

PragerU on “Myths” about Financial Success (Video 62)

PragerU recently tweeted this:

“Myth #1 – Wealthy people inherited all their money. The truth is, 79% of millionaires received zero inheritance. That’s right, zip from mom and dad. They earned it on their own.”

They seem make this inference:

- (1) Most (79%) millionaires received zero inheritance.
- (2)
- (3) Therefore, they earned their wealth on their own.

Now, I don’t know whether premise 1 is true or not. They don’t give their sources, and I don’t trust them not to cherry-pick studies or misrepresent statistics. But let’s grant their premise. The problem is, the conclusion doesn’t follow from this premise alone.

When people make inferences like this, there’s often a suppressed premise that goes unchallenged. Here, it’s something like this:

(2) If someone receives zero inheritance, then any wealth they acquire is earned on their own.

But this premise is not plausible. There are countless other factors that are relevant to whether it’s *truly* earned on their own:

- Did their parents give them monetary gifts (which is different from inheritance)?
- Did their parents loan them money?
- Did they use their parents' connections?
- Did they benefit from having access to better schools growing up?
- Did they benefit from having their basic needs met while growing up so they could focus on school and work?
- Did they benefit from societal cooperation and infrastructure?
- Did they exploit low paid workers?