The Failure of the American Dream

William Winner

Follow this and additional works at: https://digitalcommons.library.uab.edu/vulcan

Part of the History Commons

Recommended Citation

This content has been accepted for inclusion by an authorized administrator of the UAB Digital Commons, and is provided as a free open access item. All inquiries regarding this item or the UAB Digital Commons should be directed to the UAB Libraries Office of Scholarly Communication.
THE FAILURE OF THE AMERICAN DREAM
by William Winner

The New World facilitated economic opportunity, security, and independence. The adventurous settlers of Jamestown and Roanoke instilled these qualities into their daily lives with the aim of financial gain while the Pilgrims of Plymouth yearned for the relief these qualities offered from religious persecution. Unknowingly, these early European explorers and settlers set the groundwork for the American Dream: the idea that anyone can work their way toward success in the New World; specifically, parents will provide their children a higher standard of living than they had as children. Through the ebb and flow, boom and bust, and pro et contra of economic prosperity, North America offered many, but not all, of its inhabitants a generally positive economic outlook. The American Dream provided the citizens of the English Colonies, and eventually the United States, with an everlasting hope in economic stability and upward mobility. While many of the nation’s inhabitants, particularly within the nation’s Black, Latinx, and Native American communities, struggle to achieve the economic and social prosperity that the American Dream offers, this optimism remains ever present. For over 400 years, this auspicious promise drove the population to strive for personal and economic affluence, until the Great Depression solidified the notion that this perceived potential prosperity would remain just a dream without a radical shift in the population’s view of the American Dream. For most of the population, the American Dream remained an elusive idea devoid of any substantial realized fortune. The country’s citizens demanded something more tangible than optimism and hope: concrete programs that insulated the nation against the economic disaster that besieged most of the world. During his inaugural address on March 4, 1933, President Franklin Delano Roosevelt summarized the nation’s longing for legislation that would “apply social values more noble than mere monetary profit.” Thus, the economic collapse of the Great Depression and ultimately the failure of the American Dream represented the impetus for the rise of the social state and the eventual realization that the American Dream was never obtainable for every citizen of the United States.

People arriving at Ellis Island

The economic prosperity of the American Colonies utilized a unique collection of self-governance and an abundance of natural resources in creating the mythos of the American Dream. Famed 18th century economist Adam Smith wrote in his 1776 book, Wealth of Nations, “There are no colonies [in the world for] which the progress [of economic stability] has been more rapid than that of the English in North America. Plenty of good land, and liberty to manage their own affairs their own way, seem to be the two great causes of the prosperity of all new colonies.” Smith’s assertion that the English colonies in North America rapidly established economic solvency directly correlates with the development of
the American Dream and the possibility of upward mobility in society that much of the world lacked. In a fortuitous fluke of historical timing, the start of the American Revolutionary War preceded the publication of Smith’s Wealth of Nation by almost an entire year. The writers of the Declaration of Independence codified the very principle that Smith mentioned as the catalyst for the nation’s prosperity—liberty—in the document’s preamble. The pursuit of life, liberty, and happiness became engrained in the ethos of the United States and, eventually these simple words transformed into the American Dream.4 The unprecedented rise from abject poverty towards absolute wealth and fame of American figures like Benjamin Franklin, Andrew Carnegie, John D. Rockefeller, and P.T. Barnum represented the ultimate goal of the American Dream; with hard work, cunning intellect, and perseverance anyone can reach the apex of society and economic prosperity. The ever-present allure of the American success story hung over the U.S. population, taunting them with rags to riches tales, further embedding the American Dream in the nation’s consciousness.

**“THE UNPRECEDEDENT RISE FROM ABJECY POVERTY TOWARDS ABSOLUTE WEALTH AND FAME OF AMERICAN FIGURES LIKE BENJAMIN FRANKLIN, ANDREW CARNEGIE, JOHN D. ROCKEFELLER, AND P.T. BARNUM REPRESENTED THE ULTIMATE GOAL OF THE AMERICAN DREAM.”**

While the American Dream proves a concept fully embraced by most, a tangible form of a concept so abstract remains elusive. The American Dream is more diverse than acknowledged yet carries some ubiquitous themes. The multitude of variations of the American Dream all maintain three fundamental elements: obtaining economic security, having an opportunity for upward social mobility, and having access to both life’s necessities as well as its luxuries. James Truslow Adams coined the term “American Dream” in his 1931 bestseller The Epic of American.5 Adams called the American Dream a “dream of a better, richer and happier life for all our citizens of every rank.”6 Often, the majority of the population never obtained, nor remotely realized, the Dream, but the tantalizing potential is there, and at its core, this is the American Dream—hope. From the inception of the American Colonies through the creation of the United States of America and beyond, the goal of reaching a comfortable lifestyle through perseverance and hard work has entrenched the population with the American Dream.

 Universally, the economic status of any population can be divided into the haves and the have-nots, with multiple levels between. Generally, individuals do not drastically change their economic status, nor is there an expectation for this change. Following the industrial revolution, the United States’ upward mobility coefficient hovered around the 35% mark, from 1870 to 1920.7 Having an inverse-correlation, this coefficient is the relationship between a parent’s wealth, or poverty, and how that economic status is expected to directly affect the offspring’s income when compared to the nation’s mean income.8 Thus, for every $1 of economic advantage or disadvantage a parent collects, compared to the mean, a child in the late 19th century is expected to receive $.35 in income gains or reduction.9 This coefficient for the era in United States’ history the spurred the mythical “land of opportunity” and the American Dream seems incredibly close to the world’s current average economic mobility, 40%.10 A select few citizens achieved the upward mobility in the American Dream—including Franklin, Carnegie, Rockefeller, Barnum—but the majority of the population toiled their lifetime
in the economic level of their birth. To this point, the nation’s average economic elasticity nearly doubled, from 35% to 49%, during the early 1900s, a period preceded by two massive influxes of immigrants into the country. Interestingly, this period should have witnessed an explosion in upward mobility, a lower coefficient or percentage, because “the children of immigrants are ... able to climb the social [and economic] ladder most rapidly.” The decreased mobility in a period that should have witnessed a boon in economic mobility stands in stark contrast to James Truslow Adams’ American Dream.

The American Dream provided the United States’ population with an ambitious drive for economic success that aided the nation’s development and expansion into the world’s leadership in manufacturing. At the end of the 19th century, the United States reached the pinnacle as the world’s largest and most powerful economy. The country’s economic and political elite strived for the conservation of their personal status quo, the continuation of the nation’s prosperity, and the prevention of economic calamity, a feat that eventually proved both fleeting and disastrous for the nation and the world. These failed efforts to control the nation’s economic machine combined with multiple political debacles to create a global financial disaster. Eventually, The Great Depression shifted the public’s attitude towards the American Dream, highlighting many of the Dream’s failings.

The precipitating events of the Great Depression begin with the Industrial Revolution and the economic shift from an agrarian society towards a manufacturing and consumption-based economy, or, the shift from a largely rural nation toward increased urbanization. Founding Father Thomas Jefferson envisioned a vast population of yeoman farmers providing the nation with a wealth of small independent farmers, which would distribute the nation’s wealth across its citizens and prevent the large accumulation of wealth that perpetuated Europe’s aristocracy. In a letter to John Jay, Jefferson expressed what he saw as the young nation’s need for small farming society:

> We have now lands (sic) enough to employ an infinite number of people in their [the land’s] cultivation. Cultivators of the earth are the most valuable citizens. They are the most vigorous, the most independant (sic), the most virtuous, and they are tied to their country and wedded to its (sic) liberty and interests by the most lasting bands.

Jefferson’s desire for small independent farmers and skilled craftsmen, “yeomen of the city,” serving as the backbone of the nation fit the 18th and early 19th centuries perfectly, until the Industrial Revolution transformed the economic and social dynamic of the United States. The mass migration towards manufacturing jobs in the nation’s metropolitan centers during the mid-1900s challenged Jefferson’s plan for the nation, reducing the number of rural farmers and skilled craftsmen while increasing the prevalence of unskilled labor in cities and pooling the nation’s wealth and power into the hands of a decreasing number of citizens, and their companies. The explosion of large companies represented a fundamental shift towards large corporate entities and, subsequently, the federal government acquiescing to their demands. Alan Trachtenberg labeled this “The incorporation of America.” Jefferson Cowie identifies Trachtenberg’s argument as the explanation for the shift in political and judicial opinions that corporations are individuals and are therefore due the protection of the 14th amendment. This period of the “centralization of economic power in what had, not too long ago, been a small producers’ democracy, led many to see the era [in] dramatic terms” which Mark Twain coined as the “Gilded Age” because of the era’s “superficial ornamentation [that] hid a rotten core of scheming patronage and political profiteering.”

The “Gilded Age” promised economic prosperity that fueled massive waves of immigration into the United States during the late 19th and early 20th
century. Additionally, the rotten core of profiteering encouraged the mass exploitation of the nation’s unskilled workforce. Wage suppression and worker abuse provided the impetus for rampant labor unrest which politicians and the judiciary stifled throughout the late 1800s and early 1900s. With the government suppressing unions by legislation, court ruling, and even military force, labor leaders like Sam Gompers and Eugene Debs worked tirelessly toward garnering a cohesive vision for the members of their unions. They advocated for greater economic solvency while never fully welcoming every potential member into their unions, typically excluding members upon overt racial and ethnic discrimination reasons. The collective living condition of the unskilled worker remained stagnant with little hope of rising from perpetual poverty, but the continuing infusion of millions of unskilled workers from Europe and Asia produced widespread discrimination and further unrest.

The concentration of power in a decreasing number of people alienated the United States’ working class, divorcing them from any of the independence and political power they experienced before the industrial revolution. The explosion of unskilled workers shifted the focus of employment, from the end-in-itself that skilled craftsmanship provided toward simply a means of production, thus removing the self-serving satisfaction in craft production. Organized labor countered these forces and offered the lonely worker the power that the government, courts, and corporations removed through years of worker suppression tactics. The Knights of Labor, an early and effective labor union, openly decried the great capitalists and corporations that degraded the “toiling masses.” Organizations like the Knights of Labor recognized the inherent flaws in the American Dream and advocated for ambitious remedies that aided the working class, but much of the intended measure missed huge portions of the population.

African Americans have been, and often still are, excluded from the American Dream. Being a slave and achieving the American Dream are mutually exclusive. Slaves desired being released from bondage and that is not the same as striving for upward social mobility or economic security. Wanting your child to not be beaten and sold as property is not the same as desiring a higher standard of living for them. The relationship between African Americans and the American Dream changed after the Emancipation Proclamation and the Civil War. Freedom opened the American Dream to the African American population, albeit with limited access. Former slaves began recognizing the benefits within the American Dream and the potential it offered their children. Specifically, the increased opportunity for education and steady wages.

“However, the American Dream persisted. Millions of immigrants poured into the United States’ cities believing they could achieve the American Dream with hard work. Furthermore, upward ‘mobility and growth were... real in the United States to a greater extent than they were in the other countries.’”

Slavery will forever be a blight on the United States’ history until the end of time itself. The cruelty and longevity of the United States’ system of slavery warrants this continued scornful reminiscence. The abhorrent treatment of African Americans only highlights the overall racist history of the United...
States’ and its white Christian population. This history, along with the limitations that slavery placed upon African Americans, cannot be overstated.

Labor Unions recognized the flaws in the American Dream but perpetuated the racial discrimination that the nation’s minorities experienced. For Native Americans, African Americans, Asian Americans, Eastern Europeans, and others, the American Dream was either never offered or they never even knew it existed. Even James Truslow Adams realized the imperfect implementation of the American Dream in the United States. Before the Great Depression, an increasing number of people understood the inherent limitations within the American Dream and actively worked to expand workers’ rights across the United States, but millions would be excluded from the nation’s unified optimism.

However, the American Dream persisted. Millions of immigrants poured into the United States’ cities believing they could achieve the American Dream with hard work; furthermore, upward “mobility and growth were ... real in the United States to a greater extent than they were in the other countries,” especially the countries of their origin. The explosion of the nation’s population coincided with consistent growth in economic productivity, but the economic boom of the “Glided Age” waned during relatively short-lived recessions of the 1890s and 1900s; the boom returned, thus, ever perpetuating the mythos of the American Dream: success and prosperity are within reach.

The United States cornered the world’s industrial market by the mid-1920s setting the stage for a global disaster following the stock market crash of 1929. The economic collapse reached a dizzying array of industries and families across the United States and the world. The disaster did not spare any segment of the economy. Five thousand of the nation’s banks closed which “eliminated $7 billion of depositors’ assets” and forced hundreds of thousands of home foreclosures. Farmers received an extra dose of punishment from the Great Depression: crippling debt, plummeting prices, and a severe drought that compounded and resulted in the near collapse of the United States’ farming industry. The failure of the nation’s economy resulted in half of its gross national product withering away like the drought stricken fields of the “Dust Bowl”. As the Great Depression reached its crescendo, the strong willed and independent U.S. population looked inward toward “declarations of self-blame, guilt, doubt, and despair,” never fathoming that their plight was the result of events well beyond their control or collective imaginations. New Deal-era politician Harry Hopkins summarized the Great Depression as being “beyond the natural limits of personal imagination and sympathy” where “[y]ou can pity six men, but you can’t keep stirred up over six million” people.” As the nation dove into the depths of economic ruin, the nation’s citizens yearned for something or someone to do something. Political leaders proved inept in the country’s greatest moment of need and the population knew the calamity required a change, both politically and socially. The American Dream failed; a person could not simply work themselves towards prosperity, no matter how hard they worked and how dedicated they remained, and surely not when six million other people struggled from the same destitute conditions.

The nation’s collective despair generated a shift from personal responsibility towards a unified desire for the greater good. Progressive reformers seized this shift in economic ideology and refocused the political landscape towards increasingly liberal social programs. Franklin D. Roosevelt won the presidency in 1933, based on a platform of social welfare programs that the populist believed would remedy the nation’s economy. Roosevelt, during one of his regularly broadcasted Fireside Chats, recognized that the nation had progressed from the “individual self-interest and group selfishness” towards a collective more focused on the welfare of the entire nation. President Roosevelt described how he needed experiences away from Washington so he could “get away from the trees... and look at the whole forest.” Roosevelt implied that the nation
started recognizing the collective over the individual, a feat necessary for the growth and recovery of the nation. The implementation of the social welfare programs began the refocus and regeneration of an obtainable American Dream. He commented on the growing interest for the greater good by noting that an increasing number of people are “considering the whole rather than a mere part relating to one section, or to one crop, or to one industry, or to an individual private occupation” Roosevelt called for legislative provisions that reduced unemployment and provided “practical means to help those who are unemployed;” the Social Security Act of 1935 and the New Deal developed as the nation’s political answer for the Great Depression.

The Social Security Act developed from a collection of modest state and local programs designed as aid for the “indigent old, the blind, and dependent children.” Roosevelt wanted “to ensure that [all] Americans would be protected in good times and bad,” not only the citizens in the limited number of municipalities that provided welfare assistance, which were routinely underfunded. Roosevelt called the Social Security Act the “cornerstone in a structure” designed to “provide a measure of protection... against the loss of a job and against poverty-ridden old age.”

Following the creation of the Social Security Act, the Social Security Administration entered an extensive information gathering phase where it discovered the nation’s elderly survived in conditions resembling Roosevelt’s predicted poverty-ridden existence. A Social Security publication quantified the elderly’s state of near destitution, describing that over three-quarters – six million– of the nation’s aged lived “wholly or partially dependent on [their] children, other relatives, or friends” and over one million subsisted “wholly or partially” on the support of private or public social agencies. The nation’s population lived under a financial “sword of Damocles,” economic disaster being all but guaranteed by premature spousal death, catastrophic injury, or the gradual decline into old age for all but the richest. The wage insurance in the Social Security Act offered protection of these damning eventualities. Roosevelt appealed to the nation’s changing vision of the American Dream and actively lobbied for many of the elements that tied the population to the Social Security Act; “[w]e put [the] payroll contributions,” in the act, Roosevelt said, “so as to give the contributors a legal, moral, and political right to collect their pension and unemployment benefits. With those taxes in there, no damn politician can ever scrap my social security program.”

Historically, politicians in Washington, D.C. passionately held the view that an individual’s “unalienable Right” to “Life, Liberty, and the pursuit of Happiness” could not be infringed upon, as long as that pursuit did not infringe upon some else’s pursuit of the same. Many notable New Deal agencies completely changed this status quo in the nation’s capital. Progressive politicians seized upon the public’s clamoring for policies aimed at protecting workers and expanding their right to join together in

Waiting for relief checks during Great Depression.
unions. The National Labor Standards Act (NLSA), commonly referred to as the Wagner Act, after the legislation’s author Senator Robert Wagner, codified unions’ rights under the protection of the 14th amendment. Wagner confessed about the prodigious movement in national opinion necessary for enacting reforms for organized labor; reminding John L. Lewis, the mineworkers’ union leader, that “the time is ripe” to advance union rights and not the historical political “suicide” from years past. The passage of the Wagner Act provided real equality between the nation’s corporations and unions, but the nation’s minorities experienced no such equality.

As the collective consciousness of the United States sought ever increasing progressive programs and political leaders, outright racism and discrimination endured throughout much of the nation and in the very agencies designed from the increasing liberal ideals of the nation. The population yearned for a greater opportunity to achieve the American Dream, but not at the expense of racial equality. Knowingly or not, the language of the New Deal created a pervasive culture of racial inequality; the Social Security Act of 1935 excluded “domestic and migrant” workers from participating in the program, which disproportionally affected the minority population of the country. To a small degree this changed in the 1950s, when the Social Security Act was expanded to included agricultural workers, allowing millions of the nation’s minority workers participation in the Social Security program. The United States’ citizenry in the early 1930s gathered a unified vision for an increasingly equitable economic system which, combined the slow passage of time with the success of the Social State, ushered in greater social, political, and economic advances than anyone ever imagined.

The Great Depression and the failure of the American Dream share existence. The economic disaster illuminated the fundamental flaw in the eternal optimism that permeated the United States’ psyche; neither hard-work nor perseverance could remedy the individual or nation’s economic woes. By repeated romanticized storytelling, the American Dream developed a cult-like following, perpetuating the myth that anyone can be an economic success. The intrinsic optimism of the American Dream contradicts the natural order of the world’s socioeconomic structure. The hope, faith, and wishfulness that a lowly peasant can game the economic structure of the world is asinine. Everyone on Earth, unknowingly, participates in a genetic lottery: the winners are born into wealth and the unlucky are tasked to toil in a merger existence; the United States’ population is not exempt from this inevitability. Herein lays the American Dream, there is a chance.

For over 400 years, the belief that anyone can pull themselves out of the lowest depths of the country’s economic system by their bootstraps fooled an entire nation; that is until the Great Depression wiped away much of the United States’ economic production and created roving bands of vagabonds that wandered the nation looking for an opportunity, a chance for success. Then, the masses gathered their collective voices and sought a thing more real, actually tangible, and genuinely obtainable than optimistic hope. By joining hands and demanding socioeconomic programs designed to aid the poor and, eventually, the disenfranchised, the people of the United States achieved a more unified prosperity, but never complete unity, that led mankind into the 21st century. The American Dream did not die during the Great Depression, it merely transformed: from needing a fortunate stroke of economic luck to reach financial security – into an alliance between the social welfare state, with strong effective social programs, and hard work for a substantial opportunity to reach a successful and secure economic future; and a little luck never hurts. But, after years of success, the social programs in the United States created a burgeoning middle-class that is obsessed with the mythical American success story. This renewed fetishization of the American Dream has distanced them from the realization that a strong system of social programs and a growing middle-class go hand in hand.


6 Ibid.


8 "A Broken Social Elevator? How to Promote Social Mobility," OEDC.org, June 15, 2018, 26, accessed April 3, 2019, https://www.oecd.org/social/soc/Social-mobility-2018-Overview-MainFindings.pdf.; In a perfect world, a parent’s economic status will not affect the child’s economic outcome, thus a 0% intergenerational elasticity. Conversely, if a child’s income is completely linked to the parent’s income, this will represent 100% intergenerational elasticity. Both of these figures are the extreme scenario and unobtainable.

9 Claudia Olivetti and M. Daniele Paserman, "In the Name of the Son."

10 "A Broken Social Elevator?"; Across the 35 nations of the Organisation (sic) for Economic Cooperation and Development, the average intergeneration economic mobility is 40%, meaning 40% of a parent’s economic advantage or disadvantage will be passed on to the next generation.

11 Claudia Olivetti and M. Daniele Paserman. "In the Name of the Son."

United States as having two periods of substantial immigration, during the 1880s and the largest wave between 1900 and 1915.

12 Ibid.

13 There have been countless books, articles, and papers written about the cause of the Great Depression and the failure of politicians to thwart one of the largest and widest reaching economic disasters in recorded history. This paper will forgo an in-depth analysis of the Great Depression and focus on the failure of the American Dream within the constraints of the buildup to and beginning of the Great Depression and how this changed the nation’s view of the American Dream.


17 Cowie, Great Exception, 39.

18 Ibid, 38.

19 Ibid.

20 Ibid, 56.

21 Ibid, 41.

22 Ibid.

23 Ibid.


25 Wills, James Truslow Adams.

26 Cowie, Great Exception, 60.

27 Ibid, 98.

28 Ibid.

29 The Dust Bowl is the commonly used name for the manmade ecological disaster of the 1930s, centered around the six states adjacent to the Oklahoma panhandle.
Preceded by an unusually wet period, which prompted an expansion in the farming industry of the area. A long and intense drought followed the creation of thousands of acres of new farm land. The farming practices of the era exacerbated the situation by removing the topsoil’s protective layer of grasses, thus exposing the topsoil to violent wind storms that eroded the soil and created a barren landscape. Multiple attempts at combating the disaster proved futile and relief arrived only after the drought ended.

30 Ibid, 98.

31 Ibid.


33 Ibid.

34 Ibid.

35 Ibid.


37 Ibid, 8.

38 Ibid, 9.

39 Ibid.


41 Altman and Kingson, Social Security Works!, xviii.

42 Ibid.

43 Cowie, Great Exception, 111.

44 “Declaration of Independence.”

45 Cowie, Great Exception, 109.

46 Many of the agencies created during the New Deal excluded African Americans and other minorities from receiving any assistance from the programs. Also, the Southern States implemented harsher Jim Crow ordinances that further disenfranchised African Americans.

47 Altman and Kingson, Social Security Works!,11.

48 Ibid, 168.