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How Much (More) Should CEOs Make? A Universal Desire for More Equal Pay

by Sorapop Kiatpongsan and [Michael I. Norton](#)

Abstract

Do people from different countries and different backgrounds have similar preferences for how much more the rich should earn than the poor? Using survey data from 40 countries (N = 55,238), we compare respondents' estimates of the wages of people in different occupations—chief executive officers, cabinet ministers, and unskilled workers—to their ideals for what those wages should be. We show that ideal pay gaps between skilled and unskilled workers are significantly smaller than estimated pay gaps, and that there is consensus across countries, socioeconomic status, and political beliefs for ideal pay ratios. Moreover, data from 16 countries reveals that people dramatically underestimate actual pay inequality. In the United States—where underestimation was particularly pronounced—the actual pay ratio of CEOs to unskilled workers (354:1) far exceeded the estimated ratio (30:1), which in turn far exceeded the ideal ratio (7:1). In sum, respondents underestimate actual pay gaps, and their ideal pay gaps are even further from reality than those underestimates.

Keywords: [inequality](#); [fairness](#); [justice](#); [income](#); [wage](#); [cross-cultural](#); [Wages](#); [Equality and Inequality](#); [Fairness](#); [Income](#); [Employees](#); [Management Teams](#); [Cross-Cultural and Cross-Border Issues](#);

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