



## The American Panel Survey Report

### **On the Polarization of Americans on Fiscal Policy Choices**

Is the partisan polarization of Congress on fiscal policy matched in the general public? To answer that question, we have used *The American Panel Survey*, a survey conducted by the Weidenbaum Center of Washington University in St. Louis, to evaluate the distribution of public attitudes about federal spending and tax policy.

In January 2012, a random sample of 1370 adult Americans was asked 17 questions about federal spending and 11 questions about federal tax policy. In the case of spending, respondents were asked whether the federal government should spend more, about the same, or less. For several categories of federal taxation, respondents were asked whether taxes should be increased, kept the same, or reduced. For several federal tax deductions and credits, respondents were asked whether the deduction/credit should be eliminated, reduced, or kept the same.

The responses are summarized in Table 1, which divides respondents between Obama and Romney supporters. Overall, a majority of Americans favor a cut in spending in only two of the 17 categories of spending: aid to other countries and the war in Afghanistan. Otherwise, a majority answers either spending more or about the same.

Substantial differences in the percent favoring spending cuts exist in most areas of domestic and national security spending. The major exceptions are spending on Social Security and veterans' health, for which very few American support cuts in spending. Similar differences exist for defense spending, although large majorities of Obama and Romney supporters favor less spending on the war in Afghanistan.

On the tax side, Americans oppose increases in their own taxes and the taxes of small business, whether they are Obama or Romney supporters. In contrast, a majority favor increasing taxes on upper income households and corporations. Again, there are large differences between Obama and Romney supporters on most tax issues.

The results for individual spending and tax questions can be misleading and are difficult to summarize. To gain a better overview, we have developed scales for domestic spending and tax policy. These yield a general measure of each respondent's views of the issues and can be compared across Obama and Romney supporters. Figures 1-4 show the distributions for domestic spending and two types of tax questions. There are too few questions on national security spending to do this analysis. We can make the following observations:

- On domestic spending (Figure 1), the differences between the Obama and Romney supporters are apparent, but there are a substantial number of Americans who fall in the middle of the spectrum in the overlap between the two groups. Obama and Romney supporters are not as sharply polarized as Democrats and Republicans in Congress on the same issues.
- On taxation (Figure 2), Obama supporters are considerably more supportive of tax increases than Romney supporters. Moreover, Obama supporters are substantially more unified in their views about taxes than Romney supporters.
- On tax deductions and credits (Figure 3), neither set of partisans favors changes in most tax deductions and credits. Romney supporters are somewhat more in favor than Obama supporters of keeping or expanding these tax breaks.

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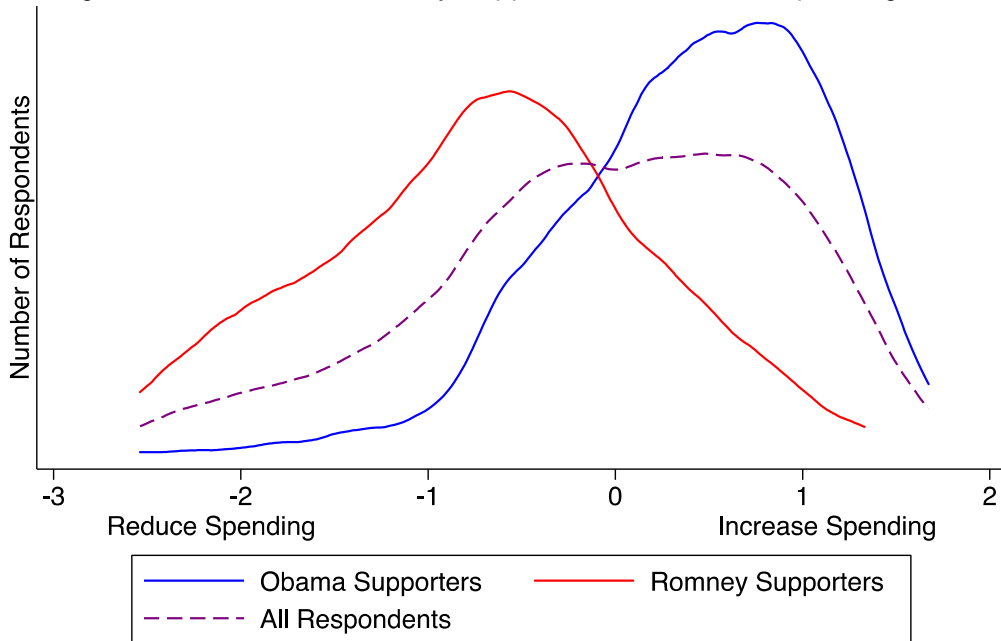
April 1, 2012

Public Attitudes about Federal Spending and Taxation, January 2012 (in Percent).

	Obama Supporters	Romney Supporters	All
<b>Percent "Spend Less" on Domestic Programs</b>			
Medicare/Medicaid	5.8	21.0	12.4
Education	2.8	26.1	12.9
Student Aid	6.6	32.2	17.7
Transportation	8.5	21.6	14.2
Health Research	4.0	20.2	11.0
Science	10.5	29.7	18.8
Aid to Other Countries	51.2	83.2	65.1
Environmental Protection	6.1	42.3	21.8
Farm Subsidies	29.3	43.6	35.5
New Energy Technologies	9.4	28.6	17.6
Social Security	3.5	11.8	7.1
Veterans Health	2.3	4.9	3.4
Housing	10.2	42.8	24.3
<b>Percent "Spend Less" on National Security</b>			
Defense	39.8	15.0	29.0
War Against Terrorism	30.7	15.8	24.2
War in Afghanistan	82.3	70.4	77.2
<b>Percent "Increase Taxes"</b>			
Your Own	8.7	1.7	5.6
Households > \$250,000	76.0	41.4	61.0
Households > \$1 million	90.3	66.2	79.9
Taxes on Small Business	3.0	0.2	1.8
Corporate Taxes	68.2	30.9	52.0
Capital Gains	31.4	11.9	22.9
<b>Percent "Eliminate" or "Reduce" Deduction or Credit</b>			
Mortgage Interest	35.7	20.2	29.0
Employer's Health Insurance	35.3	30.3	33.1
Charitable Contributions	23.4	22.1	22.9
State/Local Property Taxes	33.6	26.6	31.0
Child Credit	18.2	19.7	18.9

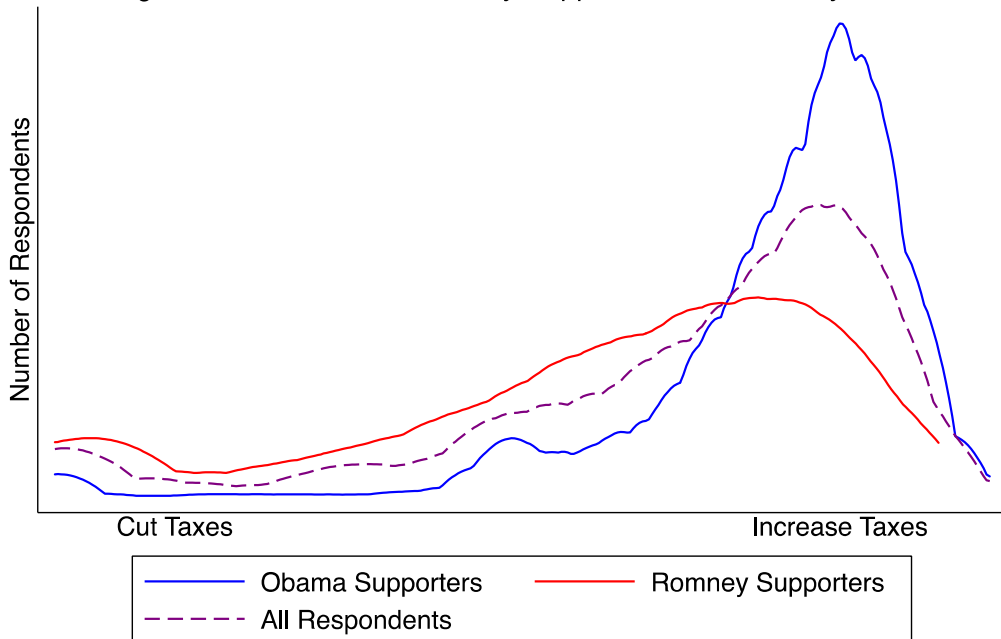
The American Panel Survey, January 2012, N=1370,  
Margin of Error for "All" = 2.65 percent.

Figure 1. Obama and Romney Supporters on Domestic Spending Scale.



The American Panel Survey, January 2012. Kernel density distributions.

Figure 2. Obama and Romney Supporters on Tax Policy Scale.



The American Panel Survey, January 2012. Kernel density distributions.

Figure 3. Obama and Romney Supporters on Tax Deductions/Credits Scale.

