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Why Do Rich People Not Retire?

by
Xiya Li

Submitted to Scripps College in Partial Fulfillment of the Requirements
for the Degree of Bachelor of Arts

Professor Michael J. Green
Professor Roberto Pedace

April 22, 2022

Table of Contents

Introduction

Chapter 1: Economic Model for Retirement

Chapter 2: Just trying to help the world to become a better place?

Chapter 3: Social Sampling

Chapter 4: The Ideological State Apparatus

Conclusion

Introduction

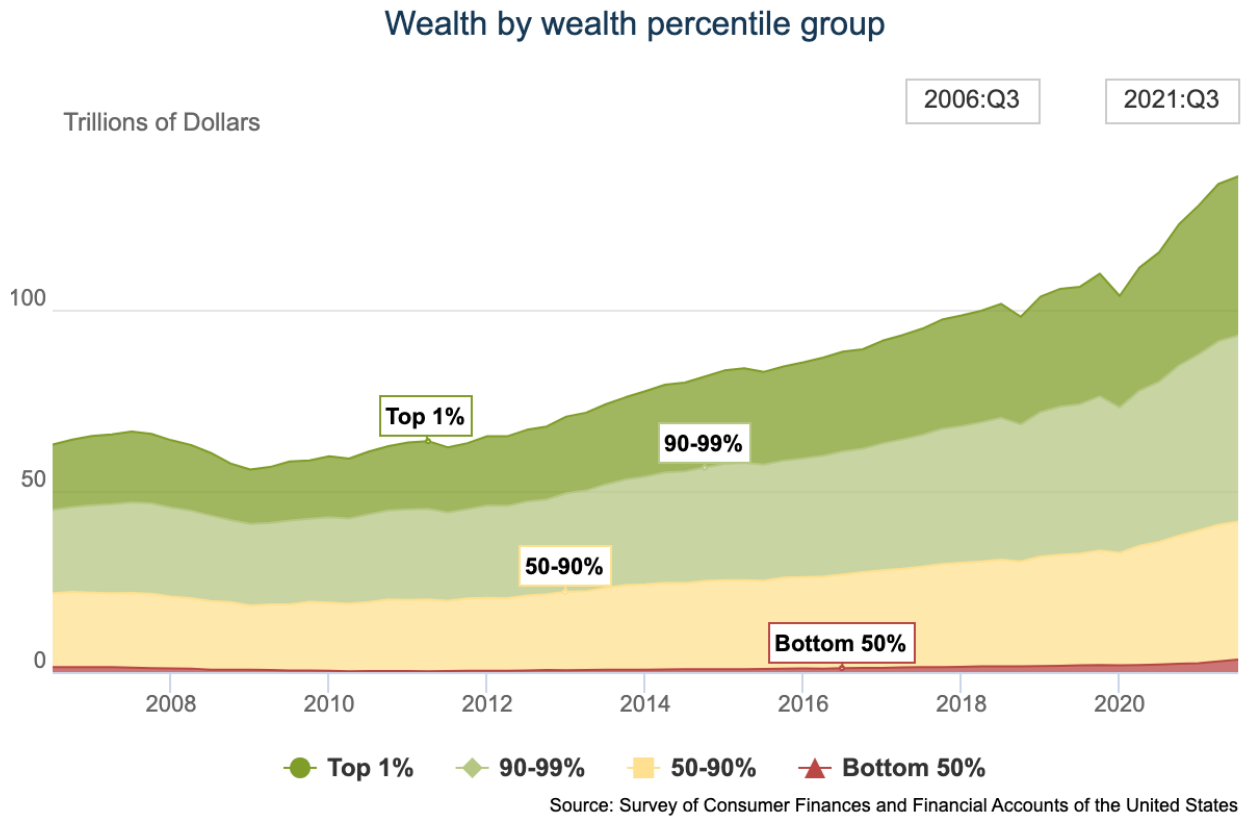
I am often intrigued by the group of people who do not retire even though financially they can. For example, every single person on the Forbes Billionaires List of 2022 belongs to the group of people I described above. It is hard to argue that when one's wealth is more than 1 billion dollars, one cannot retire because of financial reasons.

The table below from the Federal Reserve shows that in Quarter 3 of 2021, American households' wealth combined is 136.89 trillion dollars. The top 1% of American households holds 43.94 Trillions dollars of wealth, a shocking 32% of the total wealth owned by the entire American population. The graph below shows that the wealth owned by the top 1 % has been substantially increasing in the past 10 years.¹

Wealth by wealth percentile group

Date	Top 1% (US\$ Trillions)	90-99% (US\$ Trillions)	50-90% (US\$ Trillions)	Bottom 50% (US\$ Trillions)
2020:Q1	30.80	40.11	31.08	1.86
2020:Q2	33.96	42.85	32.87	1.97
2020:Q3	35.71	44.21	33.89	2.07
2020:Q4	38.96	46.98	35.41	2.27
2021:Q1	41.10	48.58	36.67	2.47
2021:Q2	43.41	50.65	37.73	2.95
2021:Q3	43.94	51.39	38.14	3.42

¹ "Board of Governors of the Federal Reserve System." *The Fed - Distributional Financial Accounts Overview*, <https://www.federalreserve.gov/releases/z1/dataviz/dfa/>.



The data above might not be detailed enough to illustrate a top 1% individual's net worth. Windfall Data presents a more concrete data set on what it meant to be top 1% in the state of California in 2019. The minimum net worth of the state's top 1% is \$6,806,380 (647.1% more than the median net worth). California's total population in 2019 is 39,512,223.² One percent of the state population in 2019 is 395,122. My question starts with these numbers. If any one of these 395,122 people whose wealth is at least 6.8 million dollars is still working, why? I would

² Troyer, Madison. "What It Takes to Be in the Top 1% of Every State." *Windfall*, 5 May 2021, <https://windfalldata.com/blog/what-it-takes-to-be-in-the-top-1-of-every-state/>.

also like to find out if there is any negative impact on society if people who have enough money to retire keep working.

Work and leisure are central to the human condition. Scholars from many fields have tried to understand why Americans work so much. Many people believe that when they have enough money, they will retire. However, many people are not willing to retire even if they have enough money to do so. Most people who do not have enough money to retire do not even get any amount of leisure from their jobs.³ If the view that enough money directly leads to retirement is wrong, then it is time to reconsider using this logic to think of the possibility of retiring. In this thesis, I will utilize three fields to examine my question -- economic theorizing and data about retirement, psychological effect's impact, and political philosophy on the ideological State apparatus of high paying vocational field.

In Chapter One, I will examine two retirement models to understand the factors that economists believe are crucial to one's decision for retirement. In Chapter Two, I will explore individualism's effect on one's decision for retirement. In Chapter Three, I will dive into the impact of the social sampling process on one's decision to retire. In Chapter Four, I will investigate the connection between the high-paid individuals and the ideological State apparatus -- high paying vocational field.

³ Parker, Kim. "3. How Americans View Their Jobs." *Pew Research Center's Social & Demographic Trends Project*, Pew Research Center, 28 Sept. 2021, <https://www.pewresearch.org/social-trends/2016/10/06/3-how-americans-view-their-jobs/>.

Chapter One

Economic Model for Retirement

The minimum net worth of California's top 1% is \$6,806,380 (647.1% more than the median net worth). If your net worth is more than 6.8 million dollars, Congratulations! However, is 6.8 million dollars of wealth enough for one to retire? You might claim that 1 billion dollars sound like a safer number at the end of the day. You are not alone if you have thought about never retiring as an option. In the 1995-2013 Survey of Consumer Finances datasets, "13%-18% of workers gave 'never retire' as a response".⁴ How much money is enough for one to retire? Is money the only thing that is stopping you from retiring? I must start by clarifying what it means to have the resources to retire from an economic standpoint.

There are many economic models for retirement. I will emphasize two of them in this chapter. Hatcher builds a model of retirement wealth choice based on the assumption that "retirement is completely voluntary, and that individuals do not receive utility from work (other than monetary compensation)".⁵ The Hatcher model states that people will retire when their wealth -- "assets plus the present value of non-investment retirement income" -- is sufficient to

⁴ Hanna, Sherman D., et al. "Do Worker Expectations of Never Retiring Indicate a Preference or an Inability to Plan?" *Journal of Financial Counseling and Planning*, vol. 28, no. 2, 2017, pp. 268–284., <https://doi.org/10.1891/1052-3073.28.2.268>.

⁵ Hanna, Sherman D., et al. "Do Worker Expectations of Never Retiring Indicate a Preference or an Inability to Plan?" *Journal of Financial Counseling and Planning*, vol. 28, no. 2, 2017, pp. 268–284., <https://doi.org/10.1891/1052-3073.28.2.268>.

sustain consumption after retirement.⁶ The key concept in this model is sustaining consumption. If one has enough money to sustain one's post-retirement consumption, one can retire.

Hatcher assumes that workers want to have a smooth consumption over the life cycle; thus, workers will want to retire when their wealth is enough to maintain pre-retirement consumption. This model implies that workers who responded never to retire are the ones who did not expect ever to have enough wealth to sustain pre-retirement consumption after retirement. One of the most important results of this study is that “having a perception that retirement income will be totally inadequate” is positively related to expecting never to retire.⁷

Is it possible for a person in the top 1% in California to feel like their wealth is inadequate to sustain a post-retirement consumption similar to their pre-retirement consumption? I believe it is possible. Let us imagine a scenario. Your wealth is more than 6.8 million dollars, and you are still working. You are a lavish spender because you have many assets to fall back on. Most of your daily expenses (e.g., dining out at fancy restaurants, traveling abroad, purchasing luxury items, new sports car loan) are most likely paid using your credit card. If most of your wealth is not in a cash format (e.g., real estate, bonds, stocks, companies, arts, etc.), you must keep working since all the credit card expenses must be paid monthly by cash in your bank account.

In this scenario, your assets do yield cash through rent, profit, dividends, etc. However, the collected rents from tenets need to be used to cover the mortgage. All your rental investments have negative cash flow, and you are investing in their future appraisal value. You are getting

⁶ Hanna, Sherman D., et al. “Do Worker Expectations of Never Retiring Indicate a Preference or an Inability to Plan?” *Journal of Financial Counseling and Planning*, vol. 28, no. 2, 2017, pp. 268–284., <https://doi.org/10.1891/1052-3073.28.2.268>.

⁷ Hanna, Sherman D., et al. “Do Worker Expectations of Never Retiring Indicate a Preference or an Inability to Plan?” *Journal of Financial Counseling and Planning*, vol. 28, no. 2, 2017, pp. 268–284., <https://doi.org/10.1891/1052-3073.28.2.268>.

zero cash from your rental investments until you sell the properties. Your company does yield profit quarterly at times, but there is no guarantee that it will always bring in profit every quarter. Additionally, you do not get the quarterly profit in cash every month.

If you do not work and earn yourself a paycheck, the cash amount in your bank account will stay static. One day, the static amount of cash will be gone paying credit cards and loans. It does not seem like a brilliant idea to withdraw your investment in order to pay for your credit cards and loans since you will have to pay a capital tax on the short gain, or you might as well be in a position of losing money on the day when the credit card payment is due. Thus, your only option is to keep working to have a positive cash flow to afford your lavish living expenses.

Though I have imagined one scenario for a lavish spending person with the top 1% wealth to not be able to retire due to cash flow issues, I also want to examine the conservative spending population who own the top 1% wealth through another economic model. For people who have the prescribed amounts to retire based on the Hatcher model -- enough cash to afford their post-retirement consumption that equals to their pre-retirement consumption, are there other factors stopping them from retiring?

The second model that I want to focus on is a life-cycle model in which households determine how much to spend and save at each age, as well as when to retire. This model is different from the Hatcher model because the authors put leisure as a factor in the decision of retirement. The authors think that the retirement decision is a subset of the more significant issue of evaluating how much time a household should devote to labor versus leisure.⁸ A household has two substantially different stages of life in the life-cycle model. In the first stage, the household engages in the job market and earns wages. The first stage of life is spent in the job

⁸ Laitner, J., & Sonnega, A. (2013). Economic theories of retirement. In M. Wang (Ed.), *The Oxford handbook of retirement* (pp. 136–151). Oxford University Press.

market because the household anticipates "a time later in life when it will not be able, or not want, to work".⁹ Thus, in this first stage of life, the household also saves a portion of the earnings. In the second stage of life, the household retires and "draws upon its savings to maintain its consumption despite being retired".¹⁰

When deciding the retirement age, the household evaluates the benefit of higher wages and hence the capacity to afford more significant expenditure now and in the future, against the benefit of more leisure.¹¹ The model reveals two critical factors for a household to decide its retirement age: "the desire to combine maximal leisure with high, late-in-life consumption of goods, and deteriorations of earnings that reduce a household's 'cost' of stopping work".¹² One factor that is uncertain for all households is the exact number of years one will be alive. All households do expect life expectancy to continue to rise. As the household expects to live longer, the researchers believe the model shows that the household will "split increases in longevity between more leisure and more earnings -- the latter through more work time".¹³

Both leisure and goods are highly desirable by households. As a result of increased longevity, there will be "an increase in both consumption of goods and of leisure".¹⁴ Only through working additional hours will the household be able to enhance its consumption of commodities. Since the household also wants more leisure time, the increasing time endowment

⁹ Laitner, J., & Sonnega, A. (2013). Economic theories of retirement. In M. Wang (Ed.), *The Oxford handbook of retirement* (pp. 136–151). Oxford University Press.

¹⁰ Laitner, J., & Sonnega, A. (2013). Economic theories of retirement. In M. Wang (Ed.), *The Oxford handbook of retirement* (pp. 136–151). Oxford University Press.

¹¹ Laitner, J., & Sonnega, A. (2013). Economic theories of retirement. In M. Wang (Ed.), *The Oxford handbook of retirement* (pp. 136–151). Oxford University Press.

¹² Laitner, J., & Sonnega, A. (2013). Economic theories of retirement. In M. Wang (Ed.), *The Oxford handbook of retirement* (pp. 136–151). Oxford University Press.

¹³ Laitner, J., & Sonnega, A. (2013). Economic theories of retirement. In M. Wang (Ed.), *The Oxford handbook of retirement* (pp. 136–151). Oxford University Press.

¹⁴ Laitner, J., & Sonnega, A. (2013). Economic theories of retirement. In M. Wang (Ed.), *The Oxford handbook of retirement* (pp. 136–151). Oxford University Press.

must be split between labor and leisure. While leisure time is expected to increase in a longer lifespan, the labor time will also increase due to a need for more consumption in the longer lifespan.

I want to acknowledge an essential finding of this model, which is that, with an increased time endowment, the household can potentially migrate to an indifference curve corresponding to a greater level of utility.¹⁵ In this scenario, the researchers claim that an increase in longevity results in a pure 'income effect,' which tends to lower the household's desire for leisure.

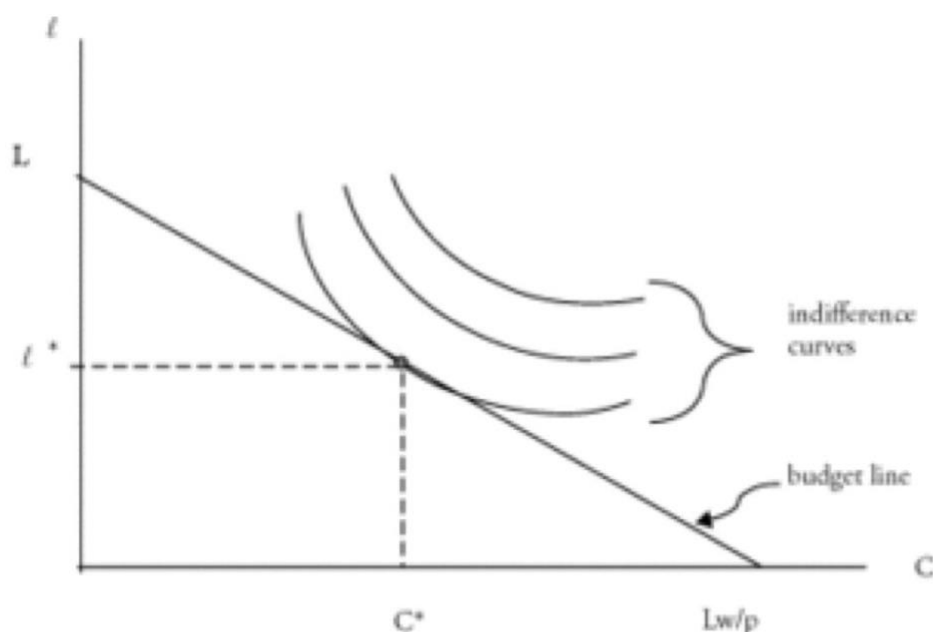


Figure 10.1 A household's budget lines and indifference curves

The right-hand side is the value of the household's time endowment. The left-hand side is the sum of the household's expenditures on goods, $p \cdot c$, and on leisure, $w \cdot l$.

¹⁵ Laitner, J., & Sonnega, A. (2013). Economic theories of retirement. In M. Wang (Ed.), *The Oxford handbook of retirement* (pp. 136–151). Oxford University Press.

Suppose a conservative spending household has enough money to retire based on Hatcher's model. In that case, the household might believe it has a longer lifespan, resulting in more consumption and more demand for leisure. The longer a household's expectation of life expectancy, the higher points the household will try to reach in the model where it feels indifferent toward a greater level of utility. The higher the points the household is trying to reach, the older the age for retirement is.

Chapter Two

Just trying to help the world to become a better place?

Enrolling in Scripps College, a place where 14% of the students are from the family in the top 1% income percentile (\$630,000 or more per year) in California,¹⁶ and majoring at Pomona College, another palace where 14% of the students share the top 1% income background,¹⁷ I have often asked my fellow classmates' parents the reason behind why they are still working. The most frequent answer I have gotten is always something relating to helping the community or the world. These parents simply want to make the world a better place! That is such an innocent answer that I have nowhere to begin to ask further on their decision not to retire, being one earning the top 1% income in California.

It is rare that if you walk to a housing construction site, the workers there will tell you they do not want to retire because they simply want to make the world a better place. Let us face the fact that most people are just working for a living wage to survive in this world. Technically speaking, the construction workers can say that they are making the world a better place by building something for people to live in. If the construction workers have 6.8 million dollars of wealth, will they give a similar answer to the parents I questioned at my college?

¹⁶ GREGOR AISCH, LARRY BUCHANAN. "Economic Diversity and Student Outcomes at Scripps." *The New York Times*, The New York Times, 18 Jan. 2017, <https://www.nytimes.com/interactive/projects/college-mobility/scripps-college#:~:text=Scripps%20College&text=The%20median%20family%20income%20of,from%20the%20top%20%20percent>.

¹⁷ GREGOR AISCH, LARRY BUCHANAN. "Economic Diversity and Student Outcomes at Pomona." *The New York Times*, The New York Times, 18 Jan. 2017, <https://www.nytimes.com/interactive/projects/college-mobility/pomona-college>.

Is it generally accepted that when one possesses the wealth of the top 1%, one will change their reasons for working from making more money to just wanting to help the world? I highly doubt it. Thus, I will dive into the concept of individualism in this chapter.

We live in an accomplishment-oriented society that has long promoted and rewarded individual achievement and material success. The famous American dream encapsulates the belief that anyone can succeed with hard work and dedication. Janet Spence believes that "the United States is a success-oriented society whose attitudes toward achievement can be traced to our Protestant heritage with its emphasis on individualism and the work ethic".¹⁸

Protestants believe that they have an individual relationship with God. Thus, the Protestant work ethic leads to "a sense of self with a sharp boundary that stops at one's skin and clearly demarks self from nonself".¹⁹ The Declaration of Independence emphasizes inalienable rights, autonomy, the pursuit of happiness, and the priority of the individual. The opposite of each one mentioned above will be obligations, interdependence, personal sacrifice, and the group's priority.²⁰ Spence believes that individualism is woven into the social fabric of the country and cannot be separated from it".²¹

The protestant ethic creates a dilemma between successful achievement and the natural thing that follows -- the enjoyment of material gain. Protestants believe that "work, in its humble, everyday sense, is a calling, and successful achievement is to the glory of God".²² For

¹⁸ Spence, Janet T. "Achievement American Style: The Rewards and Costs of Individualism." *American Psychologist*, vol. 40, no. 12, 1985, pp. 1285., <https://doi.org/10.1037/0003-066x.40.12.1285>.

¹⁹ Spence, Janet T. "Achievement American Style: The Rewards and Costs of Individualism." *American Psychologist*, vol. 40, no. 12, 1985, pp. 1288., <https://doi.org/10.1037/0003-066x.40.12.1285>.

²⁰ Spence, Janet T. "Achievement American Style: The Rewards and Costs of Individualism." *American Psychologist*, vol. 40, no. 12, 1985, pp. 1288., <https://doi.org/10.1037/0003-066x.40.12.1285>.

²¹ Spence, Janet T. "Achievement American Style: The Rewards and Costs of Individualism." *American Psychologist*, vol. 40, no. 12, 1985, pp. 1288., <https://doi.org/10.1037/0003-066x.40.12.1285>.

²² Spence, Janet T. "Achievement American Style: The Rewards and Costs of Individualism." *American Psychologist*, vol. 40, no. 12, 1985, pp. 1288., <https://doi.org/10.1037/0003-066x.40.12.1285>.

protestants, one should work hard because success is a sign of God's grace. It is common sense that hard work will result in material gain. However, the protestant ethic forbids "luxury and enjoyment of the fruits of one's labor".²³ This is where the dilemma comes in.

The protestant ethic started to deteriorate because people's natural instinct after obtaining material gain is to enjoy the luxury. To revive the religion, the founder of Methodism, John Wesley, claims that "we must exhort all Christians to gain all they can, and to save all they can; that is, in effect, to grow rich".²⁴ With industrialization and the integration of subsequent waves of immigrants from many nations and religions, the Puritan beliefs were further diluted and have now become thoroughly secularized. The work ethic has evolved into a belief in the intrinsic worth of labor.

According to the Puritan work ethic, people must be willing to put in the effort and take pride in their work. Furthermore, work should primarily be done because it is intrinsically pleasant rather than as a method of obtaining money, status, or other gratifying outcomes of effective performance.²⁵ This viewpoint places higher importance on intrinsic work motivation than extrinsic work motivation. It also implies that labor remains worthwhile even after one has gained or inherited enough wealth to satisfy one's desires.

If it is true that people whose wealth is in the top 1% work because of an individualistic work ethic, then people's decision not to retire has not much to do with money but has a lot to do with wanting to boost their intrinsic level of individual achievements.

²³ Spence, Janet T. "Achievement American Style: The Rewards and Costs of Individualism." *American Psychologist*, vol. 40, no. 12, 1985, pp. 1289., <https://doi.org/10.1037/0003-066x.40.12.1285>.

²⁴ Spence, Janet T. "Achievement American Style: The Rewards and Costs of Individualism." *American Psychologist*, vol. 40, no. 12, 1985, pp. 1289., <https://doi.org/10.1037/0003-066x.40.12.1285>.

²⁵ Spence, Janet T. "Achievement American Style: The Rewards and Costs of Individualism." *American Psychologist*, vol. 40, no. 12, 1985, pp. 1289., <https://doi.org/10.1037/0003-066x.40.12.1285>.

Another study worth mentioning shows that the leisure one gets from work is biased. Thus, in terms of Puritan work ethic, the intrinsic pleasantness one gets from continuously working is biased. The researchers believe that "certain types of employees are more likely to express satisfaction with their current job".²⁶ For example, "people who work in management are particularly likely to say they are very satisfied (62%), compared with, for example, those who work in manual or physical labor (48%)".²⁷ It is an obvious fact that one with the wealth in the top 1% bracket is highly likely to work in the upper management or as their own boss. Thus, it is essential to acknowledge that people working in this category of jobs and possessing a large amount of wealth often have a bias toward the amount of leisure they get from their jobs. Though people might not retire because they feel like they are getting an extensive amount of intrinsic value from continuously working, the amount of leisure feeling they get from work might be biased.

²⁶ Parker, Kim. "3. How Americans View Their Jobs." *Pew Research Center's Social & Demographic Trends Project*, Pew Research Center, 28 Sept. 2021, <https://www.pewresearch.org/social-trends/2016/10/06/3-how-americans-view-their-jobs/>.

²⁷ Parker, Kim. "3. How Americans View Their Jobs." *Pew Research Center's Social & Demographic Trends Project*, Pew Research Center, 28 Sept. 2021, <https://www.pewresearch.org/social-trends/2016/10/06/3-how-americans-view-their-jobs/>.

Chapter Three

Social Sampling

Imagine you live in an affluent neighborhood like Beverly Hills. Your next-door neighbors just bought another vacation house in Miami worth 8 million dollars, and they are also planning to send their youngest daughter to this private boarding middle school that costs \$50,000 per year. According to the economic model described in the previous chapter, you have enough money to retire now. However, seeing what your neighbors can afford, you might feel that the money you have at this moment is not enough yet. Why not work for a few more years and buy another vacation house like your neighbors? Many people who have enough money to retire might experience this because of the effect of social sampling.

Social judgments -- inferences regarding prosperity in society -- are bound by the cues provided by the environment. Scholars believe that "lacking ready knowledge of how various (social and nonsocial) attributes are distributed, individuals draw on samples of the people they know, including family, friends, and colleagues".²⁸

A recent study found that "in samples of American Internet users, wealthier participants reported higher levels of wealth in their social circles".²⁹ According to Business Insiders, over 20% of the world's ultra-high-net-worth individuals — those with assets of \$30 million or more

²⁸ Dawtry, Rael J., et al. "Why Wealthier People Think People Are Wealthier, and Why It Matters." *Psychological Science*, vol. 26, no. 9, 2015, pp. 1389., <https://doi.org/10.1177/0956797615586560>.

²⁹ Dawtry, Rael J., et al. "Why Wealthier People Think People Are Wealthier, and Why It Matters." *Psychological Science*, vol. 26, no. 9, 2015, pp. 1389., <https://doi.org/10.1177/0956797615586560>.

— reside in only ten locations worldwide.³⁰ Six of the cities on the list are in the United States. Affluent people usually have similar preferences for communities: good school district, safety, privacy, surroundings, etc. Scholars believe that "social environments are spatially clustered ... individuals with similar incomes generally live close together and move in similar social circles".³¹ As a result, the social circles of the wealthy comprise fewer low earners and more high earners.

People living in affluent communities often perform the social sampling process to obtain information about the mean wealth of the society. The study shows that people living in wealthier social circles have "estimates of higher mean wealth in the wider U.S. population".³² Because of how people get their social judgments through social sampling, many people living in prosperous communities often forget that the affluent social circles do not represent the overall population in America. By estimating a higher mean wealth in the country, people performing social sampling will have a hard time deciding if they have enough money to retire or not.

Scholars claim that social "sampling from such unrepresentative subpopulations can lead to systematic differences in perceived population distributions".³³ Wealthier people tend to believe that more people are earning a higher income than there indeed are in the overall population. The most critical consequence of social sampling is that "as people's own wealth increases, they tend to perceive higher mean levels of wealth in society".³⁴ To put it simply, as

³⁰ Hoffower, Hillary. "The Top 10 Cities around the World with the Most Ultra-Wealthy People, Ranked." *Business Insider*, Business Insider, 7 Oct. 2019, <https://www.businessinsider.com/top-global-cities-with-most-ultra-wealthy-people-ranked-2019-10>.

³¹ Dawtry, Rael J., et al. "Why Wealthier People Think People Are Wealthier, and Why It Matters." *Psychological Science*, vol. 26, no. 9, 2015, pp. 1389., <https://doi.org/10.1177/0956797615586560>.

³² Dawtry, Rael J., et al. "Why Wealthier People Think People Are Wealthier, and Why It Matters." *Psychological Science*, vol. 26, no. 9, 2015, pp. 1389., <https://doi.org/10.1177/0956797615586560>.

³³ Dawtry, Rael J., et al. "Why Wealthier People Think People Are Wealthier, and Why It Matters." *Psychological Science*, vol. 26, no. 9, 2015, pp. 1390., <https://doi.org/10.1177/0956797615586560>.

³⁴ Dawtry, Rael J., et al. "Why Wealthier People Think People Are Wealthier, and Why It Matters." *Psychological Science*, vol. 26, no. 9, 2015, pp. 1390., <https://doi.org/10.1177/0956797615586560>.

your annual income increase one more figure, you will most likely believe people are, on average, earning a higher salary than what they are earning in reality. The more wealth you have, the more unrealistic you will get when estimating the average wealth of a person living in the country.

Scholars also believe that the social sampling process "reflects the operations of an unbiased mind acting in a particular social structure" that does not "stem from a political or self-serving motivation".³⁵ To relate social sampling with the decision of retirement, I believe that it is crucial to acknowledge that people who have enough money to retire might as well be suffering from this psychological effect that they cannot help with.

³⁵ Dawtry, Rael J., et al. "Why Wealthier People Think People Are Wealthier, and Why It Matters." *Psychological Science*, vol. 26, no. 9, 2015, pp. 1390., <https://doi.org/10.1177/0956797615586560>.

Chapter Four

The Ideological State Apparatus

The State apparatuses in Marxist theory contain the Government, the Administration, the Army, the Police, the Courts, the Prisons, etc.³⁶ The State apparatuses have historically survived many revolutions even if the owners of the possession of State power changed after the revolution.³⁷ Althusser extends Marxist theory and states that there are two kinds of State apparatuses -- the ideological one and the repressive one.³⁸ The repressive State apparatuses "function by violence",³⁹ and these apparatuses include every apparatus mentioned in Marxist theory's State apparatuses. The ideological State apparatuses are "a certain number of realities which present themselves to the immediate observer in the form of distinct and specialized institutions".⁴⁰ Some examples of ideological State apparatuses (ISA) Althusser has proposed are: "the religious ISA (the system of different churches), the educational ISA (the system of the different public and private 'Schools'), the communications ISA (press, radio, and television, etc.), the cultural ISA (Literature, the Arts, sports, etc.)".⁴¹

³⁶ Leitch, V. B., & Althusser, L. (2001). Ideology and ideological state apparatuses. In *The Norton anthology of theory and criticism* (pp. 1489). essay, Norton.

³⁷ Leitch, V. B., & Althusser, L. (2001). Ideology and ideological state apparatuses. In *The Norton anthology of theory and criticism* (pp. 1488). essay, Norton.

³⁸ Leitch, V. B., & Althusser, L. (2001). Ideology and ideological state apparatuses. In *The Norton anthology of theory and criticism* (pp. 1489). essay, Norton.

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⁴⁰ Leitch, V. B., & Althusser, L. (2001). Ideology and ideological state apparatuses. In *The Norton anthology of theory and criticism* (pp. 1489). essay, Norton.

⁴¹ Leitch, V. B., & Althusser, L. (2001). Ideology and ideological state apparatuses. In *The Norton anthology of theory and criticism* (pp. 1489). essay, Norton.

The high-paying vocational field appears on the surface level as an institution specializing in employing people who work hard and paying people an higher than average salary. Examples of high-paying vocational fields include the financial industry, technology, real estate, etc. Being a private institution without possessing "public status", the high-paying vocational field is part of the "private domain".⁴² However, regardless of its private status, the high-paying vocational field is an apparatus that "function[s] massively and predominantly by ideology" to achieve its particular function.⁴³ I argue that the high-paying vocational field is an ideological apparatus that communicates the ideology that hyper-achieving is good and motivates the understanding of this ideology through its pay structure and career trajectory.

I will develop my argument in the following order:

1. The high-paying vocational field contributes to the reproduction of the mode of production -- a necessity for the social structure to keep being the way it is -- by reproducing a specific type of production force.
2. The apparatus has a specific function that is achieved through ideology-- to instil in workers the ability to play a role that embodies characteristics that will push them to work harder, which may discourage the workers from retiring from the workforce.
3. The apparatus creates subjects "by the functioning of the category of the subject".⁴⁴

In order to survive, every social structure must replicate the conditions of its production - "the productive forces and the existing relations of production" -- at the exact moment as it

⁴² Leitch, V. B., & Althusser, L. (2001). Ideology and ideological state apparatuses. In *The norton anthology of theory and criticism* (pp. 1489). essay, Norton.

⁴³ Leitch, V. B., & Althusser, L. (2001). Ideology and ideological state apparatuses. In *The norton anthology of theory and criticism* (pp. 1490). essay, Norton.

⁴⁴ Leitch, V. B., & Althusser, L. (2001). Ideology and ideological state apparatuses. In *The norton anthology of theory and criticism* (pp. 1504). essay, Norton.

produces.⁴⁵ The high-paying vocational field as an apparatus contributes to the "reproduction of the conditions of production" by reproducing a productive force that never wants to retire.⁴⁶

Althusser believes that the apparatus must reproduce a "competent" labor force to ensure the reproduction of the conditions of production regarding the productive forces.⁴⁷ The labor force must be "diversely skilled and ... reproduced ... according to the requirements of the sociotechnical division of labour, its different 'jobs' and 'posts'".⁴⁸ The high-paying vocational field reproduces a specific productive force that possesses skills to thrive to achieve more achievements at work constantly. This reproduction is achieved through the high-paying vocational field's pay structure and career trajectory.

The increasing amount of pay per year based on one's work performance and seniority in the high-paying vocational field is a clear representation of hyper achievement being good. Take investment banking as an example. A first-year analyst gets a base salary of \$85k-\$100k and a bonus of \$50k-\$100k.⁴⁹ Going up a ladder in the career trajectory, an associate gets a base salary of \$100k-\$120k and a bonus of \$80k-\$130k. Above the associates, a vice president gets a base salary of \$120k-\$150k and a bonus of \$100k-\$250k. At the top of the career trajectory, a managing director gets a base salary of \$300k-\$1M and a bonus of \$200k-\$10M+. Like many other high-paying vocational fields, investment banking has a single and direct career trajectory

⁴⁵ Leitch, V. B., & Althusser, L. (2001). Ideology and ideological state apparatuses. In *The Norton anthology of theory and criticism* (pp. 1484). essay, Norton.

⁴⁶ Leitch, V. B., & Althusser, L. (2001). Ideology and ideological state apparatuses. In *The Norton anthology of theory and criticism* (pp. 1484). essay, Norton.

⁴⁷ Leitch, V. B., & Althusser, L. (2001). Ideology and ideological state apparatuses. In *The Norton anthology of theory and criticism* (pp. 1484). essay, Norton.

⁴⁸ Leitch, V. B., & Althusser, L. (2001). Ideology and ideological state apparatuses. In *The Norton anthology of theory and criticism* (pp. 1485). essay, Norton.

⁴⁹ "Investment Banker Salary." *Corporate Finance Institute*, 7 Nov. 2019, <https://corporatefinanceinstitute.com/resources/careers/compensation/investment-banker-salary/>.

that incentivizes people to keep working and obtain seniority in the industry by rewarding a managing director 55 times more salary than a first-year analyst.

Another thing that is immediately shown through the numbers presented above for all positions is that bonuses are a big part of an investment banker's total income. Every investment banker's bonus, regardless of his or her seniority, is determined by the investment bank's total end-of-the-year revenue. In order to get the maximum amount of bonus, one must continuously work hard during the year to improve the company's total revenue regardless of their seniority or positions. The bonus part of the pay structure in investment banks leads entry-level analysts to be incentivized to work over 100 hours per week. Though working overtime without getting an extra amount of base salary leads to an associate's hourly wage being somewhere between \$25-\$35 per hour, the first-year associates will be rewarded with a more significant amount of bonus and possibly a promotion. Most importantly, this high-paying vocational field has just reproduced an investment banker who possesses the skill of being hyper-achieving through its pay structure and career trajectory.

People working in the high-paying vocational fields are not only learning "know-how" of their specific vocational skills, but they are also learning the specific skills -- skills that are not shared by the mass of the society -- to become a hyper-achiever who never want to retire.⁵⁰ Due to the direct career trajectory based on performance, workers are incentivized to work incredibly hard in order to move up the ladder in a short period of time. Thus, workers in the high-paying vocational field gain the skills to be hyper-achieving naturally. Others not working in the high-paying vocational fields have a hard time justifying to themselves that hyper-achieving is good because the career trajectory and pay structure in other vocational fields do not reward one for

⁵⁰ Leitch, V. B., & Althusser, L. (2001). Ideology and ideological state apparatuses. In *The Norton anthology of theory and criticism* (pp. 1485). essay, Norton.

being hyper-achieving. For example, a tenured professor will not get a raise or a promotion because he or she spends more time grading students' homework or preparing class lectures. A delivery man will not get a bonus or raise for delivering the item before the designated delivery time. While high paying vocational field as an apparatus communicates and reinforces the ideology that hyper-achieving is good through its pay structure and career trajectory, workers will gradually develop a sense of disrespect or resentment toward people in other vocational fields who do not value hyper-achieving as good.

As Althusser claims that "each mass ejected en route is practically provided with the ideology which suits the role it has to fulfill in class society";⁵¹ the employees working in the high paying vocational field are equipped with the ideology that hyper-achievement is the best culture. Consequently, the apparatus naturally and effortlessly completes its function -- to implicate in the employees a capacity for playing a role that encompasses hyper-achieving characteristics that they can continuously mobilize throughout their time in the workforce and an ability to make a clear socioeconomic class distinction -- through communicating and reinforcing the ideology. Thus, the two requirements of the reproduction of the labor force -- "a reproduction of its skills" and "a reproduction of its submission to the rules" of the "order established by class domination" are both successfully fulfilled by this apparatus "in the forms and under the forms of ideological subjection".⁵²

Employees of high-paying vocational fields are often persuaded that the ideology represents "the system of real relations which govern the existence of individuals", while the ideology truly represents an imaginary relationship of individuals to their real conditions of

⁵¹ Leitch, V. B., & Althusser, L. (2001). Ideology and ideological state apparatuses. In *The norton anthology of theory and criticism* (pp. 1495). essay, Norton.

⁵² Leitch, V. B., & Althusser, L. (2001). Ideology and ideological state apparatuses. In *The norton anthology of theory and criticism* (pp. 1485). essay, Norton.

existence.⁵³ The imaginary nature of the relationship pushes workers to have an imaginary distortion that they hold a higher social status than the masses because they possess skills with hyper-achieving characteristics. When in fact, the ideology that hyper-achievement culture is the best culture clearly constitutes an illusion since there is no scoreboard for cultures in reality. Achieving more tasks at work through working overtime and spending more years in the career field in order to obtain seniority is no better than the opposites. The fact is that there is only limited time and energy in one's life. Thus, the only difference between hyper-achievement culture and other cultures that might focus more on leisure or other goals in life is simply an unalike distribution of one's finite time and energy.

The nature of the imaginary relationship workers in the high-paying vocational field holds onto lies in the fact that ideology can make the illusion the ideology represents into reality. The ideology that high paying vocational field as an apparatus realizes is not just an imaginary idea. The ideology takes on a material existence by creating a cohort of employees who put the thought of hyper-achievement culture being the best culture into actions that actively shape and make the world. The ideology recognizes the workers as subjects that have consciousness.⁵⁴ The workers think they believe in an idea that their consciousness inspires in them, freely accepting the ideas, acting according to the idea.⁵⁵ The workers hold a practical attitude toward socioeconomic class distinctions and participate in hyper-achieving culture by working as hard as they can to get the maximum pay and by working as many years as they can to obtain the

⁵³ Leitch, V. B., & Althusser, L. (2001). Ideology and ideological state apparatuses. In *The norton anthology of theory and criticism* (pp. 1499). essay, Norton.

⁵⁴ Leitch, V. B., & Althusser, L. (2001). Ideology and ideological state apparatuses. In *The norton anthology of theory and criticism* (pp. 1503). essay, Norton.

⁵⁵ Leitch, V. B., & Althusser, L. (2001). Ideology and ideological state apparatuses. In *The norton anthology of theory and criticism* (pp. 1501). essay, Norton.

maximum seniority which will, in turn, give them the maximum base and bonus pay. These actions thus bring the illusion into reality.

High paying vocational field as an apparatus interpellates the workers as subjects "by the functioning of the category of the subject". The ideology gives workers the identity of being hyper-achieving individuals; thus, the workers feel like unique subjects and carry on the identity. The workers submit unconditionally to the existing socioeconomic hierarchy because the imaginary distortion workers possess "depends on their imaginary relation to ... class relations".⁵⁶ With "the absolute guarantee that everything really is so", workers "behave accordingly" to their recognition of their identity and further draw to the consequence of "so be it", nothing needs to be changed.⁵⁷

In conclusion, the high-paying vocational field is an ideological apparatus that communicates the ideology that hyper-achievement culture is the best culture. The apparatus enhances the existing socioeconomic hierarchy by producing the specific reproductive force that is hyper-achieving and sees itself as elite. The apparatus also develops in workers the capacity to portray a role that represents hyper-achievement qualities, which they may subsequently apply throughout their career through ideology. The apparatus imaginarily represents the real condition that no culture is better than another. The imaginary representation that hyper-achievement culture is the best culture is materialized by workers' beliefs and actions in the real world. As Kristie Dotson claims, "it matters that large amounts of people can be resiliently oblivious to structural issues, particularly if those people are in a position to change anything at all".⁵⁸ The

⁵⁶ Leitch, V. B., & Althusser, L. (2001). Ideology and ideological state apparatuses. In *The norton anthology of theory and criticism* (pp. 1501). essay, Norton.

⁵⁷ Leitch, V. B., & Althusser, L. (2001). Ideology and ideological state apparatuses. In *The norton anthology of theory and criticism* (pp. 1507). essay, Norton.

⁵⁸ Dotson, K. (2018). Accumulating epistemic power. *Philosophical Topics*, 46(1), 153. <https://doi.org/10.5840/philtopics20184618>

workers who are trained to do critical tasks in these high-paying vocational fields are supposedly the ones who might be able to challenge the system and make a change. However, the high-paying vocational field has instead used ideology to give workers the identity of elites that they will have a tough time ever taking off throughout their life-long careers.

Conclusion

In this thesis, I have examined from the economic, psychological, and philosophical angles to understand the potential reason behind a person's decision not to retire even if one has the wealth to retire. Beyond the simplistic view that as long as one has enough money, one will retire, I have outlined the complexity of the decision to retire.

Firstly, one has to decide how to split their time between leisure and work. Spending more time working can give one more money to spend on the consumption of goods. Both leisure and goods are highly desirable. With an expected increasing lifespan, the household will only have a more challenging time deciding how much more time it should allocate to working to obtain more goods right now and in the future when it does not work anymore. There is no definite answer for how much time the household should allocate to working, and the answer wholly depends on how much goods a household imagines itself to consume right now and in the future. The model reflects that with a lower desire for goods, a household often has a lower desire for leisure due to an indifferent feeling toward more leisure and more goods. Thus, the household might decide to retire at a younger age with a lower indifferent curve desiring less goods and leisure.

Secondly, one has an individualistic work ethic that encourages one to keep working for a more significant amount of self-achieving fulfillment even if one's wealth is enough to retire. The tricky part here is that study has shown that the higher one's position is in a company and the more one's income is, the more intrinsic satisfaction one gets from work. This study implicates

that the higher amount of satisfaction and individual intrinsic achievement one gets from work may be biased. When evaluating the decision to retire, one must have the ability to see through the bias.

Thirdly, social sampling is something that everyone does on a daily basis. We evaluate our surroundings and make social judgments like the mean wealth of the population. A wealthy person will have to take an extra step to see through the judgments they derived from the social sampling process and find realistic statistics on the population's mean wealth. It is only natural, psychologically, for one to believe that they need more money to retire when one is surrounded by rich neighbors, friends, and colleagues.

Lastly, ideological State apparatuses like the high-paying vocational field distort the reality that no working culture is the best culture. The individuals working in the high-paying vocational field believe that hyper-achievement is the best working culture and believe that they are superior to others in society. This illusion will be hard to see through because one's social identity is tightly tied to the illusion. By admitting that hyper-achievement is nothing better than other work cultures, one might as well doubt one's entire work ethic and life value.

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