

# Intergenerational Mobility and Preferences for Redistribution

Alberto Alesina, Stefanie Stantcheva, and Edoardo Teso



*If you believe that hard work pays off, then you work hard; if you think it's hard to get ahead even when you try, then why try at all?*

J.D. Vance, *Hillbilly Elegy: A Memoir of a Family and Culture in Crisis*, (2016).

## (Stereo)typically Documented Views

### 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)?
- Correlation and Causality (experimental).
- Heterogeneity by socio-economic background, political views, own mobility experience?

## 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 (mainly) September/October 2016  
 $N \approx 2,000$  for IT, UK, FR,  $N \approx 4000$  for U.S.,  $N \approx 1,500$  for SE. 

## Main Findings

- Americans are more optimistic than Europeans, but:
  - ▶ Americans too optimistic, especially about “American dream.”
  - ▶ Europeans too pessimistic, especially about staying stuck in poverty.
- People believe effort matters, but not for making it to the very top.
- Pessimism on mobility ↔ support for redistribution (especially “equality of opportunity policies.”)
- Experiment: more pessimistic → increases support for redistribution... but only among left-wing respondents.
- Strong polarization between left and right wing on government, redistribution: same information, very different effects.

# Outline of this Talk

- 1 Conceptual Framework
- 2 Data on Actual Intergenerational Mobility
- 3 Survey and Methodology
- 4 Mobility Perceptions and Misperceptions
- 5 Heterogeneity in Perceptions and Role of Effort
- 6 Geography of Perceptions in the U.S.
- 7 Perceptions of Mobility 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), George (2016).

# Conceptual Framework

# Perceptions and Policy Preferences: Conceptual Framework:

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Parents

$$y^P = y(\text{parental inputs}_{-1}, \text{effort}, \theta^P)$$

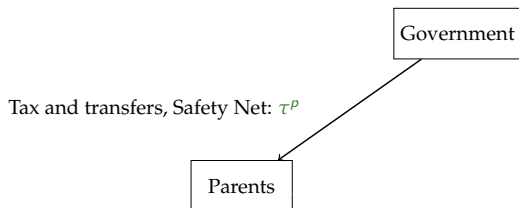
# Perceptions and Policy Preferences: Conceptual Framework:

Government

Parents

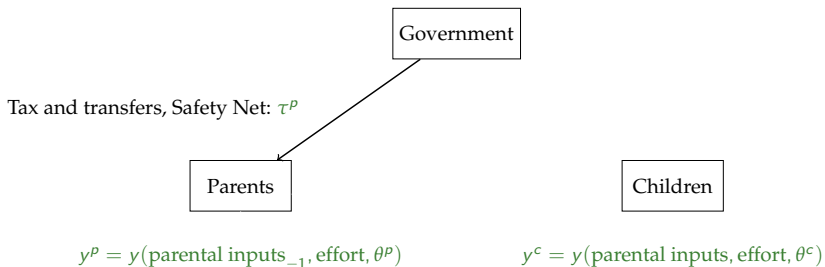
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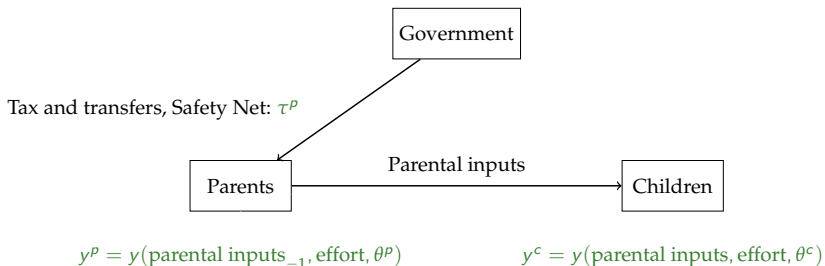


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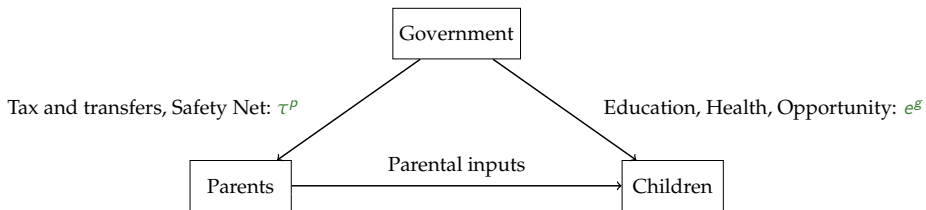
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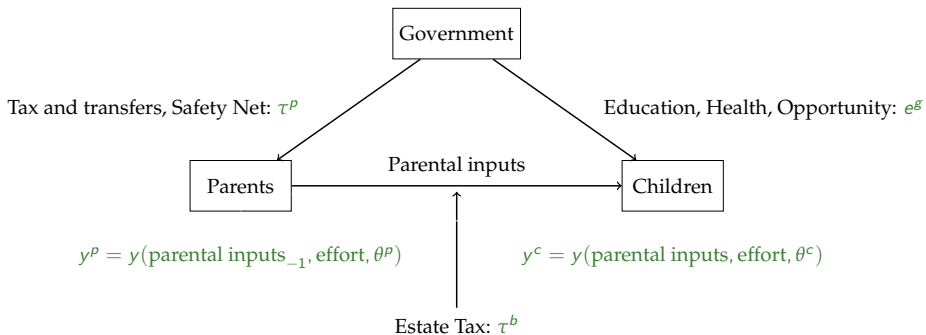
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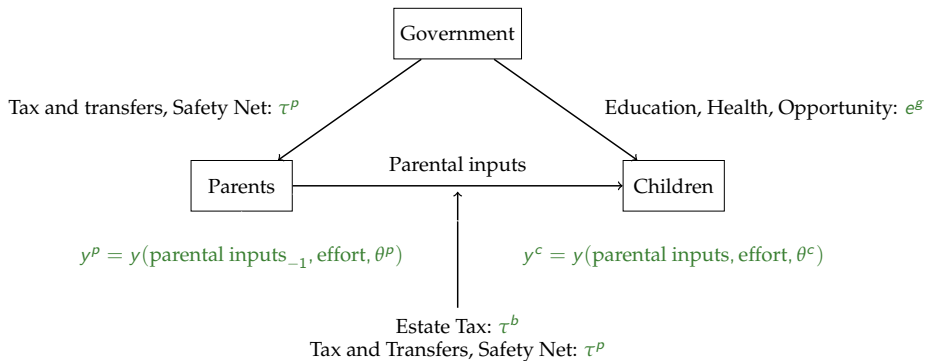
$$y^P = y(\text{parental inputs}_{-1}, \text{effort}, \theta^P)$$

$$y^C = y(\text{parental inputs}, \text{effort}, \theta^C)$$

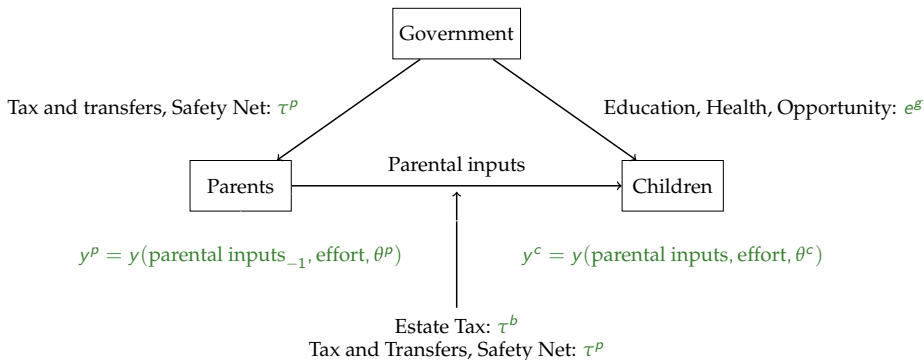
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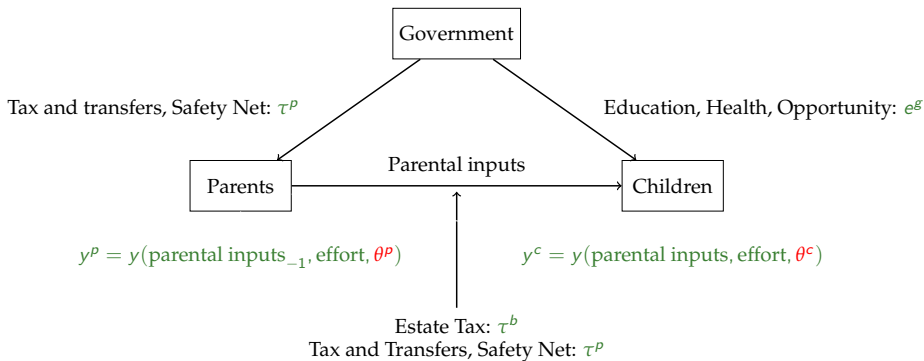


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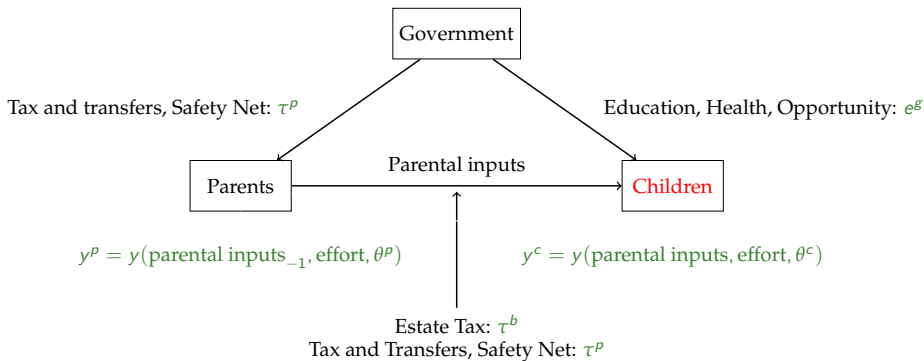
Optimal policies should depend on i) redistributive concerns, ii) efficiency concerns, iii) spillovers from parents to children.

# Perceptions and Policy Preferences: Conceptual Framework:



More pessimistic ( $f(\theta^C | \theta^P)$  more persistent)  $\Rightarrow$   $\uparrow$  more redistribution.

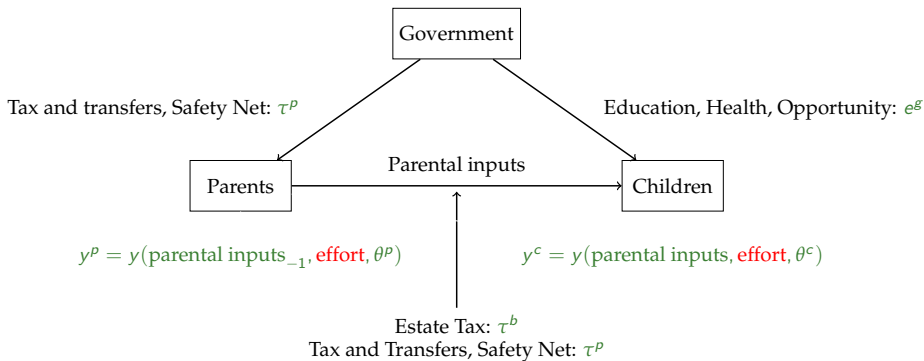
# Perceptions and Policy Preferences: Conceptual Framework:



Care more about children equality  $\Rightarrow$   $\uparrow$  more redistribution.

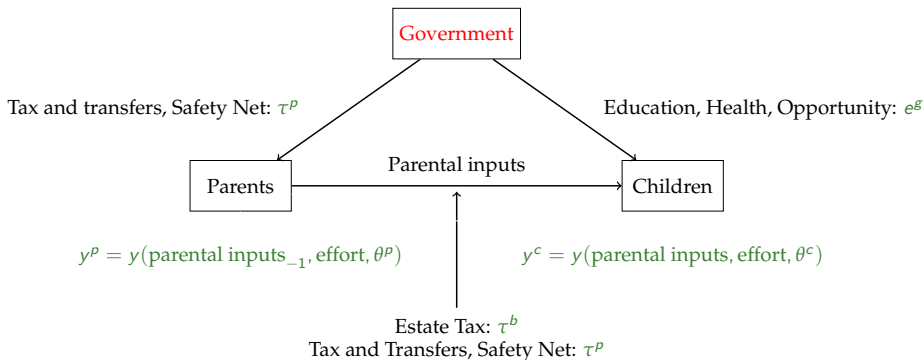


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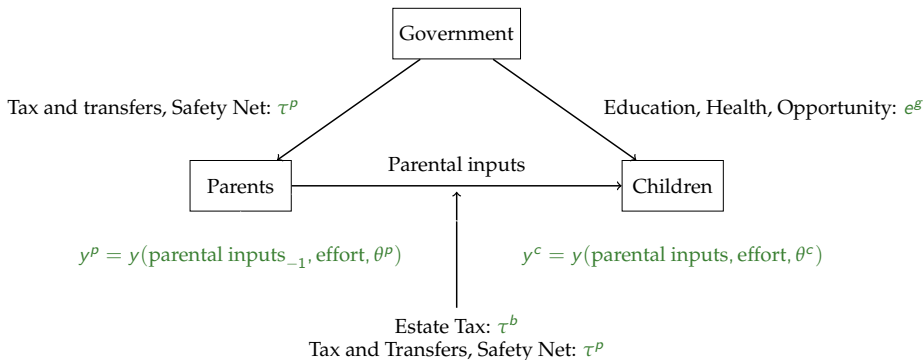
Lower perceived role of effort  $\Rightarrow$  more support for redistribution.

# Perceptions and Policy Preferences: Conceptual Framework:



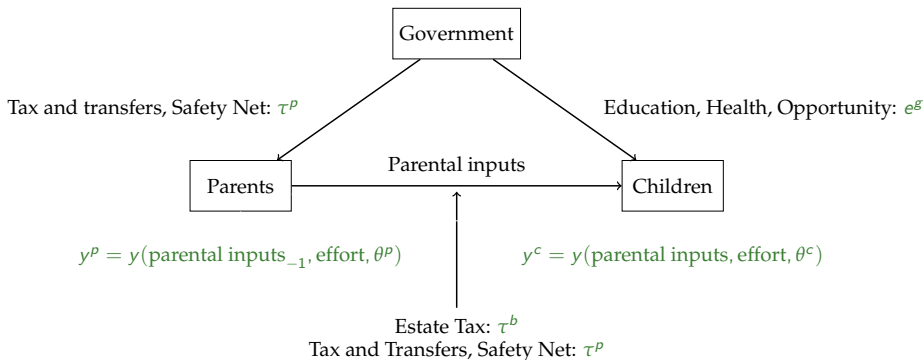
Worse views of government (waste, inefficiencies)  $\Rightarrow$  less support for redistribution.

# Perceptions and Policy Preferences: Conceptual Framework:



These perceptions form vector of respondent characteristics  $X^j$ : components may be uncorrelated (many different types) or strongly correlated (e.g.: left/right wing).

# Perceptions and Policy Preferences: Conceptual Framework:



Correlations interesting, but causal effect requires shifting one component (e.g.: mobility perception) without shifting others. Need an experiment.

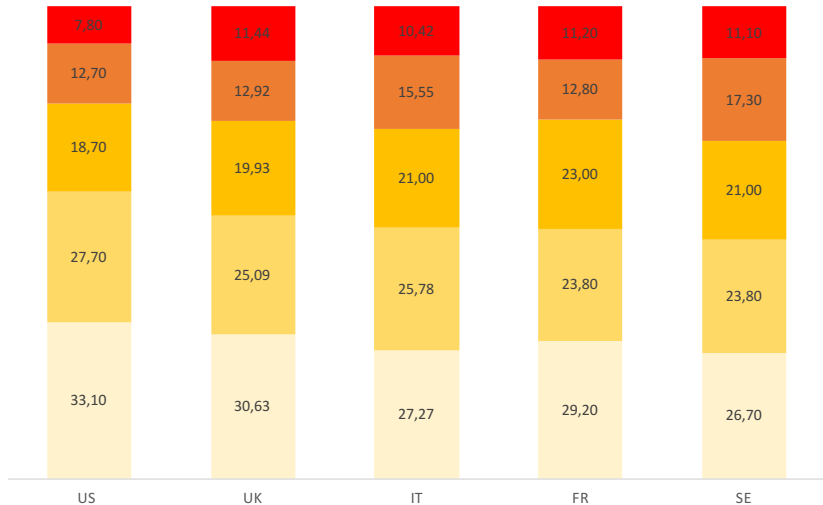
# Data on Actual Intergenerational Mobility

## 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.

# Actual transition probabilities across countries

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



# 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

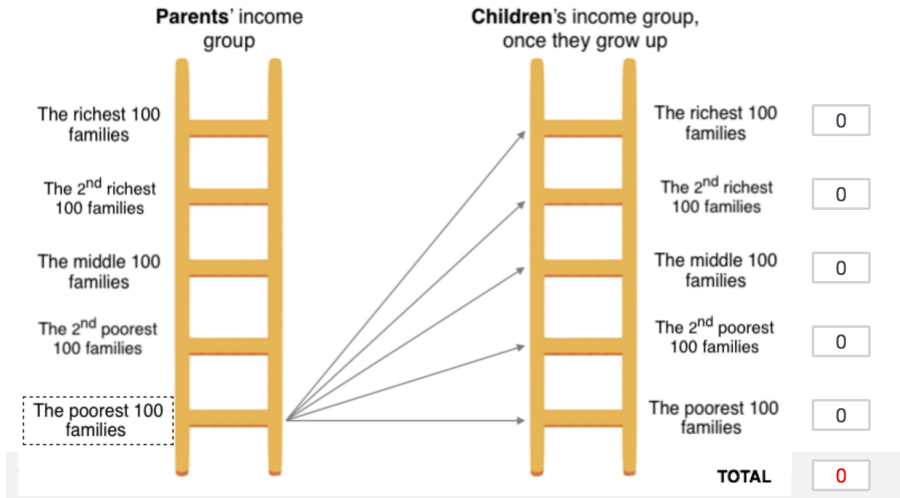
*For the following questions, we focus on 500 families that represent the U.S. population. We divide them into five groups on the basis of their income, with each group containing 100 families. These groups are: the poorest 100 families, the second poorest 100 families, the middle 100 families, the second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

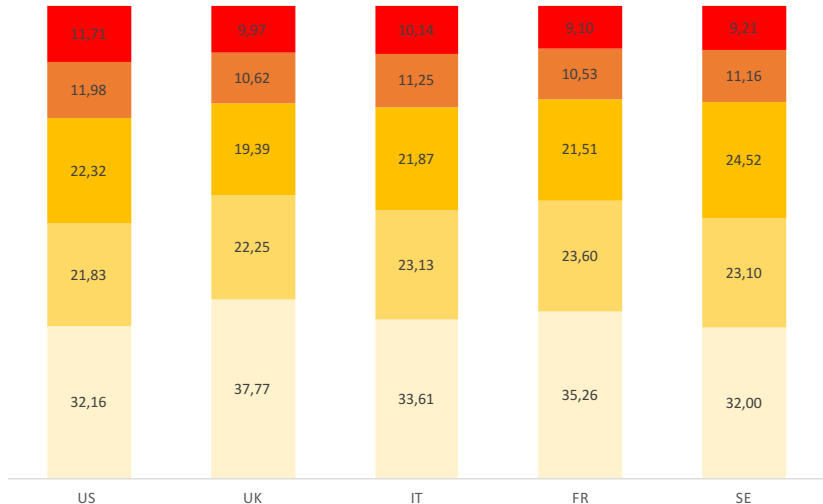
Ask for feedback post survey, whether felt survey was biased (18%).

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

# Mobility Perceptions and Misperceptions

# Perceived transition probabilities

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



## Measuring Misperceptions: Degree of Optimism

$\rho_c(1, j)$ : true prob of moving from quintile 1 to quintile  $j$  in country  $c$ .

$\bar{\pi}_c(1, j)$ : average perceived probability for respondents in country  $c$ .

Degree of optimism:

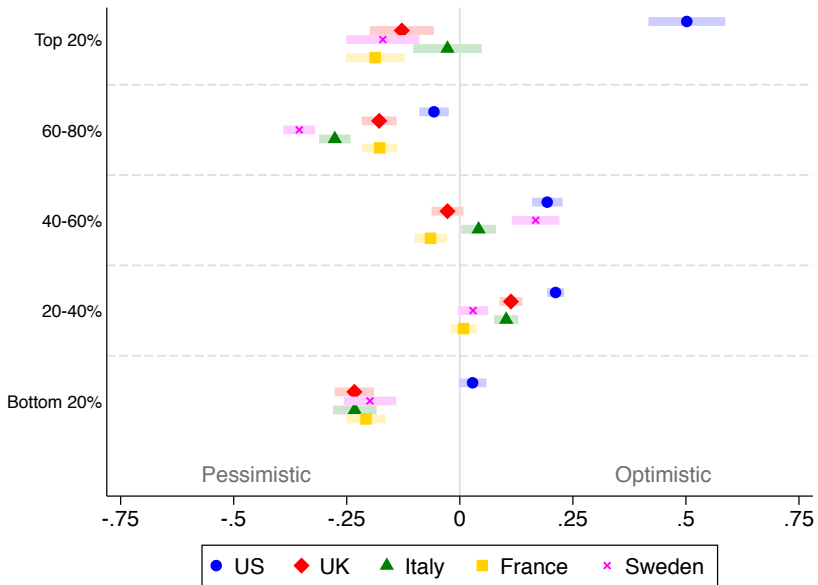
For  $j \geq 3$ :

$$\frac{\bar{\pi}_c(1, j) - \rho_c(1, j)}{\rho_c(1, j)}$$

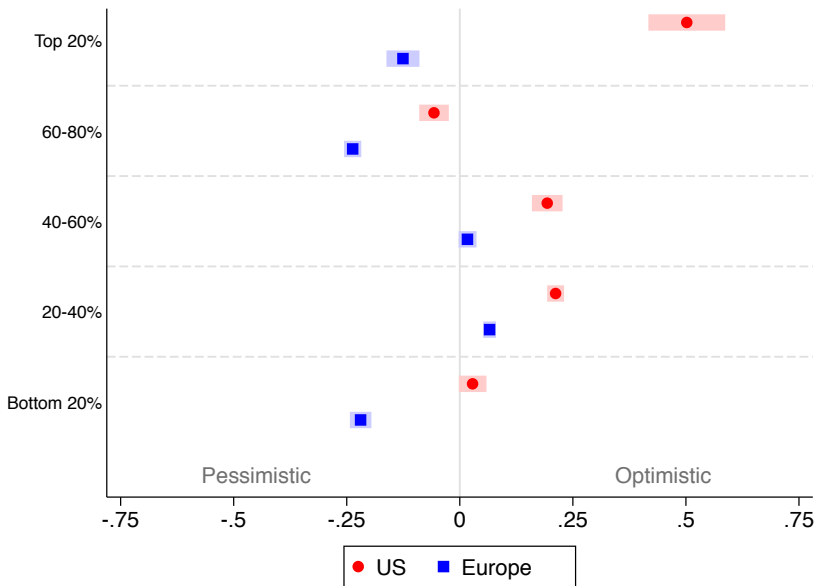
and for  $j = 1, 2$  as:

$$\frac{\rho_c(1, j) - \bar{\pi}_c(1, j)}{\rho_c(1, j)}$$

# Mobility Misperceptions



# Mobility Misperceptions: US versus Europe



# Views on Fairness

	Economic System Fair (1)	American Dream Alive (2)	Effort Reason Poor (3)	Effort Reason Rich (4)	Obs. (5)
<i>All Countries</i>					
All	0.39	0.35	0.34	0.33	4,448
Left	0.26	0.24	0.19	0.18	1,442
Right	0.49	0.46	0.46	0.46	1,422
<i>US</i>					
All	0.50	0.53	0.46	0.39	1,731
Left	0.33	0.39	0.27	0.24	464
Right	0.69	0.72	0.65	0.58	517
<i>UK</i>					
All	0.45	0.39	0.37	0.31	759
Left	0.24	0.21	0.20	0.14	257
Right	0.65	0.59	0.50	0.49	167
<i>France</i>					
All	0.19	0.16	0.23	0.31	769
Left	0.18	0.16	0.15	0.22	249
Right	0.23	0.19	0.34	0.39	307
<i>Italy</i>					
All	0.10	0.08	0.14	0.17	735
Left	0.10	0.07	0.13	0.13	335
Right	0.08	0.11	0.18	0.23	238
<i>Sweden</i>					
All	0.65	0.41	0.32	0.38	454
Left	0.61	0.31	0.14	0.14	137
Right	0.74	0.53	0.49	0.53	193

Widespread discontent. U.S. and SE more optimistic. IT and FR terribly pessimistic.

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Left-wing more pessimistic than right-wing in all countries (large gap).

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U.S. respondents believe more in effort, large variation across countries.

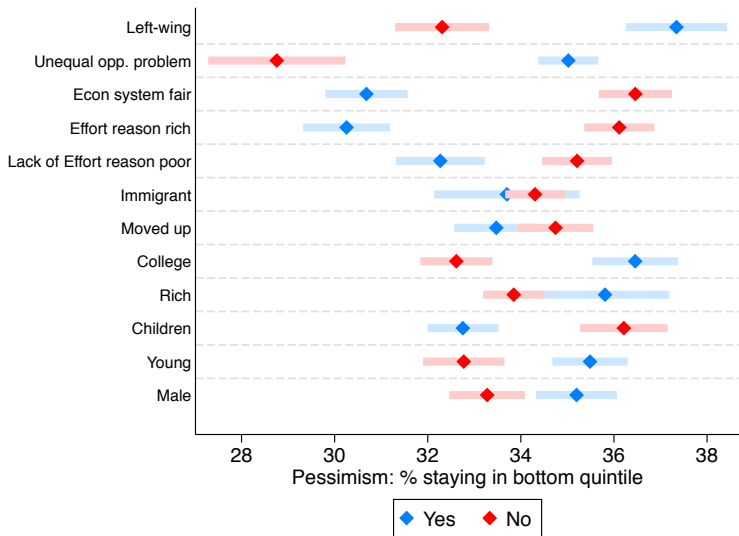
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Stark polarization: Right-wing respondents believe much more in role of individual effort.

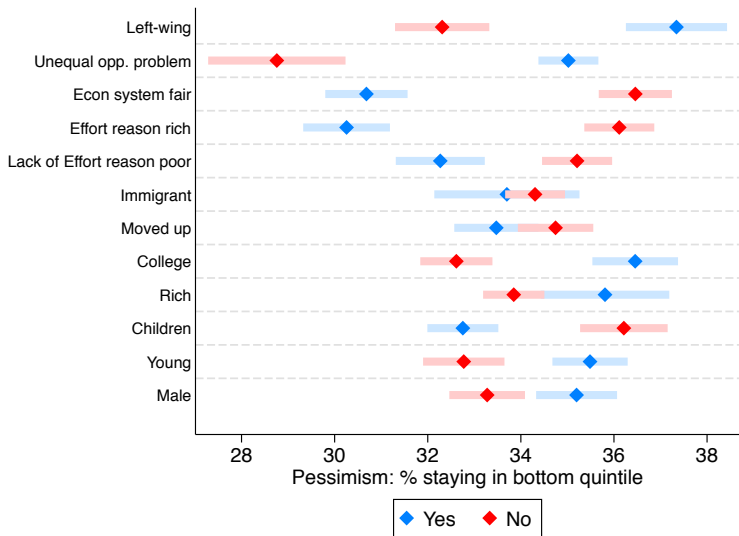
# Heterogeneity in Perceptions and Role of Effort

# Heterogeneity in Pessimism



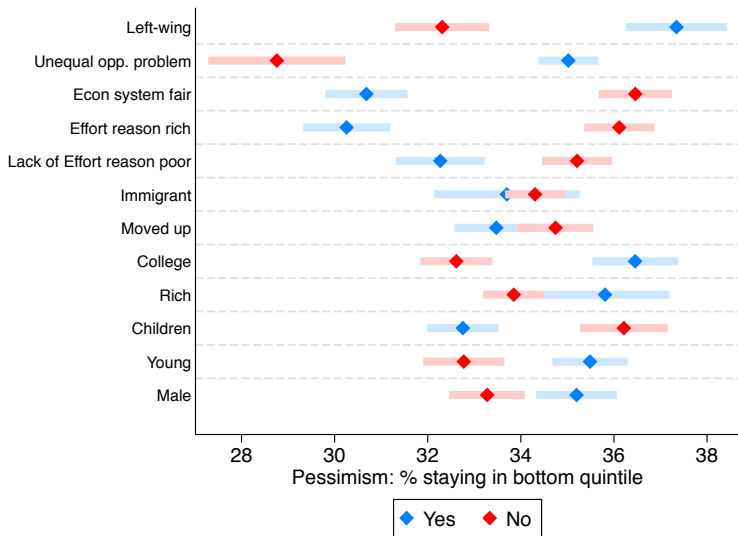
More pessimistic: men, people without children, high income, college-educated, young, do not believe in effort, think unequal opp. are problem.

# Heterogeneity in Pessimism



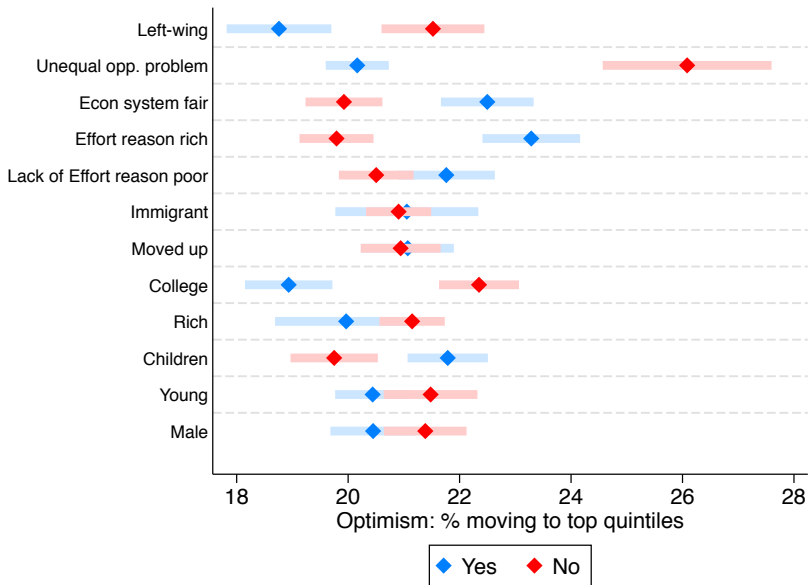
Strongest predictor are political views (left/right wing).

# Heterogeneity in Pessimism

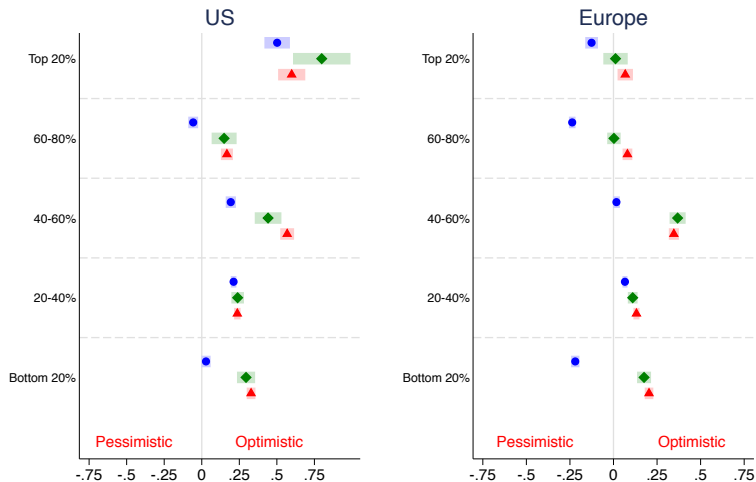


Correlations are similar for “optimism” and if all covariates added at once.

# Heterogeneity in Optimism



# Effort may get you out of poverty but not make you very rich



● Unconditional Perceptions    ◆ Conditional on Talent    ▲ Conditional on Effort

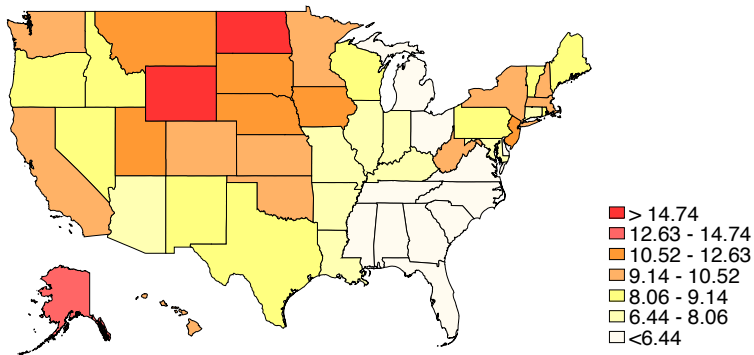
## Perceived role of effort: Heterogeneity

- More optimistic conditional on effort? Young, right-wing, children of immigrants, those who have experienced upward mobility (not quite same group as those optimistic unconditionally).
- Who believes more in impact of effort? College educated, young, right-wing.

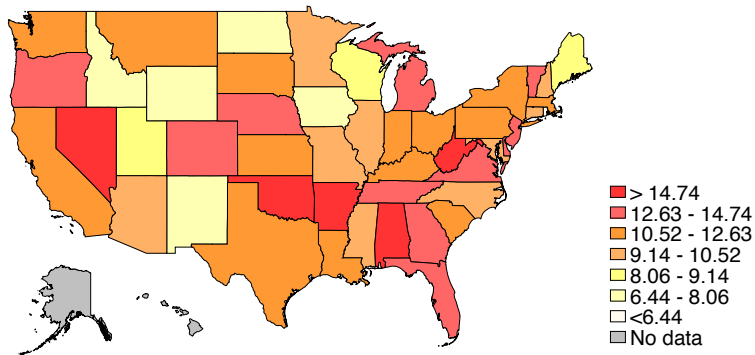
▶ Detail

# Geography of Perceptions in the U.S.

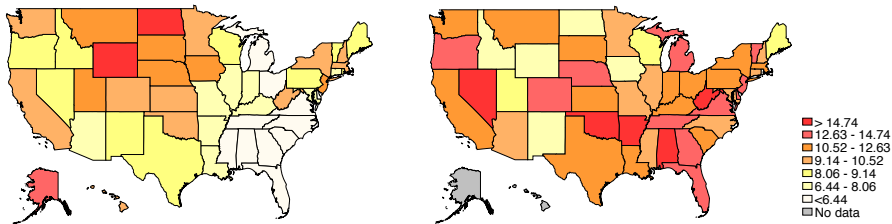
# Actual probability of moving from bottom to top quintile



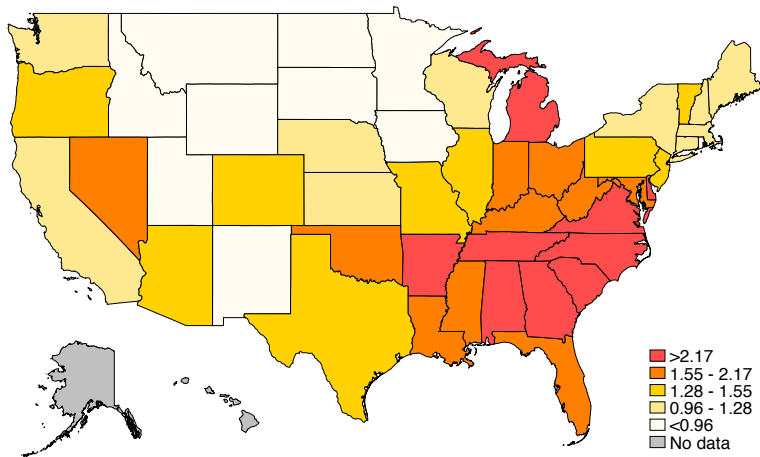
# Perceived probability of moving from bottom to top



# Actual and perceived probability of moving from bottom to top quintile

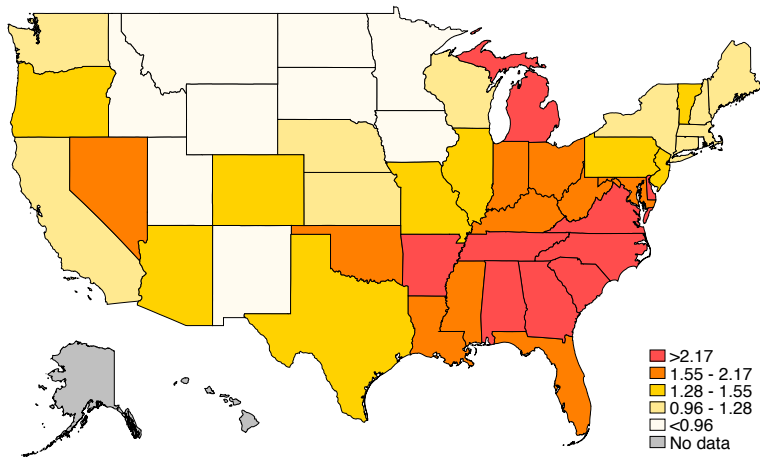


# Ratio of actual local and perceived probability of moving from bottom to top



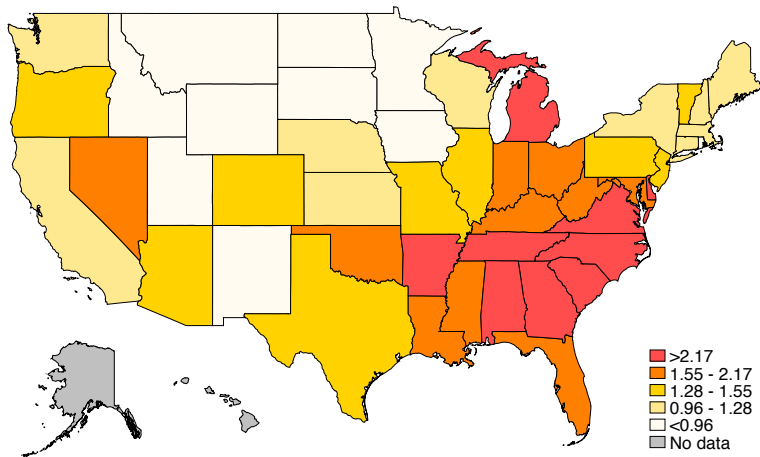
What are local perceptions correlated with, controlling for individual-level characteristics? [▶ National](#)

# Ratio of actual local and perceived probability of moving from bottom to top



Include: manufacturing share, college grads, income, etc...

## Ratio of actual local and perceived probability of moving from bottom to top



Strongest predictors of optimism: 1) high racial segregation 2) low income segregation (controlling for both at same time).

# Perceptions of Mobility and Policy Preferences

# Perceptions of Government

	Trust Government (1)	Government Tools (2)	Government Intervention (3)	Lowering Taxes Better (4)	Unequal Opp. Problem (5)	Against Government 1 (6)	Against Government 2 (7)	Obs. (8)
<i>All Countries</i>								
All	0.19	0.72	5.32	0.36	0.87	0.63	0.77	4,448
Left	0.21	0.79	5.79	0.20	0.94	0.49	0.61	1,442
Right	0.19	0.64	4.81	0.57	0.81	0.80	0.90	1,422
<i>US</i>								
All	0.23	0.75	4.95	0.32	0.83	0.59	0.76	1,731
Left	0.30	0.85	5.61	0.14	0.92	0.39	0.54	464
Right	0.17	0.63	4.10	0.56	0.74	0.78	0.92	517
<i>UK</i>								
All	0.17	0.82	5.50	0.24	0.85	0.50	0.71	759
Left	0.09	0.89	5.91	0.11	0.93	0.40	0.56	257
Right	0.37	0.75	5.02	0.44	0.75	0.65	0.84	167
<i>France</i>								
All	0.06	0.48	5.42	0.51	0.89	0.85	0.89	769
Left	0.08	0.53	5.61	0.32	0.94	0.75	0.80	249
Right	0.06	0.48	5.22	0.66	0.84	0.91	0.93	307
<i>Italy</i>								
All	0.08	0.73	5.92	0.44	0.94	0.71	0.79	735
Left	0.10	0.76	6.00	0.33	0.96	0.60	0.70	335
Right	0.05	0.69	5.76	0.61	0.92	0.84	0.89	238
<i>Sweden</i>								
All	0.50	0.81	5.28	0.29	0.91	0.53	0.71	454
Left	0.59	0.90	5.96	0.07	0.99	0.23	0.39	137
Right	0.46	0.78	4.70	0.53	0.84	0.74	0.90	193

Few trust the government, particularly in U.K., IT and FR (crises)...

# Perceptions of Government

	Trust Government (1)	Government Tools (2)	Government Intervention (3)	Lowering Taxes Better (4)	Unequal Opp. Problem (5)	Against Government 1 (6)	Against Government 2 (7)	Obs. (8)
<i>All Countries</i>								
All	0.19	0.72	5.32	0.36	0.87	0.63	0.77	4,448
Left	0.21	0.79	5.79	0.20	0.94	0.49	0.61	1,442
Right	0.19	0.64	4.81	0.57	0.81	0.80	0.90	1,422
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All	0.23	0.75	4.95	0.32	0.83	0.59	0.76	1,731
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Right	0.46	0.78	4.70	0.53	0.84	0.74	0.90	193

... but many think govt in principle has some tools to improve unequal opportunities

# Perceptions of Government

	Trust Government (1)	Government Tools (2)	Government Intervention (3)	Lowering Taxes Better (4)	Unequal Opp. Problem (5)	Against Government 1 (6)	Against Government 2 (7)	Obs. (8)
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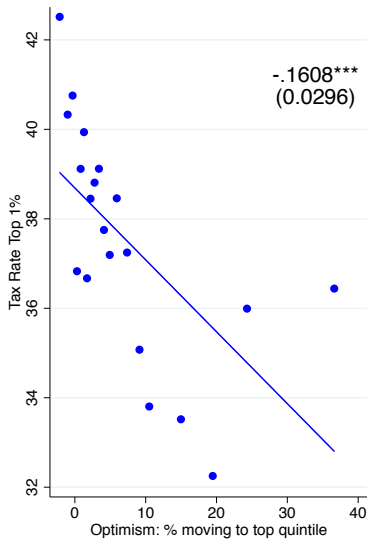
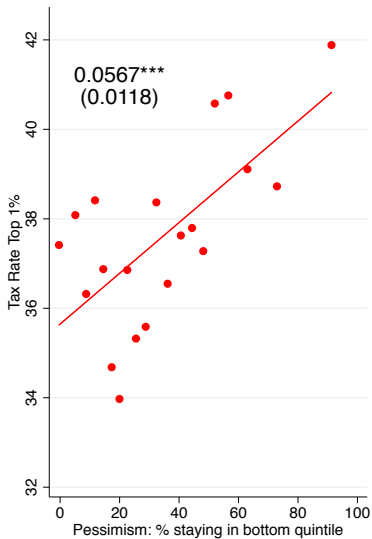
Support for intervention stronger in EU (but not for *more* redistribution from status quo).

# Perceptions of Government

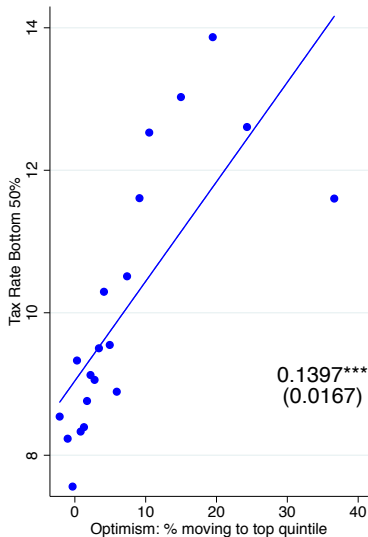
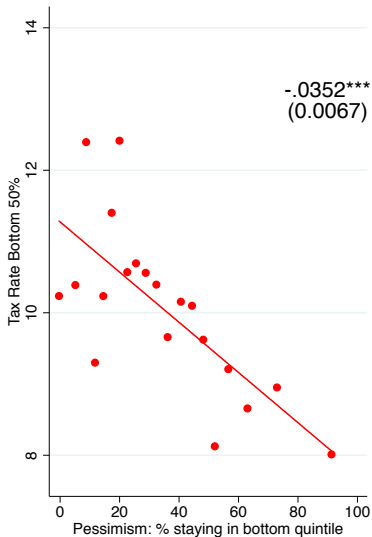
	Trust Government (1)	Government Tools (2)	Government Intervention (3)	Lowering Taxes Better (4)	Unequal Opp. Problem (5)	Against Government 1 (6)	Against Government 2 (7)	Obs. (8)
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Right	0.46	0.78	4.70	0.53	0.84	0.74	0.90	193

Everybody agrees unequal opportunities are a problem (counterfactual question).

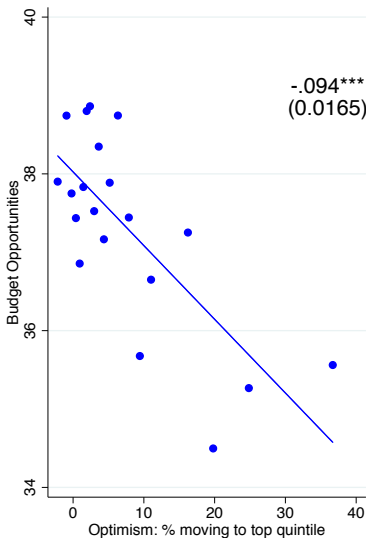
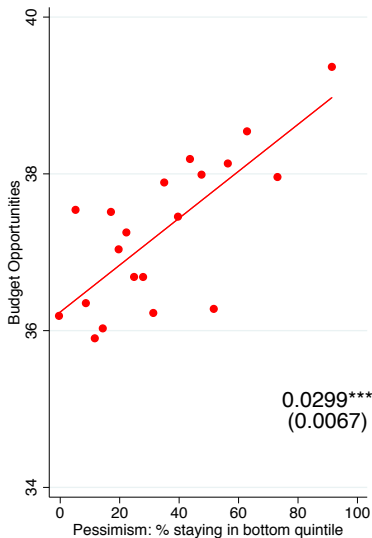
# Pessimism, Optimism, and Top Tax Rate



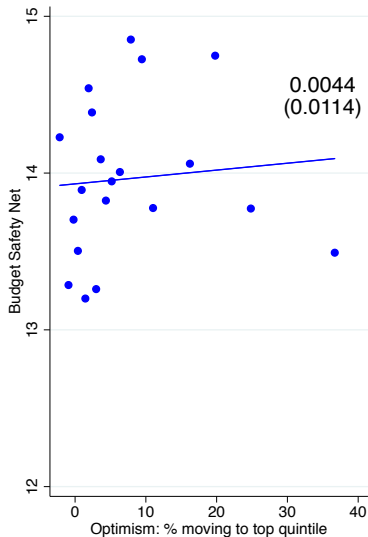
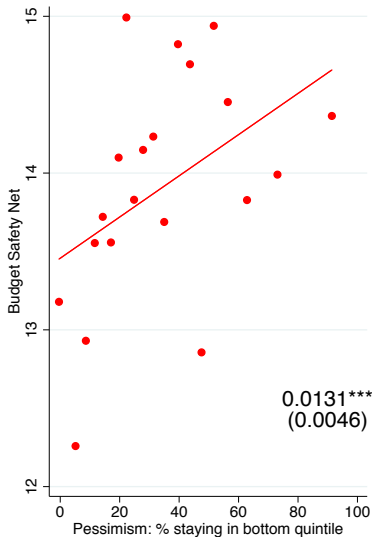
# Pessimism, Optimism, and Bottom Tax Rate



# Strong Correlation with Equality of Opportunity Policies: Education and Health



# Weaker Correlation with Safety Net Policies



# Perceptions and Policies Link much Weaker for Right Wing

	Tax Rate Top 1 (1)	Tax Rate Bottom 50 (2)	Budget Opportunities (3)	Budget Safety Net (4)	Support Estate Tax (5)	Support Equality Opp. Policies (6)
<i>Left-Wing Respondents</i>						
Q1 to Q1	0.061*** (0.020)	-0.041*** (0.010)	0.032*** (0.010)	0.016** (0.008)	0.001* (0.001)	0.005*** (0.001)
Q1 to Q5	-0.050 (0.033)	0.060*** (0.016)	-0.085*** (0.017)	-0.009 (0.013)	-0.001 (0.001)	-0.006*** (0.002)
Obs.	1164	1164	1401	1401	1401	1401
Q1 to Q1 Effort	0.048* (0.026)	-0.001 (0.014)	0.004 (0.014)	0.033*** (0.010)	0.001 (0.001)	0.003** (0.001)
Q1 to Q5 Effort	-0.084* (0.045)	0.065*** (0.024)	-0.072*** (0.024)	-0.012 (0.018)	-0.002* (0.001)	-0.010*** (0.003)
Obs.	683	683	790	790	790	790
<i>Right-Wing Respondents</i>						
Q1 to Q1	0.039* (0.021)	-0.031** (0.013)	0.011 (0.012)	0.003 (0.008)	-0.001 (0.000)	0.002* (0.001)
Q1 to Q5	-0.003 (0.034)	0.038* (0.021)	-0.002 (0.020)	-0.003 (0.013)	0.001* (0.001)	-0.002 (0.002)
Obs.	1143	1143	1395	1395	1395	1395
Q1 to Q1 Effort	0.041 (0.032)	0.012 (0.022)	0.035* (0.019)	0.025** (0.012)	0.001 (0.001)	0.004* (0.002)
Q1 to Q5 Effort	-0.030 (0.047)	0.071** (0.031)	-0.025 (0.028)	-0.035** (0.018)	-0.000 (0.001)	-0.007*** (0.003)
Obs.	690	690	828	828	828	828

For right-wing respondents, only correlation with “American dream”: can you make it to the very top conditional on effort?

## Higher trust in government correlated with higher support for redistribution..

	Tax rate Top 1 (1)	Tax rate Bottom 50 (2)	Budget Opportunities (3)	Budget Safety Net (4)	Support Estate Tax (5)	Support Equality Opp. Policies (6)
<i>All Respondents</i>						
Trust government	-0.119 (0.799)	0.709 (0.453)	1.456*** (0.436)	0.589** (0.298)	0.095*** (0.019)	0.159*** (0.040)
Obs.	3439	3439	4287	4287	4286	4287
<i>Left-Wing Respondents</i>						
Trust government	-0.316 (1.397)	-0.464 (0.695)	1.419** (0.714)	-0.069 (0.526)	0.047 (0.036)	0.132* (0.069)
Obs.	1162	1162	1399	1399	1399	1399
<i>Right-Wing Respondents</i>						
Trust government	-0.090 (1.410)	2.641*** (0.886)	1.773** (0.800)	1.017** (0.516)	0.115*** (0.029)	0.271*** (0.076)
Obs.	1143	1143	1395	1395	1395	1395

... but almost only among right-wing.

# 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.

Our randomized treatment satisfies four criteria:

- 1 Shift perceptions towards more pessimism (Treatment [here](#))
- 2 Homogeneous across countries.
- 3 Does not allude to any policies or to government at all.
- 4 Factual, not emotionally manipulative.

# Treatment: Animation I



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: Animation II

## Treatment: Animation III

# First Stage Effects on Mobility Perceptions: Very strong and significant for both left and right wing.

	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 Respondents</i>								
Treated	9.691*** (0.560)	-2.123*** (0.278)	-5.885*** (0.304)	-1.806*** (0.201)	0.123 (0.344)	-0.105*** (0.010)	-0.085*** (0.009)	-0.031*** (0.009)
Control mean	34.17	22.63	22.23	10.76	10.21	0.38	0.27	0.36
Obs.	8585	8585	8585	8585	8585	8585	8585	8585
<i>Left-Wing Respondents</i>								
Treated	10.170*** (0.999)	-2.117*** (0.506)	-6.076*** (0.507)	-2.052*** (0.339)	0.076 (0.604)	-0.092*** (0.016)	-0.069*** (0.014)	-0.011 (0.015)
Control mean	37.48	23.01	20.71	9.70	9.11	0.30	0.20	0.24
Obs.	2797	2797	2797	2797	2797	2797	2797	2797
<i>Right-Wing Respondents</i>								
Treated	11.267*** (0.964)	-2.211*** (0.479)	-6.247*** (0.555)	-2.259*** (0.350)	-0.551 (0.582)	-0.135*** (0.018)	-0.097*** (0.016)	-0.046*** (0.016)
Control mean	32.39	22.84	23.37	11.16	10.24	0.43	0.29	0.46
Obs.	2808	2808	2808	2808	2808	2808	2808	2808

## First Stage on Mobility Perceptions Conditional on Effort

	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)
<i>All Respondents</i>							
Treated	8.016*** (0.663)	0.501 (0.373)	-5.434*** (0.525)	-2.642*** (0.307)	-0.441 (0.417)	-0.067*** (0.013)	-0.073*** (0.014)
Control mean	23.48	21.43	29.90	14.19	11.00	0.66	0.51
Obs.	5118	5118	5118	5118	5118	5117	5117
<i>Left-Wing Respondents</i>							
Treated	8.305*** (1.272)	0.784 (0.692)	-4.994*** (0.918)	-3.064*** (0.529)	-1.031 (0.713)	-0.077*** (0.025)	-0.083*** (0.024)
Control mean	27.04	22.37	27.88	12.93	9.78	0.59	0.42
Obs.	1582	1582	1582	1582	1582	1582	1582
<i>Right-Wing Respondents</i>							
Treated	8.919*** (1.112)	0.760 (0.662)	-5.390*** (0.935)	-3.336*** (0.556)	-0.952 (0.694)	-0.050** (0.023)	-0.067*** (0.024)
Control mean	21.01	20.90	31.28	15.39	11.42	0.69	0.55
Obs.	1675	1675	1675	1675	1675	1675	1675

# Persistence of First Stage One Week Later

	First Survey All Respondents (1)	First Survey Who Took Follow Up (2)	Follow up Respondents (3)
<i>Q1 to Q1</i>			
Treated	8.308*** (0.899)	9.149*** (1.739)	5.897*** (1.672)
<i>Q1 to Q2</i>			
Treated	-1.731*** (0.444)	-1.190 (0.917)	-1.451 (0.996)
<i>Q1 to Q3</i>			
Treated	-5.479*** (0.491)	-6.679*** (1.017)	-3.646*** (1.051)
<i>Q1 to Q4</i>			
Treated	-1.733*** (0.335)	-1.816*** (0.645)	-1.258* (0.748)
<i>Q1 to Q5</i>			
Treated	0.636 (0.582)	0.536 (1.248)	0.457 (1.123)
<i>Q1 to Q4 (Qual.)</i>			
Treated	-0.128*** (0.016)	-0.097*** (0.033)	-0.068** (0.033)
<i>Q1 to Q5 (Qual.)</i>			
Treated	-0.107*** (0.015)	-0.070** (0.029)	-0.014 (0.029)
<i>American Dream Alive</i>			
Treated	-0.048*** (0.017)	-0.054 (0.034)	0.001 (0.033)
Obs.	3354	825	825

# Significant Treatment Effects on Policies only for Left-wing

	Budget Education > $p(80)$ (1)	Budget Health > $p(80)$ (2)	Budget Opp. > $p(80)$ (3)	Budget Safety Net > $p(80)$ (4)	High Government Interv. (5)	High Support Equal Pol. (6)
<i>All Respondents</i>						
Treated	0.009 (0.007)	0.016** (0.007)	0.014* (0.008)	0.008 (0.006)	0.004 (0.010)	0.028*** (0.009)
Control mean	0.13	0.12	0.16	0.07	0.48	0.23
Obs.	8585	8585	8585	8585	8585	8585
<i>Left-Wing Respondents</i>						
Treated	0.031** (0.014)	0.042*** (0.013)	0.036** (0.015)	-0.005 (0.011)	0.048*** (0.018)	0.047** (0.019)
Control mean	0.14	0.13	0.20	0.09	0.63	0.38
Obs.	2797	2797	2797	2797	2797	2797
<i>Right-Wing Respondents</i>						
Treated	-0.003 (0.012)	0.010 (0.012)	-0.000 (0.013)	0.010 (0.009)	0.006 (0.017)	0.017 (0.013)
Control mean	0.12	0.12	0.14	0.05	0.36	0.13
Obs.	2808	2808	2808	2808	2808	2808

Stronger on equality of opportunity policies

# Significant Treatment Effects on Policies only for Left-wing

	Budget Education > $p(80)$ (1)	Budget Health > $p(80)$ (2)	Budget Opp. > $p(80)$ (3)	Budget Safety Net > $p(80)$ (4)	High Government Interv. (5)	High Support Equal Pol. (6)
<i>All Respondents</i>						
Treated	0.009 (0.007)	0.016** (0.007)	0.014* (0.008)	0.008 (0.006)	0.004 (0.010)	0.028*** (0.009)
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Obs.	2797	2797	2797	2797	2797	2797
<i>Right-Wing Respondents</i>						
Treated	-0.003 (0.012)	0.010 (0.012)	-0.000 (0.013)	0.010 (0.009)	0.006 (0.017)	0.017 (0.013)
Control mean	0.12	0.12	0.14	0.05	0.36	0.13
Obs.	2808	2808	2808	2808	2808	2808

Not shown: weak effect on tax preferences, strong effect on thinking lack of opportunities are a problem (only left-wing).

## Explaining the Treatment Effect: Polarization on Role of Government

*Yet the message of the right is increasingly: It's not your fault that you're a loser; it's the government's fault.*

J.D. Vance, *Hillbilly Elogy: A Memoir of a Family and Culture in Crisis*

- First stage effect present for both left and right wing, but no effect on policy preferences.
- Lack of causal effect mirrors lack of correlation for the right wing.
- Worse views with government are correlated with lower support for redistribution ..
- ... and right-wing respondents have (had) terrible views of government.

## Conclusion

- Inaccurate perceptions can be tested and improved thanks to better data.
- But: Polarization along political spectrum means that same information (exogenous, causal) has very different impacts.
  - ▶ This is not about people having different information sets to start with (which they do).
- Geographical patterns intriguing: where do people get their information from?
- Link between racial and immigration perceptions in U.S. and Europe and support for redistribution.

# Appendix

**Table : Summary statistics by country**[▶ Back](#)

Country:	US (1)	UK (2)	France (3)	Italy (4)	Sweden (5)
Male	0.48	0.48	0.49	0.50	0.49
Age	42.49	42.89	42.84	43.88	44.74
Married	0.51	0.47	0.42	0.54	0.41
Has children	0.57	0.55	0.59	0.58	0.65
Native	0.94	0.89	0.94	0.97	0.91
Employed	0.62	0.66	0.62	0.63	0.66
Unemployed	0.08	0.05	0.12	0.11	0.07
Not in labor force	0.24	0.24	0.20	0.19	0.20
College	0.53	0.37	0.30	0.38	0.33
Left-wing	0.27	0.33	0.34	0.44	0.32

## Survey waves, date and sample size

	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	495	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
Wave C - US	2000	October 2016
Wave C - Follow Up	586	October 2016

▶ Back

# Randomization Groups

▶ Back

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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

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## Covariates Balance among randomization groups

▶ Back

	Treated (1)	Saw Channels Block Before Mobility Questions (2)	Effort Questions (3)
Male	0.99	0.51	0.70
Age	0.45	0.42	0.58
Married	0.35	0.70	0.45
Has children	0.60	0.13	0.33
Native	0.17	0.73	0.84
Employed	0.92	0.73	0.58
Unemployed	0.23	0.59	0.41
Not in labor force	0.79	0.86	0.79
Has university degree	0.61	0.42	0.00
Left-wing	0.91	0.98	0.12

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

▶ Back

	Wave A	Waves B and C
100 in any quintile	0.05	0.04
100 in quintile Q2 or Q3 or Q4 or Q5	0.03	0.02
0 in quintile Q1 or Q2 or Q3	0.12	0.12
20 in each quintile	0.06	0.06

## 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.]*

[▶ Back](#)

**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?**

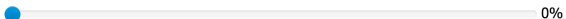
The income tax\* rate is the percentage of your income that you pay in federal income tax. For example, if you earn \$30,000 and you pay \$3,000 in income taxes, your income tax rate is 10%.

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.

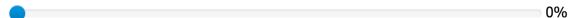
While you adjust the four sliders for each group, the fifth bar at the bottom moves in order to show you how much of the current revenue you have been able to raise so far. The bar appears red as long as you have not raised enough revenue, or if you have raised more money than what is needed.

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

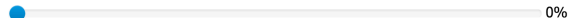
**The top 1% (Richest)**



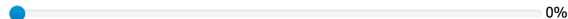
**The next 9% (Only 1% of households earn more, 90% earn less)**



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



**The bottom 50% (Poorest)**



**Revenue raised**



**You have not raised enough revenue.**

▶ Back

[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.

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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?* [▶ Back](#)

## 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](#)

**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 [socialsciencesstudies@gmail.com](mailto:socialsciencesstudies@gmail.com)*

# Detailed perceived transition probabilities

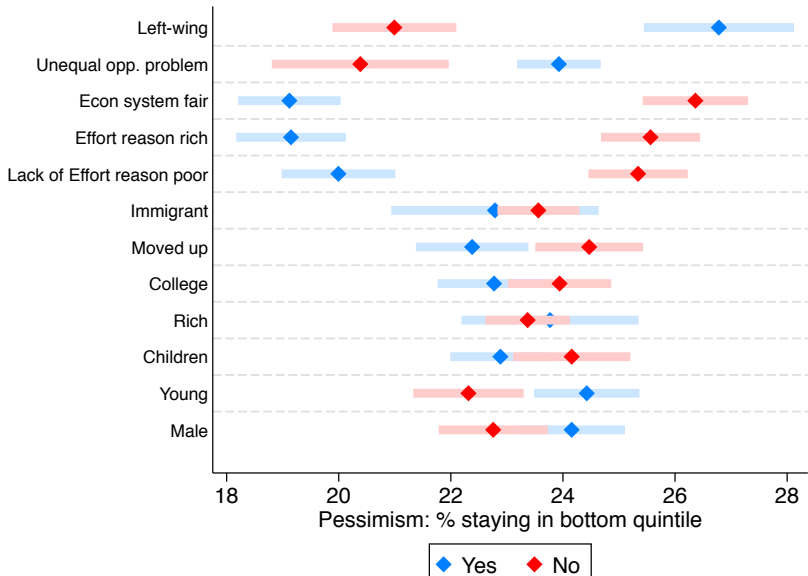
	Q1 to Q1 (1)	Q1 to Q2 (2)	Q1 to Q3 (3)	Q1 to Q4 (4)	Q1 to Q5 (5)	Q1 to Q4 (Qual.) (6)	Q1 to Q5 (Qual.) (7)	Obs. (8)
<i>All Countries</i>								
All	34.04	22.64	21.82	11.21	10.29	0.43	0.31	6,880
Left	37.55	23.00	20.27	10.06	9.12	0.35	0.23	2,276
Right	32.25	22.67	22.91	11.70	10.47	0.46	0.32	2,206
<i>US</i>								
All	32.16	21.83	22.32	11.98	11.72	0.46	0.34	2,170
Left	37.37	21.67	19.33	11.10	10.53	0.35	0.25	577
Right	29.45	21.96	24.14	12.49	11.96	0.53	0.38	652
<i>UK</i>								
All	37.77	22.25	19.39	10.62	9.97	0.37	0.27	1,290
Left	42.88	23.20	16.85	8.63	8.44	0.23	0.14	406
Right	36.20	22.00	19.71	11.52	10.57	0.41	0.26	304
<i>France</i>								
All	35.26	23.60	21.51	10.53	9.10	0.42	0.29	1,297
Left	38.36	23.07	20.48	9.56	8.54	0.40	0.26	451
Right	32.70	23.76	22.59	11.47	9.47	0.46	0.31	501
<i>Italy</i>								
All	33.61	23.13	21.87	11.25	10.14	0.40	0.29	1,242
Left	34.77	23.54	21.80	10.51	9.38	0.34	0.25	554
Right	33.55	22.85	22.13	11.18	10.29	0.41	0.31	402
<i>Sweden</i>								
All	32.00	23.10	24.52	11.16	9.21	0.47	0.33	881
Left	34.51	24.22	23.66	9.95	7.66	0.43	0.27	288
Right	31.88	22.79	24.79	11.31	9.24	0.45	0.29	347

# The perceived role of effort

	Panel A: Perceived Transition Probabilities Conditional on Effort					Panel B: % Difference Between Perceived Transition Probabilities Conditional and Unconditional on Effort				
	US (1)	UK (2)	France (3)	Italy (4)	Sweden (5)	US (1)	UK (2)	France (3)	Italy (4)	Sweden (5)
Q1 to Q5	12.47	12.54	11.39	10.86	12.57	0.06 (0.00)	0.26 (0.00)	0.25 (0.00)	0.07 (0.00)	0.36 (0.00)
Q1 to Q4	14.83	15.20	15.03	14.22	17.96	0.24 (0.00)	0.43 (0.00)	0.43 (0.00)	0.26 (0.00)	0.61 (0.00)
Q1 to Q3	29.33	26.38	29.39	27.61	31.82	0.31 (0.00)	0.36 (0.00)	0.37 (0.00)	0.26 (0.00)	0.30 (0.00)
Q1 to Q2	21.14	22.09	20.91	22.53	19.72	-0.03 (0.01)	-0.01 (0.58)	-0.11 (0.00)	-0.03 (0.27)	-0.15 (0.00)
Q1 to Q1	22.23	23.79	23.28	24.78	17.93	-0.31 (0.00)	-0.37 (0.00)	-0.34 (0.00)	-0.26 (0.00)	-0.44 (0.00)
Obs.	1,735	900	908	872	656	1,735	900	908	872	656

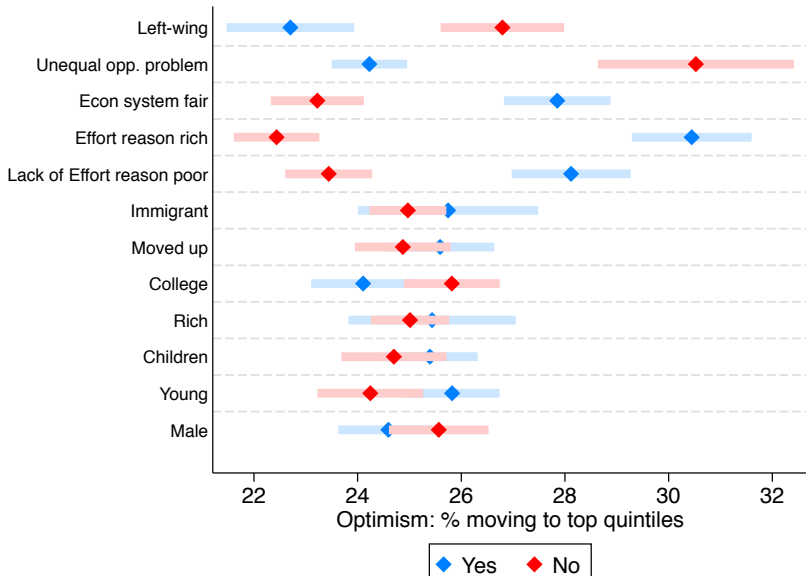
# Pessimism Conditional on Effort

▸ Main

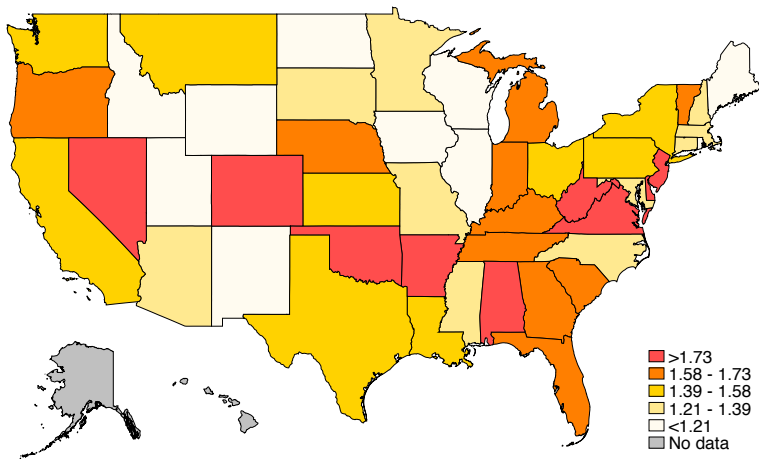


# Optimism Conditional on Effort

▸ Main



... relative to the national average



▶ Back

# Views on Taxes

	Tax Rate Top 1 (1)	Tax Rate Next 9 (2)	Tax Rate Bottom 50 (3)	Share Taxes Top 1 (4)	Share Taxes Bottom 50 (5)	Obs. 1-5
<i>All Countries</i>						
All	37.58	25.75	10.09	0.23	0.11	3,564
Left	40.49	27.13	8.83	0.24	0.10	1,193
Right	36.11	26.07	11.96	0.21	0.13	1,163
<i>US</i>						
All	25.22	14.78	7.86	0.35	0.07	851
Left	28.10	15.19	5.96	0.39	0.05	216
Right	22.49	14.52	10.05	0.31	0.08	261
<i>UK</i>						
All	37.15	23.06	6.50	0.28	0.10	758
Left	39.97	23.21	5.67	0.31	0.08	256
Right	34.65	22.89	6.89	0.26	0.10	167
<i>France</i>						
All	43.71	29.41	8.51	0.18	0.12	769
Left	47.07	30.98	6.92	0.19	0.09	249
Right	42.70	28.60	9.59	0.17	0.13	307
<i>Italy</i>						
All	37.75	26.35	10.37	0.19	0.14	732
Left	38.66	27.66	9.04	0.19	0.12	335
Right	34.74	25.26	11.44	0.17	0.15	235
<i>Sweden</i>						
All	50.81	43.61	22.50	0.11	0.17	454
Left	53.49	44.99	22.23	0.11	0.17	137
Right	46.99	41.39	23.32	0.10	0.17	193

# Views on Public Spending

	Support Estate Tax (6)	Budget Opportunities (7)	Budget Safety Net (8)	Support Equality Opp. Policies (9)	Obs. 6-9
<i>All Countries</i>					
All	0.30	37.29	13.93	3.74	4,447
Left	0.41	39.17	15.17	4.10	1,442
Right	0.18	35.74	12.75	3.41	1,422
<i>US</i>					
All	0.35	32.73	13.51	3.61	1,731
Left	0.51	35.22	15.03	4.08	464
Right	0.20	29.08	11.86	3.09	517
<i>UK</i>					
All	0.32	41.30	13.36	3.90	758
Left	0.44	42.12	14.45	4.20	257
Right	0.26	41.52	12.19	3.67	167
<i>France</i>					
All	0.22	38.59	13.37	3.66	769
Left	0.31	39.95	14.81	3.97	249
Right	0.18	37.09	12.31	3.42	307
<i>Italy</i>					
All	0.23	38.99	15.70	3.96	735
Left	0.31	40.15	15.55	4.11	335
Right	0.14	38.33	15.37	3.84	238
<i>Sweden</i>					
All	0.28	43.03	14.52	3.76	454
Left	0.49	43.26	16.67	4.19	137
Right	0.16	43.25	13.07	3.53	193

# 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



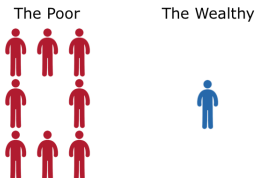
The Poor



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.



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



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

The Wealthy



# Treatment

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

The Poor



The Wealthy



Back to [main](#)