Explaining Social Policy Preferences: Evidence from the Great Recession

YOTAM MARGALIT   *Columbia University*

To what extent do personal circumstances, as compared to ideological dispositions, drive voters' preferences on welfare policy? Addressing this question is difficult because a person's ideological position can be an outcome of material interest rather than an independent source of preferences. The article deals with this empirical challenge using an original panel study carried out over four years, tracking the labor market experiences and the political attitudes of a national sample of Americans before and after the eruption of the financial crisis. The analysis shows that the personal experience of economic hardship, particularly the loss of a job, had a major effect on increasing support for welfare spending. This effect was appreciably larger among Republicans than among Democrats, a result that was not simply due to a "ceiling effect." However the large attitudinal shift was short lived, dissipating as individuals' employment situations improved. The results indicate that the personal experience of an economic shock has a sizable, yet overall transient effect on voters' social policy preferences.

INTRODUCTION

The Great Recession of 2008 has left millions of individuals unemployed, struggling with shrinking incomes and facing heightened levels of economic insecurity. The consequent demand for larger social spending has brought to the fore the public debate over the proper role of government in providing support for the unemployed and the needy. This debate, of course, is not new but rather one on which many individuals hold long-standing ideological views. Yet these views may have been challenged by the hardships experienced during the financial crisis. How do individuals' preferences on welfare policy shift in response to changes in their personal economic circumstances? Are the welfare policy preferences of voters predominantly a function of their ideological dispositions, or are they mostly shaped by their material interests at a given time period?

To put this point in starker terms, consider a hypothetical case of two otherwise similar individuals, one positioned ideologically on the left and the other on the right, who lose their jobs at the same time. The question that arises is whether the same downturn in their personal circumstances leads to a convergence in policy preferences, whereby the right-leaning individual becomes significantly more supportive of welfare assistance, or whether their different ideological dispositions yield two distinct responses, in line with their previously held views.

The importance of understanding the factors that shape individuals' attitudes on welfare assistance has been underscored by growing evidence that the preferences of voters on the issue are also an important cause, and not just an outcome, of governments' choice of welfare policy (e.g., Brooks and Manza 2007; Haman and Kelly 2010; Lupo and Puntusson 2011; Pierson 1994). As part of this research, much scholarly attention has been given to the claim that economic self-interest is a key determinant of voters' attitudes on welfare and redistribution; people's position in the labor market, exposure to the risk of layoff, and their financial standing are the main factors associated with this line of explanation (Alesina and La Ferrara 2005; Bean and Papadakis 1998; Burgoon 2001; Cusack et al. 2006; Iversen and Soskice 2001; Rehm 2009, 2011). Although these studies use varied sources of data to support this claim, the strength of the empirical evidence they provide has come under question for a number of reasons. First, the evidence is based almost exclusively on analysis of cross-sectional survey data in which scholars find correlations between measures of survey respondents' economic standing and their views on social policy. But with this type of evidence a causal link between the two measures remains unclear: It could be, as the authors argue, that individuals' labor market circumstances shape their attitudes on welfare policy; Yet it is also plausible that an unobservable characteristic—such as people's upbringing, or the influence of their parents—explains their preferences on welfare provision and their standing in the labor market. Further doubt about the material self-interest explanation arises from the fact that several other studies that rely on similar cross-sectional data reveal a very weak empirical association between measures of individuals' economic circumstances and their attitudes

Yotam Margalit is Assistant Professor, Department of Political Science, Columbia University, 420 W. 118th Street, New York, NY 10027 (ym2297@columbia.edu).

on the welfare programs from which they are deemed to benefit (Lynch and Myrskyla 2009; Mughan 2007; Taylor-Gooby 2001).

A second strand of explanation shifts the focus away from economic self-interest and instead emphasizes the impact of political ideology as a determinant of people's attitudes on welfare assistance. Differences in ideological dispositions between voters on the left and the right on issues such as equality, fairness, and the appropriate role of government are argued to be central factors underlying individuals' welfare preferences (Alesina and Glaeser 2004; Bean and Papadakis 1998; Feldman and Zaller 1992; Fong 2001; Funk 2000; Linos and West 2003). Yet as some studies recognize, the two strands of explanations—those focused on economic self-interest and those on ideology—may not be mutually exclusive. For one, ideology may be an outcome of material circumstances rather than a separate source of influence. Alternatively, ideological dispositions may be a systematic moderator of the way in which the material interests of individuals shape their political views (e.g., Lodge and Taber 2000; Redlawsk 2001). Thus, due to these potentially interactive mechanisms, it is empirically difficult to separate the roles of self-interest and ideology and causally identify the impact of personal economic circumstances on people's preferences on welfare policy.

To address these empirical challenges, this article exploits a *within*-subject research design that tracks individuals during an extended period of economic volatility. More specifically, I use an original panel study that consists of four waves of surveys in which the same national sample of respondents was contacted for repeat interviews between July 2007 and March 2011. In these repeat interviews, detailed information was collected not only on respondents' changing labor market circumstances but also on their political attitudes. Utilizing this rich longitudinal data, covering periods both before and after the eruption of the financial crisis, I estimate how individuals' preferences on welfare policy shift in response to the personal experience of three types of economic shocks: a substantial drop in household income, a subjective decrease in perceived employment security, and the actual loss of a job.

The central finding of the analysis is that voters' preferences regarding welfare policy are strongly affected by changes in their own economic circumstances. In particular, the loss of employment is found to have a major effect, increasing the average probability of support for greater welfare spending by between 22 and 25 percentage points. These results are shown to be robust to a broad range of empirical specifications. In addition, a set of placebo tests lends further credence to the identification strategy by demonstrating that the views of individuals personally harmed by the economic shocks changed substantially with respect to welfare policy but not with respect to largely unrelated policy domains such as global warming or cultural values. This suggests that a change in personal material considerations, rather than a general disorientation in attitudes, accounts for the link between the experience

of an economic shock and the shift in people's welfare preferences.

The analysis also reveals that the experience of the economic shock does indeed lead to a convergence in the welfare preferences of harmed individuals who prior to the shock held distinct political views. In particular, I find that in response to a personal economic shock such as layoff, Republicans and Independents grew significantly more supportive of welfare assistance, while among Democrats the effect was much smaller. This differential impact is only partially due to a "ceiling effect," namely to the fact that most Democrats were supportive of welfare expansion even before the crisis.

Finally, I find that with the passing of time, as job losers regain employment, their support for the expansion of welfare spending decreases significantly. This shift in attitude among the re-employed is more frequent among voters on the right. These patterns suggest that while economic shocks can have a sizable effect on welfare preferences of individuals, the effect is probably not a reflection of a profound conversion in their political world view. Rather, the attitudinal change appears to reflect a more provisional response to an immediate and sometimes temporary need, and as such can be fairly short lived.

The article's findings contribute to the growing literature on the political economy of social policy (e.g., Huber and Stephens 2001; Mares 2003; Rueda 2007). With the accumulation of evidence that voters' preferences are an important factor shaping governments' choice of welfare policy (e.g., Brooks and Manza 2007; Haman and Kelly 2010), there is need for a clearer understanding of the influences that shape the public's welfare attitudes as well as for better estimates of the magnitude of these influences. By testing and quantifying the impact of various personal economic circumstances on voters' attitudes, this study provides a stronger empirical foundation for explaining variation in mass support for more expansive welfare policies both across publics and over time.

The article also adds to the ongoing research on the relative roles of ideology and material self-interest in the formation of individuals' political preferences (e.g., Bartels 2008; Fiorina 1981; Gelman et al. 2007; Malhotra and Margalit 2010). As these studies attest, there is still much disagreement on the relative influence of the two forces. In the context of welfare policy, the analysis presented here suggests that the two could be usefully thought of as continuously present influences, but as having varying impacts over time: whereas political ideology is an important factor accounting for voters' baseline policy stance, self-interested considerations arising from changing material circumstances do often outweigh individuals' prior ideological dispositions and bring about a sizable, even if temporary, shift in preferences.

The rest of the article proceeds as follows. The next section reviews the debate over the sources of voters' social policy preferences and draws predictions from the main theoretical approaches. The subsequent section describes the data and the empirical strategy used

to test these predictions. The results section, which follows, is composed of two parts: the first focuses on estimating the impact of personal economic shocks on individuals' welfare preferences; the second compares the response to the shocks among individuals with different prior ideological leanings. The final section discusses the broader implications of the findings.

THEORETICAL BACKGROUND

A great deal of research in recent years has focused on explaining people's attitudes on the inter-related issues of government welfare assistance and redistribution.[1] Scholars have offered evidence tying individual attitudes on welfare policy to a range of factors, but the bulk of research on social policy preferences centers on two broad forms of explanation: those focused on people's own economic interest and those emphasizing ideological factors.[2] The arguments centered on self-interest typically assume that individuals are risk averse and thus, when facing less certain or lower future revenue streams (e.g., through the possible loss of one's job), they grow more supportive of higher levels of social assistance provision (Bean and Papadakis 1998; Cusack et al. 2006; Iversen and Soskice 2001; Rehm 2009, 2011). To support this logic, these studies put forward evidence that is predominantly based on single snapshots of cross-sectional data, finding correlations between various measures of individuals' economic circumstances (e.g., employment in an insecure job) and their attitudes on social policy.[3] Yet as noted earlier, the causal interpretation of this evidence is unclear; while the former may be the cause of the latter, as scholars often assume, it is quite plausible that other unobservable factors account both for individuals' economic circumstances (e.g., the type of job they take) and their views on welfare assistance. In other words, this empirical association may be spurious.

Indeed, a set of studies finds no evidence for the alleged causal relationship between individuals' economic interests and their attitudes on welfare policy.

For example, a study of survey data from 11 European countries finds that the expected beneficiaries of various pension programs are no more likely than nonbeneficiaries to oppose retrenchment in those programs (Lynch and Myrskyla 2009). Analysis of survey data from the U.S. and Australia also reveals no significant association between various measures of individuals' economic insecurity and their attitudes on relevant social policies (Mughan 2007). These "contrarian" studies also rely on the same type of cross-sectional data and thus confront the same inferential difficulties. Yet they are supported by research on other policy domains, which indicates that individual attitudes on government policies tend to reflect sociotropic concerns rather than individual calculations of material self-interest (e.g., Citrin and Green 1990; Kinder and Sears 1981; Sears and Funk 1990). In sum, the evidence to date on the causal impact of individuals' own economic circumstances shaping their preferences on social policy is highly inconclusive.

A second approach links preferences on welfare and redistribution to political ideology.[4] This line of explanation is again not unique to the study of welfare policy: ideological dispositions have long been described as key factors shaping individuals' policy views, independent of considerations centered on material self-interest (e.g., Campbell et al. 1960; Stonecash 2000). Indeed, research on long-term trends in public opinion reveals marked and persistent differences in welfare policy preferences across ideological lines throughout the 20th century, whereby voters on the left tend to be more supportive of expanding welfare programs than voters on the right (Shaw and Shapiro 2005; Shapiro 2009). These ideological differences may be an outcome of the observed divergence in the beliefs of voters on the left and right regarding the degree to which people's economic fortunes are attributable to external factors (e.g., luck, the system) as opposed to individual characteristics (e.g., hard work, ambition) (Alesina and La Ferrara 2005; Evans 1997; Fong 2001). A stronger belief that economic hardships are due to one's own doings may lead to lesser sympathy to the plight of the downtrodden, and consequently reduce support for redistributive policies (Alesina and Giuliano 2010; Alesina and Glaeser 2004).

While these accounts center on one form of influence—material interests or ideological dispositions—as the main determinant of views on welfare policy, it could be of course that the two influences are interlinked. Instead of treating material interests or ideological dispositions as separate influences, a third approach is to treat the two influences as connected through a process of learning. A change in economic fortunes could lead, for example, to a new calculus of where one's own self-interest lies. It could also lead to an updating of the beliefs underlying the political ideology that one

---

[1] While the two concepts—welfare spending and redistribution—are not the same, most studies treat them as equivalent for analytical purposes. This approach is usually justified by the fact that both direct assistance to the needy and social insurance programs that provide income-differentiated benefits have significant redistributive consequences (Cusack, Iversen, and Rehm 2006). Furthermore, the fact that welfare spending is highly progressive, and that taxes (as a share of government revenue) tend to be strongly and positively correlated with both higher welfare spending and lower inequality, means that the two can largely be discussed together (see Pontusson (2005), in particular Figure 7.2, for a more detailed elaboration of this point).

[2] Explanations for social policy preferences focus on varied factors such as union organization and the presence of class-based parties (Kumlin and Svallfors 2007), "welfare regimes" and their feedback effects (Korpi and Palme 1998; Larsen 2008; Soss and Schram 2007), religious denomination and level of religiosity (Guiso et al. 2003; Scheve and Stasavage 2006), or the racial and ethnic composition of the poor (Alesina and Glaeser 2004; Burgoon et al. 2012).
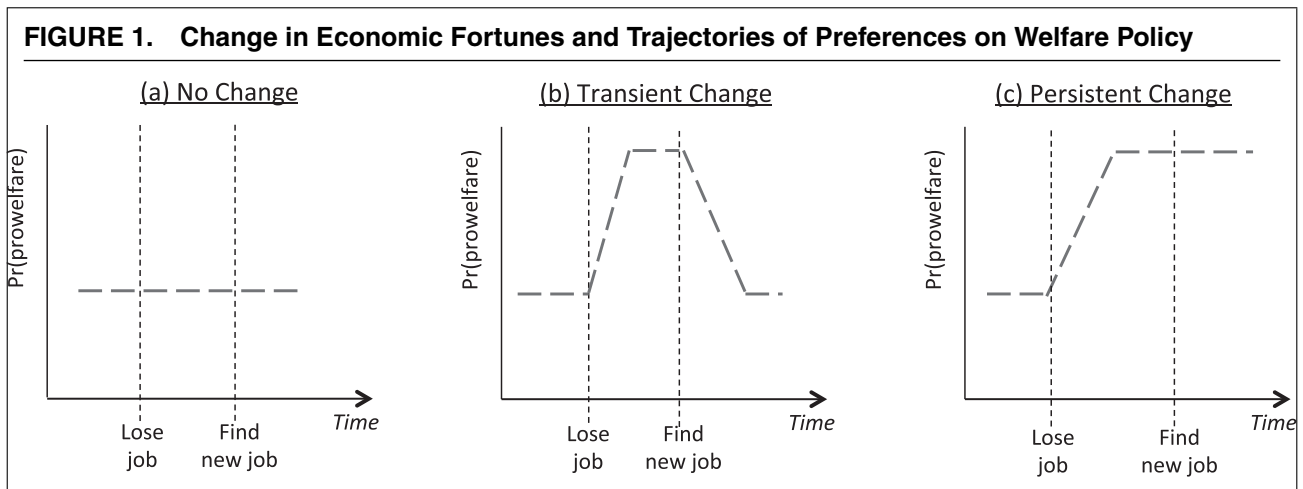
[3] See Brunner, Ross, and Washington (2011) for an exception in terms of research design. They provide evidence supportive of this causal link, showing that positive employment shocks in labor demand reduced support for redistributive policies put to vote in Californian ballot propositions.

[4] By political "ideology" I mean a constellation of values, beliefs, and positions on issues. This constellation organizes a wide range of disparate concerns, and can roughly be placed within a left-right scheme.

FIGURE 1. Change in Economic Fortunes and Trajectories of Preferences on Welfare Policy

subscribes to. For example, an individual who is laid off may learn new information about the spread of risk in the labor market and consequently update her views on the need for social insurance programs. Indeed, much of the work on voters' assimilation of new information and on attitude change centers on this type of a learning process (Gerber and Green 1999; Page and Shapiro 1992). The key aspect in this "learning" account is that the assimilation of the new information leads to an enduring change in views or preferences, one that extends beyond the individuals' short term circumstances.

To illustrate the differences between the theoretical approaches described above, we can compare their predictions regarding the impact that changes in economic standing are likely to have on people's social policy preferences. Returning to the hypothetical scenario raised earlier of the two individuals losing their jobs, let us now assume further that after a spell of unemployment each manages to find a new job. The question is whether, and in what way, their welfare preferences will change from their "baseline" (i.e., pre-shock) level. Figure 1 outlines three different trajectories of attitude change that an individual may experience. These trajectories are not exhaustive, but are arguably the most plausible in this context. The vertical axis of each graph denotes the probability of support for expanded welfare assistance and the horizontal axis denotes time.

In the left-most panel (Figure 1(a)), the attitude of the individual remains stable, irrespective of the changes in economic fortunes that the individual experienced. In contrast, in the second panel support for expanded welfare increases from the baseline following the loss of the job, but then decreases soon after the individual regains employment. Finally, in the panel on the right, support for welfare grows following the loss of the job, but then remains stable at the higher level, even after the individual's own circumstances improve. The predictions derived from each of the theoretical accounts in the literature can be mapped onto one of the patterns described above, though potentially to more than one. I begin by laying out the more straightforward predictions of each theoretical account and later return to assess possible alternatives.

If welfare preferences are driven primarily by myopic considerations of self-interest, one would expect to observe an inverted-U ("transient change") pattern: following the loss of a job and an increased reliance on welfare services, individuals' support for greater welfare assistance would rise. But then, as the individual finds new employment and is less dependent on such assistance, that support would drop. In contrast, if political ideology is the overwhelming influence shaping preferences, a change in one's own material standing is not expected to bring about a meaningful shift in views; whether laid off or re-employed, support for welfare assistance is predicted to stay very close to the baseline rate (i.e., to follow the "no change" pattern). Finally, a "learning" scenario suggests that as an individual learns firsthand about the employment risks in the labor market and the attendant hardships, she would, on average, update her prior beliefs and exhibit greater support for unemployment assistance. Then, after finding new employment, that support should remain high as a result of the learning that occurred in the previous period (i.e., the "persistent change" pattern).[5]

As noted earlier, past research has shown that left and right voters differ in their level of support for welfare spending (e.g., Bean and Papadakis 1998; Jaeger 2008). Yet importantly, the *pattern* of predicted change in each of the three approaches described above is not dependent on individuals' prior ideology, even if starting at different baseline rates. Returning to the question raised earlier of whether views on welfare policy will converge among the different partisans who experience a common economic shock, the "ideology" account that predicts a "no change" pattern suggests that no such convergence will occur, as each partisan will maintain their prior views. In contrast, both the myopic self-interest and the learning accounts imply

---

[5] As explained above, the updating may reflect sociotropic as well selfish considerations. In both cases, the key implication of the learning account is the endurance of the change in preferences.

greater, or even complete, convergence in the welfare preferences of left and right wing voters who experience the shock.[6]

All three approaches offer *ex ante* plausible accounts of human behavior. Which approach best explains actual behavior is ultimately an empirical question. Using novel longitudinal data, the subsequent sections examine how welfare preferences respond to various changes in individuals' economic fortunes during a four-year period. This analysis should allow us to assess the validity of various alternative explanations for the observed patterns, and help deduce which of the theoretical accounts offer the most explanatory insight.

DATA AND MEASUREMENT

The data presented here are based on four surveys administered by YouGov/Polimetrix, of Palo Alto, CA.[7] The first survey was carried out in July 2007 and included a national sample of 3,000 respondents.[8] The sample was constructed using the "closest neighbor" matching methodology described in Rivers (2007).[9] The resulting sample was then ranked by stratum to match the age, gender, race, and education marginals in the 2006 American Community Survey. A key feature of the survey is that data were collected on the employment status and income of both members of married couples, as well as respondents' subjective perceptions of their job security and future job prospects. Crucially, the survey also included items pertaining to respondents' political views and preferences on economic and social policy matters.

In April 2009, May 2010, and March 2011 three additional waves of the survey were fielded, each time inviting the same set of respondents to participate again. Given that the sample of returning individuals in each wave was not fully representative of the general population on a number of dimensions, as is often the case with re-interviews, the same matching methodology was again used to augment the panel in constructing a broader sample of respondents that matched the marginals of the U.S. population from the Current Population Survey of the corresponding period. In total, the experiences and attitudes of 6,229 respondents are analyzed in this study, 3,049 of whom were interviewed multiple times (1,603 individuals were interviewed twice, 1,044 interviewed in three of the waves, and 402 respondents were interviewed in all four waves).

Table A1 compares the characteristics of the samples in each wave with the sample in the American Community Survey along key demographics.[10] The table shows that the characteristics of participants in the panel emulate those of the national population quite well on a broad range of categories. Nonetheless, the panel under-represents the 18–34 age group and high-school drop outs, and is slightly poorer than the general population average, an imbalance that is more noticeable among female respondents. These differences should serve as a qualification when drawing conclusions about the average impact of the crisis on the broad U.S. public.

A concern associated with panel data of this type is that attrition from the panel is nonrandom and could thus lead to biased samples: people who agree to be interviewed multiple times may differ in meaningful ways from those who refuse to do so. To examine the potential severity of this issue, Table A2 compares the characteristics of the respondents as a function of the number of interviews in which they participated. While other characteristics not captured in this comparison may still differentiate the groups classified by the number of successful recontacts, the table suggests that the groups do not significantly differ in terms of key demographic characteristics, including age distribution, income, educational attainment, and employment status. This does *not* mean that the returning panel participants can be considered as fully representative of the population at large; however, it does indicate that the panel participants are, at a minimum, not a biased sample with respect to their distribution along the main demographics.[11]

The key dependent variable in the subsequent analyses (henceforth the "main question") is respondents' answer to the following item: "Do you support an increase in the funding of government programs for helping the poor and the unemployed with education, training, employment, and social services, even if this might raise your taxes?" Responses were located on a five-point scale: 1. strongly support; 2. somewhat support; 3. neither support nor oppose; 4. somewhat oppose; 5. strongly oppose. Capturing respondents' preferences on welfare policy is problematic and ideally requires the use of a broad battery of survey items. While this

---

[6] In the most extreme version of the theory, where self-interest is the only factor that shapes welfare attitudes, support for welfare expansion should be the same among individuals in similar economic circumstances, irrespective of their political orientation.

[7] The data were collected as part of a larger study headed by Professor Judith Goldstein on public sentiments towards various aspects of globalization.

[8] For purposes of another study, the original survey also included an oversampling of dual earner households, which meant an overall sample size of 6,370 respondents. These additional respondents were not interviewed in the subsequent waves.

[9] Sample matching is a method for constructing samples with minimal bias and improved efficiency. The method leverages the availability of large consumer and voter databases as auxiliary information used to select a target sample with known probabilities of selection. These samples can be balanced quite well on a large set of variables. For each element of the target sample, the closest matching element from the panel is then selected for interviewing. While matching is not perfect and still requires the calculation of sample weights, these weights are significantly smaller than those required when using a quota sample or a random subsample. See Rivers (2007) and Vavreck and Rivers (2008) for a detailed discussion of the closest neighbor matching technique and its main theoretical properties.

---

[10] All supplemental tables and graphs appear in the Online Appendix available at http://www.journals.cambridge.org/psr2013003

[11] Concern about the true representativeness of panel study participants, i.e., of individuals that agree to participate in repeated interviews, is surely valid. Yet one must note that such concerns apply to any panel survey. To go some way to minimizing this potential issue, one must aim to obtain a panel that is reasonably representative with respect to the main observable characteristics of interest. As I show, the panel utilized here does a fairly good job in that respect.

single question has drawbacks, it arguably captures an important element of the politically salient tradeoff between expanding the social safety net and the potential costs of such an expansion.[12]

Since a key question in this study is the effect of individuals' prior political ideology, I account for respondents' partisan affiliation in their first interview.[13] I code respondents' initial partisanship based on their answer to the following question: "Generally speaking, do you think of yourself as a ...?" Possible answers to the question include the following: 1. Democrat; 2. Republican; 3. Independent; 4. Other; and 5. Not Sure. To avoid losing observations, I code all respondents that selected "other" or "don't know" (11.8% of respondents in the 2007 survey) together with the Independents.[14]

Respondents were asked about their total pretax income in the preceding year (and that of their spouse) with answers recorded on a 10-point scale. Each response category represents an income band (e.g., $40,000–$50,000). To calculate the percentage change in household income over the panel period, I transform these bands into their currency midpoints.[15] Since unemployed respondents were not asked to report their income, I assign them the average intake in 2009 of $15,000. Household income is then calculated using

the sum of the two main earners reported by the respondent.[16]

The article examines the impact of three economic "shocks" on respondents' preferences on welfare assistance. The first shock is *job loss*, which prior research indicates can affect political preferences (e.g., Margalit 2011). I categorize the variable as "1" for any individual who across two sequential surveys was employed during the first but unemployed during the second. This category thus refers only to newly unemployed individuals; it excludes those who were unemployed in both periods (henceforth *long-term unemployed*) as well as individuals who were "not employed" in the previous period (as opposed to unemployed), i.e., students, retirees, and homemakers. The analysis also controls for *job loss of spouse*, an indicator variable that denotes instances in which a respondent's spouse was employed during the previous wave of interviews but was unemployed in the subsequent survey.[17]

The second shock variable is *job less secure*, a binary measure that denotes a substantial worsening in respondents' subjective sense of job security. As Anderson and Pontusson (2007) note, concerns about job security vary on two dimensions: the degree to which respondents perceive the possibility of a job loss as likely ("cognitive job insecurity") and the degree to which they actively worry about this possibility ("affective job insecurity"). I focus on the former and compare respondents' answers over subsequent surveys to the question "Looking forward to the next three years, how confident do you feel about being able to keep your current job?" Answers ranged from (1) "very confident" to (4) "not confident." The variable *job less secure* takes the value "1" if the subjective sense of job security dropped by two levels or more, and "0" otherwise. I choose this more conservative coding scheme to increase the likelihood of identifying individuals that experienced a substantial decline in job security rather than a general trend of growing pessimism. Among individuals who transitioned from having full, or part-time employment in the previous wave of the survey to being unemployed in the next wave (and were thus not asked the job security question in the latter wave), the *job less secure* variable was coded as "1" only if they reported in the previous wave that they were at least "somewhat confident" of being able to keep their current job over the next three years.

The third and final shock I examine is *income drop*, a binary variable that takes the value "1" if the household income decreased by at least 25% in the period between the two surveys and coded as "0" otherwise. The reason for choosing the 25% threshold, rather than simply any income decrease, is twofold: first, there is likely to be some degree of measurement error associated with the fact that income is recorded in ranges

---

[12] Substantial research on public opinion shows that when not confronted with potential tradeoffs, survey respondents tend to express high degrees of support both for more social spending and for lower taxes (Citrin 1979; Key 1961; Page and Shapiro 1992; Welch 1985). This suggests that a survey item that asks about increased spending on social assistance programs without mention of the policy's potential cost is likely to yield responses that overstate the actual level of support that the policy would obtain if, as is likely, its implementation would necessitate some costly tradeoff (whether in the form of higher taxes or cuts in other programs). Indeed, in a survey experiment administered in June 2012 (described later in greater detail), I randomly assigned some respondents to receive the main question described above, and asked a second group of respondents the exact same item but without a mention of the policy tradeoff (i.e., excluding the phrase "even if this might raise your taxes"). I find that the rate of support for the policy was seven percentage points higher among the latter group, i.e., when the tradeoff was not mentioned (52% vs. 45%). Notably, this difference was, as one might expect, larger among Republican voters than among Democrats. This pattern suggests that a survey question about increased welfare spending that does mention the potential cost of the policy yields a more considered assessment from respondents that also better matches the actual partisan disagreement on the issue.

[13] The analysis uses partisan identification as a proxy for political ideology. While the two are not the same, they are highly correlated; in fact, the relationship between self-reported ideology and partisanship has increased substantially in recent decades (see, for example, Abramovitz and Saunders 2005; Erikson et al. 2006; Knight and Erikson 1997). The substantive findings I report below are similar whether one uses partisan or liberal-conservative measures to gauge individuals' political ideology.

[14] Individuals who initially described themselves as supporters of neither party were subsequently asked if they "lean" towards Democrats, Republicans, or neither. I code Democratic and Republican "leaners" with their respective parties rather than as Independents. Incorporating the leaners with Independents does not alter the substantive findings reported in the results section. The results also hold whether one includes or excludes the "don't know" and "other" responses from the "Independent" category.

[15] The upper bound of the top income category (over $150,000) was capped at $160,000.

---

[16] The results are materially unaffected if one assigns the unemployed an annual intake of either $10,000 or $20,000 instead. The results are also not sensitive to increasing the cap chosen for the top income category (e.g., $200,000).

[17] See the Online Appendix for details on the exact question wording used for coding the various variables.

TABLE 1.   Economic Standing of Sample Respondents, by Wave

	Wave 1	Wave 2	Wave 3	Wave 4
Employment Status				
Unemployed (among working age)	5.7%	8.3%	8.0%	7.2%
Lost job (among previously employed)	—	6.2%	4.6%	3.0%
Confidence in Keeping Job				
Very confident	51.7%	35.3%	31.5%	32.7%
Confident	31.4%	31.4%	36.3%	34.5%
Slightly/not confident	16.9%	33.3%	32.2%	32.9%
Income				
Major drop in HH income (>25%)	—	10.3%	10.6%	7.7%
Mean income (dollars)	40,602	38,981	38,915	38,678

Note: Cell entries correspond to the distribution of respondents across categories in each survey wave.

rather than by the exact dollar figure. If one were to use any income decrease as the threshold (e.g., of 1% or greater), the measurement error problem is likely to be more severe. Second, I am interested in examining whether individuals that confront a significant decline in well-being change their policy preferences. While still arbitrary, a drop in income of 25% or more is likely to represent such a significant shift in household circumstances.[18]

Table 1 presents the key statistics pertaining to changes in respondents' economic standing during the four waves of the study with respect to the three shocks. As the table shows, the rate of unemployment among working-age respondents increased between the first two waves of the survey from 5.7% to 8.3%, a shift that was slightly smaller than the actual rate in the U.S. population (4.6–8.9%).[19] This increased rate remained almost unchanged in the 2010 study and decreased somewhat by early 2011. Furthermore, among the individuals that were employed during the first wave of the survey, 16.8% reported two years later that they were either unemployed, not employed, or employed

in a lower capacity than in the preceding period (e.g., shifted from full-time to part-time work). In addition, many of the individuals who were unemployed at the time of the first wave (in 2007) continued to suffer from the adverse labor market conditions. In fact, only one in four had a job (even part time) at the time of the survey in 2009. Indeed, the phenomenon of long-term unemployment is one of the widely discussed features of the Great Recession.[20]

The middle panel of Table 1 compares respondents' sense of job security over the four waves. Particularly notable is the fact that between the first two waves—i.e., the one before and the one shortly after the eruption of the crisis—there was a sharp decline of about 16 percentage points in the share of individuals that felt "very confident" in being able to keep their job over the next three years (from 51.7% to 35.3%). At the same time, the share of respondents insecure about their labor market prospects almost doubled, rising to just over 33% in July 2009. Notably, in the surveys carried out in 2010 and in early 2011, levels of job insecurity remained similarly low.

Finally, the table shows that a nontrivial portion of the sample experienced a squeeze in their household income: whether as a result of a family member losing a job, due to salary cutbacks in the workplace or because of lower profits earned by self-employed business owners, respondents' household income registered a drop of 4% in the immediate aftermath of the crisis. However, this figure masks substantial divergence: whereas the household income of over 80% of the sample remained intact or even grew somewhat, about 9% of the sample experienced a drop of 25% or greater.[21]
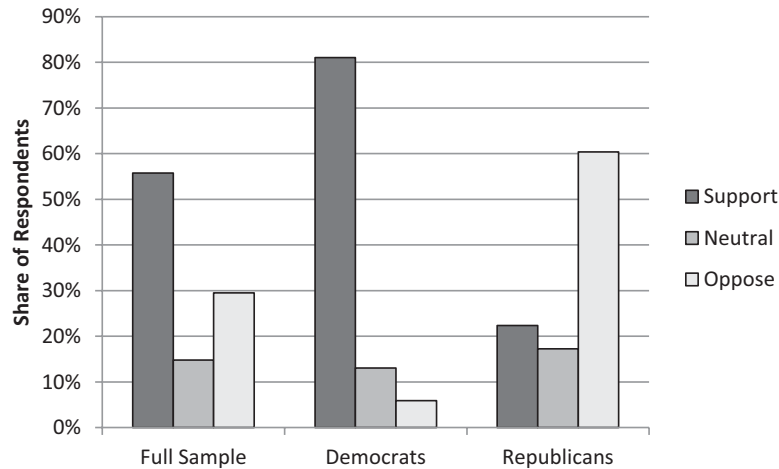
The sheer magnitude of the Great Recession means that the affected segment in the sample population is quite sizable, allowing for a meaningful assessment of the impact that personal economic shocks have on people's political attitudes. Table A3 presents the

---

[18] Examining the impact of three forms of shocks, rather than just one, allows for a more extensive assessment of the link between personal circumstances and welfare preferences. While actual job loss can be seen as a stronger shock than a "mere" decrease in subjective job security, it is perhaps less clear *ex ante* how the impact of a major drop in household income on people's attitudes should compare to that of the other two shocks. Yet prior research indicates that job loss, even if temporary, often entails a loss of income that is both sizable and long lasting (Jacobson, Lalonde, and Sullivan 1993; von Wachter and Sullivan 2009). Moreover, the literature offers evidence that in addition to sizable losses in income, unemployment spells are also associated with serious stress-related health issues (e.g., Burgard, Brand, and House 2007; Eliason and Storrie 2009; Sullivan and von Wachter 2009). Thus, if support for welfare provision is at least partially driven by individuals' desire for a safety net to cushion against the hardships from economic shocks, one might expect that job loss would bring about the largest pro-welfare shift in attitudes, more than the other two types of shocks.

[19] Some of the difference may be attributed to the way the denominator in the unemployment rate is calculated in the two figures. In the official Bureau of Labor Statistics (BLS) figure, the denominator is "eligible workforce," which excludes, for example, individuals with either physical or mental disabilities. In this study, given that I do not have information on the individuals' health, all respondents in working age are considered "eligible" and included in the calculation.

[20] See, for example, "Millions of Unemployed Face Years without Jobs," *New York Times*, February 21, 2010.

[21] This figure pertains to the respondents for whom income of the household members was fully reported for both the present and the previous period.

FIGURE 2. Attitudes on Welfare Spending in 2007, by Partisan Identification

Note: The vertical axis denotes the share of respondents that answered the question: "Do you support an increase in the funding of government programs for helping the poor and the unemployed with education, training, employment, and social services, even if this would raise your taxes?" The national survey was fielded by Polimterix/YouGov in July 2007.

numerical counts of respondents in each category of labor market experiences.

RESULTS

Attitudes on Welfare Policy: Before and After

I begin by examining the pre-crisis "baseline" rate of support for greater welfare spending as reported in 2007. Figure 2 presents the distribution of policy preferences among the full sample and among the two main groups of partisans. The distribution of responses in the full sample shows an overall, albeit slight, majority of respondents in support of an increase in welfare provision (56%). Yet the graph also highlights the extent to which welfare spending is a partisan issue in the U.S.: whereas 81% of Democrats were supportive of greater welfare spending, the corresponding figure among Republicans was 22%. In fact, 60% of Republicans opposed such an increase, a figure that is about 10 times greater than the rate of opposition among Democrats. Predictably, the preferences of Independents were located within the range of the two partisan camps, with just over half (54%) supportive of welfare spending expansion (not shown in the graph).[22]

How have these attitudes changed following the eruption of the Great Recession? Table 2 analyzes the shift in attitudes on welfare spending between the period shortly before the crisis (July 2007) and the first survey taken after the eruption of the crisis (April 2009). The results indicate that among those who

policies in one item could affect the partisan difference we observe in the responses. To address these two possibilities, I carried out a survey experiment, administered by YouGov/Polimetrix in June 2012 ($n = 675$), in which all respondents were prompted with a question about their support for increased welfare spending. However, only some of the respondents were assigned to receive the question in its original form (i.e., the "main question"). A second group of respondents received the same item as the main question, but without the mention of the tradeoff. Furthermore, to assess how the mention of assistance to both the unemployed and to the needy affected the partisan divide, a third and fourth group of respondents were randomly assigned to receive a survey item similar to the main question, but with wording that mentioned either the assistance to the needy or the ALP to the unemployed, but not both. In comparing the responses of the first two groups (the main question vs. one without the tradeoff) the rate of support for welfare expansion among Democrats was only one percentage point higher when the tradeoff was mentioned than when it was not; in contrast, among Republicans the difference was over eight percentage points (23% vs. 14%). In comparing the differences across the third and fourth treatments, the results indicate that among Democrats, increased spending on assistance to the needy was marginally more popular than increasing assistance to the unemployed (74% vs. 72%, respectively), while among Republicans the result was the opposite (15% vs. 18%). These differences are not statistically significant.

The experimental results suggest that the specific policy features described in the main question are likely to have (i) accentuated the partisan differences on welfare policy, at least as compared to an alternative question that would have asked solely about assistance to the unemployed and that did not mention the potential need for higher future taxes; and (ii) decreased the probability that Republicans will choose to support the proposed policy. This implies that the finding I report below, namely that a sizable share of adversely affected Republicans increased their support for the proposed welfare policy, is most likely a *lower bound* estimate of the overall impact of the economic shocks on the welfare preferences of right-leaning voters. See Online Appendix for more details on the experiment.

_____

[22] To what extent are the large partisan differences in response to the shocks an outcome of the specific wording of the main question analyzed here? In particular, two aspects of the survey item may arguably affect the partisan willingness to support the proposed policy when confronting a personal economic shock. The first aspect, discussed earlier, is the explicit mention of the tradeoff between greater welfare spending and potential future tax increases; Republicans, as is widely recognized, tend to be more averse to tax increases. The second aspect is the fact that the survey item mentions both active labor-market programs (ALP) aimed explicitly at assisting the unemployed as well as provision of social services aimed at "the needy." In other words, the question entails both insurance and redistributive aspects. If partisans differ in their views toward only one type of social assistance (for the unemployed or the needy), combining the two

TABLE 2. Change in Welfare Spending Preferences: Before and After the Eruption of the Crisis

Position in July 2007	Position in April 2009		
	Oppose	Neutral	Support
Oppose	75% (201)	13% (34)	12% (33)
Neutral	24% (25)	38% (40)	38% (40)
Support	11% (51)	14% (62)	75% (346)

Note: Percentages are calculated by row. Numbers in parentheses are cell counts.

before the crisis opposed the expansion of welfare spending, one in four grew more favorable of such a policy: by 2009, about 13% reported being neutral ("neither support nor oppose") while another 12% became supportive of increased welfare spending. However, the reverse process was just as pronounced: among those who initially supported an expansion of welfare spending, 14% described their view in the latter survey as neutral, and another 11% became opposed. Finally, among individuals who were neutral on the issue prior to the crisis, about 24% have grown more opposed while 38% have become more supportive of the expansion of welfare spending.

When accounting for the initial distribution of respondents across the different cells in the table, one finds that public opinion after the eruption of the crisis was overall less supportive of increasing welfare spending than in the precrisis period (from 55% to 47%).[23] As Figure 3 shows, this decline in support occurred among partisans of all ideological persuasions, though the patterns of the shifts differed: Among Democrats, support for welfare expansion dropped almost nine points shortly after the crisis but steadied onwards, while among Independents the decline was consistent and also the steepest. The drop in support among Republicans was smaller in absolute terms (4.8 percentage points) but fairly large in relative terms once considering the low baseline.[24] The general drop in support for expanded welfare assistance at a time of a painful recession might seem surprising. One explanation might be that voters became increasingly concerned about the specter of growing budget deficits and the consequent possibility of future tax hikes. Such concerns may have brought about a general shift against government spending of any type, including on welfare

programs.[25] Yet does this downward shift mean that the economic hardships experienced by many had no effect on increasing their support for welfare assistance? In the next section I explore this question in some detail.

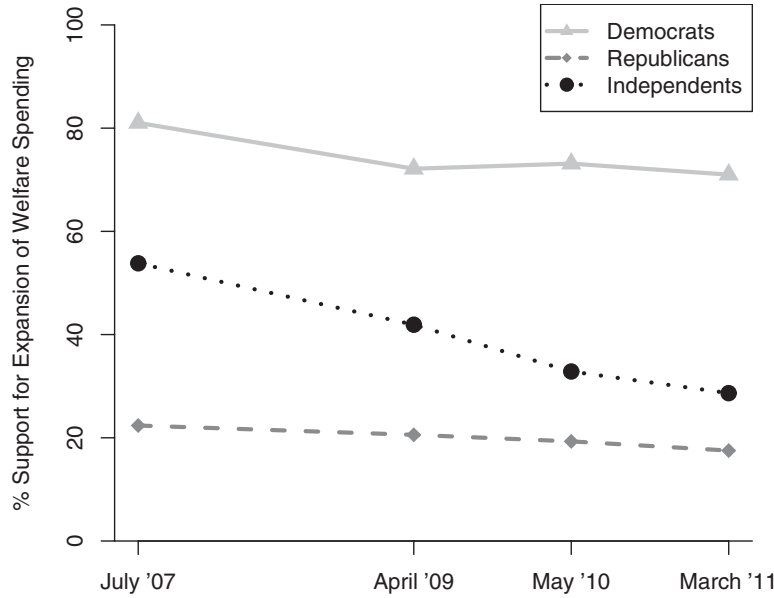## Personal Economic Circumstances and Support for Welfare Policy

To estimate whether economic circumstances affect individuals' preferences on social spending, I examine the attitudes of respondents as a function of their personal exposure to an economic hardship. Figure 4 presents an unconditional comparison of those who did and those who did not experience the shocks. As the graph shows, individuals whose job has become significantly less secure are somewhat more supportive of welfare assistance than individuals whose job had remained about as secure (51% versus 47%). A similar gap also differentiates those whose household income dropped significantly and those whose incomes did not. In contrast, the graph indicates that the loss of a job was associated with a sizable increase in support for welfare assistance: individuals who lost their job were significantly more likely to support the expansion of welfare spending than individuals who remained employed (59% versus 47%, $p = 0.006$). Strikingly, the graph also shows that the rate of support for welfare expansion is about as low among individuals who remained employed as it is among the newly re-employed. This graph thus suggests that the boost in support for welfare assistance among job losers may be quite short-lived, dissipating soon after individuals find new employment.

As noted, this comparison does not take into account any individual-level characteristics that may distinguish between the harmed individuals and the other respondents. The next analysis thus introduces controls for a range of potentially relevant individual-level characteristics. For ease of interpretation, I present results of an ordinary least squares (OLS) estimation in which the dependent variable $Welfare_{i,t}$ is a transformed five-point scale that takes the maximum value 1 if respondent i strongly supports expanding welfare provision in time t and 0 if she strongly opposes it. One can therefore interpret a regression coefficient as a $100*\beta$ percentage point change in the dependent variable associated with the predictor.[26] The model controls for key demographic variables—age, gender, income,

---

[23] The results are almost identical whether one compares the changes among the entire sample in each wave or among the subset of respondents that participated in all four waves.

[24] Note that a fairly similar trend was detected also in a national poll carried out by Pew Research in repeated cross sections over the same time period. The Pew survey asked a different, yet closely related question on support for social spending. See Online Appendix for the comparison of the trends in the two surveys.

[25] This pattern is also consistent with what past research describes as the "thermostat" pattern, whereby the public sentiment often shifts contra the policy identified with the incumbent government, expressing unease with a perceived government overreach (e.g., Erikson et al. 2006; Soroka and Wlezien 2010, chap. 2). See Shapiro and Costas (2011) for a longer discussion of this phenomenon.

[26] The intervals between responses are 0.25 and the scale is thus (1) strongly support; (0.75) somewhat support (0.5) neither support nor oppose; (0.25) somewhat oppose; (0) strongly oppose. As Table A6 shows, the results are materially and statistically similar when estimating an ordered probit model instead of OLS.

FIGURE 3.   Support for Expansion of Welfare Spending, by Original Party Identification

Note: The vertical axis denotes the share of respondents that either "somewhat" or "strongly" support an increase in welfare spending.

FIGURE 4.   Change in Economic Conditions and Support for Increased Welfare Spending

education, race, and marital status—and takes the form

$$Welfare_{i,t} = \alpha + \beta_1 Welfare_{i,t-1} + \beta_2 Shock_i$$
$$+ \gamma Demographics_{i,t} + \phi SurveyWave + \epsilon_i.$$

$$(1)$$

Several features of this specification should be noted. Given that our primary interest is understanding how the experience of a significant economic setback alters people's welfare policy preferences, the estimated model examines change in people's support for expanding welfare spending rather than their absolute level of support. The model specification does so by controlling for $Welfare_{i,t-1}$, a measure that denotes respondent i's level of support for welfare expansion in the previous period $(t-1)$.[27] The baseline category in

---

[27] Note that the estimate for the effect of the shock in Equation (1) is identical to the one obtained when estimating a model in which the dependent variable is specified as a first difference instead: $Welfare_{i,t} - Welfare_{i,t-1} = \alpha + \beta_1 Welfare_{i,t-1} + \beta_2 Shock_i + \gamma Demographics_{i,t} + \phi SurveyWave + \varepsilon_i.$

TABLE 3. Personal Economic Shocks and Support for Welfare Assistance

	(1)	(2)	(3)	(4)	(5)	(6)
Lost job	0.095**			0.094**	0.094**	0.095**
	(0.025)			(0.028)	(0.028)	(0.028)
Drop in household income		0.005		−0.010	−0.010	−0.013
		(0.018)		(0.018)	(0.018)	(0.018)
Job less secure			0.035*	0.005	0.004	0.008
			(0.017)	(0.018)	(0.018)	(0.019)
Spouse lost job					0.056	0.051
					(0.034)	(0.036)
Prev. attitudes on welfare	0.592**	0.589**	0.589**	0.592**	0.592**	0.592**
	(0.014)	(0.014)	(0.014)	(0.014)	(0.014)	(0.015)
Democrats	0.129**	0.126**	0.126**	0.128**	0.128**	0.127**
	(0.013)	(0.013)	(0.013)	(0.013)	(0.013)	(0.013)
Republicans	−0.097**	−0.100**	−0.100**	−0.097**	−0.097**	−0.096**
	(0.012)	(0.012)	(0.012)	(0.012)	(0.012)	(0.012)
Long-term unemployed	0.010	−0.002	0.002	0.009	0.007	0.002
	(0.020)	(0.020)	(0.020)	(0.020)	(0.020)	(0.021)
Newly re-employed	−0.013	−0.019	−0.016	−0.013	−0.016	−0.021
	(0.028)	(0.028)	(0.028)	(0.028)	(0.028)	(0.029)
Not in labor market	0.009	−0.007	−0.002	0.008	0.008	0.006
	(0.014)	(0.013)	(0.013)	(0.014)	(0.014)	(0.014)
Income (log)	0.003	−0.002	−0.001	0.003	0.002	0.001
	(0.005)	(0.005)	(0.005)	(0.005)	(0.005)	(0.005)
Education	0.006**	0.006**	0.007**	0.006**	0.006**	0.006**
	(0.002)	(0.002)	(0.002)	(0.002)	(0.002)	(0.002)
Age	0.000	0.000	0.000	0.000	0.000	0.000
	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)
Female	0.004	0.002	0.003	0.004	0.004	0.003
	(0.007)	(0.007)	(0.007)	(0.007)	(0.007)	(0.007)
County unemp. rate						−0.005*
						(0.002)
Constant	0.115**	0.144**	0.138**	0.118**	0.118**	0.520**
	(0.031)	(0.031)	(0.031)	(0.031)	(0.031)	(0.051)
Fixed effect	time	time	time	time	time	time*state
Observations	4,584	4,619	4,619	4,584	4,584	4,508
R squared	0.646	0.644	0.644	0.646	0.647	0.661

Note: Standard errors clustered by respondent. All regressions include controls for respondents' marital status, race, and income (coefficients not reported). † significant at 10%; * significant at 5%; ** significant at 1%.

each specification is an individual who was employed both at the time of the previous survey and during the time of the next survey. In each model, the effect of at least one of the three shocks is estimated. The model also includes *Demographics*, a vector of individual-level characteristics (income, education, gender, and marital status) as well as a set of indicator variables denoting respondents' employment status: *long-term unemployed* is a binary variable that takes the value 1 if the individual was unemployed in both the previous period and the next period of the study, and 0 otherwise; similarly, *newly re-employed* denotes individuals who were unemployed in the previous period and have found employment by the time of the next survey. In

In cases where the respondent was not interviewed in the previous wave of the survey, I used the respondent's answer to the welfare policy question in the most recent wave prior to the survey in time *t*.

all estimations reported in the article, standard errors are clustered by respondent.

Table 3 presents the results of this estimation. The specification presented in the first column estimates the impact of a loss of a job on the probability of support for increased welfare assistance. It indicates that an individual who recently lost a job is expected to experience, on average, a shift equivalent to about 9.5 points (on a 100 point scale) from their prior stance in the direction of greater support for welfare spending. This change differs quite significantly from the effect associated with being *long-term unemployed*, for which we find only a small, negative and statistically insignificant change in support for welfare assistance. Also notable is the pattern seen in Figure 4, whereby the *newly re-employed* were significantly less likely than recent job losers to support welfare expansion ($p < 0.01$), and on average reported views similar to

individuals who remained employed throughout. This result holds also when one excludes from the category of newly re-employed those individuals who lost their job before the financial crisis broke out.[28] I return to discuss the *newly re-employed* category in greater detail below.

The results also indicate that Democrats were significantly more likely, and Republicans significantly less likely, than Independents to increase their support for welfare expansion. In addition, individuals with higher levels of educational attainment were also more likely to become more pro-welfare.

Column (2) shows that a major drop in household income does not correspond with a large increase in support for welfare spending. The effect associated with the shock is small and the standard errors are a good deal larger ($\beta_{incomedrop} = 0.005$, $\sigma = 0.018$). Furthermore, column (3) indicates that a significant decrease in a respondent's sense of job security is associated with increased support for welfare spending, though the effect is smaller than the effect associated with the loss of a job (substantively, about a four-point change). However, when all three shocks are included in the model (column (4)), the effect of job loss is the only one that remains precisely estimated ($p < 0.01$).[29]

Is the effect of the shock driven solely by concerns about one's own experiences, or do changes in the labor market standing of the other household members matter as well? Column (5) provides a partial answer to this question, showing that the layoff of a spouse is also associated with a fairly sizable effect, equivalent to almost a five-and-half-point increase in probability of support for welfare expansion. Notably though, the effect is smaller than that associated with the loss of one's own job, and also less significant statistically ($p = 0.101$).

Yet while these results indicate that changes in people's economic circumstances can have a sizable impact on their support for welfare assistance, the effect we observe may also be a reflection of the fact that those individuals who experienced the shocks reside in areas more severely hurt by the crisis. If that is the case, the effect we observe may at least partially represent a sociotropic concern about the impact of the crisis on the broader public rather than a response to the personal experience of the setback. To examine this possibility, I re-estimate the same model but add controls for the unemployment rate in the respondents' county at the time each survey was taken, and also include fixed effects for state of residence and year of the survey (state × year).

The additional controls should help account for some of the temporal variation in local circumstances. Column (6) presents the results and shows that the estimates are not sensitive to the inclusion of these additional controls for local conditions, as the estimated effects of the economic shocks remain almost unchanged. In fact, controlling for other factors, the coefficient of *county unemployment rate* is negative, indicating that higher unemployment locally is associated with a slight decrease in support for welfare expansion. The evidence thus suggests that the observed increase in support for welfare spending occurs primarily in response to the change in respondents' own circumstances rather than in response to weak economic conditions in their area of residence.[30]

Does an Economic Shock Cause a Switching of Views on Welfare?

The specification in Equation (1) estimated the likelihood of an increase (or decrease) in support for welfare spending along a five-point scale. The specification did not distinguish between a shift within a policy stance (e.g., of someone changing their preference from being "strongly" to "somewhat" opposed to the expansion of welfare spending), and an actual switch across stances (e.g., from being opposed to becoming supportive). To estimate whether the economic shocks had the effect of bringing about an actual switch in policy position, I estimate a probit model that takes the form

$$\Pr(ProWelfare_{i,t} = 1) = \beta_1 Welfare_{i,t-1} + \beta_2 Shock_i$$
$$+ \gamma Demographics_i + \phi SurveyWave + \epsilon_i \quad \text{(2)}$$

The dependent variable *ProWelf*$_{i,t}$ is a binary measure that takes the value 1 if respondent i supports expanding welfare provision at time t, and 0 otherwise. This specification is thus more demanding—and arguably, more politically meaningful—in that only an actual shift in preferences from nonsupport to support (and vice versa) is estimated.

Table 4 presents the estimated marginal effects.[31] The results reveal empirical patterns similar to those obtained from the previous estimation. Most notably, the loss of a job is again associated with a sizable and statistically significant effect: an increase of about 24 percentage points in the likelihood of becoming a supporter of greater welfare spending.[32] The findings regarding the other two shocks are also similar to those observed earlier: a drop in job security is again associated with a notable increase in support for welfare

---

[28] When re-estimating the analysis with the two groups of newly re-employed as separate categories, i.e., one category consisting of re-employed individuals who were unemployed before the crisis began and the second consisting of re-employed individuals who lost their job during the crisis, one cannot reject the null hypothesis that the coefficients of the two categories are the same. Moreover, both coefficients are significantly different from the estimated effect on the job losers.

[29] The effects associated with income drop and job insecurity are not more significant statistically when coded as continuous rather than as binary measures.

[30] The results of interest are unchanged when estimating a multilevel model that accounts for the county-level data.

[31] In substantive terms, the coefficients are the estimated marginal effect on the probability of a respondent expressing support for increased welfare spending given a unit increase in the value of the predictor variable, while holding all other variables at their sample mean.

[32] This classification includes respondents who were either "somewhat" or "strongly" in favor of greater welfare spending.

TABLE 4. Economic Shocks and Transition in Support of Welfare Assistance

	(1)	(2)	(3)	(4)	(5)	(6)
Lost job	0.239**			0.223**	0.225**	0.250**
	(0.073)			(0.078)	(0.078)	(0.080)
Drop in household income		0.017		−0.019	−0.020	−0.019
		(0.051)		(0.052)	(0.052)	(0.054)
Job less secure			0.104*	0.029	0.025	0.033
			(0.045)	(0.048)	(0.048)	(0.049)
Spouse lost job					0.141	0.120
					(0.087)	(0.091)
Prev. attitudes on welfare	0.958**	0.952**	0.953**	0.957**	0.958**	1.011**
	(0.035)	(0.035)	(0.035)	(0.035)	(0.035)	(0.037)
Democrats	0.256**	0.254**	0.254**	0.256**	0.257**	0.257**
	(0.028)	(0.028)	(0.028)	(0.028)	(0.028)	(0.030)
Republicans	−0.142**	−0.143**	−0.145**	−0.142**	−0.141**	−0.156**
	(0.029)	(0.029)	(0.029)	(0.029)	(0.029)	(0.030)
Long term unemployed	0.013	−0.017	−0.005	0.012	0.006	0.004
	(0.050)	(0.050)	(0.050)	(0.051)	(0.051)	(0.051)
Newly re-employed	−0.091	−0.107	−0.097	−0.091	−0.095	−0.100
	(0.069)	(0.069)	(0.069)	(0.069)	(0.070)	(0.072)
Not in labor market	0.032	−0.010	0.006	0.032	0.031	0.035
	(0.040)	(0.039)	(0.039)	(0.040)	(0.040)	(0.042)
Income (log)	0.014	−0.000	0.003	0.013	0.012	0.009
	(0.014)	(0.014)	(0.013)	(0.014)	(0.014)	(0.015)
Education	0.030**	0.029**	0.030**	0.030**	0.030**	0.032**
	(0.007)	(0.007)	(0.007)	(0.007)	(0.007)	(0.007)
Age	0.001	0.001	0.001	0.001	0.001	0.001
	(0.001)	(0.001)	(0.001)	(0.001)	(0.001)	(0.001)
Female	−0.035†	−0.038†	−0.036†	−0.035†	−0.037†	−0.047*
	(0.021)	(0.021)	(0.021)	(0.021)	(0.021)	(0.021)
County unemp. rate						−0.004
						(0.006)
Fixed effect	Time	Time	Time	Time	Time	Time*State
Observations	4,584	4,619	4,619	4,584	4,584	4,482
Pseudo-R^2	0.456	0.453	0.454	0.456	0.457	0.485

Note: The coefficients of the probit analysis are estimated marginal effects ($\partial F/\partial xk$); that is, the marginal effect on $Pr(y = 1)$ given a unit increase in the value of the relevant (continuous) regressor (xk), holding all other regressors at their respective sample means. Standard errors are clustered by respondent. All regressions include controls for respondents' marital status and race (coefficients not reported). † significant at 10%; * significant at 5%; ** significant at 1%.

spending (10.4%, $p < 0.05$), while the effect associated with a drop in household income is small and statistically indistinguishable from zero. When controlling for all three shocks in the same estimation (columns (4)–(6)), only the effect associated with a job loss remains significant. As before, the loss of the spouse's job is associated with a sizable effect, however, its magnitude is appreciably smaller (40–50%) than the effect associated with the loss of one's own job and is imprecisely estimated.

Notable again is the fact that the newly re-employed are not more likely (and perhaps even slightly less likely) to support welfare expansion than individuals who remained employed.[33] The results also indicate that the newly re-employed are, on average, less supportive of welfare spending than individuals who

just lost their job (difference significant at $p < 0.01$).[34] This result is very much consistent with the "transient change" pattern in Figure 1: a large increase in support for welfare expansion following the experience of the shock followed by a significant drop in support after finding a new job.[35] The most obvious explanation for

---

[33] This result is not significant at conventional levels, though the coefficients for the *newly re-employed* are consistently negative and stable in magnitude in all the different model specifications.

[34] When making this comparison, one pertinent question is whether those who managed to find a new job in the challenging market conditions are different in other respects from those who remained unemployed during the same period of study. A comparison of demographics shows that the two groups do not differ in most criteria (e.g., gender, race, educational attainment). The only statistically significant difference is in the youngest age group (18–34) in which the re-employed are significantly over-represented (24.1% vs. 8.1%). It is therefore unlikely that demographic differences account for the *change* in the attitudes of the newly re-employed. See Table A7 for a full comparison.

[35] This drop among the re-employed is more frequent among Republicans than among Democrats (41.3% vs. 20.4%, respectively; this partisan difference drops below statistical significance once accounting for respondents' demographic characteristics).

TABLE 5.   Past and Recent History of Job Loss and Support for Welfare Assistance

	(1)	(2)	(3)	(4)
Lost job	0.104**	0.105**	0.073†	0.074†
	(.033)	(.033)	(.04)	(.04)
Newly re-employed	0.021	0.025	0.026	0.027
	(.033)	(.033)	(.033)	(.034)
Laid off in past		−0.012	−0.014	
		(.01)	(.01)	
Lost job × laid off in past			0.064	
			(.065)	
Last layoff: >10 yrs				−0.012
				(.012)
Last layoff: 5–10 yrs				−0.011
				(.017)
Last layoff: <5 yrs				−0.019
				(.018)
Lost job ∗ last layoff: >10 yrs				0.113
				(.104)
Lost job ∗ last layoff: 5–10 yrs				0.009
				(.061)
Lost job ∗ layoff: <5 yrs				0.086
				(.119)
Prev. attitude on welfare	0.597**	0.597**	0.597**	0.595**
	(.02)	(.02)	(.02)	(.02)
Democrat	0.113**	0.112**	0.112**	0.116**
	(.017)	(.017)	(.017)	(.017)
Republican	−0.096**	−0.097**	−0.097**	−0.096**
	(.017)	(.017)	(.017)	(.017)
Constant	0.180**	0.185**	0.187**	0.181**
	(.044)	(.044)	(.044)	(.044)
R^2	2468	2468	2468	2421
Observations	0.631	0.632	0.632	0.632

Note: All models include the full set of controls from the benchmark specification in Table 3 (coefficients not reported). "Laid off in past" is a binary variable coded as 1 if the respondent had previously experienced a layoff and 0 otherwise. † significant at 10%; * significant at 5%; ** significant at 1%.

this inverted-U pattern is the myopic self-interest account, yet, as noted earlier, it is not the only possible explanation. The pattern of attitude change may also be a result of a rapid learning process: following a layoff, individuals update their views about the societal advantages of having an expansive welfare system. However, from their experience of searching for a new job, they learn again, this time about the weaknesses of the welfare system (e.g., encourages idleness among others) and consequently become less supportive of welfare spending. If indeed such a learning process underlies the change in attitudes, individuals who had experienced a layoff in the past should exhibit a different pattern of attitude change from those for whom this is the first such experience, since the former had presumably learned from their prior experience of a layoff. Yet that is not what we observe.

The analysis in Table 5 examines whether the loss of a job has a different impact on the welfare preferences of individuals who experienced a layoff in the past than on those who have not had such an experience. Column (1) presents results from the same specification used in the

first column of Table 3.[36] Adding a control in column (2) for a past experience of a layoff indicates that such an experience is not associated with a different attitude on welfare assistance, as the effect of *previously laid off* is statistically indistinguishable from zero. In column (3) the effect of a recent job loss is interacted with the past experience of a layoff, and again the results show no empirical relationship between previous layoffs and change in voters' current welfare attitudes. Finally, in column (4) I examine whether the timing of the previous layoff event, when interacted with experiencing a new job loss, is associated with a different effect on respondents' welfare attitudes. The fact that none of the relevant coefficients even approaches statistical significance indicates that a past history of a layoff has no discernible effect on changes in respondents' attitudes. This seems, *prima facie*, as fairly strong evidence

---

[36] The number of observations in this analysis is smaller than in Table 3 because only the first wave of the study included a question asking respondents whether they ever experienced a layoff, and when the last layoff occurred.

TABLE 6.   Placebo Specifications and Tests for Reverse Causality

	Dependent Variable						
	Welfare (1)	Global Warming (2)	American Values (3)	National Security (4)	Job Loss (5)	Drop in Income (6)	Job Less Secure (7)
Lost job	0.239** (.073)	−0.023 (.078)	−0.044 (.057)	−0.009 (.008)			
Pro welfare (t−1)	0.958** (.035)				−0.004 (.006)	−0.002 (.009)	−0.007 (.01)
Environmental protection (t−1)		1.288** (.054)					
American values (t−1)			0.972** (.034)				
National security (t−1)				1.04** (.014)			
Observations	4584	4521	4508	4573	4829	4863	4861
Pseudo-R^2	0.456	0.595	0.381	0.289	0.066	0.055	0.064

Note: The coefficients of the probit analysis are estimated marginal effects ($\partial F/\partial xk$). All regressions include all controls for respondents' marital status, race, education level, and income, and fixed effects for survey wave (coefficients not reported). Standard errors clustered by respondent. Columns (1)–(4) also control for respondents' employment status. † significant at 10%; * significant at 5%; ** significant at 1%.

against the alternative explanation that attributes the transient change in attitudes to a "learning" process in the sense described earlier.[37]

Robustness: Placebo Specifications and Reverse Causality

Is the adverse change in individuals' economic standing the cause of the shift in their welfare preferences? The use of panel data tracking individuals over time, rather than reliance on a single snapshot of cross-sectional data, means that concerns about unobservable variables accounting for the changes in preferences are significantly diminished. To further increase confidence in the identification strategy, this section subjects the main result to two additional tests. In the first, I look at whether job loss is associated with a shift in voters' preferences on other policy issues; the expectation is that in domains unrelated to economic policy, the trend of change in the preferences of the harmed individuals would not deviate significantly from those who were unharmed. To examine whether this was the case, I exploit the fact that respondents were repeatedly asked in subsequent surveys a set of questions on other policy domains. I then estimate the same specification as in Equation (2) but with a different dependent variable: instead of analyzing the change in respondents' attitudes on welfare policy, I estimate respondents' attitudes on far-removed topics—global warming, cultural values and border security (see the

Online Appendix for exact wording of questions). As before, all estimations also include as a regressor the respondent's answer to the same question as recorded in the previous interview.

Table 6 reports the coefficients pertaining to the parameters of interest. Entries in the top row denote the marginal effect of a job loss on respondents' policy stance. In the first column the dependent variable is the same as in column (1) of Table 4, namely support for expansion of welfare spending. As we have seen before, job loss is associated with almost a 24-percentage-point increase in the likelihood of having a pro-welfare stance, an effect that is highly significant in statistical terms. In contrast, columns (2)–(4) show that job loss is not associated with any meaningful change in views on the importance of dealing with global warming, with protecting American values from foreign cultural influences, or with the perceived importance of border protection from security threats. In sum, this analysis indicates that job loss is associated with a major change in respondents' preferences only in a policy domain directly related to the economic setback experienced by the individual but not with corresponding changes in any of the other policy areas.[38]

A second informative robustness test examines the possibility of a reverse causal relationship, namely that people's prior welfare preferences reflect the expectation of confronting in the future a serious economic setback. To test for this possibility, the dependent variable in columns (5)–(7) is the experience of the shock (coded as a 1 if experienced the shock and 0 otherwise). The results indicate that respondents' views on welfare assistance in the preceding period were not associated

---

[37] The pattern of transient change observed here is very different from the effect that Erikson and Stoker (2011) report with respect to a different random shock to self-interest , namely the drawing of a low number in the lottery for the Vietnam war draft. In that case, the authors find that the change in political views was remarkably enduring, in some cases lasting over several decades.

[38] The results of the placebo tests also help address the possibility that the study's findings are simply an artifact of measurement error.

TABLE 7.   The Impact of Economic Shocks on the Welfare Policy Preferences of Different Partisans

	(1)	(2)	(3)	(4)	(5)
Democrat	0.262**	0.262**	0.256**	0.264**	0.263**
	(0.029)	(0.029)	(0.029)	(0.030)	(0.031)
Republican	−0.145**	−0.149**	−0.152**	−0.153**	−0.172**
	(0.029)	(0.029)	(0.030)	(0.030)	(0.031)
Lost job	0.308**			0.353*	0.547**
	(0.114)			(0.140)	(0.152)
Lost job × Democrat	−0.271†			−0.286†	−0.442*
	(0.143)			(0.168)	(0.181)
Lost job × Republican	0.094			−0.022	−0.277
	(0.144)			(0.175)	(0.186)
Drop in income		0.052		0.029	0.004
		(0.100)		(0.108)	(0.110)
Drop in income × Democrat		−0.172		−0.156	−0.152
		(0.112)		(0.118)	(0.121)
Drop in Income × Republican		0.143		0.099	0.166
		(0.124)		(0.132)	(0.137)
Job less secure			0.082	−0.070	−0.129
			(0.088)	(0.107)	(0.118)
Job less secure × Democrat			−0.051	0.098	0.167
			(0.107)	(0.127)	(0.137)
Job Less Secure × Republican			0.106	0.104	0.195
			(0.109)	(0.129)	(0.140)
Fixed Effects	Time	Time	Time	Time	State∗Time
Observations	4584	4619	4619	4584	4560
Pseudo-R^2	0.458	0.455	0.455	0.46	0.486

Note: Dependent variable is a binary measure of support for expanding welfare assistance to the needy and the unemployed. The coefficients of the probit analysis are estimated marginal effects ($\partial F/\partial xk$), holding all other regressors at their respective sample means. Baseline (omitted) category is Independents who did not experience the shock. Standard errors clustered by respondent. All models include the full set of control variables used in the benchmark specification (coefficients not reported). † significant at 10%; * significant at 5%; ** significant at 1%.

with the experience of any of the shocks in the subsequent period, alleviating the concern that welfare preferences are entirely endogenous to the anticipation of an economic shock.

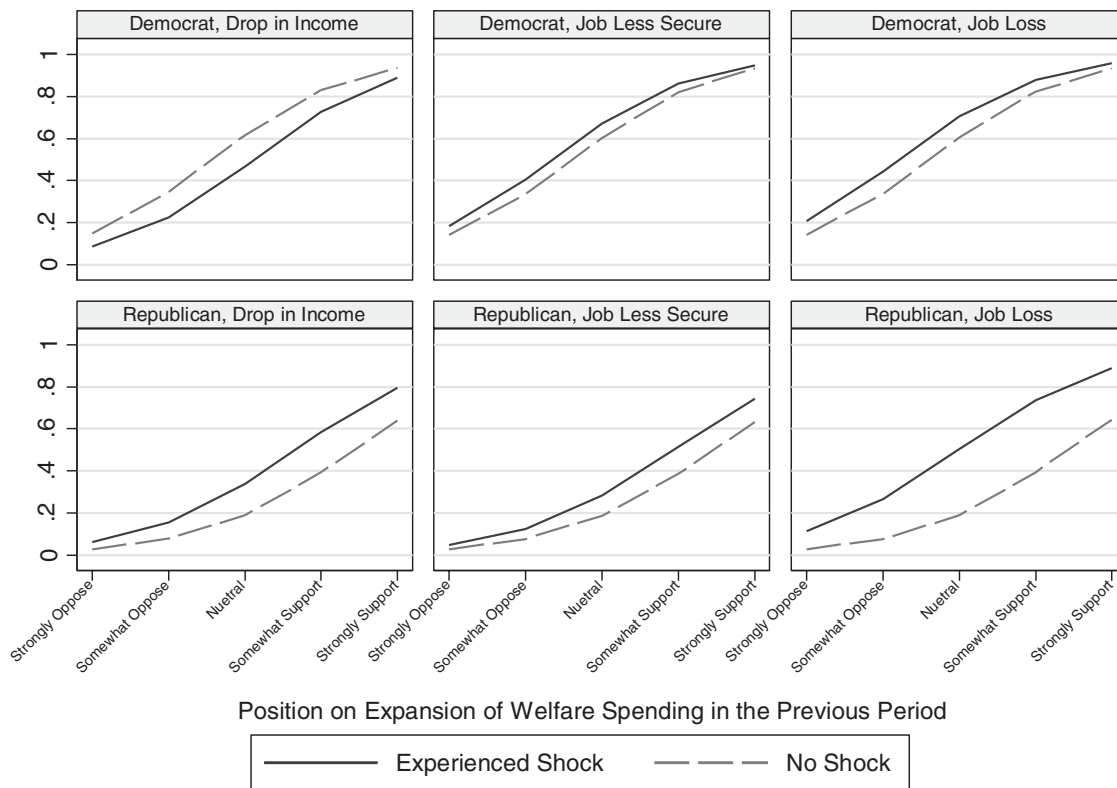## PRIOR IDEOLOGY AND RESPONSES TO AN ECONOMIC SHOCK

Having demonstrated that a change in people's economic circumstances brings about a subsequent change in their attitudes on welfare assistance, the remainder of the analysis explores the degree to which voters' response to the experience of a personal economic shock varies as a function of their prior ideological dispositions. To do so, I estimate a similar model as in Equation (2), yet this time the experience of the shock is interacted with the original partisan affiliation respondents reported in their first wave of interviews.

The estimated marginal effects presented in Table 7 reveal several findings: first, we see that the impact of job loss on welfare preferences is appreciably smaller among Democrats than among Republicans and Independents (the omitted category). Whereas *job loss* is associated with a 40.2-percentage-point increase in the probability of support of welfare expansion among Republicans ($p < 0.001$), the effect is only 3.7 per-

centage points among Democrats, and statistically indistinguishable from zero. A second notable result is that a drop in household income is associated with a heterogeneous effect on different partisans. Whereas the previous analysis found no significant effect of an income drop on the preferences of the population as whole, column (2) shows that among Republicans it is associated with a large increase in support for welfare spending of 19 percentage points ($p < 0.05$), while among Democrats the effect is smaller and negative. Finally, we see in column (3) that growing job insecurity is associated with a larger positive impact on Republicans and Independents than on Democrats (18.7%, 8.2%, and 3.0%, respectively). This gap between Democrats and Republicans is also highly significant in statistical terms.[39] The final two specifications control for all shocks together, interacted with partisan identification.

---

[39] These partisan differences in the impact of the shocks are observed also in the unconditional comparisons. For example, support among Republican job losers is 19 percentage points higher than among the Republicans who remained employed, while the same gap among Democrats is only 4 percentage points. A similar trend of stronger effects of the shocks on the preferences of right-of-center voters, albeit smaller in magnitude, is seen also with respect to drop in income and increased job insecurity (see Table A5 for complete results).

FIGURE 5.   Probability of support for expansion of welfare spending, by exposure to economic shocks and initial partisan affiliation

Position on Expansion of Welfare Spending in the Previous Period

———— Experienced Shock   – – – – No Shock

Note: The graphs report the probability of support for welfare expansion (on the Y-axis) as a function of the individual's level of support for the policy in the previous period (measured on the *x* axis along a five-point scale). Each graph corresponds to a different type of economic shock. Results are reported separately for Democrats and Republicans.

Here we see again that all three shocks have a larger impact on Republicans than on Democrats, although the effects for income drop and job insecurity are substantively smaller.[40]

It is not *ex ante* obvious why the impact of economic shocks on the welfare preferences of right-of-center voters is more significant. One possible explanation might be that Republicans and Democrats differ in terms of other personal characteristics, which may then account for the different responses to economic setbacks. To assess the merits of this explanation, I re-estimate Equation (2) separately for voters of each party. This is akin to interacting party identification with each individual characteristic in the model. The results of this estimation are presented graphically in Figure 5, which shows the probability of a shift in support for greater welfare assistance as a function of respondents' initial partisan affiliation.[41] The horizontal axis in each of the charts denotes the level of support

for welfare expansion that respondents reported in the previous survey; the vertical axis presents the probability of support for welfare expansion in the subsequent survey. The continuous lines refer to individuals who experienced an economic shock in the period of study and the dashed lines refer to individuals who did not.

The main pattern that the graph illustrates is that the welfare preferences of Republicans harmed by the shocks diverged more sharply from the preferences of their unaffected Republican counterparts than was the case among Democrats. Among the latter, the policy preferences of the individuals who experienced the shock remained very similar to those who did not.[42] In other words, controlling for differences in the individual characteristics of Democrats and Republicans does not account for the divergence in how partisans' preferences shift in response to a shock.

A second explanation for the variation in partisan responses might be that the Republicans and

[40] When accounting for the "main effect" and the interaction, the estimated effect of income drop on Republicans is 17.0% ($p = 0.04$) and a statistically insignificant 6.7% for job insecurity, as compared to a 26.9% change ($p = 0.02$) in response to job loss.

[41] The model generating the results reported in Figure 5 is $\Pr(ProWelfare_{i,t} = 1) = \beta_1 Welfare_{i,t-1} + \beta_2 Shock_i + \gamma Demographics_i + \varepsilon_i$. Estimating the model with a continuous measure for prior

welfare preferences or using dummy variables for each category of welfare support produces almost identical results in both substantive and statistical terms.

[42] The difference in attitudes between those adversely affected and those not are statistically significant among Republicans (for all three shocks) but not among Democrats.

TABLE 8. Economic Shocks and Support for Welfare Expansion Using Propensity Score Matching

Party ID (2007)	Difference in Support for Expansion			Difference in Probability of Increased Support for Expansion		
	Job Loss	Income Drop	Job Less Secure	Job Loss	Income Drop	Job Less Secure
Democrats	3.4%	−4.4%	1.8%	11.8%	0.0%	11.3%
Republicans	21.8%**	11.9%*	5.3%	23.4%**	5.6%	0.6%
Independents	22.8%†	10.5%	−7.8%	23.8%	−6.2%	3.6%
All partisans	10.5%*	−2.5%	1.4%	14.9%*	4.7%	5.7%

Note: Entries are based on comparisons using propensity score matching. Matching was done on respondents' previous preferences on welfare, education, gender, age, marital status, race, and previous level of job security. In the left-hand panel (columns 1–3) entries denote the difference in the *probability of support* for welfare expansion between partisans that experienced the economic shocks and their counterparts who did not. In the panel on the right (columns 4–6) the dependent variable is a binary indicator denoting whether the individual became *more in favor* of expanded welfare spending or not. Entries denote the difference in the probability of increased support among partisans that experienced the shock and their counterparts who did not. Figures in the right-hand panel are based on matched comparisons only among individuals who did not "strongly support" welfare expansion in the previous period. Calculations estimated separately by partisan affiliation. † significant at 10%; * significant at 5%; ** significant at 1%.

Democrats that were harmed—rather than Republicans and Democrats in general—differ in terms of key characteristics which account for the different attitudinal responses to the experience of the shock. Figure A1 compares the characteristics of the different partisans that lost their job during the period when the four surveys were conducted. The graphs show quite clearly that while the job losers were similar across partisan groups in terms of age and confidence in their labor market prospects, Democrats who lost their job tended to be slightly poorer and less educated than their Republican counterparts. Do *these* differences account for the different shifts in welfare attitudes among the job losers in the two partisan camps?

To explore this possibility, I use propensity score matching to estimate the responses of the different partisans who lost their job. The matching exercise seeks to identify the closest replicate among the control group units of each "treated" unit. For example, I compare the welfare policy views of a job loser to the preferences of those individuals who were most similar on a host of other relevant dimensions, but who remained employed throughout the period.[43] By comparing the average difference in the welfare preferences of the treated and the matched group, one obtains an unbiased estimate of the average effect of the treatment.[44]

The left panel of Table 8 reports the results of this comparison. Columns (1)–(3) present the net change associated with each economic shock, by respondents'

partisan affiliation in the first wave. While the magnitudes of the estimates shift somewhat, the same pattern emerges as in the previous analyses: Republicans and Independents were much more likely to increase their support for welfare assistance in response to experiencing an economic shock than their partisan counterparts who did not. In contrast, the differences among Democrats are small in magnitude and statistically insignificant. These results indicate that the differences in the partisan responses to the experience of a major economic setback are not simply a reflection of the individual characteristics of the harmed Republicans, Independents, and Democrats.

The final explanation I assess empirically for the difference in partisan responses is the presence of a "ceiling effect": since most Democrats were in favor of welfare expansion even prior to the crisis while Republicans were not (81% versus 22%), the latter had more "room" to move in the direction of greater support for welfare assistance. To explore this possibility, I carry out a second matching exercise in which the dependent variable is an increase in support for welfare expansion (1) versus no increase (0). However, in this analysis I limit the sample to those individuals who did not "strongly support" welfare expansion in the previous period, i.e., the sample now includes only those respondents who could potentially increase their stated support for welfare expansion.[45] The results of this analysis, reported in columns (4)–(6), provide some support for this explanation, indicating that the probability of increased support for welfare expansion was indeed less divergent across partisan lines

---

[43] The propensity scores are generated by matching the treatment and control groups along demographic characteristics as well as by respondents' welfare preferences and self-reported job security in the previous period.

[44] This method also has the advantage of relaxing the strong functional form assumptions associated with the probit regressions presented earlier. This advantage, however, comes at the cost of lower efficiency of the estimates.

[45] The analysis thus excludes 46% of Democrats who kept their job and 47% of the Democrats who lost their job in the subsequent period. The corresponding figure among Republicans is 4% among both job keepers and job losers. Obviously, the results of this exercise should be treated with caution, as the exclusion of the "strong supporters" of welfare introduces selection bias.

once accounting for the ceiling effect. For example, the effect of a job loss on Republicans is now only about twice the effect on Democrats (compared to a sixfold difference in the analysis on the left panel). Furthermore, job insecurity is now associated with an even larger impact on Democrats. These patterns suggest that the ceiling effect accounts for some of the partisan difference in responses to the shocks. Nonetheless, a nontrivial share of the variation remains unexplained. In the concluding section, I discuss other potential avenues for explaining this remaining difference in the partisan responses to the shocks.

DISCUSSION

This study provides compelling evidence of the strong impact of personal economic circumstances, particularly the loss of employment, on individuals' preferences on welfare spending. Beyond documenting and quantifying this significant causal effect, the analysis reveals an inverted U-like shape in the pattern of support for welfare expansion: rising sharply following the loss of a job, but dropping back down as the employment situation improves. Finally, the results show an asymmetry in the partisan response to the economic shocks: a worsening personal economic standing has had a large impact on the attitudes of voters on the right and center, but a much weaker effect on voters on the left.

Earlier in the article I described a set of theoretical accounts pertaining to the link between political ideology, economic interests and attitudes on social policy, and sketched out their divergent predictions regarding the impact that changes in economic fortunes would have on voters' welfare preferences. The pattern of a transient change in attitudes that mirrors the changes in individuals' labor market standing is very much consistent with the predictions of a self-interested account of myopic welfare preferences. Furthermore, the analysis also offered evidence that this pattern of attitude change is most likely not a result of an ongoing learning process, perhaps the most plausible alternative explanation.

Nonetheless, it would be misguided to interpret the findings of this study as indicating that voters' welfare policy preferences are simply a function of self-interested considerations; such an interpretation ignores a set of the findings that, taken together, suggest otherwise. First and as noted, the data reveal a significant partisan difference in the extent to which attitudes change in response to common shocks. Second, despite the dramatic changes in people's economic fortunes during the years of the crisis, a large majority still maintained their prior views on welfare policy. And finally, even among Republican job losers, a group whose support for welfare expansion rose to a rate 2.5 times greater than their co-partisans who remained employed (32% versus 13%), approximately two-thirds still did not support increased spending on welfare assistance. In fact, support for welfare expansion among Republicans who lost their jobs remained about 45 percentage points lower than among

Democrats who stayed employed throughout the period. The accumulation of these findings clearly indicates that there is more to preferences on welfare policy than mere self-interest; prior ideological commitments remain an important factor in any account of voters' policy stance on this issue, even in conditions of great economic turmoil.

Going forward, the findings point to a somewhat different theoretical approach from those currently prominent in the literature on welfare policy preferences. Rather than focusing on a single source of influence (economic interest or ideological disposition), or conceiving of one as simply conditioning the other, the two forces can most usefully be thought of as continuous influences, but as having varying impacts over time, depending on the changing circumstances. For example, the evidence suggests that the relative influence of ideological considerations decreases in times when people face major economic concerns, in which case selfish material considerations gain prominence and lead to attitude change among some. Crucially, the temporal variation in the relative influence of each type of consideration is not random, but rather appears to follow a theoretically predictable pattern. A promising avenue for subsequent research would therefore be to accept the ongoing presence of multiple, at times conflicting influences on people's welfare preferences, and focus on identifying the conditions and timing under which one form of influence gains relative preeminence over the others.[46]

As noted, the results of the analysis reveal a difference in the way the economic set-backs affected the attitudes of voters across the political spectrum. This partisan gap is shown to be only partially accounted for by a "ceiling effect," and controlling for demographic differences does not eliminate the observed partisan gap either. More research is needed to fully explain the factors underlying this pattern of partisan difference. Yet to advance this undertaking, I wish to briefly outline two other explanations that cannot be tested convincingly with the data I have and which strike me as worthy of further examination.

The first holds that partisans who are willing to explicitly depart from a widely shared party stance on a central issue x are likely to (i) hold stronger-than-average views about that issue,[47] and (ii) support the party due to its position on some other important dimension or due to a longstanding emotional tie (e.g., the party their parents traditionally support). In other words, their partisan affiliation is maintained *despite* the party's position on issue x. For example, some voters might have a clear stance against increased welfare spending, but nonetheless support the Democratic Party because of its position on other issues such as gay rights or environmental protection. Thus, the small minority of Democrats that were, to begin with, opposed to welfare expansion perhaps represents a hard

---

[46] The reception-acceptance model (Zaller 1992) offers the clearest example of a framework that allows for such temporal dynamics in attitude change.

[47] Otherwise, they would likely be drawn to the party line.

"core" whose views on this issue are less malleable. If that is the case, it could help explain why those individuals exhibited only a small change in attitudes on welfare policy following a worsening in their personal circumstances. A second explanation builds on the literature on government learning, which argues that policy change typically follows strong external stimuli in the form of disaster or major failures of existing policy (Birkland 1997; Heclo 1974). Smaller failures, in contrast, are argued to instigate less reconsideration and therefore produce little or no change. Since right wing voters, as noted earlier, often attribute the economic fortunes of individuals to their own doings rather than to external forces (e.g., Alesina and La Ferrara 2005; Evans 1997), it stands to reason that an economic shock such as being laid off represents a sharper contrast to (or "failure" of) prior beliefs for a voter on the right. Such contrast, if it brings about a more serious reassessment of one's prior political position, might help account for why a greater change in views was registered among voters on the right.

Shortly after the eruption of the crisis, and with looming elections in the U.S., an editorial of the Wall Street Journal warned of "a period of unchecked left-wing ascendancy" and lamented that "the current financial panic may give today's left another pretext to return to those heydays of welfare-state liberalism."[48] That forecast, which some dreaded and others hoped for,

was soon belied when two years later the Republicans won a resounding victory in the midterm elections, in part due to the Tea Party's vocal campaign against "big government" and "out-of-control" social spending. The results of this study help explain why, despite the meltdown of the financial system and the hardships it inflicted on millions, the Great Recession did not bring about that transformative shift of policies to the left. For one, the uneven impact of the crisis meant a sharp bifurcation in sentiment between the narrower constituency who personally experienced a major economic setback and the broader population that did not. Whereas support for greater government spending on welfare assistance increased among the former, it actually decreased among the rest of the population. Second, prior ideological commitments were not simply thrown by the wayside; rather, they remained a strong dividing line separating support and opposition to an expanded welfare system. Finally, even among those directly hurt by the crisis, the pro-welfare shift seems to have been fairly short-lived, dissipating as personal circumstances improved. In other words, a broad leftward shift in the electorate's preferences simply did not take place. Thus, if change in U.S. social policy will depend on a strong popular demand, it seems fair to conclude that a return to the "heydays of welfare-state liberalism" is probably not much closer today than it was in the more prosperous years before the crisis erupted.

[48] *Wall Street Journal*, 10/17/2008.

TABLE A1.   Comparison of Samples across Key Demographics: The American Community Survey and the Four Panel Waves

	ACS	Wave 1	Wave 2	Wave 3	Wave 4
Age					
18–34 years	30.8%	31.1%	27.8%	21.2%	17.7%
35 to 44 years	19.1	18.7%	20.2%	18.1%	20.1%
45 to 54 years	19.4	19.8%	21.1%	22.5%	24.7%
55 to 64 years	14.5	13.6%	14.8%	19.4%	19.6%
65 and over	16.6	16.8%	16.1%	18.7%	18.0%
Gender (≥18)					
Male	48.6%	48.1%	48.1%	48.2%	48.6%
Female	51.4	51.9%	51.9%	51.8%	51.4%
Education (population ≥25)					
Less than high school diploma	15.5%	9.8%	9.8%	7.3%	5.5%
High school graduate (includes equivalency)	30.1	31.1%	33.4%	33.8%	34.2%
Some college or associate's degree	26.9	29.8%	28.6%	27.8%	27.8%
Bachelor's degree	17.4	18.5%	18.4%	20.0%	19.9%
Graduate or professional degree	10.1	10.8%	9.8%	11.1%	12.6%
Employment					
Employed	60.3%	56.3%	58.2%	56.0%	59.6%
Unemployed	4.1	6.7	10.3	9.4	8.5
Not in labor force	35.2	37.0	31.5	34.6	31.9
Income					
Mean household income (dollars)	69,972	63,443	54,147	54,795	56,556
Male (dollars)	44,255	49,613	43,712	42,742	44,162
Female (dollars)	34,278	30,511	26,226	25,167	26,354

TABLE A2.   Respondent Characteristics, by Number of Successful Contacts

Variable	Interviews:			
	One	Two	Three	Four
% Female	53.3	46.4	49.4	51.0
% Less Than High-School	0.04	0.01	0.02	0.02
% High School	0.25	0.18	0.26	0.27
% Some College	0.27	0.26	0.26	0.28
% 2-Year College	0.09	0.07	0.09	0.11
% College Degree	0.22	0.26	0.22	0.24
% Post-graduate	0.14	0.23	0.15	0.09
Income (USD, '000)	37.9	40.3	41.8	38.5
% Married	0.56	0.72	0.60	0.49
% Divorced/ Separated	0.14	0.10	0.13	0.16
% Widowed	0.05	0.04	0.05	0.03
% Single	0.19	0.12	0.18	0.28
% Domestic Partnership	0.06	0.03	0.05	0.03
PID (7-point scale)	3.83	3.85	3.93	3.86
Confidence in Keep Job				
Very Confident	0.40	0.38	0.38	0.48
Confident	0.30	0.32	0.29	0.28
Slightly Confident	0.13	0.16	0.17	0.09
Not Confident	0.08	0.06	0.07	0.05
Finding an Equivalent Job				
% Very Easy	0.15	0.10	0.12	0.18
% Somewhat Easy	0.22	0.20	0.20	0.27
% Neither	0.20	0.18	0.19	0.22
% Somewhat Difficult	0.22	0.25	0.24	0.19
% Very Difficult	0.19	0.25	0.22	0.11
Age	50.1	55.5	52.7	50.3
% Full-Time Emp.	0.43	0.41	0.45	0.49
% Part-time Emp.	0.08	0.07	0.08	0.05
% Self-Employed	0.10	0.11	0.11	0.10
% Unemployed	0.06	0.05	0.05	0.05
% Retired	0.19	0.27	0.21	0.18
% Student	0.04	0.02	0.02	0.03
% Homemaker	0.09	0.07	0.07	0.09
Total Respondents	3,178	1,603	1,044	402

REFERENCES

Abramowitz, Alan, and Kyle Saunders. 2005. "Why Can't We All Just Get Along? The Reality of a Polarized America." *The Forum* 3 (2), DOI: 10.2202/1540-8884.1076.

Alesina, Alberto, and Edward L. Glaeser. 2004. *Fighting Poverty in the US and Europe: A World of Difference*. New York: Oxford University Press.

Alesina, Alberto, and Eliana La Ferrara. 2005. "Preferences for Redistribution in the Land of Opportunities." *Journal of Public Economics* 89 (5-6): 897–931.

Alesina, Alberto, and Paola Giuliano. 2010. "Preferences for Redistribution." In *Handbook for Social Economics*, ed. A. Bisin and J. Benhabib. Amsterdam: North-Holland.

Anderson, Christopher J., and Jonas Pontusson. 2007. "Workers, Worries and Welfare States: Social Protection and Job Insecurity in 15 OECD Countries." *European Journal of Political Research* 46: 211–35.

Bartels, L. M. 2008. *Unequal Democracy: The Political Economy of the New Gilded Age*. Princeton University Press.

Bean, C., and E. Papadakis. 1998. "A Comparison of Mass Attitudes Towards the Welfare State in Different Institutional Regimes, 1985–1990." *International Journal of Public Opinion* 10 (3): 211–36.

Birkland, T. A. 1997. *After Disaster: Agenda Setting, Public Policy, and Focusing Events*. American Governance and Public Policy, Georgetown University Press.

Brooks, C., and Manza J. 2007. *Why Welfare States Persist: The Importance of Public Opinion in Democracies*. University of Chicago Press.

Brunner, Eric, Stephen L. Ross, and Ebonya Washington. 2011. "Economics and Policy Preferences: Causal Evidence of the Impact of Economic Conditions on Support for Redistribution and Other Ballot Proposals." *Review of Economics and Statistics* 93 (3): 888–906.

Burgard, Sarah A., Jennie E. Brand, and James S. House. 2007. "Toward a Better Estimation of the Effect of Job Loss on Health." *Journal of Health and Social Behavior* 48 (4): 369–84.

Burgoon, Brian. 2001. "Globalization and Welfare Compensation: Disentangling the Ties that Bind." *International Organization* 55: 509–51.

Burgoon, B., Koster, F., and van Egmond, M. 2012. Support for Redistribution and the Paradox of Immigration. *Journal of European Social Policy* 22 (3): 288–304.

Cameron, D. R. 1978. "The Expansion of the Public Economy: A Comparative Analysis." *American Political Science Review* 72: 1243–61.

Campbell, Angus, Philip E. Converse, Warren E. Miller, and Donald E. Stokes. 1960. *The American Voter*. Chicago: University of Chicago Press.

Citrin, Jack. 1979. "Do People Want Something for Nothing: Public Opinion on Taxes and Government Spending." *National Tax Journal* 32 (2): 29s.

Citrin, Jack, and Donald P Green. 1990. "The Self-Interest Motive in American Public Opinion." In *Research in Micropolitics*, ed. Robert Shapiro. Vol. 3, Greenwich, CT: JAI Press.

Cusack, Thomas, Torben Iversen, and Philipp Rehm. 2006. "Risks At Work: The Demand and Supply Sides of Government Redistribution." *Oxford Review of Economic Policy* 22 (3): 365–89.

Eliason, Marcus, and Donald Storrie. 2009. "Does Job Loss Shorten Life?" *Journal of Human Resources* 44 (2): 277–302.

Erikson, Robert S., Gerald C. Wright, and John P. McIver. 2006. "Public Opinion in the States: A Quarter Century of Change and Stability." In *Public Opinion in State Politics*, ed. Jeffrey Cohen. Stanford, CA: Stanford University Press.

Erikson, Robert S., and Laura Stoker. N.d. "Caught in the Draft: The Effects of Vietnam Draft Lottery Status on Political Attitudes." *American Political Science Review*. Forthcoming.

Evans, Geoffrey. 1997. "Political Ideology and Popular Beliefs about Class and Opportunity: Evidence from a Survey Experiment." *The British Journal of Sociology* 48 (3): 450–70.

Feldman, Stanley, and John Zaller. 1992. "The Political Culture of Ambivalence: Ideological Responses to the Welfare State." *American Journal of Political Science* 36 (1): 268–307.

Fiorina, Morris P. 1981. *Retrospective Voting in American National Elections*. New Haven, CT: Yale University Press.

Fong, Christina. 2001. "Social Preferences, Self-Interest, and the Demand for Redistribution." *Journal of Public Economics* 82: 225–46.

Funk, Carolyn L. 2000. "The Dual Influence of Self-Interest and Societal Interest in Public Opinion." *Political Research Quarterly* 53 (1): 37–62.

Gelman, Andrew, Boris Shor, Joseph Bafumi, and David Park. 2007. "Rich State, Poor State, Red State, Blue State: What's the Matter with Connecticut?" *Quarterly Journal of Political Science* 2 (4): 345–67.

Gerber, Alan, and Donald P Green. 1999. "Misperceptions About Perceptual Bias." *Annual Review of Political Science* 2: 189–210.

Guiso, Luigi, Paola Sapienza, and Luigi Zingales. 2003. "People's Opium? Religion and Economic Attitudes." *Journal of Monetary Economics* 50 (1): 225–82.

Hamann, Kerstin, and John Kelly. 2011. *Parties, Elections, and Policy Reforms in Western Europe: Voting for Social Pacts*. London & New York: Routledge.

Heclo, Hugh. 1974. *Modern Social Politics in Britain and Sweden*. New Haven: Yale University Press.

Huber, E., and J. D. Stephens. 2001. *Development and Crisis of the Welfare State. Parties and Policies in Global Markets*. Chicago: University of Chicago Press.

Iversen, Torben, and David Soskice. 2001. "An Asset Theory of Social Policy Preferences." *The American Political Science Review* 95 (4): 875–93.

Jacobson, Louis S., Robert J. LaLonde, and Daniel G. Sullivan. 1993. "Earnings Losses of Displaced Workers." *The American Economic Review* 83 (4): 685–709.

Jaeger, M. M. 2008. Does Left-Right Orientation have a Causal Effect on Support for Redistribution? Causal Analysis with Cross-sectional Data Using Instrumental Variables. *International Journal of Public Opinion Research* 20 (3): 363–74.

Key, V. O. 1961. *Public Opinion and American Democracy*. New York: Knopf.

Kinder, Donald R., and David O. Sears. 1981. "Prejudice and Politics: Symbolic Racism versus Racial Threats to the Good Life." *Journal of Personality and Social Psychology* 40: 414–31.

Knight, Kathleen, and Robert S. Erikson. 1997. "Ideology in the 1990s." In *Understanding Public Opinion*, eds. Barbara Norrander and Clyde Wilcox. Washington, DC: CQ Press, 91–110.

Korpi, Walter, and Joakim Palme. 1998. "The Paradox of Redistribution and Strategies of Equality: Welfare State Institutions, Inequality, and Poverty in the Western Countries." *American Sociological Review* 63 (5): 661–87.

Kumlin, Staffan, and Stefan Svallfors. 2007. "Social Stratification and Political Articulation: Why Attitudinal Class Differences Vary Across Countries." In *Social Justice, Legitimacy and the Welfare State*, eds. Steffen Mau and Benjamin Veghte. Aldershot: Ashgate, 19–46.

Larsen, C. A. 2008. The Institutional Logic of Welfare Attitudes: How Welfare Regimes Influence Public Support. *Comparative Political Studies* 41 (2): 145–68.

Linos, K., and M. West. 2003. "Self-interest, Social Beliefs, and Attitudes to Redistribution: Re-addressing the Issue of Cross-national Variation." *European Sociological Review* 19: 393–409.

Lodge, M., and C. Taber. 2000. "Three Steps Toward a Theory of Motivated Reasoning." In *Elements of Political Reason: Understanding and Expanding the Limits of Rationality*, eds. A. Lupia, M. McCubbins, and S. Popkin. New York: Cambridge University Press.

Lupu, Noam, and Jonas Pontusson. 2011. "The Structure of Inequality and the Politics of Redistribution." *American Political Science Review* 105 (02): 316–36.

Lynch, J., and M. Myrskyla. 2009. "Always the Third Rail? Pension Income and Policy Preferences in European Democracies." *Comparative Political Studies* 42 (8): 1068–97.

Malhotra, Neil, and Yotam Margalit. 2010. "Short-Term Communication Effects or Longstanding Dispositions? The Public's Response to the Financial Crisis of 2008." *The Journal of Politics* 72 (03): 852–67.

Mares, Isabella. 2003. *The Politics of Social Risk: Business and Welfare State Development*. New York: Cambridge University Press.

Margalit, Yotam. 2011. "Costly Jobs: Trade-related Layoffs, Government Compensation, and Voting in US Elections." *American Political Science Review* 105: 166–88.

Mughan, Anthony. 2007. "Economic Insecurity and Welfare Policy Preferences: A Micro-Level Analysis." *Comparative Politics* 89: 914–27.

Page, B. I., and R. Y. Shapiro. 1992. *The Rational Public: Fifty Years of Trends in Americans' Policy Preferences*. American Politics and Political Economy. Chicago: University of Chicago Press.

Panagopoulos, Costas, and Robert Y. Shapiro. 2011. "Big Government and Public Opinion." In *The Oxford Handbook of American Public Opinion and the Media*, eds. Lawrence R. Jacobs and Robert Y. Shapiro. Oxford: Oxford University Press.

Pierson, P. 1994. *Dismantling the Welfare State?: Reagan, Thatcher, and the Politics of Retrenchment*. Cambridge: Cambridge University Press.

Pontusson, Jonas. 2005. *Inequality And Prosperity: Social Europe Vs. Liberal America*. Cornell Studies in Political Economy. Ithaca, NY: Cornell University Press.

Redlawsk, D. P. 2001. "You Must Remember This: A Test of the Online Model." *Journal of Politics* 63: 29–58.

Rehm, Philip. 2009. "Risks and Redistribution: An Individual-Level Analysis." *Comparative Political Studies* 7 (2): 855–81.

Rehm, Philip. 2011. "Social Policy by Popular Demand." *World Politics* 63 (2): 271–99.

Rivers, Douglas. 2007. "Samping for Web Surveys." Paper presented at the 2007 Joint Statistical Meetings, Salt Lake City, UT.

Rodrik, Dani. 1998. "Why Do More Open Economies Have Bigger Governments?" *Journal of Political Economy* 106 (5): 997–1032.

Rueda, David. 2007. *Social Democracy Inside Out: Partisanship and Labor Market Policy in Industrialized Democracies*. New York: Oxford University Press.

Ruggie, John Gerard. 1982. "International Regimes, Transactions, and Change: Embedded Liberalism in the Postwar Economic Order." *International Organization* 36 (2): 379–415.

Scheve, Kenneth, and David Stasavage. 2006. "Religion and Preferences for Social Insurance." *Quarterly Journal of Political Science* 1: 255–86.

Sears, David O., and Carolyn L. Funk. 1990. "Self-interest in Americans' Political Opinions." In *Beyond Self-interest*. Chicago: University of Chicago Press, 147–70.

Shapiro, Robert Y. 2009. "From Depression to Depression? Seventy-Five Years of Public Opinion toward Welfare." Paper presented

at the Annual Fall Research Conference of the Association of Public Policy Analysis and Management, Washington, DC, Nov. 5–7.

Soroka, Stuart N., and Christopher Wlezien. 2010. *Degrees of Democracy: Politics, Public Opinion, and Policy*. New York: Cambridge University Press.

Soss, Joe, and Sanford F. Schram. 2007. "A Public Transformed? Welfare Reform as Policy Feedback." *The American Political Science Review* 101 (1): 111–27.

Stonecash, Jeffrey M. 2000. *Class and Party in American Politics*. Boulder, CO: Westview Press.

Sullivan, Daniel, and Till von Wachter. 2009*a*. "Average Earnings and Long-Term Mortality: Evidence from Administrative Data." *The American Economic Review* 99 (2): 133–8.

Sullivan, Daniel, and Till von Wachter. 2009*b*. "Job Displacement and Mortality: An Analysis Using Administrative Data." *The Quarterly Journal of Economics* 124 (3): 1265–306.

Taylor-Gooby, P. 2001. "Welfare Reform in the UK." In *Welfare States Under Pressure*, ed. P. Taylor-Gooby. London: Sage.

Vavreck, Lynn, and Douglas Rivers. 2008. "The 2006 Cooperative Congressional Election Study." *Journal of Elections, Public Opinion & Parties* 18 (4): 355–66.

Welch, Susan. 1985. "The 'More for Less' Paradox: Public Attitudes on Taxing and Spending." *The Public Opinion Quarterly* 49 (3): 310–16.

Zaller, J. R. 1992. *The Nature and Origins of Mass Opinion*. Cambridge Studies in Public Opinion and Political Psychology. New York: Cambridge University Press.