

Zero-Sum Thinking and the Roots of U.S. Political Divides

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March 27, 2023

Variation in zero-sum perceptions in the U.S.

Forbes

Jan 18, 2017, 09:05am EST

Extreme Wealth Does Not Cause Extreme Poverty

 **Jeffrey Dorfman** Former Contributor
Policy
I use economic insight to analyze issues and critique policy.

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TWEET THIS

-  inequality does not cause poverty.
-  Capitalism has resulted in much more economic inequality in China, but much less poverty.

TIME

SPOTLIGHT STORY SUPREME COURT WILL HEAR A CASE CHALLENGING ROE V. WADE

IDEAS • COVID-19

The Top 1% of Americans Have Taken \$50 Trillion From the Bottom 90%—And That's Made the U.S. Less Secure

BY **WICK WAGNER** AND **DAVID M. ROSE** | SEPTEMBER 28, 2020 6:30 AM EDT

Wagner is an entrepreneur and a venture capitalist, the founder of the public-policy incubator Civic Ventures, and the host of the podcast *Pinkfish Economics*.
Rose is Founder and President, Executive Director of SEI 775 and the author of *The Fight for 21st* (*New Press, 2016*)



Variation in zero-sum perceptions in the U.S.

Remembering Steve Jobs: A Visionary Leader Who Changed The World

10 Ways Bill Gates Is Saving The World

Warren Buffett: Stop Blaming The Rich For Income Inequality. If You Really Want To Help, Do This

Extreme Wealth Does Not Cause Extreme Poverty

Billionaires Don't Make Their Billions — They Steal Them From the Poor

Bill Gates and other ultra-rich depend on 'millions of poor people': billionaire Tom Steyer

Jeff Bezos's \$150 Billion Fortune Is a Policy Failure

Growing inequality in the United States shows that the game is rigged.

The Top 1% of Americans Have Taken \$50 Trillion From the Bottom 90%—And That's Made the U.S. Less Secure

Zero-sum thinking and U.S. politics

1. Does variation in zero-sum thinking help us understand (i.e., correlate with) differences in people's views about politics and policy in the United States?
 - Preference for redistribution
 - Policies about race
 - Policies about immigration
 - Policies about gender
2. What are the historical determinants of differences in zero-sum thinking?
 - Focus not only on one's own experiences but also of one's ancestors (e.g., parents, grandparents, great grandparents, etc).
 1. Economic mobility
 2. Immigration
 3. Enslavement

Survey

- Completed online
- Representative sample
- n=14,500 people
- Oct 2020-May 2022
- 5 waves
- 20-30 minutes

Background of Respondent			
<i>Demographics</i> Gender, age, household income, race, family situation, immigration history, employment, education		<i>Political Views</i> Party affiliation, voting record	
Ancestry			
<i>Demographics of parents and grandparents</i> Age, education, occupation, number of children	<i>Own, parents', and grandparents' residence and migration history</i> Place of birth; place of residence while growing up; place of residence during 20s, 30s, and 40s; current place of residence	<i>Ancestors' history of enslavement</i> Enslavement episodes incl. enslavement of African descendants, Holocaust, indentured servitude, Native American enslavement, war imprisonment	<i>Own, parents', and grandparents' relative income</i> Current income compared to others; relative income compared to others while growing up
Policy Views			
<i>Perceptions of fairness and mobility</i> Factors contributing to economic status, mobility opportunities of children, attitudes toward wealth accumulation, role of effort	<i>Views about redistribution</i> Desired levels of government intervention for income inequality and equality of opportunity for children, fairness of taxes by income status, level of support for expansion of government programs, attitudes toward QAnon and Capitol riots	<i>Views about government and political issues</i> Trustworthiness of government, of others, views on race, migration, gender, gun ownership, universal health care, patriotism, abortion, universalism	
Zero-Sum Mindset			
Views on whether one group's gains imply another group's losses			
<ul style="list-style-type: none"> ➤ <i>Ethnic:</i> "If one ethnic group becomes richer, this comes at the expense of other groups." ➤ <i>Trade:</i> "If one country makes more money, then another country makes less money." ➤ <i>Citizenship:</i> "If non-U.S. citizens do better economically, this comes at the expense of U.S. citizens." ➤ <i>Income:</i> "If one income group becomes wealthier, this comes at the expense of other groups." 			

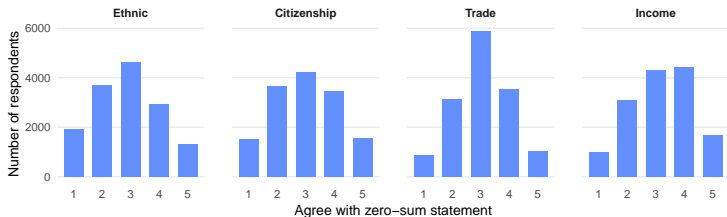
Measuring zero-sum thinking

Test for the existence of a generalized zero-sum view of the world using the following questions:

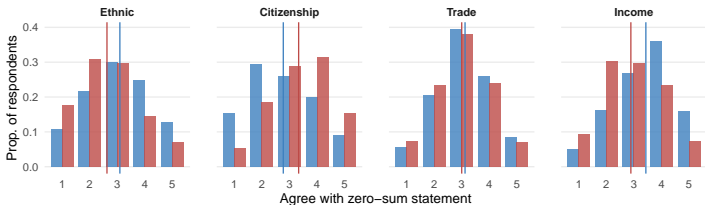
1. "In the United States, there are many different **ethnic groups** (Blacks, Whites, Asians, Hispanics, etc). If one ethnic group becomes **richer**, this generally comes at the expense of other groups in the country."
2. "In the United States, there are those with **American citizenship** and those without. If those without American citizenship **do better economically**, this will generally come at the expense of American citizens."
3. "In international trade, if one **country** makes more **money**, then it is generally the case that the other country makes less money."
4. "In the United States, there are many different **income classes**. If one group becomes **wealthier**, it is usually the case that this comes at the expense of other groups."

Respondents choose between: strongly disagree, disagree, neither, agree, or strongly agree.

Distributions of ZS statements



Democrat Republican

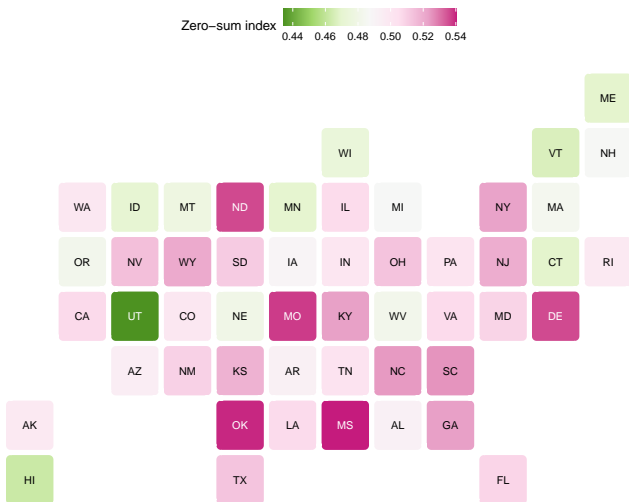


Checking for and creating a measure of generalized zero-sum thinking

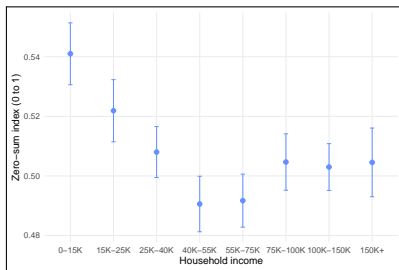
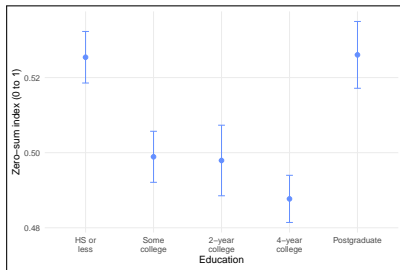
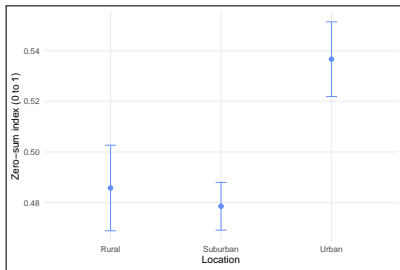
Table 2: PCA Factor Loadings: First and Second Principal Components

Question	1st PC (Eigenvalue: 2.26)	2nd PC (Eigenvalue: 0.78)
If an ethnic group becomes richer, this comes at the expense of other groups	0.55	-0.25
In international trade, if one country makes more money, then the other makes less	0.52	-0.02
If non-U.S. citizens do better economically, this is at the expense of citizens	0.40	0.88
If one income class becomes wealthier, it is at the expense of others	0.52	-0.39

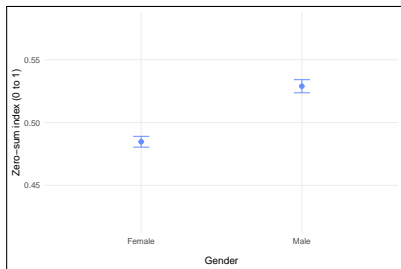
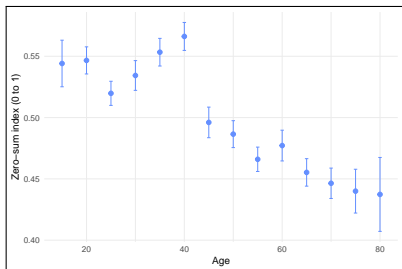
Averages by state of residence



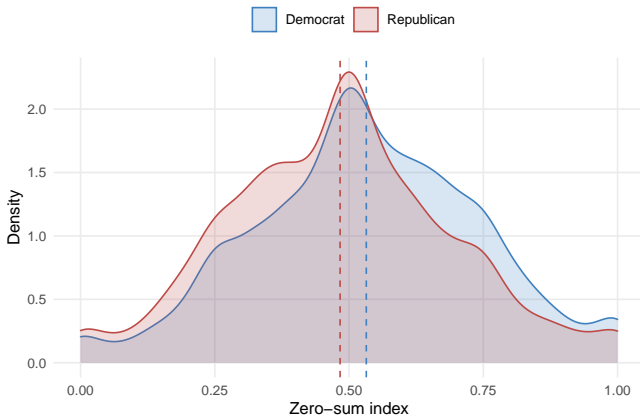
ZS and economic characteristics



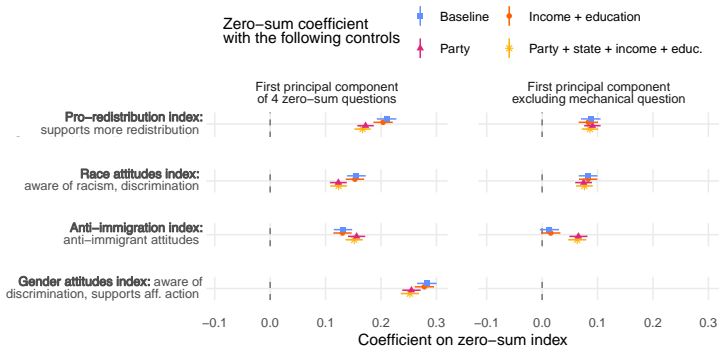
ZS and demographic characteristics



Zero-sum thinking and political preferences



Zero-sum thinking and policy views



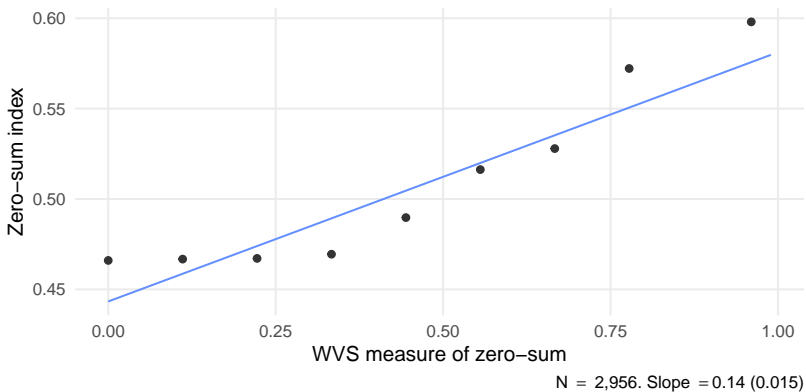
Accounting for other cultural values and beliefs



Zero-sum in a global context

- There is a measure of zero-sum thinking across the world available from the WVS.
 - Available for approximately 192,000 individuals from 72 countries.
- Respondents are given two opposing statements and asked to choose a point on a ten-point scale which best summarizes their view:
 1. People can only get rich at the expense of others
 2. Wealth can grow so there's enough for everyone

Validating the WVS 2-statement zero-sum question ($n = 3,000$)



Zero-sum thinking and political orientation across the world

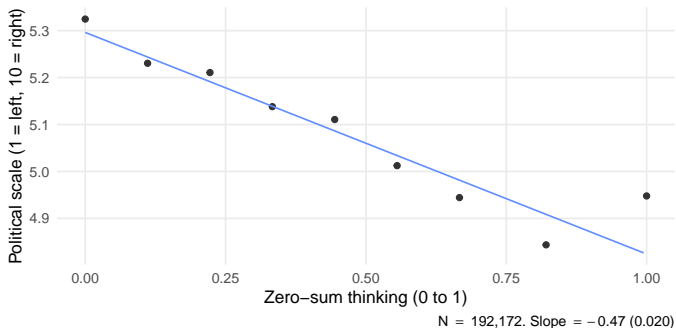


Figure 8: Zero-Sum Thinking and Political Affiliation Across the World

Notes: The figure reports a binscatter partial correlation plot of the relationship between an individual's zero-sum thinking and their political orientation, conditional on country-by-survey-wave fixed effects. Data are from the World Values Survey.

Zero-sum thinking and policy views across the world

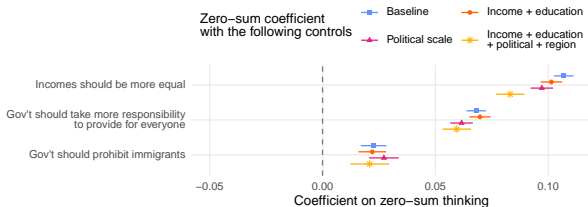


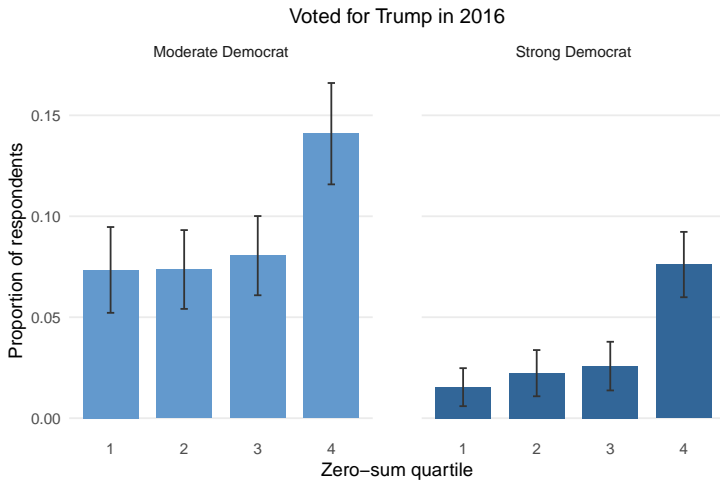
Figure 9: Zero-Sum Thinking and Policy Views Across the World

Notes: Each coefficient is from a separate regression with controls for age and age squared, gender, and their interaction, as well as country-by-wave fixed effects. The four estimates for each outcome correspond to the baseline specification, as well as specifications that add (1) income and education, (2) political affiliation on a left-right scale, and (3) income, education, political affiliation, and region fixed effects. Outcomes and regressors are standardized to have mean zero and standard deviation one. Horizontal bars are 95% confidence intervals. Data are from the World Values Survey.

Zero-sum and puzzles in Trump-era politics

1. Why did so many Democrats vote for Trump?
 - 13% of Trump voters were Obama→Trump voters.
 - 24% of Bernie Sanders supporters did not vote for Hilary Clinton (12% voted for Trump, 12% didn't vote)
2. Given that QAnon has been coopted by the Republican Party, why are so many believers Democratic?
 - Recent empirical studies find that individuals from both political parties are equally likely to believe in QAnon (Enders et al., JoP, 2022) as well as conspiracy theories in general (Uscinski et al., Nature, 2022).

Democrats and voting for Trump

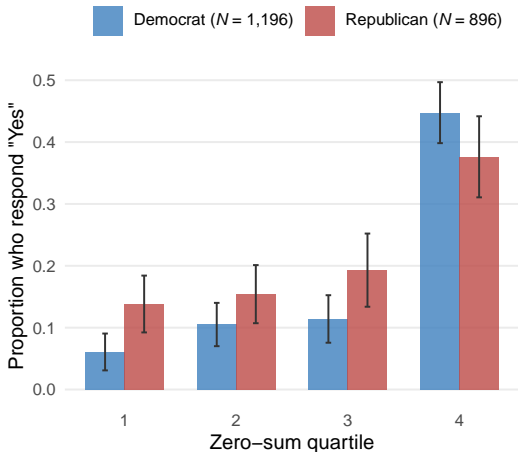


Zero-sum and puzzles in Trump-era politics

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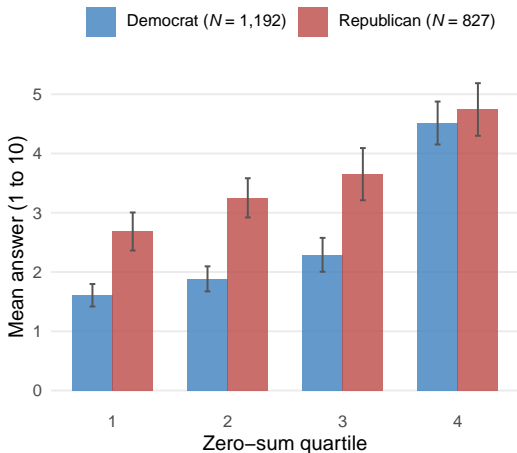
Feb 2021 wave: QAnon beliefs in politics

Do you think that QAnon contains some truths about U.S. politics?



Jan 6, 2021 attack on the U.S. Capitol building

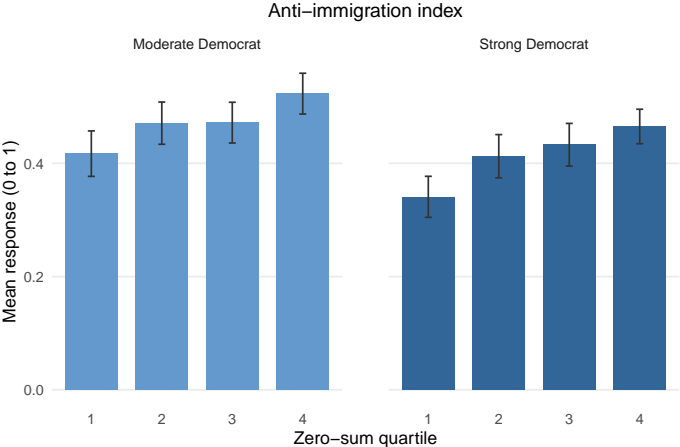
How sympathetic do you feel towards those charged for entering the Capitol?



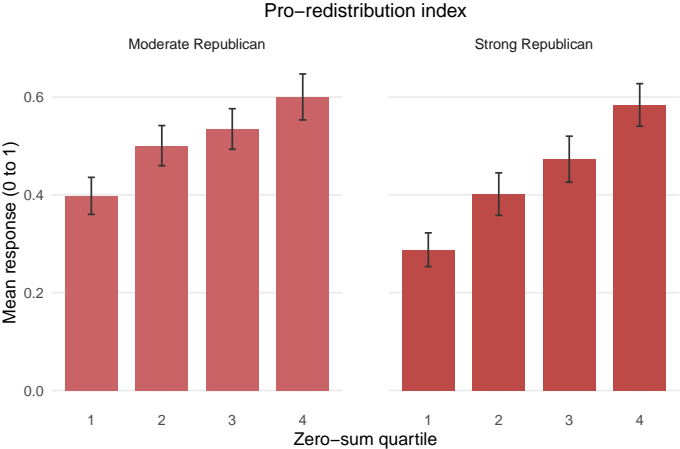
Zero-sum thinking and within-party divisions

- Views about government and policy tend to be aligned with political affiliation.
- However, there is important individual variation (and differences) within parties.
 - See e.g., 2019 PEW report: *In a Politically Polarized Era, Sharp Divides in Both Partisan Coalitions*
- Two examples:
 1. Democrats who are concerned about immigration (Hanson, 2005).
 2. Republicans who support increased government redistribution (Drutman et al., 2019)
- Does variation in zero-sum thinking help us understand within-party variation?

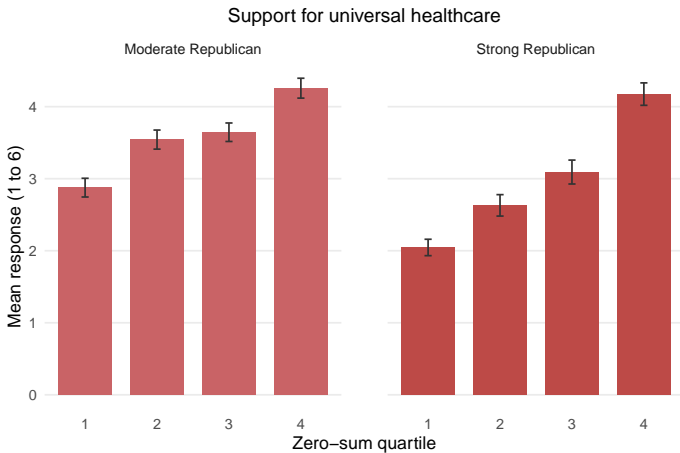
Concern about immigration among Democrats



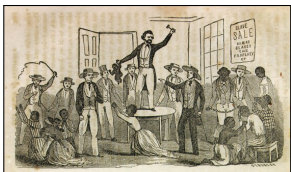
Support for government redistribution among Republicans



Support for universal healthcare among Republicans



Determinants of zero-sum thinking in the U.S.



Relevant aspects of the country's history:

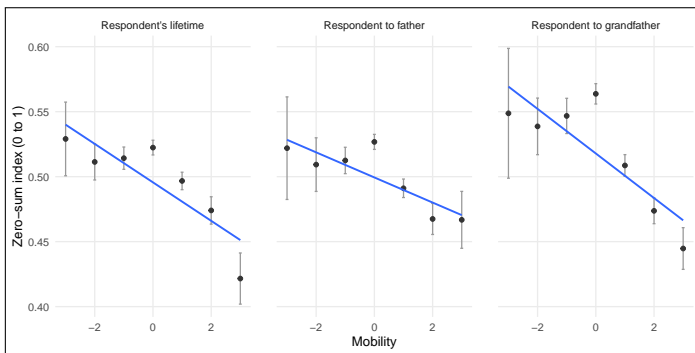
1. Economic mobility
2. Immigration
3. Race & enslavement

Measuring economic mobility

- 1. Respondent:** Right now, compared with other families in America, would you say your own hh income is:
(1) Far below average; (2) A little below average; (3) Average; (4) A little above average; (5) Far above average.
- 2. Parents:** When you were growing up (i.e., age 7-17)...
- 3. Grandparents:** When your father was growing up...
- 4. Great Grandparents:** When your grandfather was growing up...

Upward mobility is measured as the change in the score between each generation.

1. Economic mobility and zero-sum thinking: Raw data



Ancestral upward mobility: OLS estimates

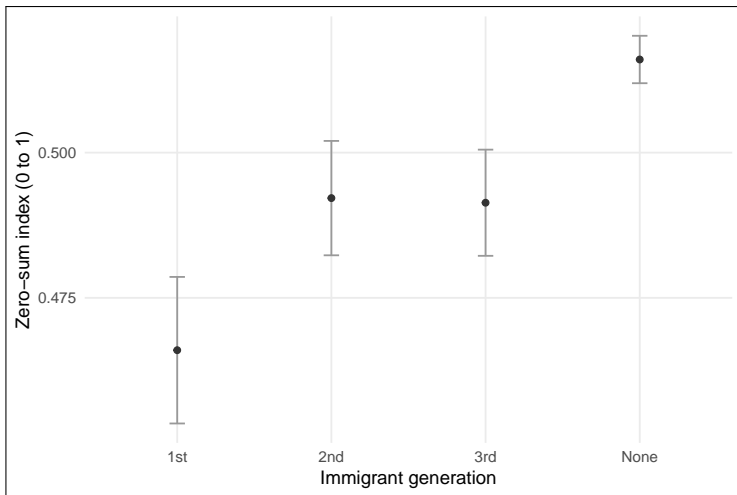
	Dependent variable: Zero-sum index (0 to 1)					
	(1)	(2)	(3)	(4)	(5)	(6)
Respondent's lifetime mobility	-0.0213*** (0.0020)	-0.0216*** (0.0020)	-0.0214*** (0.0020)			
Father's lifetime mobility	-0.0275*** (0.0023)	-0.0274*** (0.0023)	-0.0273*** (0.0023)			
Grandfather's lifetime mobility	-0.0206*** (0.0028)	-0.0204*** (0.0028)	-0.0210*** (0.0027)			
Grandfather to respondent mobility				-0.0225*** (0.0017)	-0.0227*** (0.0017)	-0.0227*** (0.0017)
Demographic controls	✓	✓	✓	✓	✓	✓
Wave fixed effects	✓	✓	✓	✓	✓	✓
State fixed effects		✓	✓		✓	✓
Race fixed effects			✓			✓
Observations	9,138	9,138	9,138	9,282	9,282	9,282
R ²	0.088	0.096	0.106	0.086	0.094	0.103
Dependent variable mean	0.521	0.521	0.521	0.521	0.521	0.521
Dependent variable std. dev.	0.218	0.218	0.218	0.217	0.217	0.217

2. Immigration and zero-sum thinking



- Immigrants had an improved quality of life, particularly for their children.
- This generally did not come at the expense of others.
 - Immigrants tended to make those around them better off (Sequeira et al., ReStud, 2020).

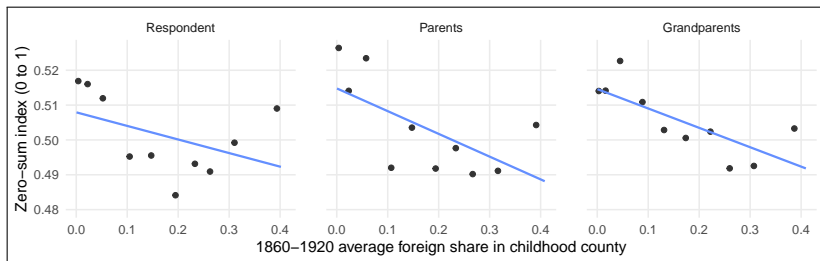
2. Immigrant ancestry and zero-sum thinking: Raw data



Immigrant ancestry and zero-sum thinking: OLS estimates

	Dependent variable: Zero-sum index (0 to 1)								
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Respondent immigrated	-0.0429*** (0.0066)	-0.0425*** (0.0067)	-0.0321*** (0.0073)						
Parent immigrated				-0.0298*** (0.0054)	-0.0294*** (0.0055)	-0.0222*** (0.0058)			
Grandparent immigrated							0.0015 (0.0050)	0.0031 (0.0050)	0.0052 (0.0050)
Demographic controls	✓	✓	✓	✓	✓	✓	✓	✓	✓
Wave fixed effects	✓	✓	✓	✓	✓	✓	✓	✓	✓
State fixed effects		✓	✓		✓	✓		✓	✓
Race fixed effects			✓			✓			✓
Observations	14,432	14,432	14,432	14,349	14,349	14,349	13,260	13,260	13,260
R ²	0.047	0.053	0.063	0.048	0.054	0.065	0.046	0.053	0.065
Dependent variable mean	0.506	0.506	0.506	0.506	0.506	0.506	0.504	0.504	0.504
Dependent variable std. dev.	0.207	0.207	0.207	0.207	0.207	0.207	0.208	0.208	0.208

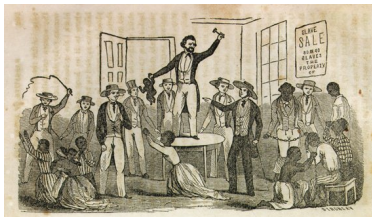
Growing up in 'Age of Mass Migration' counties: Raw data



Growing up in 'Age of Mass Migration' counties: OLS estimates

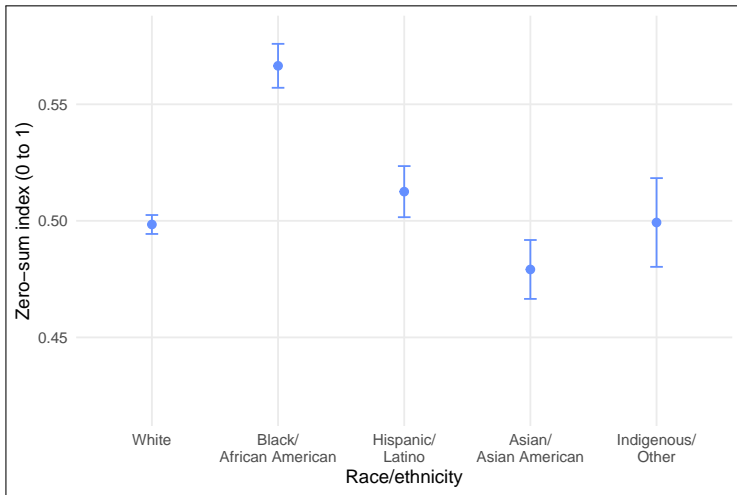
	Dependent variable: Zero-sum index (0 to 1)								
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Respondent's county foreign share	-0.0206 (0.0241)	0.0060 (0.0220)	0.0039 (0.0219)						
Parents' counties foreign share				-0.0637*** (0.0221)	-0.0640*** (0.0207)	-0.0460** (0.0204)			
Grandparents' counties foreign share							-0.0751*** (0.0211)	-0.0834*** (0.0219)	-0.0551** (0.0221)
Demographic controls	✓	✓	✓	✓	✓	✓	✓	✓	✓
Wave fixed effects	✓	✓	✓	✓	✓	✓	✓	✓	✓
State fixed effects		✓	✓		✓	✓		✓	✓
Race fixed effects			✓			✓			✓
Observations	12,566	12,566	12,566	11,243	11,243	11,243	8,766	8,766	8,766
R ²	0.039	0.046	0.057	0.045	0.052	0.064	0.047	0.057	0.068
Num. clusters	1,735	1,735	1,735	5,824	5,824	5,824	6,731	6,731	6,731
Dependent variable mean	0.501	0.501	0.501	0.503	0.503	0.503	0.506	0.506	0.506
Dependent variable std. dev.	0.202	0.202	0.202	0.204	0.204	0.204	0.207	0.207	0.207

3. Race, enslavement, and zero-sum thinking



- Plantation slavery was an extremely zero-sum form of production.
- After abolition, coercion, oppression, and racism persisted in places that had slavery (Archarya et al., 2018).

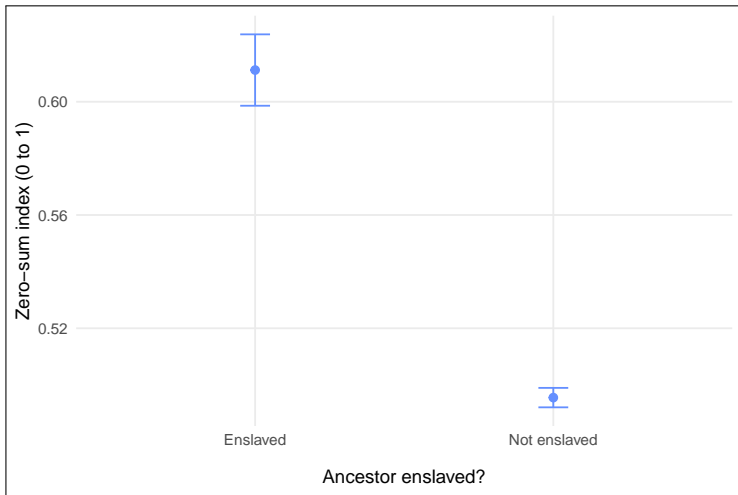
Race and zero-sum thinking: Raw data



Race and zero-sum thinking: OLS estimates

	Dependent variable: Zero-sum index (0 to 1)				
	(1)	(2)	(3)	(4)	(5)
African American/Black	0.0695*** (0.0056)	0.0669*** (0.0058)	0.0666*** (0.0058)	0.0629*** (0.0058)	0.0613*** (0.0074)
American Indian or Alaska Native	0.0074 (0.0231)	0.0049 (0.0232)	0.0047 (0.0230)	0.0017 (0.0229)	0.0290 (0.0276)
Asian/Asian American	-0.0219*** (0.0074)	-0.0215*** (0.0078)	-0.0191** (0.0078)	-0.0188** (0.0078)	-0.0222** (0.0112)
Hispanic/Latino	0.0058 (0.0062)	0.0045 (0.0065)	0.0047 (0.0065)	0.0027 (0.0065)	-0.0048 (0.0085)
Native Hawaiian or Other Pacific Islander	-0.0586* (0.0343)	-0.0535 (0.0359)	-0.0516 (0.0362)	-0.0558 (0.0363)	-0.0396 (0.0408)
Other race	-0.0078 (0.0114)	-0.0079 (0.0114)	-0.0096 (0.0113)	-0.0112 (0.0114)	-0.0146 (0.0134)
Demographic controls	✓	✓	✓	✓	✓
Wave fixed effects	✓	✓	✓	✓	✓
State fixed effects		✓	✓	✓	✓
Education fixed effects			✓	✓	✓
Household income fixed effects				✓	✓
Birth town fixed effects					✓
Observations	14,432	14,432	14,432	14,430	13,382
R ²	0.059	0.063	0.068	0.070	0.283
Dependent variable mean	0.506	0.506	0.506	0.506	0.509
Dependent variable std. dev.	0.207	0.207	0.207	0.207	0.206

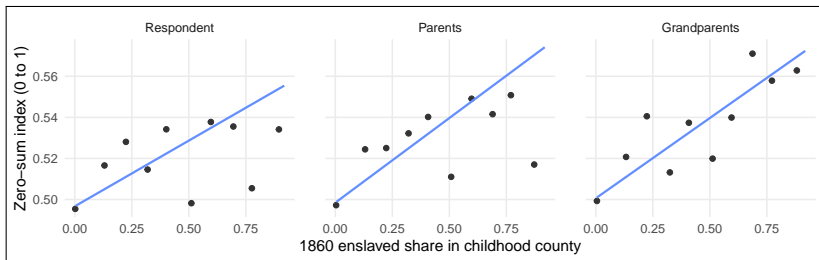
Enslavement and zero-sum thinking: Raw data



Enslavement and zero-sum thinking: Raw data

<i>Mean enslaved indicator</i>	Dependent variable: Zero-sum index (0 to 1)							
	Full sample		Black only		Latino, Indig., Asian, other		White only	
	0.091		0.374		0.072		0.051	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Enslaved ancestor indicator	0.0860*** (0.0071)	0.0867*** (0.0071)	0.0098 (0.0101)	0.0119 (0.0102)	0.0633*** (0.0167)	0.0639*** (0.0170)	0.1554*** (0.0112)	0.1563*** (0.0112)
Demographic controls	✓	✓	✓	✓	✓	✓	✓	✓
Wave fixed effects	✓	✓	✓	✓	✓	✓	✓	✓
Race fixed effects	✓	✓	N/A	N/A	N/A	N/A	N/A	N/A
State fixed effects		✓		✓		✓		✓
Observations	14,432	14,432	1,640	1,640	2,746	2,746	10,046	10,046
R ²	0.071	0.076	0.016	0.046	0.033	0.049	0.092	0.099
Dependent variable mean	0.506	0.506	0.566	0.566	0.498	0.498	0.498	0.498
Dependent variable std. dev.	0.207	0.207	0.195	0.195	0.204	0.204	0.208	0.208

Living in counties that had slavery: Raw data



Living in counties that had slavery: OLS estimates

	Dependent variable: Zero-sum index (0 to 1)								
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Respondent's county enslaved share	0.0514*** (0.0129)	0.0582*** (0.0157)	0.0372** (0.0156)						
Parents' counties enslaved share				0.0784*** (0.0127)	0.0901*** (0.0148)	0.0484*** (0.0153)			
Grandparents' counties enslaved share							0.0781*** (0.0140)	0.0931*** (0.0158)	0.0411** (0.0169)
Demographic controls	✓	✓	✓	✓	✓	✓	✓	✓	✓
Wave fixed effects	✓	✓	✓	✓	✓	✓	✓	✓	✓
State fixed effects		✓	✓		✓	✓		✓	✓
Race fixed effects			✓			✓			✓
Observations	13,118	13,118	13,118	11,579	11,579	11,579	9,003	9,003	9,003
R ²	0.040	0.046	0.057	0.048	0.056	0.065	0.050	0.059	0.069
Num. clusters	1,836	1,836	1,836	5,972	5,972	5,972	6,899	6,899	6,899
Dependent variable mean	0.501	0.501	0.501	0.504	0.504	0.504	0.507	0.507	0.507
Dependent variable std. dev.	0.202	0.202	0.202	0.204	0.204	0.204	0.208	0.208	0.208

ZS and favoring policies against one's economic self-interest

1. Why do the **young** tend to **support government programs** even though they bare more of the future costs?
 - They are **more zero sum**.
2. Why do the **elderly** tend to **dislike government redistribution** even though they benefit more from current support and bare less of the future costs?
 - They are **less zero sum**.

But... why are the young more zero-sum?

- In models of cultural evolution, younger generations tend to have beliefs that are better matched to the current environment.
- The U.S. was less zero-sum in the past.
 - In the mid-1800s, the U.S. had exceptionally high rates of economic mobility (Long & Ferrie, AER, 2013).
 - Since this time, mobility has steadily declined (Chetty et al., 2017; Feigenbaum, EJ, 2018, Song et al., PNAS, 2020).

Zero-sum and income growth (bottom 50% of the U.S.) during first 20 years of life

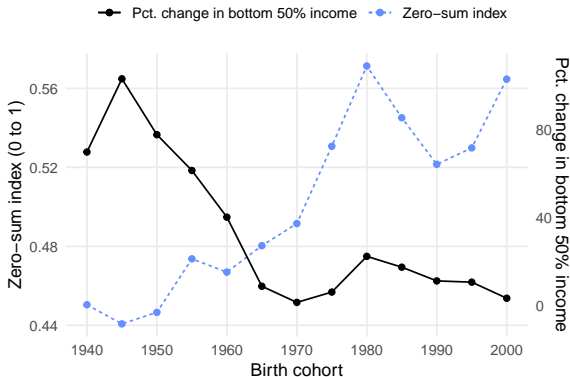
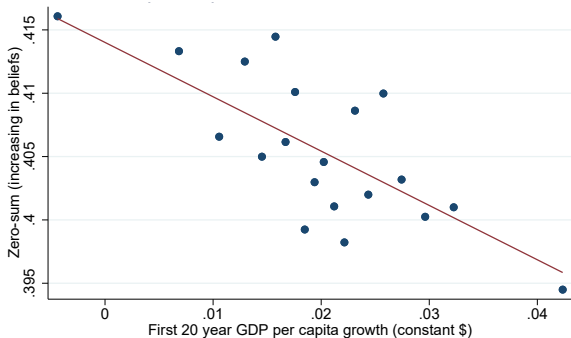


Figure 17: Economic Growth and Zero-Sum Thinking, By Birth Cohort

Notes: The black series is the percentage change in the bottom 50% income for the first 20 years of an individual's life, averaged over five-year bins. Data is from the World Inequality Database. The blue series is the average zero-sum index for respondents, also by five-year bins of birth year.

How general is this relationship? Global evidence from the WVS



Zero-sum is a survey-reported measure of beliefs ranging from 0 to 1, increasing in beliefs. GDP per capita growth covers the first 20 years of a respondent's life. 1=100%. Controls include demographic controls and birth year and wave-country FEs.

Figure 18: Relationship Between GDP Growth in Childhood and Zero-Sum Thinking

Conclusions

- Fundamental question: **Do gains come at the expense of others? Is the world zero-sum?**
- One's implicit belief about the answer to this question has important implications for policy and politics.
 - Has the potential to help us understand the complex set of political and policy relationships that exist.
- We find that variation in zero-sum thinking can be explained by one's own experience, as well as the experience of one's ancestors.
 1. Economic mobility
 2. Immigration
 3. Enslavement