What We Know about Wealth

Americans have a distorted sense of the level of inequality in their society—but not in the direction one might expect. Norton and his coauthor, Dan Ariely (author of the popular title Predictably Irrational and a professor of behavioral economics at Duke), believe that one reason perceptions are so skewed is because the easy availability of credit masks people’s real financial situation. If your neighbors own the same make and model of car that you own, Norton points out, there’s no way to know whether they paid cash for theirs or took out a loan for the full amount. It’s easy, he says, to think, “I have a car and you have a car, so I guess wealth is equally distributed.” This perception is reinforced by the fact that people tend to interact primarily within their own social stratum.

What is surprising given these circumstances, says Norton, is that Americans told would hold about 15 percent and about 10 percent instead.

Norton and his colleague, Jenny Liu of the University of Wisconsin-Madison, conducted four experiments to demonstrate the phenomenon, using various forms of memory recall to test reliance on computers. (The results were published in the August 5 issue of Science.) In the first experiment, participants demonstrated that they were more likely to think of computer terms like “Yahoo” or “Google” after being asked a set of difficult trivia questions. In two other experiments, participants were asked to type a collection of readily memorable statements, such as “An ostrich’s eye is bigger than its brain.” Half the subjects were told that their work would be saved to a computer; the other half were informed that the statements would be erased. In subsequent memory testing, participants who were told their work would not be saved were best at recalling the statements. In a fourth experiment, participants typed into a computer statements they were told would be saved in specific folders. Next, they were asked to recall the statements. Finally, they were given cues to the wording and asked to name the folders where the statements were stored. The participants proved better able to recall the folder locations than the statements themselves.

Wegner concludes that questions remain about whether dependence on computers will affect memories negatively: “Nobody knows now what the effects are of these tools on logical thinking.” Students who have trouble remembering distinct facts, for example, may struggle to employ those facts in critical thinking. But he believes that the situation overall is beneficial, likening dependence on computers to dependence on a mechanical hand or other prosthetic device, or to the use of calculators in the classroom. Initially, math students were banned from using the latter, he points out, but “Now it’s gotten to the point where most of the time we are being tested with our calculators, to see where we can get with that wonderful tool in our hands.”

And even though we may not be taxing our memories to recall distinct facts, we are still using them to consider where the facts are located and how to access them. “We still have to remember things,” Wegner explains. “We’re just remembering a different range of things.” He believes his study will lead to further research into understanding computer dependence, and looks forward to tracing the extent of human interdependence with the computer world—pinpointing the “movable dividing line between us and our computers in cyber networks.”

Daniel Wegner

e-mail: wegner@wjh.harvard.edu

www.wjh.harvard.edu/~wegner

Visit harvardmag.com/extras to read more about Michael Norton’s findings about Harvard alumni opinions on wealth and inequality.

Skewed Preferences

From left to right: the wealth distribution that Norton’s respondents said would be ideal; how they estimated wealth was currently distributed; and the actual distribution of wealth in the United States.
Right now you never actually own a Patek Philippe. You merely take care of it for the next generation.

Americans have a distorted sense of the level of inequality in their society—but not in the direction one might expect.

At all income levels—the very rich as well as the very poor—said they would like wealth to be more evenly distributed.

In fact, these preferences for wealth distribution have been strikingly similar across many different groups the researchers surveyed: Americans, Canadians, and Australians—and visitors to the websites of National Public Radio and Forbes magazine. Norton says he would like to widen his sample of Americans in future surveys—for instance, reaching people who do not have regular Internet access. (He is also asking how Harvard graduates’ perceptions and preferences stack up against those of other respondents; to see these new findings, visit harvardmag.com/extras.)

Although respondents who reported having voted for George W. Bush as president in 2004 chose slightly less wealth redistribution for their ideal world, their responses were still quite close to those of John Kerry voters—they chose a desired distribution far more equal than the actual distribution of wealth, and more equal than what they estimated the actual distribution to be. Norton notes that much depends on how one frames the question: if asked explicitly, “Do you support wealth redistribution to reduce inequality?” most of those Bush voters would probably have said no.

This implies a separate observation: that people’s abstract preferences about inequality, expressed in a survey, may not lead them to vote in a way that brings policy into line with these preferences. People tend to assume, says Norton, that wealth correlates with talent or hard work—that it is deserved.

Health inequality, on the other hand, is correlated with income inequality: on average, the poor are less healthy, and countries with higher income inequality perform less well on health measures (see “Unequal
Fidelity Charitable® offers a strategic way to support the causes you’re passionate about. We’ve made more than $91 million in donor-recommended grants to Harvard University.*

To recommend a grant to Harvard University, visit FidelityCharitable.org.

* As of 6/30/11, and since inception. Grants to Harvard University include grants to various programs, schools, and organizations affiliated with Harvard University. Details are available upon request. See additional Fidelity Charitable disclosures on the following page.

---

**HACKING THE GENOME**

**Life: The Edited Version**

Scientists have made stunning progress in their ability to decode genomes; the past several years have produced many new genome-sequencing efforts. Now, some scientists have shifted their focus from passively reading genomes to actively “writing” and “editing” them in specific ways. Researchers led by George Church, professor of genetics at Harvard Medical School, and Joe Jacobson, associate professor in the Media Lab at MIT, have announced a new approach for rapidly and inexpensively editing large numbers of genomes in living cells. Their new editing tools could be used to engineer cells that have radically different properties, including advantages such as resistance to infection.

Their July 15 paper in *Science* focuses on efforts to alter the genome by means of a “search and replace” method that revises **codons**—strings of three DNA molecules that are often thought of as DNA “words” because they encode a single amino acid (the building block of proteins). Some codons, though, function more like a punctuation mark; these “stop codons” instruct the protein-building machinery of a cell to...