

THE **NEW** BAZAAR

March 9, 2026

THE ROOTS OF OUR ZERO-SUM MOMENT

STEFANIE STANTCHEVA ON HOW WE SHAPE OUR BELIEFS

CARDIFF GARCIA: Hey, everyone. Cardiff here.

Stefanie Stantcheva, today's guest, is an economist at Harvard, where she is the head of the Social Economics Lab, where her team has done some extraordinary work investigating how people form their opinions about economic and political topics. Things like trade, climate change, inequality... And I actually chatted with Stefanie about that work on the New Bazaar a few years ago.

Today's conversation is more specific. It's about the theme of a newly published paper by Stefanie and her co-authors called "Zero-Sum Thinking and the Roots of US Political Differences." It has just been published in the *American Economic Review*, and I can hardly think of a more important, more relevant theme to discuss right now than this one.

So let's get right to it. Stefanie joins me now. Stefanie, how are you?

STEFANIE STANTCHEVA: Very well. Thank you for having me again.

CARDIFF: I wanna first start by quoting something that you wrote in a guest essay for *The Economist* magazine a little while ago, based on this paper, based on this work. Here's what you wrote: "More and more debates are shaped by a mindset that sees the world as a fixed pie, where one person's or one group's gain is another's loss. That mindset is known as zero-sum thinking, and it is crucial to understanding the politics in economics of America today." Can you just start by giving people a flavor of what you meant by that?

STEFANIE: So, this idea of zero-sum thinking is actually an old concept. It was originally developed by anthropologists, specifically George Foster, an anthropologist who studied very small-scale pre-industrial societies where resources were very limited. There was typically no growth, and so the world was potentially quite zero-sum. For one person to have more, it meant that another person must have less.

And by observing these societies, he came up with this mindset, this belief, which is basically saying if you believe in a zero-sum world, you think that whenever a person or a group wins, it must come at the expense of others. So the world is a fixed pie. If you get a larger slice of the pie, I must be getting a smaller slice of the pie.

And so if you look at a lot of media headlines today, a lot of debates, you will hear statements such as if one group does well, this implicitly or explicitly must come at the expense of another. If women enter the labor force, this must mean fewer jobs for men. If there are more immigrants coming to a country, this means less jobs for locals. If there are more foreign students, it's less slots for domestic students. If a country trades with another and one country gains, it means the other loses, et cetera, et cetera.

So I think we see these types of statements in the media a lot, and we wanted to revisit this anthropological concept today at scale, using our methods, and see what it has to say about politics, about policies in the US and in other countries.

CARDIFF: Yeah, and since we discussed in our earlier conversation the specific methodology that you use, I want to, in this case, just go straight to the findings, if that's all right, and refer people back to that earlier chat that we had a couple of years ago. So let's start with this.

Who do you find within the US tends to be more zero-sum in their mindset? What categories, what demographic or backgrounds do you find tend to be more zero-sum, and who are more positive-sum?

STEFANIE: Great question. So there are a few findings on this. If you look by key socioeconomic and demographic factors, you'll see, for instance, that people who live in urban areas are significantly more zero-sum than those in rural areas.

And we economists like to say this could either be selection or treatment. By selection, we mean people who are already more zero-sum may tend to go to cities and continue to be zero-sum there. By treatment effect, we mean that by going to a city, the city itself makes you more zero-sum, perhaps because of intense competition for housing or for jobs. So we don't know which one it is. It could be a bit of both. It could be just one of them. But that fact is quite strong.

You also see this by education level. So originally, as you start from only a high school education and you move toward more education, it's associated with being less zero-sum. But once you get to the really advanced degrees like PhDs, JDs, MDs, you're significantly more zero-sum.

Again, it could be selection.

CARDIFF: Oh, so it's you guys. You did it! (CHUCKLES) It's the PhDs.

STEFANIE: (LAUGHS) It could be a selection or it could be a treatment effect. Maybe these competitive degrees make you think in more zero-sum terms.

And then there are two, I think, really intriguing findings. The first one is by political leaning. I don't know what your prior is, but so many things today are very polarized by political leaning. We hear it all the time — everything is becoming more polarized. But when it comes to zero-sum thinking, it is not a partisan issue. It's actually very evenly spread across the political spectrum.

So it is not the case that Democrats are more zero-sum than Republicans or vice versa. No, it is very evenly spread.

And I want to say a word here on the measurement because it's very important. The way we measure this is through large-scale surveys. And you referred people to an earlier episode, but—

CARDIFF: You can go through some of it again if you want, though. That's okay. Remind us.

STEFANIE: I think a little bit is just important for people to understand where these findings come from. So what we do at the Social Economics Lab is leverage these large-scale, usually online surveys to really get into people's minds and see how they understand and think about economic issues and economic policies.

And in this survey, we ask them a set of questions to get at their zero-sum thinking. And what's very important is that we don't just ask them about one domain. For instance, I can ask you, if rich people gain wealth, does this generally come at the expense of the poor? That's great, but just in itself, it's not going to tell me about your general zero-sum mindset. It's going to tell me what you think about a specific situation, a specific domain.

So this is why we ask them about many domains. If countries trade with each other, do you think the gains of one country come at the expense of another? If there are more immigrants, do you think their gains come at the expense of non-immigrants? Et cetera. So we ask about lots of different domains and we construct an index, or an average, if you want, of a tendency to think in zero-sum terms that is not domain-specific.

You might have views about different situations, but in general, you're going to lean toward more or less zero-sum thinking.

And this is what I'm referring to when I'm giving you these results. Of course, Democrats and Republicans have different views on different domains, but on average, when it comes to the general tendency to think in zero-sum terms, there is no clear political bias.

CARDIFF: Yeah, that's very interesting. And you mentioned priors earlier. I think if you would've asked a lot of people, before 10 years ago when we had the rise of what you might call the populist moment in the US, people might have said, well, I would assume that Democrats might be a little bit more zero-sum thinking because they tended to favor redistribution or different kinds of government intervention, at least by rhetoric, I should say.

Republicans, I think, were commonly associated with being the party of the markets — free markets, free trade. And I don't know that people actually think that anymore. I think the last 10 years have kind of scrambled everything. And so it seems to track with your findings here. You know what I mean?

STEFANIE: Yes. So many people tend to be surprised based on some ideas that they have about it, or perhaps their own political leaning. But it's very strong in the data that this is not a partisan issue, unlike so many other things. And we can discuss this more once we get to the policy views it's associated with, because it will be a specific mindset that will sort of pick from both sides of the political spectrum when it comes to your policy views.

But since you asked me about some key patterns — who's more zero-sum — one of the most striking ones in the paper is that younger generations in the US are significantly more zero-sum than older generations. And this is very strongly there.

And you might wonder where this comes from. First of all, is it an age effect or is it a cohort effect? Is it that everybody starts their life more zero-sum and becomes less zero-sum over time? Or is it just that specific generations have a more zero-sum mindset and remain like that?

And it seems to be the latter. It's very much a generational effect. So how you grow up in the first 20 or so years of your life — which are the really impressionable years — in what world you grow up really shapes your thinking.

And we show that the economic environment really matters. So people who grew up in periods of higher growth, higher mobility are significantly less likely to think in zero-sum terms. And this is basically what explains this pattern in the US but also in other rich countries, which have the same historic trajectory for economic growth.

Things used to be higher growth, higher mobility in the post-war era, and then have declined. And so today younger generations grew up in times with lower growth, lower mobility usually, and so they tend to have a more zero-sum mindset.

You see a flipped pattern in emerging countries or lower-income countries where things today are generally better with higher growth and higher mobility. There, the younger generations are less zero-sum.

And hopefully we can talk about this when we go into more depth on what determines this mindset, but then also what it does to our policy views.

CARDIFF: Yeah. It's so fascinating because I also thought that was a striking conclusion from the paper. And to be clear from what you're saying, it's not just that the younger generation is more zero-sum — it's that they are more zero-sum than older generations were when those older generations were themselves young.

It's not like people, as you said, age out of the zero-sum mindset. Earlier generations, when they were in their twenties or whatever, they were less zero-sum than the current generation.

And it's funny because there's so much investigating about what's happening with young people all the time. Over the last five or ten years, people started looking at things like young people tend to be more risk-averse than earlier generations. Young people are the product of the social media era — is that having an effect on how polarized they are or how they think?

And your finding here is fascinating that it's actually something that can be at least partly explained by just being in an environment where there hasn't been as much economic growth.

I think about the last couple of decades we had. Obviously, the financial crisis, the long kind of shallow recovery from that crisis, and then, bang, we had COVID and that was brutal. So, it's a lot. There have been quite a few economic shocks in the last couple of decades. And it seems to be translating into something quite damaging for the way young people think.

Was that the most important or most striking finding of the paper for you?

STEFANIE: One of the most striking ones, because it is true — it is very strong. And there are some other striking ones we can talk about.

But I think it's also very important to note that even though growth has been higher in some periods or others, what we see matters a lot is also the extent to which growth benefits many people. So in many times the bottom median of the population has completely lagged behind in growth. Even though the economy might have grown, the gains were very unequally distributed.

And for people to have the view that it can be positive-sum, they need to see, to some extent, many people doing well, not just a select few.

So growth of the bottom median is very predictive of this mindset. And then you see this also at the individual level. So not just at the macroeconomic level — what's been happening in the economy as a whole — but in your own family.

And this is another interesting thing we do in this project, is to be able to ask people a lot of questions about their family history, not just their own life but their parents and their grandparents. And we try to see where this mindset really comes from.

One thing we see is that if you have experienced upward mobility relative to your parents or your grandparents — if you feel like the family is doing better over generations, which is basically the equivalent of economic growth and mobility but at the individual family level — then you're also much less likely to think in zero-sum terms.

So this economic experience matters at the macro aggregate level, but also at the individual micro level.

CARDIFF: Before we get to some of the specific categories that you studied there, I wanna just establish what it is that the zero-sum mindset leads people to actually believe. So what were the correlations there in terms of what people who have a stronger zero-sum mindset tend to be more likely to believe what things?

STEFANIE: So in our case, we're really interested in what policy views you will support. And there are some surprising findings here because exactly for this reason that it is not a partisan issue. And we're very used to seeing policies through a partisan lens. And so when something leads to views that are not so neatly partisan, we get a bit more confused.

And this is exactly what's happening here. So to understand what it does, you have to imagine that at its core it means that if you think in zero-sum terms, you think that there are some groups that are being hurt by others. So some groups are being disadvantaged by others.

For instance, poorer people, lower-income people are poor because others are wealthy. So you have this idea in mind. If you believe so, you'll want the government to step in and help and do something about the situation. So you'll want policies that try to correct this pattern to some extent.

CARDIFF: Redistribution.

STEFANIE: Exactly. So if you think, for instance, rich people gain at the expense of the poor — there's no trickle down, quite the opposite — you will want more redistribution to correct for this inequality that you think is unfairly driven.

Similarly, if you feel like some groups, like some racial groups or women, are systematically held back by others, then you may be more likely to support affirmative action. You want something to be done about this.

But on the other hand, if you believe in a zero-sum world, you're also more likely to think if there are more immigrants it's going to cost non-immigrants jobs and economic wellbeing. And so you'll also support stricter immigration laws.

And so it has this mix of policies really from both sides of the political aisle. But I think it reflects quite a bit many tendencies that we're seeing today. And in our data it very much explains within-party differences in views.

People are not completely unified in their views within party. So for instance, among Democrats there are people who support much laxer immigration restrictions, others much stricter ones. And we see that it's the more zero-sum Democrats who support stricter immigration laws.

On the Republican side, there's a whole difference in views between people on how much redistribution there should be, how much universal healthcare there should be. And again, it's the more zero-sum Republicans who tend to support more redistribution, more access to universal healthcare, et cetera.

So it's very much something that can explain within-party differences in views.

CARDIFF: Yeah, it certainly complicates people's understandings of traditional political alliances. And one topic you didn't mention there was trade, but I know you've studied views on trade quite a bit as well.

And of course over the last year we've had a sweeping series of tariffs put on, sometimes taken off, sometimes found illegal, then new tariffs put back on. But I would imagine that the trade war itself has loomed heavily in your mind as you've been studying this as well.

And I would also assume that the protectionist mindset is essentially synonymous with the zero-sum mindset. Is that right?

STEFANIE: Not synonymous, but it does have a flavor of it. So what we see is that on trade many people do think it is a zero-sum thing. So if one country gains, it must come at the expense of others.

And I think trade is a very interesting case to discuss for several reasons. As economists we tend to literally speak about the gains from trade, which means we think it's an activity that grows the pie. So there is potential for more economic wellbeing, more economic growth.

But we are also very clear on the fact that there are winners and losers from it. We have very clear predictions on this. So for instance in the US, if the US trades with other countries, some sectors — those who are subject to a lot of imports, those who are outsourced — are going to have many people who will be losers from trade.

So what is very important is that free trade goes hand in hand with compensatory redistribution, basically with redistribution that helps share the gains from this growing pie.

And I think this is where economic theory hits its limits with political practice, which is that many people feel like that redistribution hasn't happened. In my work specifically dedicated to trade, I see that many people are very much in favor of free trade, and they do realize there will be adverse distributional consequences, but they're also very supportive of doing something about that.

And many feel like that hasn't been done sufficiently. So it's very theoretical, very abstract to say trade has grown the pie if there is no gain to be shared for people in my community or in my sector.

So I think the last years have shown the extent to which having such redistribution is quite important to maintain support for free trade, which very much aligns with economic theory. There will be winners and losers even though there are overall gains from trade.

CARDIFF: I was also intrigued to see in your report that Utah is the least zero-sum state and New York is the most zero-sum state. Do you want to give a quick comment on the economic geography of some of these findings and what you think is going on there?

STEFANIE: Yes. When you look at the map of zero-sum thinking, which is in the paper, it will look unfamiliar to you. Because many maps that we see are very clearly divided by blue states, red states, many things correlated with it. So this map does not look like that at all.

And again I think because it is a very nonpartisan issue. And as to why specifically Utah — and the second least zero-sum is Hawaii — and then the most is New York and some other states, that I can't tell you. I can just tell you it's got to be selection effect or treatment effect.

Either people in these states have a more zero-sum mindset or being in those states makes you this way.

CARDIFF: Well, let me put it this way. I live in New York City and I'm extremely positive-sum in my mindset, and I do often feel quite out of place there. So I was fascinated to learn this.

STEFANIE: I think it's the right time to say one thing that's very important, because the conversation might sound like zero-sum is a bad thing or zero-sum thinking is a bad thing. But in our paper we're very clear that there are real experiences people have that are zero-sum and that shape their thinking.

So zero-sum very much reflects the reality people have lived in or live in. We already mentioned this with the economic experience people have, whether at the macro level or at the individual family level.

And there are some other findings we have from having experienced immigration, having experienced various forms of enslavement in your family — like slavery in the US South, or your ancestors being in the Holocaust or in indigenous reservations.

So lots of really interesting findings there. And all these experiences truly matter. So our conclusion is that it's not just a bias. It should not be dismissed as a bias by any means. It reflects the reality people live in.

And this is why I also wanted to emphasize the example of trade, because again trade might be positive-sum overall, but if the gains are not shared, many people will experience it as a non-positive-sum or a zero-sum thing.

And so policy has a huge role to play to actually make the world less zero-sum. It's not about just changing the mindset — that's not what I think the research says — but very much about making the reality less zero-sum.

CARDIFF: That's a really important point. And let me follow up with you on one thing you said there that I think is really important — the way in which this reflects people's experiences.

You studied this in the paper, but let me give a concrete example since we just mentioned New York and I live in New York City, which has a terrible housing affordability problem, as many parts of the country do. But it's really quite acute in New York.

And some of that is — well, I would say most of that — the result of deliberate policies. And either way, it very much has the feel of a competition. Finding a place to live that you consider affordable has the feel of a zero-sum competition.

And same thing with probably other factors of life. If you're struggling, for example, to get your kid into a really good public school or something like that, that actually is a competition. And that is going to affect how you regard other things — the rest of the economy — because it has such a prominent place in your everyday life.

And that's something I was thinking about as I read through the paper. Not saying zero-sum versus positive-sum is good versus bad, but just trying to understand where it comes from.

There are a lot of things that people don't realize are not so binary — yes, it's a competition or it's not — but they have a lot of elements of being hyper-competitive. And the more you experience that, the more it might influence people toward a zero-sum mindset.

STEFANIE: Yes. I think these are very important points. Many situations are truly zero-sum, especially if you think about the short run. In the immediate, for instance, if you get that promotion at work, I might not get it. So in the immediate, it is a zero-sum situation.

Then if we take a longer-term view, we might say, okay, today you get that promotion, but we'll still work together and we'll all become more productive, we'll grow this company, and we'll all be better off. So there's always a distinction between the immediate short-run situation and the medium- or long-term situation.

But for individuals, many things will be as they are, and there's not so much they can do to change systemic things like the housing market, the education system, et cetera. And that's the role of policies.

Some policies are more likely to create win-win outcomes, or at least make the world less zero-sum, particularly over the longer run. And it's essentially what we economists try to study. We try to find policies that minimize inefficiencies, that don't waste resources, that try to make as many people as possible well off, et cetera.

And while it's not always possible, there are some great examples of this. One is policies that expand opportunity, like strong public education or access to healthcare, and that specifically support low-income families with children. They tend to expand the overall economic pie. Research shows they usually pay for themselves over the medium run — once, for instance, kids that were helped by this grow up and become more productive, higher-earning adults, not to mention happier adults.

Innovation policy is another example. We think of innovation as something that grows the pie, that makes things possible that were not possible before. But like trade, it has this implication that the pie might grow, but the gains could be very unequally shared. So there's also a role for policies to make sure that the growing pie doesn't just go to a few individuals.

CARDIFF: That's a good segue, by the way, to start talking about intergenerational mobility, because a really fascinating part of this paper is that you go into the ancestral roots of zero-sum thinking. And I think you go back four generations, if I recall my reading of that paper correctly.

STEFANIE: Yes.

CARDIFF: And this is fascinating. Can you start with that part of it — intergenerational economic mobility, what it means to actually see your family, I guess when you're a kid or when you're a young adult, rise up the ladder and enjoy the fruits of a strong economy?

STEFANIE: Yeah, it seems to matter a lot. Here it's not even about the level of economic wellbeing of the family, but simply about having done better over generations. That seems to matter the same way it matters at the macro level.

At the generational level we see that it matters for your own family. So regardless of the economic environment, if your family itself is doing better, this is also very associated with less zero-sum thinking.

And it's interesting that in many of the factors we find like that, it is not just about your own life and just your parents and you, but it seems like some of these mindsets are really formed through the generations and are transmitted through the generations.

So if you're doing better relative to your grandparents, even that is also a boost to your positive-sum thinking. And we see this with the other patterns we're exploring.

CARDIFF: Is there an absolute versus relative angle to be explored here? Is it that you're less likely to be zero-sum if your family in absolute terms does better over time and you do better than your parents and your parents did better than their parents and so forth? Or does it matter where within the societal rankings you and your family are? You see what I mean?

STEFANIE: Yes. I think what matters to people is that they feel like they're doing better than their parents. So it's not exactly absolute mobility, because the way we ask the question might not be exactly that, but it is not so much where you rank today relative to others. What we look at here specifically is how well you're doing relative to your parents, and they relative to their grandparents.

There is another pattern though, which is purely today your own income and how that matters, because that has a very non-monotone pattern, a bit like education.

When you start from very low incomes and you start to have more income into the middle class and upper middle class, it's associated with being less zero-sum. So relative to being a low-income family, being middle class or upper middle class means less zero-sum.

But then as you move toward higher income levels and get into the top of the income distribution, there's again an uptick, and it's associated with being more zero-sum.

Again, it could be selection or it could be a treatment effect.

CARDIFF: That's fascinating. So the idea here is that as things get better and better, generally speaking, you become less zero-sum. But then it flips once you get into the really higher atmosphere of people who are really rich. That's fascinating. I wonder to what extent that has to do with getting to a place where it's like, "wow, I'm doing

great,” but now you're hanging out in the richer neighborhood and your neighbors are still doing even better, or something like that.

Like that's intriguing.

STEFANIE: It would be great to explore and we could not explore everything. There's plenty more things to analyze.

CARDIFF: Yeah, you explore a lot in this paper, but that is a great prompt for other folks to take up the mantle and explore it too.

The immigrant experience is interesting, and that's a big part of this paper as well. What did you find about people who have, immigrant ancestors at least in the last few generations, versus those that don't?

STEFANIE: So what we see is that, yourself having an immigrant history, makes you less zero-sum. So we see it, specifically for first-gen immigrants, it's the sort of least zero-sum group. Then as you move to second-generation immigrants, again, less zero-sum than non-immigrants, but more zero-sum than first generation immigrants and so on.

We track to the third generation and then it sort of becomes the same as having no immigration history or longer back immigration history. So the experience of immigration is associated with less zero-sum thinking, and I think it makes a lot of sense. Usually immigrants coming to the US do better than their parents in many cases. So I think it's reflecting this experience of doing better and rising in the family. Immigration also matters indirectly, so just having been exposed to immigrants who do well is very important. In the US, there was this wave of mass migration.

It's the period between 1860 and roughly 1920, maybe a bit later, where a lot of immigrants came to the US and work by other economists shows that these immigrants did very, very well historically. They experienced mobility, their incomes grew, and they also benefited a lot the communities around them.

So places that had more of these immigrants and the ways of mass migration did significantly better immediately and then over the longer run. So it was a very positive-sum economic experience.

And we see that if your grandparents lived in these counties that had these waves of migration, you today are less zero-sum. So, if you live in these counties, it's not very relevant because things have completely changed. Migration patterns have completely changed. So it's not something about the place specifically, but it's

something about what happened at that time. And so if your grandparents were there at that time, they potentially were less zero-sum.

And then they transmitted this, through the family, this mindset. So it is fascinating how enduring and persistent these family experiences are.

CARDIFF: Yeah, it provoked a reaction in me that made me wonder if the US goes through a time where immigration is severely restricted, then does that mean the US is setting itself up for a world in the next 20-30 years where there will be more zero-sum thinking. Again, relative to the counterfactual, where it's not restricted.

You also mentioned that the paper explores quite deeply, the mindset of folks whose ancestors were enslaved. And in the US, of course, that primarily means African Americans who have ancestors who were enslaved in the period, leading up to the 1860s, but it also includes some other periods of coercion. For example, when Japanese Americans were put into internment camps during World War II, and you mentioned some of the events surrounding Native Americans, and so what were the findings there and take us through what we think might have been the mechanism?

STEFANIE: This is basically the other side of the coin. We mentioned some positive-sum experiences like mobility and like immigration, but there's also the experience of very deeply zero-sum systems. For instance, enslavement. And people whose ancestors have experienced some form of enslavement are much more likely to hold zero-sum beliefs today.

And to be clear, this is enslavement that happened many generations back. As you said, it's many different forms. There's slavery in the US South, people's ancestors who were imprisoned and killed during the Holocaust. It's Indigenous people, reservations, war prisoners, indentured servants. So there are many different forms of enslavement that people's ancestors have experienced, and all of them are significantly associated with more zero-sum thinking.

And again, the effect here goes way beyond just direct family history. So if we focus here on the US, on slavery in the US South, if you look at places — counties even — where slavery was very widespread as of 1860, so that had higher shares of enslavement, these places have much more prevalence of a zero-sum mindset.

So even if you're not a descendant of enslaved people, if you today live in these places, or even if your parents live there, or even if your grandparents live there, all of these are associated with you today being more zero-sum. So here there's something about the places themselves, the system that was put in place in those places, the narratives there, et cetera — those are very shaped by this and that persists.

So this is something that is very strongly there. And actually it goes even beyond that, which is really fascinating to me. There was a wave of migration out of the US South which is called the Other Great Migration because there is the Great Migration of African Americans out of the South, but there was also a big wave of migration of white Southerners into other places in the US.

And there's a wonderful paper that shows that these migrants exported essentially Confederate culture to other places where they lived and where they went, as measured by many different outcomes. And what we see is that they also seem to export the zero-sum mindset.

So if you live in places today that have higher shares of white Southern immigrants — which are not in the South, they're in other places in the US — you are more likely to be zero-sum. So again, it's a mindset that is deeply shaped by historical experiences and has very long-lasting effects.

CARDIFF: It really is something about the institution of slavery itself that has these kind of enormously broad, long-lasting effects. Even on people who didn't have ancestors who were directly themselves enslaved, it is a sort of evil that seems to have perpetuated down through the generations and continues now. It still has that effect.

In the paper, you note that — and I'm quoting you here — “among all racial groups in the United States, Black respondents emerged as the most zero-sum on average. Asian and Asian American respondents are conversely the least zero-sum.”

And I was curious to know if that was a product of the more recent immigrant experience for Asian and Asian Americans who, I think, have quite a high relative average income, at least relative to other demographic groups. What do you think is going on there on the other end of the spectrum, on the positive-sum spectrum?

STEFANIE: We don't really explore this, so it's all conjectures. It could be a more recent immigrant history. So we don't really know. We actually focus more on this finding of why African American and Black Americans are more likely to be zero-sum.

And that it is not just — although many have enslaved ancestry — it is not just that. It is the overall system that was there of slavery and then turned into many decades and more of oppression and systemic discrimination and racism.

So that even among African Americans who say they don't have an enslaved ancestor, they're much more likely to be zero-sum. And we discuss how the system persisted in those places in the mindsets and then even got exported to other places in the US.

CARDIFF: Let's talk about another working paper of yours titled “Emotions and Policy Views” — it's with some co-authors — because it's related to your work on zero-sum thinking, but it's slightly different.

And I gotta tell you, every single sentence in the summary, in the abstract, of this paper was fascinating. Had something interesting to note. So here's one part of a sentence there: “we document a sharp rise in anger on both the supply side, content provided by policymakers, and the demand side, emotional responses by citizens, since 2016.”

How did you discover this, and were you surprised? Give us the background here.

STEFANIE: So what we do in this project is to try to look at political discourse in general, and we try to get at all the sources that we could get. There's online discourse on social media, specifically on X, both citizens tweeting but also policymakers, Congress people tweeting.

We have campaign speeches, we have congressional floor speeches, and we analyze all this body of data using LLMs that allow you to really determine whether something has no emotional content or tends to lean angry or fearful or hopeful or joyful.

And what we see is that across the board, to different extents but across the board, there has been a rise in angry content. And that comes at the expense of no emotion content, so that has declined.

Other emotions, like fear or positive emotions like joy or hope, have not really changed. They've been pretty stable. But it's really anger that has taken off.

And we see a very interesting pattern that is on the policymakers' side there tends to be a bit more of a cycle. So when the Republican Party has the presidency, Republican policymakers tend to tone down their anger. Same for Democrats, and then it flips when the presidency flips.

So there are a bit more cycles even though there's a general upward trend. But for citizens it's not the case. So if you look at Republican citizens tweeting or Democrat citizens tweeting, anger has sort of been triggered and it has been rising.

It doesn't revert back sort of in between elections as it does on the supply side — or the policymaker side as we call it. So it seems to be something that has very much been triggered.

There's some other really interesting pattern. One is that social media does seem to very much amplify this. Because if you look at congressional floor speeches — obviously they're public, you can see them, you can read them, you could watch

them — but it is still a bit more away from the public eye perhaps than tweets you might send.

And you see that for the same person, the same Congress person, when they speak on the Congress floor on the same policy topic, they're significantly less angry or they express things in significantly less angry terms than when they're tweeting about it.

So obviously people have different baselines. Some people are generally more on angry content than others, but even within the same person being online amplifies this. So we found that really fascinating.

And it is not mechanically just the algorithm, we think, but rather the fact that as we show in the paper, angrier content seems to generate more engagement. It's more likely to be retweeted, it's more likely to be shared. So it sort of feeds on itself, as opposed to content that's factual, has no emotion, et cetera.

Some very interesting patterns here.

CARDIFF: It also confirms, I think, a lot of trends or a lot of beliefs about what causes so much of the polarization that exists now, but in ways that are really hard to quantify. And this paper seems to actually provide some real evidence behind it — that no, actually, there is more anger out there than there used to be.

And it works, right? From the standpoint of the entities, the organizations that are driving the anger, intentionally or not, it does work. It does drive more engagement. So if what you want is more engagement, anger is something that you're going to offer.

Whether or not that's healthy societally is a different question. But it is interesting that this paper actually supports some things that people have been wondering about for quite some time.

STEFANIE: Yeah. So if you feel like things are getting angrier, it is not just an illusion.

CARDIFF: It's not in your head, right?

STEFANIE: We can only go back so far on the online content since social media hasn't been around for many, many decades. But on things like congressional speeches or campaign speeches, we can go much further back in time.

And even there, there's been a rise. Of course, at the whole scale of human history, what happened 200 years ago would still be very interesting to study from other historical sources, and that's something to look at. But in this more recent period, there's been a marked rise in anger.

And if you want to generate more engagement as a company, perhaps that works. Now, for policy views, what we see is that — and we do this with an experiment, putting people in an angry state or in a fearful state or in a positive-mood state — what you see is that if you're more angry, you are going to become more anti-immigration, you're going to become more anti-free trade, you're going to also become more pro-distribution.

So some very interesting patterns here that we're still trying to properly explain. But to some extent it mirrors perhaps a little bit what we're seeing on policy views too.

CARDIFF: There's another fascinating sentence in the summary to this piece, which is: “positive emotions have little effect on policy preferences, but reduce populist inclinations.” And then conversely, you find, as you noted just now, “negative emotions increase support for protectionism, restrictive immigration policies, redistribution and climate policies, but do not reinforce populist attitudes.”

So there seems to be a difference between populist attitudes — pro or against — versus actual policy beliefs and how those things get changed.

STEFANIE: Yeah, and I should probably clarify what we mean by populist attitudes. It's expressing anti-democracy views and wanting support for just one strong leader over a system with balance of powers. Expressing disdain for experts and science.

So it's that type of answers to the questions. And so what we see is that making you more negative is not really moving that, but by making people feel more positive, those tendencies can be reduced.

I do think that's very interesting because usually a lot of — let's say more populist rhetoric — tends to be centered around more negative feelings. I don't want to label emotions. When I label them negative, it's not that they don't serve a purpose. Obviously, anger and fear serve evolutionary purposes.

CARDIFF: Kept us alive. (CHUCKLES)

STEFANIE: So they have a great place. I don't want to label them necessarily as negative — maybe we need another terminology here. But you hear such emotions a lot in populist rhetoric. And so in a sense, going the other way here tends to make people step away from this a bit.

Lots more to explore here. This is very much work in progress.

CARDIFF: It's right now a working paper, and I think you're still soliciting feedback for it, so we'll leave that as a caveat for the audience to know. The work's not done yet.

But there is one final line in the abstract that I just wanted to share with you — not with you, of course, with our listeners — and get your thoughts on it.

You write that “distinguishing between fear and anger, we find that anger exerts a much stronger influence on citizens' policy views.” Which is also fascinating to me because I know that one of the findings in behavioral psychology that seems to have survived all the different replication crises is that loss aversion is a real thing — that fear of loss is a real thing.

And I know that a lot of politicians prey on that. But here you find that anger is much stronger when it comes to changing people's minds, which I also find quite intriguing.

STEFANIE: Because there is another — I don't know where that saying came from — but we see this here, which is: “anger mobilizes, fear paralyzes.” I think we see a little bit of that here.

Fear doesn't make people necessarily move their policy views much. I still want to understand the proper mechanism. But anger seems to prompt you to action a bit more — like express, “I'm against this,” or “I want this to change.”

So that's the way in which fear doesn't make you change your policy views, at least not immediately. But anger is something that triggers action, triggers something intentional.

CARDIFF: I want to ask a couple of questions about your other work and how it relates to the work on zero-sum thinking.

You have — I think it's a working paper still, if I'm not mistaken — with some co-authors titled “Dancing With the Stars.” And one of the themes of that paper is that collaborating with excellent inventors leads to subsequent improvements in a scientist's productivity.

And this seems to be like a very strong pro-collaboration finding. I guess I see some kind of theoretical connection there to zero-sum versus positive-sum thinking, but I'm curious to know if you regard it that way.

STEFANIE: I'm glad you're making this connection — and I'm glad you explained that it is not about a dancing show.

CARDIFF: (CHUCKLES)

STEFANIE: It's about people collaborating with others who are better, at least at that point. So we focus specifically on inventors, on innovators, who typically work in teams and companies.

And if they're paired with someone who's already a great inventor — very productive, with great patents, great innovations — they then also become better over time.

And it's true if you look at very narrow interactions like being really on the same team, but even being in the same company to a lesser extent, but still there, and even being in the same area.

So it's very much a paper that shows the importance of agglomeration and of spillover effects from interacting with others around you. And yes, it is a positive-sum message here when it comes to learning from others, working with others, as applied to innovation.

I'm actually thinking about this project a lot right now with AI. I think it's part of the general move that has been toward much more virtual work, remote work. And so I'm very curious what this does to interactions, what form our interactions will take.

In this paper, given the data we're using, it's not the last few years — it's a longer period before. So we're still very much talking about physical interactions, being in the same place with someone, talking.

And so I'm very curious what new interactions will emerge. Maybe we'll have better interactions. Maybe we don't need in-person interactions and everything can be done virtually, but it's all to be seen and I'm very curious about that.

CARDIFF: Is that something you're going to be researching — the idea that with AI it's possible that some of the spillover effects or agglomerations that we enjoy now when people work together might be replicated or even improved?

Is that a line of research you're thinking of pursuing?

STEFANIE: I'm interested in how it changes collaboration dynamics and work dynamics very much. Another thing I'm very interested in is more the political economy of AI — which is that, to me, it's very important in the spirit of the Social Economics Lab, how people understand what AI is doing and how they think about it and what policies should be adopted.

Currently policies are lagging behind the speed of the technology. But eventually we will have very big policy discussions about what can be done.

So I'm very curious about this and currently studying with large-scale surveys to see how people perceive AI as affecting their job — what's good, what's bad, what policies they would support right now. And actually seeing how this will track over time, how this will change as we learn more.

Again, this is moving at the speed of light — or at the speed of AI. So I think views will change also very rapidly one way or the other.

CARDIFF: One of the ongoing public conversations that my colleagues are very much a big part of now is the conversation about the future effects of AI on the labor market — what we're seeing now versus what might eventually happen and all the different economic dynamics involved in that.

But the thing I was thinking of when it comes to zero-sum versus positive-sum mindset was how receptive people will be to whatever disruptive effects AI might have versus its potential benefits.

And I guess this wouldn't even be a question necessarily about AI specifically so much as about any kind of automation technology or technological advancement that has the possibility of both increasing people's productivity at work and leading to higher real wage growth and all that stuff — versus the fact that there might be big underlying shifts within the economy.

That might include the creation of a lot of new jobs — which would be wonderful — but also in the interim the loss of many jobs that exist right now.

What do you think about that? Does your work on AI include thinking about how people are receptive to new technologies and things like that? What do you think it communicates about that idea?

STEFANIE: Yes, it's part of the questions we are asking. The hypothesis is that it will very much differ by the type of job people have. We have very detailed information on exactly what job they do and what tasks they have.

And so for different jobs, different tasks are going to be either replaced or actually improved — made easier, made better, made more pleasant. This is exactly what we're trying to get at.

Unfortunately, I don't have results to share yet, so I probably need to come back on your podcast.

CARDIFF: Yes — can't wait for that. And something I would also be curious to know is how all of the variables that you've already studied — how those things influence zero-sum versus positive-sum thinking — end up interacting with people's beliefs on AI.

So people with, for example, an immigrant background who tend to be more positive-sum in their thinking already — does that also lead them to being more receptive to new technologies or to embracing those technologies?

I'd be fascinated by how all of the variables interact with this and not just what kind of job people have now. So I'm hoping you're going to study all that. Am I right?

STEFANIE: Yes, I'm hoping so too.

CARDIFF: Excellent. What about your work on tax? Because you've been studying tax policy and the effects of different kinds of taxation for a very long time, and I'm curious to know how that connects to your work on zero-sum thinking.

STEFANIE: Right now, it doesn't immediately connect. What I'm doing on taxation is two things. One is to understand the empirical effects of taxes — what has happened, especially on innovation and on long-run things like wealth accumulation, from different tax policies implemented.

And the other thing is what people consider to be fair tax policy — what concerns they have, what type of policies they want.

Here is where zero-sum could fit in. I hadn't made that link explicit in that early work. But in this new work on zero-sum thinking, one of the ways to support more redistribution is through more progressive taxation.

And so we see that this is very correlated. Again, people who have a more zero-sum mindset are more likely to support progressive taxes, as well as a host of other more distribution policies like social insurance, the social safety net, et cetera.

CARDIFF: This is again pure speculation on my part, but I was wondering if some of the states that tend to have more zero-sum thinking would also be the states more likely to introduce more progressive taxation.

I'm thinking about this right now in the context of California, which is contemplating what's being called a billionaire's tax — a wealth tax essentially. And I know you've studied wealth taxes, but more generally, what do you think about that connection?

STEFANIE: It might be there, but at the state level, you won't see that. Because there are all these different factors that affect zero-sum thinking.

Obviously, political leaning is important when it comes to taxation. Taxes are usually a very polarized issue. The traditional left-right divide is basically defined by your stance on taxation and on government redistribution.

So that will lean the other way. You won't see that neat pattern at the state level.

CARDIFF: What has been the single biggest surprise to you from your work on zero-sum thinking — something you just did not expect to happen?

STEFANIE: I wasn't expecting the generational pattern that we're seeing. I wasn't expecting this very strong finding that younger generations are so much more zero-sum than older generations.

I actually didn't have a strong prior either way, but the pattern was quite striking. Now it makes a lot of sense to me after having studied it and seeing the drivers and determinants, but that was a striking one.

CARDIFF: Last question. If there's one thing you would want to leave the audience with about this work — something perhaps that tends to be misunderstood or underappreciated — what would it be?

STEFANIE: I'm going to maybe slightly take off my economist hat to say that the findings we're talking about here are based on large-scale sample studies about big events that have happened and big effects on policy views.

If you think about your own life, there's actually a lot of research from psychology that shows that in the immediate, if you tend to hold a more zero-sum mindset, you may miss out on some opportunities for collaboration and cooperation.

So I think for us personally — everybody — it's important, even though it might be very well justified by your experience and by reality, to still keep an eye for win-win solutions if there are some.

I think that's very important as individuals. Because those might, by definition, make more people better off. It might be very well justified — and still there might be scope for finding win-win solutions.

CARDIFF: Well, that's a lovely place to end. Stefanie, the paper that you wrote with your co-authors is “Zero-Sum Thinking and the Roots of US Political Differences.” Again, just published in the American Economic Review.

This is some of my favorite work in all of economics — the work that you do at your lab. So it's always such a pleasure to have you here.

Thanks for being on The New Bazaar.

STEFANIE: Thank you so much. That means a lot to me.