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Comment on ‘Support for Redistribution in an Age of Rising Inequality’

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Comments and Discussion

COMMENT BY

PETER K. ENNS Despite decades of widening income inequality in the United States, public demand for redistribution has remained flat and perhaps even declined. This result, which Vivekinan Ashok, Ilyana Kuziemko, and Ebonya Washington demonstrate convincingly, stands in stark contrast to the expectations of standard political economy models, which predict that as inequality rises a greater proportion of the public will support increased redistribution (Meltzer and Richard 1981).¹ This absence of an over-time relationship (or negative relationship) between inequality and public support for redistribution holds major implications for political and economic outcomes. If the public's policy preferences are disconnected from changes in income inequality, then when inequality rises, policy-makers will face no direct electoral incentive to shift taxes and spending in a more redistributive direction.

Further complicating the empirical puzzle, the authors show that during the last 30 years, the elderly (defined as those 65 and above) and African Americans have decreased their support for redistribution the most. These patterns are surprising for a number of reasons. First, the authors show that African Americans and the elderly benefit more than other groups from government transfers. Second, Woojin Lee and John Roemer (2006) demonstrate that voter racism in the United States decreases support for redistribution, and the magnitude of this effect could account for the differences in the size of the public sector between the United States and northern European countries. Yet the authors' finding that African American

1. See also Kelly and Enns (2010) and Kenworthy and McCall (2008) on the lack of public responsiveness to rising inequality.

support for redistribution has declined faster than white support suggests that racism alone cannot fully explain anti-redistributive sentiment in the United States. Roland Bénabou and Efe Ok (2001) offer another explanation for the lack of support for redistribution, showing that the prospect of upward mobility (POUM) can lead an individual who is poorer than average to rationally oppose redistribution. However, because the likelihood of positive income mobility is low for those who are 65 and older, POUM is unlikely to account for the authors' finding for the elderly.²

In addition to presenting important and surprising findings, the authors offer potential explanations for the patterns they observe. These explanations focus on the self-interest of the elderly and declining support among African Americans for race-based aid. In this comment, I argue that birth-cohort experiences offer a more compelling explanation for the shifting redistributive preferences of the elderly than self-interest. I also show that if we extend the time period of the analysis back to the 1950s, the difference in support for redistribution between whites and African Americans has remained relatively constant. Finally, I show that analyzing year-to-year changes in support for redistribution (instead of focusing on the linear trend) offers important insights into different groups' policy preferences.

AGE AND SELF-INTEREST OR BIRTH-COHORT EFFECTS? The authors hypothesize that the declining support for redistribution among the elderly reflects self-interested concerns rooted in their growing desire to protect their government health care benefits. Consistent with this hypothesis, the authors "find not only a trend of decreasing support for universal care, but that this variable 'explains' about 40 percent of the elderly's decreased support for redistribution."

We must remember, however, that who constitutes "the elderly" shifts throughout the period of analysis. It is possible that the declining support for redistribution among the elderly reflects birth-cohort effects. That is, those born at approximately the same time may share experiences—particularly during their most formative years—that influence their subsequent policy preferences. Consistent with this view, Paola Giuliano and Antonio Spilimbergo (2014) show that the macroeconomic conditions

2. Bénabou and Ok (2001) allow that individuals may consider their offspring when considering the prospect of upward mobility. However, even if the elderly base their redistributive preferences on the prospects of their offspring's upward mobility, to account for the authors' result during the period of analysis the elderly's confidence in their offspring's upward mobility prospects would have had to increase more than their offspring's confidence in their own upward mobility prospects.

individuals experience between ages 18 and 25 affect their redistributive preferences later in life, and that this effect would produce rising conservatism among the elderly during most of the period of analysis. Other common experiences could also strengthen this effect. John Bullock (2012), for example, finds that precollege education reduces support for redistribution. This result, combined with increasing access to primary and secondary education during the early 1900s, would predict increasing conservatism among those entering the “elderly” category during the period of analysis. Thus, the declining support for redistribution among the elderly that the authors find may actually reflect the fact that who constitutes the elderly changes each year and that during most of the period of their analysis those entering the elderly category were more conservative than previous cohorts.

To evaluate the birth-cohort hypothesis, I begin by replicating columns 1 and 2 of the authors’ table 4 in my table 1. The dependent variable comes from the General Social Survey (GSS) and ranges from 1 (government should not concern itself with income differences) to 7 (government should do something to reduce income differences between the rich and poor).³

The negative coefficient on the *Elderly* × (*Year-1975*)/100 interaction in column 1 perfectly replicates the authors’ result and indicates that on average, those 65 and older became less supportive of reducing income differences through the period of analysis. Column 2 is also a perfect replication. We see that support for government provided medical care is not only correlated with attitudes toward redistribution, but controlling for this variable accounts for much of the elderly’s declining support for redistribution (evidenced by the change in the *Elderly* × (*Year-1975*)/100 interaction coefficient between columns 1 and 2).

Column 3 tests the birth-cohort hypothesis by controlling for year born. Figure 1 in Paola Giuliano’s comment shows that successive birth cohorts have all become increasingly conservative, with the exception of the youngest cohort, which has become more liberal. Thus, I include *Year Born* and *Year Born* squared to approximate this curvilinear functional form. Consistent with expectations, we see a negative and significant coefficient on

3. The questions analyzed in my table 1 are *eqwlth*, *helpsick*, *helpblk*. The complete text of these and other GSS survey questions may be viewed in the GSS “1972–2014 Cumulative Codebook” made available online by the National Opinion Research Center at http://publicdata.norc.umd.edu/GSS/DOCUMENTS/BOOK/GSS_Codebook.pdf. These survey questions appear there on pp. 245, 507, and 508, respectively. Following the authors, all variables have been recoded so that more support for redistribution reflects the higher categories.

Table 1. Declining Support for Redistribution among Those 65 and Older and Evidence Consistent with the Birth-Cohort Hypothesis^a

	Replication of authors' table 4:		Controlling for:		
	Col. 1 (1)	Col. 2 (2)	Year born (3)	Age (4)	Gov't help blacks (5)
Elderly × (Year-1975)/100	-1.60* (0.53)	-0.97 (0.47)	0.64 (0.76)	-1.88* (0.53)	-1.08 (0.56)
Gov't medical care		0.50* (0.02)			
Year born			-1.41* (0.26)		
(Year born) ²			0.0004* (0.0001)		
Age				-0.04* (0.01)	
(Age) ²				0.0004* (0.0001)	
Gov't help blacks					0.36* (0.02)
No. of observations	21,710	21,710	21,709	21,710	21,273

Source: Data from the General Social Survey Cumulative File.

a. Regressions are weighted using survey weights and include year fixed effects and a dichotomous indicator for being 65 or older. Standard errors are clustered by year. Asterisk indicates statistical significance at the 5 percent level.

Year Born, suggesting declining support for redistribution among successive birth-cohorts, but a positive and significant coefficient with *Year Born* squared, which suggests an uptick in support for redistribution among the youngest cohorts. Most importantly, the *Elderly* × *(Year-1975)/100* interaction is small, positive, and imprecisely estimated, suggesting that accounting for the year respondents were born also accounts for the previously observed decline in the elderly's support for redistribution. It is important to note that even though *Year Born* and *Age* are correlated, because the data include repeated cross-sections, the two are not completely redundant. Column 4, which controls for *Age* and *Age* squared, illustrates this point. The negative and significant *Elderly* × *(Year-1975)/100* interaction indicates that controlling for age does not account for the declining support for redistribution among the elderly.⁴

4. See the online appendix for a replication of these results with ANES data.

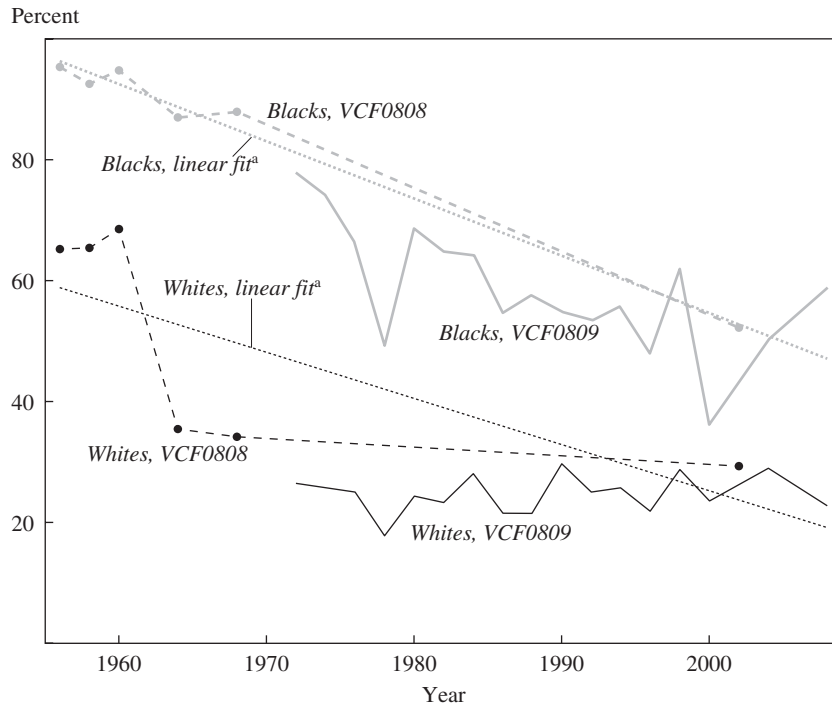
Column 5 controls for support for government helping African Americans. If common experiences have made successive birth cohorts less supportive of government and redistribution, we would expect a substantial reduction in the *Elderly* \times (*Year-1975*)/100 interaction term if we control for support for government helping African Americans. Indeed, the magnitude of the *Elderly* \times (*Year-1975*)/100 interaction parallels the result in column 2, and the difference in coefficients is not close to statistically significant. When viewed in isolation, the results in column 5 could also be consistent with the authors' age and self-interest hypothesis if those 65 and older are increasingly concerned with protecting their health-care benefits and thus less supportive of government redistribution *and* less supportive of government helping African Americans. However, when considered alongside the results in columns 3 and 4, the combined evidence lends more support to the birth-cohort hypothesis.

AFRICAN AMERICAN AND WHITE CONVERGENCE OR THE CONTINUATION OF HISTORICAL PATTERNS? The fact that African American support for redistribution has declined faster than white support is another important and surprising result. In their conclusion, the authors suggest that whites' reaction to the Civil Rights Movement may help explain the surprising over-time patterns of support for redistribution among whites and blacks. Indeed, since the Civil Rights Movement, attitudes toward poverty and support for welfare have become strongly connected with race (Gilens 1999). Thus, we might expect a steep decline in support for redistribution among whites during and following this period. My figure 1 examines this prediction with two nearly identical questions from the American National Election Studies (ANES).

The first question, also analyzed by the authors in their figure 3 (lower-right panel), asked whether respondents believe the government in Washington should see to it that every person has a job and a good standard of living (coded as 1) or whether government should just let each person get ahead on his or her own (coded as 7). In my figure 1, I plot the percent of African Americans and whites in favor of guaranteed jobs and a good standard of living from 1972 to 2008.⁵ I also include a nearly identically worded ANES question about government-guaranteed jobs and a good standard of living that offered just two response options (instead of seven). This question was asked in 1956, 1958, 1960, 1964, 1968, and 2002 and

5. The percentages that appear in my figure 1 differ slightly from the series reported by the authors in their figure 3 (lower-right panel), because they report the mean response for whites and African Americans (not percentages).

Figure 1. Percent Favoring Guaranteed Jobs and a Good Living Standard, by Race, 1956–2008



Source: Based on the variables VCF0809 and VCF0808, and survey weights from the ANES Cumulative Data File. See text.

a. Linear trend lines based on VCF0808.

thus allows an analysis of support for redistribution among whites and African Americans before and after the Civil Rights Movement.⁶

Several patterns stand out in my figure 1. First, unsurprisingly, throughout the entire period of analysis African Americans are more supportive than whites of government ensuring that every person has a job and a good standard of living. Second, between 1960 and 1964, white support for

6. In 1956, 1958, and 1960, four response options were given, and these were recoded into two categories. The question wording differed slightly during the first three years, but all respondents received the same wording in any given year. Thus, the drop in white support relative to African American support—which is the key finding of interest—cannot be attributed to the shift in question wording. The complete text of these and other survey questions in the ANES may be viewed in the “1948–2012 Time Series Cumulative Data File,” available at http://www.electionstudies.org/study pages/anes._timeseries_cdf/anes_timeseries_cdf.htm

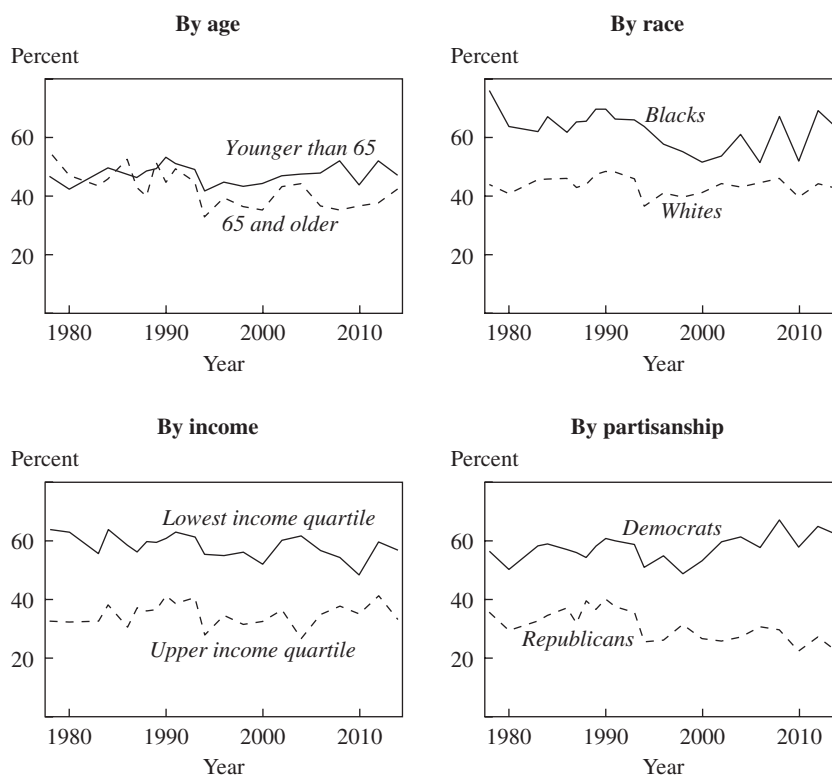
guaranteed jobs drops almost in half to just 35 percent. The magnitude of this decline is stunning and is consistent with a strong reaction to the Civil Rights Movement and legislation such as the Civil Rights Act of 1964. In contrast to the steep drop among whites, the decline among African Americans has followed a linear trend since the 1950s. Interestingly, if white support for guaranteed jobs and a good standard of living had declined at a linear rate and in parallel with African American support (see the gray trend lines), white support would have ended up about where it did in 2008 (the final year of the authors' analysis). Thus, although support for redistribution has declined more among African Americans than whites since the 1970s, by extending the time series back to the 1950s we see relatively similar long-term trajectories.

YEAR-TO-YEAR OPINION CHANGE The authors focus primarily on the linear trend in redistributive preferences. Given the near-linear increase in the pretax income share of the top 1 percent since the 1970s (with some zig-zags around the trend line in the late-1990s and 2000s), this focus on preference *trends* makes sense. However, short-term shifts in policy preferences can also be informative. To explore these changes, my figures 2 and 3 plot support for reducing income differences and support for spending more on welfare by age, race, income level, and partisanship. As with any subgroup analysis, we must remember that sampling error is larger because we are not analyzing all respondents, but these figures offer a general picture of how various groups' preferences have shifted from year to year.

The upper panels of my figure 2 provide the same information as the authors' figure 3 (upper-right and lower-left panels). However, instead of plotting the mean response each year by group, I plot the percentage of each group in favor of reducing income differences. Additionally, instead of indicating a point for each year and plotting the linear trend line, I connect the points, which helps illustrate the year-to-year changes in each group's reported preferences. I also report the preferences of the highest and lowest income quartiles (lower-left panel) and of Democrats and Republicans (lower-right).⁷ Plotting the data in this way highlights several important patterns.

7. In order to approximate income quartiles, I used the *realinc* variable, which reports family income in constant dollars. Because incomes are grouped, the actual proportion of the upper-income group varied from 15 to 27 percent of respondents, with a mean of 19 percent. The actual proportion of the low-income group ranged from 20 to 26 percent of respondents, with a mean of 22 percent. The seven-point *partyid* variable was used to identify Democrats and Republicans. Independents "near" the Democratic or Republican party were excluded.

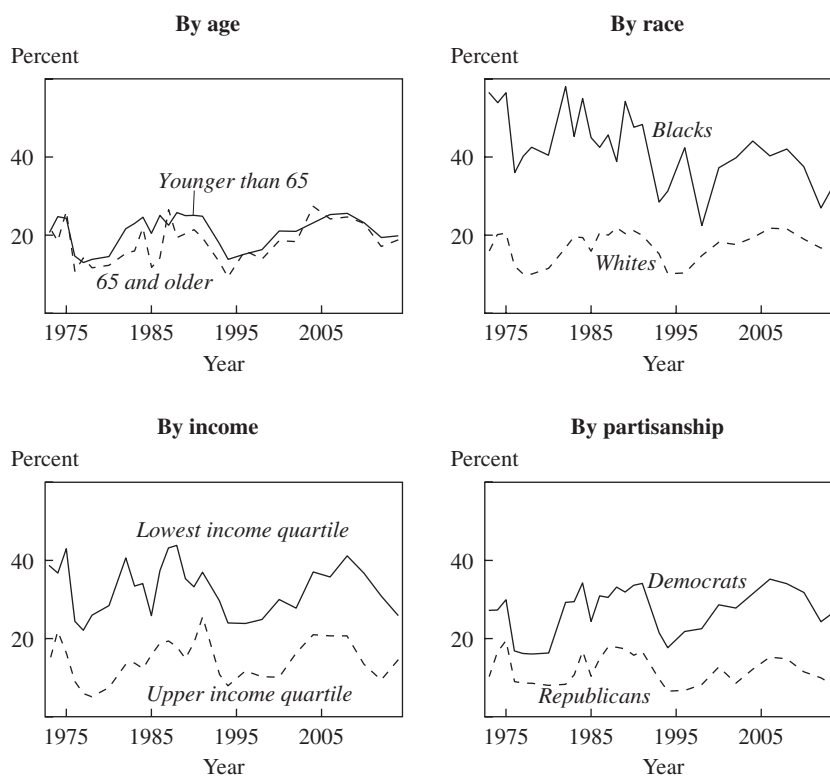
Figure 2. Percent Supporting Reducing Income Differences, by Group, 1978–2014



Source: Based on the variable EQWLTH and survey weights from the GSS Cumulative Codebook. See text.

For example, although those in the 65 and older group have become more conservative than those younger than 65, throughout the entire period of analysis the difference in support for reducing income differences among these two age groups is the smallest out of all the groups considered. Also of note, between 2008 and 2014, support for reducing income differences increased among the elderly. This pattern seems to run counter to the self-interest hypothesis. If declining support for redistribution among the elderly results because of concerns about expanding health care access, we would not expect the elderly to increase their support for redistribution in the years before and after the passage of the Affordable Care Act in 2010.

Considering the rise of income inequality during this period, the most notable feature of the income group analysis (lower-left panel) is the relatively flat trajectories of support for reducing income differences. Perhaps

Figure 3. Percent Supporting More Spending on Welfare, by Group, 1973–2014

Source: Based on the variable NATFARE and survey weights from the GSS Cumulative Codebook. See text.

these patterns reflect the fact that most of the income gains have occurred for the top 1 percent and above. Thus, focusing on income quartiles may be too coarse. By contrast, it may be that factors other than economic self-interest influence changes in redistributive preferences. Perhaps consistent with this view, the increasing separation of Democrats and Republicans in the lower-right panel suggests that partisan identification has become increasingly important for redistributive preferences.⁸

8. Of course, who identifies as a Democrat or Republican is not fixed, so some of this pattern may reflect shifting partisan identities. For the most part, however, partisanship is relatively stable, and these differences likely reflect increased partisan sorting (Levendusky 2009) in the electorate.

My figure 3 plots the percentage of respondents who believe the government is spending too little money on welfare. Thus, higher values indicate support for more welfare spending. This question allows us to extend the time series back to 1973 and allows us to consider attitudes toward a specific policy action (government spending) that relates to redistribution. As with my figure 2, those 65 and older and those younger than 65 express the most similar levels of support. We also see declining support for more spending on welfare among African Americans. Support for welfare spending moves in similar ways for the highest and lowest income groups. While this is not a new finding (Kelly and Enns 2010; Page and Shapiro 1992; Wlezien and Soroka 2011), the over-time similarities again raise the question of whether changing preferences reflect other considerations beyond economic self-interest or whether we would need to move to the extremes of the income distribution to observe distinct patterns. We also see similar trajectories among Democrats and Republicans, although the gap between the two groups has increased in recent years. The year-to-year analysis of welfare spending preferences also shows that support for welfare spending declined among all groups in the early 1990s. This is an important pattern, because in 1996 the Personal Responsibility and Work Opportunity Reconciliation Act radically altered welfare policy. It appears that this policy shift was consistent with shifting public preferences.

CONCLUSION When the public's policy preferences change, policy tends to follow (Enns forthcoming; Erikson, MacKuen, and Stimson 2002; Page and Shapiro 1983; Soroka and Wlezien 2010). Thus, understanding how and why the public's preferences shift holds important implications. Ashok, Kuziemko, and Washington present a novel and sophisticated analysis that pushes us toward a better understanding of the over-time dynamics of public support for redistribution and how this varies (or does not vary) across key subgroups. The primary focus is the United States, but their use of cross-national public opinion data is equally important.

They show, for example, that the decline in support for redistribution among the elderly—relative to those less than 65 years old—has not occurred in Germany, Sweden, or the United Kingdom. In the United Kingdom, support for reducing income differences has declined among both the elderly and the nonelderly. Both groups have also decreased support for redistribution in Germany, but this decrease has been most pronounced among those under age 65. In Sweden, by contrast, both groups have increased agreement with reducing income differences in

society, but those 61 and older have shown a greater increase in these redistributive preferences.⁹ Given the evidence above, future research should investigate whether macroeconomic conditions experienced by birth cohorts help explain these cross-national differences.

Another task for future research is to further understand why different age groups and racial groups adjust their support for redistribution as they do. In this comment I have suggested that birth-cohort effects may offer a more complete account of the changes in the elderly's attitudes toward redistribution than self-interest rooted in the desire to protect government health-care benefits. I have also suggested that the decline in African American support for redistribution may reflect the continuation of a long-term trend that actually parallels the long-term trajectory among whites. Considering the fact that the income share of the richest 1 percent (and above) has continued to increase for more than three decades, as well as the fact that changes in various groups' demand for redistribution do not appear to correspond with the predictions of standard political economy models, understanding what has led to these changes in support for redistribution is a crucial undertaking for future research.

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9. See the figures 1, 2, and 3 in the authors' appendix. The authors' figure 5 shows a positive slope for the elderly in each of these countries, but this is the slope relative to the non-elderly, not the over-time trend in preferences for each group.

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COMMENT BY

PAOLA GIULIANO The question this paper by Vivekinan Ashok, Ilyana Kuziemko, and Ebonya Washington tackles is an important one: What determines support for redistribution in the United States? The authors use the General Social Survey and the American National Election Studies for the period between 1972 and 2006, assembling the longest possible time series of questions regarding preferences for redistribution. They also complement their analysis with data from the United Kingdom, Germany, and Sweden.

Their paper emphasizes the importance of exogenous traits, including age, gender, and race. Whereas there are no systematic differences in preferences for redistribution over time by gender, the authors uncover a sharp decline in preferences for redistribution among the elderly (people older than 65) and African Americans. The decline among the elderly almost disappears with the inclusion of other covariates (in particular, education), whereas the decline among African Americans does not appear to be driven by other confounding factors.

According to the authors, the elderly are against redistribution because they believe it will come at their own expense, in particular through cuts