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Shadowy Lines That Still Divide
By JANNY SCOTT and DAVID LEONHARDT

There was a time when Americans thought they understood class. The upper crust vacationed in Europe and worshiped an Episcopal God. The middle class drove Ford Fairlanes, settled the San Fernando Valley and enlisted as company men. The working class belonged to the A.F.L.-C.I.O., voted Democratic and did not take cruises to the Caribbean.

Today, the country has gone a long way toward an appearance of classlessness. Americans of all sorts are awash in luxuries that would have dazzled their grandparents. Social diversity has erased many of the old markers. It has become harder to read people's status in the clothes they wear, the cars they drive, the votes they cast, the god they worship, the color of their skin. The contours of class have blurred; some say they have disappeared.

But class is still a powerful force in American life. Over the past three decades, it has come to play a greater, not lesser, role in important ways. At a time when education matters more than ever, success in school remains linked tightly to class. At a time when the country is increasingly integrated racially, the rich are isolating themselves more and more. At a time of extraordinary advances in medicine, class differences in health and lifespan are wide and appear to be widening.

And new research on mobility, the movement of families up and down the economic ladder, shows there is far less of it than economists once thought and less than most people believe. In fact, mobility, which once buoyed the working lives of Americans as it rose in the decades after World War II, has lately flattened out or possibly even declined, many researchers say.

Mobility is the promise that lies at the heart of the American dream. It is supposed to take the sting out of the widening gulf between the have-mores and the have-nots. There are poor and rich in the United States, of course, the argument goes; but as long as one can become the other, as long as there is something close to equality of opportunity, the differences between them do not add up to class barriers.

The trends are broad and seemingly contradictory: the blurring of the landscape of class and the simultaneous hardening of certain class lines; the rise in standards of living while most people remain moored in their relative places.

Even as mobility seems to have stagnated, the ranks of the elite are opening. Today, anyone may have a shot at becoming a United States Supreme Court justice or a C.E.O., and there are more and more self-made billionaires. Only 37 members of last year's Forbes 400, a list of the richest Americans, inherited their wealth, down from almost 200 in the mid-1980's.

So it appears that while it is easier for a few high achievers to scale the summits of wealth, for many others it has become harder to move up from one economic class to another. Americans are arguably more likely than they were 30 years ago to end up in the class into which they were born.

A paradox lies at the heart of this new American meritocracy. Merit has replaced the old system of inherited privilege, in which parents to the manner born handed down the manor to their children. But merit, it turns out, is at least partly class-based. Parents with money, education and connections cultivate in their children the habits that the meritocracy rewards. When their children then succeed, their success is seen as earned.

The scramble to scoop up a house in the best school district, channel a child into the right preschool program or land the best medical specialist are all part of a quiet contest among social groups that the affluent and educated are winning in a rout.
Faith in the System

Most Americans remain upbeat about their prospects for getting ahead. A recent New York Times poll on class found that 40 percent of Americans believed that the chance of moving up from one class to another had risen over the last 30 years, a period in which the new research shows that it has not. Thirty-five percent said it had not changed, and only 23 percent said it had dropped.

More Americans than 20 years ago believe it possible to start out poor, work hard and become rich. They say hard work and a good education are more important to getting ahead than connections or a wealthy background.

"I think the system is as fair as you can make it," Ernie Frazier, a 65-year-old real estate investor in Houston, said in an interview after participating in the poll. "I don't think life is necessarily fair. But if you persevere, you can overcome adversity. It has to do with a person's willingness to work hard, and I think it's always been that way."

Most say their standard of living is better than their parents' and imagine that their children will do better still. Even families making less than $30,000 a year subscribe to the American dream; more than half say they have achieved it or will do so.

But most do not see a level playing field. They say the very rich have too much power, and they favor the idea of class-based affirmative action to help those at the bottom. Even so, most say they oppose the government's taxing the assets a person leaves at death.

"They call it the land of opportunity, and I don't think that's changed much," said Diana Lackey, a 60-year-old homemaker and wife of a retired contractor in Fulton, N.Y., near Syracuse. "Times are much, much harder with all the downsizing, but we're still a wonderful country."

The Attributes of Class

One difficulty in talking about class is that the word means different things to different people. Class is rank, it is tribe, it is culture and taste. It is attitudes and assumptions, a source of identity, a system of exclusion. To some, it is just money. It is an accident of birth that can influence the outcome of a life. Some Americans barely notice it; others feel its weight in powerful ways.

At its most basic, class is one way societies sort themselves out. Even societies built on the idea of eliminating class have had stark differences in rank. Classes are groups of people of similar economic and social position; people who, for that reason, may share political attitudes, lifestyles, consumption patterns, insurance. But that doesn't mean there are classes."

One way to think of a person's position in society is to imagine a hand of cards. Everyone is dealt four cards, one from each suit: education, income, occupation and wealth, the four commonly used criteria for gauging class. Face cards in a few categories may land a player in the upper middle class. At first, a person's class is his parents' class. Later, he may pick up a new hand of his own; it is likely to resemble that of his parents, but not always.

Bill Clinton traded in a hand of low cards with the help of a college education and a Rhodes scholarship and emerged decades later with four face cards. Bill Gates, who started off squarely in the upper middle class, made a fortune without finishing college, drawing three aces.

Many Americans say that they too have moved up the nation's class ladder. In the Times poll, 45 percent of respondents said they were in a higher class than when they grew up, while just 16 percent said they were
in a lower one. Over all, 1 percent described themselves as upper class, 15 percent as upper middle class, 
42 percent as middle, 35 percent as working and 7 percent as lower.

"I grew up very poor and so did my husband," said Wanda Brown, the 58-year-old wife of a retired planner 
for the Puget Sound Naval Shipyard who lives in Puyallup, Wash., near Tacoma. "We're not rich but we are 
comfortable and we are middle class and our son is better off than we are."

The American Ideal

The original exemplar of American social mobility was almost certainly Benjamin Franklin, one of 17 
children of a candle maker. About 20 years ago, when researchers first began to study mobility in a 
rigorous way, Franklin seemed representative of a truly fluid society, in which the rags-to-riches trajectory 
was the readily achievable ideal, just as the nation's self-image promised.

In a 1987 speech, Gary S. Becker, a University of Chicago economist who would later win a Nobel Prize, 
summed up the research by saying that mobility in the United States was so high that very little advantage 
was passed down from one generation to the next. In fact, researchers seemed to agree that the 
grandchildren of privilege and of poverty would be on nearly equal footing.

If that had been the case, the rise in income inequality beginning in the mid-1970's should not have been all 
that worrisome. The wealthy might have looked as if they were pulling way ahead, but if families were 
moving in and out of poverty and prosperity all the time, how much did the gap between the top and bottom 
matter?

But the initial mobility studies were flawed, economists now say. Some studies relied on children's fuzzy 
recollections of their parents' income. Others compared single years of income, which fluctuate 
considerably. Still others misread the normal progress people make as they advance in their careers, like 
from young lawyer to senior partner, as social mobility.

The new studies of mobility, which methodically track peoples' earnings over decades, have found far less 
movement. The economic advantage once believed to last only two or three generations is now believed to 
last closer to five. Mobility happens, just not as rapidly as was once thought.

"We all know stories of poor families in which the next generation did much better," said Gary Solon, a 
University of Michigan economist who is a leading mobility researcher. "It isn't that poor families have no 
chance."

But in the past, Professor Solon added, "people would say, 'Don't worry about inequality. The offspring of 
the poor have chances as good as the chances of the offspring of the rich.' Well, that's not true. It's not 
respectable in scholarly circles anymore to make that argument."

One study, by the Federal Reserve Bank of Boston, found that fewer families moved from one quintile, or 
fifth, of the income ladder to another during the 1980's than during the 1970's and that still fewer moved in 
the 90's than in the 80's. A study by the Bureau of Labor Statistics also found that mobility declined from 
the 80's to the 90's.

The incomes of brothers born around 1960 have followed a more similar path than the incomes of brothers 
born in the late 1940's, researchers at the Chicago Federal Reserve and the University of California, 
Berkeley, have found. Whatever children inherit from their parents - habits, skills, genes, contacts, money - 
seems to matter more today.

Studies on mobility over generations are notoriously difficult, because they require researchers to match the 
earnings records of parents with those of their children. Some economists consider the findings of the new
studies murky; it cannot be definitively shown that mobility has fallen during the last generation, they say, only that it has not risen. The data will probably not be conclusive for years.

Nor do people agree on the implications. Liberals say the findings are evidence of the need for better early-education and antipoverty programs to try to redress an imbalance in opportunities. Conservatives tend to assert that mobility remains quite high, even if it has tailed off a little.

But there is broad consensus about what an optimal range of mobility is. It should be high enough for fluid movement between economic levels but not so high that success is barely tied to achievement and seemingly random, economists on both the right and left say.

As Phillip Swagel, a resident scholar at the American Enterprise Institute, put it, "We want to give people all the opportunities they want. We want to remove the barriers to upward mobility."

Yet there should remain an incentive for parents to cultivate their children. "Most people are working very hard to transmit their advantages to their children," said David I. Levine, a Berkeley economist and mobility researcher. "And that's quite a good thing."

One surprising finding about mobility is that it is not higher in the United States than in Britain or France. It is lower here than in Canada and some Scandinavian countries but not as low as in developing countries like Brazil, where escape from poverty is so difficult that the lower class is all but frozen in place.

Those comparisons may seem hard to believe. Britain and France had hereditary nobilities; Britain still has a queen. The founding document of the United States proclaims all men to be created equal. The American economy has also grown more quickly than Europe's in recent decades, leaving an impression of boundless opportunity.

But the United States differs from Europe in ways that can gum up the mobility machine. Because income inequality is greater here, there is a wider disparity between what rich and poor parents can invest in their children. Perhaps as a result, a child's economic background is a better predictor of school performance in the United States than in Denmark, the Netherlands or France, one recent study found.

"Being born in the elite in the U.S. gives you a constellation of privileges that very few people in the world have ever experienced," Professor Levine said. "Being born poor in the U.S. gives you disadvantages unlike anything in Western Europe and Japan and Canada."

**Blurring the Landscape**

Why does it appear that class is fading as a force in American life?

For one thing, it is harder to read position in possessions. Factories in China and elsewhere churn out picture-taking cellphones and other luxuries that are now affordable to almost everyone. Federal deregulation has done the same for plane tickets and long-distance phone calls. Banks, more confident about measuring risk, now extend credit to low-income families, so that owning a home or driving a new car is no longer evidence that someone is middle class.

The economic changes making material goods cheaper have forced businesses to seek out new opportunities so that they now market to groups they once ignored. Cruise ships, years ago a symbol of the high life, have become the ocean-going equivalent of the Jersey Shore. BMW produces a cheaper model with the same insignia. Martha Stewart sells chenille jacquard drapery and scallop-embossed ceramic dinnerware at Kmart.
"The level of material comfort in this country is numbing," said Paul Bellew, executive director for market and industry analysis at General Motors. "You can make a case that the upper half lives as well as the upper 5 percent did 50 years ago."

Like consumption patterns, class alignments in politics have become jumbled. In the 1950's, professionals were reliably Republican; today they lean Democratic. Meanwhile, skilled labor has gone from being heavily Democratic to almost evenly split.

People in both parties have attributed the shift to the rise of social issues, like gun control and same-sex marriage, which have tilted many working-class voters rightward and upper income voters toward the left. But increasing affluence plays an important role, too. When there is not only a chicken, but an organic, free-range chicken, in every pot, the traditional economic appeal to the working class can sound off key.

Religious affiliation, too, is no longer the reliable class marker it once was. The growing economic power of the South has helped lift evangelical Christians into the middle and upper middle classes, just as earlier generations of Roman Catholics moved up in the mid-20th century. It is no longer necessary to switch one's church membership to Episcopal or Presbyterian as proof that one has arrived.

"You go to Charlotte, N.C., and the Baptists are the establishment," said Mark A. Chaves, a sociologist at the University of Arizona. "To imagine that for reasons of respectability, if you lived in North Carolina, you would want to be a Presbyterian rather than a Baptist doesn't play anymore."

The once tight connection between race and class has weakened, too, as many African-Americans have moved into the middle and upper middle classes. Diversity of all sorts - racial, ethnic and gender - has complicated the class picture. And high rates of immigration and immigrant success stories seem to hammer home the point: The rules of advancement have changed.

The American elite, too, is more diverse than it was. The number of corporate chief executives who went to Ivy League colleges has dropped over the past 15 years. There are many more Catholics, Jews and Mormons in the Senate than there were a generation or two ago. Because of the economic earthquakes of the last few decades, a small but growing number of people have shot to the top.

"Anything that creates turbulence creates the opportunity for people to get rich," said Christopher S. Jencks, a professor of social policy at Harvard. "But that isn't necessarily a big influence on the 99 percent of people who are not entrepreneurs."

These success stories reinforce perceptions of mobility, as does cultural myth-making in the form of television programs like "American Idol" and "The Apprentice."

But beneath all that murkiness and flux, some of the same forces have deepened the hidden divisions of class. Globalization and technological change have shuttered factories, killing jobs that were once stepping-stones to the middle class. Now that manual labor can be done in developing countries for $2 a day, skills and education have become more essential than ever.

This has helped produce the extraordinary jump in income inequality. The after-tax income of the top 1 percent of American households jumped 139 percent, to more than $700,000, from 1979 to 2001, according to the Congressional Budget Office, which adjusted its numbers to account for inflation. The income of the middle fifth rose by just 17 percent, to $43,700, and the income of the poorest fifth rose only 9 percent.

For most workers, the only time in the last three decades when the rise in hourly pay beat inflation was during the speculative bubble of the 90's. Reduced pensions have made retirement less secure.
Clearly, a degree from a four-year college makes even more difference than it once did. More people are getting those degrees than did a generation ago, but class still plays a big role in determining who does or does not. At 250 of the most selective colleges in the country, the proportion of students from upper-income families has grown, not shrunk.

Some colleges, worried about the trend, are adopting programs to enroll more lower-income students. One is Amherst, whose president, Anthony W. Marx, explained: "If economic mobility continues to shut down, not only will we be losing the talent and leadership we need, but we will face a risk of a society of alienation and unhappiness. Even the most privileged among us will suffer the consequences of people not believing in the American dream."

Class differences in health, too, are widening, recent research shows. Life expectancy has increased overall; but upper-middle-class Americans live longer and in better health than middle-class Americans, who live longer and in better health than those at the bottom.

Class plays an increased role, too, in determining where and with whom affluent Americans live. More than in the past, they tend to live apart from everyone else, cocooned in their exurban chateaus. Researchers who have studied data from the 1980, 1990 and 2000 censuses say the isolation of the affluent has increased.

Family structure, too, differs increasingly along class lines. The educated and affluent are more likely than others to have their children while married. They have fewer children and have them later, when their earning power is high. On average, according to one study, college-educated women have their first child at 30, up from 25 in the early 1970's. The average age among women who have never gone to college has stayed at about 22.

Those widening differences have left the educated and affluent in a superior position when it comes to investing in their children. "There is no reason to doubt the old saw that the most important decision you make is choosing your parents," said Professor Levine, the Berkeley economist and mobility researcher. "While it's always been important, it's probably a little more important now."

The benefits of the new meritocracy do come at a price. It once seemed that people worked hard and got rich in order to relax, but a new class marker in upper-income families is having at least one parent who works extremely long hours (and often boasts about it). In 1973, one study found, the highest-paid tenth of the country worked fewer hours than the bottom tenth. Today, those at the top work more.

In downtown Manhattan, black cars line up outside Goldman Sachs's headquarters every weeknight around 9. Employees who work that late get a free ride home, and there are plenty of them. Until 1976, a limousine waited at 4:30 p.m. to ferry partners to Grand Central Terminal. But a new management team eliminated the late-afternoon limo to send a message: 4:30 is the middle of the workday, not the end.

**A Rags-to-Riches Faith**

Will the trends that have reinforced class lines while papering over the distinctions persist?

The economic forces that caused jobs to migrate to low-wage countries are still active. The gaps in pay, education and health have not become a major political issue. The slicing of society's pie is more unequal than it used to be, but most Americans have a bigger piece than they or their parents once did. They appear to accept the tradeoffs.

Faith in mobility, after all, has been consciously woven into the national self-image. Horatio Alger's books have made his name synonymous with rags-to-riches success, but that was not his personal story. He was a second-generation Harvard man, who became a writer only after losing his Unitarian ministry because of
allegations of sexual misconduct. Ben Franklin’s autobiography was punched up after his death to underscore his rise from obscurity.

The idea of fixed class positions, on the other hand, rubs many the wrong way. Americans have never been comfortable with the notion of a pecking order based on anything other than talent and hard work. Class contradicts their assumptions about the American dream, equal opportunity and the reasons for their own successes and even failures. Americans, constitutionally optimistic, are disinclined to see themselves as stuck.

Blind optimism has its pitfalls. If opportunity is taken for granted, as something that will be there no matter what, then the country is less likely to do the hard work to make it happen. But defiant optimism has its strengths. Without confidence in the possibility of moving up, there would almost certainly be fewer success stories.

Discussion Questions
(30 points)
Complete the following on a separate sheet of paper

Page 1
1. What are three areas which the authors say class is playing a more important role?
2. Describe the recent trend in social mobility according to Scott and Leonhardt.
3. From the 2004 Forbes list of the 400 richest Americans, how many have inherited their wealth? How has this changed since the 1980s?
4. What is a meritocracy?
5. Is merit class based? Explain.

Faith in the System
6. What do Americans believe about social mobility? What do the authors believe?

Attributes of Class
7. What are the “four cards” everyone is dealt?

The American Ideal
8. What did Gary S. Becker say about class in 1987? Was he right or wrong?
9. What do more recent studies show?
10. Describe the optimal range of social mobility.
11. How does social mobility in the U.S. compare to Britain, France and Canada?

Blurring the Landscape
12. Why is it becoming more difficult, to an casual observer, to determine what social class people are in?
13. Why is education more important to Americans today, than it was in the past?
14. Describe how class has changed in the most prestigious universities.
15. What is the connection between class and hours worked? How has this changed?