WASHINGTON’S DEAF EAR
Public Opinion and the National Budget Debate

by Ruy Teixeira

In the midst of the current budget negotiations, there is one neglected question worth asking: what does the public really want? Tax cuts? Paying down the national debt? More spending? If so, on what? The available polling data, analyzed in this report, help answer these questions.

Does the public want to cut taxes?
All else equal, of course the public wants tax cuts. But in the real world, all else is generally not equal — cutting taxes involves giving up something else that might be accomplished with the government’s resources. When the tradeoffs are made explicit, cutting taxes does not fare so well.

Take, for example, a choice between tax cuts and spending the surplus on strengthening Medicare or Social Security. According to a March 1999 Fox News poll, the public prefers funding Medicare over tax cuts by a wide 65% to 25% margin. And the sentiment on Social Security vs. tax cuts is even more lopsided: a July 1999 CNN/Time poll found 74% wanting to use the budget surplus to stabilize Social Security, compared to just 21% who preferred a tax cut.

Even if Social Security and Medicare are taken off the table, the public still finds other uses of the surplus more compelling than tax cuts. In a July 1999 NBC/Wall Street Journal poll, 55% of the public preferred using that part of the surplus not dedicated to Social Security and Medicare for “unmet needs,” like “education, health care, and national defense.” Just 34% said they would award themselves a tax cut. Even more impressive, 69% of the public thought that, once Social Security was taken care of, additional monies should be spent on “education, the environment, health care, crime-fighting, and military defense,” compared to only 22% percent who thought that a tax cut was the proper use of the money (July 1999 Pew Center survey).
Does the public want to pay down the debt?

Again, all else equal, the public believes paying down the national debt is a worthy goal. But in competition with other uses of the surplus, people are not so sure.

For example, a January 1999 Pew Center poll asked people to choose among four uses of the surplus: paying down the debt, tax cuts, spending on domestic programs such as health and education, and making Social Security and Medicare financially sound. The result: a hefty 50% of the respondents chose helping Social Security and Medicare, 21% chose domestic programs, 14% chose tax cuts, and only 12% chose paying down the debt.

Similarly, a February 1999 CBS/New York Times poll asked people whether they preferred cutting income taxes, paying down the debt, or preserving Social Security and Medicare as uses of the surplus. A resounding 64% selected Social Security and Medicare, and only 14% expressed interest in paying down the debt. And cutting taxes — consistent with the discussion above — brought up the rear with a meager 12%.

Does the public want more spending?

In a word, yes. Indeed, the only context in which people don’t want more spending is when government programs are put forward in a vague and unspecified way as a use for the surplus.

This is nicely illustrated by a July 1999 Pew Center poll that asked people what they wanted to see done with the portion of the surplus not used to shore up the Social Security system. Did they want to see it devoted to a tax cut or to funding new (unspecified) government programs? By a wide 60% to 25% margin, respondents declared themselves in favor of a tax cut.

However, the same poll asked respondents whether they preferred a tax cut or spending on programs for, specifically, education, the environment, health care, crime-fighting, and military defense. The result: by an overwhelming 69% to 22%, the public preferred spending over tax cuts.

Similarly, a July 1999 Gallup/CNN/USA Today poll found that the public favored cutting taxes to increasing spending on unspecified government programs by 64% to 28%. But, in the same poll, when tax cuts were put up against increased spending on education, defense, Medicare, and other specifically identified programs, the result was reversed: 61% favored increased spending and just 33% wanted a tax cut.

What does the public want more spending on?

As these results suggest, the public is hardly interested in giving the government a blank check. But people are interested in seeing spending increased on causes they deem worthy.

These worthy causes start with strengthening Social Security and Medicare. In the January 1999 Pew Center poll cited above, and numerous others besides, spending on these two programs tends to be the public’s top recommendation for use of the surplus. But, as just illustrated, the public also wishes to see more spending on various other domestic programs in lieu of a tax cut, and not all of these other programs are equal in the public’s eyes. Indeed, polling data strongly suggest that health care and education, in particular, are really driving the public’s interest in increased spending outside of Social Security and Medicare.
For example, a February 1999 Associated Press poll asked people which domestic spending programs they preferred to spend the surplus on. The overwhelming majority selected education (45%) or health care (32%). An additional 9% chose the environment, and just 7% indicated a preference for defense spending.

The strength of education and health care as spending priorities is also suggested by a September 1999 ABC/Washington Post poll. That poll found that 37% preferred using the surplus for increased spending on education and health care over the alternatives of strengthening the Social Security system (29%), reducing the debt (19%), and cutting taxes (just 14%).

The public’s support of making spending on education the top priority is underscored by the fact that education frequently scores higher as a priority than even the Social Security or Medicare programs when they are considered individually. For example, in July 1999, the Pew Center asked the public to prioritize national issues. The most popular issue was improving the educational system (74% said it was a top priority), ranking higher than making either the Social Security system or the Medicare system financially sound (73% and 71%, respectively).

The data presented here suggest that the public’s budget priorities are clear. The public, first and foremost, wants more spending on Social Security, Medicare, and other domestic programs, chiefly education and health care. Fair polling questions consistently indicate that the public prefers these spending priorities — by up to a 70% majority — over paying down the national debt and cutting taxes. In the end, Washington’s politicians and policy makers would be well served by remembering that these are the public’s budgetary priorities.