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WE ARE ALL “MIDDLE CLASS” SUBJECTIVE
PERCEPTIONS OF SOCIAL CLASS IN
ARGENTINA.

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We are all “middle class”

Subjective perceptions of social class in Argentina

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Preliminar. Comentarios bienvenidos.

Abstract

This paper studies the determinants of individual perceptions of social class. We use a purpose-built survey representative of the Greater Buenos Aires area in Argentina. The main finding is that three quarters of the population believes to be middle class, because of the simultaneous effect of a bias in the self-perceived position in the income distribution and an overestimation of the level of income required to belong to the high class. Although low income individuals correctly self classify themselves as low class, high income agents systematically fail to differentiate themselves from those with average incomes. Interestingly, we find that education levels have a strong effect on self perceptions of social class, over and above its effect on income.

JEL CODE: D3; H3; I3

Resumen

Este artículo estudia los determinantes de la percepción de pertenencia a diferentes clases sociales. El resultado más importante es que debido a un sesgo en la percepción de la ubicación en la distribución del ingreso y al hecho de que la gente tiende a sobreestimar el ingreso necesario para acceder a la clase alta, tres cuartas partes de la población cree que pertenece a la clase media. Aunque los sujetos de bajos ingresos correctamente se auto clasifican como de clase baja, los de ingresos altos sistemáticamente fallan en marcar las diferencias de clase que tienen con aquellos de ingresos medios. De manera interesante, la educación funciona como un pasaporte para escapar a las clases más bajas, por razones que exceden su efecto sobre los ingresos.

Código JEL: D3; H3; I3

1-Introduction

The concept of “middle class” is intrinsically linked to the notion of social class, and to the study of social stratification. It has been widely used by academics, social analysts, policy makers and the press alike.

While in some societies the strata are formally defined, for instance as castes or other rigidly circumscribed social hierarchies, in modern western societies the concept of class, though somewhat elusive, is related to levels of income, wealth, educational attainment, ownership of productive assets, socioeconomic status and occupation, among others. Erikson and Goldthorpe (2002) discuss definitions based on occupational grouping and employment status in the context of intergenerational inequality. Giddens (1981) provides an in-depth discussion of the concept of social class in the sociological literature and an analysis of class in capitalist and socialist societies in the second half of the 20th century. Wright (1997, 2005) presents a review of recent studies of class from contemporary Weberian and Marxian perspectives. From an empirical perspective Duflo and Banerjee (2007) define middle class as those whose daily consumption per capita is between \$2 and \$4 or between \$6 and \$10”, while Ravallion (2009), drawing upon Thurow’s approach, mentions the interval from 75% to 125% of the median, as the literature’s converging consensus. Cruces, Lopez Calva and Battiston (2009) use income polarization indicators as a basis for an endogenous definition of the middle class, and apply this measure to study six Latin American countries.

These articles offer several ad hoc solutions to the methodological issue of defining the middle class. However, a complementary perspective could evaluate the self perception of class: the researcher can ask people whether they consider themselves middle class. This is especially relevant since many programs and platforms seem to be specifically targeted toward this group.

This article explores a novel household survey carried out in Argentina¹, in which people were asked what social class they belonged to, as well as many other socioeconomic questions. Our objective is to analyze the determinants of these self classifications, and whether there is a common way of thinking within each class when it comes to public policy interventions.

The remaining of the paper is organized as follows. Section 2 describes the survey and the dataset. Section 3 analyzes the determinants of self perceived social class. Section 4 studies some correlations between class and attitudes and perceptions. Section 5 is left for discussion. Section 6 concludes.

2-The Data

The *Survey on Inequality Perceptions and Redistribution* was carried out by CEDLAS-UNLP in March 2009. The random sample of 1115 random households is representative of survey in the Greater Buenos Aires Metropolitan Area. The survey interviewed either the head of the household or his/her spouse, all of them over eighteen years old. Table 1 presents the main descriptive statistics of the households’ characteristics.

¹ We would like to thank the Fundacion Carolina and the PEGNET network for providing generous financial support for implementing this survey.

Table 1. Descriptive statistics

Household main statistics				
Variable	Mean	Std. Dev.	Min	Max
Household head	0,76	0,43	0	1
Males	0,48	0,50	0	1
Age	49,26	15,47	17	88
Number of other adults in the H	1,82	1,27	0	7
Number of children in the H	0,74	1,01	0	6
How many sons /daughters do you have?	1,98	1,43	0	12
Level of education (4 is high school completed)	4,07	1,60	1	7
Father Level of education (4 is high school completed)	2,63	1,61	1	7
Mother Level of education (4 is high school completed)	2,53	1,50	1	7
Employed	0,32	0,47	0	1
Do you think your family is poor?	0,22	0,41	0	1
Household income	3623,13	4061,88	0	18166
Self perceived social class				
Thinks her family belongs to the low class	0,25	0,43	0	1
Thinks her family belongs to the middle low class	0,25	0,43	0	1
Thinks her family belongs to the middle middleclass	0,42	0,49	0	1
Thinks her family belongs to the middle high class	0,05	0,23	0	1
Thinks her family belongs to the high class	0,01	0,12	0	1

3-The determinants of self-perceived social class

The survey included a series of questions about self perceptions of class and inequality. The first step in the analysis is to estimate a model of self perception of class as a function of household covariates. The dependent variable is categorical, with the five categories described individually at the bottom of Table 1.

The model estimates the following equation:

$$Y_i = \alpha + \sum_j \beta_j X_{ji} + \mu_i \quad (1)$$

where “ Y_i ” is the class variable for individual “ i ”; α is a constant, the β_j 's are the parameters of interest, and “ X_{ji} ” is a vector of “ j ” personal characteristics of subject “ i ”. As usual, “ μ_i ” refers an error term.

Since the dependent variable is categorical, the appropriate model to fit is a multinomial logistic regression. The results are presented in Table 2.

Table 2. Determinants of self-perceived class

Multinomial logistic regression		Number of obs = 1024				
Log likelihood = -990.81384		LR chi2(24) = 638.83	Prob > chi2 = 0.0000			
		Pseudo R2 = 0.2438				
Class	Coef.	Std. Err.	z	P> z	[95% Conf. Interval]	

Low						
Sex	.341066	.2423293	1.41	0.159	-.1338907	.8160227
Age	-.016378	.0069896	-2.34	0.019	-.0300772	-.0026787
HS Head	.3868098	.2936753	1.32	0.188	-.1887832	.9624028
Education	-.1668645	.0751229	-2.22	0.026	-.3141027	-.0196263
Income decil	-.5127515	.0558224	-9.19	0.000	-.6221615	-.4033415
Poor	3.235415	.3196635	10.12	0.000	2.608886	3.861944
_cons	2.585298	.590308	4.38	0.000	1.428316	3.742281

Middle low						
Sex	.2694781	.1979049	1.36	0.173	-.1184083	.6573646
Age	-.0074253	.0057202	-1.30	0.194	-.0186367	.003786
HS Head	-.0947908	.2241693	-0.42	0.672	-.5341546	.344573
Education	-.1568848	.0603598	-2.60	0.009	-.2751878	-.0385817
Income decil	-.2983748	.0452016	-6.60	0.000	-.3869682	-.2097814
Poor	1.324435	.3314367	4.00	0.000	.6748309	1.974039
_cons	2.215614	.4867513	4.55	0.000	1.261599	3.169629

Middle high						
Sex	-.1214693	.3526973	-0.34	0.731	-.8127433	.5698047
Age	.0310755	.0114985	2.70	0.007	.0085389	.053612
HS Head	.1670842	.4244856	0.39	0.694	-.6648922	.9990607
Education	.1163411	.112735	1.03	0.302	-.1046155	.3372978
Income Decil	.6845342	.1261359	5.43	0.000	.4373123	.931756
Poor	.0371592	1.085187	0.03	0.973	-2.089769	2.164087
_cons	-9.799888	1.339059	-7.32	0.000	-12.4244	-7.17538

High						
Sex	1.044608	.7396944	1.41	0.158	-.4051662	2.494383
Age	.0374218	.0197314	1.90	0.058	-.0012511	.0760947
HS Head	-1.139661	.7897981	-1.44	0.149	-2.687636	.4083151
Education	.1755392	.1929263	0.91	0.363	-.2025894	.5536678
Income decil	.4623151	.1931463	2.39	0.017	.0837553	.8408748
Poor	1.342463	1.115513	1.20	0.229	-.8439021	3.528828
_cons	-9.518233	2.089383	-4.56	0.000	-13.61335	-5.423118

The omitted dependent class is “middle middle class”. The coefficients are thus interpreted as the changes in the logistic function that leads to a certain class, with respect to the values that determines belonging to the “middle” middle class.

The regression results indicate some characteristics that have a significant impact on self perception of social class. For example, while sex is never statistically significant, older respondents were more likely to find themselves in the middle high and high classes rather than in the middle middle class. Those with higher levels of education are less likely to declare that they belong to the low (and middle low) class (again relative to the middle middle class). Self perception of poverty, in turn, increases the relative probability of declaring to belong to the low class, again with respect to the middle middle class. Finally, the income decile of the subject has a significant impact on these categorizations.

Interesting as those result may be, the magnitude of the coefficients cannot be interpreted easily. Therefore we calculated the marginal effects for the four categories. These are presented in Table 3.

Table 2. Determinants of self-perceived class, marginal effects

Marginal effects after mlogit							
y = Pr(clase==1) (predict, p outcome(1))							
= .19236417							
variable	dy/dx	Std. Err.	z	P> z	[95% C.I.]	X	
plsexo*	.0339032	.03363	1.01	0.313	-.032003 .099809	.483398	
p2edad	-.0021732	.00095	-2.28	0.023	-.00404 -.000306	49.123	
jefe*	.0634853	.03553	1.79	0.074	-.006161 .133132	.753906	
p6neduc	-.0159784	.01037	-1.54	0.123	-.036309 .004352	4.03027	
p31decil	-.0620399	.00714	-8.69	0.000	-.076033 -.048046	6.10352	
p23fampo*	.5058865	.04253	11.90	0.000	.422534 .58924	.226563	

Marginal effects after mlogit							
y = Pr(clase==2) (predict, p outcome(2))							
= .34637236							
variable	dy/dx	Std. Err.	z	P> z	[95% C.I.]	X	
plsexo*	.0361592	.03975	0.91	0.363	-.041744 .114062	.483398	
p2edad	-.0008122	.00114	-0.71	0.477	-.003049 .001425	49.123	
jefe*	-.0428934	.04675	-0.92	0.359	-.134531 .048745	.753906	
p6neduc	-.0253142	.01213	-2.09	0.037	-.049086 -.001543	4.03027	
p31decil	-.0374554	.00893	-4.19	0.000	-.054956 -.019954	6.10352	
p23fampo*	-.0626663	.04022	-1.56	0.119	-.141501 .016168	.226563	

Marginal effects after mlogit							
y = Pr(clase==4) (predict, p outcome(4))							
= .01268555							
variable	dy/dx	Std. Err.	z	P> z	[95% C.I.]	X	
plsexo*	-.0036158	.00461	-0.78	0.433	-.012647 .005416	.483398	
p2edad	.0004587	.00021	2.17	0.030	.000045 .000872	49.123	
jefe*	.0017253	.00501	0.34	0.731	-.008094 .011544	.753906	
p6neduc	.0025389	.00168	1.51	0.130	-.000749 .005826	4.03027	
p31decil	.011097	.00345	3.22	0.001	.004335 .017859	6.10352	
p23fampo*	-.0121132	.00584	-2.07	0.038	-.023558 -.000669	.226563	

Marginal effects after mlogit							
y = Pr(clase==5) (predict, p outcome(5))							
= .00662191							
variable	dy/dx	Std. Err.	z	P> z	[95% C.I.]	X	
plsexo*	.0060818	.00567	1.07	0.283	-.005032 .017196	.483398	
p2edad	.0002814	.00017	1.67	0.095	-.000049 .000612	49.123	
jefe*	-.0109298	.01038	-1.05	0.293	-.031281 .009421	.753906	
p6neduc	.0017173	.00148	1.16	0.245	-.001181 .004615	4.03027	
p31decil	.0043211	.00171	2.53	0.012	.000968 .007674	6.10352	
p23fampo*	-.0011049	.00555	-0.20	0.842	-.011983 .009773	.226563	

Now, for example, we can see that believing that one's family is poor increases the probably of considering itself low class by 50 percent. At the same time, every income decil increment is associated with a 1,1 percent rise in the probability of being middle high class. Conversely 4 levels of education decrease the chance a subject thinks she belongs to the middle low class. Always in comparison with the middle middle class.

Notwithstanding, a majority of the subjects consider themselves as belonging to some of the first three categories. We have just six percent of our respondents claiming to be either middle high or high class. That's a curiosity because one third of the sample is made of households in the last three deciles of the income distributions. On the other hand those in

the lower part of the income distribution seem not to have a problem in considering themselves lower class.

Moreover, when asked to provide an estimation of their position in the income ladder², there was indeed a bias with people in the top four deciles systematically reporting lower than actual deciles. The following table shows the actual deciles in the rows and the reported one in the columns.

	Subjective deciles									
	1	2	3	4	5	6	7	8	9	10
Actual Deciles										
Decil 1	7	2	4	3	12	2	7	2	0	0
Decil 2	3	5	9	7	21	7	7	4	1	0
Decil 3	4	9	14	12	26	13	8	0	3	0
Decil 4	1	2	10	8	22	12	11	9	2	2
Decil 5	0	4	9	14	53	20	9	13	3	2
Decil 6	3	6	10	17	42	28	15	16	0	4
Decil 7	1	2	6	9	51	36	25	10	3	1
Decil 8	0	3	2	10	49	34	50	12	6	1
Decil 9	0	1	1	8	25	34	40	16	4	0
Decil 10	0	1	1	8	6	9	18	15	11	2

Looks like the rich fails to self categorize in the top two classes, mainly because of her bias in estimating the actual position in the income distribution. In fact there is also a bias within the subjects in the bottom of the income ladder, but somehow (may be because of the well known existence of the “poor” category) they do not fail to consider themselves into the lower two class categories.

Because of the relevance of the social class concept we would like to know whether there are significant correlations between social class perceptions and attitudes toward public policy. We also want to see if there exist a common way of thinking among the majority of the subjects within a class, and to what extent that view is shared by those high income, self considered, middle class subjects

4-Some correlations

In this section we take advantage of the fact that the questionnaire our database is upon, was originally devised to evaluate people’s attitudes toward redistribution.

Particularly we will use two questions. The first one refers to whether people think the Government should reduce the income difference between the rich and the poor; the second asks if the subject agrees to the statement that the Government should raise high class taxes.

Because the answer to the first question allows for several orders of agreement, we estimate an ordered probit regression (answers range from total agreement to total disagreement) . Here is the Sata output.

² The actual question was; “There are approximately ten million households in Argentina; how many households do you think have a lower income than yours?”

Ordered probit regression		Number of obs	=	1075
Log likelihood = -1278.2066		LR chi2(8)	=	49.83
		Prob > chi2	=	0.0000
		Pseudo R2	=	0.0191

p32redif	Coef.	Std. Err.	z	P> z	[95% Conf. Interval]
p1sexo	-.0645535	.0720872	-0.90	0.371	-.2058418 .0767348
p2edad	.0321069	.0141799	2.26	0.024	.0043147 .059899
edad2	-.0002723	.0001367	-1.99	0.046	-.0005403 -4.28e-06
p6neduc	.0412477	.0250678	1.65	0.100	-.0078843 .0903796
clasemb	.2161487	.1038779	2.08	0.037	.0125517 .4197457
clasemm	.4560555	.0949598	4.80	0.000	.2699377 .6421734
clasema	.5970604	.1701481	3.51	0.000	.2635762 .9305445
clasealta	.5620844	.2968333	1.89	0.058	-.0196982 1.143867
/cut1	1.432997	.3630662			.7214 2.144593
/cut2	1.799588	.3638246			1.086504 2.512671
/cut3	2.042333	.3646084			1.327714 2.756952
/cut4	2.137933	.3650162			1.422514 2.853351

As the previous table shows there exists a class effect, whereby the higher the class, the less likely that people agree on the redistributive policy

See what happened if we use the actual income deciles instead of the class as dependent variables.

Ordered probit regression		Number of obs	=	1075
Log likelihood = -1281.2357		LR chi2(6)	=	43.77
		Prob > chi2	=	0.0000
		Pseudo R2	=	0.0168

p32redif	Coef.	Std. Err.	z	P> z	[95% Conf. Interval]
p1sexo	-.1032285	.0726486	-1.42	0.155	-.2456171 .03916
p2edad	.0275676	.0142009	1.94	0.052	-.0002656 .0554008
edad2	-.0002178	.000137	-1.59	0.112	-.0004863 .0000507
p6neduc	.0438699	.025176	1.74	0.081	-.0054742 .093214
medy	.1861859	.0971119	1.92	0.055	-.0041499 .3765217
highy	.4846137	.1082702	4.48	0.000	.2724081 .6968194
/cut1	1.303235	.3646197			.5885929 2.017876
/cut2	1.668664	.3653157			.9526585 2.38467
/cut3	1.91107	.3660337			1.193658 2.628483
/cut4	2.006451	.3664128			1.288296 2.724607

Not surprisingly, high income subjects (top three income deciles) now strongly reject the proposal (compared with the omitted low income). Medium income subject are also less likely to agree, but notice the size of the coefficients. While in the class comparison the difference between the high classes and the medium was of the 30% order, now is almost 200%.

However this result may still be interpreted as a consequence of the fact that high income subjects do not consider themselves high class. Or do they?

To shed more light on this question, we now use the "attitude toward higher taxes to high class question". We think that if high income subjects were claiming to be middle class, just for the sake of being polite, there would be a good chance they did hold different believes in regard to whether high class should be taxed heavier.

The dependent variable is a dummy that equals one if the subject agrees with the raise and zero otherwise.

Here is the Stata output

Probit regression, reporting marginal effects					Number of obs = 1099		
					LR chi2(8) = 54.23		
Log likelihood = -723.68531					Prob > chi2 = 0.0000		
					Pseudo R2 = 0.0361		

taxmasca	dF/dx	Std. Err.	z	P> z	x-bar	[95% C.I.]

plsexo*	.0306574	.0303265	1.01	0.312	.478617	-.028781	.090096
p2edad	.0053173	.0058894	0.90	0.367	49.2247	-.006226	.01686
edad2	-.000024	.0000569	-0.42	0.673	2662.69	-.000136	.000088
p6neduc	.0003849	.0103973	0.04	0.970	4.06005	-.019994	.020763
clasemb*	-.091097	.0405049	-2.21	0.027	.244768	-.170485	-.011709
clasemm*	-.1627597	.0375121	-4.25	0.000	.418562	-.236282	-.089237
clasea*	-.3407816	.0419521	-5.23	0.000	.053685	-.423006	-.258557
clasea~a*	-.3236708	.0717461	-2.80	0.005	.014559	-.464291	-.183051

obs. P	.4294813						
pred. P	.4253191	(at x-bar)					

Indeed all classes reject the idea (compared to the omitted low class subjects), but mind the size of the coefficients (we informed the marginal effect), middle high and high class subjects are 35% less likely to agree with the rise, than low class.

Let's have a look at the same question, but this time using income groups as regressors.

Probit regression, reporting marginal effects					Number of obs = 1099		
					LR chi2(6) = 35.19		
Log likelihood = -733.20789					Prob > chi2 = 0.0000		
					Pseudo R2 = 0.0234		

taxmasca	dF/dx	Std. Err.	z	P> z	x-bar	[95% C.I.]

plsexo*	.0465115	.030544	1.52	0.128	.478617	-.013354	.106377
p2edad	.0070857	.0059009	1.20	0.230	49.2247	-.00448	.018651
edad2	-.0000497	.000057	-0.87	0.384	2662.69	-.000161	.000062
p6neduc	-.0047884	.0103758	-0.46	0.644	4.06005	-.025125	.015548
medy*	-.1063111	.0388931	-2.71	0.007	.44859	-.18254	-.030082
highy*	-.203827	.0416732	-4.67	0.000	.32939	-.285505	-.122149

obs. P	.4294813						
pred. P	.4278473	(at x-bar)					

As expected, medium, and high income subject are less likely than low income ones to agree with the raise, but the magnitude of the marginal effect for the high income group is twice the size than that of the medium income group.

So far we do not have enough evidence to settle the dispute. In fact, the attitude toward the first redistributive policy shows an income dominated pattern of answers, whereas the level of agreement with the statement that specifically mentions increments in taxes according to class seems, as expected, to rely more on class considerations.

Perhaps to see whether high income groups indeed consider themselves medium class, we should study the attitude toward policy, by income groups, within the medium class.

Here is the Stata output

Probit regression	Number of obs =	800
	LR chi2(6) =	18.85

Log likelihood = -525.5739			Prob > chi2	=	0.0044
			Pseudo R2	=	0.0176

taxmasca	Coef.	Std. Err.	z	P> z	[95% Conf. Interval]

p1sexo	.1895069	.0918266	2.06	0.039	.0095301 .3694837
p2edad	.0137059	.0179996	0.76	0.446	-.0215727 .0489846
edad2	-.0001124	.0001761	-0.64	0.523	-.0004575 .0002327
p6educ	.0020742	.0318538	0.07	0.948	-.0603581 .0645065
medy	-.3632897	.1411057	-2.57	0.010	-.6398519 -.0867276
highy	-.5633293	.1504095	-3.75	0.000	-.8581265 -.2685321
_cons	-.3621244	.4572676	-0.79	0.428	-1.258353 .5341037

As a matter of fact, when the sample is restricted to those that consider themselves middle class, there remains scope for the income groups to make a difference, indicating that after all we may all be middle class, but not quite the same.

Accordingly, if we restrict even more our sample, to contain just those middle middle class subjects, the result loses power.

Probit regression			Number of obs	=	460
			LR chi2(6)	=	6.41
Log likelihood = -302.36218			Prob > chi2	=	0.3789
			Pseudo R2	=	0.0105

taxmasca	Coef.	Std. Err.	z	P> z	[95% Conf. Interval]

p1sexo	.1768635	.1207891	1.46	0.143	-.0598786 .4136057
p2edad	.0052293	.0245087	0.21	0.831	-.0428069 .0532655
edad2	-.0000121	.0002412	-0.05	0.960	-.0004849 .0004606
p6educ	.0437334	.0431466	1.01	0.311	-.0408324 .1282993
medy	-.2473135	.2365615	-1.05	0.296	-.7109655 .2163384
highy	-.3980801	.2417075	-1.65	0.100	-.8718182 .0756579
_cons	-.5074677	.6433326	-0.79	0.430	-1.768376 .7534411

The intuitive interpretation is that we all think we are middle class, but when asked to specify what part to the middle class we belong to, while lower income subjects correctly occupy the middle low class segment, those with high incomes still stick to the middle middle category.

However, some of them seem to recognize their belonging to other category, because there is an income effect in their attitude toward more taxes for the high class, even within the middle middle class subjects. Truth be told, the effect is just significant at a 10% suggesting that at the same time many high income middle middle class subjects, indeed believe they are middle class.

5-Discussion

Middle class is a concept widely used in science, politics, and even by the lay man. It shares some common characteristics with concepts like temperature, utility and intelligence, to mention three, in the sense that everybody "knows" what they mean, yet at the same time they are difficult to be properly defined.

The issue is not trivial, because thousand of papers are based on references to the middle class and many policy programs and platforms are usually targeted toward it. Thus it is curious that there is not a common definition scholars can agree upon, as a base for further discussions.

Particularly in science, but more broadly speaking in everyday life, classifications are instruments of thought.

A world in which every singular element was itself a category, quoting Borges, would be utterly chaotic.

We need to find regularities in our world, so we can make sense of our experiences and build intuitive theories about the way the world works. So do the scientist.

In order to do so, we first need to partition reality into unites that constitute variables. We need to categorize. Always. Everything.

Social classification is not an exception. In ancient times there was highly efficient ways to partition society into useful classes; such as the Marxist concepts of working class and capitalists. Indeed this kind of classification was efficient in the sense that it did minimize variance within each class yet at the same time maximize variance between the categories.

The world has changed since then. Nowadays workers are not as homogeneous as they use to be. Neither are capitalists. Perhaps there are more efficient ways to make social classifications, in order to make sense of our surrounding world.

While lower class seems to retain some explanatory sense as a category value, middle class is certainly a fuzzier concept, because those who self fit into this class belong to very different educative levels, age ranges, working status, and even income deciles.

Interestingly, nevertheless, education appear to be a passport to the middle class sense of membership, because even after controlling for income, those with higher levels of education are less likely to believe they belong to the lower classes

Taking our sample as representative, 72% of the population claims to be middle class. This is in consonance with the fact that 65% of our sample think they belong somewhere between the fifth and seventh deciles of the income distribution.

More to the point notice in the following table the levels of household income people think each class has.

Perceived level of income for different classes		
	Mean	Std. Dev.
How much do you think the income of a high class family is?	18166	16362
How much do you think the income of a middle class family is?	6343	4586
How much do you think the income of a low class family is?	1730	1497

Notoriously, few people think they are high class because they assign a very high level of income for that category.(almost three times the threshold level to get to the top 10% of the income distribution).

Moreover, the average perceived income level of each class depends on the actual income level, as can be seen in the following table.

Perceived level of income for different classes, by income groups			
	Low income	Medium income	High income
How much do you think the income of a low class family is?	1.306	1.615	2108
How much do you think the income of a middle class family is?	4.863	5.794	7879
How much do you think the income of a high class family is?	12907	16686	22482

Thus we can produce another explanation; the reference group effect, whereby the higher the household income, the higher the perceived level of income for each class.

6-Conclusions

Social class is an important concept both for academic and for policy purposes. Nevertheless there is little consensus in the literature as to what constitutes the boundaries of each social class. As a consequence it is quite difficult to measure the middle class, for instance.

Regardless of this fuzziness, scholars and politicians frequently use the concept.

In this paper we have tried to find out what social class people think they belong to, in order to see whom politicians, the Academy and the press refer to when they talk about middle class.

Our main finding is that although people define quite accurately the boundary between the low and the middle class (the perceived level is very close to the local poverty line), they systematically overestimate the income level needed to get it to the high class, and at the same time they underestimate their position in the income distribution.

As a result, there is a huge middle class made up of people with very different levels of income.

This perception has an obvious implication when it comes to redistribution, because those who are supposed to contribute think that they are actually part of the beneficiaries.

At the same time rhetoric is certainly effective every time politicians refer to the middle class, because it achieves the apparently impossible; namely that fosters the sense of membership including all in.

7-Bibliography

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