

Not Keeping Up with the Joneses

“Issues in Economics” by Katharine Bradbury and Jane Katz, in *Regional Review* (2002: Qtr. 4), Federal Reserve Bank of Boston, 600 Atlantic Ave., Boston, Mass. 02106.

Call it the deal behind the American dream: Americans have tacitly agreed to accept more income inequality than Europeans do in return for a freer economy and more opportunities for individual upward mobility. In other words, the gap between rich and poor might be wider than in Europe, but Americans believe they have a better chance of jumping it.

Now, however, it appears that the deal may be in jeopardy. It’s widely accepted that income inequality has grown during the past few decades, note Bradbury and Katz, both of the Federal Reserve Bank of Boston. But new evidence suggests that, at the same time, the indispensable tonic of economic mobility has lost some of its potency.

During the 1970s (actually, 1969–79) for example, only 49.4 percent of the working-age households that began the decade in the bottom 20 percent of earners were still in the bottom quintile at the end of the decade [see chart]. During the 1990s, however, 53.3 percent of the families that started off in the lowest quintile were still there 10 years later. (At the same time, *downward* mobility among the rich seemed to lessen: 49.1 percent

1969–79		WHERE FAMILIES ENDED UP IN 1979, BY QUINTILE				
WHERE FAMILIES STARTED IN 1969, BY QUINTILE	POOREST	SECOND	THIRD	FOURTH	RICHEST	
Poorest	49.4	24.5	13.8	9.1	3.3	
Second	23.2	27.8	25.2	16.2	7.7	
Third	10.2	23.4	24.8	23.0	18.7	
Fourth	9.9	15.0	24.1	27.4	23.7	
Richest	5.0	9.0	13.2	23.7	49.1	

1988–98		WHERE FAMILIES ENDED UP IN 1998, BY QUINTILE				
WHERE FAMILIES STARTED IN 1988, BY QUINTILE	POOREST	SECOND	THIRD	FOURTH	RICHEST	
Poorest	53.3	23.6	12.4	6.4	4.3	
Second	25.7	36.3	22.6	11.0	4.3	
Third	10.9	20.7	28.3	27.5	12.6	
Fourth	6.5	12.9	23.7	31.1	25.8	
Richest	3.0	5.7	14.9	23.2	53.2	

of the most affluent Americans stayed in the top income quintile during the 1970s, but 53.2 percent survived during the 1990s.)

Because “most people judge their well-being relative to others,” the authors warn, the lack of upward mobility makes the growing inequality of incomes something to worry about.

Breeding a Better America

“Race Cleansing in America” by Peter Quinn, in *American Heritage* (Feb.–Mar. 2003), 28 W. 23rd St., New York, N.Y. 10010.

“Three generations of imbeciles are enough,” declared Justice Oliver Wendell Holmes, writing for the 8 to 1 majority of the Supreme Court in 1927. The ruling affirmed the right of the state of Virginia to sterilize a young woman named Carrie Buck against her will. The daughter of a “feeble-minded” woman, Buck had been institutionalized three years before, at age 17. She was already the mother of a child born out of wedlock.

The Court’s decision was a landmark victory for the eugenics movement in America, notes historical novelist Quinn, who is working on a book about the movement. Within five

years, 28 states had compulsory sterilization laws. The annual average number of forced sterilizations increased tenfold, to almost 2,300, and by the 1970s, when the practice had largely ceased, more than 60,000 Americans had been sterilized.

Eugenics (both the theory and the word) originated with British biologist Francis Galton (1822–1911), who saw a clear link between achievement and heredity, and thought enlightened governments should encourage “the more suitable races or strains of blood” to propagate, lest they be overwhelmed by their fast-multiplying inferiors.

Emerging in America in the late 19th century, the eugenics movement gathered strength as immigrants from southern and eastern Europe flooded into the country. In 1903, with the strong backing of President Theodore Roosevelt, Congress barred the entry of anyone with a history of epilepsy or insanity. Four years later, the unwanted list was expanded to include “imbeciles,” the “feeble-minded,” and those with tuberculosis. Meanwhile, doctors took up the cause of compulsory sterilization, and Indiana became the first state to authorize its use on the “unimprovable” in state-run institutions.

In 1910, Charles Davenport, a Harvard-trained biologist, founded the Eugenics Record Office (ERO), in Cold Spring Harbor, New York, to press for eugenics legislation. The lobby received generous support from wealthy individuals such as Mary Williamson Harriman, the widow of railroad magnate E. H. Harriman, and John D. Rockefeller, and from foundations

such as the Carnegie Institute and the Rockefeller Foundation. An ERO model statute provided much of the basis for the 1924 Virginia law under which Carrie Buck was sterilized.

Before long, however, scientific and medical advances began to cast serious doubt on the theory of eugenics, says Quinn. “Hereditary feeble-mindedness was shown in many instances to be the incidental result of birth trauma, inadequate nutrition, untreated learning disabilities, infant neglect, or abuse, often enough the consequences of poverty rather than the cause.” The ERO closed its doors in 1939.

Four decades later, the director of the hospital in which Carrie Buck had been sterilized sought her out. “It was transparently clear,” Quinn writes, “that neither Buck nor her sister [who had also been sterilized] was feeble-minded or imbecilic. Further investigation showed that the baby Carrie Buck had given birth to—Justice Holmes’s third-generation imbecile—had been a child of normal intelligence.”

How to Get Lucky

“The Luck Factor” by Richard Wiseman, in *Skeptical Inquirer* (May–June 2003),
P.O. Box 703, Amherst, N.Y. 14226–9973.

Some people seem to be born lucky, while others never catch a break. Ten years ago, Wiseman, a psychologist at the University of Hertfordshire, England, decided to investigate whether that’s so. His finding: People largely make their own luck, good or bad.

He rounded up 400 volunteers, people who considered themselves either exceptionally favored by fortune or exceptionally not. Then he poked and prodded, subjecting them to interviews, personality quizzes, intelligence tests, and various experiments. “My research revealed that lucky people generate their own good fortune via four basic principles. They are skilled at creating and noticing chance opportunities, make lucky decisions by listening to their intuition, create self-fulfilling prophecies via positive expectations, and adopt a resilient attitude that transforms bad luck into good.”



Consider those “chance opportunities.” In one experiment, Wiseman asked his subjects to count the number of photos in a newspaper. Some finished the job in seconds, but others took, on average, about two minutes. Why the difference? Page two of the newspaper bore a message in large type: “Stop counting—There are 43 photographs in this newspaper.” The lucky ones noticed. The unlucky ones, generally tense and anxious sorts, were so intent on counting that they tended to miss the message.

Into every life, of course, some rain must fall. But the lucky and the unlucky generally react differently when it does. In one experiment, Wiseman asked his subjects to imagine how each of them would feel if he or she were shot in the arm by a robber while waiting in line at a bank. The unlucky bemoaned their fate: “It’s