

**EconoFact Chats: What Makes for a Zero-sum Mindset?**  
**Stefanie Stantcheva, Harvard University**  
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**Michael Klein**

I'm Michael Klein, executive editor of EconoFact, a non-partisan web-based publication of the Fletcher School at Tufts University. At EconoFact, we bring key facts and incisive analysis to the national debate on economic and social policies, publishing work from leading economists across the country. You can learn more about us and see our work at [www.econofact.org](http://www.econofact.org).

**Michael Klein**

In 1980, the MIT economist Lester Thurow published the best-selling book, 'The Zero-Sum Society.' The main thesis of the book was that some people would have to bear the cost of addressing the problems then facing the country – slow growth, high inflation, and threats to the environment. This was a sobering message during a dark time. That summer, Ronald Reagan ran an advertisement in his presidential campaign, declaring, "it's morning again in America." And of course, he goes on to win the presidency. These two starkly contrasting views of the country's prospect, a zero-sum view and one of great possibilities, were not just a feature of that period more than four decades ago, but continue to this day. My guest on EconoFact Chats today, Stefanie Stantcheva, has analyzed people's views on whether or not the economy is zero-sum, what characterizes people who believe this, and how their belief in this is correlated with their views on economic policy. Stefanie has published widely on the way in which people learn about economic policies, how they form their views of these policies, and what can or cannot change those views. She's the Nathaniel Ropes Professor of Political Economy at Harvard and the founder of the Social Economics Lab. Stefanie, thanks very much for joining me once more on EconoFact Chats.

**Stefanie Stantcheva**

Delighted to be here.

**Michael Klein**

Stefanie, to begin with, can you define the idea of a zero-sum game from economic theory?

**Stefanie Stantcheva**

Yes, so a zero-sum game is a game in which if one person or one-party wins, the others have to necessarily lose. So think about a game of chess or many sports like soccer or basketball. If one team wins, the other has to lose. And this is in contrast to positive sum games or situations where there can be cooperation such that everybody could be made better off. So situations, for instance, like innovation, where what one person creates makes everybody better off, or games like a jigsaw puzzle where it's not necessarily the case that one person loses and one person wins.

**Michael Klein**

So there's a long history of ideas associated with a zero-sum view of the world. I can think of Malthus, the lump of labor fallacy, and small is beautiful, for example.

**Stefanie Stantcheva**

Yes, so there is a long tradition of these ideas, indeed. When we think about the Malthusian theories, it's the idea that there's a finite amount of resources, and when there's growth in population, the amount of resources per person are going to diminish. The lump of labor idea is there's only so many jobs available, especially if technology like AI or other new technologies start to eliminate jobs, there will be fewer jobs for people and more unemployment. With climate change and, in general, natural resource depletion, it's very easy to think about a zero-sum situation where resources are shrinking, and there is a scarcity of things.

**Michael Klein**

You have a recent research paper in which you say there are societies that are more zero-sum where critical resources and assets are in limited supply.

**Stefanie Stantcheva**

Yes, so this is actually more an idea that was from the original anthropologist who raised this idea of zero-sum thinking, George Foster. He did his research related to pre-industrial society, especially agricultural societies, and this is where he observed this idea that resources might truly be limited, for instance, finite amounts of land, etc. And in such a world, it's perhaps easy to believe that if you do better, or a group does better, it must come at the expense of others. And I think recent research and work has shown that George Foster's ideas are actually much more prevalent and they might perhaps apply even to today, to more developed society when it comes to the beliefs that the world is zero-sum.

**Michael Klein**

And that takes us to your research. You do research based on surveys. What questions did you ask, Stefanie, to determine whether or not people have this zero-sum view of the world?

**Stefanie Stantcheva**

Yes, that's a great question, where to really measure zero-sum thinking, what we wanted to do is to not simply focus on one specific domain. For instance, you might think a specific situation is zero-sum, but we're really interested in your general tendency to view the world in zero-sum terms. So in the zero-sum mindset as a whole, rather than in the belief that a particular setting is zero-sum. And so this is why we ask people the extent to which they think different interactions, different situations are zero-sum or not. We ask them about whether the interactions between immigrants and non-immigrants are zero-sum, between countries when they trade, between high-income people and low-income people, and also between people who are from different ethnic groups and racial groups. And when we aggregate these different answers together, we can get a measure of zero-sum thinking that is a little bit domain independent. That doesn't just depend on a specific situation, but rather captures your overall tendency to think in zero-sum terms.

**Michael Klein**

Can you give me a specific example of a question, and then an answer where you would then score the response as more zero-sum or less zero-sum?

**Stefanie Stantcheva**

Absolutely. So for instance, if we think about the immigration domain, we would ask people, you know, ‘do you believe that the gains of immigrants typically come to at the expense of non-immigrants?’ And people have to, you know, strongly disagree to strongly agree with that statement. And we can construct a measure that is increasing in the extent to which they agree with it. And similarly, in all these other domains I mentioned, and putting those together by extracting, you know, a principal component or like the major tendency in these answers, we can get a measure of the zero-sum mindset.

**Michael Klein**

In the paper, you mentioned how these answers help us understand why certain groups of people who benefit from government programs that redistribute income like SNAP, which was formerly known as food stamps, they tend to oppose government playing a role in the economy. Can you speak to that a little, please?

**Stefanie Stantcheva**

So, what we see in the data, which is really, really interesting, is that ‘zero-sum-ness’ is actually not a partisan issue, which is quite interesting because so many things that we look at tend to have a really strong partisan differentiation. And here instead what we see is that there's a whole range of zero-sum thinking across all parties. And what that means is that zero-sum thinking is something that's more useful to explain within party variation in views, rather [than] across party. So what we see, for instance, is within people who say they're Republican leaning, those who are more zero-sum are much more supportive of governmental distribution, of universal health care. So there's that within-party tendency to be more supportive of those policies. Conversely, among Democrats, there's again a whole variation of zero-sum thinking. And it's the voters who tend to be most zero-sum within Democrats who are the most anti-immigration [inaudible], who support more restrictive immigration policies. And so this is something that is quite interesting because it really goes across different parties and is not something that has a clear partisan bias here.

**Michael Klein**

So if it's not a partisan bias, it's something else, I suppose. And one of the things I found really interesting in your work was how your analysis of people's backgrounds and even the backgrounds of their parents or their grandparents, or even great grandparents is correlated with their view of whether or not the economy is zero-sum. Can you describe what you found?

**Stefanie Stantcheva**

Yes. So one interesting thing that we did in this project is to collect data on people's ancestry. So going back several generations, we asked people where their parents and grandparents used to live, what occupations they had, as well as where they ranked relative to other families at that time in terms of economic outcomes, or income. And what we can see is that there's a few key experiences that seem to really influence the zero-sum mindset and they're very core aspects of U.S. history. The first is economic mobility. We see that people who have experienced economic upward mobility, the idea of the American dream throughout their family history at any generation are much less likely to be zero-sum today. On the other hand, people who have had experiences of enslavement through different episodes, the enslavement of African Americans in the South, but also other experiences such as the Holocaust or the forced reservation of

indigenous populations, people who have these direct experiences are much more likely to be zero-sum today. And this is also true if you had an indirect experience. So for instance, if you lived in areas that used to have higher shares of enslavement. And so this experience is something that affects you both directly, but also indirectly through the exposure back in time and then trickles through the family. And then finally, another thing that has, again, a reducing effect on a zero-sum mindset is immigration. Again, both directly, if you have immigration history in your family, you're much less likely to have a zero-sum mindset, but also indirectly, if you used to live among immigrants who did very well historically in the U.S., you are much less likely to have a zero-sum mindset.

**Michael Klein**

So, I imagine this leads to some geographic differences because there are parts of the country, obviously in the South, there was enslavement of African Americans, there are cities and areas where there is a greater presence of immigrants and so on. So, does this then in fact lead to geographic disparities?

**Stefanie Stantcheva**

So interestingly, if you look at the map by state, for instance, and plot the average 'zero-sum index' for people in that state, there isn't a clear clustering of zero-sumness in some region versus others, because there are so many effects at play. And I'll give you just one example, which is there's some very interesting recent work that has documented how the values and beliefs of white individuals from the U.S. South were spread outside of the U.S. south during a large wave of white migration between 1900 and 1940, which is basically the spreading of Confederate values throughout the U.S. And indeed, if you look at places which are not in the South, which have higher shares of those white Southern immigrants, you can see that people who grew up in those places or whose parents or grandparents grew up in those places, are much more likely to be zero-sum. So the geographical patterns are really interesting and much more complex than just, for instance, South or non-South. Now, what does appear very clearly is the least zero-sum states, just for curiosity, are Hawaii and Utah, and the most zero-sum state is New York.

**Michael Klein**

But New York State is actually very different. I grew up in upstate New York, and I lived in New York City, and they're basically two different states, just as Western Massachusetts and Eastern Massachusetts are quite different. So perhaps something at a more fine-grained level would show the distinction more along the lines of kind of what you're describing.

**Stefanie Stantcheva**

Yes, and most of our analysis is indeed at the county level, so much finer in order to capture that different experience. And I will also say another pattern that does stick out is that people who live in urban areas are much more zero-sum than people who live in less urban or much more rural areas.

**Michael Klein**

What do you think accounts for that, the urban-rural distinction?

**Stefanie Stantcheva**

It's very hard to explain. I think we really focus on these key historical factors, which don't necessarily speak entirely to the urban-rural divide. But another thing that is, I think, super interesting and that has a perhaps cleaner explanation is the cohort effects that we see, the difference by different age groups. So we see very starkly that people who are younger in the U.S. today are much more zero-sum than the older generations. That pattern is very, very stark, and you can actually relate it to the economic growth and the mobility that different cohorts experienced. So earlier cohorts used to have higher economic growth, higher mobility, and this has declined over time. And you can see an almost perfectly inverse relationship between the zero-sum mindedness and the economic environments in which people grew up in. And this is true across the world, by the way. So if you look at more than the U.S., thanks to world value survey data, you can see that this link between the environment in which you grew up during the first 20 years of your life, and your zero-sum index is still there. So countries that actually have the reverse pattern of the U.S., that, for instance, used to do much more poorly, had lower growth back in time and have higher growth today, have the opposite age pattern. Younger generations there are less zero-sum than the older generations.

**Michael Klein**

So that actually speaks to generational effects that many people sort of think about, but you have strong evidence that boomers are different than millennials, are different than Gen Zs, because they grew up in different economic environments.

**Stefanie Stantcheva**

Indeed, in this case for zero-sum thinking, the difference is quite clear. And it's not an age effect. It's not that you just become less zero-sum over your life, but it is truly a cohort effect. It is a generational effect based on the environments you grew up in. And that seems to be validated throughout the world. And it's very much in line with this idea of mobility in your own family as well. That is, if you experience mobility or growth overall, or in your own family, that all is associated with lower zero-sum thinking.

**Michael Klein**

How does that link up with the transgenerational view that you were talking about? I found that really interesting that, you know, my father was an immigrant. And so I have certain views of the amount of mobility, economic mobility, and zero-sum, I guess, partly based on that. And then on my mother's side, my grandmother was an immigrant. How does that link up with sort of this generational view?

**Stefanie Stantcheva**

Yeah. So, what we see is that immigration plays a really important role. So, the strongest effect is if you yourself are a first-generation immigrant. So that has the strongest association with lower zero-sum thinking. And then if you're a second or third generation immigrant, the effect is still there quite strongly, but it's weaker than if you're a first-generation one. And then anyone with immigrant ancestry has a lower zero-sum mindset than people without any immigrant ancestry. So clearly that is an experience in the family, you know, whether it's in the first, second, third generation, it really does play a role. And beyond that, even if your parents or grandparents were not themselves necessarily direct immigrants, but they live in the areas that received all these

immigrant waves throughout the 20th century in this age of mass migration, you know, even though those places, you know, have changed, there's still an effect of those waves of historical immigration that perhaps influenced your ancestors' views and trickled through the family until today.

**Michael Klein**

Trickled through, you think, like stories are told from one generation to the next of this is what your grandparents went through, or even this is what your great-grandparents went through, and becomes kind of the narrative of the family?

**Stefanie Stantcheva**

It's very hard to know what the exact channel is. We don't have any evidence on how exactly this is transferred, whether it's, as you say, more directly by telling narratives, or whether it's just by the revealed behaviors and, you know, the values that people showcase. So this would be extremely interesting to dig in further. We currently just don't have any way of knowing.

**Michael Klein**

You also find that black respondents emerge on average as the most zero-sum racial or ethnic group, and you link this to the legacy of slavery. Could it also be likely a direct consequence of post-slavery discrimination and having a limited set of opportunities afforded them?

**Stefanie Stantcheva**

So, what we see is that black respondents are more likely to have a zero-sum mindset, even conditional on enslaved history. So regardless of whether their ancestors were directly enslaved or not, you can see that there is a tendency to have a more zero-sum mindset. Another thing that we see is that the effect of having an enslaved ancestor is actually at the margin weaker for black respondents. And so there's a bunch of things that can explain this, and one is that slavery led to pervasive racism and institutional biases, such that in the end, all or most black Americans have been affected by this history of enslavement, and not just those whose ancestors were directly enslaved. And preliminary evidence for this is found in the way that black Americans are more zero-sum than other racial groups, even controlling for having enslaved ancestry. And the other piece of evidence is what I mentioned regarding this other great migration and this exporting of Confederate values to other places than the South, which sort of perpetuated oppression and racism and other institutional biases in other places in the U.S.

**Michael Klein**

Stefanie, I'd like to ask, to what extent do you see zero-sum or not zero-sum as underlying pessimism or underlying optimism? A non-zero-sum worldview strikes me as more optimistic, and conversely, for a zero-sum worldview, I would think it as more pessimistic. And I ask this because there's a strong partisan divide on the state of the economy, with the Republicans more pessimistic, and Democrats more optimistic, but your work on zero-sum doesn't break down along partisan lines.

**Stefanie Stantcheva**

Indeed, I think it's more than just optimism, pessimism. So it is not something that is, you know, one-for-one correlated with that. The same way it's not one-for-one correlated with other core beliefs or core views that people have studied, for instance, belief in mobility, in equality of opportunity, or belief in the role of effort versus luck in making it, attachment to tradition, universal moral values. All these other core beliefs or mindsets, they seem to be distinct from zero-sum. You can see this by taking the correlation with those views and also simply by showing that zero-sum continues to play a really important role, even if you account for all these other beliefs and views. So I think it's just a different dimension that is very important, and has a distinct role to play.

**Michael Klein**

Finally, Stefanie, what are the implications of what you found for the ability to pass policies? Is the zero-sum view immutable in people, and does that make them more close-minded to redistributive policies?

**Stefanie Stantcheva**

So, on the correlation between zero-sum-ness and policy views, we look at a whole range of policies, because there's many different links that one can imagine. And the link might be theoretically ambiguous. It's not clear necessarily which way things should go, although you might imagine that if you have more zero-sum views of the world, you might be someone who supports helping disadvantaged groups because you think they're disadvantaged because of the advantaged groups. And you might want to try to correct for the harm that one group imposes on another and help the disadvantaged people. And what we see empirically in our data is that people who are more zero-sum tend to be more supportive of redistribution policies, like a whole range, including universal health insurance, more generous transfers to low-income households, more progressive taxation. They're also more supportive of policies to reduce racial and gender discrimination, whether preferential labor market policies or similar policies. And also, they're more supportive of restrictive immigration policies. So, this is the empirical links we see between the zero-sum mindset and policy views. As to your question about whether this is a deep-set, immutable mindset, this is very much work in progress. So, hopefully I'll have more findings to share with you soon.

**Michael Klein**

Well, I look forward to that, this is really interesting. And once again, Stefanie, you're kind of at the cutting edge of the way people understand these really important issues. And it's great that you're sharing these views and these insights with me on EconoFact Chats. So, thank you very much for joining me today.

**Stefanie Stantcheva**

Thank you, Michael.

**Michael Klein**

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