

# Measuring the American Dream

Results from Surveying Americans  
About What the American Dream  
Means to Them

BY JANE LEIBROCK

## **As much as Americans today disagree on fundamental questions about our society, one of the things we're united on is what we mean by the "American Dream."**

In this paper we've quantified that consensus, by surveying over 1,000 Americans about what they see as the essential elements of the American Dream—as well as how they are doing financially.

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### THE BAD NEWS

Around half of Americans aren't confident the American Dream is attainable for them. And based on their financial situation, they're right.

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### THE GOOD NEWS

Making the American Dream more attainable might be easier than we think, because the part of it Americans see as most essential is something we should be able to guarantee to all: freedom.

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**The most  
essential  
element of the  
American Dream  
is freedom**

## Defining the American Dream

The first historical mention of the phrase “the American Dream” was in 1931. Author James Truslow Adams, in his book *The Epic of America*, described the dream as follows:

“The dream is a vision of a better, deeper, richer life for every individual, regardless of the position in society which he or she may occupy by the accident of birth. It has been a dream of a chance to rise in the economic scale, but quite as much, or more than that, of a chance to develop our capacities to the full, unhampered by unjust restrictions of caste or custom. With this has gone the hope of bettering the physical conditions of living, of lessening the toil and anxieties of daily life.”<sup>1</sup>

In the 88 years since then, the American Dream has morphed with the decades. The frugality of the Great Depression turned into the consumer culture of the postwar boom, when housing subsidies and the G.I. bill made owning a home and completing a college degree accessible to returning veterans. The counterculture of the 1960s and 1970s emphasized individuality and finding your own path; in the 1980s, the American Dream returned to the notion of American-made goods, encompassing production and consumption. The 1990s and 2000s focused more on making it big and leading the way.

Yet a feature that endures is the importance of freedom to live your life on your own terms: to make your own decisions, unconstrained by the circumstances of your birth.

**We asked 1,083 Americans what the American dream meant to them.<sup>2</sup>**

In people's responses, we definitely heard about freedom. For example:

- "Freedom"
- "Freedom of expression"
- "Freedom to be and do what you want to"

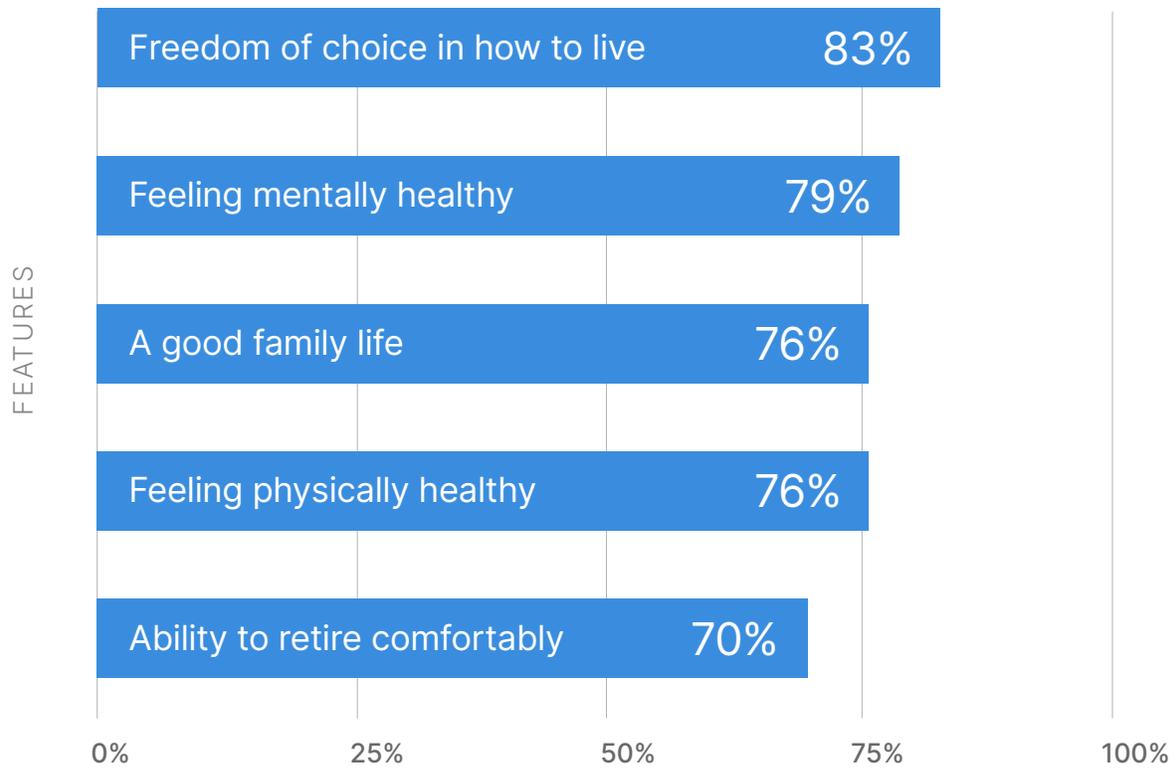
Others told us about material comforts, like houses and cars:

- "A six figure a year job with a big house and a fancy car."
- "To have money to travel and visit family and a nice house and car"
- "My dream would be enough money to go on vacation every year, a newer pickup to drive, some money in savings, and paying off my house!"

Others emphasized family:

- "Having both the ability and the opportunity to provide for my family."
- "Living healthy, comfortable, and with my family. Enjoying all life has to offer."
- "Providing well for my family, having a home, car, and medical and life insurance for all family members, and being able to put them through college."

We also pulled these features into elements. By popularity, the most essential features of the American Dream are:



PERCENT WHO AGREED EACH ITEM WAS "ESSENTIAL" TO THE AMERICAN DREAM

**Source:** Even internal data analysis.

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**Financial  
instability keeps  
the American  
Dream out of  
reach for many**

## Dream vs. reality

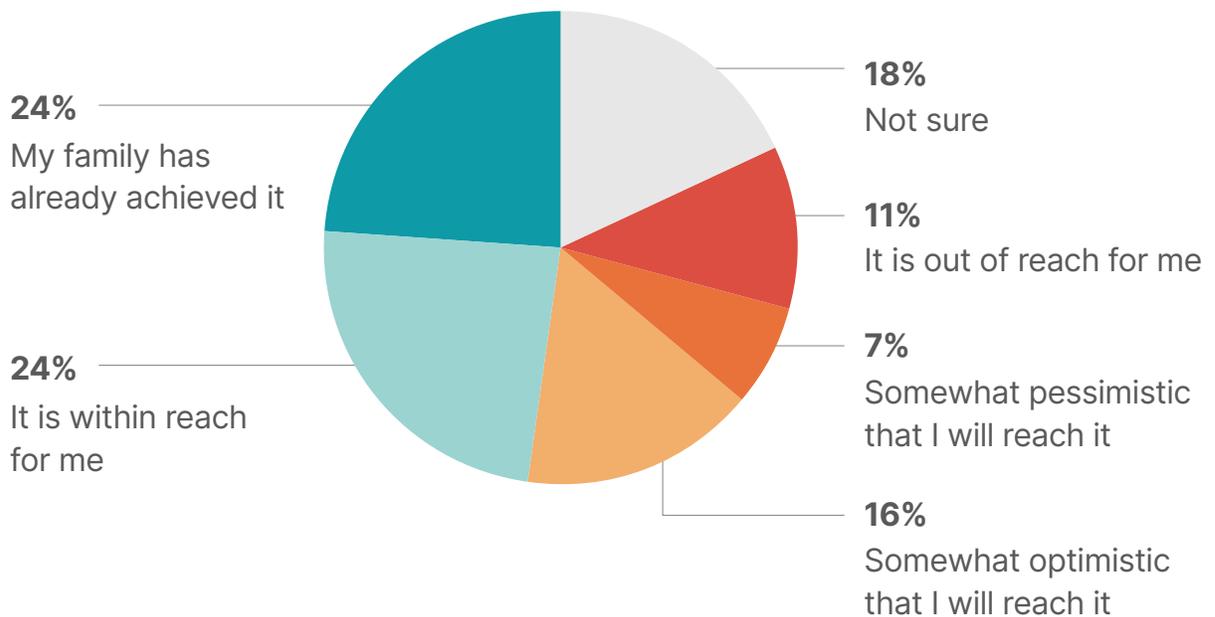
So how many Americans are actually *living* the American Dream?

In our survey, 24% said they were currently living the dream, and another 24% said it was within reach.

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### Half of Americans aren't sure the American Dream is in reach

“When thinking about the American Dream and my own family, I feel...”



**Source:** Even internal data analysis.

And, by objective measures, the same respondents don't have the financial circumstances that allow them full freedom of choice (the most important element of the American Dream).

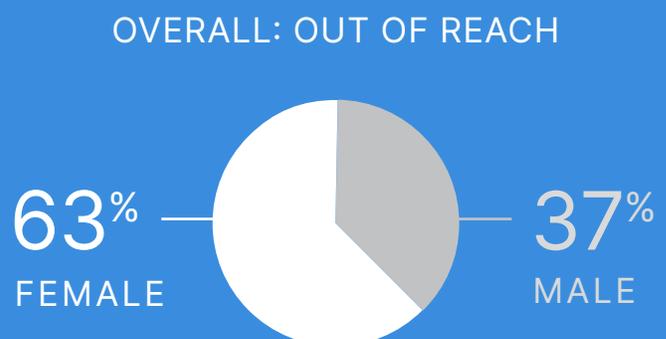
- 65% of respondents spend more than they make
- 80% don't have at least six months of expenses saved
- 67% don't have a good or excellent credit score
- 65% don't plan ahead for their finances

And our results aren't unique: They're comparable to other people's measurements. Depending on how you ask the question, 46%<sup>3</sup> to 78%<sup>4</sup> of Americans live paycheck to paycheck. Thirty-six percent don't pay all their bills on time each month.<sup>5</sup> Thirty-nine percent couldn't cover a \$400 an emergency with cash on hand.<sup>6</sup> Forty-one percent of households carry credit card debt.<sup>7</sup> And Americans collectively owe \$1.5 trillion in student loans.<sup>8</sup>

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## Women are far more likely to feel the American Dream is “out of reach”

Inequalities of various types (such as gender, here) underlie the larger inequity between people who think the American Dream is in reach and those who think it's not.

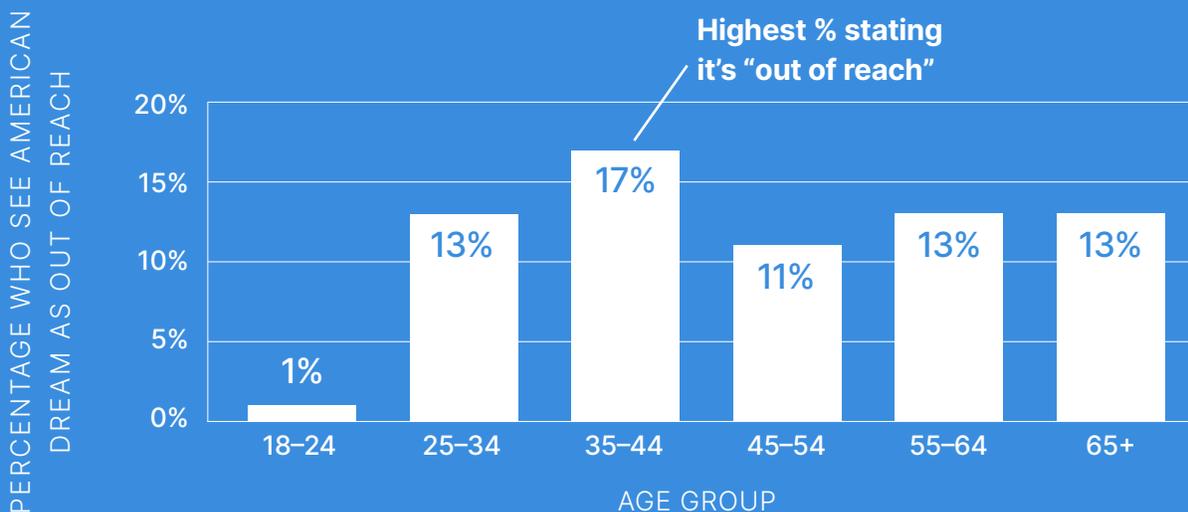


Without positive cash flow, plans for the future, savings to fund those plans, and access to credit to smooth out the bumps along the way, it's tough to argue that people truly have "freedom to be and do what you want to." Indeed, the Financial Health Network has found that without financial health in those specific areas, people are much less free to "pursue opportunities over time."<sup>9</sup>

Since freedom is the most crucial element of the American Dream, it's really no wonder that around half of people didn't feel the American Dream is within their reach: Their financial circumstances simply don't allow them true freedom.

### Middle age brings pessimism

Just in the age range where we tend to think of people hitting their prime, between 35 and 44, Americans' pessimism about attaining the American Dream actually peaks.



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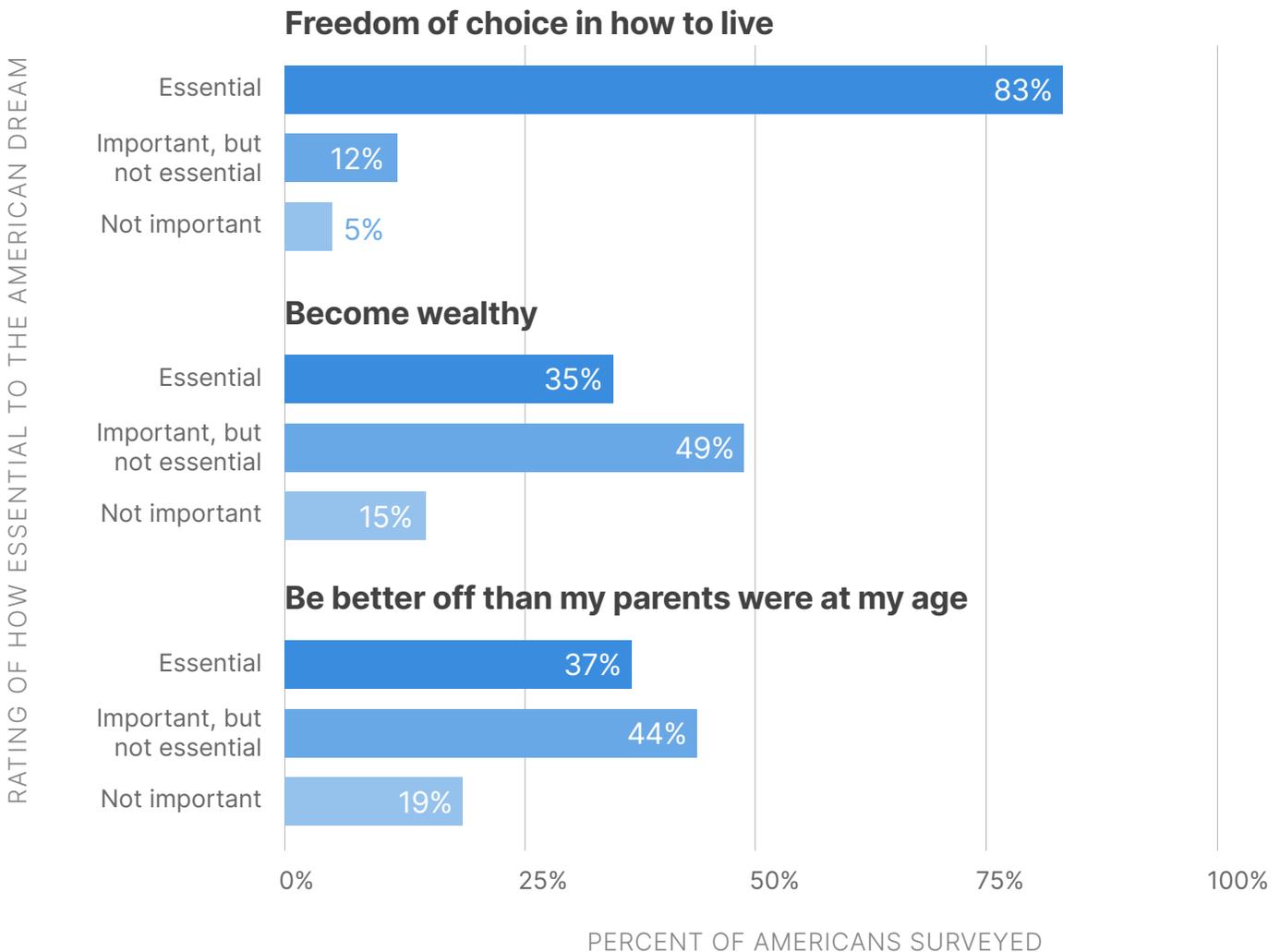
**Financial  
stability is the  
first step toward  
making the  
American Dream  
more attainable**

## Progress toward the American Dream may be more achievable than you think

It's discouraging that the American Dream is currently out of reach for so many. The good news is that the data suggests a clear first step for making it more attainable.

Though one version of the American Dream is centered around a high level of wealth, that version is much less important to most people than the version that's about freedom.

Contrast the below results:



Thirty-five percent of people say that becoming wealthy is essential to the American Dream, and 37% say being better off than their parents is essential. But a much larger proportion, 83%, rate freedom of choice as essential. These results echo what the Pew Charitable Trusts learned by asking Americans which they'd rather have: financial stability, or income mobility. A full 92% of respondents chose stability over mobility.<sup>10</sup>

This data suggests that in order to make the American Dream achievable for more Americans, the first and most important step is to help them achieve a base level of financial stability. With reliable, healthy ways to manage cash flow, plan, spend, and save, many more people could have the freedom in their lives that's the essence of the American Dream.

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# Conclusion

## **In summary, our investigation into the American Dream showed us that:**

- Americans feel that freedom is the most essential aspect of the American Dream.
- Only about half of Americans feel that the American Dream is already theirs or within their grasp.
- A majority also face financial challenges which prevent them from freely pursuing opportunity.
- There's good news: The element Americans see as most essential to the American Dream—freedom—is one we should be able to make available to everyone.
- We can bring the American Dream within the grasp of many more Americans by ensuring they have the base level of financial stability necessary to live their lives as they choose.

1. Quoted in Lawrence R. Samuel, *The American Dream: A Cultural History*, Syracuse University Press, 2012, page 13.
2. This survey was conducted by Survata, an independent research firm in San Francisco. Survata interviewed 1,083 online respondents between October 1, 2019 and October 2, 2019. Respondents were reached across the Survata publisher network, where they take a survey to unlock premium content, like articles and ebooks. Respondents received no cash compensation for their participation. More information on Survata's methodology can be found at [survata.com/methodology](https://survata.com/methodology).
3. "Forty-Six Percent Of Americans Live Paycheck To Paycheck," PYMNTS.COM, November 13, 2018 <https://www.pymnts.com/economy/2018/financial-health-consumer-spending-debt-collection/> Accessed October 4, 2019.
4. Emmie Martin, "The government shutdown spotlights a bigger issue: 78% of US workers live paycheck to paycheck," CNBC, January 9, 2019 <https://www.cnbc.com/2019/01/09/shutdown-highlights-that-4-in-5-us-workers-live-paycheck-to-paycheck.html> Accessed October 4, 2019.
5. Financial Health Network, "U.S. Financial Health Pulse 2018 Baseline Survey Results," <https://s3.amazonaws.com/cfsi-innovation-files-2018/wp-content/uploads/2018/11/20213012/Pulse-2018-Baseline-Survey-Results-11-16.18.pdf> page 22.
6. Board of Governors of the Federal Reserve System, "2018 Report on the Economic Well-Being of U.S. Households," <https://www.federalreserve.gov/newsevents/pressrelease/other20190523b.htm>
7. Maria Lamagna, "A growing number of Americans have more credit-card debt than savings," MarketWatch, February 13, 2019 <https://www.marketwatch.com/story/a-growing-number-of-americans-have-more-credit-card-debt-than-savings-2019-02-13> Accessed October 4, 2019.
8. Senator John Thune and Senator Mark Warner, "Americans Are Drowning in \$1.5 Trillion of Student Loan Debt. There's One Easy Way Congress Could Help," *TIME*, August 27, 2019 <https://time.com/5662626/student-loans-repayment/> Accessed October 4, 2019.
9. Thea Garon, Andrew Dunn, Katy Golvala, Eric Wilson, "U.S. Financial Health Pulse: 2018 Baseline Survey Results," Financial Health Network, November 1, 2018, <https://finhealthnetwork.org/research/u-s-financial-health-pulse-2018-baseline-survey-results/> Accessed October 4, 2019.
10. "Americans' Financial Security: Perception and Reality," Pew, March 2015, [https://www.pewtrusts.org/-/media/assets/2015/02/fsm-poll-results-issue-brief\\_artfinal\\_v3.pdf](https://www.pewtrusts.org/-/media/assets/2015/02/fsm-poll-results-issue-brief_artfinal_v3.pdf)

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