

My Poor Friend: Financial Distress in One's Social Network, the Perceived Power of the Rich, and Support for Redistribution

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In exploring the impact of economic problems on public opinion, scholarship has nearly exclusively focused on personal and national economic experiences. At present, little to no research analyzes the impact of economic distress within one's social network on an individual's attitudes. Drawing upon network and contact theories, it is argued that financial hardship experienced vicariously through one's friends should influence an individual's views about the political economy, and ultimately, their economic policy preferences, such as support for redistribution. Utilizing national survey data, this article demonstrates that having economically distressed friends heightens perceived class-based bias in the political system—namely, that the rich have undue influence over politics. Further, moderated regression analysis reveals that this effect depends upon the prevalence of political discussion within one's friendship network. Finally, mediation analysis reveals that, by heightening perceived class-based bias, distress within one's friendship network indirectly increases support for government efforts to redress inequality.

Scholars have long been interested in the effect of personal economic hardships on public opinion and political behavior (Brody and Sniderman 1977; Feldman 1982; Kinder and Kiewiet 1979; Schlozman and Verba 1979; Verba and Schlozman 1977).¹ Indeed, social and political scientists have long sought to determine whether personally experienced economic adversity increases disaffection with “the system,” galvanizes class consciousness, and generates demand for government redistribution (Citrin et al. 1977; Fong 2001; Hacker, Rehm, and Schlesinger 2013; Jackman and Jackman 1983; Kluegel and Smith 1986; Margalit 2013; McClosky and Zaller 1984; Verba and Schlozman 1977). Building upon its focus on personal economic conditions, scholarship has also directed considerable attention to the health of the national economy and the analysis of the comparative importance of “pocketbook” versus “sociotropic” evaluations in shaping public opinion and electoral behavior (Carey and Lebo 2006; Gomez and Wilson 2001; Kinder and Kiewiet 1979, 1981; Markus 1992). What has been

less extensively researched is the effect of vicarious experiences of economic distress through the friends and acquaintances within one's social network. It is well established that social networks serve as an important source of social and political information that in turn influence political attitudes and behavior (Berelson, Lazarsfeld, and McPhee 1954; Huckfeldt and Sprague 1987; Klofstad, Sokhey, and McClurg 2013; Lazer et al. 2010; Leighley and Matsubayashi 2009; Mutz 2002; Mutz and Mondak 2006; Weatherford 1983). With this work in mind, this article asks whether having economically struggling individuals within one's social network exerts meaningful effects on citizens' political attitudes and policy preferences.

Strong assertions have been made within the scholarly community that the United States is increasingly moving into a “new gilded age” (Bartels 2008), characterized by rising income inequality, self-perpetuating increases in the wealth and power of the superrich (Enns et al. 2012; Volscho and Kelly 2012), and the political marginalization of lower income citizens (Bartels 2008; Gilens 2012; Hacker and Pierson

¹Data and supporting materials necessary to reproduce the numerical results in this article will be made available at <http://dx.doi.org/10.1017/S0022381613001138> and at <http://www.polisci.uconn.edu/people/faculty/faculty.php?name=newman> no later than two months following the publication date.

2011; Hayes 2013; cf. Page and Jacobs 2009). Further, the experience of financial crises, corporate scandals (e.g., Enron, WorldCom, AIG bailout, Goldman Sachs civil fraud lawsuit, etc.), and class-based social movements (e.g., Occupy Wall Street) have heightened among the general public antipathy toward the rich (Parker 2012), the perception of conflict between the rich and poor (Taylor et al. 2012), the belief that the “rich are getting richer, while the poor are getting poorer” (Taylor et al. 2008, 17), and the general sentiment that “there is too much power in the hands of a few rich people and corporations” (Kohut et al. 2011, 3). With this gilded-age thesis in mind, it is of interest to determine whether experienced economic hardship within one’s friendship network, to the extent that it exerts any effects, impacts citizens’ attitudes toward the rich, and more specifically, heightens their perception of class-based inequity and proric bias in the political economic system. Given that prior research finds that attitudes toward the rich, as well as the perceived fairness of the economic and political system, strongly influence support for redistributive policy (Alesina and La Ferrara 2005; Fong 2001; Kluegel and Smith 1986; Larsen 2008), the ultimate goal of this article is to determine whether financial distress within one’s social network indirectly heightens support for government policies—such as redistribution of income away from the wealthy—intended to curtail the power of the rich and redress inequality.

Extending Contact and Network Theories To Economic Life

There is a large body of social science research exploring how the composition of one’s social network, and the distribution of opinion within it, serve to influence an individual’s political attitudes and policy preferences. This work tends to focus on specific characteristics of one’s network of interpersonal contacts, such as its racial/ethnic diversity (Davies et al. 2011; Pettigrew 1998) and political homogeneity (Huckfeldt and Sprague 1987; Mutz 2002), as well as its political sophistication (McClurg 2006). In general, the axiom emerging from this research is that contact, specifically with members of disliked or discriminated against groups, such as racial minorities, immigrants, homosexuals, or those with opposing political beliefs, can reduce prejudice, increase tolerance, and promote support for progovernment policies (Allport 1954; Davies et al. 2011; Dixon and Rosenbaum 2004; Gaines and Garand 2010; Herek and Glunt 1993; Jackman and

Crane 1986; Pettigrew 1998; Stein, Post, and Rinden 2000). Within this literature, the majority of work on the effects of one’s network of friendships focuses on contact across racial, ethnic, nationality, and religious lines (Davies et al. 2011; Pettigrew 1998), with little to no research focusing exclusively on contact across socioeconomic lines and on the assessment of the attitudinal effects of friendship with those in a different—or worse-off—economic position than oneself.

Despite this gap in the literature, there is strong reason to believe that having friends less well-off than oneself will yield parallel effects to that of other types of contact. First, intergroup contact and social networks are both theorized to exert their influence by transmitting information that holds the potential to alter important beliefs, such as undermining negative stereotypes about out-groups by providing positive out-group information and exemplars (Allport 1954; Huckfeldt et al. 2004; Pettigrew 1998). Thus, negative stereotypes of lower income or financially struggling citizens as lazy, ignorant, or irresponsible are likely undermined by new positive contact experiences with lower-status individuals who contradict such negative stereotypes, or through having economic hard times fall upon an existing friend for whom affinity is well established and who contradicts such stereotypes. For example, extant research demonstrates that contact with the homeless can reduce a range of negative attitudes and enhance positive feelings toward the homeless (Lee, Farrell, and Link 2004). Second, research shows that when it comes to social network formation and self-selection, racial, ethnic, religious, and political criteria tend to dominate over socioeconomic status (SES) (Berelson, Lazarsfeld, and McPhee 1966; Huckfeldt 1983; McPherson, Smith-Lovin, and Cook 2001; cf. Bishop and Cushing 2008). Thus, while citizens do tend to locate friends within their own socioeconomic status, cross-status friendships are more prevalent than other types of cross group relationships. Further, such contact has been found to be politically consequential, as research indicates that, for example, higher SES individuals develop support for leftist parties when they reside in neighborhoods with more, and presumably have more interpersonal contact with, lower-income and working-class individuals (Huckfeldt 1983).

Last, and perhaps most important, theory and research on “extended contact” builds upon original contact theory by demonstrating that knowledge of an in-group member’s friendship with an out-group member can lead to more positive attitudes toward that specific out-group (Wright et al. 1997). This theory is relevant for present purposes because it argues that

the experiences of those with whom one is in contact with, such as their having a cross group friendship, can influence one's own views through knowledge of the friend's experience. According to extended contact theory, this process relies upon several mechanisms, one of which is the incorporation of one's friends into the self, whereby their cognitions, emotions, and experiences become part of oneself. This mechanism alludes to processes of cognitive and emotional empathy, whereby individuals cognitively envision themselves in other's circumstances and experience a vicarious emotional reaction (Baron-Cohen 2011; Mehrabian and Epstein 1972). Thus, despite a friend's experience of economic distress being separate from those of the self, cognitive and affective identification with them may extend their economic experiences to the self, such that friendship generates a vicarious experience of economic distress, as well as facilitates the transmission of a range of associated attitudes and beliefs surrounding the experience of economic strain.

Taken together, this work provides a sound theoretical foundation for the expectation that having friends experiencing economic hardship² should exert meaningful effects on one's own attitudes. Such friendships, in theory, could enhance information about and empathy toward the experience of economic hardship. Combined, this process could have important political implications, especially with respect to attitudes toward higher economic-status groups, such as employers and the wealthy, as well as preferences over social welfare and redistributive policies. Prior research reveals that individuals experiencing economic adversity are more likely to view the economic system as unfair, attribute poverty to structural forces rather than failures of individual agency, embrace the negative view toward the rich that their wealth stems from political influence, dishonesty and greed, and a rigged economic system, and to view the interests of employers and managers

²In referring to economic "hardship," "distress," or "strain," it is important to distinguish a recent decline in economic situation from more persistent lower socioeconomic position, as the two, while both leading to "distress," could have distinct effects on political views. For present purposes, use of these terms are intended to allude to (1) a recent deleterious change in economic situation of indefinite duration threatening or having resulted in downward mobility (e.g., structural unemployment) or (2) more persistent lower socioeconomic position. Use of these terms are not intended to refer to a short-run decline in economic situation garnering little to no threat of downward mobility (e.g., frictional unemployment). The focus is on the prior two scenarios, rather than the third, because these are more likely than the third to involve sustained day-to-day struggles and/or anxiety over material subsistence.

as conflicting with those of workers (Kluegel and Smith 1986; Taylor et al. 2008; Verba and Schlozman 1977). Reinforcing these findings, a recent national survey found that while 83.8% of Americans making \$30K or under a year agreed that "there is too much power in the hands of a few rich people and large corporations," only 54.3% of wealthy Americans earning over \$150K per year held this belief.³

Drawing upon contact and network theories, I argue that these attitudes and sentiments may be transmitted from economically struggling and aggrieved individuals to those for whom they are in close contact, such that, holding one's own economic situation constant, those having struggling friends may be more likely than those without to be sympathetic to or adopt the view that the economic system is unfair and that the rich have undue power in society and in politics. This prediction is formalized in the following hypothesis:

H1: Individuals who have friends that are experiencing economic hardship should be more likely than those who do not to perceive class-based unfairness in the political economic system, such that the rich are viewed as having undue power and influence.

While this hypothesis argues that the mere presence of economic distress within one's social network will influence their political attitudes, the critical underlying mechanism theorized to enact this effect is the transmission of information and viewpoints from economically aggrieved individuals to others in their network. Thus, this theory points to the importance of "political talk" (McClurg 2006), or the discussion of politics with one's friends, as a key factor potentially moderating the impact of having struggling friends on one's own attitudes. The moderating role of political discussion should rest upon its ability to account for the degree to which personal experiences are politicized, and most important, political information and attitudes are exchanged between friends. For example, among relatively apolitical individuals who are disinterested, apathetic, or ignorant of politics, personal economic problems may remain unpoliticized as a personal rather than a social or political problem (Brody and Sniderman 1977). However, research reveals that interest in politics and attention to media, such as news about unemployment, can politicize personal economic grievances, thus causing them to influence political behavior (Mutz 1994). Thus, economically distressed individuals who are more interested in and attentive to politics, and who discuss politics more often

³Figures obtained from the December 2011 Political Survey conducted by the Pew Research Center.

with their friends, are more likely to connect their personal economic problems to politics, thus expanding the locus of their concern over economic problems from the self to the social and political arena (Brody and Sniderman 1977). Beyond increasing the likelihood that personal experiences are translated into political grievances, higher levels of political discussion will increase the likelihood that such grievances, and the constellation of economic and political beliefs and attitudes that surround them, will be communicated to others in one's network. This leads to the following hypothesis:

H2: The degree of political discussion within one's social network should moderate the effect of having economically struggling friends on one's own attitudes, such that having an economically struggling friend will exert the strongest effect on attitudes (i.e., the perceived power of the rich) among individuals who actively discuss politics with their friends.

Before moving on to explicating the final hypothesis, two additional possibilities for moderation should first be discussed. The first possibility is that one's own economic position will shape their response to having poor friends, suggesting a process of class affinity. Given that prior research finds that citizens tend to form friendships with those within their own SES, as well as the general tendency to identify more with members of one's own group, it is possible that the impact of having economically struggling friends, to the extent that there is an effect, is strongest among lower-income and weakest among upper-income citizens. Second, it is possible that the hypothesized interaction between having poor friends and level of political discussion, if empirically discovered, is tapping into the frequency of contact with one's friends rather than the degree to which friends' experiences and attitudes are transmitted via political discussion. For example, it may be the case that the transmission of economic experiences are dependent upon the degree of actual closeness with one's friends, which may serve as the vehicle through which experiences are transmitted rather than explicit political discussion. In the analysis that follows, both of these alternatives will be accounted for when testing Hypothesis 2.

Up to this point, it has been hypothesized that having economically struggling friends within one's social network will enhance perceptions of the power of the rich and that this process will be strongest among citizens with the highest level of political discussion within their friendship network. There is strong reason to believe that this process should ultimately exert an influence over citizens' policy preferences. Extant research indicates that beliefs

about the causes of poverty and wealth, attitudes toward the wealthy, the perceived fairness of the economic system in general, and moral outrage over social injustice strongly influence levels of support for redistributive policies (Alesina and La Ferrara 2005; Fong 2001; Gilens 1999; Kluegel and Smith 1986; Larsen 2008). To the extent that citizens with economically struggling friends adopt the view that the American political economic system is biased in favor of the rich, one ultimate consequence of this process is that they may in turn be more likely to endorse policies aimed at curbing the influence of the rich, such as government efforts to reduce income inequality and redistribute wealth. In other words, the experience of financial distress through those in one's social network should indirectly increase support for government redistribution via its heightening of the perceived undue power of the rich. Consistent with Hypothesis 2, this mediated process should be most likely to occur within networks with high levels of political discussion. This prediction is formalized in the following mediated-moderated-effects hypothesis (Baron and Kenny 1986):

H3: Within social networks with high levels of political discussion, having economically distressed friends should indirectly enhance support for government income redistribution by increasing the perceived power of the rich.

Taken together, these hypotheses fill an important hole in the literature on contact and network effects, as well as research on attitudes toward economic and political fairness and government redistribution. The former areas of research have focused most heavily on themes of race, ethnicity, religion, and political orientations at the expense of SES in analyzing the effects of networks on public opinion and political behavior. The research on public attitudes toward economic and political fairness, as well as redistribution, tend to center upon citizens' personal economic position while largely overlooking intimate contact with the poor and economically struggling. The hypotheses issued here address these gaps in the literature with a theoretical framework that incorporates social networks into the study of public opinion on redistribution.

Data and Methods

To test these hypotheses, I draw upon the 2005 Citizenship, Involvement, Democracy (CID) Survey conducted by the Center for Democracy and Civil Society at Georgetown University (Howard, Gibson,

and Stolle 2005).⁴ This nationally representative survey is comprised of 1,001 face-to-face interviews of adult Americans throughout the contiguous United States. The survey was conducted between May 16 and July 19, 2005,⁵ and employed a cluster-sample design, achieving an overall response rate of 40%. For information about the distribution of key demographic and political variables in this survey, and their comparison to Census and other survey data, see Table 1.

To measure economic distress within one's social network, I rely upon an item in the CID appearing in a sequence of questions asking respondents about the characteristics of the network of close friends that they have had contact with, either in person, by telephone, or by e-mail, in the past month. This specific question asks respondents: "Still thinking about your close friends, are any of them struggling to make ends meet financially?" From this item, a dichotomous item was constructed, labeled *Poor Friends*, coded 1 for those reporting having economically struggling friends (65% of respondents) and 0 for those who did not (35%).

Prior research finds that individuals have a tendency to form relationships with individuals of comparable SES. Within the CID, this tendency is evident; however, it is very modest. Figure 1, Panel A, depicts the percent of respondents at each level of personal income reporting having (or not having) poor friends. As can be seen, while the percentage of those with poor friends is the lowest for those with incomes of \$250K or more, roughly 43% of those with the highest incomes nevertheless report having friends who are financially struggling. The absence of a strong correlation between personal income and having poor friends instills the following analyses with confidence that any effects observed for *Poor Friends* are not simply capturing indirectly the effects of one's own economic position. An additional possibility meriting exploration is that political orientations shape who one befriends and the social networks they join, with one possibility being that left-leaning citizens are more amenable than those on the political right toward forming friendships with poor individuals. Figure 1, Panels B and C, however, reveal the lack of any distinct relationship between political orientations and having financially strug-

⁴For more information, see: www.uscidsurvey.org.

⁵Given that this data was collected prior to the 2008 Financial Crisis—which resulted in heightened economic distress and mass skepticism toward the economic system and wealthy corporations—the use of this data may provide conservative tests of the hypotheses.

TABLE 1 Sample Comparisons by Key Demographic and Political Variables

	2005 CID	2006 ACS	2004 ANES	2005 Pew
Female	56%	50.8%	56.6%	51.8%
College degree	23.3%	27%	- - -	35.1%
White	72.4%	66.2%	83.3%	77.2%
Black	15.7%	12.2%	7.1%	8.6%
Hispanic	9.6%	14.8%	2.6%	6.8%
Asian	1.6%	4.3%	1.3%	1.4%
Median age	44	36.4	54	50
Median income	\$40–50K	\$48.4K	\$50–64K	\$40–50K
Unemployed	8.5%	6.4%	3.2%	- - -
Home ownership	63.8%	67.3%	81.5%	- - -
Democrat	39.3%	- - -	36%	33%
Independent	22.1%	- - -	22.6%	28.5%
Republican	29.3%	- - -	34.9%	32%

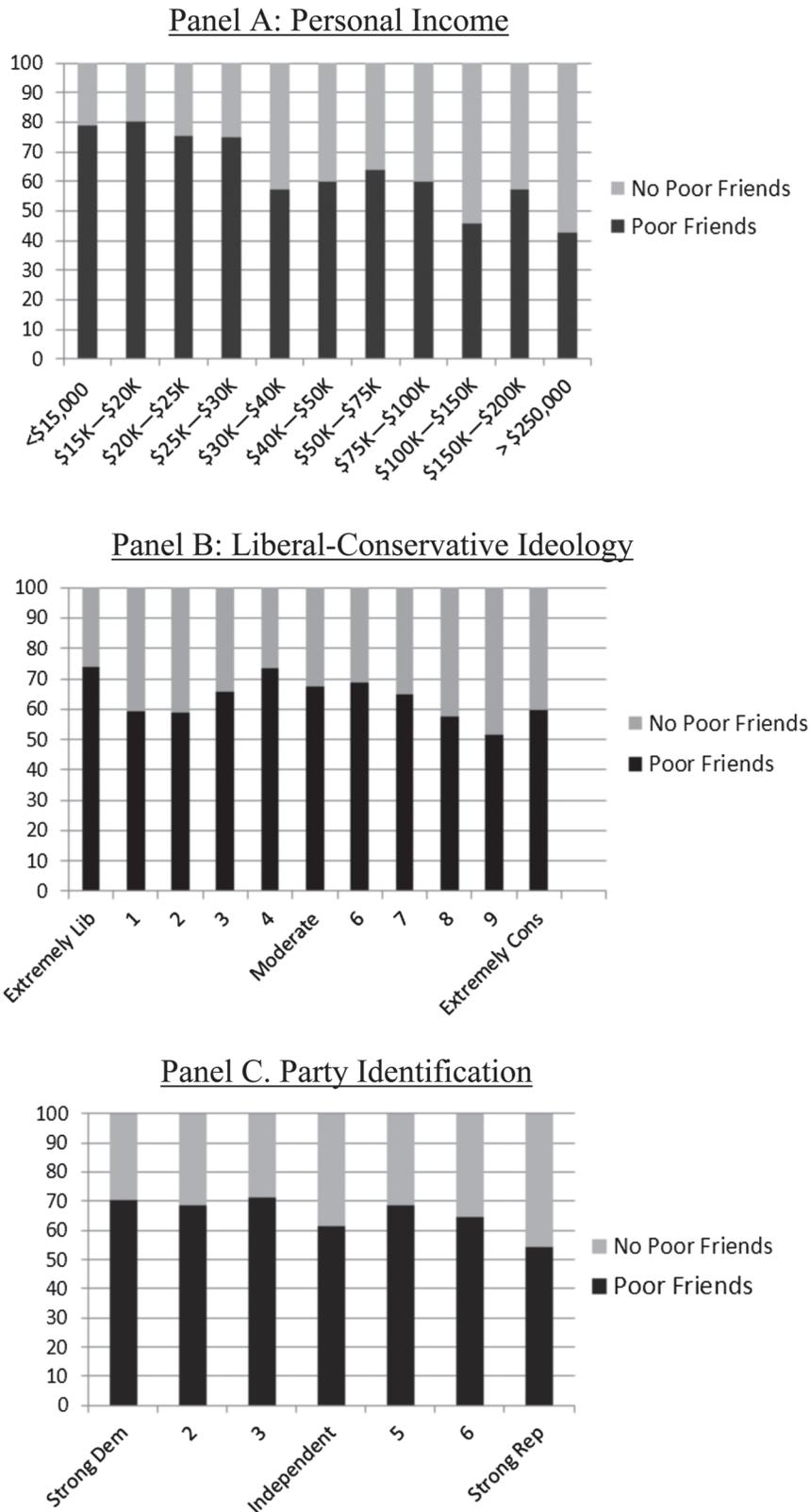
Source: 2005 Citizenship, Involvement, Democracy Survey (CID); 2006 American Community Survey (ACS), U.S. Census Bureau; 2004 American National Election Study (ANES) Panel Data; 2005 Pew Research Center News Interest Index Survey.

gling friends, as the percent reporting having poor friends is relatively constant across ideology and partisanship. Taken together, these descriptive results provide one basis for alleviating concern over selection bias resulting from income and political orientations shaping whether one has poor friends.

To measure respondent's perception that the rich have undue power and influence within society and in the political arena, I rely upon an item asking respondents about their level of agreement with the following statement: "The rich and powerful people in this country have too much influence on politics." This item contained five ordered-response options, ranging from "disagree strongly" to "agree strongly." As expected, while there is sufficient variation in levels of agreement with this statement, there is a clear tilt toward viewing the rich as having undue power, as 33.3% of respondents strongly agreed with this statement, 53.2% agreed, 4.4% were uncertain, 7.5% disagreed, and only 1.6% strongly disagreed.⁶ From this item, a variable was constructed, labeled

⁶The distribution of this item is comparable to that of similar questions asked in other national surveys. For example, the 2007 Pew Research Center Values Survey asked respondents to report their level of agreement with the statement: "There is too much power concentrated in the hands of a few big companies." The response frequencies for this item were: 37% "completely agreed," 38% "mostly agreed," 3% "DK/refused," 18% "mostly disagreed," and 4% "completely disagreed." Moreover, in a 2011 Pew Survey, 77% of respondents agreed that "there is too much power in the hands of a few rich people and large corporations in the U.S.," which compares well to the 86% agreeing with this sentiment in the CID.

FIGURE 1 The Percent of Respondents Having Poor Friends by Income and Political Orientation



Rich Power, with higher values indicating higher levels of perceived power of the rich. This variable will serve as the key dependent variable in the analyses testing

Hypothesis 1 and Hypothesis 2, and as the mediating variable in the final analysis testing Hypothesis 3. To measure respondent's preferences regarding

government redistribution, I utilize a question asking respondents about their level of agreement with the statement: “The Government should take measures to reduce differences in income levels.” This item contained five ordered-response options, ranging from “disagree strongly” to “agree strongly.” Responses to this item were more evenly distributed relative to *Rich Power*, as roughly 18% strongly agreed, 44% agreed, 7% were uncertain, 26% disagreed, and 5% strongly disagreed. From this item, a variable was created labeled *Government Redistribution*, coded to range from low to high support for reducing income inequality. This variable will serve as the policy dependent variable in the final analysis testing Hypothesis 3.

To measure variation in the level of political discussion within respondents’ friendship network, I rely upon an item asking respondents: “When you are in contact with your close friends, on average, how often do you discuss political issues?” This item had four ordered-response options, ranging from (1) “usually” [6.9%], (2) “sometimes” [34.4%], (3) “rarely” [32.4%] to (4) “never” [26.3%]. From this question, a variable was constructed, labeled *Discuss Politics*, which was reverse coded to range from low to high levels of political discussion. This variable will serve as the key moderator used to test Hypothesis 2 and Hypothesis 3. All analyses included a range of control variables, such as controls for standard demographic and political factors as education, age, gender, race, ideology, and party identification. To control for the effects of respondents own personal economic situation, the analyses include controls for employment status, annual income, income squared, and homeownership. The analysis includes a squared term for income to account for a possible nonlinear, concave effect of income on attitudes toward the rich and support for redistribution. Further, a control was added for the racial diversity of respondents’ friendship networks to enable the observation of the effect of having poor friends while controlling for any effects of cross racial friendship on attitudes. Last, to control for the possibility that attitudes toward the rich and support for redistribution stem from a general personal discontent (e.g., Citrin et al. 1977), a control was included for respondents’ level of satisfaction with their life in general. For more information about question wording and variable measurement, see Appendix A in the online materials.

Analytic Strategy

To test Hypothesis 1, given the ordinal nature of *Rich Power*, an ordered logistic-regression model is

used to estimate the impact of having economically struggling friends on the probability of perceiving the rich as having undue influence over politics. To test Hypothesis 2, moderated regression analysis employing interactive ordinal logistic-regression models is used to assess the impact of having poor friends on the perceived power of the rich conditional upon levels of political discussion, income, and frequency of contact with one’s friends. Last, to test Hypothesis 3, which argues that having poor friends, among those with high levels of political discussion, will indirectly enhance support for government redistribution through heightening the perception that the rich have undue influence over politics, I estimate a structural equation model (SEM). This model simultaneously estimated the regression of (1) *Rich Power* on having poor friends, discussion of politics, their interaction, and controls and (2) *Government Redistribution* on *Rich Power*, having poor friends, discussion of politics, their interaction, and controls. This type of SEM accounts for both mediation and moderation (i.e., a mediated-moderated-effects model; see Baron and Kenny 1986; Muller, Judd, and Yzerby 2005) and enables

TABLE 2 The Effect of Having Poor Friends on the Perceived Power of the Rich

	Coefficient	Standard Error
<i>Poor Friends</i>	.37**	(.14)
Education	.07	(.24)
Income	.27**	(.11)
Income ²	-.02*	(.01)
White	.39 [†]	(.22)
Black	.30	(.25)
Gender	.24 [†]	(.13)
Age	.27	(.29)
Ideology	-.48	(.32)
Party ID	-.95***	(.20)
Homeowner	.02	(.15)
Unemployed	-.37	(.24)
Black affect	.11	(.38)
Life satisfaction	-1.0***	(.31)
Network diversity	-.27	(.31)
Thresholds		
Cut 1	-4.3	(.53)
Cut 2	-2.5	(.48)
Cut 3	-2.0	(.47)
Cut 4	.72	(.47)
N		1,001

Note: Entries are unstandardized regression coefficients from an ordered logistic regression. [†] $p < .10$, * $p < .05$, ** $p < .01$, *** $p < .001$. Based upon two-tailed hypothesis tests.

TABLE 3 Analysis of the Conditional Effects of Poor Friends on Perceived Power of the Rich

	Discuss Politics		Class Affinity		Contact Frequency		Combined	
<i>Poor Friends</i>	-.01	(.22)	.04	(.29)	.38	(.33)	-.23	(.43)
Discuss politics	-.28	(.33)					-.19	(.34)
<i>Poor Friends</i> × <i>Discuss</i>	.93*	(.42)					.86*	(.43)
Income			-.17	(.49)			-.09	(.49)
Poor friends × income			.74	(.56)			.62	(.57)
Contact frequency					-.15	(.38)	-.14	(.39)
Poor					.00	(.48)	-.05	(.49)
Education	-.00	(.24)	.06	(.24)	.06	(.24)	-.02	(.25)
Income	.27**	(.11)	- -	- -	.27**	(.11)	- -	- -
Income ²	-.02*	(.01)	- -	- -	-.02*	(.01)	- -	- -
White	.35	(.22)	.37 [†]	(.22)	.39 [†]	(.22)	.34	(.22)
Black	.27	(.25)	.30	(.25)	.30	(.25)	.27	(.25)
Gender	.21 [†]	(.13)	.27*	(.13)	.23 [†]	(.13)	.24 [†]	(.13)
Age	.24	(.29)	.32	(.29)	.25	(.29)	.27	(.29)
Ideology	-.49	(.32)	-.49	(.32)	-.48	(.32)	-.51 [†]	(.32)
Party ID	-.94***	(.20)	-.94***	(.20)	-.96***	(.20)	-.94***	(.20)
Homeowner	-.01	(.15)	.02	(.15)	.01	(.15)	-.00	(.15)
Unemployed	-.38	(.24)	-.47*	(.24)	-.38	(.24)	-.50*	(.24)
Black affect	.16	(.38)	.10	(.38)	.12	(.38)	.16	(.38)
Life satisfaction	-1.0***	(.31)	-1.0***	(.31)	-1.0***	(.31)	-1.0***	(.31)
Network diversity	-.28	(.31)	-.27	(.31)	-.25	(.31)	-.28	(.32)
Thresholds								
Cut 1	-4.6	(.54)	-5.0	(.51)	-4.4	(.58)	-5.3	(.57)
Cut 2	-2.7	(.49)	-3.2	(.45)	-2.6	(.54)	-3.4	(.52)
Cut 3	-2.2	(.49)	-2.7	(.45)	-2.1	(.53)	-3.0	(.51)
Cut 4	.50	(.48)	-.02	(.44)	.63	(.53)	-.26	(.50)
N	1,001		1,001		1,001		1,001	

Note: Entries are unstandardized regression coefficients from an ordered logistic regression models. [†] $p < .10$, * $p < .05$, ** $p < .01$, *** $p < .001$. Based upon two-tailed hypothesis tests.

the estimation of the direct effect of having poor friends on the perceived power of the rich when political discussion is at its maximum value, the direct effect of the perceived power of the rich on support for redistribution and the indirect effect of having poor friends on support for redistribution through its effect on the perceived power of the rich. Given the ordinal nature of the mediator and policy-dependent variable, I used ordered probit link functions for this model and estimated parameters using mean- and variance-adjusted weighted least squares in the software package Mplus® (Muthén and Muthén 2007).

Results

The results for the test of Hypothesis 1 are presented in Table 2. The results strongly support the hypothesis, as those with financially struggling friends in

their social network perceived a significantly higher degree of political influence among the wealthy in the country than those without struggling friends. The magnitude of this effect, however, is relatively modest, as the increase in the probability of strongly agreeing that the rich have too much power between those with and without poor friends is .08. What is important to note, however, is that this effect is clear and statistically significant after controlling for a range of factors, such as one's personal economic position—as measured by income, homeownership, and employment status—as well as key political orientations, general satisfaction with life, and network racial diversity.⁷

The modest size of the effect of *Poor Friends* presented in Table 2 may be due to a failure to

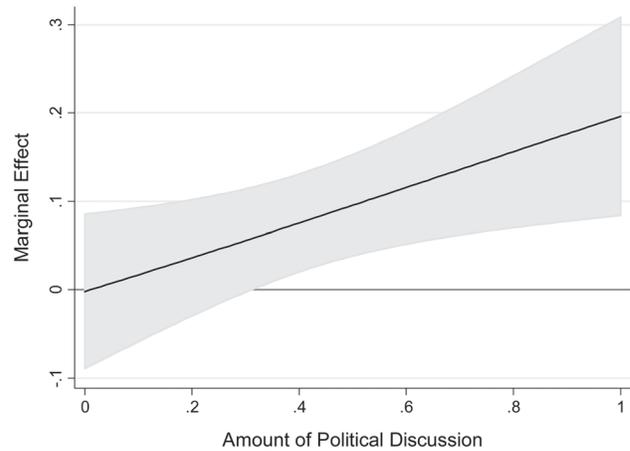
⁷One problem potentially afflicting this initial analysis that is endemic to studies of social networks is self-selection bias. For a full discussion of the issue of selection, as well as the presentation of results from auxiliary analyses intended to dispel this concern, see Appendix B in the online materials.

account for political discussion, which was hypothesized to condition the impact of having economically struggling friends on political attitudes. Table 3 reports the results from moderated regression analyses where *Poor Friends* is interacted with *Discuss Politics* to assess the change in the effect of having economically struggling friends across levels of political discussion within one's friendship network. Presented in Table 3 as well are models testing whether the impact of having poor friends is conditional upon personal income and the frequency of contact with one's friends. These additional interactions are presented in columns 2 and 3 of Table 3, as well as a combined model including all interactions in column 4. The results in Table 3 reveal a significant interaction between having poor friends and the amount of political discussion within one's friendship network on the degree of belief that the rich have undue influence over politics.⁸ Further, this interaction holds when controlling for additional interactions—neither of which are statistically significant. The results in columns 1 and 4 indicate that among respondents' who do not discuss politics with their friends, having friends who are economically struggling exerts no effect on their perceptions of the power of the rich. However, among those who actively discuss politics with their friends, having poor friends is associated with a significant increase in the probability of perceiving the rich as having undue political power. In terms of effect size, when political discussion is at its maximum value, going from not having to having poor friends results in a .21 increase in the probability of strongly agreeing that the rich have too much power and influence over politics. These conditional marginal effects are depicted in Figure 2, which displays the effect of a unit increase in *Poor Friends* (i.e., going from 0 to 1) on the probability of strongly agreeing that the rich have too much power, across levels of political discussion.

The results presented in Table 3 strongly support the second hypothesis. What is important to note is that while the effects are largest among those who discuss politics the most, an effect nonetheless exists for those citizens who discuss politics only intermittently, as the middle portion of the plotted marginal effect in Figure 2 indicates a significant and positive

⁸Given the ordinal nature of the *Discuss Politics* variable, it is important to note that this result completely holds when the model is reestimated breaking *Discuss Politics* into four dummy variables and interacting *Poor Friends* with the three higher response-value dummy variables. The coefficient for the interaction of *Poor Friends* and the dummy variable for "usually" discuss politics with one's friends is: $B = 1.30$, $SE = .548$, $p < .05$.

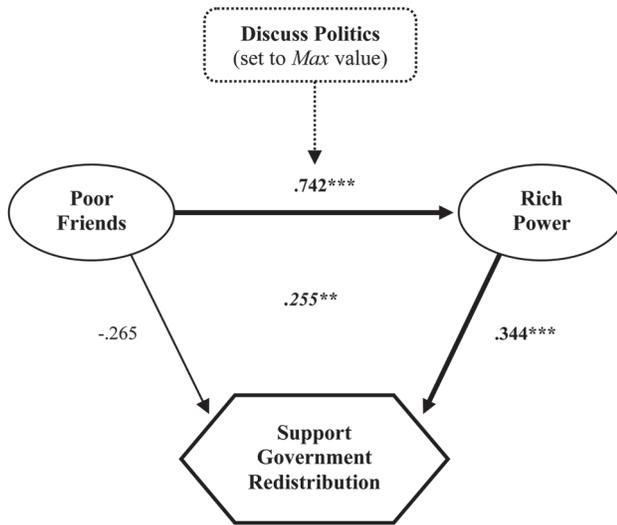
FIGURE 2 Marginal Effect of Having Poor Friends on Perceived Power of the Rich



effect relative to citizens who never discuss politics with their friends. It is also important to note the meaningfulness of the insignificant interaction between *Poor Friends* and *Income*. One concern with the present analysis is that the effects observed for having poor friends on attitudes toward the rich are really just indirectly capturing the effect of personal income. However, as discussed above, having poor friends, while slightly more prevalent among lower income citizens, is nonetheless highly prevalent in moving up the income distribution. This provides one basis for assuaging this concern. The more powerful basis, however, lies in the finding that the effect of having poor friends on attitudes toward the power of the rich is *not* endemic to poorer citizens, but instead, operative among all respondents. This latter finding strongly assuages the concern that the results observed thus far for *Poor Friends* are a convoluted reflection of poorer people having poor friends and of poorer people in turn holding contemptuous views toward the rich.

Moving on to the test of Hypothesis 3, the results from the estimated structural equation model are presented in Figure 3. Coefficients along the arrow paths indicate direct effects, while the italicized coefficient in the center of the path model is the indirect effect of *Poor Friends* on *Government Redistribution*. The results provide strong support for the third hypothesis. The model reveals that having poor friends (when political discussion is at its highest value) significantly heightened perceptions of the power of the rich (as was found above), that an increase in the perceived political power of the rich is associated with a significant increase in support for income redistribution, and that having poor friends exerts a

FIGURE 3 Mediated-Moderated Effect of Poor Friends on Support for Government Redistribution



Notes: Mean and variance adjusted weighted least squares estimates (WLSMV) using delta parameterization and 1,000 iterations in Mplus® (v.5.21). For all models, because Mplus treats categorical variables as latent variables, the coefficient estimates represent the standard deviation unit change in the latent variable underlying the observed categorical dependent variable associated with a unit change in the predictor variable. Dotted box represents the moderator in the model, which is set to its maximum value; thus, the effect of *Poor Friends* in the model indicates the effect of a one-unit change in *Poor Friends* when political discussion is at its maximum. Bold paths and coefficients indicate statistically significant relationships, while nonbold path and coefficient indicates insignificant relationship. Italicized coefficient in center of path model is the indirect effect of *Poor Friends* on Support for Government Redistribution (when *Discuss Politics* is set to its maximum value). Model includes controls for education, income, income², age, gender, race, unemployment, home ownership, party ID, ideology, black affect, satisfaction with life, and network diversity.

** $p < .01$, *** $p < .001$. Based upon two-tailed hypothesis tests.

significant and positive indirect effect on support for redistribution. Beyond attaining a high level of statistical significance, these effects are substantively meaningful. For example, moving from minimum to maximum levels of perceived rich influence over politics is associated with a .47 increase in agreement with government efforts to reduce income differences. Turning to the indirect effect of *Poor Friends* on *Government Redistribution*, going from not having to having economically struggling friends is associated with roughly a .10 increase in the probability of strongly agreeing with government efforts to reduce income differences. The results also reveal that having poor friends failed to exert a significant direct effect on policy preferences. In essence, the results from this model

demonstrate that among citizens who do not discuss politics with their friends, having financially struggling friends had no effect on the perceived degree of political power of the rich, and by extension, failed to result in any indirect bump in support for government redistribution. Among those who actively discuss politics, however, having poor friends within one's friendship network heightens the perception that the rich have too much power, and through this, indirectly enhances support for government redistribution.

Conclusion

In just the first decade of the twenty-first century, income inequality in the United States has continued to rise, and the country has witnessed several high-profile corporate scandals and experienced economic crisis and recession. A question of key interest is: what are the implications of economic inequality, scandal, and distress for the dynamic relationship between market capitalism and democracy in the United States? Two opposing perspectives reign in the political science literature. The "redistributive democracy" perspective (see Kelly and Enns 2010) argues that political democracy offers lower-income citizens formal routes toward redressing inequalities generated by the market system through participating in the formation of government policy and demanding government redistribution. Thus, according to this perspective, the American system of democratic capitalism provides a natural corrective against unchecked inequality that plays out over time. Opposing this perspective is the "unequal democracy" perspective (Bartels 2008; Gilens 2012), which takes inventory of the reality of unabated rising income inequality, disclosed evidence of the political marginalization of lower income citizens relative to the wealthy, and ultimately warns against the victory of capitalism over democracy for the average mid- to lower-income American.

The alarm sounded by the unequal democracy perspective is heightened by doubt over the mass psychological mechanism upon which the corrective mechanism of redistributive democracy relies—that citizens, especially those experiencing economic hardship, will respond to inequality and hard times with elevated demand for redistribution. Indeed, doubt over this psychological mechanism is deepened by recent work revealing that increases in aggregate inequality in the United States over the past half-decade are associated with *decreases*—not *increases*—in public support for redistribution (Kelly and Enns 2010), and

this finding is reinforced by opinion research suggesting that Americans hold culturally learned ideological beliefs that undermine support for redistribution, especially among lower-income citizens (Hochschild 1981; Jost, Banaji, and Nosek 2004). This work is further corroborated by opinion research demonstrating that economic self-interest tends to play a limited role in structuring citizens' political attitudes, policy preferences, and political behavior (Citrin and Green 1990; Sears and Funk 1991; cf. Chong, Citrin, and Conley 2001; Franko, Tolbert, and Witko 2013).

This article provides an important counterpoint to the unequal democracy perspective. A natural byproduct of rising inequality and economic downturns is that many citizens not only stand to experience financial hardship personally but are likely to have friendships with those at the losing end of the economic system. For such citizens, financial distress is experienced vicariously, and when matched with a healthy dose of political discussion between friends, this article demonstrates that the consequence can be heightened perception of the American political system as unduly influenced by the rich, and ultimately, increased support for government redistribution and social welfare. Thus, in short, this article attempts to bring to light a "bottom-up" process, grounded in citizens' social networks, which holds the potential to serve as a corrective mechanism against rising inequality in line with processes theorized or normatively desired by proponents of redistributive democracy. One direction for future research would be to assess the link between economic distress within one's social network and political participation. While it is well-established that support for liberal welfare policies factors into both partisanship and voting (e.g., Lewis-Beck et al. 2000), it would be of interest to assess whether having economically struggling friends, by influencing attitudes and policy preferences, alters the direction and strength of partisan attachments and stimulates behavioral involvement in politics. Indeed, such future research could complete the causal process alluded to by the redistributive democracy perspective by showing that having poor friends affects politics beyond attitudinal support for redistribution by determining whether this support results in behavioral advocacy within the political arena.

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