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The Washington Post/Kaiser Family Foundation/Harvard University

Survey of Americans and Economists on the Economy

October 1996

The Washington Post/Kaiser Family Foundation/Harvard University Survey Project
1995-1996

The *Washington Post/Kaiser Family Foundation/Harvard University Survey Project* is a three-way partnership and an experiment in combining survey research and reporting to better inform the public. The *Post*, Kaiser, and Harvard jointly design and analyze surveys examining public knowledge, perceptions, and misperceptions on major issues. The *Post* then reports the results as well as the facts to dispel myths and correct misperceptions. We hope this project contributes to a better understanding of public knowledge on major issues facing the country, and to more effective efforts by the media to educate, inform, and engage citizens in national debates.

The first report released by the Kaiser Family Foundation, *The Four Americas: Government and Social Policy Through the Eye's of America's Multi-racial and Multi-ethnic Society*, expands on coverage in *The Washington Post* of the first survey focusing on the perspectives of different racial and ethnic groups with regard to social policy and the role of government in America. The findings show the different perceptions that America's racial and ethnic groups have of the social and economic standing of the other groups. It also shows how white American's misperceptions about the social and economic realities facing African Americans relate directly to their views and opinions on public policies and aid to minorities. Copies of this report are available through the Kaiser Family Foundation publications request line at 1-800-656-4KFF.

The second survey, released by *The Washington Post* on Sunday, January 28, 1996 examines public understanding, perceptions and attitudes about the role of government. It sheds light on why Americans are so distrustful and cynical about the federal government and its abilities to act effectively. To receive a copy of the national topline data and articles, call the Kaiser Family Foundation's publication request line and ask for #1110.

This third survey, released by *The Washington Post* on Sunday, October 13th, examines public understanding, assessments and attitudes about the economy and economic policy. In conjunction with the survey of Americans, a companion survey of 250 economists was also completed. The companion survey shows the differences in perceptions and attitudes of economists from the general public. This report is of the actual questions and national topline data from both the general public survey and the survey of the economists. Additional copies of the national topline data and reprints are also available through the request line (#1199).

The Kaiser Family Foundation, based in Menlo Park, California, is a non-profit, independent national health care philanthropy and is not associated with Kaiser Permanente or Kaiser Industries. The Foundation's work is focused on four main areas: health policy, reproductive health, HIV policy and health and development in South Africa.

Washington Post/Harvard University/Kaiser Foundation Economy Poll Results

1. *When you think about America's economy today, do you think it is...*

	Growing rapidly	Growing slowly	Stagnating	In a recession	In a depression	No opinion
General Public	18	42	20	10	7	3
Economists	12	80	2	*	0	6

2. *I would like to read you a list of economic problems. Which TWO of these problems do you think are the most important economic issues facing the country today?*

	Inflation	Unemployment	Interest rates	Budget deficit	Taxes
General Public	13	31	8	38	36
Economists	1	9	2	38	20

	Foreign competition	Slow productivity	Rich & poor gap	None (vol.)	No opinion
General Public	18	9	40	*	1
Economists	3	58	62	1	*

3. *Compared to five years ago is (READ ITEM) higher or lower now, or is it about the same? (General Public)*

	Higher	Lower	About the same	No opinion
A. The unemployment rate	33	37	28	2
B. The inflation rate	46	16	34	3

4. *Just your best guess: What percentage of all Americans are unemployed but looking for work?*
 (General Public)

<u>Percent</u>			
0-9	1		
1-1.9	1		
2-2.9	2		
3-3.9	2		
4-4.9	3		
5-5.9	11	Mean	20.6
6-6.9	6		
7-7.9	5	Correct answer	11%
8-8.9	4		
9-9.9	1		
10-10.9	8		
11-19	10		
20-29	13		
30-39	10		
40-49	6		
50+	11		
No Opinion	6		

5. *Again, just your best guess: What is the current annual rate of inflation?* (General Public)

<u>Percent</u>			
0-9	2		
1-1.9	3		
2-2.9	8		
3-3.9	12		
4-4.9	8	Mean	13.5
5-5.9	8		
6-6.9	3	Correct answer	15%
7-7.9	2		
8-8.9	2		
9-9.9	1		
10-10.9	7		
11-19	6		
20-29	4		
30-39	3		
40-49	3		
50+	6		
No opinion	24		

6. And what percentage of profit do you think major American corporations make? (General Public)

<u>Percent</u>			
0-10	12		
11-20	13		
21-30	11	Mean	46.7
31-40	9		
41-50	13	Correct answer	3%
51-60	6		
61-70	4		
71-80	9		
81-90	3		
91+	8		
No opinion	12		

7. Compared to five years ago, is the federal budget deficit larger or smaller now, or is it about the same?

	Larger	Smaller	About the same	No opinion
General Public	70	12	17	1

8. Thinking about the job market across the country today, do you think the number of full-time jobs in the United States has increased during the past five years, decreased, or stayed about the same?

	Increased	Decreased	Stayed the same	No opinion
General Public	29	46	24	1

9. Do you think most of the new jobs being created in the country today pay well, or are they mostly low-paying jobs?

	Pay well	Low-paying	Neither (volunteered)	No opinion
General Public	16	79	4	1
Economists	39	32	22	7

10. Do you think the gap between the rich and the poor is smaller or larger than it was 20 years ago, or is it about the same?

	Smaller	Larger	About the same	No opinion
General Public	6	73	20	1
Economists	2	86	11	1

11. During the past 20 years, do you think that, in general, family incomes for average Americans have been going up faster than the cost of living, staying about even with the cost of living, or falling behind the cost of living?

	Going up	Staying even	Falling behind	No opinion
General Public	11	19	70	1
Economists	35	42	22	1

12. Thinking just about wages of the average American worker, do you think that during the past 20 years they have been going up faster than the cost of living, staying about even with the cost of living, or falling behind the cost of living?

	Going up	Staying even	Falling behind	No opinion
General Public	7	21	71	1
Economists	18	38	42	1

13. Some people say that in order to make a comfortable living, the average family must have two full-time wage earners. Do you agree with this, or do you think the average family can make a comfortable living with only one full-time wage earner?

	Need two wage earners	Can make living w/one wage earner	No opinion
General Public	87	13	1
Economists	67	23	10

14. Over the next five years, do you think the average American's standard of living will rise, or fall, or stay about the same?

	Rise	Fall	Stay the same	No opinion
General Public	24	29	46	2
Economists	50	8	41	1

15. During the past five years, do you think that your family's income has been going up faster than the cost of living, staying about even with the cost of living, or falling behind the cost of living?

	Going up	Staying even	Falling behind	No opinion
General Public	14	41	44	1
Economists	67	24	8	*

16. (If said standard of living was staying even or falling behind) Which TWO of the following are the main reasons why your family's income has not been going up faster than the cost of living? (General Public)

Lack job opportunity	Lack right skills	Not enough education	Don't work hard enough	Discriminated against	Bad luck	None	No opinion
37	21	22	2	9	17	32	3

17. Over the next five years, do you expect your family's income to grow faster or slower than the cost of living, or do you think it will grow at about the same pace?

	Faster	Slower	About the same	No opinion
General Public	20	27	52	1
Economists	43	10	46	1

18. Do you expect your children's generation to enjoy a higher or lower standard of living than your generation, or do you think it will be about the same?

	Higher	Lower	About the same	No opinion
General Public	38	27	35	1
Economists	48	20	31	1

19. Do you consider yourself a part of the middle class, or not?

	Yes	No	No opinion
General Public	81	18	*

20. (Asked if considers self middle class) Do you ever feel as if you're at risk of falling out of the middle class?

	Yes	No	No opinion
General Public	41	58	1

19/20 NET TABLE *Do you consider yourself a part of the middle class, or not? (IF SO) Do you ever feel as if you're at risk of falling out of the middle class?*

	-----Middle Class-----				Not Middle Class	No Opinion
	NET	Falling Out	Not Falling	No Opinion		*
General Public	81	33	47	1	18	

21. *Do you think improving the economy is something an effective president can do a lot about, do a little about, or is that mostly beyond any president's control?*

	A lot	A little	Beyond control	No opinion
General Public	31		29	39
Economists	14		63	22

22. *Generally speaking, do you think each of the following is good or bad for the nation's economy, or don't you think it makes much difference?*

SUMMARY TABLE: GENERAL PUBLIC

	Good	Bad	Won't make difference	No Opinion
A. Tax cuts	58	15	25	2
B. More women entering the workforce	54	9	36	1
C. Increased use of technology in the workplace	70	17	12	2
D. Trade agreements between the U.S. and other countries	55	28	14	2
E. The recent downsizing of large corporations	21	59	17	3

SUMMARY TABLE: ECONOMISTS

	Good	Bad	Won't make difference	No Opinion
A. Tax cuts	37	33	23	7
B. More women entering the workforce	74	2	22	2
C. Increased use of technology in the workplace	97	0	2	1
D. Trade agreements between the U.S. and other countries	89	3	6	2
E. The recent downsizing of large corporations	54	16	27	2

23. *Some people say that these are economically unsettled times because of new technology, competition from foreign countries, and downsizing. Looking ahead 20 years, do you think these changes will eventually be good or bad for the country or don't you think these changes will make much difference?*

	Good	Bad	Won't make difference	No opinion
General Public	43	31	23	3
Economists	93	2	3	2

24. *Do you think that trade agreements between the United States and other countries have helped create more jobs in the U.S., or have they cost the U.S. jobs, or haven't they made much of a difference?*

	Helped create jobs	Cost U.S. jobs	Haven't made much difference	No Opinion
General Public	17	54	27	2
Economists	50	5	42	2

25. *Do you think the current price of gasoline is too high, too low, or about right?*

	Too high	Too low	About right	No opinion
General Public	75	4	21	1
Economists	7	42	46	5

26. *Which do you think is more responsible for the recent increase in gasoline prices: the normal law of supply and demand, oil companies are trying to increase profits, both, or neither.*

	Supply and demand	Oil companies profits	Both (volunteered)	Neither (volunteered)	No opinion
General Public	22	73	2	2	1
Economists	85	8	3	3	1

27. *Regardless of how well you think the economy is doing, there are always some problems that keep it from being as good as it might be. I am going to read you a list of reasons some people have given for why the economy is not doing better than it is. For each one, please tell me if you think it is a major reason the economy is not doing better than it is, a minor reason, or not a reason at all. How about ...*

SUMMARY TABLE: GENERAL PUBLIC

	Major reason	Minor reason	Not a reason	No Opinion
A. Taxes are too high	61	30	8	1
B. The federal deficit is too big	77	16	5	1
C. Foreign aid spending is too high	66	23	10	1
D. There are too many immigrants	47	32	19	1
E. Too many tax breaks for business	48	35	15	2
F. Education and job training are inadequate	64	26	9	1
G. Too many people are on welfare	70	22	7	1
H. Women and minorities get too many advantages under affirmative action	18	43	38	1
I. People place too little value on hard work	59	26	14	1
J. The government regulates business too much	42	41	16	1
K. People are not saving enough	51	35	13	1

SUMMARY TABLE: ECONOMISTS

	Major reason	Minor reason	Not a reason	No Opinion
A. Taxes are too high	18	41	41 *	
B. The federal deficit is too big	32	51	18	0
C. Foreign aid spending is too high	1	13	86	0
D. There are too many immigrants	1	19	80 *	
E. Too many tax breaks for business	5	55	40	0
F. Education and job training are inadequate	67	28	6	0
G. Too many people are on welfare	11	50	39	0
H. Women and minorities get too many advantages under affirmative action	2	18	80	0
I. People place too little value on hard work	18	46	36	*
J. The government regulates business too much	23	50	27	0
K. People are not saving enough	56	36	8 *	

27.(AND 28.) You said that the following things...(READ LIST) were major reasons why the economy is not doing better than it is. Which ONE of these do you think is the most important reason?

	Economists	General Public
A. Taxes are too high	6	11
B. The federal deficit is too big	6	20
C. Foreign aid spending is too high	0	10
D. There are too many immigrants	0	7
E. Too many tax breaks for business	*	6
F. Education and job training are inadequate	42	14
G. Too many people are on welfare	1	14
H. Women and minorities get too many advantages under affirmative action	0	1
I. People place too little value on hard work	4	8
J. The government regulates business too much		7 4
K. People are not saving enough	20	2
No opinion	2	3
No item listed as major reason	12	1

29. Now I am going to read you another list of reasons, having to do with businesses, that some people have given for why the economy is not doing better than it is. For each one, please tell me if you think it is a major reason the economy is not doing better than it is, a minor reason, or not a reason at all. How about...

SUMMARY TABLE: GENERAL PUBLIC	Major reason	Minor reason	Not a reason	No Opinion
L. Business profits are too high	46	36	17	1
M. Top executives are paid too much	69	22	8	1
N. Business productivity is growing too slowly	34	48	16	1
O. Technology is displacing workers	46	38	15	1
P. Companies are sending jobs overseas	68	25	6	1
Q. Companies are downsizing	59	30	9	2
R. Companies are not investing enough money in education and job training	62	30	7	1

SUMMARY TABLE: ECONOMISTS	Major reason	Minor reason	Not a reason	No Opinion
L. Business profits are too high	4	11	85	*
M. Top executives are paid too much	12	44	44	0
N. Business productivity is growing too slowly	53	35	11	1
O. Technology is displacing workers	2	24	74	*
P. Companies are sending jobs overseas	6	35	58	*
Q. Companies are downsizing	5	38	57	0
R. Companies are not investing enough money in education and job training	36	43	20	1

29(AND 30.) *You said that the following things having to do with business...(READ ITEMS) were major reasons why the economy is not doing better than it is. Which ONE of these do you think is the most important reason?*

	Economists	General Public
L. Business profits are too high	1	6
M. Top executives are paid too much	5	15
N. Business productivity is growing too slowly	38	4
O. Technology is displacing workers	1	6
P. Companies are sending jobs overseas	1	31
Q. Companies are downsizing	2	12
R. Companies are not investing enough money enough money in education and job training	21	21
No opinion	1	1
No item listed as major reason	30	5

30.5 *Which do you think is the MOST important reason that the economy is not doing better than it is?*

	General Public
A. Taxes are too high	7
B. The federal deficit is too big	14
C. Foreign aid spending is too high	6
D. There are too many immigrants	4
E. Too many tax breaks for business	2
F. Education and job training are inadequate	7
G. Too many people are on welfare	8
H. Women and minorities get too many advantages under affirmative action	1
I. People place too little value on hard work	5
J. The government regulates business too much	2
K. People are not saving enough	1
L. Business profits are too high	2
M. Top executives are paid too much	3
N. Business productivity is growing too slowly	2
O. Technology is displacing workers	2
P. Companies are sending jobs overseas	13
Q. Companies are downsizing	5
R. Companies are not investing enough money in education and job training	7
No opinion	1
No item listed as major reason	9

31. Now I'm going to read you a list of all different kinds of things. For each one, please tell me whether you personally pretty much think of it as a necessity or pretty much think of it as a luxury you could do without.

SUMMARY TABLE: GENERAL PUBLIC

	Necessity	Could do Without	No Opinion
A. Air conditioners for your home	51	49	*
B. Automobile air conditioning	41	59	0
C. A dishwasher	13	86	0
D. A TV set	59	41	0
E. A second TV set	10	90	0
F. A clothes washer	86	14	*
G. A clothes dryer	62	38	0
H. An automobile	93	7	*
I. A second automobile	37	63	*
J. A computer for home use	26	74	*
K. A microwave	32	68	0
L. A VCR (video cassette recorder)	13	87	0
M. Basic cable television	17	83	0
N. A telephone answering machine	26	74	0

32. Thinking about the next five years, please tell me for each item if it is something you already have, something you expect to have, or something you don't expect to have.

SUMMARY TABLE: GENERAL PUBLIC

	Already Have	Expect to Have	Don't Expect To have	Not Applicable	No Opinion
A. A second automobile	54	18	27	1	*
B. A third automobile	18	12	67	2	*
C. A computer for home use	36	28	35	*	*
D. A home of your own	64	25	11	*	0
E. A vacation home	8	12	78	1	*
F. A vacation abroad	11	28	60	1	*
G. A private college education for your child	15	28	44	12	1

33. During the past five years, have you or someone in your family had to take a pay cut or work fewer hours in order to keep a job?

	Yes	No	No opinion
General Public	33	67	1

34. Have you or a member of your immediate family been laid off from a job in the past five years, or not?

	Respondent laid off	Other fam. member	Respondent & Family member laid off	No one laid off	No Opinion
General Public	15	16	2	67	*
Economists 1	15	*	84	0	

35. For each of the following, please tell me whether or not it is something you and your family have had to deal with recently.

SUMMARY TABLE: GENERAL PUBLIC	Not Dealt With	Dealt With	No Opinion
A. You have had problems paying the rent or mortgage for yourself or your family	21	79	0
B. You have delayed or had trouble getting medical care for yourself or your family	23	77	*
C. You have had problems with collection or credit agencies	23	77	0
D. You have been unable to save money for future needs	58	42	*
E. You have postponed buying a house	23	77	*
F. You or someone else in your household has given up plans for college or other types of schooling	22	78	*
G. You or someone else in your immediate family who was not working took a job, or someone who was working took an additional job because you needed the extra money	39	60	*
H. You had marital or other personal problems because of financial difficulties	22	78	*

36. How concerned are you that you or someone else in your household will lose their job in the next year? Are you very concerned, somewhat concerned, not too concerned, or not at all concerned?

	-----Concerned-----			-----Not concerned-----			No opinion
	NET	Very	Somewhat	NET	Not too	Not at all	
General Public	37	19	19	62	25	38	*
Economists	21	3	18	79	24	55	0

37. *What is your employment status? Are you:* (General Public)

Employed full-time	Employed part-time	Home-maker	Retired	Student	Unemployed Looking for work	Unemployed Not looking for work	No opinion
53	10	8	18	4	5	2	*

38. (If employed) *Do you work for someone else or are you self-employed?*

	Work for someone else	Self-employed	No opinion
General Public	84	15	*
Economists	92	7	1

39. (If employed) *Do you work for a company or institution that has fewer than 25 employees, or do you work for a larger company or institution?*

	Small Company	Larger Company	No Opinion
General Public	20	80	*

40. (If employed) *Do you think you will still be working at the same company or institution five years from now, or not?*

	Yes	No	No opinion
General Public	54	43	3
Economists	69	24	7

41. (If employed) *How many years have you worked at your current job?* (General Public)

Less than one year	13
1-2 years	18
3-4 years	17
5-6 years	10
7-9 years	10
10-19 years	19
20-29 years	9
30+ years	5
No Opinion	*
Mean	8.5

42. (If employed) *Thinking about your current job, do you think your educational background is about right, too little, or more than is needed for the job?*

	About right	Too little	More than is needed	No opinion
General Public	62	13	25	*

43. (If employed) *What is your occupation?*

MAN/PROF (NET)	37
Professional/Technical	23
Manager/Administrator	14
CLERICAL/SALES (NET)	24
Sales worker	7
Clerical	17
SKILLED (NET)	21
Craft	15
Operatives (Except Transport)	6
UNSKILLED (NET)	16
Transport Operatives	4
Laborers	1
Service Workers	10
Farm Laborers	*
Farmers and Farm Managers	1
Military	1
Housewife	*
Student	*
Other	*

44. *Are you currently married, living as married, widowed, divorced, separated, or have you never been married?*

	Currently married	Living as married	Widowed	Divorced	Separated	Never been married	No Opinion
General Public	53	4	8	12	3	21	0

45. (If ever been married) *Have you gotten separated or divorced during the past five years?*

	Yes	No	No opinion
General Public	14	86	*

46. (If married or living as married) What is your spouse's or partner's employment status? Is he/she:
(General Public)

Employed full-time	Employed part-time	Home-maker	Retired	Student	Unemployed looking for work	Unemployed not looking for work	No opinion
61	8	10	16	1	3	1	*

47. (If married or living as married) What is your spouse's or partner's occupation?

MAN/PROF (NET)	40
Professional/Technical	24
Manager/Administrator	15
CLERICAL/SALES (NET)	22
Sales worker	5
Clerical	17
SKILLED (NET)	19
Craft	13
Operatives (Except Transport)	6
UNSKILLED (NET)	17
Transport Operatives	3
Laborers	2
Service Workers	12
Farm Laborers	0
Farmers and Farm Managers	1
Military	1
Housewife	*
Other	*

48. Do you have any children under the age of 30?

	Yes	No	No opinion
General Public	51	49	0
Economists	73	27	0

49. (Of those with children under age 30) When they reach your age, do you expect them to enjoy a higher or lower standard of living than you do now, or do you expect it to be about the same?

	Higher	Lower	About the same	No opinion
General Public	49	15	36	*
Economists	46	16	36	1

50. Do you have any children under age 18 living in your household?

	Yes	No	No opinion
General Public	66	34	0

51. Do you have any children older than age 18 living in your household?

	Yes	No	No opinion
General Public	14	86	0

Methodology

The two surveys reported on in this report are the third installment of a series from a joint project by *The Washington Post*, the Henry J. Kaiser Family Foundation and Harvard University. The survey was designed and analyzed by all three partners and conducted by Chilton Research Services. Telephone interviews of 1,511 random-sample adults were conducted nationwide from July 22 through August 2, 1996. The margin error in the nationwide sample is plus or minus 3 percentage points. A companion survey of 250 economists was also conducted. Telephone interviews based on a random sample of economists belonging to the American Economic Association was conducted between July 17 and July 31, 1996. Randomly selected economists who said they were a member of the American Economic Association, employed full time as an economist, have a Ph.D. in economics and consider one of their professional specialties to be domestic economic policy, were interviewed and included in the survey. The margin of error on the economist sample is plus or minus 7 percentage points.

* indicates less than 0.5%

Note: Some question totals may not add up to 100% due to rounding.



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