My Two Cents

There’s Nothing New about Whites’ Anger

by Leslie McCall

Referring to a report on income inequality published by the Congressional Budget Office that “stunningly documents the growing inequality in American life... [in which] most of our citizens have not benefited from recent U.S. prosperity,” an editorialist concluded that “in this election, the crucial judgment is who can reverse the trends toward inequality and bring more of our people closer to the American dream.”

This quotation is remarkable for several reasons.

First, it was written in 1988, by Mortimer Zuckerman, editor of U.S. News & World Report, a mainstream publication. In subsequent presidential years, particularly in the early and mid-1990s, similar quotations can be found, even by right-leaning columnists, such as Robert Samuelson of Newsweek, suggesting that neither interest in nor coverage of inequality is new.

And, just to be clear, I do not mean that interest was confined only to journalists and politicos. Well over a majority of Americans has agreed that “income differences are too large” in each of the eight years that the General Social Survey fielded the question since the late 1980s. This is true for Whites, Blacks, Latinos, and other racial/ethnic groups, whose views differ little after adjusting for differences in partisan leanings and optimism about upward mobility (see Sandra Smith’s contribution for more on this latter topic). In the last year that the question was asked, 2014, even 43 percent of white self-identified Republicans agreed that income differences were too large (note that this group accounts for only 23 percent of the population), and in years past 50 percent or more agreed.

Second, Zuckerman connected the issue of rising inequality to the issue of economic prosperity, focusing on the consequences of economic inequality and not on its scale alone. This was, and still is, a novel connection to make. Elites who study and advocate for less inequality - including journalists, academics, and politicians, with Bernie Sanders as a good example - tend to act as though Americans need only be informed of the vast concentration of income and wealth in order to more reliably cast their vote in favor of candidates (i.e., Democrats) who will enact traditional redistributive policies (i.e., progressive taxes).

But this ignores the fact that the problem may not be information about the scale of inequality - for, as shown above, most Americans already prefer less inequality even though they underestimate how much exists - but knowledge about exactly what will address the specific problems that Americans associate with rising inequality, such as the lack of access to the American dream. They are not alone in this, of course, for who has come up with a silver bullet solution to this problem? I return to the crucial racial dimensions of this in a moment.

The third remarkable aspect of the quotation is the declaration that inequality is a decisive issue in the election. I found similar such declarations in the past, especially in the subsequent presidential election years of 1992 and 1996. Economic populist positions on reducing immigration and free trade were made prominent by such conservative, “outsider” candidates as Ross Perot (who received 19 percent of the popular vote running as an Independent against Bill Clinton and George H. W. Bush in 1992) and Patrick Buchanan (who in 1996 won the New Hampshire Republican primary against Robert Dole and came in a close second in the Iowa caucuses). Excessive executive pay and the decline of the middle class were also featured topics, well before studies of the top one percent by Thomas Piketty and Emmanuel Saez surfaced in the early 2000s.

Thus the thematic intersection of racial/ethnic exclusion (of Latinos especially) and economic populism (to appeal to Whites) was clearly on display in the not too distant past, and most Americans will recognize these dynamics in...
more recent elections as well.

All of this is to say that Whites have been angry for a long time. Exactly what they have been angry about is a matter of much debate, as is exactly what it would take to quell that anger. As I have suggested above, we can say with some confidence that a greater piece of the American pie is a strong contender in response to the first question, and a plan to make access to economic prosperity more widespread, rather than access to government redistribution, is a strong contender in response to the second question.

But no presidential candidate, from either party, has ever focused centrally on presenting such a plan, with the exception until recently of Bernie Sanders (I am making a descriptive statement here about his single-issue focus on inequality and not an evaluative statement about the content of his platform). Instead, candidates resort to hot-button issues (e.g., immigration and free trade) or low-hanging fruit (e.g., the minimum wage). Some of these are popular for reasons of both racism and economic populism, as can be said of White opposition to government redistribution as well. Are there policy avenues that might be more inclusive economically and less divisive racially? Like the minimum wage, for instance, which would benefit women and racial/ethnic minorities disproportionately yet derives widespread support from Whites and men too?

My latest research with several collaborators in the U.S. and abroad examines this question. Specifically, we explore whether there is greater support for the redistribution of pay, enacted by major companies, rather than the redistribution of post-tax/post-transfer income, enacted by government. We are motivated, in fact, by the civil rights strategy of reducing racial and gender inequalities in the labor market, which necessitated government regulation of employment and pay practices by employers but generally not direct redistribution of income.

Our preliminary results suggest that racial/ethnic differences are small when we ask about the responsibility of major companies to reduce pay differences between those with high pay and those with low pay, with over 50 percent of all groups endorsing such an idea. By contrast, as is well known, racial differences are significant in response to questions about the responsibility of government to reduce income differences between the rich and the poor, with less than half of Whites in support (42 percent) and more than half of both Latinos (53 percent) and Blacks (61 percent) in support.

We also find that partisanship is less predictive of support of redistribution in the market as opposed to by the government. Perhaps this is because redistribution in the market is effectively a non-partisan issue, in the sense that neither Democrats nor Republicans have advocated forcefully, consistently, and concretely for it. Why not? Perhaps politicians of all stripes fear that “free-market” Americans oppose intervention in business affairs, or perhaps it is other elites who oppose regulation.

Our data – and economic populist appeals throughout history – suggest that the public at large is not as free-market-oriented as is widely assumed. Nor is the public likely to be as racially divided on the subject as they are on government redistribution. Something for elites to think about as they ponder the sources and solutions to longstanding feelings of economic exclusion among all racial/ethnic groups, not just Whites.

Leslie McCall is professor of sociology and political science, and faculty fellow at the Institute for Policy Research, at Northwestern University. She is author of the Undeserving Rich: American Beliefs about Inequality, Opportunity, and Redistribution (Cambridge University Press, 2013).

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