



# Does the Prospect of Upward Mobility Undermine Support for Redistribution?

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## Abstract

Despite substantial economic inequality in the United States, many Americans who would benefit from redistributive economic policies vote against them. This opposition could be justified by an exaggerated belief in the prospects of one's own upward mobility. This research investigates Americans' beliefs about their own prosperity and correlates these beliefs with support for redistribution. We find that the prospect of upward economic mobility does not undermine current support for redistribution, and that ideology, not self-interest, may be a stronger driver of attitudes towards redistribution.

## Introduction

### Beliefs about Future Prosperity

As economic inequality increases in the U.S., why do many who would benefit from redistributive economic policies vote against them? This opposition may arise from overconfidence about one's future prosperity.<sup>1</sup> Many people do hold overly optimistic views about their economic prospects. But do these expectations actually undermine support for economic redistribution?

### Support for Redistribution

The present research investigates Americans' beliefs about their current and future prosperity and those beliefs' correlations with their support for economic redistribution. Our key hypothesis tests whether optimistic beliefs about future prosperity reduce support for redistribution.

## Methods

Representative sample of 490 American adults from Prolific (n=490). Subset of 135 who verified their income from their tax return (n=135).

### Beliefs about Mobility:

- Overestimation of current income and rank
- Prediction of future income and rank in 1, 2, 10, 20, and 30 years

### Demographics:

- Age, zipcode, gender, race, education level, religiosity, social and economic conservatism, party affiliation

### Ideological Correlates:

- General preference for taxation
- Perception of personal consequences of redistribution
- Concern that redistribution lowers incentives to work
- Belief in upwards economic mobility
- Belief in the American Dream

### Support for redistribution:

1. Ideal distribution of income
2. Subjective preference for redistribution ("How much redistribution of income do you want between citizens?")<sup>2</sup>
3. Preference for redistributive taxation

## Results & Discussion

We ran multiple regressions of our measures of support for redistribution on our full slate of predictors. The DV best explained was subjective preference for redistribution (adjusted  $R^2 > 44\%$ ).

- In the full sample, only two predictors attained our significance threshold of  $p < .005$ : economic conservatism and concern that redistribution would undermine incentives to work.
- No predictors were significant in the subset who verified income when overestimation of income and rank were included in the regression.

Table 1. OLS regression coefficients predicting subjective preference for redistribution using the variables that were significant at  $p < .05$  for the full sample (n=490). (Standard errors in parentheses.) Asterisks indicate statistical significance  $p < .005$ .

	Preference
(Intercept)	7.16 (0.39)*
Rank in 2 years	0.00 (0.00)
I will be a winner from redistribution in my lifetime	<b>0.19 (0.05)*</b>
Redistribution reduces incentives to work	<b>-0.29 (0.04)*</b>
Belief in American dream	<b>-0.12 (0.04)*</b>
Race	0.24 (0.10)
Economic conservatism	<b>-0.42 (0.07)*</b>
R-squared	0.471*
	n=490

Conspicuously, no beliefs about future income and rank were significant. Support for redistribution was not correlated with:

- overestimates of one's income ( $r = -.04, p = .64$ ) or rank in the income distribution ( $r = .16, p = .06$ )
- predicted income ( $r = .06, p = .22$ ) or rank ( $r = .09, p = .06$ ) in 30 years
- predicted increase in income ( $r = .10, p = .03$ ) or rank ( $r = .16, p < .001$ ) in 30 years (Fig. 1 and Fig. 2 respectively)

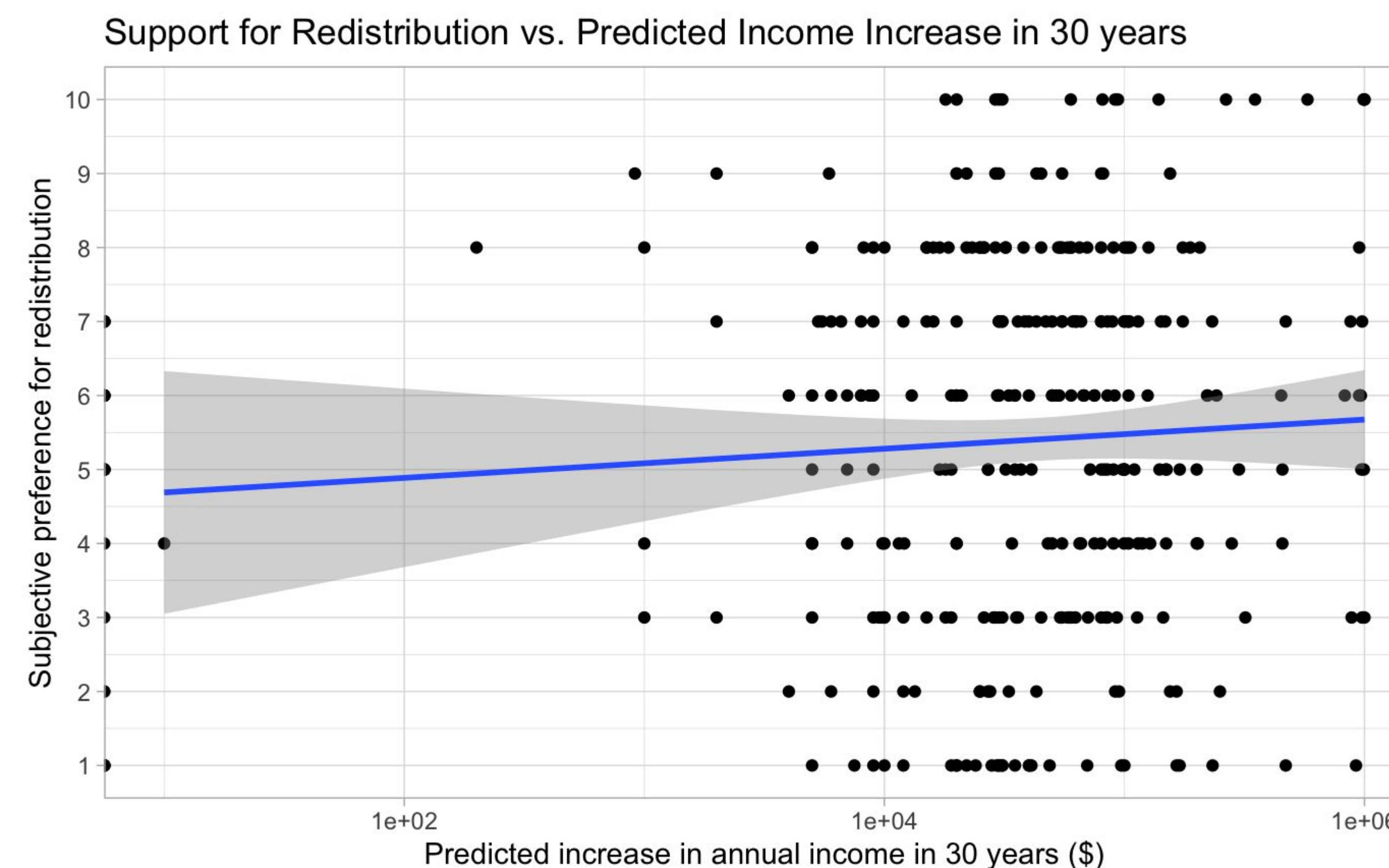


Fig.1. Scatterplot of predicted increase in income 30 years hence and subjective support for redistribution in response to the question, "How much redistribution do you want among citizens?" on a scale from 1: No redistribution, to 10: Complete redistribution.

## Results & Discussion

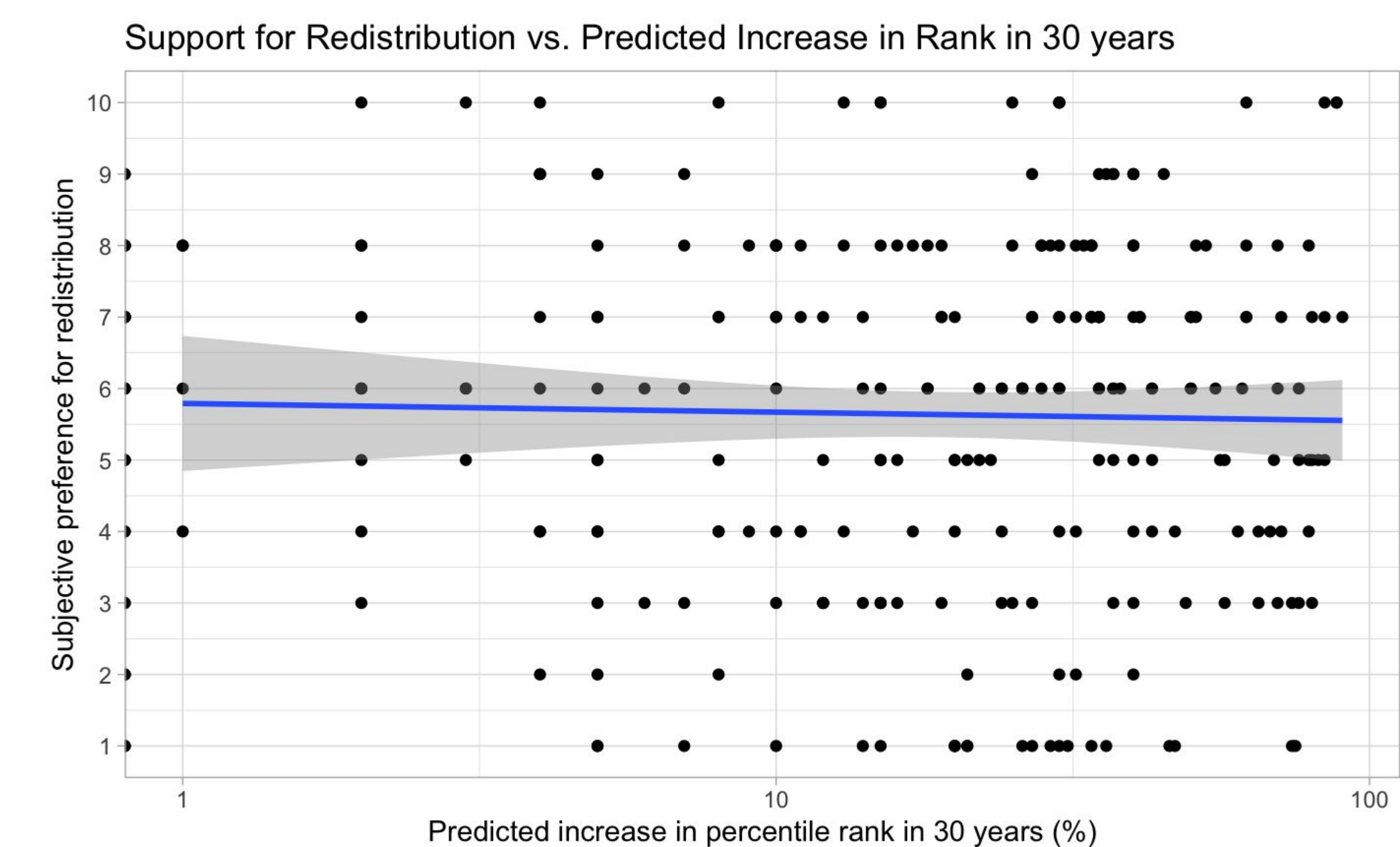


Fig.2. Scatterplot of predicted increase in percentile rank in the income distribution 30 years hence and subjective support for redistribution in response to the question, "How much redistribution do you want among citizens?" on a scale from 1: No redistribution, to 10: Complete redistribution.

Support for redistribution correlated more strongly with:

- concerns that redistribution lowers incentives to work ( $r = -.62, p < .001$ )
- social conservatism ( $r = -.52, p < .001$ )
- economic conservatism ( $r = -.60, p < .001$ )
- political party affiliation ( $r = -.50, p < .001$ )
- belief in the American Dream ( $r = -.46, p < .001$ )
- general preferences for taxation ( $r = .46, p < .001$ )

These results implicate ideology as a stronger driver of attitudes towards redistribution than economic self-interest.

## Conclusion

This project examined whether the prospect of upward mobility undermined current support for economic redistribution. Our results provide little reason to believe that it does. Instead, they suggest that support for or opposition toward redistributive policy is driven by ideology rather than beliefs about one's future prosperity or economic self-interest.

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2. Fehr, D., Mollerstrom, J., & Perez-Truglia, R. (2022). Your Place in the World: Relative Income and Global Inequality. *American Economic Journal: Economic Policy*, 14(4), 232–268. <https://doi.org/10.1257/pol.20200343>

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