

## Chapter 1

# Lunch Lady Economics

## Why Feeling Poor Hurts Like Being Poor

I learned I was poor on the new lunch lady's first day at work. Before that, my school had had the same cashier for as long as my fourth-grade mind could remember. I knew that some kids paid when they got to the register and others, like me, didn't. But the old lunch lady passed us through the line, money or not, as smoothly as our plastic trays glided over the rail. Then one day she was gone, replaced by a younger woman who seemed to be trying hard. As I carried my food past her, she stopped me and asked for \$1.25. I felt off balance, the way you do when an elevator stops too quickly. I started stammering, the only thing I could do, since I had not a cent. I would gladly have given her any amount of cash at that moment simply to escape. At that point, an older woman, tall and skinny in a pink polo shirt, like a flamingo with a hairnet, leaned over and whispered in her ear, and I was waved through. Eventually, the lunch line returned to its silent procession. But a hard week passed before the new cashier learned who paid what.

The moment when I realized what my free lunches meant is still with me, and I can feel the heat in my face as I recount it. Though my family had no less money than the day before, that moment changed everything for me. I began to notice differences between myself and my classmates. Despite the fact that we all wore the same school uniform, the kids who paid for their lunches seemed to dress better. Was it the shoes? They even had better hair. Did they go to a salon instead of having it cut with a bowl and a pair of scissors at home? We had all grown up within a dozen miles of one another, but the free-lunch kids had our parents' Southern drawls. The lunch-money kids had the generic voices of newscasters, from everywhere and nowhere at once.

Always a shy kid, I became almost completely silent at school. Who was I to speak? Suddenly a new social ladder stretched out before me, above me. Its rungs were marked with shoes and hair and accents, telegraphing a code I was just learning

to decipher. It did not matter that nothing in my circumstances had changed but my perspective. Now I was, in fact, poor.

If you are used to thinking about wealth and poverty purely in financial terms, the way an accountant would, my response makes no sense. My insight did not change my parents' income. It did not change our monthly expenses. It changed nothing in the world, except for me. But by redirecting my attention and altering my perceptions, my thoughts, and my actions, it changed my future.

To understand how we think about status, take a look at the image of the ladder on the next page. Imagine that the people at the top of this ladder are the best off. They have the most money, the best education, and the highest-paying jobs. The people at the bottom are the worst off. They have the least money, the lowest levels of education, and the most menial jobs, if they have jobs at all. If you were to assess your own economic position with respect to that of other people, which of the ten rungs would you place yourself on?

This simple image is one of the most widely used measures of subjective social status. Let's call it the Status Ladder. We should be able to perfectly predict where a person would place himself on the ladder if we knew his income, level of education, and the prestige of his job.

Except we can't—and we can't even come close to doing so. It is true that, on average, people with higher incomes, more education, and more prestigious jobs do rate themselves higher on the ladder. But the effect is relatively small. In a sample of, say, a thousand people, some will rate themselves at the top, others will rate themselves at the bottom, and many will be in between. But only about 20 percent of their self-evaluation is based on income, education, and job status.

This surprisingly small relationship between traditional markers of status and how it is perceived subjectively means that there are a lot of people who are by objective standards affluent and yet rate themselves on the lower rungs. Similarly, many people who are objectively poor rate themselves high up the ladder.

A standard economic analysis would argue that people's own conceptions of themselves are effectively airy nothings, mere noises that flit around like the sound of static between radio stations. If subjective perceptions do not align with objectively measurable quantities like money, then so much the worse for those perceptions. Certainly, money *is* part of the story, but it's not the whole story, and not even the main character.

We have to take subjective perceptions of status seriously, because they reveal so much about people's fates. If you place yourself on a lower rung, then you are more likely in the coming years to suffer from depression, anxiety, and chronic pain. The lower the rung you select, the more probable it is that you will make bad decisions and underperform at work. The lower the rung you select, the more likely you are to

believe in the supernatural and in conspiracy theories. The lower the rung you select, the more prone you are to weight issues, diabetes, and heart problems. The lower the rung you select, the fewer years you have left to live.

Let me be clear that I am not simply asserting that, if you are poor, then all of these things are more likely to happen to you. I am stating, rather, that these things are more likely to happen to you if you *feel* poor, regardless of your actual income. Of course, one reason people might feel poor is that they are actually poor. But as we have seen, that's just 20 percent of the story. For the rest of it, we have to look at ordinary middle-class people and ask why it is that, regardless of actual money, so many of them feel that they are barely getting by, that they are living paycheck to paycheck, that the neighbors know something they don't, and that if they could just earn a little more, then everything would be a little bit better. To understand the Status Ladder, we have to look beyond bank accounts and start looking at people.

All of us are aware of how much money we make, but very few of us know whether we make enough. That's because the only way we determine how much is actually "enough" is by comparing ourselves to other people. We make comparisons to other people so habitually that we rarely even notice that we are doing so. When a neighbor pulls up in a new car, we don't typically say to ourselves, "They have an Audi, so I need one, too." We are more sophisticated and mature than that. We might tell ourselves that our neighbor's good fortune is none of our business, or that she deserves the new car because of her hard work. If we do have an immediate impulse to keep pace with her, we might banish the thought as soon as it appears. And yet, the next time we get in our own car, we notice just a little more than yesterday how worn the seat is getting. Social comparison is inevitable.

It is hard to recognize such comparisons at work in our own lives, because they take place in the background, and we are experiencing the foreground. When the

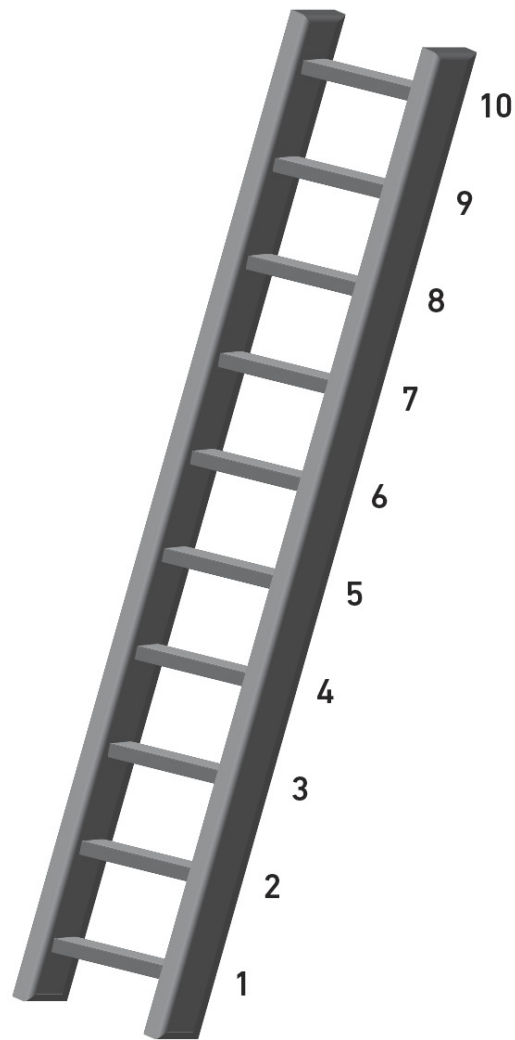


Figure 1.1. A graphical depiction of the Status Ladder, used to measure subjective perceptions of relative status.

noise in a restaurant gets louder, for example, we begin to feel that our dinner partner is speaking quietly, because our attention is on our partner's face, not the surrounding room.

While we feel rich or poor based on the comparisons we make, the fact that social comparisons always take place in the background causes certain blind spots. Think for a minute about what matters most to you. What are the values that make you who you are? What are the motives that drive you? I have asked hundreds of people these questions over the years, and the usual responses include such ideals as love, faith, loyalty, honesty, and integrity. Although there is some variety in the answers, the whole list could be written on a business card. They are similar for men and for women, for Northerners and for Southerners, for Democrats and for Republicans. And yet, no one ever mentions something that we know to be true, both from scientific studies and from simply being human: "I crave status."

Others might not acknowledge that, but we can certainly see it in their behavior. We can observe it in the clothes they buy, in the houses they choose to live in, and in the gifts they give. Above all we can perceive it in the constantly shifting standards for what counts as "enough." If you have ever received a raise, only to adapt to the new level of income in a few months and again begin to feel as though you were still living paycheck to paycheck as before, then you can experience it in yourself. As your accomplishments rise, so do your comparison standards. Unlike the rigid columns of numbers that make up a bank ledger, status is always a moving target, because it is defined by ongoing comparisons to others.

We make social comparisons to all sorts of people on every type of occasion, yet we mysteriously manage to find ourselves on the top half of the Status Ladder again and again. We find it most comfortable to reside there. Consider for a minute how accomplished you are at your job. How intelligent are you? How moral? How loyal a friend? Are you a good driver? Deep down, you know that you are better than the average person in all these respects. In fact, the majority of people know deep down that they are better than average at most things. Which, as far as anyone can tell, is not strictly possible.

This finding is called the Lake Wobegon effect, after Garrison Keillor's fictional town "where all the women are strong, all the men are good-looking, and all the children are above average." The effect was stumbled upon in a 1965 study of accident survivors. Researchers spent six months interviewing all of the patients admitted to a Seattle hospital for injuries sustained in vehicle accidents. They compared the patients to a group of control participants who were matched on age, sex, race, and education. One of the interview questions asked the patients to rate their driving ability. Although it was not originally the main point of the study, that question is the reason that the study is remembered today, because the hospitalized

patients rated themselves as better-than-average drivers. In fact, their ratings were just as high as those of the control group, who had not been in auto accidents. Clearly, these patients were not going to let the mere fact of being hospitalized after a car accident affect their self-image as good drivers.

Was it possible that the accidents were not, in fact, the patients' fault? For each case researchers examined police records to determine who was actually responsible and who was a blameless victim. After identifying those drivers who did cause the respective accidents, it was clear that their ratings were just as inflated as everyone else's.

Another early example of the effect was discovered in a massive survey by the College Board, which produces the SAT college entry exams. About a million students who took the SAT in a given year were asked to rate themselves compared with the median student (the median being the point at which half are better and half are worse). The ratings were not only about SAT performance, but also on personal characteristics like leadership and getting along with others. Seventy percent rated themselves as being above the median in leadership ability, and 85 percent rated themselves above the median in getting along well with others.

In another study, psychologist Constantine Sedikides and colleagues asked a group of volunteers to rate how good a person they were on several dimensions. The volunteers considered themselves to be more moral, kinder, more dependable, more trustworthy, and more honest than the average person—an unsurprising result, except that these volunteers were recruited by visiting a prison and enrolling convicted felons. The only category in which they did not consider themselves above average was “law abiding.” Here, they rated themselves as average. Considering that they were behind bars at the time they made that judgment, it seems to lack a certain objectivity.

Over the years, hundreds of studies have replicated the Lake Wobegon effect. The studies show that most of us believe we are above average in intelligence, persistence, conscientiousness, badminton, and just about any other positive quality. The more we value the trait, the more we overrate ourselves with respect to it. My favorite study in this genre is one in which my fellow college professors were asked to rate their teaching abilities compared with those of their colleagues. A stunning 94 percent said they were better than average. One variant of this tendency is really the mother of all biases: Most people rate themselves as more objective and less biased than the average person.

Of course, pushing ourselves up the ladder in our own minds is not the only way we make the most of our social comparisons. Sometimes we pull other people down. I was recently standing in a supermarket checkout line and learned that Kim Kardashian was getting fat, Dolly Parton was wasting away, and Miley Cyrus was

misusing her talent. Some housewives also seemed to be arguing with one another. Why is it that celebrity “news” showers us like confetti, but we never see headlines about Dale, the local HVAC repairman and his on-again, off-again relationship to Brenda, the home health care nurse?

The answer, of course, is that we are fascinated by high status. Since Aristotle, people of elevated status have served as the heroes in our dramas, because only someone who starts high up can fall from grace. In daily life, as in art, our eyes track the lives of the rich and famous and look right past the ordinary slouches to our left and right.

Why do we care so much about status? This is the point in most books where the argument is made that human beings are unique among the animal kingdom, but in this case the craving for status does not set us apart. In fact, it is such an ancient part of our nature that we share it with our primate cousins. Watching baboons or chimpanzees compete openly, physically, and sometimes violently for their position in the hierarchy feels simultaneously foreign and familiar to us. It’s as uncomfortable as watching them mate: We feel embarrassed by their vulgarity and yet we recognize exactly what is driving them.

Nonhuman primates turn out to behave a lot like humans when it comes to celebrity gawking. In a study led by neuroscientist Michael Platt, rhesus macaque monkeys were given the option to look at different kinds of pictures while their eye movements were tracked. One set of photos included only high-ranking monkeys from their colony; a second set featured only low-ranking members. Each time the monkey looked at a picture, he got a squirt of fruit juice delivered through a straw. (To a thirsty macaque, a squirt of cold juice is a welcome treat that beats monkey chow any day.) The researchers systematically varied the amount of juice the monkeys received: Looking at the low-status photos would earn more juice than looking at the high-status ones.

The monkeys’ preference was clear. They wanted to look at the high-status monkeys, and they would sacrifice a lot of juice to do so. In fact, they had to be paid extra juice to tolerate the sight of the low-status monkeys compared with looking at nothing but a blank screen. There was only one thing that the male monkeys wanted to see more than the celebrity monkeys, and that was the genitalia of female macaques.

What does the behavior of these monkeys have to do with us? To begin with, humans and macaques share about 93 percent of our DNA. That obviously does not mean that we are the same. But if you consider these observations of macaques together with a similar preoccupation with status across other primates like chimpanzees and baboons, which are even more closely related to us, you begin to see a continuous pattern. The last common ancestors of macaques and humans lived about

twenty-five million years ago, much earlier than the six million to eight million years that separate us from our common ancestor with chimps. The similarity between humans and macaques in an obsession with status means that the trait was likely already present in our common ancestor, and as such is truly ancient.

Archaeologists tell us that for the vast majority of our evolutionary history, our ancestors lived in small groups who hunted for meat and gathered plants from the forests and savannas. This way of life lasted for at least a hundred thousand years, and during that time human societies were highly egalitarian, which we know from the fact that fossil remains and the artifacts found with them were all fairly similar from one person to another. When later societies became more hierarchical, kings and pharaohs would be found buried with mounds of treasures, and occasionally even their favorite dogs, wives, or slaves, while the graves of the lower classes might be found with nothing but a blanket, if they were lucky.

When I first learned about these egalitarian hunter-gatherers as a college student, I imagined them as a loving, peaceful, sharing people, almost like hippies in loincloths, uncorrupted by modern-day materialism. In reality, the main reason that hunter-gatherers were egalitarian was not that they were more benevolent than we are today, but rather that it was difficult to accumulate dramatically more wealth than others in a group given that there was no real wealth beyond today's kill or tomorrow's berry haul. Sharing simply made good sense. If I kill a mastodon, what am I going to do with all the meat? The best way to store it would be in the stomachs of my friends and family. There, it would become converted into the currency of goodwill, so that the next time I needed help, they would be there for me.

This system of reciprocal sharing works because people remembered. They remembered who got what and how much effort each person put in, and they got upset when some got more than others. A study of capuchin monkeys (the kind you've seen grinding music from an old-timey street organ) suggests that this talent for social accounting is also ancient. Like humans, monkeys become distraught when they get the wrong end of a deal. Primatologist Sarah Brosnan designed a simple exchange game with the capuchins. First, she would give a monkey a small stone. She would then hold out her hand, and when the monkey gave the stone back, she would give it a piece of cucumber. When they played this exchange game, the monkeys would consistently trade stones for cucumbers.

In the critical part of the experiment, Brosnan would include two monkeys in the game, so that they could watch each other's transactions. First, Brosnan would play with one monkey and exchange the stone for a cucumber slice. Then she would play the same game with the second monkey, but instead reward the exchange with a grape—considered by the monkeys to be a much better snack than a cucumber. Brosnan now went back to the first monkey and tried the original game again to determine

whether it would make the “rational” choice (in a narrow economic sense) and take the cucumber, since some food is better than no food. Or would it do the more socially intelligent thing and protest, giving up nutrients in order to enforce a code of fairness?

This time the shortchanged monkey was having none of it: It looked at the cucumber slice, then threw it back at Brosnan. This sequence was played out dozens of times with many different pairs of monkeys. Sometimes the subject would simply toss the cucumber away, and at other times it would fling it back in the experimenter’s face. Sometimes the monkey would not even return the stone. Why pay for inferior quality?

The cucumber, which had been acceptable a few minutes earlier, was no longer good enough when the next guy over was getting grapes. These results were remarkable, because they showed that monkeys cared more about where they stood compared with other monkeys than about their actual, tangible, edible rewards. Their sense of fairness was more sophisticated than many had assumed.

Primatologists are careful not to describe in human terms the internal states of the animals they study. So when a monkey jumps up and down, bares its teeth, and lunges aggressively, primatologists might call it an “aggression display,” but they would not say that the monkey was angry. If you watch the video of Brosnan’s experiment being conducted, though, it is hard not to interpret the monkeys’ behavior as expressing an emotion. They throw the cucumber back at the experimenter, then shake the front of their cages and call out like a prisoner starting a riot. I’m not a primatologist, so I can say it: Those monkeys are mad.

The discovery that capuchin monkeys are averse to receiving unequal outcomes, much like humans, suggests that these tendencies are evolved rather than learned. If people really are born caring about equality, then we should be able to find evidence of it even in young children. And, in fact, children as young as three years old do show reactions much like those of the capuchins. For example, one study asked pairs of children to help an experimenter clean up some blocks. As a reward, the experimenter gave them some stickers. Sometimes the rewards were equal, and sometimes one child received more stickers than the other. Even though they could not yet verbalize that the unequal share was unfair, the children became visibly upset when they received less than their partner. As every parent of preschoolers knows, they do not need to be taught that receiving the same amount is fair but receiving less is unfair. It may take time to learn to count, but they seem to have an innate notion of fairness.

Early human groups almost certainly had a status hierarchy, with some people ranking higher than others. But without the ability to accrue significant amounts of wealth, and with populations numbering in the dozens rather than the thousands, it



was simply impossible for the difference between the top and the bottom of the hierarchy to be very big. Like our primate relatives, early humans would have cared deeply about status within their small bands. The natural social structure of early *Homo sapiens* was a Status Ladder, but it was a very short one.

What changed since then was not human nature. What changed instead was very practical, very concrete, and very recent: Humans invented farming. After a thousand centuries during which hunting and gathering was the only way of life, agriculture appeared a mere hundred centuries ago at more or less the same time in many places around the planet. On an evolutionary time scale, this is a blink of an eye. Suddenly, for the first time, people were able to settle in one place, plant crops, and store the harvest, such as in the form of clay pots full of grain. Humans also began to raise livestock, which, from the herder's point of view, are walking meat storage devices. Once food could be accumulated in large quantities, it became possible for some people to amass a lot more of it than others. And they did. It was not long before cities sprang up in places like Egypt, the Middle East, China, India, and the Americas. Along with these larger, denser, agricultural societies, wealth inequality began to climb.

While it is hard to determine the extent of economic inequality in ancient times, we can guess that it was extremely high. Most large ancient agricultural societies had a king or other ruler with the power to command vast fortunes. On the low end of the social scale, the majority of ordinary people were peasants, and slavery was commonly practiced. In modern history, income inequality reached its highest point in the late 1920s, immediately before the stock market crash of 1929 and the Great Depression that followed—its highest point, that is, until today. We have now reached the same level of inequality that existed prior to the Great Depression.

If humans are not unique when it comes to caring about status, one distinction that we can claim is that we have built social ladders of such height that they dwarf those of our primate relatives and ancient hunter-gatherers. This quantitative difference sets the stage for conflicts between the scale of inequality in which we evolved and the scale that we confront today.

So much depends on how we understand the disparities between the haves and the have-nots. If you ask people whether they believe there is too much inequality or not, their answers will be biased by their own positions. People who are struggling will tend to say the level of inequality is excessive, but those who have benefited from the current system will state that it seems to be working just fine. How can we establish how much inequality is “too much”?

The most important insight into that question took shape in an elegant home in Baltimore in 1928. John, the seven-year-old son of William Lee Rawls, had contracted diphtheria, a respiratory infection with symptoms similar to those of the

flu. Unlike the flu, however, diphtheria kills up to 20 percent of children who contract it. But William Rawls's son had the best medical care money could buy, as his father was one of the most prominent attorneys in Baltimore. With constant care, John recovered—but not before he'd passed the infection to his younger brother, Bobby. Bobby was less fortunate; he died before his sixth birthday.

A year later young John was bedridden again, this time with pneumonia. Again he recovered. But now he passed the infection to his two-year-old brother, Tommy. Again, the younger boy died.

John Rawls grew up to become the most important political philosopher of the twentieth century. His biographer argues that the heartbreaking deaths of his brothers were the most influential events of Rawls's life. Maybe his younger siblings were less hardy than John; maybe they were simply less lucky. Rawls himself was endowed not only with a strong immune system, but also with a brilliant intellect and unwavering discipline. Most of us think of these as admirable qualities that should earn anyone who possesses them a well-deserved place in the upper echelons of a meritocratic society.

John Rawls, however, was deeply suspicious of that idea. If a man is brilliant, he argued, why should he be praised for being so? He was merely fortunate for being born intelligent. If he has a strong work ethic, he just happened to win the lottery for hardworking traits. And if one boy was strong enough to survive a terrible disease and a weaker boy succumbed, that was merely a brutal fact of life. Rawls saw nothing just or morally praiseworthy in that.

The most famous part of Rawls's theory of justice was a thought experiment called "the veil of ignorance." Imagine that you have awakened from a deep sleep on an interstellar space flight, and you remember nothing about yourself. You don't know if you are rich or poor. You don't know if you are strong or weak, smart or dim-witted. As your spacecraft nears a new planet, you have to choose in which of many societies you would like to live. The problem is, you have no idea what kind of position you will occupy in the group you select.

Some of these alien societies are incredibly unequal, with slavery being the norm. Others are not quite as imbalanced, but their inequality is still extreme, with some of the inhabitants desperately poor while others are fabulously rich. Still other societies are egalitarian, with only small differences between the haves and the have-nots. Which would you pick?

Some daring souls might choose an unequal society and gamble on landing in a privileged position. But Rawls argued that any reasonable person would choose an egalitarian society, which would ensure that even the worst possible outcome would be tolerable. Rawls's insight was that if you simply ask people how much inequality they judge to be just or unjust, their opinions will be biased by their abilities and self-

interest. The strongest, smartest, most competitive individuals will advocate for more unequal outcomes because they are starting with an advantage. Likewise, those with the worst prospects would opt for a more equal distribution. So, instead of expressing what they believe to be fair and just, people would opt for what benefits them. Although no one can eliminate the biasing influences of his own position entirely, Rawls thought that the exercise of peering through the veil of ignorance would enable us to see more objectively than we otherwise could.

The veil of ignorance is only a thought experiment, of course, but a study by psychologist Michael Norton and behavioral economist Dan Ariely went a step further to apply it to actual data. They divided the population into five equal quintiles, from the poorest 20 percent to the richest 20 percent, and then asked a subject group of more than five thousand Americans to estimate what portion of the country's total wealth was owned by each segment. While people in the study recognized that there was inequality, their responses indicated that they greatly underestimated its extremity. For example, they judged that the wealthiest fifth had about 59 percent of the nation's wealth, when in reality it has 84 percent.

Then, using the same five quintiles, the researchers asked participants to describe what they thought the allotments *should* be in an ideal world. The test subjects allocated the wealthiest quintile in this scenario about a third of the wealth, and the poorest group about 10 percent. (In reality, the true share for the bottom quintile is 0.1 percent.) These ideal allotments did not look much like those of the United States, the most unequal developed nation in the world. Instead, they resembled those of Sweden, one of the most equal nations on earth.

The most interesting part of the study was what the researchers did next. They showed the subjects a pair of pie charts illustrating two different wealth distributions. Although the participants did not know it, one represented the actual distribution in the United States, and the other that of Sweden. They asked them to pick which society they would rather live in, if they were going to be randomly assigned to end up in any economic status in that society. In other words, they placed participants behind Rawls's veil of ignorance and let them choose.

A striking 92 percent of Americans chose the Swedish model. Even more surprising was the amount of consensus in that choice. Both men and women selected Sweden by more than a 90 percent margin. People who made six-figure salaries selected Sweden almost as often (89 percent) as those who made less than \$50,000 (92 percent). There was even consensus across political lines, as the Swedish chart was chosen overwhelmingly by both Republicans (90 percent) and Democrats (94 percent). Forty years after Rawls proposed the concept of the veil of ignorance, people behaved just as he predicted any reasonable person would.

Rawls used the veil of ignorance to argue that once self-interest is removed, anyone can see that equality *ought to be* preferable to inequality. Norton and Ariely's study confirmed that most people do in fact favor equality—up to a point. Subjects did not choose complete equality: They still believed the top fifth should have a far greater proportion of the total wealth than the bottom fifth. But the difference between our current reality and what people judge it ought to be means that we find ourselves in a curious predicament. Our modern economy proves to be an uncomfortable fit for the kinds of creatures we have become over the last thousand centuries or so.

Mismatches between slowly evolving appetites on the one hand and quickly changing environments on the other are a source of much misery in the modern world. Take hunger, for instance. Evolution does not rely on an organism to reason its way from “I need a certain number of calories to survive” to “therefore I shall eat this particular food.” Thinking is too complicated, too unreliable, and not urgent enough for that. Instead, nature just builds in a taste for that kind of food. We evolved a craving for nutrients such as sugar and fat because they are highly effective for packing on weight. Food was scarce enough for our hunter-gatherer ancestors that the threat of starving greatly outweighed any potential downsides of eating too much. An early human with a ravenous appetite for sugar and fat would tend to outcompete others with less voracious appetites. As a result, that trait spread through the population. But in today's world, where food is plentiful, such cravings contribute to obesity, diabetes, and heart disease. Nature even built in a helpful delay between the time our stomach is full and the time our brain gets the satiation signal, which helped ensure that our ancestors would eat a little extra at each meal. The trouble is, that mechanism still works.

The same kinds of mismatches wreak havoc in our sex lives. Evolution did not rely on individuals to make family planning decisions in order to pass on their genes. Instead, it simply fashioned some kinds of humans to be irresistible to other kinds of humans. And then it built us in such a way that the activities that happen to feel eye-rollingly, toe-quiveringly ecstatic are also the activities that tend to create babies. In one respect, that system seems to have been a huge success, as the global population has recently swelled past seven billion. But consider that half of all pregnancies, and 80 percent of teenage pregnancies, in the United States are unintended. Or contemplate the fact that about 25 percent of married people admit to having had an extramarital affair. We have to question the suitability of the fit between our stone-age sexuality and contemporary realities. Our gene-reproducing system may be too successful for how we would like to live today, and we might be able to avoid a lot of grief if certain other people were just a little more resistible.

There is likewise a mismatch between our evolved yearning for status and our modern economic environment. As we will see in the next chapter, high status comes

with many benefits for both survival and reproduction. Our ancestors who were status strivers left behind more descendants than their more languid competitors. As a result, they bequeathed to us a visceral appetite for status. Money, power, and the admiration of other people seem just as irresistible to many people as food and sex. The meek may eventually inherit the earth, but the proud have been in firm possession of it so far.

For thousands of centuries the social ladders our minds and bodies have evolved to climb were only a few rungs high. If the contemporary world's ladder were still on the kind of human scale to which we were once accustomed, then our urge for status might not be a problem, but instead we are facing the equivalent of scaling skyscrapers. Likewise, if we were a species that didn't care much about status, then today's massive inequality might be tolerable. But our intrinsic appetite for high status crashes against the towering inequality we see around us with enormous consequences for everyone, not just the poor, but the middle class as well.

The free lunches, food stamps, and government cheese that marked my childhood were objective signals indicating my family's rung on the Status Ladder. But the disorientation I felt standing in the fourth-grade lunch line was not based on a calculation about money. It was my subjective perception snapping into line with the reality of a new Status Ladder.

When we examine the human hunger for social status, together with the fact that many of the world's economies have become extraordinarily unequal in recent decades, our perspective on inequality changes. If our response to inequality is shaped by our need for status, then inequality is not simply a matter of how much money we have; it's about where we stand compared with other people. Money, from that perspective, is simply one way we keep score. *Feeling* poor matters, not just *being* poor. That is why your subjective standing on the Status Ladder reveals so much about what you are likely to become.