

Limitarianism in America: is there a riches line?

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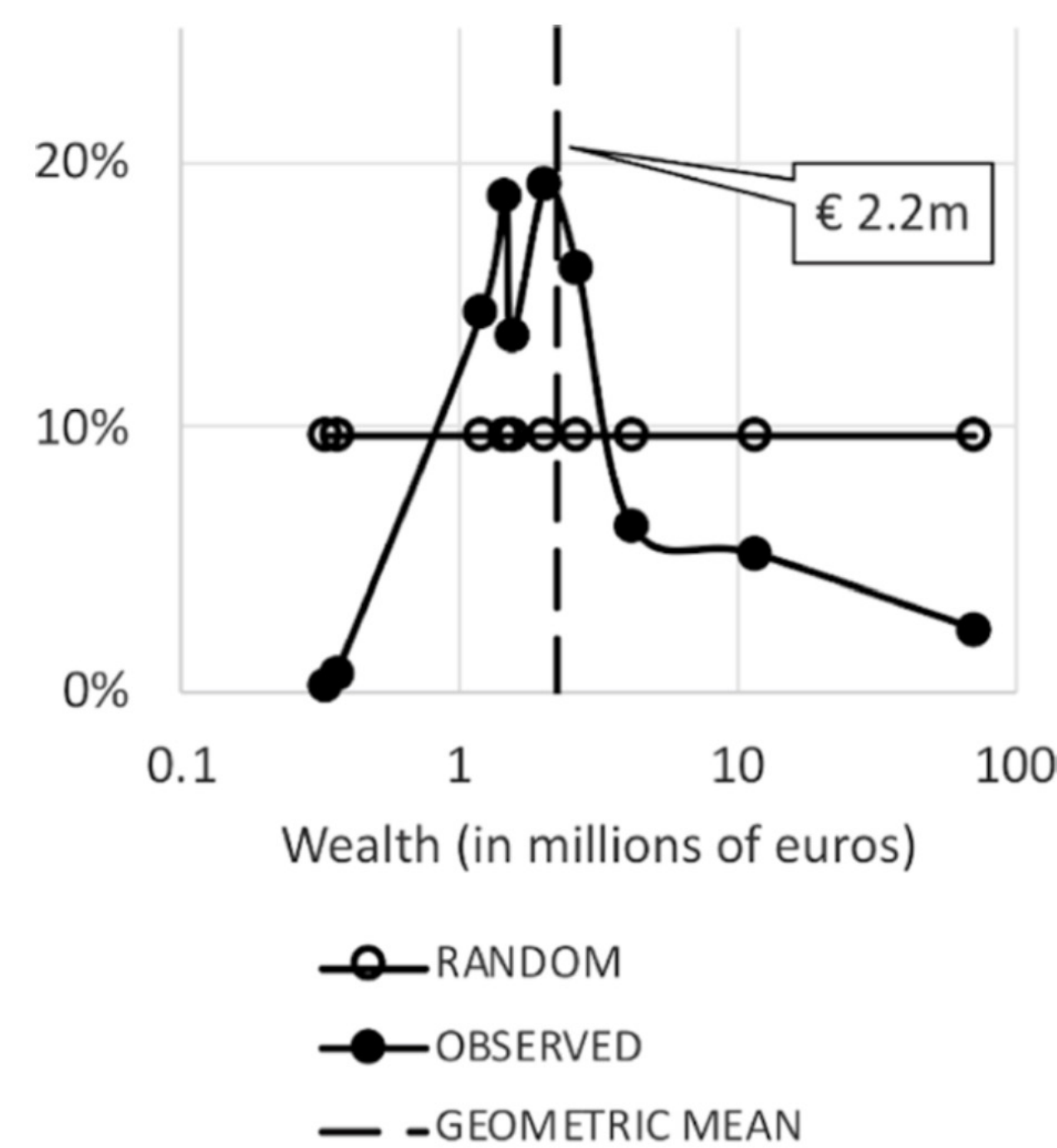
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What is Limitarianism?

- The intention of the survey is to gauge how people feel about extreme wealth. Drawing on the idea of economic limitarianism, the goal is to find if Americans believe that there is a **moral limit** to wealth, and if so, where.
- Why limit wealth?
 - Political inequality – the rich can use their wealth to enact laws and policies that benefit them in ways that the poor cannot
 - Urgent Needs – e.g. extreme poverty, climate change
 - Above argument originally posed by Robeyns, 2019

Previous Studies

- Robeyns et al. found that the Dutch population places the riches line at 2.2 million Euros.



(Robeyns et al. 2020)

- Davis et al. did not find support for a normative riches line in London, but found a common definition for “rich” as between the two levels below.

Table 3: Assets, goods and services at different standards of living

Area	Level C – (Securely) Comfortable	Level D – Wealthy
Housing	Owning home (mortgage)	Owning outright + Additional property/ 'more bedrooms than you need'
Wealth /Finances	Premier bank account, financial advisor, Onshore investments, Savings	Additional income streams Private banking & wealth manager Offshore investments Significant savings
Leisure	Eating out weekly (\$20-25 wine Leisure once a week, Ski/Sports, Netflix, Amazon Prime More tech, higher quality Pets & insurance	Eating out weekly (\$100 wine) 'more expensive hobbies' (fishing, sailing, antiques), Club membership Pedigree pets & insurance + stabling
Holidays	2 holidays a year	5+ holidays a year (some without children)
Shopping	Groceries – 'mix and match' Clothing – high street+	Groceries – organic/high end delivery/ 'food halls' Clothing – not high street
Transport	New car/s 2-5 years	Additional car (fun/kids)
Health and personal care	Private healthcare Personal care (spa/sauna, massage) Gym membership	Private healthcare Personal trainer
Private service (labour)	Weekly cleaner and gardener Personal assistant	Housekeeper

(Davis et al. 2020)

Methodology

- We want to know:
 - Does the respondent think this vignette is rich?
- Just enough ←————→ Extremely Rich
Wealth Scale
- Does the respondent think this wealth is too much?
 - Does the respondent think that most people agree with them?
- We then ask respondents three questions
 - Rank the level of richness of the family
 - Is this level of wealth is acceptable or not
 - If not, why
 - Out of 10 community members how many people they believe find this too rich
 - This is unique to this study, we hope to measure pluralistic ignorance: the level that the actual wealth line varies from perceived
- Polling a representative sample of Americans, we can determine how the riches line is affected by demographic factors such as:
 - Age
 - Race
 - Sex
 - Income

How to Depict Wealth?

- Listing numerical values is too abstract for most people to accurately judge, so we use create 10 vignettes at increasing wealth levels
- Forms of wealth include:
 - Home(s)
 - Car(s)
 - Vacations
 - Savings and Investments
- Example:

Family F - 2 parents (40s), 2 children

House	Second House	Car(s)	Holidays (Annual)	Savings	Net Worth
3 Bedrooms, 2 Bathroom Condominium in Manhattan - 1,400 sq ft (\$1.4 million)	2 Bedroom 1 Bathroom 800 sq ft Beach House in East Hampton (\$230,000)	1 Lexus LX and 1 Audi A6	2 Weekend Trips to Disney world Florida, 1 week in the United Kingdom, 1 week in France	\$600,000	\$2.4 million

- As wealth increases, each of the above categories become more luxurious

Next Steps

- The project is currently still in progress. The original goal was to publish the survey during the month of July and then analyze the results in August.
- However, after meeting with Dr. Robeyns I decided to postpone this timeline and redesign the survey to better fit how the wealthy truly live.
- There are several ways to do this, including:
 - Working with sociologists who study demographics and wealth
 - Reaching out to wealth managers and wealthy individuals for anecdotal evidence
 - Talking to journalists who study wealth
- I am looking to do all of these. While this project is not what I had originally anticipated, I am far happier with the result. This process has been a great learning experience for me.

Survey Redesign

- Making the survey representative of how the rich live is difficult due to the lack of data, however we plan to draw on many different sources to arrive at a rough estimate.
- Also, the original survey only ranged in wealth from \$400,000 to \$80 million. In the new survey we plan to increase the lowest wealth levels, and raise the highest to \$100 million or even \$1 billion.

Old		New	
Family	Total Wealth (in Millions)	Family	Total Wealth (in Millions)
1	0.3	1	0.4
2	0.4	2	1.4
3	1.5	3	2.3
4	1.7	4	3
5	1.8	5	5
6	2.4	6	15
7	3	7	50
8	5	8	100
9	14	9	250
10	84	10	1,000

References

Davis, Abigail, Katharina Hecht, Tania Burchardt, Ian Gough, Donald Hirsch, Karen Rowlingson, and Kate Summers. 2020. “Living on Different Incomes in London: Can Public Consensus Identify a ‘Riches Line’?,” 60.

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