Food stamps or the earned income tax credit (EITC), a tax credit for low-income working families)

6) **Public Spending on Health**, such as Medicaid for the poor (a healthcare program for low income families) or tax subsidies to help families buy health insurance.

Please enter the percent of the budget you would assign to each spending category (the total must sum to 100):

Defense and National Security

Public Infrastructure

Spending on Schooling and Higher Education

Social Security, Medicare, Disability Insurance and Supplementary Security Income (SSI)

Social Insurance and Income Support Programs

Public Spending on Health

Total

## Support for the Estate Tax

*The estate tax is a tax on the transfer of wealth from a deceased person to her heirs. This tax applies only to individuals with wealth above a certain threshold. On a scale from 1 to 5, how would you rate your support for the estate tax, where 1 means do not support at all and 5 means strongly support?*

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## Italy

Based on administrative tax records covering the universe of all taxpayers aged 35-55 in 1998-99.

Children's (all gender) income is measured in 2011-2012, when children are 37 or older.

## Sweden

20% random sample of all male children born in 1962 from Statistics Sweden registrars, father-sons.

Fathers' earnings are measured in 1970, 1975 and 1980.

Sons' earnings in 1996 and 2000, (age 34 and 38, averaged). [▶ Back](#)

## UK

British Cohort Study. Father-son only, only employed (not self-employed).

Sons = 2806 male individuals, all born in a single week in 1970. Their income measured in 2004 at age 34.

Fathers' gross weekly income when children aged 10 and 16 (between 1980 and 1986).

## France

"Formation et Qualification professionnelle, INSEE" survey.

Use the 1977, 1985 and 2003 waves.

Compute expected income of parents based on information on their education, profession, year of birth, and region of residence. Map to predicted income. [▶ Back](#)

# Treatment



Recent academic research has been exploring the link between one's family background and one's chances of making it in life. These **recent academic studies** have leveraged new large-scale datasets to explore the opportunities available to children from different family backgrounds and their chances of making it in life.

We will now show you **two short animations** that summarize the two key findings of these studies. Please proceed to the next page when you are ready.



# Treatment

Children from  
poor families



Children from  
wealthy families



# Treatment

Children from  
poor families



Children from  
wealthy families



What does recent research  
tell us about how children  
from poor families will  
do when they grow up?

# Treatment

Children from  
poor families



Children from  
wealthy families



The Poor



# Treatment

Children from  
poor families



Children from  
wealthy families



The Poor



The chances of a  
poor kid staying  
poor as an adult are  
extremely large.

# Treatment

Only very few kids from poor families will ever make it and become rich.

The Poor



The Wealthy



REPLAY

# Treatment

Children from  
poor families



Children from  
wealthy families



# Treatment

Children from  
poor families



Children from  
wealthy families



What does recent research  
tell us about how children  
from rich families will do  
when they grow up?

# Treatment

Children from  
poor families



Children from  
wealthy families



The Wealthy



# Treatment

Children from  
poor families



Children from  
wealthy families



The Wealthy



Children born in rich families are extremely likely to remain rich themselves when they grow up, like their parents.

# Treatment

It is extremely rare for a child from a rich family to become poor later in life.

The Poor



The Wealthy



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