United States

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The talent paradox: Why is it fair to reward talent but not luck?

Study Documentation

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Metadata Production

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The talent paradox: Why is it fair to reward talent but not luck?

Overview

Identification	mmtalent
Version	2022-01-02

Abstract
The paper investigates the talent paradox in a large-scale study of the US population. We establish that Americans differentiate significantly between inequalities due to luck and inequalities due talent, even when controlling for beliefs about the extent to which talent is under individual control. In an experiment, we study possible explanations for the talent puzzle, where we find evidence that people reward talent (but not luck) because a person must act on it to make it valuable. Our findings provide novel evidence on why Americans tend to accept talented people being richer than others.

The documented data has records for all the people that logged on to the survey. The survey was run on the Qualtrics platform, using the account of NHH Norwegian School of Economics, in late 2017.

The participants were recruited by "Research Now" (currently "Dynata"). The experiment implemented quotas on the marginal distribution of basic demographics, which means that more participants took place in the demographic survey than the experiment; this is indicated in variables in the data.

Unit of Analysis	Individuals

Scope & Coverage

Keywords	inequality, fairness, talent, luck, effort
Countries	United States

Universe
A broad subset of the American population (members of the "Research Now" web panel).

Producers & Sponsors

Primary Investigator(s)	Bartling, Björn, University of Zürich Cappelen, Alexander W., NHH Norwegian School of Economics Skarpeid, Ingvild L., NHH Norwegian School of Economics Sørensen, Erik Ø., NHH Norwegian School of Economics Tungodden, Bertil, NHH Norwegian School of Economics

Sampling

Sampling Procedure
By invitation.

Weighting
Participation quotas were only implemented on marginal distributions along demographic variables. Post stratification weights are calculated based on population estimates for 2017 from the United States Census Bureau.Cell estimates for the joint distribution of gender X "Census Region" X "age category", a total of 2 X 4 X 5 = 40 groups. Weights are set to replicate cell proportions in the group of participants that completed the experiment.

One completer reported not to live in the United States and has received a unity weight.

Data Collection	
Data Collection Mode	Web survey (implemented with Qualtrics).

Files Description

Dataset contains 1 file(s)

mmtalent_df	
# Cases	3797
# Variable(s)	23

Variables List

Dataset contains 23 variable(s)

File mmtalent_df

#	Name	Label	Type	Format	Valid	Invalid	Question
1	observat ..	Observation id (not informative)	continuous	numeric-4.0	3797	0	-
2	treatment	Assigned treatment (if any)	discrete	numeric-1.0	2095	1702	-
3	completi ..	How far did participant get?	discrete	numeric-1.0	3797	0	-
4	start_date	When did the participant enter the survey?	discrete	character-19	3797	0	-
5	duration ..	Time to completion (seconds)	continuous	numeric-5.0	2001	1796	-
6	wgt	Post stratification weight (for completers)	continuous	numeric-17.0	2001	1796	-
7	gender	Gender	discrete	numeric-1.0	3700	97	What is your sex?
8	age	Age in years	continuous	numeric-2.0	3700	97	How old are you?
9	state_name	State of residence (char)	discrete	character-34	3700	0	In which state do you currently reside?
10	state_fips	State of residence (FIPS 5-2 numerical code)	continuous	numeric-2.0	3698	99	-
11	region	Census region (char)	discrete	character-9	3698	0	-
12	education	Highest completed education	discrete	numeric-1.0	3700	97	What is the highest level of education you have completed?
13	income	Household income before taxes	discrete	numeric-1.0	3700	97	What is your household's combined yearly income (gross income before taxes are deducted)?
14	luck_fair	(Un)fairness of luck as inc.det. (0:fair--10:unfair)	discrete	numeric-2.0	2052	1745	0: It is fair if luck determines a person's income 10: It is unfair if luck determines a person's income
15	talent_f ..	(Un)fairness of talent as inc.det. (0:fair--10:unfair)	discrete	numeric-2.0	2052	1745	0: It is fair if talent determines a person's income 10: It is unfair if talent determines a person's income
16	effort_f ..	(Un)fairness of effort as inc.det. (0:fair--10:unfair)	discrete	numeric-2.0	2052	1745	0: It is fair if effort determines a person's income 10: It is unfair if effort determines a person's income
17	luck_con ..	Is luck within control? (0:beyond--10:within)	discrete	numeric-2.0	2022	1775	0: Luck mainly reflects factors beyond individual control 10: Luck mainly reflects factors within individual control
18	talent_c ..	Is talent within control? (0:beyond--10:within)	discrete	numeric-2.0	2022	1775	0: Talent mainly reflects factors beyond individual control 10: Talent mainly reflects factors within individual control
19	effort_c ..	Is effort within control? (0:beyond--10:within)	discrete	numeric-2.0	2022	1775	0: Effort mainly reflects factors beyond individual control 10: Effort mainly reflects factors within individual control
20	redist_p ..	Society should aim to equalise incomes?	discrete	numeric-1.0	2010	1787	Please indicate to what extent you agree with the following statement: "Society should aim to equalise incomes"
21	polpref	Political self-description	discrete	numeric-1.0	2001	1796	Would you describe yourself as politically on the ‘left-wing' or the 'right-wing'?

File mmtalent_df

#	Name	Label	Type	Format	Valid	Invalid	Question
22	payment_..	Decision: payment to ind with initial low earnings (USD)	discrete	numeric-1.0	2095	1702	payment_low_worker question details
23	payment_..	Decision: payment to ind with initial high earnings (USD)	discrete	numeric-1.0	2095	1702	payment_high_worker question details

Variables Description

Dataset contains 23 variable(s)

File : mmtalent_df

observationid: Observation id (not informative)

Information	[Type= continuous] [Format=numeric] [Range= 1-3797] [Missing=*]
Statistics [NW/ W]	[Valid=3797 /-] [Invalid=0 /-]
Definition	Assigned based on sort order.

treatment: Assigned treatment (if any)

Information	[Type= discrete] [Format=numeric] [Range= 1-4] [Missing=*]
Statistics [NW/ W]	[Valid=2095 /-] [Invalid=1702 /-]
Definition	Allocation into treatment was based on independent (p=1/4) randomization.

Value	Label	Cases	Percentage
1	ExAnteImpersonal	520	24.8%
2	ExAntePersonal	520	24.8%
3	ExPostImpersonal	527	25.2%
4	ExPostPersonal	528	25.2%
Sysmiss		1702	

Warning: these figures indicate the number of cases found in the data file. They cannot be interpreted as summary statistics of the population of interest.

completion_state: How far did participant get?

Information	[Type= discrete] [Format=numeric] [Range= 1-5] [Missing=*]
Statistics [NW/ W]	[Valid=3797 /-] [Invalid=0 /-]
Definition	Based on categorization of recorded data.

Value	Label	Cases	Percentage
1	Did not consent	72	1.9%
2	Did not complete demographics	25	0.7%
3	Completed demographics	1605	42.3%
4	Started experiment	94	2.5%
5	Completed experiment	2001	52.7%

Warning: these figures indicate the number of cases found in the data file. They cannot be interpreted as summary statistics of the population of interest.

start_date: When did the participant enter the survey?

Information	[Type= discrete] [Format=character] [Missing=*]
Statistics [NW/ W]	[Valid=3797 /-] [Invalid=0 /-]
Definition	Timestamp of start of session.

duration_in_seconds: Time to completion (seconds)

Information	[Type= continuous] [Format=numeric] [Range= 34-13526] [Missing=*]
Statistics [NW/ W]	[Valid=2001 /-] [Invalid=1796 /-] [Mean=256.745 /-] [StdDev=394.336 /-]
Definition	Available for completers only.

wgt: Post stratification weight (for completers)

Information	[Type= continuous] [Format=numeric] [Range= 0.436587433976832-4.04566357141856] [Missing=*]
Statistics [NW/ W]	[Valid=2001 /-] [Invalid=1796 /-] [Mean=1 /-] [StdDev=0.6 /-]
Definition	Post stratification weight based on Bureau of the census 2017 population estimate (by gender, census region and age-group, 40 different groups in all). Calculated based on those that completed the experiment. One individual completer reported not to live in the United States and is assigned wgt=1.

File : mmtalent_df

gender: Gender

Information	[Type= discrete] [Format=numeric] [Range= 1-2] [Missing=*]
Statistics [NW/ W]	[Valid=3700 /-] [Invalid=97 /-]
Literal question	What is your sex?

Value	Label	Cases	Percentage
1	male	2282	61.7%
2	female	1418	38.3%
Sysmiss		97	

Warning: these figures indicate the number of cases found in the data file. They cannot be interpreted as summary statistics of the population of interest.

age: Age in years

Information	[Type= continuous] [Format=numeric] [Range= 18-88] [Missing=*]
Statistics [NW/ W]	[Valid=3700 /-] [Invalid=97 /-] [Mean=44.048 /-] [StdDev=16.782 /-]
Literal question	How old are you?

state_name: State of residence (char)

Information	[Type= discrete] [Format=character] [Missing=*]
Statistics [NW/ W]	[Valid=3700 /-] [Invalid=0 /-]
Definition	Note that "I do not live in the United States" is a valid response.
Literal question	In which state do you currently reside?

Value	Label	Cases	Percentage
Alabama		50	1.4%
Alaska		7	0.2%
Arizona		109	2.9%
Arkansas		23	0.6%
California		446	12.1%
Colorado		80	2.2%
Connecticut		35	0.9%
Delaware		14	0.4%
District of Columbia		4	0.1%
Florida		264	7.1%
Georgia		116	3.1%
Hawaii		17	0.5%
I do not live in the United States		2	0.1%
Idaho		26	0.7%
Illinois		169	4.6%
Indiana		90	2.4%
Iowa		28	0.8%
Kansas		27	0.7%
Kentucky		82	2.2%
Louisiana		32	0.9%
Maine		21	0.6%
Maryland		49	1.3%
Massachusetts		71	1.9%

File : mmtalent_df

state_name: State of residence (char)

Value	Label	Cases	Percentage
Michigan		119	3.2%
Minnesota		41	1.1%
Mississippi		25	0.7%
Missouri		75	2.0%
Montana		15	0.4%
Nebraska		12	0.3%
Nevada		45	1.2%
New Hampshire		16	0.4%
New Jersey		100	2.7%
New Mexico		26	0.7%
New York		258	7.0%
North Carolina		116	3.1%
North Dakota		5	0.1%
Ohio		154	4.2%
Oklahoma		35	0.9%
Oregon		58	1.6%
Pennsylvania		194	5.2%
Rhode Island		13	0.4%
South Carolina		43	1.2%
South Dakota		8	0.2%
Tennessee		61	1.6%
Texas		228	6.2%
Utah		35	0.9%
Vermont		11	0.3%
Virginia		79	2.1%
Washington		91	2.5%
West Virginia		16	0.4%
Wisconsin		54	1.5%
Wyoming		5	0.1%

Warning: these figures indicate the number of cases found in the data file. They cannot be interpreted as summary statistics of the population of interest.

state_fips: State of residence (FIPS 5-2 numerical code)

Information	[Type= continuous] [Format=numeric] [Range= 1-56] [Missing=*]
Statistics [NW/ W]	[Valid=3698 /-] [Invalid=99 /-]
Definition	Coded based on response in state_name.

region: Census region (char)

Information	[Type= discrete] [Format=character] [Missing=*]
Statistics [NW/ W]	[Valid=3698 /-] [Invalid=0 /-]
Definition	Coded based on response in state_name.

Value	Label	Cases	Percentage
Midwest		782	21.1%
Northeast		719	19.4%
South		1237	33.5%

File : mmtalent_df

region: Census region (char)

Value	Label	Cases	Percentage
West		960	26.0%

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education: Highest completed education

Information	[Type= discrete] [Format=numeric] [Range= 1-8] [Missing=*]
Statistics [NW/ W]	[Valid=3700 /-] [Invalid=97 /-]
Literal question	What is the highest level of education you have completed?

Value	Label	Cases	Percentage
1	No High School	134	3.6%
2	High School/GED	805	21.8%
3	Some college	791	21.4%
4	Associate's Degree	386	10.4%
5	Bachelor	938	25.4%
6	Masters	455	12.3%
7	Professional (JD/MD)	96	2.6%
8	PhD	95	2.6%
Sysmiss		97	

Warning: these figures indicate the number of cases found in the data file. They cannot be interpreted as summary statistics of the population of interest.

income: Household income before taxes

Information	[Type= discrete] [Format=numeric] [Range= 1-5] [Missing=*]
Statistics [NW/ W]	[Valid=3700 /-] [Invalid=97 /-]
Literal question	What is your household's combined yearly income (gross income before taxes are deducted)?

Value	Label	Cases	Percentage
1	Less than 29 999	826	22.3%
2	30k- 59 999	1119	30.2%
3	60k - 99 999	974	26.3%
4	100k - 149 999	526	14.2%
5	150k +	255	6.9%
Sysmiss		97	

Warning: these figures indicate the number of cases found in the data file. They cannot be interpreted as summary statistics of the population of interest.

luck_fair: (Un)fairness of luck as inc.det. (0:fair--10:unfair)

Information	[Type= discrete] [Format=numeric] [Range= 0-10] [Missing=*]
Statistics [NW/ W]	[Valid=2052 /-] [Invalid=1745 /-]
Pre-question	We would now like you to indicate to what extent you find it fair that the following factors determine a person's income. 0 means that you agree completely with the statement on the left, 10 means that you agree completely with the statement on the right, and the numbers in between indicate the extent to which you agree or disagree with the statements.
Literal question	0: It is fair if luck determines a person's income 10: It is unfair if luck determines a person's income

Value	Label	Cases	Percentage
0		91	4.4%
1		68	3.3%

File : mmtalent_df

luck_fair: (Un)fairness of luck as inc.det. (0:fair--10:unfair)

Value	Label	Cases	Percentage
2		66	3.2%
3		103	5.0%
4		98	4.8%
5		304	14.8%
6		112	5.5%
7		179	8.7%
8		222	10.8%
9		166	8.1%
10		643	31.3%
Sysmiss		1745	

Warning: these figures indicate the number of cases found in the data file. They cannot be interpreted as summary statistics of the population of interest.

talent_fair: (Un)fairness of talent as inc.det. (0:fair--10:unfair)

Information	[Type= discrete] [Format=numeric] [Range= 0-10] [Missing=*]
Statistics [NW/ W]	[Valid=2052 /-] [Invalid=1745 /-]
Pre-question	We would now like you to indicate to what extent you find it fair that the following factors determine a person's income. 0 means that you agree completely with the statement on the left, 10 means that you agree completely with the statement on the right, and the numbers in between indicate the extent to which you agree or disagree with the statements.
Literal question	0: It is fair if talent determines a person's income 10: It is unfair if talent determines a person's income

Value	Label	Cases	Percentage
0		480	23.4%
1		291	14.2%
2		266	13.0%
3		222	10.8%
4		121	5.9%
5		236	11.5%
6		97	4.7%
7		82	4.0%
8		76	3.7%
9		51	2.5%
10		130	6.3%
Sysmiss		1745	

Warning: these figures indicate the number of cases found in the data file. They cannot be interpreted as summary statistics of the population of interest.

effort_fair: (Un)fairness of effort as inc.det. (0:fair--10:unfair)

Information	[Type= discrete] [Format=numeric] [Range= 0-10] [Missing=*]
Statistics [NW/ W]	[Valid=2052 /-] [Invalid=1745 /-]
Pre-question	We would now like you to indicate to what extent you find it fair that the following factors determine a person's income. 0 means that you agree completely with the statement on the left, 10 means that you agree completely with the statement on the right, and the numbers in between indicate the extent to which you agree or disagree with the statements.
Literal question	0: It is fair if effort determines a person's income 10: It is unfair if effort determines a person's income

File : mmtalent_df

effort_fair: (Un)fairness of effort as inc.det. (0:fair--10:unfair)

Value	Label	Cases	Percentage
0		573	27.9%
1		371	18.1%
2		232	11.3%
3		188	9.2%
4		109	5.3%
5		197	9.6%
6		79	3.8%
7		70	3.4%
8		70	3.4%
9		68	3.3%
10		95	4.6%
Sysmiss		1745	

Warning: these figures indicate the number of cases found in the data file. They cannot be interpreted as summary statistics of the population of interest.

luck_control: Is luck within control? (0:beyond--10:within)

Information	[Type= discrete] [Format=numeric] [Range= 0-10] [Missing=*]
Statistics [NW/ W]	[Valid=2022 /-] [Invalid=1775 /-]
Pre-question	We now would like you to indicate to what extent you believe that the following factors are beyond or within individual control? 0 means that you agree completely with the statement on the left, 10 means that you agree completely with the statement on the right, and the numbers in between indicate the extent to which you agree or disagree with the statements.
Literal question	0: Luck mainly reflects factors beyond individual control 10: Luck mainly reflects factors within individual control

Value	Label	Cases	Percentage
0		450	22.3%
1		255	12.6%
2		214	10.6%
3		213	10.5%
4		148	7.3%
5		295	14.6%
6		102	5.0%
7		94	4.6%
8		87	4.3%
9		51	2.5%
10		113	5.6%
Sysmiss		1775	

Warning: these figures indicate the number of cases found in the data file. They cannot be interpreted as summary statistics of the population of interest.

talent_control: Is talent within control? (0:beyond--10:within)

Information	[Type= discrete] [Format=numeric] [Range= 0-10] [Missing=*]
Statistics [NW/ W]	[Valid=2022 /-] [Invalid=1775 /-]
Pre-question	We now would like you to indicate to what extent you believe that the following factors are beyond or within individual control? 0 means that you agree completely with the statement on the left, 10 means that you agree completely with the statement on the right, and the numbers in between indicate the extent to which you agree or disagree with the statements.
Literal question	0: Talent mainly reflects factors beyond individual control

File : mmtalent_df

talent_control: Is talent within control? (0:beyond--10:within)

	10: Talent mainly reflects factors within individual control

Value	Label	Cases	Percentage
0		99	4.9%
1		84	4.2%
2		106	5.2%
3		137	6.8%
4		121	6.0%
5		267	13.2%
6		162	8.0%
7		254	12.6%
8		261	12.9%
9		181	9.0%
10		350	17.3%
Sysmiss		1775	

Warning: these figures indicate the number of cases found in the data file. They cannot be interpreted as summary statistics of the population of interest.

effort_control: Is effort within control? (0:beyond--10:within)

Information	[Type= discrete] [Format=numeric] [Range= 0-10] [Missing=*]
Statistics [NW/ W]	[Valid=2022 /-] [Invalid=1775 /-]
Pre-question	We now would like you to indicate to what extent you believe that the following factors are beyond or within individual control? 0 means that you agree completely with the statement on the left, 10 means that you agree completely with the statement on the right, and the numbers in between indicate the extent to which you agree or disagree with the statements.
Literal question	0: Effort mainly reflects factors beyond individual control 10: Effort mainly reflects factors within individual control

Value	Label	Cases	Percentage
0		94	4.6%
1		69	3.4%
2		59	2.9%
3		94	4.6%
4		76	3.8%
5		168	8.3%
6		101	5.0%
7		141	7.0%
8		210	10.4%
9		311	15.4%
10		699	34.6%
Sysmiss		1775	

Warning: these figures indicate the number of cases found in the data file. They cannot be interpreted as summary statistics of the population of interest.

redist_pref: Society should aim to equalise incomes?

Information	[Type= discrete] [Format=numeric] [Range= 1-5] [Missing=*]
Statistics [NW/ W]	[Valid=2010 /-] [Invalid=1787 /-]
Literal question	Please indicate to what extent you agree with the following statement: "Society should aim to equalise incomes"

Value	Label	Cases	Percentage
1	Strongly agree	413	20.5%

File : mmtalent_df

redist_pref: Society should aim to equalise incomes?

Value	Label	Cases	Percentage
2	Somewhat agree	596	29.7%
3	Neither agree nor disagree	409	20.3%
4	Somewhat disagree	331	16.5%
5	Strongly disagree	261	13.0%
Sysmiss		1787	

Warning: these figures indicate the number of cases found in the data file. They cannot be interpreted as summary statistics of the population of interest.

polpref: Political self-description

Information	[Type= discrete] [Format=numeric] [Range= 1-5] [Missing=*]
Statistics [NW/ W]	[Valid=2001 /-] [Invalid=1796 /-]
Literal question	Would you describe yourself as politically on the ‘left-wing' or the 'right-wing"?

Value	Label	Cases	Percentage
1	Very left-wing	141	7.0%
2	Somewhat left-wing	341	17.0%
3	Neutral	1040	52.0%
4	Somewhat right-wing	329	16.4%
5	Very right-wing	150	7.5%
Sysmiss		1796	

Warning: these figures indicate the number of cases found in the data file. They cannot be interpreted as summary statistics of the population of interest.

payment_low_worker: Decision: payment to ind with initial low earnings (USD)

Information	[Type= discrete] [Format=numeric] [Range= 2-8] [Missing=*]
Statistics [NW/ W]	[Valid=2095 /-] [Invalid=1702 /-] [Mean=3.977 /-]
Definition	The participants chose between the alternative (8,2), (7,3), ..., (2,8); this variable was determined jointly with payment_high_worker. The "individual with initial low earnings" was named "B" in the experiment.
Literal question	In contrast to a typical survey question, you will now make a choice that may have real consequences for two other individuals. We will randomly select and implement the decision of every tenth respondent. Some days ago, two individuals, let us call them A and B, were recruited to do an assignment. They did not know the identity of each other, and they were to work independently on the assignment. Before A and B decided whether to do the assignment, they learned how their earnings would be determined. They also learned that a third person would have the opportunity to redistribute earnings between them. You are the third person. We will therefore explain to you how A’s and B’s earnings were determined: [TREATMENT SPECIFIC TEXT EXCLUDED HERE] We now ask you to choose whether to redistribute earnings between the two individuals. A and B will receive the payments within a few days. Please state which of the following alternatives you choose:

Value	Label	Cases	Percentage
2		706	33.7%
3		121	5.8%
4		178	8.5%
5		913	43.6%
6		54	2.6%

File : mmtalent_df

payment_low_worker: Decision: payment to ind with initial low earnings (USD)

Value	Label	Cases	Percentage
7		29	1.4%
8		94	4.5%
Sysmiss		1702	

Warning: these figures indicate the number of cases found in the data file. They cannot be interpreted as summary statistics of the population of interest.

payment_high_worker: Decision: payment to ind with initial high earnings (USD)

Information	[Type= discrete] [Format=numeric] [Range= 2-8] [Missing=*]
Statistics [NW/ W]	[Valid=2095 /-] [Invalid=1702 /-]
Definition	The participants chose between the alternative (8,2), (7,3), ..., (2,8); this variable was determined jointly with payment_low_worker. The "individual with initial high earnings" was named "A" in the experiment.
Literal question	In contrast to a typical survey question, you will now make a choice that may have real consequences for two other individuals. We will randomly select and implement the decision of every tenth respondent. Some days ago, two individuals, let us call them A and B, were recruited to do an assignment. They did not know the identity of each other, and they were to work independently on the assignment. Before A and B decided whether to do the assignment, they learned how their earnings would be determined. They also learned that a third person would have the opportunity to redistribute earnings between them. You are the third person. We will therefore explain to you how A's and B's earnings were determined: [TREATMENT SPECIFIC TEXT EXCLUDED HERE] We now ask you to choose whether to redistribute earnings between the two individuals. A and B will receive the payments within a few days. Please state which of the following alternatives you choose: