

chances of success. One study found that 2% of Americans described themselves as currently rich but 31% thought that they would become rich at some stage. In fact only 2–3% of those in the bottom half of the income distribution have a chance of becoming very well off (defined as having an annual income of more than \$340,000). Just over half of those earning \$75,000 a year think they will become very well off, but experience suggests that only 12–17% will make it.

Health outcomes too are decidedly unequal; the gap between the life expectancy of the top and bottom 10% respectively rose from 2.8 years to 4.5 between 1980 and 2000. That does not meet the definition of a fair society by John Rawls, a 20th-century philosopher, who described it as one in which a new entrant would be happy to be born even though he did not know his social position ahead of time.

However, these inequalities are likely to lessen now. For a start, this decade has so far seen a dismal performance by the stockmarket, which plays a crucial role in creating and maintaining wealth. Real annual returns from American stocks averaged –4.1% in the decade to the end of 2008.

## THE PENDULUM SWINGS BACK

Property prices are already falling sharply. . . . Investment bankers are losing their jobs or at least seeing their bonuses cut, and hedge-fund managers are going out of business. As long as the credit crunch continues, it will be more difficult to use borrowed money to boost incomes. And corporate profits, which usually make a handsome contribution to the incomes of the rich, are declining steeply.

Much of this is what you would expect in a recession, and the poor will be suffering along with the rich. But although they may lose their jobs and default on their loans, they will not be troubled by collapsing asset prices because they do not own assets. Edward Wolff of New York University points out that the proportion of American households owning some stocks (including mutual funds and

401k pension plans) went up from 32% in 1983 to 51% in 2001. But only 32% of the population owned more than \$10,000-worth of stock, and many middle-class people are only modestly affected by falling asset prices. The richest 10% of the American population owned 85% of all stocks. . . .

## DISCUSSION QUESTIONS

1. Do you think Americans object to high degrees of income inequality? Why or why not?
2. Of the factors described as contributing to increasing inequality, which do you find most compelling?

## READING 14

### The Silver Spoon: Inheritance and the Staggered Start

Stephen J. McNamee and Robert K. Miller Jr.

To heir is human.

—Jeffrey P. Rosenfeld, *Legacy of Aging*

A common metaphor for the competition to get ahead in life is the foot race. The imagery is that the fastest runner—presumably the most meritorious—will be the one to break the tape at the finish line. But in terms of economic competition, the race is rigged. If we think of money as a measure of who gets how much of what there is to get, the race to get ahead does not start anew with each generation. Instead, it is more like a relay race in which we inherit a starting point from our parents. The baton is passed, and for a while, both parents and children run together. When the exchange is complete, the children are on their own as they position themselves for the next exchange to the next generation. Although each new runner may

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gain or lose ground in the competition, each new runner inherits an initial starting point in the race.

In this intergenerational relay race, children born to wealthy parents start at or near the finish line, while children born into poverty start behind everyone else. Those who are born close to the finish line need no merit to get ahead. They already are ahead. The poorest of the poor, however, need to traverse the entire distance to get to the finish line on the basis of merit alone. In this sense, meritocracy applies strictly only to the poorest of the poor; everyone else has at least some advantage of inheritance that places him or her ahead at the start of the race.

In comparing the effects of inheritance and individual merit on life outcomes, the effects of inheritance come first, *followed by* the effects of individual merit—not the other way around. Figure 1 depicts the intergenerational relay race to get ahead. The solid lines represent the effects of inheritance on economic outcomes. The dotted lines represent the potential effects of merit. The “distance” each person needs to reach the finish line on the basis of merit depends on how far from the finish line each person starts the race in the first place.

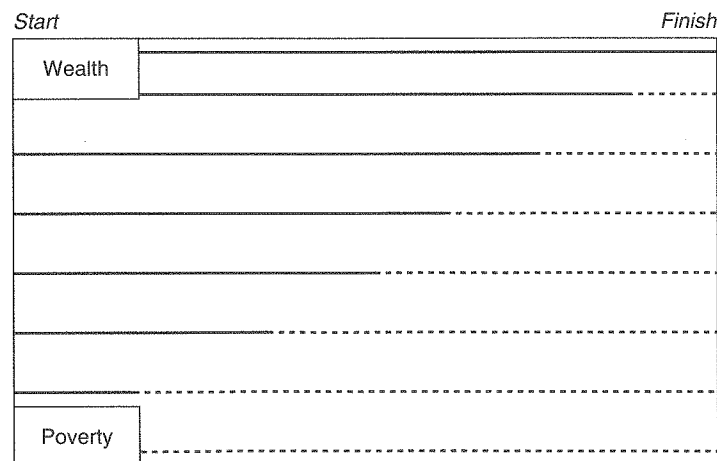
It is important to point out that equivalent amounts of merit do not lead to equivalent end results. If each dash represents one “unit” of merit, a person born poor who advances one unit on the basis of individual merit over a lifetime ends up at the end of her life one unit ahead of where she started but still at or close to poverty. A person who begins life one unit short of the top can ascend to the top based on an equivalent one unit of merit. Each person is equally meritorious, but his or her end position in the race to get ahead is very different.

Heirs to large fortunes in the world start life at or near the finish line. Barring the unlikely possibility of parental disinheritance, there is virtually no realistic scenario in which they end up destitute—regardless of the extent of their innate talent or individual motivation. Their future is financially secure. They will grow up having the best of everything and having every opportunity money can buy.

Most parents want the best for their children. As a result, most parents try to do everything they can to secure their children’s futures. Indeed, that parental desire to provide advantages for children may even have biological origins. Under the

**FIGURE 1**

The intergenerational race to get ahead. Note: solid lines are effects of inheritance; dashed lines are potential effects of merit.



"inclusive fitness-maximizing" theory of selection, for instance, beneficiaries are favored in inheritance according to their biological relatedness and reproductive value. Unsurprisingly, research shows that benefactors are much more likely to bequeath estates to surviving spouses and children than to unrelated individuals or institutions (Schwartz 1996; Willenbacher 2003). In a form of what might be called "reverse inheritance," parents may invest in children to secure their own futures in the event that they become unable to take care of themselves. Parents may also invest in their children's future to realize vicarious prestige through the successes of their children, which may, in turn, be seen as a validation of their own genetic endowments or child-rearing skills.

Regardless of the source of parental motivation, most parents clearly wish to secure children's futures. To the extent that parents are successful in passing on advantages to children, meritocracy does not operate as the basis for who ends up with what. Despite the ideology of meritocracy, the reality in America, as elsewhere, is inheritance first and merit second.

## INCOME AND WEALTH INEQUALITY

In considering how parents pass on advantages to children in the race to get ahead, researchers have usually looked at occupational mobility, that is, at how the occupations of parents affect the occupations of children. The results of this research show that parental occupation has strong effects on children's occupational prospects. Some of this effect is mediated through education; that is, the prestige of parental occupation increases the educational attainment of children, which in turn increases the prestige of the occupations they attain. Looking at occupational prestige alone, however, underestimates the full extent of inequality in society and overestimates the amount of movement within the system. A fuller appreciation of what is at stake requires examination of the kind and extent of economic inequality within the

system—who gets how much of what there is to get. Economic inequality includes inequalities of both income and wealth. Income is typically defined as the total flow of financial resources from all sources (e.g., wages and salaries, interest on savings and dividends, pensions, and government transfer payments such as social security, welfare payments, or other government payments) in a given period, usually annually. Wealth refers not to what people earn but to what they own. Wealth is usually measured as net worth that includes the total value of all assets owned (such as real estate, trusts, stocks, bonds, business equity, homes, automobiles, banking deposits, insurance policies, and the like) minus the total value of all liabilities (e.g., loans, mortgages, credit card and other forms of debt). For purposes of illustration, income and wealth inequalities are usually represented by dividing the population into quintiles and showing how much of what there is to get goes to each fifth, from the richest fifth of the population down to the poorest fifth. These proportions are illustrated in Table 1.

In terms of income, in 2005 the richest 20 percent of households received a 48.1 percent share of all income, compared to only 4 percent received by the bottom 20 percent. As income increases, so does its level of concentration. The top 15 percent alone accounts for 27 percent of the total, and the top 5 percent alone accounts for 21.1 percent of the total (Mishel, Bernstein, and Allegretto 2007, 59).

Moreover, income has great staying-power over time. That is, the same households in the top income group now are very likely to have been in the top income group in previous years. Using longitudinal data and comparing income quintiles between 1969 and 1998, Mishel, Bernstein, and Allegretto (2007) note that most households in 1998 remained at or near where they were in 1969. Of those in the lowest income group in 1969, 53.3 percent remained in the lowest income fifth almost thirty years later, while 53.2 percent of those who were in the top income fifth remained there almost thirty years later. With regard to movement over the twenty-nine-year period, Mishel,

**TABLE 1**  
SHARE OF TOTAL AVAILABLE HOUSEHOLD INCOME AND TOTAL NET WORTH

Income Group	Share of Income (%)	Share of Net Worth (%)
Top fifth	48.1	84.7
Fourth fifth	22.9	11.3
Third fifth	15.3	3.8
Second fifth	9.6	0.7
Bottom fifth	4.0	-0.5
Total	100.0	100.0

Source: Adapted from Lawrence Mishel, Jared Bernstein, and Sylvia Allegretto, *The State of Working America: 2006/2007*, Table 1.9, page 59 for share of income data, and Table 5.3, page 254 for share of net worth data. Copyright 2007 Cornell University. Used by permission of the publisher, Cornell University Press.

Bernstein, and Allegretto note that large intragenerational transitions are uncommon:

Only 7.3% of those who began the period in the first fifth ended up in the top fifth, while only 9.2% fell from the top fifth to the lowest fifth. Those transitions that do occur are most likely to be a move up or down to the neighboring fifth. For example among the middle three-fifths, close to one half of the transitions were to the neighboring fifths. (2007, 105–6)

Another indication of income inequality is revealed by a comparison of pay for the chief executive officers of major corporations with that of rank-and-file employees. CEO pay as a ratio of average worker pay increased from 24 to 1 in 1965 to 262 to 1 in 2005, with much of the compensation package for CEOs coming in the form of stock options. Since CEO compensation is increasingly in the form of stock options, the ratio to worker pay in recent years is sensitive to changes in the market but always substantially higher than in previous decades; it is also substantially higher than the ratio of CEO to worker pay in other advanced industrial countries (Mishel, Bernstein, and Allegretto 2007, 202–7).

When wealth is considered, the disparities are much greater. In 2004, the richest 20 percent of American households accounted for 84.7 percent of total net household wealth. The bottom 40 percent combined, by contrast, held *less than one quarter of 1 percent* of all available net worth. At the bottom end of the wealth scale, 17 percent of households

had zero or negative net worth (Mishel, Bernstein, and Allegretto 2007, 257). In other words, a significant number of Americans either own nothing or owe more than they own.

As MIT economist Lester Thurow has observed, “Even among the wealthy, wealth is very unequally distributed” (1999, 200). In 2001, for instance, the top 1 percent of all wealth holders with an average household net worth of nearly \$13 million and average annual income of over \$1 million accounted for 34.3 percent of all net worth, 39.7 percent of financial wealth, and 20 percent of annual income (Wolff 2006). The top 1 percent of the wealthiest households (representing about three million Americans) is significant not only for the amount of wealth held that sets this group distinctly apart from the rest of American society but for the source of that wealth. Most of the wealth held by these top wealth holders comes not from wages and salary but from investments. In 2001 the top 1 percent of households held a staggering 57.3 percent of all business equity, 58 percent of all financial securities, 46.3 percent of all trusts, 44.1 percent of all stocks and mutual funds, and 34.9 percent of all nonhome real estate (Wolff 2006, 123). Because of the amount of ownership highly concentrated in this group, the top 1 percent of wealth holders are often referred to as “the ownership class” and are used as a proxy threshold for inclusion in the American “upper class.”

In short, the degree of economic inequality in the United States is substantial by any measure. In fact,

the United States now has greater income inequality and higher rates of poverty than other industrial countries (Mishel, Bernstein, and Allegretto 2007, 345; Kerbo 2006; Sieber 2005). Moreover, the extent of this inequality is increasing. One standard measurement of the extent of inequality is the Gini coefficient, which measures the extent of the discrepancy between the actual distribution of income and a hypothetical of the population receives the same percentage of income. Values of the Gini coefficient range between 0 and 1, where 0 indicates complete equality and 1 indicates complete inequality. Thus, the higher the number, the greater the degree of inequality. The U.S. Bureau of the Census (2007) reports that the Gini coefficient has steadily and incrementally increased from 0.406 in 1981 to 0.470 in 2006—representing a 16 percent increase over a twenty-five-year span.

Increases in wealth inequality are even more dramatic. The ratio of wealth of the top 1 percent of wealth holders to median wealth had increased from 125 times the median to 190 times by 2004 (Mishel, Bernstein, and Allegretto 2007, 253). In short, the gap between those who live off investments and the large majority of people who work for a living has widened considerably in recent decades.

Consideration of wealth as opposed to just income in assessing the total amount of economic inequality in society is critical for several reasons. First, the really big money in America comes not from wages and salaries but from owning property, particularly the kind that produces more wealth. If it “takes money to make money,” those with capital to invest have a distinct advantage over those whose only source of income is wages. Apart from equity in owner-occupied housing, assets that most Americans hold are the kind that tend to *depreciate* in value over time: cars, furniture, appliances, clothes, and other personal belongings. Many of these items end up in used car lots, garage sales, and flea markets selling at prices much lower than their original cost. The rich, however, have a high proportion of their holdings in the kinds of wealth that *increase* in value overtime. Second, wealth is

especially critical with respect to inheritance. When people inherit an estate, they inherit accumulated assets—not incomes from wages and salaries. Inheritance of estates, in turn, is an important non-merit mechanism for the transmission of privilege across generations. In strictly merit terms, inheritance is a form of getting something for nothing.

## INTERGENERATIONAL MOBILITY

Defenders of meritocracy sometimes argue that the *extent* of economic inequality is not a problem as long as there is ample *opportunity* for social mobility based on individual merit. Evidence, however, shows that a substantial amount of economic advantage is passed on across generations from parents to children. One way to measure the extent of intergenerational mobility is the correlation between parent and child incomes. Correlations can range from a low of 0 to a high of 1. If we had a pure merit system and assumed random transfer of genetic endowments across generations, we would expect a correlation of parent and adult child incomes approaching 0. On the other hand, in a strict caste system in which children inherit entirely the social position of parents and in which no mobility occurs, we would expect a correlation approaching 1. The correlation between parents’ and adult children’s incomes in the United States is actually about 0.50 (Mishel, Bernstein, and Allegretto 2007, 96), a correlation midway between these extremes. This figure is much larger than in almost all other industrial nations except the United Kingdom, which the United States closely follows (Mishel, Bernstein, and Allegretto 2007, 101; Isaacs 2008, 39).

Table 2 shows the extent of intergenerational wealth transfers from parents to children as calculated by economists Kerwin Charles and Erik Hurst (2003). This study compares wealth of children and parents in wealth quintiles. These data show a great deal of “stickiness” between generations, especially in the top and bottom quintiles. For instance, 36 percent of children born to parents in the lowest quintile remain in the lowest quintile as adults, while, correspondingly, 36 percent of those born

**TABLE 2**  
INTERGENERATIONAL WEALTH TRANSMISSION FROM PARENTS TO CHILDREN

Child's Wealth Quintile	Parent's Wealth Quintile				
	Lowest (%)	Second (%)	Middle (%)	Fourth (%)	Top (%)
Lowest	36	26	16	15	11
Second	29	24	21	13	16
Middle	16	24	25	20	14
Fourth	12	15	24	26	24
Top	7	12	15	26	36
Total	100	100	100	100	100

Source: Charles and Hurst 2003.

to parents in the top wealth quintile remain there as adults. Most movement that does take place between generations occurs as "short-distance" mobility between adjacent quintiles, especially in the middle quintile ranges. In short, most people stay at, or very close to, where they started with most of the movement occurring as short-distance mobility in the middle ranges.

Another source of information on wealth transfers is the annual list of the four hundred wealthiest Americans published by *Forbes* magazine. An early study of the *Forbes* list, for instance, showed that at least 40 percent of the 1982 *Forbes* list inherited at least a portion of their wealth, and the higher on the list, the greater the likelihood that wealth was derived from inheritance (Canterbery and Nosari 1985). A more recent study of the 1997 *Forbes* list showed that the majority of individuals on the list (56 percent) inherited a fortune of at least \$50 million (Collins 1997). Among the ten wealthiest Americans on the 2008 *Forbes* list, four (ranked three to six, respectively) are direct descendants of Sam Walton, founder of the Wal-Mart empire. The four Walton heirs have a combined estimated net worth of \$93.1 billion (*Forbes* 2008).

Although there is some movement over time onto and off the *Forbes* list of the richest four hundred Americans, this does not mean that those who fall off the list have lost or squandered their wealth. Most likely, when wealthy individuals fall off the *Forbes* list, they have not lost wealth at all but rather

have not gained it as quickly as others. Although those who fall off the four hundred list may have lost ground relative to others, they typically still have vast amounts of wealth and most likely remain within the upper 1 percent of the richest Americans.

The stability of wealth transfer across generations is particularly significant, given the amount of wealth available for transfer. Estimates are that \$11.6 trillion will be available for transfer in the twenty-year period from 1998 to 2017 (7.1 trillion to heirs, 2.4 trillion to taxes, 1.7 trillion to charity and 0.5 trillion to estate fees) (Havens and Schervish 2003). Over a fifty-five-year period from 1998 through 2052, \$41 trillion will be available for transfer (\$25 trillion to heirs, \$8 trillion to taxes, \$6 trillion to charity, and \$2 trillion to estate fees) (Havens and Schervish 2003). These vast amounts of wealth will not simply evaporate between generations, and, indeed, much of the intergenerational transfer will reach not only to the current generation of baby boomers but to their children as well, further solidifying continuity of wealth inequalities overtime.

Despite the evidence of wealth stability over time, much is made of the investment "risks" that capitalists must endure as a justification for returns on such investments. And to some extent, this is true. Most investments involve some measure of risk. The superwealthy, however, protect themselves as much as possible from the vicissitudes of



"market forces"—most have professionally managed, diversified investment portfolios. As a result, established wealth has great staying power. In short, what is good for America is in general, good for the ownership class. The risk endured, therefore, is minimal. Instead of losing vast fortunes overnight, the more common scenario for the superrich is for the *amount* of their wealth to fluctuate with the ups and downs in the stock market as a whole. And, given the very high levels of aggregate and corporate wealth concentration in the economy, the only realistic scenario in which the ownership class goes under is one in which America as a whole goes under.

### THE CUMULATIVE ADVANTAGES OF WEALTH INHERITANCE

Inheritance is more than bulk estates bequeathed to descendants; more broadly defined, it refers to the total impact of initial social-class placement at birth on future life outcomes. Therefore, it is not just the superwealthy who are in a position to pass advantages on to children. Advantages are passed on, in varying degrees, to all of those from relatively privileged backgrounds. Even minor initial advantages may accumulate during the life course. In this way, existing inequalities are reinforced and extended across generations. As Harvard economist John Kenneth Galbraith put it in the opening sentence of his well-known book *The Affluent Society*, "Wealth is not without its advantages and the case to the contrary, although it has often been made, has never proved widely persuasive" (1958, 13). Specifically, the cumulative advantages of wealth inheritance include the following.

#### Childhood Quality of Life

Children of the privileged enjoy a high standard of living and quality of life regardless of their individual merit or lack of it. For the privileged, this not only includes high-quality food, clothing, and shelter but also extends to luxuries such as entertainment, toys, travel, family vacations, enrichment camps, private lessons, and a host of other

indulgences that wealthy parents and even middle-class parents bestow on their children (Lareau 2003). Children do not earn a privileged lifestyle; they inherit and benefit from it long before their parents are deceased.

#### Knowing with Which Fork to Eat

Cultural capital refers to what one needs to know to function as a member of the various groups to which one belongs. All groups have norms, values, beliefs, ways of life, and codes of conduct that identify the group and define its boundaries. The culture of the group separates insiders from outsiders. Knowing and binding by these cultural codes of conduct is required to maintain one's status as a member in good standing within the group. By growing up in privilege, children of the elite are socialized into elite ways of life. This kind of cultural capital has commonly been referred to as "breeding," "refinement," "social grace," "savoir faire," or simply "class" (meaning upper class). Although less pronounced and rigid than in the past, these distinctions persist into the present. In addition to cultivated tastes in art and music ("highbrow" culture), cultural capital includes, but is not limited to, interpersonal styles and demeanor, manners and etiquette, and vocabulary. Those from more humble backgrounds who aspire to become elites must acquire the cultural cachet to be accepted in elite circle, and this is no easy task. Those born to it, however, have the advantage of acquiring it "naturally" through inheritance, a kind of social osmosis that takes place through childhood socialization (Lareau 2003).

#### Having Friends in High Places

Everybody knows somebody else. Social capital refers to the "value" of whom you know. For the most part, privileged people know other privileged people, and poor people know other poor people. Another nonmerit advantage inherited by children of the wealthy is a network of connections to people of power and influence. These are not connections that children of the rich shrewdly foster or cultivate on their own. The children of the

wealthy travel in high-powered social circles. These connections provide access to power, information, and other resources. The difference between rich and poor is not in knowing people; it is in knowing people in positions of power and influence who can do things for you.

### Early Withdrawals on the Family Estate

Children of the privileged do not have to wait until their parents die to inherit assets from them. Inter vivos transfers of funds and “gifts” from parents to children can be substantial, and there is strong evidence suggesting that such transfers account for a greater proportion of intergenerational transfers than lump-sum estates at death (Gale and Scholz 1994). Inter vivos gifts to children provide a means of legally avoiding or reducing estate taxes. In this way, parents can “spend down” their estates during their lives to avoid estate and inheritance taxes upon their deaths. Furthermore, in 2001 the federal government enacted legislation that is scheduled to ultimately phase out the federal estate tax. Many individual states have also reduced or eliminated inheritance taxes. The impact of these changes in tax law on intergenerational transfers is at this point unclear. If tax advantages were the only reasons for inter vivos transfers, we might expect parents to slow down the pace of inter vivos transfers. But it is unlikely that the flow of such transfers will be abruptly curtailed because they serve other functions. Besides tax avoidance, parents also provide inter vivos transfers to children to advance their children’s current and future economic interests, especially at critical or milestone stages of the life cycle. These milestone events include going to college, getting married, buying a house, and having children. At each event, there may be a substantial infusion of parental capital—in essence an early withdrawal on the parental estate. One of the most common forms of inter vivos gifts is payment for children’s education. A few generations ago, children may have inherited the family farm or the family business. With the rise of the modern corporation and the decline of family farms and businesses, inheritance increasingly takes on more

fungible or liquid forms, including cash transfers. Indeed, for many middle-class Americans, education has replaced tangible assets as the primary form by which advantage is passed on between generations.

### What Goes Up Doesn’t Usually Come Down

If America were truly a meritocracy, we would expect fairly equal amounts of both upward and downward mobility. Mobility studies, however, consistently show much higher rates of upward than downward mobility. There are two key reasons for this. First, most mobility that people have experienced in American in the past century, particularly occupational mobility, was due to industrial expansion and the rise of the general standard of living in society as a whole. Sociologists refer to this type of mobility as “structural mobility,” which has more to do with changes in the organization of society than with the merit of individuals. A second reason why upward mobility is more prevalent than downward mobility is that parents and extended family networks insulate children from downward mobility. That is, parents frequently “bail out,” or “rescue,” their adult children in the event of life crises such as sickness, unemployment, divorce, or other setbacks that might otherwise propel adult children into a downward spiral. In addition to these external circumstances, parents also rescue children from their own failures and weaknesses, including self-destructive behaviors. Parental rescue as a form of inter vivos transfer is not a generally acknowledged or well-studied benefit of inheritance. Indirect evidence of parental rescue may be found in the recent increase in the number of “boomerang” children, adult children who leave home only to return later to live with parents. Social scientists report that 34 percent of young adults are now moving back in with their parents during their twenties (*Contexts* 2008). The reasons for adult children returning to live at home are usually financial: adult children may be between jobs, between marriages, or without other viable means of self-support. Such living arrangements are likely



to increase during periods of high unemployment, which in early 2009 topped 8 percent of the civilian labor force.

If America operated as a “true” merit system, people would advance solely on the basis of merit and fail when they lacked merit. In many cases however, family resources prevent, or at least reduce, “skidding” among adult children. One of the authors of this book recalls that when he left home as a adult, his parents took him aside and told him that no matter how bad things became for him out there in the world; if he could get to a phone, they would wire him money to come home. This was his insurance against destitution. Fortunately, he has not yet had to take his parents up on their offer, but neither has he forgotten it. Without always being articulated, the point is that this informal familial insurance against downward mobility is available in varying degrees, to all except the poorest of the poor, who simply have resources to provide.

### Live Long and Prosper

From womb to tomb, the more affluent one is, the less the risk of injury, illness, and death (Budrys 2003; Cockerham 2000; National Center for Health Statistics 2007; Wermuth 2003). Among the many nonmerit advantages inherited by those from privileged backgrounds is higher life expectancy at birth and a greater chance of better health throughout life. There are several possible reasons for the strong and persistent relationship between socioeconomic status and health. Beginning with fetal development and extending through childhood, increasing evidence points to the effects of “the long reach of early childhood” on adult health (Smith 1999). Prenatal deprivations, more common among the poor, for instance, are associated with later life conditions such as retardation, coronary heart disease, stroke, diabetes and hypertension. Poverty in early childhood is also associated with increased risk of adult diseases. This may be due in part to higher stress levels among the poor. There is also evidence that cumulative wear and tear on the body over time occurs under conditions of repeated high stress. Another reason for

the health-wealth connection is that the rich have greater access to quality health care. In America, access to quality health care is still largely for sale to the highest bidder. Under these conditions, prevention and intervention are more widely available to the more affluent. Finally, not only does lack of income lead to poor health, but poor health leads to reduced earnings. That is, if someone is sick or injured, he or she may not be able to work or may have limited earning power.

Overall, the less affluent are at a health disadvantage due to higher exposure to a variety of unhealthy living conditions. As medical sociologist William Cockerham points out,

Persons living in poverty and reduced socioeconomic circumstances have greater exposure to physical (crowding, poor sanitation, extreme temperatures), chemical and biochemical (diet, pollution, smoking, alcohol, and drug abuse), biological (bacteria, viruses) and psychological (stress) risk factors that produce ill health than more affluent individuals. (1998, 55).

Part of the exposure to health hazards is occupational. According to the Department of Labor, those in the following occupations (listed in order of risk) have the greatest likelihood of being killed on the job: fishers, timber cutters, airplane pilots, structural metal workers, taxicab drivers, construction laborers, roofers, electric power installers, truck drivers, and farm workers. With the exception of airline pilot, all the jobs listed are working-class jobs. Since a person's occupation is strongly affected by family background, the prospects for generally higher occupational health risks are in this sense at least indirectly inherited. Finally, although homicides constitute only a small proportion of all causes of death, it is worth noting that the less affluent are at higher risk for being victims of violent crime, including homicide.

Some additional risk factors are related to individual behaviors, especially smoking, drinking, and drug abuse—all of which are more common among the less affluent. Evidence suggests that these behaviors, while contributing to poorer health among the less affluent, are responsible for only one-third of the “wealth-health gradient” (Smith 1999, 157). These behaviors are also associated with higher

## PERSONAL ACCOUNT

### I Am a Pakistani Woman

I am a Pakistani woman, raised in the U.S. and Canada, and often at odds with the Western standard of beauty.

As a child in Nova Scotia and later growing up in New York and Indiana, I was proud of my uniqueness. On traditional Pakistani and Muslim holidays, I got to wear bright, fun clothes from my country and colorful jewelry. I had a whole rich tradition of my own to celebrate in addition to Christmas and Easter. However, as I started school, I somehow came to realize that being different wasn't so great—that in other people's viewpoint, I looked strange and acted funny. I learned the importance of fitting in and behaving like the other girls. This involved dressing well, giggling a lot, and having a superior, but flirtatious attitude toward boys. I was very outgoing and had very good grades, so outwardly I was able to "assimilate" with some success. But my sister, who was quiet and reticent, often took the brunt of other children's cruelty. I realize how proud and ashamed I was of my heritage when I look at my relationship with my family.

A lesson I learned early on in the U.S. was that being beautiful took a lot of money. It is painful, as an adult, for me to consider the inexorable, never-ending pressure that my father was under to embody the dominant, middle-class cultural expressions of masculinity, as in success at one's job, making a big salary, and owning status symbols. I resented him so much then for being a poor, untenured professor and freelance writer. I wanted designer clothes, dining out at nice restaurants, and a big allowance. Instead, I had a deeply spiritual thinker,

writer, and theologian for a dad. I love(d) him and am so very grateful for what he's taught me, but as a child I didn't think of him as a success.

The prettiest girls in school all had a seemingly endless array of outfits, lots of makeup and perfume, and everything by the "right" designers. I hated my mom for making many of my clothes and buying things on sale (and my mom was a great seamstress). I felt a sense of hopelessness that I could never have the resources or opportunities necessary to compete, to be beautiful.

Instead I found safety in conformity. When I was in high school, the WASPy, preppy look was hot; it represented the epitome of success and privilege in America. I worked hard to purchase a wardrobe of clothes with a polo-horse insignia, by many hours at an after-school job. I tried to hide my exotic look behind Khakis, boat shoes, hair barrettes, and pearl studs. There was comfort in conformity. I saw the class "sex symbol" denigrated for wearing tight dresses and having a very well-developed body for a sixteen-year-old, and the more unique dressers dismissed as frivolous, trendy, and more than a little eccentric. You couldn't be too pretty, too ugly, too different—you had to just blend in.

Though I did it well, I perpetually felt like an imposter. This rigidly controlled, well-dressed preppy going through school with good grades in advanced placement classes in no way represented what I felt to be my true essence.

Hoorie I. Siddique

psychological as well as physical stress. Indeed, the less affluent are not just at greater risk for physical ailments; research has shown that the less affluent are at significantly higher risk for mental illness as well (Cockerham 2000; Feagin and McKinney 2003). Intriguing new evidence suggests that, apart from material deprivations, part of the link between wealth and health may be related to the psychological stress of relative deprivation, that is, the stress of being at the bottom end of an unequal social pecking order, especially when the dominant ideology attributes being at the bottom to individual deficiencies.

Despite the adage that "money can't buy happiness," social science research has consistently shown that happiness and subjective well-being tend to be related to the amount of income and wealth people possess (Frey and Stutzer 2002; Frank 2007a; Schnittker 2008). This research shows that people living in wealthier (and more democratic) countries tend to be happier and that rates of happiness are sensitive to overall rates of unemployment and inflation. In general, poor people are less happy than others, although increments that exceed average amounts of income only slightly increase levels of happiness. That is, beyond relatively

low thresholds, additional increments of income and wealth are not likely to result in additional increments of happiness. Although money may not *guarantee* a long, happy, and healthy life, a fair assessment is that it aids and abets it. . . .

## SUMMARY

The United States has high levels of both income and wealth inequality. In terms of the distribution of income and wealth, America is clearly not a middle-class society. Income and especially wealth are not evenly distributed, with a relatively small number of well-off families at one end and a small number of poor families much worse off at the other. Instead, the overall picture is one in which the bulk of the available wealth is concentrated in a narrow range at the very top of the system. In short, the distribution of economic resources in society is not symmetrical and certainly not bell-shaped: the poor who have the least greatly outnumber the rich who have the most. Moreover, in recent decades, by all measures, the rich are getting richer, and the gap between the very rich and everyone else has appreciably increased.

The greater the amount of economic inequality in society, the more difficult it is to move up within the system on the basis of individual merit alone. Indeed, the most important factor in terms of where people will end up in the economic pecking order of society is where they started in the first place. Economic inequality has tremendous inertial force across generations. Instead of a race to get ahead that begins anew with each generation, the race is in reality a relay race in which children inherit different starting points from parents. Inheritance, broadly defined as one's initial starting point in life based on parental position, includes a set of cumulative nonmerit advantages for all except the poorest of the poor. These include enhanced childhood standard of living, differential access to cultural capital, differential access to social networks of power and influence, infusion of parental capital while parents are still alive, greater health and life expectancy, and the inheritance of bulk estates when parents die. . . .

## DISCUSSION QUESTIONS

1. On what grounds do McNamee and Miller conclude that America is not a middle class society? Is their conclusion supportable?
2. In what ways does America function as a meritocracy and in what ways does it not?

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## WHAT IS SEXUAL ORIENTATION?

### READING 15

#### The Biology of the Homosexual

Roger N. Lancaster

Three studies, published close on each other's heels in the early 1990s, have been widely ballyhooed in the mass media as establishing the "organic seat," the "hormonal link," and the "genetic cause" of homosexual desire and gay identity: Simon LeVay's "gay brain" research, Michael J. Bailey and Richard Pillard's "gay twins" survey, and Dean Hamer's "gay gene" study. Major design flaws, problems with the definition and operationalization of terms, and alternative interpretations of the data were lost in the din of blaring headlines: "First Evidence of a Biological Cause for Homosexuality," "Genes Tied to Sexual Orientation; Study of Gay Men Bolsters Theory," "Study Shows Homosexuality Is Innate," "Genes Linked to Being Gay," "Report Suggests Homosexuality Is Linked to Genes," "Study Provides New Evidence of a 'Gay Gene'". . .<sup>1</sup>

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#### THE INTERSEXED HYPOTHALAMUS

Simon LeVay's much-cited "gay brain" study was published, with much fanfare, in 1991. The journal *Science* set the tone for press reportage, vigorously spinning LeVay's study to the media under its own press-release headline: "THE HOMOSEXUAL BRAIN: BIOLOGICAL BASIS FOR SEXUAL ORIENTATION?"<sup>2</sup>

LeVay found that the third interstitial nucleus of the hypothalamus (a neural structure at the base of the brain) is, on the average, smaller in gay men and straight women than in straight men.<sup>3</sup> (In theory, lesbians' hypothalami would resemble those of straight men—in other words, where gay men show a "feminized" pattern, lesbians would show a "masculinized" effect.). . . The hypothalamus affects certain endocrine functions and is thought to influence "basic urges" such as hunger, thirst, and sexual arousal. . .

The results of LeVay's research were widely disseminated in mass-media outlets, but LeVay's data are less impressive than the public was led to believe, and his study is plagued with methodological problems. LeVay's study examined the hypothalami of forty-one cadavers. While living, nineteen of the subjects were described in hospital records as "homosexual" (a figure that includes one "bisexual"). We do not actually know for how long, or with what