

THE PRESIDENTIAL AGENDA ISSUE

Economics Still Matters to Poorer Voters

Interview with Larry Bartels

It is still the economy for working-class Americans, argues Princeton political scientist Larry Bartels. Contrary to much conventional wisdom, he finds that those suffering most in the economy have not had their heads turned by social issues and culture wars. The more affluent are most concerned with such issues. But he also finds in his new book that democracy in the United States is not necessarily working as promised. His provocative interview follows.

Q The U.S. economy has not performed very well for many Americans, at least by historical standards, for a generation now. Has that development changed the attitude of Americans toward government?

*LARRY BARTELS is director of the Center for the Study of Democratic Politics in the Woodrow Wilson School at Princeton University. His new book is *Unequal Democracy: The Political Economy of the New Gilded Age* (Princeton University Press and Russell Sage Foundation, 2008).*

A. The economy has always been an important issue. It is probably the most important issue in terms of structuring the party system and the voting behavior of ordinary citizens—in spite of talk about the emergence of other issues on the agenda. But there are really two aspects of the economy that work quite differently.

Q. Explain that a little further.

A. It is easy to exaggerate the level of ideological thinking among ordinary citizens, but insofar as they think about economic policy, it tends to produce a division between the parties along income lines. That division has increased in the past twenty or thirty years. We think of the New Deal party system as class-based but assume that class is less important in elections than it used be. In fact, the pattern appears to be largely the reverse. In the 1950s, income levels and presidential choices had very little relationship. Now that relationship has become a good deal stronger, with people near the bottom of the income distribution pretty reliably supporting Democrats and people near the top of the income distribution pretty reliably supporting Republicans.

Although the relevant data are scarce, there was apparently a pretty powerful relationship between income and voting behavior in the 1930s, and perhaps in the 1940s as well. But in the 1950s, when better survey data really started to become available, the relationship between incomes and parties was already quite weak, and it remained weak through the 1960s but then began to emerge in the 1970s and 1980s.

Q. There was a second point.

A. The other way in which the economy matters is much less ideological. It has to do with people's assessment of how the country is faring and their own economic situation. These concerns tend to be much more short-term and much more practically focused. Rather than a matter of policy differences between the two parties, it is really a matter of rewarding or punishing the incumbent party for the state of the economy at the time of the election. That seems to be a powerful force for voters at all different income levels. It also seems to be more important as an explanation for election outcomes because it moves the entire electorate in one direction or another, no matter the income level.

Q As I mentioned earlier, I have long argued that Americans have not been doing well economically, especially in historical terms, for more than a generation. Those who disagree always say that if Americans were not doing well, they would be voting for Democrats. You believe that voting patterns follow economic prospects. This seems to be based on short-term criteria.

A. When the economy is booming at the time of the election, the incumbent party almost always does well, and when the economy is doing badly at election time, the incumbent party almost always does badly. You would think that that might produce a systematic pattern of rewards for whichever party produces the most income growth over the long term. But voters are so focused on the short term that they mostly pay attention to how the economy is going in the election year rather than how it has gone over the incumbent's entire administration. In fact, it is clear that most people's incomes have grown more rapidly under Democratic presidents than under Republican presidents throughout the post-World War II period. And that was not because Republicans were left to clean up economic messes left by Democrats, as some say. The pattern has been even stronger when a Republican term followed another Republican term.

Q Clearly, one of the themes of your book, *Unequal Democracy*, focuses on what became a commonly accepted idea: that American politics has split along a cultural divide. You respond to Thomas Frank's *What's the Matter with Kansas?* in a direct way. The working class, however it is defined, was faring so poorly that it was susceptible to exploitation about issues like abortion, gay rights, and prayer in school. You think that really was not the case. The voting patterns did not suggest that.

A. Right. If you look at the behavior of individual voters and how it relates to their political preferences, it is true that social issues like abortion have become increasingly important over the past quarter-century. That much of the argument is correct. But, contrary to current

ideas, those issues have not come to dominate the political landscape. It turns out that economic issues are still considerably more important than social issues to most voters. More specifically, however, the people voting most strongly on the basis of these social issues are not generally people who are relatively poor. They are relatively affluent.

Q. How did you come to determine that?

A. This is based on looking at the relationship between people's views about specific issues and their presidential vote choices in a series of elections. If you look at the relationship between views about abortion and whether people voted for George Bush or John Kerry, for example, it turns out that that relationship is pretty weak among people in the bottom third of the income distribution and strongest among people in the top third of the income distribution.

Q To summarize, contrary to what is widely thought, the people in the bottom third of the income distribution did not abandon the Democratic Party, at least to the degree previously thought.

A. Most of the Republican gains since the 1950s have come from people in the middle and the upper thirds of the income distribution, and they have largely come from white Southerners. It is not the only source of increasing Republican support, but it accounts for most of the net gains of the Republican Party. It was the political transformation of the South in the 1950s and 1960s.

Q. As you know, many people have criticized you for looking primarily at the bottom third of the income distribution—on two counts, I suppose. First is that the bottom third includes young people and old people, many of whom are not truly the working poor. They are in the category temporarily. Second is that income itself does not necessarily define class.

A. It is not entirely clear either in Frank's book or in the discussion of the working class generally what people actually mean when they use these terms. So there are all sorts of plausible definitions of the kind of people we are talking about. The analysis that I did for my book, which focuses on income inequality, regards income levels as

the defining characteristic. Another piece that I published separately was in part a response to Frank's book. In it I adopted a definition of the working class that he argued for, which was to look at people who do not have college degrees. There again, it looks as though the people who are attaching the most weight to social issues are college-educated people, rather than those without college degrees. So, again, it is not working-class people who seem to be distracted from economic issues.

Q If you raise the income threshold above the one-third to, say, the median and below, would that have changed your results?

A. It would change the results regarding the overall pattern of support for Democrats and Republicans in the different income groupings. It would not change the pattern of relative weights that people are attaching to economic and social issues.

Q. If you went up to the median, more people below the median would have been abandoning the Democrats than at the thirty-third percentile?

A. I have stuck to white voters for a variety of reasons. The Republicans have done better among middle-income white voters than they have among low-income white voters. So the more middle-income people you include in the definition, the more it is going to look as though the Republicans are making gains.

Q Some people, like Frank, would call those middle-income people working-class people. There are plenty of blue-collar workers in the median income level, for example.

A. Yes.

Q. So does that support his argument?

A. I think the answer is no, because those people are still voting mostly on the basis of economic issues, whereas the people at the top on whom he is not focusing are the ones attaching the most weight to the moral issues he emphasizes in his book.

Q Is it possible those who switched to the Republicans on the basis of economic issues simply believe they do a better job managing the economy than the Democrats do? That, after all, was Ronald Reagan's main message.

A. I think most Republicans do believe that. But that is surprising, given that average income gains for middle-income families have been twice as great under Democrats as under Republicans. The belief makes sense only if people are ignoring economic reality or focusing on the economic reality in presidential election years and ignoring what happens the rest of the time.

Q. Why are the people at the top attaching more weight to social issues than they once did?

A. I believe it is because those issues have become energized in the political system and connected to the traditional differences between the parties in a way that they were not before. If you go back to the 1970s and even the 1980s, the relationship between views about abortion and partisan choices, for example, was quite weak. But as the parties began to sort themselves out on that issue, the Republicans became a strongly pro-life party. A lot of affluent people with relatively liberal views about abortion and other social issues reacted against that and gravitated to the Democratic Party. The other thing to say about this is that the people who are active on the conservative side of social issues are disproportionately affluent as well. If you look at evangelicals, for example, there is a perception that they tend to be dirt-poor rural people, but in fact their average income level is probably higher than that for the rest of the country.

Q When we are talking about affluence here, I think some people get a little confused. If you go well up into, say, the seventy-fifth and eightieth percentile or even higher, how does this break down?

A. Most surveys do not make it possible to break things down that finely. We typically have relatively few people who are at the very top

income level. The analysis that I have done is focused on the upper third of the income distribution, so that encompasses the people you are talking about as well as some who are somewhat less affluent.

Q I was intrigued, of course, that you found that the economy grew more rapidly and incomes grew more rapidly—and also that there was less inequality—under Democratic presidential administrations than Republican administrations. Yet that did not necessarily deter people from voting for Republicans. This goes back to the point that you mentioned earlier.

A. The striking historical regularity is that, on average, Democrats have done at least a little better for families at all income levels. They have done substantially better for middle-income and low-income people than Republicans have, on average, over the course of each president's administration. But if you focus the comparison on presidential election years—the years when economic performance has a big impact on the election outcome—it turns out that Republicans have done at least a little better for everyone, and substantially better for affluent people. Thus insofar as people are myopically focused on how things are at the moment and not taking into account the record over an entire administration, Republicans look much better than they actually have been on average over the entire time that they have been in office. That has produced a substantial partisan bias in election outcomes by comparison with what would have happened if voters had taken into account the record of income growth over the entire administration.

Q You attribute the better performance to the fact that Democratic administrations seem to be more tolerant of inflation and less tolerant of unemployment than Republican administrations.

A. That accounts for much of the overall difference in patterns of income growth, because income growth for people at the bottom and middle of the income distribution is much more sensitive to overall economic growth and unemployment than it is to inflation. Income

growth for people near the top of the income distribution is much less sensitive to unemployment and much more sensitive to inflation.

Q. Mainstream economists for the most part claim that they cannot find the relationship between higher inflation rates and faster economic growth.

A. I do not think there is much of a relationship between inflation and overall growth, but the point is that if you look at income growth for people in different parts of the income distribution, the people whose incomes are sensitive to inflation are the people at the top of the distribution. It has relatively little effect on middle-class and poor people.

Q You mentioned a couple of other factors. One was something I did not fully understand: that the electorate seems to be very sensitive to rapid income growth even when it mostly goes to high-end individuals. The other point I did understand quite well, which is that whoever has the most money often wins. Could you talk about those two issues?

A. Yes. The second first. There is a fairly strong relationship between the amount of money that the two sides spend on their campaigns and how well they do. The amount of money available to spend is in part a function of how the economy is doing. In good economic years, the incumbent party tends to do better in fundraising.

Q. The incumbent party, not necessarily the Republicans.

A. That is right. But there is also a big overall Republican advantage in fundraising and campaign spending. The tendency is for the incumbent party to raise more money in years when the economy is strong. But even when Democratic presidents are presiding over strong economies, they tend to be outspent by their Republican opponents.

Q Explain the other factor, that even when the high-income people get most of the income growth, the electorate seems to be influenced positively.

A. That one is kind of mysterious. What I have done is to look at the relationship between income growth for people in different parts of the income distribution and voting patterns among voters in different parts of the income distribution. A sensible expectation would be that when there is a lot of income growth for affluent people, you would see affluent people responding strongly to that in their voting behavior. And when there is a lot of income growth for low-income people, you would see low-income people responding to that. The actual pattern seems to be that voters in the upper third of the income distribution are mostly responsive to income growth for affluent people. Yet voters in the middle third and lower third of the income distribution are also mostly responsive to income growth for affluent people.

Q. Do you have some explanation for that?

A. I did not examine it in detail. One possibility is that it is just a fluke in the particular series of presidential elections that we have to study. Another possibility is that media coverage of how the economy is doing is important in shaping people's responses as much as or more than their own direct economic experience. It would not be too surprising if the media's portrayal of how the economy was faring was tilted toward reflecting the experience of affluent people, since those are the people whose economic fortunes are likely to be most salient, and maybe most directly important, to the people who are determining the tone of media coverage.

Q You acknowledge that there is a culture war but that it does not dominate economic influence over the elections. At the same time the so-called culture war seems to be more influential among more—I hate to use the term “affluent”—but among those who are somewhat better off than those who are somewhat less well off or are doing poorly. Is that a fair summary?

A. Yes.

Q. There is a culture war. It is just not as important as people like Frank have said it is.

A. Well, there is a culture war in the sense that people seem increas-

ingly to be voting on the basis of these social issues. There is not a culture war in some of the other respects that commentators seem to have in mind. For example, it does not look as though people's views about these issues have become more extreme or more polarized over time.

Q. Economic welfare still trumps culture wars?

A. Right.

Q Was Barack Obama correct in saying that bitterness leads people to cling to their guns and their religion?

A. I think he was wrong if what he meant was that people who were suffering economic distress were most likely to vote on the basis of social issues rather than economic issues.

Q Can some of those people be suffering, though—the ones higher up on the income scale? I would argue that a lot of them could be suffering uncertainty, volatile incomes, suffering economically—a fear of lost health insurance, median male wages going nowhere for thirty or forty years. They are actually lower after inflation than they were thirty or forty years ago for thirty-somethings.

A. There is a strong sense of economic insecurity. I have not seen any evidence to suggest that the people who feel that most acutely have become more conservative in their views about social issues or have attached more weight to social issues in their political thinking than they used to.

Q. But is it possible?

A. I suppose it is possible.

Q. Do you doubt that it is likely?

A. Yes.

Q. Why?

A. Because the overall pattern suggests the opposite—that the people who have the least reason to feel insecure tend to be more liberal in their social views and tend to attach more weight to social views.

Q You are very concerned that democracy is not working in some important respects. In particular, you find that the government is not responding to the needs or desires of low-income workers. Could you elaborate on that?

A. Democracy means many different things, but insofar as it implies that people have equal influence on the political system regardless of their economic circumstances, it appears that we are a long way from meeting that ideal. One of the things that political scientists have studied is the relationship between the views of constituents and the behavior of their elected officials. We find out what people in a given congressional district think and then see whether their elected member of Congress is voting in a way that is consistent with that thinking.

In one chapter of my book, I have repeated that kind of analysis but divided the constituents into the bottom, middle, and upper thirds of the income distribution, tabulated the ideological views of people in each of those three groups separately, and then related them to the behavior of elected officials, specifically U.S. senators. The statistical pattern turns out to be a pretty strong relationship between the views of upper-income constituents and how their senators voted on a whole array of issues, and a somewhat weaker relationship between the views of middle-income constituents and the behavior of their senators. But there is no relationship at all between the views of low-income constituents and how their senators legislate.

To the extent that this is providing an indication of whose views they are responsive to, they do not seem to be at all responsive to the views of millions of people at the bottom of the income distribution.

Q Do you have a hypothesis as to why? Is it a lack of money? Is it a lack of voice?

A. The common reaction to this finding is “Well, of course their elected officials don’t pay attention to them because they don’t vote.” And it is true that they do turn out to vote at lower rates than middle-

and upper-income people. But millions of them do vote, and they still are not getting any attention, as best we can tell. There is some indication that people who have had some direct contact with their elected officials get more weight in government decisions, but even allowing for that, there is a large disparity in the influence of these income groups that is not accounted for, as best I can tell, by differences in their voter turnout or their political participation or their level of knowledge about politics or engagement in politics.

A key possibility, which I was not able to study directly with the data I had available but that seems plausible, is that much of this disparity is due to differences among the three income groups in the extent to which they are important sources of money for political campaigns. The amount of money that people in these three income groups contribute to political campaigns, in the aggregate, is fairly close to being proportional to the amount of influence that they seem to get. However, even the views of affluent people are less important than the ideological views of the senators themselves. We can have a Republican and a Democrat representing the same constituency—the same state—and they are likely to vote in very different ways.

Q Given all of the above, the current presidential race was unusual. What was significantly different about the recent presidential campaign than those of the past?

A. First, we did not see strong income growth during the election year, as we usually do when Republicans hold the White House. Second, as political scientists, our understanding of presidential elections is based almost entirely on cases in which the incumbent president or vice president was running for reelection. But in this case we had a Republican candidate who consciously tried to distance himself from the administration and portray himself as an agent of change. And third, of course, we had never seen an election with an African-American candidate for president before, so we had no way of knowing how many white voters would not be able to bring themselves to vote for him.

Q Let me return to the issue of the minimum wage. Americans seem to support raising it in significant numbers, but it has not been raised. It is now, even after the last increase, significantly below what it was in the late 1960s after being discounted for inflation. Why do you think that is the case?

A. I take this as an illustration of three important points. First, the idea that policy is highly responsive to the preferences of ordinary citizens is often wrong, and this is an especially dramatic instance of that. In surveys over the past forty years there has been strong, consistent support for increasing the minimum wage, but over that period the real value of the minimum wage has declined substantially. So policymakers are responding to something quite different from public opinion or public policy preferences on this issue in spite of the fact that it is a fairly straightforward and salient issue that people seem to have real opinions about.

Second, the decline in the real value of the minimum wage reflects a combination of partisan political factors and external shifts in the political climate. The most important external shift is the declining influence of the labor movement, since organized labor has been the strongest interest group championing the minimum wage throughout its existence. The fact that unions have many fewer members than they used to and are less politically powerful than they used to be accounts for a substantial chunk of the erosion in the real value of the minimum wage.

But there is also a significant partisan component here. Under Democratic presidents the real value of the minimum wage has generally gone up, and under Republican presidents it has generally gone down. As in many other policy areas, the ideological convictions of the people who happen to be in charge seem to be most important in determining the policy outcome.

The third point involves going back to the patterns of income growth under Republicans and Democrats. The partisan difference in the real value of the minimum wage is probably large enough to account for

most of the gap in income growth for low-income families between Democratic and Republican presidents over this period.

Q Is that in your book? I do not remember seeing it.

A. I did not make that connection explicitly. I emphasize that there is a huge partisan difference in average income growth for what I call working poor families, families at the twentieth percentile of the income distribution. Their average real incomes have increased about *six* times as rapidly under Democratic presidents as they have under Republican presidents. The partisan difference in the changing real value of the minimum wage from year to year under Democratic and Republican presidents is large enough to account for a substantial chunk of that difference—so that is one of the most important policy mechanisms producing these partisan differences in income growth patterns.

Q *New York Times* columnist David Brooks, and my impression is Thomas Frank as well, argued that non-college Americans are more attached to these cultural issues, such as opposition to abortion and gay rights, than college-educated Americans. Were you saying that when you looked at the data, that was not true?

A. That is correct. In the article I wrote in reaction to *What's the Matter with Kansas?* I analyzed the weight that people with and without college degrees are attaching to social issues. The pattern that emerged is that social issues received much more weight in the voting behavior of people with college degrees than in that of people without college degrees. For example, the weight attached to abortion between 1984 and 2004 increased twice as much among people with college degrees as among those without college degrees. That supports the notion that cultural issues have gained traction among better-educated people much more than among the working-class people whom Thomas Frank seemed to be writing about.

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