

The American Dream: Asking People What They Actually Want

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I would occasionally hear someone say that they grew up poor but didn't know it. They grew up content; life was just normal...of course they were kids. I think, at Thanksgiving time, about the Pilgrims and other early migrants to the British Colonies in America. They felt grateful to have survived those early winters; they had small cabins for their families and seed corn in their rough new sheds. They expected that life would get better. Should we measure their lives by their economic status (dirt poor) or by a survey of their view of their own status (moving up)? How should we measure poverty today?

Today we measure poverty by comparing ourselves with the very richest of people rather than comparing with the very poorest of sub-Saharan Africa or SE Asia. We see that five immense tech companies each with market capitalization topping \$1 trillion have recently lost over \$2 trillion in value. That's \$2,000,000,000,000. Famously, Mark Zuckerberg of Meta/Facebook has lost about \$100 billion of his (max) \$140 billion wealth. Should we focus on the \$100b lost or the \$40b he still has? Did those people who lost those billions become poor? Did their crash help us? Did their wealth hurt us? Do stock valuations really measure anything useful if it grows immensely and then crashes?

The narrative in America...and even globally... is that we must look at the earned cash income and upward mobility of people to evaluate their economic status, and that economic status determines whether people consider their lives to be comfortable or maybe even worthwhile. We assume that high income people are content, and that low income are not. It's not a wild assumption though it supports narratives that are so common we assume that they are true.

I don't want to slip off into disrespecting the troubles and injustices that befall the poor, but we do need to think about these things. Here's a new idea: how about if we ask people? Enter the Archbridge Institute (DC). Under the leadership of Gonzalo Schwarz, they sponsor surveys. It may be easy and abstract to gather income data, but asking people is also valid. Because it's not easy to get the least-biased questions for such a survey, they ask about the 'American Dream.' They found that contentment does not necessarily relate to income.

The results are surprising. Common measures such as getting rich, home ownership, and earning more than your parents ranked well down the list (>20%) while most (>80%) surveyed indicated that freedom of choice and good family life were most important. Almost amazingly, 75% indicated that they are at least on the way to realizing the American Dream. People like 'agency;' depending on themselves rather than being helpless.

There are two pathways to help people. Our current path focuses on outcomes with the idea that if we work on the outcomes (cash income) that is better than our failed attempts (due to many real social evils) to provide opportunities. The other path is to reduce the barriers to opportunity. Like what? Helping entrepreneurs with lower regulation barriers, fewer licensing requirements and ending urban school failure.

Here's another way to say it: To get people where *they* want to go, we need a dynamic economy that provides new opportunities and many pathways to achieve success rather than a static economy that redistributes old opportunities with fewer pathways to success. ■Dynamic vs Static. ■Growing the economic pie vs. Redistributing the existing economic pie. ■More job creation vs Less job creation. ■Dependence on self-family-community vs Dependence on government programs or safety nets. Nothing wrong with the safety net for most working-age people unless it's long term.

People want a tight trampoline out of poverty rather than a barely comfortable mattress in poverty.

Gonzalo Schwarz summarized his survey findings: 66% want equality before the law and people having a fair chance regardless of where they started. Only 10% want to start at the same place; only 11% want the tools to catch up. He says that our national narrative on poverty does not match the survey. Ask people what they want, It's a job. Policy must focus there. (Cato Daily Podcast December 3, 2021). This explains how 75% sense that they are achieving their American Dream or are on their way to achieving it. Dignity. Opportunity. Respect.

Economists and government planners have good data and some interesting ideas. But they lack a good understanding of actual people. This is nothing new. We have mis-understood humanity ever since we decided that we know better than God about what makes people tick, what we lack, and what our true, deeper needs are. Thankful for blessings? Good. Thankful for opportunity to thrive (and serve others) under God? Better.