“The Counter-Cyclical Character of the Elite”

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Why do elites[1] see the world differently than the rest of society? Behind this simple question lies an empirical claim – that they do in fact see the world differently – which I will establish, at least in relationship to the divergent political attitudes of elites compared to the rest of society. Also implicit is the suggestion that this difference makes a difference; I will argue that it does. In this paper I make two arguments; (1) that elites seek to enact policies that often misunderstand the condition of the mass of society and (2) that we need not rely upon explanations of manipulation or oppression to make sense of why they do so. The implications for these arguments are important particularly under conditions were elite political power is considerable and elites are disproportionately able to enact their views. Understanding why elites get mass society wrong may help us in making sense of how they might come to better understand the conditions of others. But before moving to this, I ask why the difference in world views the first place?

One explanation for divergent elite and mass views of the world is that dominated groups suffer from error or ignorance, and dominant groups construct ideologies to oppress or manipulate them. Working class voters don’t understand their interests (Frank 2004, but see Gelman et al. 2008), and in a hegemonic haze act and believe things they should not. In

[1] In this piece I will define “elites” as those with vastly disproportional access to or control over resources (social, cultural, symbolic, economic, or even human capital), where such resources have a transferable value. This definition is elaborated in a longer review essay I have written on the sociology of elites (Khan 2012a).

extreme views, elites use "ideology" to manipulate masses. Giovanni Sartori famously argued, "ideologies are the crucial lever at the disposal of elites for obtaining political mobilization and for maximizing the possibilities of mass manipulation" (1969: 411). There may well be something to this approach, yet it borders on conspiracy theory, giving extreme agency and coherence to elites and turning the rest into dim-witted lemmings.

Another explanation for why elites and others have different world-views is that they are different kinds of people. Call this what you will – perhaps selection on the basis of preferences or human capital – this explanation tends to focus on the individual-level characteristics of elites in order to explain their social position. When exploring those in advantaged positions, this seems like a good enough strategy. We see this approach both within our own scholarship but also throughout the popular press on elites (which is far more voluminous[2]). Yet we might do well to remind ourselves that were we exploring those in disadvantaged positions, we would call such an approach – explaining social positions by the attributes of those within those positions – something quite different: the fundamental attribution error. And for good reason, there are not only logical concerns with explain social positions by the attributes of those occupying such positions, there are also empirical ones. For the attribute that seems to explain most of the variance between the rich and rest is not actually a property of rich individuals. Instead, it is a relationship. That is to say that rich people tend to have had rich parents.

This points to the strength of a third approach to understanding elites. And that is to understand the social worlds within which they are embedded. This is hardly a profound or radical stance; indeed we might go so far as to call it pedestrian or mundane. But it is an important one if we are to explain the basic puzzle without resorting to explanations that

[2] A good example of such an approach would be Malcolm Gladwell's *Outliers* (2008), which seeks to explain those a the tails of distributions by looking at their common attributes.

suggest that actors are puppets or their masters, or that individual attributes are the engines of all outcomes.

This paper has three basic sections. First, drawing upon some recent work in political science I briefly establish some of the attitudinal differences between the elite the rest of society. The evidence here is hardly extensive. But it shows that on important issues – particularly around those of redistribution and support for government insurance programs – elites and the rest view the role of the state quite differently.

Second, I argue we can explain such differences without resorting to arguments that reply upon error, ignorance, manipulation, or differences in individual character. Instead, drawing upon recent work of economists that focuses on questions of inequality and mobility, I suggest that both elites and others are correct in their understanding of these processes, but curiously their understandings are different. There are two reasons. "Their worlds" are different. Particularly in the American context that I will draw upon, the social isolation/segregation of elites from the rest of society means that the worlds they experience (and draw their conclusions form) are not the same worlds. But more important reason I propose is that these different worlds actually have different economic dynamics. The major proposition of this paper is that if we take the economic conditions of the average American and compare it to that of the elite we observe something as interesting as it is important: they are, in important ways, the inverse of one another. During times when Americans as a whole were experience economic advancement and mobility, elites were comparatively stagnant. And today, as most Americans are locked in place, elites observe tremendous mobility. Just as different sectors of the economy experience different dynamics (American finance has boomed as other sectors have declined, see Tomaskovic-Devey and Lin 2011; Lin and Tomaskovic-Devey 2013), so too do social classes. As such, groups can be correct in understanding *their world* while misunderstanding *the world* more generally. Scholars have a term for this: availability bias, which is the tendency to generalize based on nearby information. Such over-generalization plagues most humans, be they academics or not. And it becomes particular acute under two conditions: when nearby information is significantly different from other information and related, when such experiential bases of information are particularly concentrated across lines of difference (in short, when you have what we might call segregation).

The third part of this paper draws upon some of my own sociological work (Khan 2011; Khan and Jerolmack 2013), to outline the cultural dynamics of the elite understanding of the world, with particular attention to our contemporary period. That is, having provided an earlier explanation for why it is that elites view the world as increasingly meritocratic even though it is decreasingly so, I draw out some of the implications for this upon elite identities (Khan 2012b).

How do the rich view the world compared to others?

Studies of elite attitudes are both difficult to interpret and rare. The interpretive problem is partially tied to the concern that expressed attitudes might not relate to revealed preferences (Jerolmack and Khan *forthcoming*). The issue of rarity is one of both numbers and access: on large-scale instruments it is difficult to both have enough of a sample of elites to draw conclusions from, and in general who we are interested in (the very elite) are lumped together with others that do not quite belong within the category of "elite"[3]. Further, elites are difficult to identify and access for social scientists. Yet luckily there has been an increasing amount of work that gives us the sense of elite policy preferences that we can

[3] For example, if a survey has an upper-bound income category of $200,000, many within this category would be well-off, but hardly elite.

compare to other work on elite political activity. Combined these two literatures help give us a sense of elite attitudes and whether/how such attitudes are enacted.

While Stuart Soroka and Christopher Wlezien have suggested that the preferences of the affluent and others are not that different (2008), there is mounting evidence against such a position (Page et al. 2013, Gilens 2009, 2012). Looking at data over the last forty years, scholars have consistently found that, "Relatively affluent Americans tend to be more liberal than others on religious and moral issues, including abortion, gay rights, and prayer in school, but much more conservative than the non-affluent on issues of taxes, economic regulation, and social welfare" (Page et al 2013: 52; see also Page and Hennessy 2010; for more on overall policy preferences of all Americans, see Page and Jacobs 2009 and Page and Shapiro 1992; for more on political responsiveness to such different preferences see Bartels 2008 and Schlozman et al. 2012).

Yet "affluent" is a broad category. In the case of Gilens' work, it encapsulates up to the top 20% of Americans. By my definition (see footnote 1), this does not constitute "elite." I do not mean this as a criticism of the important work by scholars like Gilens and Bartels, I simply mean that it does not accurately fit the categories I am interested in for my own arguments. But recently Page et al. (2013) have fielded a survey/interview study of high net worth Americans – their sample has a median wealth of $7.5 million and an average of $14 million.[4] Their work shows that such elites have different priorities than those of average Americans particularly on economic issues of taxation and redistribution. In short, the trend we see beginning among upper-middle class voters – divergent attitudes from the rest – continues as we move up the income distribution.

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[4] This study has severe limitations; it is truly more of a pilot, focusing on the city of Chicago. Yet given that its findings are supported by a range of other observations from studies with different populations using different data and methodological instruments, I feel somewhat secure in its findings.

Whereas Americans overwhelming favor the expansion of government support for health care and social security, elites strongly favor shrinking these programs. And where Americans express strong support for policies wherein governments ensure jobs, a minimum wage, a baseline standard of living, and tax credits for middle and working class Americans, elite support for such policies is far more tempered[5]. Importantly, Page et al. find that the richer people get, the more different their views are from everyday Americans; "the top one-tenth of 1 percent of wealthholders (people with $40 million or more in net worth) may tend to hold still more conservative views that are even more distinct from those of the general public." They favor less regulation of (their) economic interests and cutting back support for social programs.

This is not surprising. But its documentation is important. Further, there is evidence that such expressed attitudes are actually enacted in voting behavior. In his work with various colleagues, Andrew Gelman (2007, 2008) shows that wealth is associated with voting behavior – the wealthier you are the more likely you are to vote for the republican party, and the less well off you are the more likely you are to vote for democrats. These are robust results, but they are strongly tempered by context – particularly the context of whether or not you live in a rich or a poor state. In poorer states the rich are much more likely than the poor to vote Republican; in rich states there is a relatively low correlation with income and vote preference (Gelman et al. 2007). Yet still, the basic finding is important for it shows that elites vote in ways that are consistent with the attitudes, *particularly in relationship to economic issues*. Though they tend to diverge on social issues from the rest of society (being more

[5] For example, take two questions: (1) The government should provide a decent standard of living for the unemployed and (2) The government in Washington ought to see to it that everyone who wants to work can find a job. For the first, 23% of elites favor the statement, whereas 50% of the general public does; for the second, 19% of elites favor the statement whereas 68% of the public does (Page et al. 2012: 57).

liberal), when it comes to the voting booth, they vote with their wallets.

In the next section of the paper I draw upon Gelman's point about context to draw out some of the differences between the context of elite and average Americans. The reader should be aware, however, that where Gelman uses multilevel models to give a fine-grained account of the varying contexts across states, I write in far broader terms. Drawing upon the recent work of economists, I argue that the material experiences of elites has been considerable different than that of other Americans. This is not so say that "The rich are different than you and I; they have more money." Instead, it is to say that the dynamics of the material worlds that the rich and the rest inhabit are often very different from one another.

The Counter-cyclical character of the elite

Since the publishing of Thomas Piketty and Emmanuel Saez's seminal paper (2003), economists have been using social security, tax return and other administrative data to uncover the inequality and mobility in America dating back to 1917 (1937 for mobility data). These data give us some of the longest runs we can expect from reliable sources in terms of the relationship between Americans to one another (inequality) and both the intergenerational transfer of wealth and the intragenerational capacity to develop such wealth through wage gains over the lifecourse. The broad story is that inequality declined in the post-war period, and then increased in the 1970s. Today inequality is what it was at the tail-end of the gilded age – which is to say that America is a very inequitable nation compared to other industrialized countries and even its recent past. One of the more specific take-aways from the account provided by Piketty and Saez is that the engine of inequality has been the rich rather than the poor or middle classes. We cannot explain a variable by a constant. And while the level of inequality in America has varied considerably over time, the relative position of the poor and middle classes has remained roughly the same since the 1960s. The fate of the rich, however, has waxed and waned. Within economics, this combination of data that address long run inequality and mobility and a somewhat novel empirical finding (to understand inequality we should study the rich not the poor) has led to an enormous growth of new studies on elites.

While the inequality story is relatively well known, less attention has been paid to mobility. The mobility patterns follow a somewhat similar trajectory to those of inequality – though the story is more complicated. There are numerous reasons for this. First, there is a distinction between intra-generational mobility (of which there has been a considerable amount), and inter-generational mobility (which has been declining). Further, a non-trivial amount of the intra-generational mobility story is due to women's entry into the labor market. So, as Kopczuk and his colleagues have shown (2010), mobility among all workers has increased since the 1950s, but if we look at the experience of men, we see that it has declined among this group. As women have made up considerable ground in the labor market, they have driven overall mobility upward.

How one reads such a finding is largely a product of one's political orientation. That is, some might argue that this is simply an experience of market equilibrium, with men's wages declining as the discriminatory practices of excluding women create wage adjustments. Others, by contrast, might find that the increase in women's position is a product of the decline of real wages for families, whereby women are forced into labor markets because of the decline of men's wages. My orientation causes me to tend toward to latter explanation, but for my overall argument it does not matter which position you adopt.

As for inter-generational mobility, the findings are less ambiguous. While mobility estimates once suggested a high degree of intergeneration movement (Becker and Tomes 1979; 1986), such estimates have been revised for two reasons. First, economics have access to better data – both administrative data and panel studies that eliminate the assumptions of earlier models and follow actual families to explore intergenerational mobility. Second, it seems that in the more recent period (since the mid 1970s), mobility in the United States has declined. For example, using Social Security earnings data, Bhaskar Mazumder argues that the intergenerational elasticity of earnings is around 0.6 (2005). To illustrate what this means, Mazumder asks that we consider, "a family of four with two children whose income is right at the poverty threshold, roughly 75% below the national average. If the intergenerational elasticity is 0.6, then on average, it will take the descendants of the family 5 to 6 generations (125 to 150 years) before their income would be within 5% of the national average. In contrast, if the parameter is 0.4 [as it has previously been estimated], the comparable time will be just 3 generations (75 years)." (2005: 235; for more on mobility, see Solon 1992; Corcoran 1995). These findings suggest that children strongly inherit the economic situation of their parents and thereby that inequality is far more durable inter-generationally than it was in the 1950s and 60s (Massey 2008; Tilly 1999).

Miles Corak has recently written extensively on this phenomena, not just within the nations, but comparing data across nations (*forthcoming*). His work builds upon the findings that, "countries with more inequality at one point in time also experience less earnings mobility across the generations, a relationship that has been called "The Great Gatsby Curve[6]"" (forthcoming). Corak and others are careful to not that such a curve is not so

[6] This term was coined by Alan Krueger in a speech, "The Rise and Consequences of Inequality," to the Center for American Progress on January 12, 2012. As Corak notes, Krueger made this speech in his capacity as the

much a causal story as an associational one: that high inequality and low mobility are associated could be explained by a range of phenomena (see Brunoni et al. 2013 for a particularly good review of this point).

Yet again, for my purposes it does not matter how we interpret the relationship between these forces. That it is the case is sufficient for the subsequent argument. But there is one more important finding from the economics literature I wish to review. So far I have been reviewing general trends – that is, that inequality declined in in the immediate post-war period and began increasing sometime in the mid-70s, that inequality and mobility are inversely related (cross-nationally), that in America as inequality increased inter-generational mobility declined (but intra generational mobility continued to be stable or increase, largely driven by the entry of women into the labor force). However, missing from our story is breaking down these findings to look more carefully at the position of the elite. That is, while I have described here the trends for society overall, what about that small sector – say the 1% or 0.1% -- that we have seen to be so consequential to the dynamics we're interested in?

Here again I turn to the work of economist Wojciech Kopczuk, who, along with a series of colleagues, has explored this question extensively. And yet again, the findings are more complex than with our simple equality story (and consequential for our argument). There are two basic findings of interest: one on wealth concentration and one on wealth mobility. In exploring wealth shares of the top 1% Kopczuk and Saez find that, "there has been a sharp reduction in wealth concentration over the 20th century: the top 1 percent

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Chairman of the Council of Economic Advisors, and Kreuger is hardly alone in his noting this relationship; we can see also: Andrews and Leigh (2009), Björklund and Jäntti (2009), Blanden (2013), Corak (2006, 2013), and Ermisch, Jäntti, Smeeding, and Wilson (2012).

wealth share was close to 40 percent in the early decades of the century but has fluctuated between 20 and 25 percent over the last three decades. This dramatic decline took place at a very specific time period, from the onset of Great Depression to the end of World War II, and was concentrated in the very top groups within the top percentile, namely groups within the top 0.1 percent" (2004: 446). However, unlike Piketty and Saez's finding (2003) that income inequality continued to increased dramatically after the 1980s, largely driven by the income gains of the top 1% and even 0.1%, Kopczuk and Saez find that while wealth concentration increases from the 1970s into the 1980s, this tendency basically ceases in the mid-1990s. They explain this by arguing that the recent growth in income among the elite has been driven by employment and not capital returns. This leads them to suggest that, "the rentier class of the early century is not yet reconstituted." (2004: 445; for more on wealth inequality see also Keister 2000, 2005; Kennickell 2003; Spilerman 2000; and Wolff 1998, 2002).

What this suggests that the elite are certainly outpacing the rest in terms of wages, but not in wealth. This might indicate comparatively low savings rates, or the lack of time for the increase in income inequality to build the relatively similar disparity in wealth (indeed, it seems that this latter explanation is the strongest, and that forthcoming data will suggest a rise in wealth inequality keeping pace with income inequality – though slightly lagged). I will return to this point. But first I wish to highlight another important finding about wealth; it comes from Lena Edlund's work with Kopczuk. Using estate tax return data, Edlund and Kopczuk (2009) look at the share of women among the very wealthy in the America (0.01%); they take this as an indicator of dynastic wealth. The logic here is that the more women there are among the elite, the more likely it is that the elite have inherited rather than made their wealth. They find that share of women within the top 0.01% peaked in the late

1960s – when women made up nearly half of the wealthiest people in America. In recent years, the share has declined to about one-third. The finding suggests that wealth mobility into the elite *declined* through the early 1970s, only to increase in the subsequent period. Elites had less mobility into their group through the early 1970s and more mobility into it more recently.

This brings us to the main point of this paper: the experience of the elite, then, and the rest of America, has been considerably different. I will now turn to this observation in order to highlight how, in important respects, the elite experience and the "mass" experience are different. The implication of this difference is that elites and every day Americans may understand their own experiences quite well, but elites might overgeneralize from their experience – believe that others live in the same world that they do. Such availability bias could well produce some of the disparities in political attitudes I outlined in the previous section. I write in speculative terms here, but in the next section more firmly establish this point by drawing upon my own work. Regardless of the strength of that argument, the general point about the counter-cyclical nature of the elite still has important implications for understand this group.

The basic observation I hope to draw out is that elites in America have had what I call a "counter-cyclical" experience: when most Americans experienced mobility they experienced stagnation; while most Americans have been locked in place, elites have experienced considerable mobility. Whereas the previous data discussions were somewhat dense, centered around discussions of economic data here I move to a more speculative narrative, so that the implications of this experience can be better understood.

Much of the increase in attention to elites has been driven by political, rather than empirical concerns. Piketty and Saez's paper was published five years before the great recession of 2008. But its importance increased after chants of "We. Are. The 99%" echoed through Zuccotti Park and other outposts of the Occupy Wall Street movement. When we talk about the difference between the 1 percent and the 99 percent, the implicit argument is that the experience of the 1 percent is quite different than the experience of the 99 percent. That is, these two groups are not part of a singular entity that has a kind of flow between all its parts like a "market" but instead live in fractured or separate worlds. While this is often our implicit presumption, we are rarely explicit about its consequences.[7]

We might ask ourselves, what is the experience of the world from 1945 until the 1970s for two groups: average Americans and very, very wealthy Americans? From our discussion of the economics literature, we can begin to see the outlines of our story. If you are an average American in the immediate postwar period, you would experience some of the lowest levels of inequality our nation has ever seen. And as economic inequality and mobility are often intertwined, you'd also experience some of the highest levels of mobility. There are two kinds of mobility: inter- and intra-generational (i.e., your starting versus your ending wages versus how predictive your parents' position is for your own.) In the postwar period, you'd enjoy substantial mobility over your lifetime and be less hindered or advantaged by your parents' wages than your parents were by theirs. Hard fought battles over racial and gender oppression also meant that the relative position of nonwhites and women was beginning to advance. I would argue that we often read our American experience through this moment: one where rights were fought over and won, where opportunity was relatively available, and where inequalities were comparatively low.

But if we were to look within, say, the top .01 percent, we would find something different. Elites experienced less of both kinds of mobility than in previous eras. That is,

[7] In the following several paragraphs I have drawn on a previously published essay that I wrote in response to Chrystia Freeland's book, *Plutocrats*. See Freeland 2012 and Khan 2013.

their wages were comparatively stagnant – to a large degree this is because of incredibly high marginal tax rates (Piketty and Saez 2003). But not only were wages stagnant. So, too, was membership within the elite—as Edlund and Kopczuk show, dynastic wealth was the most dominant in this moment (more so than any other moment we have data for in the 20th century). This means that movement in (and out of) the elite was comparatively rare.

This is what I mean by the counter-cyclical nature of elites. In the immediate post-war period the average American lived in a world of comparatively low levels of inequality and high levels of mobility; the very, very wealthy lived in a world of relative wage stagnation and comparatively low levels of turnover. Overall, the elite lived in the same world – with low inequality and high mobility; but if we were to look at elites alone (which is to say, elites looking in the mirror, or around their neighborhoods), the story is quite different. The argument of this paper is that these different experiences produce different sensibilities and understandings of the world.

Before I continue, however, it is important to ask if the post-war period was exceptional. So, perhaps the elite are not counter-cyclical; instead, I have identified a unique period in our social and economic history and generalized too broadly from it. There is something to this claim, but overall we still find strong currents to the trend I have suggested. Unfortunately our data sources are not particularly good for the periods well before the postwar era, but we can look more closely at the period immediately after. And so what might ask: what has happened to the elite and the average American over the last three decades?

The average American has experienced comparative wage stagnation and a decrease in intergenerational mobility. That is, how much money you make is increasingly explained by how much your parents made. Intragenerational (or lifecourse) mobility has increased, though this is largely an artifact of women's increased labor market participation; women have made real wage gains, but male workers (which is to say the majority of workers) have tended to be locked in place.

However, if we were to look in the elite, we would observe something quite different. While the overall wealth concentration of the elite did not return to its prewar levels, along other dimensions the elite experience was very much a return to a previous era. So the likelihood of being in the top .01 percent is not so strongly related to having parents that were within that group as it was in the 1960s. There are more "new rich" today than in the immediate past. And the wage gains that we observe within the top .01 percent are dramatic. Even though many of these gains were eliminated with the great recession of 2008, the recovery has been dramatic in favor of the elite, returning them to their pre-recession standing.

In order to understand this process, put yourself in the position of the American elite. Let's say you're fortunate enough to be in the top 0.01 percent. If you look at someone slightly beneath you economically you find that your wages are growing much faster than theirs are. That is because wage growth is considerable among the elite, and the growth function is exponential. But that also has an important implication. The satisfaction of looking down is only met with the anxiety of looking up. That's because if you look at those above you, you see that those who make more money than you do are outpacing your wage gains at an even greater rate than you are outpacing the person beneath you. In short, for the elite the recent experience is one of more mobility and more wage growth than in the past. And this material experience is bound to a lived one of seeing movement all around you: growing wages, more new members who join your ranks because of wage work not capital rewards, with distances between people growing every day. This is an experience of growth and movement – a vital economy.

But if you're in the middle of the American wage distribution, you don't see this at all. What you see is a relative stagnation, all around. The exception here, of course, is women and nonwhites. But increasingly the evidence seems to show that even among these groups, the gains have mostly ceased (particularly for Black Americans). And so perhaps the postwar period was not a typical American moment but in general an exception in that the majority of Americans enjoyed low levels of inequality and high levels of mobility, and unexceptional in that the elite experience and the experience of the average American were markedly different.

In making this point I make no attempt to suggest that there is a deep economic reason to such an observation. That is, the suggestion is not, contra-Smith or other economic models, that economic resources are finite or zero-sum and thereby when one group does well other groups are necessarily constrained (which is to say that there are no rising tides). The data I have presented are too limited to make such a broad claim. Further, there are other indices than inequality and mobility. We might look, for example, at standard of living, life expectancy, happiness, or any litany of other measures. I have chosen inequality and mobility because they have been shown to be important to society relative to a host of indicators (Jencks 2002). Further, as I mentioned before, the data drawn upon represent a very small range of time, and should our temporal parameters shift, so too would our story. I do not wish to back off my claims, only to acknowledge some of their limitations. But with those in mind, let me close with attention to the implications of these observations for understanding elites. Here I move away from elite literatures in political science and economics and focus more concretely on my own work within the sociological tradition.

The Cultural Implications of these observations for our understanding of Elites

Americans are comparatively segregated in terms of where we live, not just racially, but also economically. Perhaps the best look at the global elite today comes from journalist Chrystia Freeland (2012), whose access to elites provides the reader an acute sense of a world that is often more imagined than observed. Traveling with them from penthouses to boardrooms to the streets of Davos, Switzerland, Freeland combines ethnographic skill with journalistic prose in conveying how it is that elites understand and live in the world. In her work Freeland argues that the plutocratic elite think of neighborhoods not relative to physical proximity or national bounds; they think of neighborhoods globally in terms of those they feel closest to in spirit rather than geography—in this sense, the Upper East Side may be closer to Tokyo's Ginza district than it is Spanish Harlem. While elites may be proximally close to nonelites, their tendency to occupy different worlds means that encounters are few and relatively unsustained.

If we are to follow our earlier story, one of the things that we see is a radical change in the social conditions of the elite[8]. One of those aspects is their "opening" – by which I mean that there is more mobility into the group than before. But such an experience has been mirrored by other declines in what we might think of as social closure. An example would be the tremendous opening of a broad range of social institutions in much of the West over the past 40 or so years. We cannot underestimate these radical changes to society – access to opportunities that the majority of the population were once excluded from (women, minorities) is more than just window dressing. This opening has not meant anything close to equality. But it's impact on the ways in which people understand their worlds is profound. Institutions like my own elite university have opened up to Black

[8] In the following paragraphs I draw upon a series of earlier published works, most deeply Khan 2011, 2012b; and Khan and Jerolmack 2013.

students – going from 0.8% of the student body 40 years ago to about 13% today – and transformations like this have influenced how students at such elite schools understand themselves and the world around them.

We often associate social closure with inequality. In both theoretical and lay conceptualizations, we suggest that inequality emerges because of disparate access. Yet in the last 40 years inequality has increased dramatically and by almost every measure, access to elite institutions by those formerly excluded has increased.

The reason is simple enough. Elite institutions are those that seem to have most forcefully embraced the language of openness. In the United States, we can point to the Ivy League's tremendous commitment to affirmative action; or if you visit the website of any major corporation, all will have statements of their 'diversity initiatives'. And when such programs are subject to legal challenge – as affirmative action programs have been in the elite public university system – a powerful *amicus curae* brief in favor of these policies was written by that most sacred of American institutions: its military.

But as we saw in our discussion of the economics literature at the same time that elites have embraced openness, they have also been the engines of inequality (Piketty and Saez 2003). And they have been willfully blind to problems of increased inequality (Jencks 2002), and hostile to programs that might help alleviate it (Page et al. 2013). It has been the growth of wages of those at the top that has resulted in the rise of inequality in most of the Western world (Atkinson and Piketty 2007, 2010). A general observation, then, is that the democratic embrace among the elite has been accompanied by a similar rise in their fortunes.

There are many explanations to the rise of inequality, from the declines in unionisation (Western and Rosenfeld 2011) to the financialization of the economy (Tomaskovic-Devey and Lin 2011), to the increased capacity for managers to leapfrog one another (DiPrete *et al.* 2010, but see also Gabaix and Landier 2009). Underplayed in this literature, and at the core of my interest, are the cultural rhetorics that have facilitated these processes. I seek to establish such rhetoric through an account of my own work as well as show how it is grounded in the elite experience itself. The core of this rhetoric is the idea of the rise of the talented, deserving, meritorious individual. And mobility among the elite supports such a cultural framework.

In my earlier work (Khan 2011) I argued that the culturally important shift in the elite identity has been from being a 'class' to a collection of individuals – the best and the brightest. That is, rather than identifying themselves as a group constituted through institutions and organizations (families, schools, clubs, a shared cultural–historical legacy, etc.), today's elites consider themselves as becoming elites because of their individual talents. What 'groups' elites is the fact that they have worked hard and gotten ahead; they are the cream that has risen to the top. In embracing this individual work rather than class narrative, elites think of themselves as meritocrats.

One of the consequences of the collectivist movements of the 1960s has been the triumph of the individual and the death of the collective. Groups gathered together–Blacks, women, gays and immigrants–to argue that the properties that grouped them and were then used to explain or justify their disadvantage should not matter. It should be human capital that matters; we should all have opportunities based on our capacities, not on characteristics ascribed to us. I developed this argument in the context of an ethnography of St. Paul's

School – one of the most elite boarding schools in the nation (and my alma mater)[9].

My interest in my ethnographic work on St. Paul's was to better understand a place that vigorously embraces the importance of being an "open" or representative institution, and yet under such moral commitments to a kind of equality was a tight coupling with a context where inequality is increasing (the cost of access climbed at a rate at least twice that of economic growth).

When talking to students at St. Paul's School I found them forthcoming and almost universally consistent about how they made sense of their success. For example, Stan was from a wealthy but not particularly established family and seemed well liked by other students and faculty. He gave a typical answer when asked how far he had come since he started at St. Paul's. "I worked hard to get here, I learned in class, I worked to make the varsity team. And it was hard. But I earned it. We all earned it. And I feel good when I [. . .] see how far I've come... I've come a long way. It wasn't easy...I mean...it's still not easy. It might even be harder . . . but I did it. . . . Not everyone does this, gets this far. It takes a lot. I know I'm not done," he added cheerfully, "I've sorta just begun. But now I know that I can do it. I've got what it takes."

Stan's framing of his achievements as the result of hard work—whether conscious or

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[9] Founded in 1855, St. Paul's School is one of the top preparatory boarding schools in the country. It has one of the largest endowments of any educational institution in the world (nearly one million dollars per pupil), and in recent years, 30 percent of graduating classes attended an Ivy League University. If one takes a cursory look at the student body of this coed institution, there can be no doubt that the school is a place where privileged youths spend their adolescent years—although a quick glance will also show a fairly diverse student body. I was permitted to conduct my study of St. Paul's School in the 2004 to 2005 academic year, during which I worked as a faculty member and lived at the school (located in Concord, New Hampshire). This position allowed me to observe the school's workings and talk to its faculty, students, staff, and alumni. My project was public knowledge. I was interested in getting a broad sense of the life of the place—namely how its 500 students, its faculty, and its staff experienced their lives there and were formed (or transformed) by their experiences at the institution.

not—works against a common suspicion of entitlement and the nagging feeling that the rich succeed just because of who they are. St. Paul's students seek to replace that frame with one that is based on merit. Stan was not alone in talking about how hard he worked to earn what he has achieved. For example, there is a set of couches on campus that only seniors are allowed to sit on (this is not an official rule but is nonetheless an accepted practice). When the senior class graduated, and the rest of the school remained to take their finals, the juniors began aggressively taking over these couches to mark themselves as the new seniors on campus. I asked them why it was so important for them to immediately occupy this space. A junior, Emily, said, "This is going to sound ridiculous. But life here is tough. And this place, this was a goal for me. I mean, I would walk by every day and see seniors sitting here. And at first I thought, 'I'll never get there . . . I don't think I can do it.' But that motivated me. It's not just some 'forbidden fruit' for me. It was a goal. Something I could work toward. I'd see it every day and think to myself, 'I am going to get there . . . I can do it.' And guess what? Here I am. I've done it. I honestly don't care about the couch. But this is important for me. It proves that I did it. That all that work got me somewhere. That it was worth it."

Emily deploys the same frame for the couches as Stan did for his personal achievements. Her ascension was a goal that came through work, not a deserved acquisition that came from time logged or inheritance. And in achieving their newfound status, Emily and Stan both appeal to their own capacity: Emily finds that she "can do it"; Stan notes that he can achieve tasks he sets himself to in a way that not everyone can.

Such students are not completely naive. They know that not everyone who works hard gets ahead. They see many at their school who suffer this fate. These people are the staff, the men and women who make the school function day in and day out. Not surprisingly, students spoke fondly of staff members. They are the caretakers and cheerleaders for students while parents are away. Jessica, who praised a cleaning woman in her dormitory for her demeanor, her seemingly limitless memory, and her work ethic, could only come up with "bad luck" as the reason for the cleaner's station in life. Another student explained, "Forty years ago, women weren't allowed into places like this. We've come a long way. Things are different now." Gathering all of the students' interview responses together, we learn that staff are unlucky, have different priorities, or—most commonly—are casualties of an unjust era that we have since overcome. Importantly, students maintain a belief in meritocracy throughout these accounts.

Students also know that being talented and hardworking may not make them the best at everything. In fact, students consistently bring up other students who are better than they are. Students told stories about a violinist on campus who might soon have a premier at Carnegie Hall, a mathematician who would win one of the greatest prizes in that discipline (the Fields Medal), an artist who would sell paintings for millions, and a squash player who would soon take home gold in the junior Olympics. There is, no doubt, a certain teenage mentality to this—students assume that the school is the whole world. But still, it was not simply that the students thought of themselves as having a sense of potential—that the world was theirs to contribute to; they also recognized that certain people had extraordinary talents, skills that far exceeded their own. At St. Paul's School, the students believed that they were surrounded by such talents; as a result, that which was extraordinary became a part of their ordinary reality. Their school was a collection of some the hardest working, most talented kids in the world.

Talking to students, I overwhelmingly heard about their hard work, and how much they earned their success. The students similarly expressed a commitment to social justice and a narrative of just how far the world had come. The lessons from their accounts were of past injustices, present opportunities, and the necessity of work, discipline, and talent to make it. The world is a meritocracy. This does not mean that it is equal—some people are better than others, and these talents are important to recognize. The view is that inequalities are increasingly acquired by the action of individuals and decreasingly ascribed by belonging to a class, race, or gender.

My basic finding was that those who have most vigorously adopted the stance of an open meritorious society have been the elite. They look more diverse, including some of those they formerly excluded. And while they certainly know that their individual traits, capacities, skills, talents and qualities are cultivated, they suggest that this cultivation is done through hard work, and access is granted through capacity rather than birthright.

Implications & Conclusions

If I were to talk about elite culture today, then, I would talk about a culture of 'individual self-cultivation'. And the argument of this paper is that this cultural framework is not simply a delusional presentation of self or a hegemonic attempt to blind the masses but instead it has an experiential basis. Yet, the narrative of openness and talent may help elites explain themselves to themselves, but as we have seen from our discussion of overall patterns of mobility and equality, it obscures the broader American experience. And the result is might not be pernicious[10], but the consequences are important. Society has recessed

[10] Here I break from earlier work (Khan 2012), which suggested that such cultural logics were pernicious. A broader reading of the economics literature, as presented in this paper, has led me to this view.

in the minds of the elite; if anything, it is a producer of social problems. What society did was to create the biases of old institutions based in categorization – racism, sexism and exclusion. The resulting view is one where society must be as benign as possible, sitting in the background as we play out our lives in a flat world. And the result of such a stance is a new efficiency, the market.

Such a view suggests that social problems are the result of processes whereby we thought in terms of collectivities. With such barriers removed, market equality can take over. We live the results of this triumph today, and I would argue that it has been a world with less equality and mobility for the Average American and a more empowered elite.

Meritocracy is a social arrangement like any other: it is a loose set of rules that can be adapted in order to obscure advantages, all the while justifying them on the basis of shared values. Markets allow elites to limit investments in all by undermining public goods and shared, socialized resource allocations. This allows them to increase their own advantage by deploying their economic spoils in markets; they receive returns to these investments, those without resources to invest are left behind. As Miles Corak as shown in his work (forthcoming), those societies with higher returns to education tend to be less mobile. This is an associational finding, but it might be explained by high inequality regimes wherein those with resource surpluses purchase additional education thereby solidifying advantages for their offspring. In suggesting that it is their work and not their wealth, and that it is their talents and not their lineage, elites do three things. First, they draw on the elite experience to generate a cultural architecture. Yet these experiences are relative – it's not that *all* elites have achieved from nothing, only that a few have and most have achieved an enormous amount from the position of already considerable advantage. Second, they have applied a cultural view of *their* world to *the* world. Third, the result is effectively blame inequality on those whom our democratic promise has failed.

One of the most fascinating things we see if we compare elites from the tail end of the Gilded Age to those of today is that in the Gilded Age, the richer you were, the more likely you were to rely upon capital for your income (Piketty and Saez 2003; Kopczuk et al. 2010). Gileded Age elites were far more likely to do something like own a factory and thereby they engaged in a fundamentally different enterprise than most Americans (who relied upon employment earnings, not capital ownership). But today what rich people do for their wealth primarily is to earn it through wages. We shouldn't push this argument too far. But psychically—or at least culturally—the experience of thinking that you're rich because you receive a massive paycheck for your work rather than for the fact that you own something means that you're likely to think of yourself as not different from everyone else. You're actually just like them. You get up in the morning, you go to work, and you earn a living. And your paycheck is way bigger because while everyone is doing the same thing (working); you're just more skilled than everyone else.

This helps elites believe something that's not true—that they are the engines of their own achievement and that their individual characteristics explain the outcomes that they're experiencing. One way that elites are like all other people is that they over-generalize from their own experience. Their wages have grown so there is wage growth. They see more mobility around them so the American Dream is alive and well (provided you're willing to work hard enough). Harvard is terribly diverse so race doesn't matter anymore. Each of these stories helps justify an individualistic approach to the world, identifying collectivist policies like affirmative action or redistribution from one class to another as problematic.

And because of their social power, elites have been successful in imposing their particularistic cultural logic much more broadly, arguing that it helps us better understand how markets and states should work.

We can think of elites as manipulative, or we can think of them as being like others: products of their particular locations and likely to overgeneralize from them. Elites are not completely accurate in understanding their own world – they overestimate their own contributions to their position and underestimate their structural advantages. They are not wrong in thinking that there is more mobility and growth today than there was a generation ago; they simply fail to recognize it's only a tiny fraction of Americans for whom that is true. The solutions to such a situation are simple enough to imagine but hardly easy to achieve. Economic conditions might be made consistent rather than the inverse of one another, particularistic experiences could be revealed for what they are, or social isolation might give way to greater social encounters with different worlds. But my conclusion is simple enough: elites and the rest live in different worlds. And there is a deeper meaning to this claim than we often recognize. For the dynamics of their economic experiences might often be inconsistent. And such counter-cyclical experiences may well make the world of difference.

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