



The American Dream Defined

Create the highest, grandest vision possible for your life, because you become what you believe.

—Entrepreneur Oprah Winfrey

What proof do we have that the American Dream still exists – and what's the most reliable way to achieve it?

After spending four decades researching, writing, and speaking on this subject, I know that the Dream is real. Millions of Americans are living proof of it. Whether you're just starting out, trying to get back on track, or looking to help others, I want to help guide you forward.

When I talk to skeptics, I hear similar arguments. Many are battling tough circumstances. But they've also absorbed the media's relentlessly negative narrative, echoed by Hollywood and parts of academia.

It goes like this: America is irredeemably racist, sexist, and unjust. The economy is rigged. The middle class is shrinking. Wages haven't kept up with inflation. Violent crime is surging. Pollution is worsening. Climate change is making the planet uninhabitable. And our free-market system – the supposed root of it all – allows a fortunate few to get rich while everyone else gets poorer.

That description is not just wide of the mark. It's a *Matrix*-like distortion of reality.

It has less to do with reality and more to do with ideology, selective reporting, and an education system that prioritizes grievance over gratitude.

Let's start with the environment. Young people routinely say climate change will render the planet uninhabitable within their lifetimes. But as Bjorn Lomborg, president of the Copenhagen Consensus Center, has consistently shown, this alarmist narrative isn't backed by data. Yes, the climate is changing – but the human race is not facing extinction. In fact, climate-related deaths have *plummeted* over the last century, even as global temperatures have modestly increased.

Why? Because of economic growth, technological innovation, and improved infrastructure. Wealthier societies are better equipped to deal with extreme weather. If we truly care about the environment, the best strategy isn't panic – it's progress.

Michael Shellenberger, a former environmental activist and *Time* magazine "Hero of the Environment," makes a similar case. In *Apocalypse Never*, he points out that the modern environmental movement has abandoned science in favor of fear. Nuclear power, for example, is the safest and most reliable form of low-carbon energy, yet many activists oppose it.

The pessimism doesn't stop with climate. Many young Americans believe that systemic racism is more entrenched than ever. Yet Heather Mac Donald, a fellow at the Manhattan Institute, cites mountains of data that show the American legal system, police forces, and public institutions are not engaged in widespread discrimination.

Yes, disparities exist. But disparities are not the same as discrimination. As Thomas Sowell has argued for decades, unequal outcomes are not necessarily evidence of unequal treatment. Cultures, choices, and incentives matter.

Sowell, in particular, cuts through much of today's intellectual fog. A Stanford economist and author of more than 30 books, he has consistently warned about the dangers of historical ignorance and ideological bias.

His work reminds us that wealth is not the default condition of mankind – poverty is. America didn't "fail" because not everyone is rich. It *succeeded* by lifting more people out of poverty than any other nation in history. The average American today lives better than royalty did a century ago.

If we want a generation that believes in the future, we need to start telling the truth about the present. Because despair is paralyzing.

For example, ask the average American about violent crime today, and they'll likely tell you that it is spiraling out of control. But that perception simply doesn't match reality.

According to the FBI's Uniform Crime Reporting data, violent crime in the US has fallen sharply over the last three decades. The national violent crime rate peaked in 1991 at 758 incidents per 100,000 people. By 2023, that rate had dropped to just 380 per 100,000 – a 50% decline. Murder, robbery, rape, and aggravated assault are all significantly lower than they were in the early 1990s.

Even recent headlines about surging crime rates during the pandemic have been misleading. Yes, homicides rose in 2020 and 2021, driven by COVID-era disruptions, economic stress, and reduced policing. But the 2023 data shows a major reversal. Homicides fell by 12% nationwide – the largest single-year drop in American history. Robbery and burglary also declined.

So why do so many people think things are getting worse? Two reasons: media and memory.

The news cycle thrives on fear. A single high-profile crime – especially one caught on video – can dominate headlines for days and give the impression that violence is rampant. Social media amplifies this effect, creating a constant stream of shocking clips with no context about long-term trends.

Meanwhile, personal memory is short. Most Americans don't remember – or weren't alive during – the true crime waves of the 1970s, 1980s, and early 1990s, when cities like New York, Los Angeles, and Chicago saw double or triple the number of homicides

they see today. Those were the years when people really were afraid to walk alone at night.

Today, Americans are safer than they've been in generations. But you wouldn't know it from the coverage – or the political rhetoric. Violent crime is in a long-term cycle of decline. That's not an opinion. It's a fact.

Turning to the economy, real wages stagnated during the early 2020s due to high inflation. But the tight labor market and rising asset values have since driven household net worth and income to record levels. According to the US Census Bureau, median household income reached a record \$80,810 in 2023, up from \$77,540 the year before.

Many believe the middle class is shrinking because Americans are getting poorer. In fact, the opposite is true: more are moving into higher income brackets. As of 2023, about 39% of US households earned \$100,000 or more – the highest ever recorded. According to Pew Research, the share of Americans in upper-income households nearly doubled from 11% in 1971 to 19% in 2021.

Globalization and automation have made certain low-skill jobs obsolete. But the solution isn't to protect unskilled labor – it's to encourage skill building. In a knowledge-based economy, education and specialization are the surest paths to upward mobility.

Yes, the highly educated are building wealth faster. But the gains aren't limited to the top. Real incomes have more than tripled since the 1960s. And each income quintile has risen, just at different rates.

Still, even among educated Americans, there's a surprising pessimism about mobility. I saw it firsthand in a debate I had a few years ago with Dr. Gregory Clark, a Cambridge- and Harvard-educated economist, at FreedomFest in Las Vegas.

The debate proposition? “The American Dream Is Over for Most Americans.”

It was an Oxford-style debate. We polled the audience before we began to see where they stood. Then we polled them again at the end – following a robust Q&A session – to see if they were moved one way or the other by our arguments.

Before the discussion, the audience – like the broader public – was split. Yet Dr. Clark presented an austere view. He argued that

birth circumstances and luck determine destiny, that mobility in the United States is no better than in “socialized” nations like Sweden or even autocracies like China. He claimed, “The American Dream is a complete myth.”

His core metric? Intergenerational income correlation – how closely children’s earnings match their parents’. If the number is 1, there’s no mobility. If it’s 0, children’s outcomes are completely untethered from their parents’. His claim: the United States sits near the middle of the pack, no better than European welfare states or even preindustrial societies. He insisted that “the idea of the American Dream just doesn’t hold. It’s an *illusion*.”

Yet his comparison was deeply flawed. China, despite economic reforms, remains authoritarian. Advancement often depends on loyalty to the communist regime. In preindustrial England, wealth was typically inherited or seized. To suggest America – where talent, grit, and risk-taking drive opportunity – is no different strains credibility.

Let’s look at global context. According to the World Bank, a \$60,000 annual income places you in the top 1% of earners worldwide. In 2023, nearly two-thirds of US households earned more than that. Americans often complain about domestic inequality, while ignoring how affluent the average American is by global standards.

According to the OECD, the average net-adjusted disposable income per capita in the United States is 68% higher than the OECD average. That means American households have significantly more spending power than those in other wealthy nations.

According to the 2025 “UBS Global Wealth Report,” global wealth rose by 4.6% in 2024. Yet it wasn’t evenly distributed across regions. In the continuation of a long-term trend, Americans aren’t just getting richer – they’re doing it faster, smarter, and in greater numbers than anywhere else on the planet.

More than 379,000 Americans became millionaires in 2024. That’s over 1,000 a day. The United States now has 23.8 million millionaires, nearly 40% of the global total. (Mainland China is a distant second with 6.3 million millionaires. And that’s a nation of over 1.4 billion people.)

It's not just American hedge fund managers and tech founders getting rich. UBS hailed the rise of "everyday millionaires," individuals with \$1 to \$5 million in investable assets. That's a powerful testament to long-term opportunity.

However, at the end of our debate, Dr. Clark concluded: "There is no American Dream. And there is no special place in the world that American liberty represents."

When it was my turn, I presented evidence to the contrary, much of which I'll share in Chapter 2. We rank among the top nations in economic freedom. We are a meritocracy. Advancement is driven by effort, not patronage. Failure isn't fatal here. It's seen as part of progress.

Clark claimed that social mobility is weak. But in fact, most Americans climb the income ladder as they age and gain skills. Workers move from entry-level jobs to mid-tier roles to higher-paying ones. That's economic mobility in action.

Economists Phil Gramm, Robert Ekelund, and John Early wrote a superb book called *The Myth of American Inequality*. It examines how government data often undercounts income by ignoring taxes, transfers, and benefits.

Using Census, Treasury, and Pew data, they show the following:

- Real incomes have risen across most time periods.
- All income groups have gained over time – especially those who work, learn, and persist.
- Intergenerational mobility is high, with nearly 90% of adult success determined by effort, not inheritance.
- A full 93% of children born into the bottom income quintile surpass their parents.

Their conclusion? "Economic mobility is alive, powerful, and widespread in America today."

Many haven't yet reached financial independence. But the opportunity exists. The path is there.

I'm no professional debater. Yet after my debate with Dr. Clark, not one hand went up in favor of the resolution that the American Dream is over. The organizer, Mark Skousen, called it the first unanimous wipeout in over 20 years of debates at FreedomFest.

Not everyone is thriving, of course. Some face daunting obstacles. Others are stuck due to bad circumstances, poor decisions, or a lack of knowledge. But millions have overcome far worse to achieve far more.

The American Dream is real. But it is not guaranteed. It is not an entitlement. You don't collect your Dream at some government office.

It is an aspiration . . . an achievement . . . a journey. Something you build with discipline, resilience, and purpose. But it all starts with believing in the possibility.

In the next chapter, we'll look at what sets America apart – and talk about how you can use this knowledge as a springboard to achieving your own dreams.

