

**3 Takeaways Podcast Transcript**  
**Lynn Thoman**  
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**Ep. 163: How Inequality Affects the Way We Think, Live, and Die**

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**INTRO male voice:** Welcome to the 3 Takeaways podcast, which features short, memorable conversations with the world's best thinkers, business leaders, writers, politicians, scientists and other newsmakers. Each episode ends with the 3 Key Takeaways that person has learned over their lives and their careers, and now your host and board member of schools at Harvard, Princeton and Columbia, Lynn Thoman.

**Lynn Thoman:** Hi everyone, it's Lynn Thoman, welcome to another 3 Takeaways episode. Today, I'm excited to be with Keith Payne. Keith is a professor at the University of North Carolina and author of the wonderful book, Broken Ladder. Keith is an expert on inequality. His research has shown that people's sense of where they stand in relation to others matters, so feeling poorer than other people matters, sometimes even more than just being poor. According to Keith, inequality affects everything from how we think to how we live and even how we die. I'm excited to learn how comparing ourselves to others shapes us. Welcome, Keith, and thanks so much for joining 3 Takeaways today.

**Keith Payne:** My pleasure, thanks for having me.

**LT:** Keith, do people naturally compare themselves to other people?

**KP:** We compare to other people both naturally and automatically. We're just constantly doing it, we may not even know or notice that we're doing it. But if you start to pay attention to your own social comparison processes, you'll notice that you're looking at the people around you all the time and basically asking yourself some version of the question of, am I good enough, do I look good enough? Am I smart enough? Am I doing the right thing? All of these comparative questions all the time, we're asking ourselves at some level, and we're getting that information by looking to those around us.

**LT:** I was fascinated that we seem to do this subconsciously or unconsciously, that we don't realize it, and your example of what happens on planes, when people who are boarding have to walk through business class to get to their seat in economy class, it really affects their behavior. Can you tell us about that?

**KP:** There's a fascinating study that looked at the frequency of disruptive or violent behavior on millions of plane flights in the United States. They compared the planes where you board at the front, and therefore, if you're in coach, you have to walk past the people in first class who are already seated there, to other kind of planes that board either at the back or in the middle, where if you're going to coach, you don't have to walk past the first class section. And they found that the incidence of disruptive behavior on those flights was several times higher whenever the passengers had to walk past the first class section first, compared to those where they didn't. And I think it's a fascinating example of how something as subtle as walking past people who are seated comfortably

in first class, having their champagne and warm chocolate chip cookies can make us obviously distressed even if you don't feel that way, it shows up in people's behavior.

**LT:** That is fascinating to me. Keith, how do you compare or think of inequality and poverty?

**KP:** Poverty is the lack of resources, it's the absence of money or other kinds of resources that can turn into money or opportunity to make money, whereas inequality is really about the size of the gap within any system or a country or society, the size of the gap between the wealthier and the poor, so at any level of wealth or poverty, you could still have a high level of inequality or a low level of inequality, and so that's what my book is focused on, the psychological and human consequences of living in a society that's affluent like the United States, and yet has extremely high levels of inequality, where the rich have just so many more times the money or the access or the opportunity that people at the bottom of the ladder have.

**LT:** So basically, in countries that are well enough off that the poor are not actually starving, you pretty much are defining poverty really as inequality as opposed to absolute poverty...

**KP:** Well, I wouldn't define it, poverty as inequality, but psychologically and behaviorally, high levels of inequality tend to reproduce the same kind effects in terms of our psychology, in terms of our health and our happiness. So poverty is still a risk factor for all sorts of health and social problems independent of inequality. But over and above that, even if you're in a wealthy society that's not struggling with poverty, high levels of inequality tend to reproduce the same kinds of problems that we think of as problems of poverty, things like crime, things like drug abuse and addiction, things like mental health problems in affluent societies, the level of inequality is a better predictor of those poor outcomes than actual poverty rates is.

**LT:** With social media today, where people see the lives of superstars and billionaires as well as the best lives of everybody else. How does that make people feel?

**KP:** Social media is just a nightmare for social comparison, because we're all putting up our best vacation shots and our best edited photos of ourselves and presenting the best version of ourselves in our lives to the world. And then we look at our own life and see what other people are posting online, and it's just a custom-made situation for making us all feel terrible about ourselves. Because in our own lives, we see the warts and all, and the difficult parts, and the sad parts, and the failures and all of that, and then we look online and people are posting as if everything in their life is amazing, so it's just a perfect storm of all the ingredients to make us feel horrible.

**LT:** What is what you call the “live fast, die young” approach to life?

**KP:** The live fast, die young approach to life is a way of looking at life that says, look, I'm not going to be around very long, I might as well do whatever I want to do now, I might as well live it up and have as much pleasure or do anything I feel like doing. Right now, in the short term, because I don't believe that I don't really have the confidence that I'm going to be around years from now to enjoy the fruits of my labor. If I take it slow and I plan for the future and I invest in the future, all of us in life face this trade-off. Do I indulge in whatever I want to do right now, or do I forego whatever that pleasure might be today for some long-term gain tomorrow, and that applies to whether it's money, spending your money versus saving and investing it, but it also applies to other areas of life, like, do I deny myself what I want to eat and drink right now so that I'll be healthy or

20 years from now, do I go to the gym right now so that I'll be better off health-wise down the road?

**KP:** And so the fascinating thing from my perspective is that even when we all face these trade-offs, people facing either high levels of poverty, high levels of violence and uncertainty in their life, or high levels of economic inequality in the context around them, those all predispose people to take the more immediate, live fast, die young approach rather than the slow down and invest for the future approach, and it's because all of those conditions make us feel less certain about the future.

**LT:** So uncertainty about the future, you're saying leads essentially to short-sighted decisions?

**KP:** That's right. Short-sided decisions that focus on the here now and that often end up sabotaging aspects of the future.

**LT:** And does that include, for example, dropping out of school or selling drugs, what kind of examples would this lead to?

**KP:** Yeah, it includes dropping out of school, selling drugs, crime of all type, people who live in highly unequal societies or societies where the future is very uncertain, tend to have children at younger ages and have more of them, they tend not to save for the future in terms of retirement, they tend to make risky financial decisions like playing the lottery rather than saving and investing money for the long term, and all of these things like staying in school or not committing crimes that you might have an impulse to do in the moment, these are always of prioritizing the future, and we tend to shoot ourselves in the foot by making those impulsive decisions when inequality or other sources of uncertainty about the future become really salient.

**LT:** What about making big, long-term commitments, whether that's finishing school or going to college or getting married, what is the impact?

**KP:** Well, the impact is that we may want to make those long-term impacts, but we're less likely to follow through on them in context of high inequality.

**0:09:23.3 LT:** Because people prioritize the here and the now over an uncertain future?

**KP:** That's right. People tend to say, I don't know if I'm going to be around that much into the future, so I'm going to just indulge in whatever seems like a good idea right now, whether that means dropping out of school to make some money right now, or engaging in unhealthy, health behaviors, these are all versions of prioritizing the here and now and not waiting around for that imagined future when you might get a bigger pay-off in the long run.

**LT:** Keith, what is the “nothing to lose” idea? Tell us about the risks that people are willing to take.

**KP:** An idea that's related to the sort of nothing left to lose or live fast die young idea, is that in context where inequality is high, we also tend to go for high-risk, high reward decisions as opposed to low risk, low reward decisions. So here we're not talking about necessarily saving for the future versus indulging in the present, but we're talking about making decisions that might pay off big, but probably won't pay off at all or might lose big. What happens is that in a context with high inequality, we tend to look to compare ourselves to those who have more than us, and when inequality gets high, the people who have more than us have a lot more than us, and we tend to

want to keep up with them. We have this phrase, "Keeping up with the Joneses", we tend to try to keep up with those who have more than us, and when inequality gets high, we need more and more to feel like we have enough, so we tend to engage in high-risk, higher reward behavior rather than playing it safe. People tend to do things like to gamble more, to play the lottery more, engage in risky behavior, whether it's sexual behavior or drug-use behavior, that they might have a big payoff in the moment for people, but they also expose ourselves to really high levels of risk.

**LT:** What you're describing sounds like essentially a vicious cycle, is that right?

**KP:** That's right, the ways that inequality affects people's behavior, leads people to make these sort of high-risk, high reward choices, and if you think about a whole population that's making higher risk, high reward choices, that means a few people are going to win big. They're going to strike it rich. But that means a lot more people are going to lose big and they're going to lose everything, and so if inequality leads to that kind of high risk, high reward behavior, that means in the next generation or the next generation, that's just going to reproduce high inequality. Because you have a few people who are big winners and a lot of people who are big losers in that game.

**LT:** Can you describe the flipside as well, what a virtuous cycle would look like, perhaps the middle class virtuous cycle.

**KP:** We always talk about vicious cycles, but the interesting thing about every vicious cycle is that it's also a virtuous cycle because you can almost always run them in reverse, and so if high inequality leads people to make high risk, higher reward decisions, lower inequality leads people to make lower risk decisions and think about what are the different possible outcomes and do I want to play it safe. So you can see this difference if you compare across different countries that have high and low levels of inequality, but you can even see it within the United States, if you compare high inequality states like New York, California, et cetera and Louisiana, these are all high inequality states, if you compare to really low inequality states like say, Iowa or Utah or Vermont, people just make more... I don't know if you want to say conservative, but they make less risky decisions in all areas of life when they live in low inequality places.

**LT:** It's interesting to me that you have written that if it seems obvious to you that it's better to sacrifice today for larger returns in the future, then you've probably been raised in an environment in which that kind of conscientious investment pays off.

**KP:** Right, I think people have these intuitions and they don't always realize that other people don't share those intuitions that it seems obvious to you that you should focus on today and not worry about the future, that's a clue that you've been raised in this kind of high uncertainty environment, and you may not realize that other people don't think that way. I, for example, I was raised in a high poverty and high inequality background in small town Kentucky. Nobody I ever even knew had gone away to college. I didn't even take that as a possibility as a child, as a high schooler, that you could leave your hometown and go away some place else to college, because that seemed impossibly far away, the idea that you would go away some place and study for four years or more, just because it would increase your earning potential or your life options down the road. Four years or more to 16-year-old me seemed impossibly far away, and I think everybody I knew growing up where I did, tended to share that perspective.

**LT:** You really bring home how much the environment that we're raised in shapes us. I was also

fascinated that you write that if you believe that most people can be trusted, you probably came of age in a world where most people were trustworthy.

**KP:** Right, these beliefs that we develop about the world, they come from our experience, and we learn on a day-to-day basis, if you're in a place as a child where most people are trustworthy and most people are benevolent and your world is a relatively safe place, you come to assume that that's just the way the world works. But if you live in a place where the world is dangerous or unpredictable, we incorporate that experience too, and we don't necessarily continue to think about it as our experience, we just see it as... that's the way the world is.

**LT:** People can compare themselves to other people on so many different dimensions, or they can be shaped by their environments in so many different ways, from the physical safety to the wealth around them, to their physical looks, their education, their careers and those of other people around them. How can people care less about comparing themselves to others and about the negative effects of their environments?

**KP:** It's hard not to compare yourself to others at all, who, as I mentioned earlier, we tend to do it so automatically, and it's very hard not to compare to others at all, and we shouldn't, we get useful information by comparing ourselves to other people around us, but we can be more careful and wiser about how we make those social comparisons. For example, comparing ourselves to those who are more advanced at a skill or better off at some talent than us, is motivating. It can motivate us to work harder and to try to get better at that thing. But at the same time, comparing ourselves to others who are better at something or better off is demoralizing in terms of how we feel about ourselves. So it's a trade-off. And likewise, if you compare to others who are worse off than you, you can feel good by comparison because you're doing better comparatively, but it's also demotivating because it makes you feel like you can rest on your laurels if you've already accomplished this thing or acquired that thing. Another way that people can compare wisely is when you find yourself comparing to other people, refocus on comparing yourself to your own self in the past, because that way you can feel good about how far you've come without also feeling bad by comparison to someone else.

**LT:** Keith, you mentioned that inequality affects everything from people's health to their politics, can you explain?

**KP:** So if you look at the way that inequality has risen over the course of the last 50 or more years, as inequality goes up, the level of polarization around politics and our society has gone up in lock step with it, the two are highly correlated. I think it's an interesting question why that is, so my colleagues and I have done a number of studies looking at the way that inequality leads to political polarization. So for example, if you give feedback to someone that makes them feel like they're better off or have higher status than someone else, it doesn't change their politics in general, it doesn't make them switch parties or anything like that, but if they feel better off, they feel more like they've earned everything they have, and they tend to shift their attitudes to be against redistribution of income and against policies aimed at helping the poor because they feel like, well, if I'm doing well, that means I succeeded, and that means I earned everything that I got. On the other hand, if people feel like they're worse off than other people, it makes them feel like the system is rigged against them, it makes them not believe in that idea of individual merit and more focused on the way that the system sets people up for failure.

**KP:** So it creates this right-wing versus left-wing polarization simply by making people feel like they have more or less than others around them, and there's one other way that inequality really affects our politics, which is that those who feel better off than others, they not only shift in a more conservative political direction, in terms of their policy attitudes. But they also become more dismissive of people who disagree with them. They come to believe that they're seeing the world objectively, and if people disagree with them, they must be crazy or disingenuous or some other reason, there's no reason to listen to them. We did one study, for example, they looked at how rich or poor people would rate themselves in a large survey, and we controlled for their actual income, so we're not looking at actual rich versus poor differences. It's just their perception of whether they're better off than others, and people who perceive themselves to be better off than others, thought that those who disagreed with them, they were more likely to say that they were crazy or irrational, and they were more likely to say that those people's votes shouldn't be counted. So I think it has a really profound effect, not only on the content of our political views, but also the way that we engage in politics and our willingness to interact and deal with other citizens in a democracy.

**LT:** Fascinating. And how does inequality affect health?

**KP:** Well, in well-off nations where poverty is not the biggest threat to people's health, among affluent nations like the United States and Western Europe and so forth, a high inequality is a predictor of all sorts of health problems, some of that goes through the health behavior decisions that we talked about before, things like unhealthy eating, smoking, drug use, et cetera, that's more common in highly unequal places, but some of it also goes through the stress that inequality puts people on a daily basis, so simply living day-to-day in a place with high levels of inequality, is stressful for everyone along the economic continuum, except those at the very top, so that's the vast majority of us who are affected by that.

**LT:** Keith, before I ask for the 3 takeaways you'd like to leave the audience with today, is there anything else you'd like to mention? What should I have asked you that I did not?

**KP:** I think we've covered most of the important points.

**LT:** Great, what are the 3 takeaways then?

**KP:** First, economic inequality is not just an economic issue, extreme inequality affects our health, our happiness, even our politics. Second, people have this intuition that inequality doesn't matter as long as people have enough, but in reality, what other people around us have ends up defining for us what enough is. And finally, be careful who you compare to, comparing yourself constantly to people who are better off than you, which is what we tend to do, is a recipe for unhappiness.

**LT:** Keith, this has been wonderful, thank you. I really enjoyed your book, Broken Ladder.

**KP:** Thanks so much.

**OUTRO male voice:** If you enjoyed today's episode and would like to receive the show notes or get new fresh weekly episodes, be sure to sign up for our newsletter at <https://www.3takeaways.com/> or follow us on [Instagram](#), [Twitter](#), [LinkedIn](#) and [Facebook](#). Note that 3Takeaways.com is with the number 3, 3 is not spelled out. See you soon at 3Takeaways.com (<https://www.3takeaways.com/>)

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