



Correlating Economic Responsibility In The Context Of Individuals' Belief In The American Dream

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Abstract

The American Dream is generally considered to be the ability to live a fulfilling life in America and to have financial freedom. Economic Responsibility is the ability of an individual to maintain and grow good financial standing. Previous research has been able to analyze how each one individually affects a particular population, but not how they impact each other. Because of this, The following research question was formed: To what extent does believing in the tenets of the American Dream affect an individual's financial responsibility in the 21st century?

To assess the effect of Belief In The American Dream on Economic Responsibility, a correlational survey was conducted using Likert scales, the correlation of which was determined using a Pearson's R Correlation Coefficient, which was then extended to correlate older and younger survey takers for each survey question. It was concluded that Belief In The American Dream does not play a significant role in Economic Responsibility, but age does play a role in some of the questions related to Economic Responsibility.

Introduction

The American Dream represents many ideas and concepts that differ per individual. For some, it represents the ability to live a fulfilling life in America regardless of challenging or difficult circumstances. For others, it is the attainment of financial freedom. Most immigrants come to the United States due to a belief in the American Dream (Pang et al., 2010). The American Dream has represented the United States throughout its history as a collection of dreams and aspirations with the underlying principles of upward mobility and homeownership (Archer, 2014). However, the American Dream needs to be reevaluated as the American economy heads into a new age of increased financial stress. Pang et al. find that millions of Americans are living below the poverty level, only earning a minimum wage that is not enough to support a family of four. The American Dream has never been more alive regarding political involvement. Archer (2014) finds that throughout history, the mythos of the American Dream have been a constant since the country's founding and a critical part of America's rise to becoming a world power.

With such differing outlooks on the American Dream, it is important to consider various viewpoints. How do gender and racial issues impact perceptions of the American Dream? This section includes a historical analysis of popular media and significant figures, as well as examples of governmental action. How is the American Dream viewed throughout a person's education and their career? All of these questions must be explored to understand the depth of the American Dream and what it represents.

Literature Review

Gender and Race

Throughout history, it has been apparent that women and minorities have not been provided the same opportunities to pursue the American Dream. Whether that is through opportunities to participate in the American voting system, inequality in earnings, or racism, the American Dream has “never really been for everyone” (Newman, 2016). Newman introduces the Glass Ceiling Hypothesis and the Parity Hypothesis, both of which theorize that as the gap in wages is reduced and women, as well as minorities, start to be the ones making more money, there will be less skepticism toward hard work and effort, boosting the general opinion of the American Dream.

What about outside of the United States? In the context of other countries, America is an incredibly new country. Despite this, America has become one of the most powerful countries in all of history. “Not American high culture, as idealistic cultural universalists had hoped, but American economic abundance, material assistance, mass culture, and military power converted Europeans to the countries where American influence prevailed and stabilized political elites and cooperative trade unions.” (Wagnleitner, 1986). He argues that it was not the culture among the elite, but the culture surrounding working America. People come to America not in the belief that they will become part of the elite, but have a chance to be part of the working class and have a fair chance to pursue a career and raise a family. While the division concerning the American Dream is evident in the country, travel anywhere else in the world, and the American Dream will show itself in the vast number of people wishing to come to the United States to partake in it. Wagleitner offers us a historical perspective and how the Eastern world interpreted the rise of American culture. In doing so, Wagleiner shows the influence of America

on worldwide culture and how the American Dream impacted the rest of the world as millions migrated into America.

In a more personal example of a minority's experience with the American Dream, Presley (1963) tracks the life and works of the famous African-American poet Langston Hughes by analyzing the historical context of the racism that he experienced and how he applied that to his writing. "...the future poet has maintained his faith in the American Dream while confirming his enmity to the stifling and transmogrification of it." (Presley, 1963). It's often difficult to communicate issues of widespread racism without criticism, but showing the case of a particular person allows Presley (1963) to show the stifling of the American Dream. Langston Hughes goes on past his experiences with racism in his youth to become a world-renowned poet. Presley (1963) links this success to staying with and believing in the American Dream despite his experiences. Despite Langston Hughes' experiences, Presley (1963) explains that he always advocated for everyone to believe in the American Dream, even if things seem bleak.

Another example of a popular African-American who had an influence on America is Barack Obama. Stout et al. used Obama as a prime example to determine whether positive Black role models increase black optimism in the American Dream. While it was determined that African Americans' political perception of the American Dream was negatively impacted because Obama's ethnicity was used as a major talking point during his campaigns, his admission into office and actions during his presidency created a sustainable role model that ended up positively impacting African Americans' political perception of the American Dream to the point of being able to displace the initial perceptions and created movements that transcended his actions.

It is important to recognize the actions of the government that shaped the perception of the American Dream. The Kerner Report was the final report of a commission appointed by Lyndon B. Johnson in 1967. It was the first time that white racism was officially linked to violence in black neighborhoods and the riots that were spreading across the country. Gooden et al. (2018) revisits this report, evaluates the validity of the report's results, and also tries to determine if the report would need to be run today, finding that the report would have a basis to be run again with increased racial tensions becoming more prevalent in American society.

Another case of government intervention is the Flint, Michigan water incident. Robinson (2018) walks through the history of the Flint, Michigan water incident, from General Motors' involvement in the town and funding its expenditures to the city's fate of a severe loss in purity in water supply to the point where the water in the town is now unusable. "...the American Dream was only achievable for those who fit the description: white, middle-class property owners who likely utilized their voting privileges... These citizens had the means to make the Dream a reality. For everyone else, life was stagnant. There was no moving up the social ladder, no escaping the overarching issues associated with being a racial minority" (Robinson, 2018). Robinson (2018) then states that the American Dream was hurt because of the incident because one of the main guarantees of the American Dream is a safe environment to pursue a better life. Without that, the entire basis of the American Dream falls apart. There is no room to worry about dreams and aspirations because meeting basic needs becomes the new priority.

Education and Work

There has been a decline in children's confidence in the American Dream, even as far back as early education. "Multicultural education in the US originated in the racial debates and protests of the 1960s" (Sleeter, 1994). Multicultural education is simply educating people from

different backgrounds, including countries and cultures. As early as the start of formal education, many kids begin to learn about the system of the world they live in. They are taught that America is the greatest country in the world and that there is nothing to worry about. But as they are taught about the history of the country, including but not limited to slavery and the civil rights movement, they slowly begin to realize that America is not the shining social sphere that they were once told it was. Sleeter (1994) concludes that by the end of elementary school, most children have a more pessimistic worldview of the American Dream than they did at the start of elementary school.

In higher education, the trend of confidence continues to decline. “Higher education provides better odds of social protection, even when it cannot always offer the leap upwards in society. However, whether it provides protection or advance, its benefits are largely confined to the richer half of the United States population” (Marginson, 2016). After Marginson collects information on the neurocognitive networks of higher education students, they determine that higher education is needed to improve anyone’s life, but access to it will become more complicated to obtain and thus will play a less prevalent role in the future.

However, this viewpoint of the American Dream fluctuates in the workforce. Compared to standard work alone, non-standard work of any type does not directly lead to pessimism regarding the American Dream (Starks, 2003). A central part of the American Dream is that anyone, regardless of where they start their career, will be able to make it further economically with perseverance and hard work. In selecting workers who are working in non-traditional roles, they appeal to a minority of the population that is working in the type of role that the ideals of the American Dream are rooted in, thus making them more susceptible to a positive outlook on the American Dream. Despite this, there is still a vast amount of disapproval and doubt found in



these same workers, especially women and minorities, in regards to their job security and the possibility of career advancement.

A Gap In Economic Decisions

While research has been conducted on the economy and was correlated to the American Dream, how the American Dream has impacted people's economic decisions has never been observed, especially in the context of economic events changing an individual's perception of the American Dream and their economic choices. Thus, the research question I seek to answer is: To what extent does believing in the tenets of the American Dream affect individuals' financial responsibility in the 21st century?

Method

A Google Forms survey was chosen because of its simplicity in distribution and ease of collecting data. It makes it more possible to reach people who are not readily available to do an in-person survey. This survey was compiled into three sections using Youngstown State University's American Dream Survey and the Bureau of Consumer Financial Protection's 2018 Financial Skill Scale. While Youngstown's survey relates belief in the American Dream to political views, the Bureau of Consumer Financial Protection survey seeks to determine financial responsibility. Combining the first part of Youngstown's survey with the Bureau of Consumer Financial Protection survey, one can correlate belief in the American Dream to financial responsibility.

Survey

The first section of the survey asks for age and gender to allow for analysis of these factors. Because of many social factors involving gender and age, including but not limited to gender representation and generational stigmas, gender and age are the most effective measurements for determining differences in the various parts of society. Theories such as the Glass Ceiling Hypothesis and the Parity Hypothesis described by B.J. Newman was considered when deciding on including age and gender in the survey; B. J. Newman states that as the gap in wages is reduced and women, as well as minorities, start to be the ones making more money, there will be less skepticism toward hard work and effort, boosting the general opinion of the American Dream.¹

The second section of the survey, based on Youngstown State University's American Dream Survey, was slightly modified from the source material, as the survey was initially created

¹ See Newman, B. J. 1006-1025 and Pang et al. 180-193

to determine political affiliation in Ohio using the American Dream as a basis. To utilize the questions from this survey, some questions that directly addressed an individual's political affiliation and/or did not ask about the American Dream were removed. The remaining questions were modified to be phrased in the second person to prevent bias when answering questions and to include the American Dream if needed. (e.g. "Would you say things in America are on the right or wrong track?" was modified to "Does the current ideology of America align with the American Dream?")

The third section of the survey, based on the Bureau of Consumer Financial Protection's 2018 Financial Skill Scale, had less modification because most questions were already on a five-point scale. Still, the names of the scale's levels were modified to fit the first section of the survey. The five-point scale used throughout is as follows:

- 1 - Not at all
- 2 - Only a little bit
- 3 - Somewhat
- 4 - Mostly
- 5 - Definitely

Approval to use the surveys from Youngstown State University and the Bureau of Consumer Financial Protection was obtained, and any additional questions added received approval from the Institutional Review Board. Consent will be asked for in every section of the survey, and any individual who revokes consent at any time while taking the survey will be removed from data compilation. This survey targeted anyone 18 or older, primarily because they would have experience with more advanced economic situations, such as filing taxes. They would also know the nuances of their economic situations and could answer the questions

appropriately. Any individual who says they are under 18 will be removed from any data compilation. All respondents were also asked to answer in the context of the 21st century.

All survey information was then placed into a Google Sheet. Of the 47 responses collected, 3 had to be removed because the respondents refused to consent to the survey while answering questions, and 2 more were removed because the respondents omitted some questions. Then, in each of the two sections, the average section score for every respondent was found, and the average and standard deviation were calculated.

Data

Pearson's Correlational Coefficient

All correlation coefficients used were calculated using the following formula:

$$r = \frac{\sum xy - n\overline{xy}}{(n-1)\sigma_x \sigma_y}$$

Figure 1: *Pearson's Correlation Coefficient Formula*

A correlation coefficient that is closer to ± 1 implies a correlation. Because "Belief in the American Dream" is substituted into x, this means that a correlation coefficient of -1 implies that as Belief In The American Dream increases, Economic Responsibility decreases and vice versa if the correlation coefficient is 1. If the correlation coefficient is 0, it implies no correlation between Belief In The American Dream and Economic Responsibility.

Substituting Belief In The American Dream into x and Economic Responsibility into y, we get the following:

Age	Belief In The American Dream	Financial Responsibility
Average	Average	Average
35.58139535	3.102325581	3.860465116
Standard Deviation	Standard Deviation	Standard Deviation
12.38043866	0.6250667792	0.3940124848
Correlational Test		
0.05739150405		

Figure 2: *Average Section Scores Statistical Analysis*

Analysis

Age Stratification

Taking into consideration that the average age of the respondents was 35 (Figure 4), it was decided to do a correlation test (Figure 3) where x would be all of the respondents that were 18 to 35 years old, and y would be all of the respondents that were over 35 years old for every question in the survey.

The problem with this, however, is that while 19 people are over 36 years old, 24 people are 18 to 35 years old. Because Pearson's Correlation requires both of the sample sizes to be the same, a Python script was created that took the row index of all 24 respondents who were 18 to 35 years old (Figure 1) and randomly selected 19 people from the row index list 11 times for every question in the survey.

```
1  import random
2
3  row_values = [5, 6, 7, 9, 10, 13, 14, 16, 17, 19, 20, 25, 26, 27, 28, 29, 30, 32, 36, 38, 39, 42, 43, 44]
4  for i in range(11):
5      finalValues = []
6      for j in range(19):
7          randNum = random.randint(0, len(row_values) - 1)
8          alreadyInList = True
9          while (alreadyInList):
10             if row_values[randNum] in finalValues:
11                 randNum = random.randint(0, len(row_values) - 1)
12                 alreadyInList = True
13             else:
14                 finalValues.append(row_values[randNum])
15                 alreadyInList = False
16         print(finalValues)
17         finalValues = []
```

Figure 3: *Random 18-35 Year Old Respondent Generator Script*

Whoever was randomly selected by the Python script was then compared to all of the people older than 35 for every survey question, and a correlational test was done. (Note that the blue left column is people 18 to 35 years old while the purple right column is people over 35 years old)



Question 1: Does the American Dream exist?	
Average	Average
3.210526316	3.421052632
Standard Deviation	Standard Deviation
0.6306035353	0.6069769787
Correlational Test	
-0.09930900384	

Figure 4: *First Belief In The American Dream Question Age Stratification Statistics*

Question 2: Have you achieved the American Dream?	
Average	Average
2.789473684	3.736842105
Standard Deviation	Standard Deviation
0.9763280055	0.9911892556
Correlational Test	
0.0543868701	

Figure 5: *Second Belief In The American Dream Question Age Stratification Statistics*

Question 3: If you were to raise a kid right now, would they be able to achieve the American Dream when they grow up?	
Average	Average
2.631578947	3.157894737
Standard Deviation	Standard Deviation
1.164785451	0.6021404316
Correlational Test	
-0.07087271801	

Figure 6: *Third Belief In The American Dream Question Age Stratification Statistics*

Question 4: Does the current American economy align with the American Dream?	
Average	Average
3.052631579	3.421052632
Standard Deviation	Standard Deviation
1.078769062	0.9612370198
Correlational Test	
-0.07613400685	

Figure 7: *Fourth Belief In The American Dream Question Age Stratification Statistics*



Question 5: Does the current ideology of America align with the American Dream?	
Average	Average
2.842105263	3.421052632
Standard Deviation	Standard Deviation
1.213953957	1.387074839
Correlational Test	
0.00868243997	

Figure 8: Fifth Belief In The American Dream Question Age Stratification Statistics

Question 1: Have you been able to follow through on financial goals that you have set for yourself?	
Average	Average
3.263157895	3.421052632
Standard Deviation	Standard Deviation
0.8056815792	0.768533197
Correlational Test	
0.1700005509	

Figure 9: First Economic Responsibility Question Age Stratification Statistics

Question 2: Have you been able to do sufficient research on your financial decisions?	
Average	Average
4.210526316	3.736842105
Standard Deviation	Standard Deviation
0.7873265148	0.9334586382
Correlational Test	
0.3819400235	

Figure 10: Second Economic Responsibility Question Age Stratification Statistics

Question 3: Have you been able to develop a savings habit?	
Average	Average
3.947368421	4
Standard Deviation	Standard Deviation
1.223550581	1
Correlational Test	
-0.09081039466	

Figure 11: Third Economic Responsibility Question Age Stratification Statistics

Question 4: Do you know how to stop yourself from spending too much money?	
Average	Average
4.157894737	4
Standard Deviation	Standard Deviation
0.8342100651	0.9428090416
Correlational Test	
0.2825454526	

Figure 12: *Fourth Economic Responsibility Question Age Stratification Statistics*

Question 5: Do you know where to get advice concerning your money?	
Average	Average
3.684210526	4
Standard Deviation	Standard Deviation
1.204280863	1
Correlational Test	
-0.3690538129	

Figure 13: *Fifth Economic Responsibility Question Age Stratification Statistics*

Question 6: Do you have enough investments to support yourself?	
Average	Average
3.947368421	4.052631579
Standard Deviation	Standard Deviation
1.223550581	1.025978352
Correlational Test	
-0.04192627458	

Figure 14: *Sixth Economic Responsibility Question Age Stratification Statistics*

Discussion

For the average section scores, because $r = 0.06$ is closer to zero than ± 1 , this implies that there is no correlation between Belief In The American Dream and Economic Responsibility. If the correlation coefficient went to negative 1, then there still would be a correlation, just one that implies that Economic Responsibility decreases as Belief In The American Dream increases. So, to answer the research question: There is no significant correlation between Belief In The American Dream and Economic Responsibility.

However, some of the specific questions do have a correlation. It is important to note that the correlation factor is now age for the specific questions. Because of this, a positive correlation implies that people answer the question in higher standing as they get older, a negative correlation implies that people answer the question in lower standing as they get older, and no correlation implies that age does not play a role in how the question is answered.

The only questions with significant correlations include: "Have you been able to achieve financial goals that you have set for yourself." Have you been able to do sufficient research on your financial decisions," "Do you know how to stop yourself from spending too much money," and "Do you know where to get advice concerning your money?" The correlation coefficients for these are 0.17, 0.38, 0.28, and -0.37 respectively. In particular, the "Do you know where to get advice concerning your money?" is incredibly interesting because of the negative correlation. This implies that younger people are more likely to believe they know where to get advice concerning their money.

On the other hand, the rest of the Economic Responsibility questions have a positive or no correlation, which makes sense. It was expected that older people would have been able to have significantly more control on their finances than younger people. For example, being able

to achieve financial goals that you have set for yourself and stopping yourself from being able to spend too much money are both things that come with experience and time.

Something else that is important to note is that any questions about Belief In The American Dream did not have any correlation. Perhaps this is because of the divisive nature of the questions. Examples of this polarization include: “Does the current American economy align with the American Dream,” and “Does the current ideology of America align with the American Dream?” Perhaps these questions were too polarizing to the point where a trend could not be easily identifiable.

Limiting Factors

The primary limiting factor of this study is the small sample size. 43 people may not be enough to represent the full population of the United States. Another important factor to consider is the influences of other variables. Politics and Economics are large, broad topics that take up a large scope of people's lives. To say that Belief In The American Dream and Economic Responsibility take up a small part of that would be an understatement. Because of this, there might be numerous factors that the study does not take into account.

Archer (2014) states that the American Dream holds general and cultural expectations, which in turn is what affects people's finances. However, the true scope of these expectations is not explored. These expectations can manifest themselves in two main ways: political views and the context of their upbringing.

People's political views are largely dependent on the type of society that they are a part of. If the society that a person is a part of believes that, for example, that state's rights should take precedence over a large government, then that person is much more likely to believe that as well.

People's upbringing, more specifically, the context in which they were brought up once again, is dependent from person to person. However, this depends on your immediate family circle rather than a whole community. If you were raised in a household where money was tight and you needed to save as much as possible, you might be much more inclined to save any extra money earned than someone who grew up in a family where money was seen as a gateway to opportunities and should be spent to achieve things. However, it is possible to believe both things. The difference then, would be how much they could actually spend.

Another limiting factor is how people perceive these constants. Belief In The American Dream and Economic Responsibility are both subjective factors, meaning that it is up to an individual to determine what the specific term means to them. This means that while one person might stick to the average definition of the American Dream, which is the ability to live a fulfilling life in America and have financial freedom, another person might not believe in it at all and simply see Belief In The American Dream as having any faith at all in the American Dream.

Sleeter (2014) states that people often misinterpret how financially stable they are, leading them to make more rash financial decisions that might hurt them in the long run. Similarly, these misinterpretations are what lead to biases when people are asked to determine their status in economic factors, such as Economic Responsibility.



Implications

Because the results of this study are vastly broad, this means that you could possibly reject any correlation between politics and economics in general. This could be supported by the fact that both politics and economics are incredibly diverse topics, and it is possible that because of that, they have no overlay. Gooden et al. (2018) showcases exactly how broad these topics can be when they determined that the Kerner Report needed to be redone today but for a completely different reason than why it was originally run in the first place. Not only does this showcase how broad these types of topics can be, but also the fact that the scope of these topics is always changing.



Future Experimentation

In order to do any further experimentation and to combat the limiting factors listed above, A significantly bigger survey size must be considered. If a larger sample size is achieved, then the Likert Scale might not be the most effective tool to use, and a different method of collecting responses must be considered. Upon further analysis and research, it has been determined that due to the large number of extraneous variables that might affect survey responses, using qualitative data such as long form response questions should be considered for a study attempting to research topics as complex as this.

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