

Trends in Economic Assessments and Expectations

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In 2010, satisfaction with one's financial situation slid to the lowest level since measurements began in 1972 (Table 1). Moreover, for the first time notably more people said that they were "not at all" satisfied with their financial situation (31.5%) compared to those saying that they were "pretty well" satisfied (23.4%). This negative edge of - 8.1 percentage (23.4% - 31.5%) is the most pessimistic, economic, self-evaluation in four decades.

Likewise, for the first time since the series started in 1972, more people in 2010 said their financial situation had gotten worse rather than having improved in recent years. As Table 2 shows, in 2010 24.9% said things were better, while 37.4% said they were worse. This negative tilt of - 12.5 percentage points compares to the 1972-2010 average of + 16.9 points (38.9% better – 22.0% worse).

Part of the reason for the economic pessimism is of course the large increase in unemployment. The government unemployment rate climbed from 4.4% in the summer of 2007 to 10.1% in October, 2009 and has remained at or above 9% into early 2011. But job insecurity goes beyond actual unemployment. Many people who held on to jobs saw hours and earnings reduced and bonuses and fringes scaled back. Moreover, people became notably more concerned about holding on to their jobs. As Table 3A shows, in 2010 16.4% thought it was very or fairly likely that they would lose their job within the next year. This was not only much higher than the long-term average of 10.5%, but even above the level of 13.3-14.1% in 1982-83 during the last recession to have unemployment exceed 10%. In addition, workers were concerned that finding a replacement job as good as their current position would be difficult. As Table 3B shows, the percent saying that finding an equally good job would be "not at all easy" rose from 31.6% in 2006 to 53.1% in 2010. This was the most pessimistic assessment and was more negative than during the last major recession in the early 1980s.

The great recession and resulting negative, economic self-assessments, have also affected intergenerational comparisons of standard of living. People have always said their standard of living was above that of their parents. From 1994 through 2010 those saying that they were better off than their parents exceeded those who reported they were worse off by an average of + 51.8 percentage points (65.3% better – 13.5% worse)(Table 4A). The edge of people over their parents slipped in 2010, but still remained at a strong + 42.5 points. People are also generally optimistic that their children will have a higher standard of living than they do. As Table 4B shows, on average 54.9 percent think their children will be better off than they are and only 16.0% predict they will be worse off, for a positive edge of + 38.9 points. The score in 2010 of + 35.9 points was down from the peak of optimism at + 51.0 points in 2002, but well above the low points of + 26 points in the mid-1990s. Thus, even in the shadow of the great recession a majority of Americans expect their children to be better off than they are.

This suggests that the recent economic pessimism has not seriously undermined the long-term optimism of the American dream.

Table 1

Trends in Financial Satisfaction

We are interested in how people are getting along financially these days. So far as you and your family are concerned, would you say that you are pretty well satisfied with your present financial situation, more or less satisfied, or not satisfied at all?

	1972	1973	1974	1975	1976	1977	1978	1980	1982	1983	1984
Pretty Well	32.2%	31.7%	31.2%	31.4%	30.9%	34.9%	34.4%	28.2%	26.6%	29.0%	28.4%
More or Less	45.2	45.3	45.8	42.8	45.7	44.4	41.8	45.4	46.6	41.5	46.6
Not at All	22.6	23.0	23.0	25.8	23.4	20.7	23.9	26.4	26.8	29.6	25.0
	1610	1502	1479	1480	1493	1520	1530	1461	1499	1592	1462
	1985	1986	1987	1988	1989	1990	1991	1993	1994	1996	1998
Pretty Well	29.9%	31.4%	30.1%	30.8%	30.7%	30.3%	28.1%	27.3%	28.6%	27.9%	30.6%
More or Less	44.7	42.7	48.5	46.3	44.6	42.8%	46.9	45.5	46.4	44.6	44.3
Not at All	25.4	25.9	21.4	22.9	24.6	26.9	25.0	27.2	24.9	27.5	25.1
	1524	1467	1463	1473	1532	1366	1507	1596	2976	2898	2824
	2000	2002	2004	2006	2008	2010					
Pretty Well	30.6%	30.6%	33.1%	30.1%	28.9%	23.4%					
More or Less	45.4	42.2	42.3	45.5	41.7	45.2					
Not at All	24.0	27.1	24.6	24.5	29.4	31.5					
	2804	1364	1323	2984	2016	2038					

Source: General Social Surveys, NORC/University of Chicago

Table 2

Trends in Economic Changes

During the last few years, has your financial situation been getting better, worse, or has it stayed the same?

	1972	1973	1974	1975	1976	1977	1978	1980	1982	1983	1984
Better	43.2%	42.6%	40.0%	36.1%	36.5%	38.8%	41.5%	34.4%	31.1%	35.0%	39.1%
Worse	18.0	16.5	21.8	28.2	22.6	21.9	19.0	25.4	29.8	28.0	21.7
Same	38.8	40.9	38.2	35.7	40.9	39.3	39.5	40.2	39.0	37.0	39.2
	1592	1466	1475	1479	1494	1519	1527	1463	1501	1577	1458

	1985	1986	1987	1988	1989	1990	1991	1993	1994	1996	1998
Better	39.0%	42.1%	39.5%	41.5%	44.7%	39.9%	36.7%	35.4%	36.6%	39.8%	46.0%
Worse	21.7	20.5	19.3	18.3	17.8	20.0	21.0	24.9	22.3	20.9	15.5
Same	39.3	37.4	41.2	40.2	37.5	40.1	42.3	39.7	41.1	39.4	38.5
	1528	1460	1461	1470	1530	1368	1508	1592	2969	2895	2807

	2000	2002	2004	2006	2008	2010
Better	46.1%	42.2%	38.7%	40.2%	31.7%	24.9%
Worse	15.7	21.7	23.7	20.8	28.3	37.4
Same	38.3	36.1	37.6	39.0	39.9	37.7
	2803	1364	1323	2983	2013	2034

Source: General Social Survey, NORC/University of Chicago

Table 3

Trends in Job Expectations

A. Thinking about the next 12 months, how likely do you think it is that you will lose your job or be laid off – very likely, fairly likely, not too likely, or not at all likely?

	1977	1978	1982	1983	1985	1986	1988	1989	1990	1991
Very Likely	4.1%	3.8%	6.8%	5.9%	6.2%	3.8%	4.2%	4.6%	3.4%	6.5%
Fairly Likely	6.1	3.3	6.5	8.2	4.6	6.7	4.5	3.5	4.8	6.5
Not too Likely	24.1	21.3	26.2	25.3	23.3	21.3	25.7	21.4	23.0	25.0
Not at all Likely	65.7	71.6	60.5	60.6	65.8	68.3	65.7	70.5	68.8	61.9
	906	901	878	934	947	879	623	630	622	627
	1993	1994	1996	1998	2000	2002	2004	2006	2008	2010
Very Likely	4.4%	5.6%	4.1%	3.3%	3.5%	6.0%	5.3%	4.8%	5.5%	7.6%
Fairly Likely	7.6	4.7	6.2	4.3	4.1	6.9	4.8	5.4	5.7	8.8
Not too Likely	27.1	26.5	28.6	26.7	21.5	24.3	26.1	26.3	29.3	31.3
Not at all Likely	60.9	63.3	61.0	65.7	70.9	62.8	63.9	63.5	59.5	52.2
	686	1323	1380	1267	1257	581	924	1231	874	814

Table 3 (continued)

B. About how easy would it be for you to find a job with another employer with approximately the same income and fringe benefits you have now? Would you say very easy, somewhat easy, or not easy at all?

	1977	1978	1982	1983	1985	1986	1988	1989	1990	1991
Very Easy	25.7%	27.7%	22.3%	18.5%	25.4%	28.9%	28.2%	32.2%	33.6%	24.4%
Somewhat Easy	31.4	33.0	25.5	28.8	32.3	32.7	37.0	28.5	29.4	36.0
Not Easy at All	42.9	39.4	52.2	52.7	42.3	38.4	34.9	39.3	37.0	39.6
	898	889	867	923	938	885	614	624	622	623
	1993	1994	1996	1998	2000	2002	2004	2006	2008	2010
Very Easy	21.7%	21.7%	27.8%	31.9%	38.3%	26.9%	24.8%	31.8%	22.0%	12.6%
Somewhat Easy	33.7	32.5	32.7%	36.2	32.9	36.7	33.3	36.6	34.0	34.3
Not Easy at All	44.6	45.8	39.6	31.8	28.8	36.4	41.9	31.6	43.9	53.1
	688	1311	1375	1256	1252	577	924	1236	867	816

Source: General Social Survey, NORC/University of Chicago

Table 4

Intergenerational Comparisons of Standard of Living

A. Compared to your parents when they were the age you are now, do you think your own standard of living now is much better, somewhat better, about the same, somewhat worse, or much worse than theirs was?

	1994	1996	1998	2000	2002	2004	2006	2008	2010
Much Better	32.6%	33.9%	33.7%	35.7%	34.9%	39.6%	35.4%	31.6%	29.2%
Somewhat Better	33.1	29.3	32.5	31.3	33.8	30.9	31.7	31.1	29.7
About the Same	21.0	21.4	21.5	21.1	18.9	17.8	20.9	21.1	24.8
Somewhat Worse	10.6	12.2	9.7	8.9	10.1	8.4	9.4	11.6	12.2
Much Worse	2.8	3.3	2.6	3.2	2.3	3.3	2.6	4.6	4.2
	1458	1884	1861	1862	882	871	1978	1331	1365

B. When your children are at the age you are now, do you think their standard of living will be much better, somewhat better, about the same, somewhat worse, or much worse than yours is now?

	1994	1996	1998	2000	2002	2004	2006	2008	2010
Much Better	17.1%	20.4%	22.4%	29.1%	26.8%	23.4%	28.4%	27.9%	25.0%
Somewhat Better	29.8	28.4	34.8	31.5	34.9	30.5	29.2	26.6	29.3
About the Same	23.1	21.3	20.5	17.0	18.2	22.4	18.5	18.2	18.9
Somewhat Worse	16.2	18.1	9.6	7.6	8.4	11.6	10.9	13.0	13.8
Much Worse	4.8	4.9	3.3	3.2	2.3	3.5	2.7	5.3	4.6
No Children (Vol.)	9.0	7.0	9.4	11.5	9.4	8.7	10.4	9.1	8.4
	1422	1844	1805	1823	876	865	1968	1314	1338

Source: General Social Survey, NORC/University of Chicago