Aimed at integrating cutting-edge psychological science into the classroom, Teaching Current Directions in Psychological Science offers advice and how-to guidance about teaching a particular area of research or topic in psychological science that has been the focus of an article in the APS journal Current Directions in Psychological Science. Current Directions is a peer-reviewed bimonthly journal featuring reviews by leading experts covering all of scientific psychology and its applications and allowing readers to stay apprised of important developments across subfields beyond their areas of expertise. Its articles are written to be accessible to nonexperts, making them ideally suited for use in the classroom.

The Gaps Among Us: Understanding and Assessing Inequality
by David G. Myers


Consider three facts about today’s income inequality:

Inequality has sharply increased. The rising economic tide is lifting the yachts faster than the dinghies — especially in India, China, Russia, and the United States (see Figure 1; World Inequality Lab, 2018).

**U.S. Wealth Share: Top 1% and Bottom 90%**
(From Federal Reserve Bulletin, September 2017; data from Survey of Consumer Finances)
In response, psychological scientists are now studying the accompaniments and public understandings of inequality (see Figure 2). One of their findings:

Unequal places tend to be unhappy places. Countries and states with greater inequality tend also to have more unhealthiness, social problems, dissatisfaction with life, and mental disorders (Burkhauser, De Neve, & Powdthavee, 2016; Payne, 2017; Wilkinson & Pickett, 2017a,b). Where there is less inequality, humans more often flourish.

As a standout example of the new inequality research, consider surveys by Michael Norton, William Arsenio, and others of how much inequality people perceive and how much inequality they would ideally prefer.

The survey questions asked of adults and adolescents in the United States and elsewhere could be simplified for your students:

“Make a guess: In your country, what percent of the wealth is owned by the top 20%?”

“Ideally, what percent of the wealth should be owned by the top 20%?”

Arsenio (2018; and Norton & Ariely, 2011) report that, across variations in question wording, people recognize that inequality exists. In the United States, for example, adolescents have estimated that the top 20% own 48% of the wealth, while adults have guessed 59%. But both greatly underestimate the actual wealth inequality (with 84% owned by the top 20% and 0.1% by the bottom 20% — an 840:1 disparity that is 42 times greater than adults guessed).

A second finding, notes Arsenio, is that (my italics) “people prefer a more egalitarian wealth distribution than the one they believe exists.”
Moreover — and more surprisingly — Republicans (or “conservatives”) and Democrats (or “liberals”) offer similar estimates of actual and ideal wealth distributions. Across political persuasions, most Americans favor the richest 20% owning about 30% to 40% of the wealth — which is much closer to the reality in Sweden than in the United States. Worldwide, people also would prefer much smaller pay gaps between corporate CEOs and their workers. As Sorapop Kiatponsan and Norton (2014) summarize, “People all over the world and from all walks of life would prefer smaller pay gaps between the rich and poor.”

Are these findings true for your students as well? Do they, too, underestimate wealth inequality? And do they — whether describing themselves as more Republican/conservative or as more Democrat/liberal — prefer a more egalitarian wealth distribution than what they think exists (much less than what actually exists)?

A final note: Might teaching about the realities and perceptions of inequality expose us teachers to accusations of “liberal bias”? If so, there are two possible responses:

The psychology of inequality does not dictate economic policy.

One could argue, as do progressives, that income redistribution, an increased minimum wage, and inequality-reducing tax policies would entail psychological and social benefits. (Think Sweden.)

Or one could argue, as do conservatives, that inequality is inevitable (attributable to variations in competence and effort), and that free-market incentives that inspire some to attain wealth also promote innovation and economic growth.

Students could also be encouraged to ponder: What extent of inequality would optimally enable both human flourishing and economic growth? And how might society balance the benefits of free-market incentives with exacerbating the social costs of inequality?

Beyond this lesson, psychology’s data sometimes support liberal thinking (about, say, the realities of sexual orientation or the pervasiveness of prejudice) and sometimes support conservative thinking (about, say, the benefits of marriage and coparenting or the effects of teen exposure to pornography). As a science, psychology aims not to advance liberal or conservative thinking per se, but to let evidence inform our thinking. And for us teachers of psychology that, no matter our political identities, is perhaps the biggest lesson of all.

References


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