

Psychology Today

The Growing Complexity of Everyday Life

A conversation with Brink Lindsey on his book Human Capitalism

By: Jonathan Wai - November 12, 2012

“To thrive and excel in the sensory and information overload of contemporary life, we have to use our brains in ways that set us apart from most people who came before us. We are rich today not simply because our superior technology and organization have made us more productive. Our minds have become more productive as well. Challenged to keep pace with the growing complexity of the world around us, we have stretched our cognitive capabilities far beyond the prevailing norms of times past.” –Brink Lindsey, *Human Capitalism*

Brink Lindsey is a senior fellow at the Cato Institute where his current research focuses on economic growth and policies that restrict it. He is the author of numerous books, was the original editor of *Cato Unbound*, and holds degrees from Princeton and Harvard. I learned of Brink’s work after reading his latest book *Human Capitalism* and his recent article in *The Atlantic* titled “The Real Problem With Helicopter Parents: There Aren’t Enough of Them.”

An excellent discussion surrounding the book recently took place between Brink, David Boaz, and Reihan Salam at the Cato Institute, which you can watch here. In particular, watch the Q & A, which is quite interesting.

After reading his book, I emailed Brink to see if he would be willing to answer some of my questions, which he kindly did. What follows is a transcript of the interview.

JON: In your recent book *Human Capitalism*, you make the case that human capital is linked to economic growth and that "the primary determinant of socioeconomic status is the ability to handle the mental demands of a complex social environment." Could you explain how you

think our social environments are now more complex than ever before?

BRINK: Economic growth leads to greater social complexity in three main ways. First, there is more total knowledge and know-how distributed throughout the system. Second, the division of labor grows more farflung and more intricately specialized. And third, as we get richer the personal choices we face keep multiplying, from the most trivial to the most profound and life-altering.

2. Some of my research has demonstrated that the top 5% in IQ of the American population is "getting smarter" along with everyone else, a phenomena known as the Flynn effect or the steady rise in IQ scores across the last eighty or so years. What are your thoughts on the importance of this top 5% for economic growth? Do you think we really have gotten smarter? And if so, why?

The Flynn effect has been shown to operate across the intelligencespectrum: raw IQ scores have been going up among low scorers and high scorers alike. The pervasiveness of the effect, combined with the fact that the IQ subtests with the biggest measured gains are the ones that measure highly abstract problem-solving, suggests that the overall rise in social complexity is a big part of the story. As the world around us gets more complex, the structure of our thoughts grows more abstract. So if by "smarter" you mean increased ability to think abstractly and thereby meet the challenges of living and working in a highly complex world, then absolutely, we've become smarter.

My book focuses on the gap between the 30% of Americans with college degrees and the 70% without -- that's the dividing line I use to separate the highly skilled and everybody else. Clearly a college degree is a pretty crude proxy for high human capital, but it's close enough so that all kinds of social indicators look very different for college grads and everybody else -- not just income and unemployment rates, but also labor force participation, divorce rates, single parenthood, and even smoking and exercise. I didn't look specifically at the top 5%, so I can't really comment on their relative importance for economic growth.

3. In your recent article in The Atlantic, you argue that we need more "helicopter parents" and that the "parent gap" is a contributing source to the widening economic divide in the American population. How can we fix this parent gap?

The more complex our society gets, the more challenging the task of preparing children for adulthood becomes. Our brains are hard-wired for a world where we only interact with about 150 other people, the only knowledge we have access to is stored in their heads, and choice about how to live your life is virtually nonexistent. So the amount of cultural adaptation that has to be instilled is huge, and thus parents have a much bigger job than they used to. Among the highly skilled, parents have responded with a big ratcheting up of their commitment to their kids: divorce rates have plummeted, and time spent with kids has increased sharply. For everybody else, though, things have been moving in the opposite direction because of rapidly increasing single motherhood and divorce rates. We can hope that over time the culture of "concerted cultivation" -- that's what sociologist Annette Lareau calls the new parental focus on developing useful skills in their kids -- will spread more broadly. But it is beyond the scope of public policy to "fix" the parent gap. We can compensate for it and mitigate its effects -- for some possible ways, see the answer to the next question.

4. How can we get more people to be able to compete in a world that is becoming more mentally demanding every day?

We need public policies that will encourage broad-based human capital development, especially for children of non-college-educated parents. The main social institutions for developing human capital -- and for compensating for family- and community-based deficits -- are our schools, and they are failing badly. Instead of mitigating class-based differences, primary and secondary schooling in America today simply perpetuates those differences: kids today show up at pre-K with big class-based differences in test scores and school readiness, and those gaps only grow wider as kids go through school. Structural reform of K-12 schooling to allow more competition and scope for entrepreneurial innovation is therefore at the top of my reform agenda.

In addition, exciting new possibilities for cheap, high-quality online instruction and third-party certification promise to revolutionize higher ed. Those possibilities need to be facilitated by regulatory changes and reduced subsidies for the brick-and-mortar status quo. And on the other end, early intervention for disadvantaged kids in the preschool years holds out hope for improving outcomes in adulthood.

To help combat the intergenerational transmission of poverty and the worst squandering of human potential, we need reforms that will reduce our scandalously high rates of incarceration, which are devastating in their effects especially for African Americans. To that end, ending the drug war and moving away from prohibition would be the best first

step. Welfare policies should encourage work, along the lines of the Earned Income Tax Credit. Employment subsidies for low-skill workers are one additional option, and changes in the Social Security Disability Insurance programs are needed to stop its present encouragement of joblessness. Finally, opportunities for upward mobility through entrepreneurship and new business formation need to be enhanced through eliminating regulatory barriers that stifle competition.