



LIFTING BARRIERS. LIFTING LIVES.

AMERICAN DREAM 2020 SNAPSHOT:

*HOW AMERICANS VIEW
THE AMERICAN DREAM
AND ECONOMIC MOBILITY*

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INTRODUCTION

In our currently polarized country, there seem to be very few things that can bring us together. The sense of tribalism in our culture and politics has been magnified by the Coronavirus pandemic—which many of us hoped might bring a sense of unity to the country in the fight against a common enemy.

The recent police shootings of George Floyd and Breonna Taylor have also reignited Black Lives Matter protests, which have renewed a national conversation on race. At the same time, there is a conversation occurring around the true origin and character of our nation. Some insist that the nation was fundamentally based on slavery and started in 1619, while others assert that noble but flawed people came together in 1776 to start an unprecedented experiment that included injustices, but consistently works to improve and to live up to its stated ideals.

As recent public polling has suggested,¹ a majority of people want to come together and coalesce around something—to find common ground. We at the Archbridge Institute believe that the ethos of the American Dream can be that common ground—can be the quintessential vision of our nation. One of the most pressing questions of our time is if this dream is still alive, if it is fading, or if it's now simply out of reach for most Americans.

The American Dream has been like a vision statement for the United States. The best definition is that by James Truslow Adams, in his 1931 book, *The Epic of America*. Adams defines the American Dream as

that dream of a land in which life should be better and richer and fuller for every man, with opportunity for each according to his ability or achievement. It is not a dream of motor cars and high wages merely, but a dream of a social order in which each man and each woman shall be able to attain to the fullest stature of which they are innately capable, and be recognized by others for what they are, regardless of the fortuitous circumstances of birth or position.

Such a conception of the Dream is a far cry of what we might see in media headlines nowadays, but it is close to what people actually have in mind when they think about the American Dream. Many public intellectuals, academics, pundits, and even presidential candidates say that the American Dream is not well, or might even be dead. The reasons vary, but for some it has to do with one of the leading ways to measure the American Dream—which only focuses on the “richer” part of the Dream, or its material aspect. The measurement of the Dream also has to do with the level of income mobility people have. Upward or downward income mobility is defined by whether a person surpasses their parents’ income at the same age, usually 32–40 years old, depending on the study. More specifically, this is called “absolute intergenerational economic mobility.”

In the United States, research by economist Raj Chetty and the team at Opportunity Insights has concluded that from the 1940s to the present, the percentage of Americans surpassing their parents’ income as adults has gone from 90 percent for the generation born in the 1940s to 50 percent for the generation born in the 1980s.² Judging by only this measure, we can see that the American Dream has indeed been in a steep decline. However, even leaving aside the criticism that the generation born in the 1940s was born to parents who were coming out of the great depression enabling them to enjoy vast economic growth, research from Scott Winship has shown (using the same data by Chetty and his team) that the 50 percent figure for the generation born in the 1980s should be more like 68 percent after adjusting for family size and using a better measure for inflation.³ Using a different data set, Winship shows that the figure for the 1980s is more likely about 73 percent. That is certainly still a decline, but the exercise shows how even the measurement of income mobility is a contentious topic.

However, a more pressing argument is that the health of the American Dream should be assessed by more than just levels of income and wealth. As we saw in Adams' definition, we should also pay attention to whether people's lives are becoming better and fuller. Even though these issues might be more subjective, they are no less valid.

At the Archbridge Institute, we recently conducted a survey to assess various questions around the subject of the American Dream, to gauge its health, and to discover how different people think about it.

For this survey we partnered with NORC at the University of Chicago and its AmeriSpeak® panel. AmeriSpeak® is a probability-based panel designed to be representative of the US household population. Randomly selected US households are sampled using area probability and address-based sampling, with a known, nonzero probability of selection from the NORC National Sample Frame. The nationally representative sample consisted of 2,223 respondents. The survey was conducted in two waves, the first between July 16 and July 20, and the second between August 27 and September 1.

The Survey Results Include the Following Five Key Findings:

1. Most Americans, regardless of race, income, or education believe that they have either achieved the American Dream or are on their way to achieving it.
2. The Covid-19 pandemic has negatively affected Americans' perception of the American Dream, with many believing it's further out of reach. However, very few believe it is completely out of reach.
3. Most Americans regard living better and fuller lives—rather than simply becoming rich—as essential in achieving the American Dream.
4. Most Americans, and especially blacks, believe they have more opportunities than their parents.
5. For most Americans, ensuring people have a fair chance to succeed and reducing poverty are more important than reducing income inequality.

THE AMERICAN DREAM IS ALIVE AND WELL

The first question on our survey specifically addressed whether people believed that they had achieved the American Dream. Despite being conducted in the middle of a pandemic and in the midst of protests around racial inequality and police brutality, the results showed a similar picture to recent surveys from the Pew Research Trust⁴ and the American Enterprise Institute⁵ that asked the same question.

As Figure 1 shows, 74 percent of respondents, or three in every four Americans, say that they have either achieved the American Dream or are on their way to achieving it. Only 24 percent of Americans who were surveyed say it is out of reach. That number was 17 percent in 2017 and 18 percent in 2019. There is certainly a decline in Americans who still consider the Dream within reach, which could be a factor of conducting the survey in the middle of both tense race-related protests across the country and the ongoing Covid-19 pandemic—especially since until the pandemic started, the United States had historically positive indicators related to unemployment, poverty alleviation, and wage growth.

Figure 1 | TO WHAT EXTENT DO YOU BELIEVE YOUR FAMILY HAS ACHIEVED THE AMERICAN DREAM? WOULD YOU SAY... ?

	Has Already Achieved It	On Way to Achieving It	It is Out of Reach
Total	29%	45%	24%
18-29	18%	48%	31%
30-44	21%	53%	25%
45-59	27%	45%	26%
60+	46%	36%	18%
No HS Diploma	18%	50%	30%
HS Grad or Equivalent	23%	41%	33%
Some College/AA	28%	46%	25%
BA+	39%	45%	15%
White, NH	34%	44%	22%
Black, NH	13%	54%	32%
Hispanic	28%	40%	31%
Other/2+, NH	23%	51%	21%
<\$30k	19%	37%	41%
\$30k-<\$60k	25%	50%	25%
\$60k-<\$100k	33%	48%	18%
\$100k+	45%	44%	10%

Note: Results for “Did not respond” or skipped questions are not included.

While the figures certainly vary according to age, race, education, and income level, in all cases, the majority or vast majority of these groups say that they have achieved or are on their way to achieving the American Dream.

THE EFFECT OF THE COVID-19 PANDEMIC ON THE AMERICAN DREAM

One of the biggest drawbacks to performing this survey has been that it was conducted during one of the worst pandemics in recent decades while the uncertainty surrounding Covid-19 still affects our every-day lives. Given the uncertainty and the immense effect lockdowns and other restrictions have had on the economy and on people’s careers, we wanted to explore whether the pandemic has diminished hopes of achieving the American Dream.

There are a few results worth highlighting from these responses. The first is that, as expected, the pandemic has definitely impacted people’s perception of the American Dream—with 11 percent of respondents reporting that the dream is completely out of reach, and 45 percent reporting that it is further out of reach. The second is that for 42 percent of respondents, their perception has either not changed or—to a small minority, 3 percent—the American Dream is even more achievable.

However, even though 45 percent say that the Dream is further out of reach, we can take a more positive view and acknowledge that only 11 percent of respondents consider it completely out of reach for them.

Figure 2 | HOW HAS THE COVID-19 PANDEMIC AFFECTED YOUR VIEW OF THE AMERICAN DREAM?

	The Dream is More Achievable	The Dream is Further Out of Reach	The Dream is Completely Out of Reach	The Covid-19 Pandemic Has Not Affected Your View of The American Dream
Total	3%	45%	11%	39%
18–29	6%	47%	19%	23%
30–44	4%	47%	15%	35%
45–59	2%	45%	9%	43%
60+	2%	42%	5%	50%
No HS Diploma	3%	41%	13%	40%
HS Grad or Equivalent	6%	40%	17%	34%
Some College/AA	3%	45%	9%	42%
BA+	2%	51%	8%	39%
White, NH	3%	47%	8%	41%
Black, NH	5%	38%	20%	36%
Hispanic	3%	42%	18%	32%
Other/2+, NH	1%	48%	12%	39%
<\$30k	5%	40%	18%	32%
\$30k–<\$60k	3%	46%	10%	40%
\$60k–<\$100k	2%	50%	8%	40%
\$100k+	2%	45%	7%	45%

Note: Results for “Did not respond” or skipped questions are not included.

Again, results vary according to various demographic characteristics but overall, despite Covid-19’s influence on the American Dream, there is more room for optimism than we might expect in the middle of a (hopefully) once-in-a-lifetime pandemic.

THE AMERICAN DREAM IS ABOUT MORE THAN JUST WEALTH

A key component of the traditional definition of the American Dream is that people seek to live better and fuller lives and not just richer ones. What this means is certainly subjective. People could seek to live better lives in the sense of better healthcare and life expectancy, better relationships, or better overall quality of life. As it relates to fuller lives, measuring this becomes even more subjective as people naturally have different definitions of what it is to have a “fuller” life. It could mean having more freedom of choice, more opportunities to find ways to flourish, better family life, more free time, or a wider array of hobbies to choose from.

However, in the context of this survey and how we think about the Dream more broadly, this means that wealth or other material goals that are often associated with the Dream are just one of the factors involved in successfully pursuing or achieving the American Dream—even if some degree of wealth is only a necessary but not sufficient condition to achieve it.

In Figure 3 we summarize the results of our survey which asked participants to discuss how essential, important, or not important specific statements were in their understanding of the American Dream.

Figure 3 | HOW ESSENTIAL DO YOU THINK EACH OF THE FOLLOWING STATEMENTS IS TO YOUR OWN VIEW OF THE AMERICAN DREAM?

	Essential	Important but Not Essential	Not Important
Freedom of choice in how to live	82%	15%	2%
Have a good family life	81%	15%	2%
Retire comfortably	71%	26%	2%
Own a home	49%	44%	6%
Have a successful career	45%	49%	5%
Make valuable contributions to community	38%	53%	7%
Become wealthy	13%	56%	30%

Note: Results for “Did not respond” or skipped questions are not included.

Of those who considered various components essential, it is interesting to analyze some of the subgroups and key characteristics in more detail. In Figure 4 we provide more detail.

Figure 4 | HOW ESSENTIAL DO YOU THINK EACH OF THE FOLLOWING STATEMENTS IS TO YOUR OWN VIEW OF THE AMERICAN DREAM? (Cont.)

	Freedom of Choice in How to Live	Have a Good Family Life	Retire Comfortably	Own a Home	Have a Successful Career	Make Valuable Contributions to Community	Become Wealthy
Total	82%	81%	71%	49%	45%	38%	13%
18–29	69%	67%	59%	47%	52%	36%	16%
30–44	84%	85%	76%	54%	49%	43%	21%
45–59	86%	85%	75%	47%	38%	40%	11%
60+	88%	84%	73%	49%	43%	35%	7%
No HS Diploma	76%	73%	60%	47%	50%	36%	17%
HS Grad or Equivalent	79%	80%	71%	50%	46%	31%	14%
Some College/AA	84%	80%	70%	51%	43%	37%	12%
BA+	86%	86%	76%	48%	45%	47%	13%
White, NH	85%	84%	73%	51%	44%	37%	10%
Black, NH	75%	79%	70%	54%	53%	44%	28%
Hispanic	75%	71%	64%	39%	45%	42%	13%
Other/2+, NH	85%	87%	73%	52%	46%	38%	17%
<\$30k	71%	70%	63%	42%	44%	32%	14%
\$30k–<\$60k	86%	83%	69%	52%	46%	39%	15%
\$60k–<\$100k	84%	84%	74%	52%	44%	39%	13%
\$100k+	89%	89%	81%	51%	47%	46%	12%

Note: Results for “Did not respond” or skipped questions are not included.

The majority of respondents considered freedom to choose what they want to do with their life as essential for the American Dream. This can be related to the “fuller lives” component of the American Dream, where it’s not a pursuit of material success but more an aspiration to choose one’s own path, a meaningful path. Having a good family life was also often ranked as essential while becoming wealthy was at the bottom of the list.

Other income-related answers, such as retiring comfortably and owning a home, ranked in the middle but weren't too different from having a good career and making a valuable contribution to society, which can have a monetary element to them but are goals that do not necessarily require an abundance of wealth to be fulfilled.

Other surveys by the Pew Research Trust and more recently by the American Enterprise Institute reported similar findings. Statements related to freedom of choice and family life rank very highly and becoming wealthy is almost always at the bottom of the list as an essential feature of the American Dream.

DO WE HAVE MORE OPPORTUNITIES?

As academics and policymakers seek to find more quantitative ways to measure the American Dream, and turn to using absolute upward economic mobility as one of the main such measurements, many people associate the American Dream with opportunity. Whether referring to opportunities in the labor market or opportunities to live meaningful lives, this factor has been a staple of the American Dream for generations.

Whether opportunities have been equally available is has been vigorously debated in recent months and throughout US history, and it remains an important open question. But in our survey, most Americans, and especially blacks, believe that they have more opportunities than their parents had.

Figure 5 | RELATIVE TO THE OPPORTUNITIES YOUR PARENTS HAD, HOW DO YOU VIEW YOUR OWN OPPORTUNITIES FOR SUCCESS? DO YOU FEEL YOU HAVE... ?

	More Opportunities	About the Same Opportunities	Fewer Opportunities
Total	52%	33%	15%
18–29	36%	43%	19%
30–44	43%	37%	20%
45–59	55%	31%	14%
60+	68%	23%	8%
No HS Diploma	41%	42%	17%
HS Grad or Equivalent	46%	38%	14%
Some College/AA	52%	32%	16%
BA+	59%	27%	13%
White, NH	50%	33%	16%
Black, NH	55%	33%	11%
Hispanic	52%	36%	12%
Other/2+, NH	58%	25%	16%
<\$30k	37%	41%	20%
\$30k–<\$60k	51%	32%	16%
\$60k–<\$100k	59%	28%	12%
\$100k+	62%	28%	9%

Note: Results for “Did not respond” or skipped questions are not included.

A majority of respondents think they have either more opportunities or about the same amount of opportunities as their parents had, and only a small minority—15 percent—believe they have fewer opportunities than their parents. It is interesting to highlight that blacks are the group that mostly reports to have either more opportunities than or the same opportunities as their parents, with the lowest percentage of people in that group, 11 percent, saying that they have fewer opportunities.

And how do people believe that future generations will fare? In our next question we asked if people believed their children, if they had any, were likely to have more opportunities, the same amount of opportunities, or fewer opportunities. Again, most people who had children reported that they will likely have more opportunities or the same amount of opportunities as they had. Again, it is interesting to highlight that blacks are the group that is most optimistic about their children’s future.

Figure 6 | RELATIVE TO YOUR OWN OPPORTUNITIES FOR SUCCESS, HOW DO YOU VIEW OPPORTUNITIES FOR YOUR CHILDREN?
DO YOU FEEL YOUR CHILDREN ARE...?

	Likely to Have More Opportunities	Likely to Have About the Same Amount of Opportunities	Likely To Have Fewer Opportunities	No Children
Total	35%	26%	18%	20%
18–29	28%	25%	13%	31%
30–44	33%	26%	20%	19%
45–59	33%	27%	20%	19%
60+	43%	25%	18%	13%
No HS Diploma	44%	16%	17%	22%
HS Grad or Equivalent	36%	28%	13%	20%
Some College/AA	38%	23%	21%	16%
BA+	30%	28%	20%	21%
White, NH	31%	27%	20%	20%
Black, NH	51%	20%	14%	13%
Hispanic	37%	26%	14%	21%
Other/2+, NH	36%	21%	16%	25%
<\$30k	34%	22%	14%	28%
\$30k–<\$60k	37%	26%	17%	19%
\$60k–<\$100k	37%	28%	17%	17%
\$100k+	32%	26%	26%	14%

Note: Results for “Did not respond” or skipped questions are not included.

DO WE NEED TO EQUALIZE OUTCOMES OR EQUALIZE OPPORTUNITIES?

The American Dream is a hotly contested topic when it comes to discussing policy alternatives aimed at preserving or revitalizing it. Many public intellectuals seem to think only in material terms and conclude that the American Dream is mostly (or only) about wealth. As such, many people believe that when there are big gaps in income or in wealth, it is to the detriment of the American Dream. One of the most compelling cases of this view is embodied in research by Raj Chetty⁶ and his colleagues at Opportunity Insights, who have correlated the measured decline in economic mobility since the 1940s to a growth in income inequality.

More broadly, other researchers like Miles Corak,⁷ also relate income inequality to income mobility. Then, other economists, such as the late Alan Krueger,⁸ seem to infer that policies or explanations behind the rise of income inequality should explain income mobility trends as well.

However, when it comes to policy alternatives, there is a big difference between which policies we should pursue if we seek to reduce income or wealth inequality and those we should pursue if we seek to improve upward economic mobility. Even though there might be some structural problems that affect both issues at the same time,⁹ the policy alternatives are different. In order to ensure that more people achieve their American Dream, should policymakers worry more about reducing inequality, ensuring a fair chance for all to pursue their dream (more opportunities), or just ensuring that fewer people live in poverty?

In our survey, we asked this question to better assess in what direction our policy conversation should go if we want to empower people to achieve their American Dream. Despite a consistent flow of media and public intellectuals telling us that income inequality is the defining issue of our times, most people in our survey reported that it is much more important to ensure people have a fair chance to succeed or that we reduce poverty than focus on reducing the income gap.

Figure 7 | WHICH OF THE FOLLOWING DO YOU CONSIDER TO BE THE MOST IMPORTANT GOAL OF PUBLIC POLICY?

	Closing the Gap Between Rich and Poor	Ensuring Everyone Has a Fair Chance of Achieving Success	Ensuring Americans Do Not Live in Poverty
Total	19%	55%	24%
18–29	25%	39%	30%
30–44	20%	57%	22%
45–59	15%	60%	24%
60+	17%	61%	21%
No HS Diploma	24%	46%	28%
HS Grad or Equivalent	19%	53%	25%
Some College/AA	19%	58%	22%
BA+	18%	58%	23%
White, NH	18%	57%	24%
Black, NH	19%	53%	26%
Hispanic	24%	49%	23%
Other/2+, NH	20%	57%	23%
<\$30k	19%	47%	28%
\$30k–\$60k	22%	49%	28%
\$60k–\$100k	18%	61%	20%
\$100k+	16%	65%	18%

Note: Results for “Did not respond” or skipped questions are not included.

Now, it is open for debate whether the best way to ensure less poverty and more mobility is actually accomplished by reducing income inequality, but such a strategy would recognize that the reduction in income inequality is, at best, an intermediate achievement. Furthermore, many people who worry about income inequality might consider a rising gap between the rich and poor as a signal indicating the poor are being left behind. However, there has not been conclusive evidence that reducing inequality increases mobility or reduces poverty. Moreover, as recent evidence suggests, the poor have had a lot of income gains in recent decades, and 93 percent of people in the bottom income quintile do end up surpassing their parents' income as adults.¹⁰ When discussing inequality, mobility, and poverty, we have to bear in mind that these are not the same issues and resist intertwining the concepts. Different policy alternatives should be considered depending on which issue we're attempting to address.

CONCLUSIONS

As the survey shows, for the majority of Americans (even in the midst of challenging times) the American Dream is alive and well, the vast majority of survey respondents reported that they have either achieved or are on their way to achieving the American Dream. Also, for most Americans, the Dream is much more than a strictly material endeavor. Large majorities, and especially black Americans, believe that they have more opportunities than their parents had and that their children will have either the same number or more opportunities for success as they did.

Even now, the American Dream ethos remains a vision statement for the United States. Despite some helpful indicators, it cannot be comprehensively quantified since it is still, at least in part, an attitude, a promise of better days to come, and an invitation to pursue happiness and human flourishing without any assurances. That vision can be sustained by both actions and ideas. We can and should continue to remove many barriers that stand in the way of people seeking to live better, richer, and fuller lives. But we should also make sure that the Dream is alive and well in the imaginations and lives of all Americans as a profound ideal that we all strive to achieve.

ENDNOTES

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- ⁴ Samantha Smith, “Most think the ‘American dream’ is within reach for them,” Pew Research Center (October 31, 2017), <https://www.pewresearch.org/fact-tank/2017/10/31/most-think-the-american-dream-is-within-reach-for-them>.
- ⁵ Samuel J. Abrams et al., “AEI Survey on Community and Society: Social capital, civic health, and quality of life in the United States,” American Enterprise Institute (February 2019).
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- ⁸ Alan B. Krueger, “The Rise and Consequences of Inequality in the United States,” Center for American Progress, (January 2012), <https://www.americanprogress.org/events/2012/01/12/17181/the-rise-and-consequences-of-inequality/>.
- ⁹ Gonzalo Schwarz, “The Importance of Structural Factors in Understanding Economic Mobility,” Archbridge Institute (October 9, 2018), <https://www.archbridgeinstitute.org/2018/10/09/the-importance-of-structural-factors-in-understanding-economic-mobility/>.
- ¹⁰ “Pursuing the American Dream: Economic Mobility Across Generations, Economic Mobility Project,” Pew Charitable Trust (July 2012).

ABOUT THE AUTHOR



GONZALO SCHWARZ Growing up around the world in Uruguay, Israel, Ecuador, and Bolivia, Gonzalo saw poverty firsthand and wondered how to get individuals on the path to prosperity. After earning his bachelor's degree in economics at the Catholic University of Bolivia and his master's in economics from George Mason University, he began his life's work of reducing poverty. This led Gonzalo to found the Archbridge Institute, an organization dedicated to lifting barriers to human flourishing.

While forming the idea to start the Archbridge Institute, Gonzalo Schwarz was working as the Director of Strategic Initiatives at Atlas Network. In his free time, Gonzalo loves to spend time with his two kids, read, and watch his favorite fútbol, the appropriate name for soccer.



LIFTING BARRIERS. LIFTING LIVES.

Increasing opportunities for social mobility and human flourishing is the defining challenge of our time. Through rigorous academic research, sound public policy solutions, and reviving the spirit of entrepreneurship, the Archbridge Institute works to empower individuals to achieve better, richer, and fuller lives by identifying and removing the barriers that constrain their potential. The Archbridge Institute is a non-partisan, independent, 501(c)(3) public policy think tank.