Questions about Beliefs regarding Income Inequality

DATA SOURCE: Social Inequality Modules
International Social Survey Program
General Social Survey (in the U.S.)

(1) Are differences in income in America too large?
(2) Does inequality continue to exist because it benefits the rich and powerful?
(3) Are large differences in income necessary for prosperity?
I. Beliefs about Income Inequality in the U.S., 1987-2012

Income differences are too large:
- Strongly Agree: 40%
- Agree: 26%
- Neither: 18%
- Disagree: 13%
- Strongly Disagree: 5%

Inequality continues to exist to benefit the rich:
- Strongly Agree: 38%
- Agree: 18%
- Neither: 17%
- Disagree: 15%
- Strongly Disagree: 3%

Large income differences are unnecessary for prosperity:
- Strongly Agree: 37%
- Agree: 13%
- Neither: 22%
- Disagree: 11%
- Strongly Disagree: 12%
II. Trends in Beliefs about Income Inequality, 1987-2012

- Agreement and strong agreement
  - Red line: Income differences are too large
  - Black dashed line: Inequality continues to exist to benefit rich and powerful
  - Gray line: Large income differences are unnecessary for prosperity

- Percent

III. Does Knowing the Level of Inequality Matter?
No: same responses as in previous questions without information (ANES Panel 2008 – 2010)

American households with incomes in the top 5% earn an average of $300,000 per year, and households with incomes in the bottom 5% earn an average of less than $10,000. Should this difference be smaller, bigger, or about what it is now?

___________________________
A great deal smaller: 30 – 33 %
Moderately smaller: 22 – 24%
A little smaller: 3 – 4%
TOTAL SMALLER: 55 – 61 %

American households with incomes in the top 20% earn an average of $170,000 per year, and households with incomes in the bottom 20% earn an average of less than $11,000. Should this difference be smaller, bigger, or about what it is now?

___________________________
A great deal smaller: 29 – 38 %
Moderately smaller: 21 – 25%
A little smaller: 3 – 5%
TOTAL SMALLER: 53 – 68 %
IV. Perceptions of Changes in Annual Pay Over Time (in 2000 $):
Executives (CEO of large national corp.), Unskilled Workers, and Doctors

<table>
<thead>
<tr>
<th>Year</th>
<th>Mean Perceived Pay (2000 $)</th>
<th>Median Desired/Perceived Pay</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Executives</td>
<td>Unskilled Workers</td>
</tr>
<tr>
<td>1987</td>
<td>$366,617</td>
<td>$20,591</td>
</tr>
<tr>
<td>1992</td>
<td>$909,483</td>
<td>$19,236</td>
</tr>
<tr>
<td>2000</td>
<td>$956,906</td>
<td>$20,129</td>
</tr>
<tr>
<td>2010</td>
<td>$3,350,051</td>
<td>$21,835</td>
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</tbody>
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Americans are aware of large increase in CEO pay and stagnation of worker pay in 2000s.
They were also aware of this in early 1990s.
The wording of the question on perceived pay is (according to the 1987 International Social Survey Program questionnaire): “We would like to know what you think people in these jobs actually earn. Please write in how much you think they usually earn, each year, before taxes. Many people are not exactly sure about this but your best guess will be close enough. This may be difficult, but it is very important, so please try.” The wording of the question on desired pay is: “Next, what do you think people in those jobs ought to be paid – how much do you think they should earn each year before taxes, regardless of what they actually get?” Executive pay is derived from questions about “the chairman of a large national corporation”; doctor pay from questions about “a doctor in a general practice”; and unskilled worker pay from questions about “an unskilled worker in a factory.” Raw responses were obtained and then top coded to eliminate outliers.
V. Confidence in Business and Government is Low/Falling

- Share with great deal of confidence (U.S.)
  - Business (avg=.24)
  - Banks/Finance (avg=.25)
  - President (avg=.18)
  - Congress (avg=.13)
Source: General Social Survey (averages in parentheses are unweighted across years).
Notes: The root question is “I am going to name some institutions in this country. As far as the people running these institutions are concerned, would you say you have a great deal of confidence, only some confidence, or hardly any confidence at all in them?” Response categories are “a great deal,” “only some,” “hardly any,” and “don’t know.” The institutions are identified as follows: “major companies,” “banks and financial institutions,” “executive branch of the federal government,” and “congress.”
Question wording beginning in 1987: (Now I am going to read you a series of statements that will help us understand how you feel about a number of things. For each statement, please tell me if you completely agree with it, mostly agree with it, mostly disagree with it or completely disagree with it.)...Business corporations generally strike a fair balance between making profits and serving the public interest. (Various polling agencies).