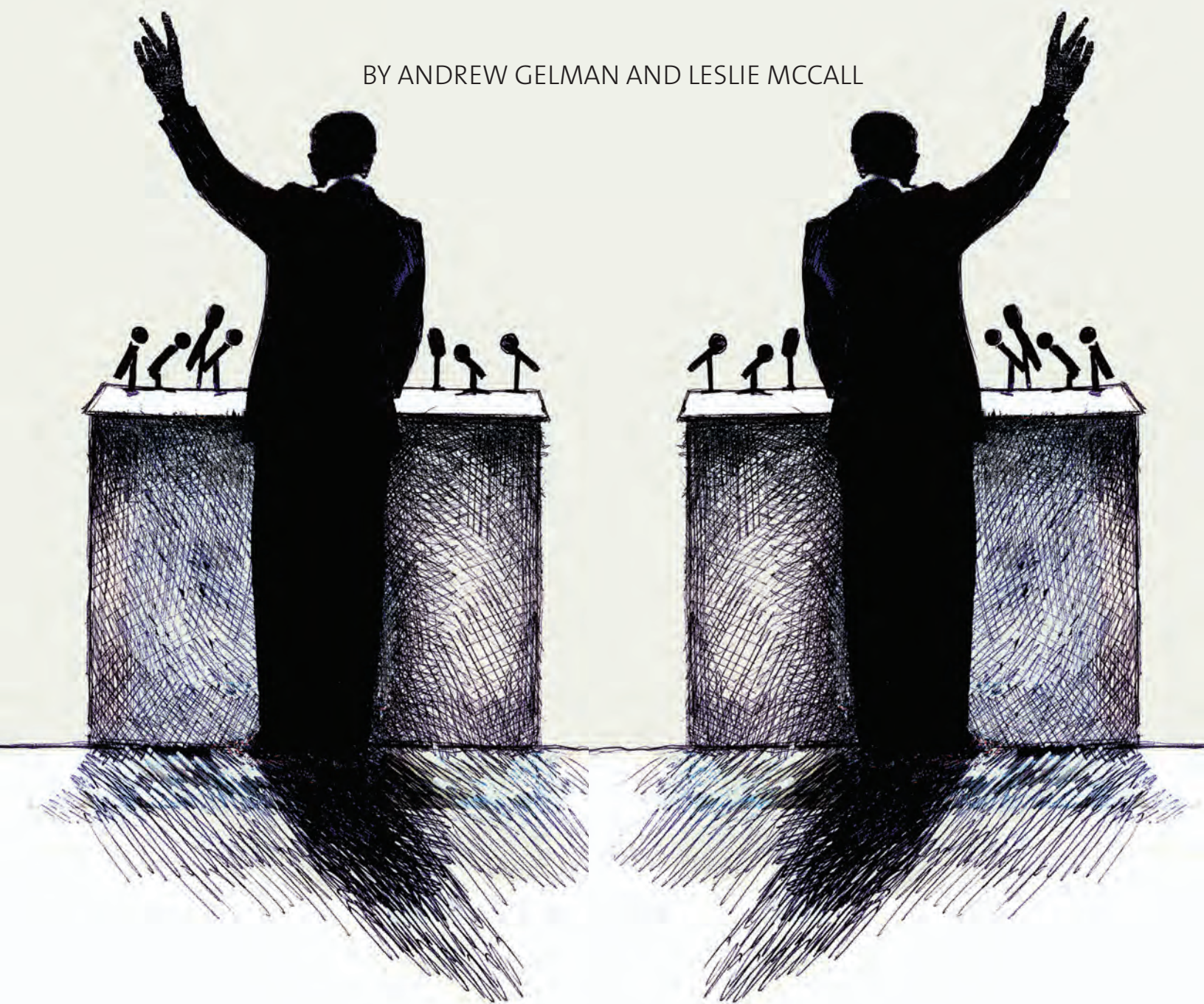


Will Public Opinion about Inequality Be Packaged into Neatly Partisan Positions?

BY ANDREW GELMAN AND LESLIE MCCALL



Nowadays, “inequality” is prominent in many political and social agendas, with concern about inequalities in income and wealth, political access, human and social capital, and gender and racial outcomes. In this article, we focus on the political aspects of economic inequality, but these other dimensions will enter at various points as well.

To start we describe how economic inequality is typically framed within general partisan conflict over the nature of the economy and government policy. In the first part of the article, we examine (a) the views of liberal and conservative politicians on the inequality issue and (b) the views that politicians and other elites (such as journalists and academics) have of public opinion about inequality. Our main argument is that, owing to the novelty and complexity of the issue, these responses are still in formation and that divisions are visible within political parties, as well as between them. In the second part of the article, we offer an alternative—and more coherent and centrist—perspective on the issue, rooted in research on how the public views the particular issue of economic inequality, rather than in how they think about broader liberal and conservative platforms. Our main argument throughout is that efforts to force public views about inequality into conventional partisan politics do violence to the foundation of these public views.

The Political Debate over Economic Inequality

The problem arises in part because discussion of economic inequality is closely tied to discussion of its commonly held remedies. This is unfortunate because the outlines of such remedies were drawn many decades ago, predating the dramatic rise of economic inequality since the 1970s; consequently, they are not necessarily well-suited to the current state of affairs. Liberals (as the term is used in the United States) favor expansionary policies and economic redistribution via progressive taxes and social programs; thus, they have a motivation to focus on inequality as a growing problem. Conservatives have traditionally accepted inequality of outcomes as a natural part of society and, when pressed on the issue, focus instead on expanding economic opportunity. We term these the “equalizing outcomes” and “equalizing opportunities” approaches; they comprise the core rubrics of the liberal and conservative canons, respectively, when addressing issues of inequality.

To move to deeper (and murkier) explanations, liberals remain unsure as to whether our modern economy is unsustainable and must be stopped, or whether it is so productive that we can afford generous social spending. Conservatives are likewise divided, between the view that we have been spending beyond our means and must cut back and the view that we are richer than ever before and should not slow down the capitalist system that has the potential to enrich the world’s population.

These distinctions matter because they determine where one sees the problem (if any) of inequality and where one might see solutions in some mix of economic fundamentals, redistributive government policy, or rewriting the rules of the game.

Similarly, when it comes to the trend of economic inequality itself, conservatives oscillate uncomfortably between three somewhat contradictory positions:

- *Inequality in the United States is not actually high, nor is it increasing.* Once you correct for economic mobility, transfer payments, investments in housing, and other factors, this position holds that the apparent increase in income inequality goes away,¹ and that indeed it is worse in the social democratic countries of Europe. This is mainly an argument made by experts and academics, however, rather than by politicians, most of whom have acknowledged perceptions of growing economic hardship among ordinary Americans (e.g., Jeb Bush’s Right to Rise super PAC, Marco Rubio’s plan to expand the Earned Income Tax Credit, and Donald Trump’s populist economic positions on taxes, immigrant labor, and trade), recalling similar pitches by politicians such as Patrick Buchanan in the 1990s when the issue of rising inequality first gained public attention.²
- *Inequality is increasing, and it got worse under the Clinton and Obama administrations.* Although it’s a debated point, some evidence does suggest that inequality gets worse under Democratic administrations (e.g., using state-level data from 1981–2001).³
- *Inequality is fair, and it’s the engine that runs the successful American economy.* Under this position, it is stressed that the economy benefits those who are more economically productive,⁴ and, moreover, the prospect of more pay for better work sparks innovation. This approach necessitates the focus on equality of opportunity (to maximize human capital potential), rather than on equality of outcomes.

From the other direction, liberals have a more consistent position of seeking a decrease in economic inequality via some mix of regulations, taxes, and transfer payments. But two challenges emerge here: First, there is a general discrediting of economic redistribution in the United States because economic growth, rather than the welfare state, has historically been seen by the public as the real equality-generating machine. And second, there is the practical difficulty of implementing such

programs in an economically conservative, racially inflected, and divided political climate. If overt redistribution could not be enacted during the period of the Democratic Party's control of Congress and the presidency following the 2008 election, what hope could there be now for such a stalwartly liberal solution to the problem of inequality?

In the debates over the federal budget following the Great Recession, for instance, liberals favored an economic stimulus—deficit spending—right away, while conservatives argued that not only should we decrease the deficit, but that our entire fiscal structure was unsustainable, and that we couldn't afford the generous pensions and health care that had been promised to everyone. The euro crisis is often taken by fiscal conservatives as a signal that the modern welfare state is a pyramid scheme and that something has to get cut.

When the discussion shifts to the standard of living of the middle class, however, we get a complete reversal of the usual liberal and conservative perspectives on fiscal issues. Following popular research by Elizabeth Warren on the rise of bankruptcy,⁵ liberals who are fine with deficits at the national level argue that, in the words of Michael Norton, “the expansion of consumer credit in the United States has allowed middle class and poor Americans to live beyond their means, masking their lack of wealth by increasing their debt.”⁶ From the other direction, conservatives argue that Americans are doing just fine, with Scott Winship reporting that “four in five Americans have exceeded the income their parents had at the same age.”⁷

From the left, we hear that America is rich but that Americans are broke. From the right, the story is the opposite: America is broke—along with Europe and Japan—but individual Americans are doing fine.

We see the political logic to these positions. If you start from the (American-style) liberal perspective favoring government intervention in the economy, you'll want to argue that (a) people are broke and need the government's help and that (b) we as a society can afford it. If you start from the conservative perspective favoring minimal government intervention, you'll want to argue that (a) people are doing just fine as they are (or if they aren't, it's the fault of safety-net programs for disincentivizing work) and that (b) we can't afford to help them anyway.

As we alluded to above, these discussions feed into—and at times are eclipsed by—more general concerns about the strength of the economy. Efforts to redistribute wealth are not necessarily more popular during periods of economic hardship, when economic opportunities appear to be narrowing and government assistance appears to be aiding only the poor and not the broad middle class. Hence, conservatives often invoke the argument that overall economic growth will expand economic opportunity and provide the best cure for inequality, whereas liberals often invoke the argument that a tight labor market

improves workers' bargaining power, or they focus directly on intervening in the labor market by such measures as raising the statutory minimum wage. We shall return to these important economy-centered solutions (as opposed to government-centered solutions) in the discussion of our alternative approach.

Thus, there are political debates over the causes and consequences of economic inequality, as well as statistical measurement debates about whether inequality is increasing at all and whether the median standard of living is decreasing. We will not try to adjudicate these claims on the basis of economics. We bring them up only in order to demonstrate the complicated patterns among economic ideology, political ideology, and elite views about inequality.

The Political Debate over Public Opinion about Economic Inequality

Surveys show that Americans are populist class warriors, except when they aren't.

We can illustrate disputes about public opinion on inequality with a debate from 2011 involving political journalists William Galston and Matthew Yglesias. We could have selected from any number of other commentators but we chose these two because they expressed opposing views well. Galston, writing in the *New Republic*, shared some Gallup Poll results: 82 percent of respondents felt it was extremely or very important to “grow and expand the economy,” while only 46 percent said it was extremely or very important to “reduce the income and wealth gap between the rich and the poor,”⁸ with that latter proportion actually lower than it had been when the question was asked in 1998 during Bill Clinton's presidency (though, as noted above, it is a little-known fact that the 1990s were a time of heightened opposition to inequality). Meanwhile, in *Slate*, Yglesias referred to other poll results that pointed in the opposite direction, with a vast majority of Americans (including over 50% of Republicans) saying that there was “too much power in the hands of a few rich people and large corporations.”⁹

Galston and Yglesias used these poll results to come to opposite conclusions. According to Galston, “a campaign emphasizing growth and opportunity is more likely to yield a Democratic victory than is a campaign focused on inequality.”¹⁰ By contrast, Yglesias notes that “we should expect to see Democrats continue to double down on ‘tax the rich’ themes and populist messages.”¹¹ That is, Galston advocated an equalizing-opportunities message, while Yglesias advocated an equalizing-outcomes message, even though one could put both writers in the liberal category.

We think the ambiguity revealed in these polls actually makes sense: If there were a clear and unambiguous majority in favor of some conventional policy and all its ramifications, we would expect it would have already passed, and there would

be no remaining political dispute. The very fact that an issue is politically live suggests some flexibility on opinions. In the particular case of inequality, this flexibility reflects a lack of political maturity regarding a relatively new economic issue—that is, the term “inequality” traditionally referred to issues of racial and gender inequality or poverty, rather than to income or class inequality. This state of flux helps us understand what otherwise seems contradictory about these poll results.¹²

As background, here are what we see as the key dimensions of public opinion related to economic inequality, backed up by a wide range of other surveys: On the one hand, consistent with Yglesias, a solid majority of Americans has long believed that the country’s “economic system unfairly favors the wealthy.” On the other hand, consistent with Galston, over half of Americans do not see the country as “divided into haves and have-nots,” and roughly two-thirds are optimistic about their own chances of upward mobility through hard work. When we switch from views on the economy and society to views about government, a final crucial piece of information is that over 60 percent see “big government” as the greatest threat to the country in the future.

Now let’s consider the reasons that these seemingly contradictory views are unsurprising. First, while it is true that Americans hate big government, political scientists have understood for decades that Americans have positive views about expensive government programs such as Social Security and Medicare, taken individually. Using recent survey data, for instance, Benjamin Page and Lawrence Jacobs show that most Americans—Democrats and Republicans alike—support government intervention in health care, education, and jobs, and are willing to pay taxes for these benefits.¹³ But such interventions face strong political opposition from conservatives, who emphasize their “big government” signature and their inability to solve fundamental problems of economic growth. State-level initiatives have at times overcome these credibility problems by proposing a simple formula of temporary taxes on top incomes to pay for popular programs such as education, health care, and public safety. This occurred, for example, in Oregon in 2010, well before the Occupy Wall Street movement supposedly put the issue of income inequality on the public’s radar screen.¹⁴

The second point, which speaks to a dynamic that is not as widely understood, is that these positions have been exploited (perhaps unintentionally) by elites of opposing political orientations to sound different political themes, which then reinforces the appearance of contradictory views. A supporter of taxing the top of the income distribution can focus on the “too much power in the hands of the rich” angle, whereas a supporter of cuts in low-income and middle-income entitlement programs can focus on the lack of resonance of the “haves and have-nots” argument. The grain of public opinion gives a sense of how the debate might go, with liberals focusing on the power of the rich and big business, and conservatives reminding voters that taxes taken from the rich will go straight to the federal government. But each of these positions represents a slanted representation of only one side of a complicated set of public views.

Third, these positions have also been exploited (perhaps unintentionally again) by pollsters and survey researchers who pose questions in ways that amplify contradictory positions rather than try to resolve them, and then journalists follow suit. One could read the results presented by Galston and conclude that inequality is a concern but not a very high priority for Americans. Alternatively, one could read the results as unsurprising given the novelty and complexity of rising inequality relative to something like “economic growth,” which everyone grasps and desires.

Another example that captures these problems perfectly comes from a Pew study.¹⁵ In line with the equalizing-opportunities view, the authors of the study emphasize the results from a forced-choice question in which only 29 percent of Americans said that reducing inequality was more important than ensuring that “everyone has a fair chance of improving their economic standing.” Yet when Pew asked a more nuanced question about whether inequality is related to mobility, because “greater economic inequality means that it is more difficult for those at the bottom of the income ladder to move up the ladder,” only 29 percent disagreed. However, little attention was given to the implications of this response in understanding that inequality and opportunity are not two mutually exclusive objectives in the public’s mind.

Can a more coherent political story about inequality be rescued from these fragments?

A New Political Framing of Inequality

These conventional narratives have led to stalemate and confusion because they are rooted less in the particular problem of rising inequality than in longstanding partisan debates over taxation and social welfare spending. We thus suggest alternative ways to frame the issue of economic inequality that are more germane.

In this new political rubric, remedies to inequality can be framed, in both policy and public opinion, not only in terms of equalizing outcomes or equalizing opportunity, but in terms of what we see as a potentially centrist and unifying hybrid of the two: equalizing outcomes to equalize opportunities.¹⁶

We have discussed equalizing outcomes as the relatively straightforward, but not particularly salient, approach espoused by liberals. It emphasizes the “taxing the rich” message, alongside a diffuse list of social spending commitments, only some of which are opportunity-based. Equalizing opportunities is, by contrast, the approach espoused by conservatives and some liberals too. It also was described above to some degree, but here we underline its laser-like emphasis on traditional opportunity-enhancing policies, such as educational reform and job creation, with the latter often hitched to related issues, such as immigration and trade (on the right) and the minimum wage (on the left). These issues are salient with the public at large and at the heart of support for populists, who not only sound these themes as remedies to the problem of inequality, but adopt them as their central rallying cry, as in the presidential campaigns of Donald

Trump and Bernie Sanders.

But both the liberal and conservative approaches fail to address public concerns about inequality in crucial respects. The approach of equalizing outcomes through government redistribution fails to make a credible connection to the problem of economic opportunity, which is the perceived consequence of rising economic inequality that Americans ultimately care most about. It focuses too much on reducing inequality as an end in itself, rather than on fixing the problems that Americans associate with inequality, such as limited opportunities for upward mobility.¹⁷

Meanwhile, the approach of equalizing opportunities through educational reform and job creation falls short because existing educational policies and economic growth have failed to generate shared prosperity, suggesting that some form of equalizing outcomes is necessary if opportunities are truly to be expanded. In particular, Americans want more than jobs; they want good jobs with good pay and benefits. And this necessitates some degree of redistribution of labor-market rewards.

The alternative, hybrid approach fuses the goals of equalizing outcomes and opportunities, and thus it fills the gaps in conventional liberal and conservative narratives and strategies. The hybrid approach differs crucially from the conventional liberal approach by emphasizing the equalization of opportunities over outcomes. Yet, at the same time, it is consistent with the liberal approach by insisting that outcomes need to be equalized in order to achieve greater equity in education and employment. Examples of this approach at the state level are the ballot measures that temporarily raise taxes on the rich to fund education, health care, and public safety. This approach appears, for example, in the 2010 measure in Oregon and also a 2012 measure in California. Opportunity, in the form of spending on education and preserving good middle-class jobs, is transparently the end goal of such taxes, rather than a laundry list of social services and benefits.

The relatively new attention to family leave policy and other issues of gender equity as anti-inequality strategies in the Clinton and Sanders campaigns also fuses notions of opportunity and inequality by seeking to expand women's employment opportunities as a way to boost family incomes among the broad middle class. This is pitched as an income inequality issue by liberals because of their assertion that median household incomes declined over the last business cycle for the first time in recent history, which they attribute to the concentration of income growth at the top of the distribution.

The hybrid approach also differs in important respects from the conventional conservative approach by not removing the equalization of outcomes from the conversation of how to equalize opportunities. Conservatives can blend the two objectives by capitalizing on their greater faith in American business than in the government. This allows them to advocate for a private sector approach to the problem of inequality, an approach that may produce the most innovative solution yet.

What Exactly Are We Talking about Here?

We have already noted the public's mixed views, combining a wariness toward big government with a commitment to certain favored government policies. Similarly, but less well known, Americans are at once wary of "big business" in general, but also favorable to just about any individual big business you might ask about. A Pew survey from 2007 asked people what they thought about 23 prominent companies. With the exception of controversial oil companies Exxon/Mobil and Halliburton (which were viewed favorably by about half of respondents), each of these companies was viewed positively, with 95 percent having a favorable view of Johnson and Johnson (among those willing to give a rating), 94 percent liking Google, 91 percent liking Microsoft, 87 percent liking Coca Cola, and so on. Even companies with some past or present controversy, such as Citibank, Pfizer, and Walmart, had over 70 percent favorability ratings.¹⁸

The Pew survey also broke down the responses by partisanship and social class. Republicans tend to like corporations, with little difference between the views of professional-class and working-class Republicans. For Democrats, though, there's a big gap, with professionals having a generally more negative view of particular corporations, compared to the working class. For example, only 30 percent of professional-class Democrats viewed Exxon/Mobil favorably, compared with 48 percent of working-class Democrats, and over 60 percent of Republican respondents of either social class.¹⁹

Building on these findings, we recently ran a pilot of new survey questions on policy preferences related to inequality, and found an appetite in the general public, especially among Republicans and Independents, for involving major companies in the fight against inequality. This appetite was, for Republicans, much stronger than the appetite to involve government in the fight. For Independents, the appetite for business involvement was on par with that for government involvement.²⁰

For instance, a plurality of Republicans and Independents, amounting to roughly a third of respondents, selected "major companies" (over "government," "low-income individuals themselves," "high-income individuals themselves," and "charities") as the group most responsible for "reducing differences in income between those with high incomes and those with low incomes." A final option that allowed respondents to express their satisfaction with present levels of inequality ("income differences do not need to be reduced") was selected by only a fifth of Republicans and a tenth of Independents.

Moreover, in two questions fielded on the 2014 General Social Survey, we asked about the responsibility of major companies to reduce pay differences by lowering executive pay and raising unskilled worker pay. These questions can then be compared to the traditional survey question about the responsibility of government to reduce income differences by raising taxes on the wealthy and providing assistance to the poor. We found that a larger share of respondents held major companies responsible than held government responsible. Because these groups were

not strictly overlapping, the share of Americans who held either one or the other institution responsible was substantially higher (roughly two-thirds of Americans) than what we would see if we only focused on the government's role.

Returning to our discussion about the public's tendency to distrust government and business in general but support individual policies and companies, these results suggest that the institutions Americans trust to implement policy in the future (despite their dissatisfaction with them in the present) represent a genuine mix of conventional (government) and unconventional (business) approaches to reducing inequality.

This finding has not been drawn upon in conventional policy discussions of inequality. The current array of candidates from both sides of the aisle are missing the crux of the inequality problem as experienced by ordinary Americans and are thus missing an opportunity to connect with them on this vital issue of our time. ☆

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