

what the public really wants on budget priorities

by ruy teixeira

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Congress is in the middle of a battle over the budget for fiscal year 2008, which in fact began on October 1, 2007. On one side are those who want the budget to include more spending for programs in health care, education, infrastructure, homeland security, and law enforcement, with those spending increases paid for by budget cuts and tax revenue increases elsewhere in the budget. On the other side are President Bush and his conservative allies who oppose these increases, arguing that they represent wasteful and unneeded spending—even though Bush failed to veto a string of truly wasteful budgets passed by a conservative-led Congress in the first six years of his presidency. Oh, and Bush and his allies want to keep all the tax cuts they’ve passed so far and add a few new ones.

The two sides of this debate represent quite different views about the priorities that should be reflected in the federal budget—views that have clashed repeatedly throughout the Bush presidency. Both sides, of course, have claimed throughout that they are merely carrying out the public’s wishes on government spending and taxation. That’s why, in the midst of this latest budget battle, it’s a good time to set the record straight about which side really does align with the public’s budget priorities.

As it turns out, there is a clear answer to that question: The public leans fairly heavily toward the side of the debate that advocates additional spending on social needs and fewer tax cuts.

Current Budget Priorities

A good place to start is to look at the current budget battle and see where the public comes down between the two sides. Thanks to a September, 2007 poll by Hart Research for AFSCME/US Action, we can answer that question quite definitively.

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The poll asked about spending proposals in 13 different areas, and the public sided, generally strongly, with proposals for higher spending levels in each case. For instance, 63 percent backed, respectively, an additional \$35 billion for the state Children's Health Insurance Program, or SCHIP, an additional \$1.5 billion for public schools/Head Start, and an additional \$1.6 billion for law enforcement/crime. Even higher support (71 percent) went to an additional \$630 million on highways and bridges and an additional \$3.7 billion on veterans' health care (74 percent). Other areas that received strong support for spending increases included disease research, health care for the uninsured, homeland security, and food/medicine safety.

Certainly the biggest fight about additional spending has been around the funding for SCHIP. A September, 2007 Washington Post/ABC News poll highlighted the strength of support for more funding for children's health care under SCHIP in comparison with the budget priorities of Bush and his allies. The poll asked about both support for funding SCHIP at the level mentioned and support for funding the Iraq war at the \$190 billion level, Bush's chief budgetary priority. The results were practically mirror opposites: The public *supported* full funding for SCHIP expansion by a margin of 72 percent to 25 percent, but *opposed* full funding for Bush's Iraq request by a 70 percent-to-27 percent margin.

General Budget Priorities

Other data allow us to get a more general sense of the public's budget priorities. Start with the very interesting survey exercise conducted in 2005 by the Program on International Policy Attitudes. PIPA in this exercise showed a national sample of respondents Bush's 2006 discretionary budget, broken into 16 categories, and asked to designate where they wanted spending increased (or cut) and by how much. Here are the most important results for spending increases, as summarized in the PIPA report on their survey:

Public Support for Higher Social Spending in Today's Budget

63 percent back an additional \$35 billion for the state Children's Health Insurance Program, an additional \$1.5 billion for public schools/Head Start, and an additional \$1.6 billion for law enforcement/crime.

71 percent back an additional \$630 million on highways and bridges.

74 percent an additional \$3.7 billion on veterans' health care.

Hart Research for AFSCME/US Action poll- Sept. 2007

“The largest budget areas increased were for social spending. Spending on human capital was especially popular. Education was increased \$26.7 billion, from \$68.5 billion to \$95.2 billion (a 39 percent increase), with a 57 percent majority opting to increase funding. Job training and employment-related services were increased \$19 billion, from \$7.2 billion to \$26.2 billion, a sizeable increase of 263 percent, backed by a strong 67 percent majority. Veterans’ benefits were also increased \$12.5 billion, from \$31.4 billion to \$43.9 billion, an increase of 40 percent by a majority of 63 percent. Likewise, medical research was increased \$15.5 billion, from \$29.2 billion to \$44.7 billion, a 53 percent increase supported by a 57 percent majority.

“By far the largest increase in percentage terms was for conserving and developing renewable energy. This amount was increased \$24 billion, from \$2.2 billion to \$26.2 billion, an extraordinary increase of 1,090 percent.”

And here are the most important results for cuts:

“Overall, by far the largest modification to the proposed budget was a major cut in defense spending. On average, defense spending was cut by the equivalent of \$133.8 billion (or 31 percent), from \$435.9 billion to \$302.1 billion. Fully two-thirds of respondents (65 percent) made cuts to the defense budget. The projected Iraq supplemental was reduced a similar percentage (35 percent) from \$85 billion— to \$55.4 billion—a reduction of \$29.6 billion. Here again, two-thirds (65 percent) of respondents cut this item.”

These results are obviously quite consistent with the results summarized above on current budget priorities, suggesting stability in the public’s outlook.

Another interesting lens on the public’s budget priorities may be found in data from the General Social Survey, an academic survey conducted for decades by the University of Chicago.

How the Public Would Change the Federal Budget

Education would be increased **\$26.7 billion**, from **\$68.5 billion** to **\$95.2 billion** (a **39 percent** increase), with a majority of **57 percent** making increases.

Job training and employment-related services would be increased **\$19 billion**, from **\$7.2 billion** to **\$26.2 billion**, a sizeable increase of **263 percent**, which was made by a strong majority of **67 percent**.

Conserving and developing renewable energy would be increased **\$24 billion**, from **\$2.2 billion** to **\$26.2 billion**, an increase of **1,090 percent**.

*Program on International Policy Attitudes,
2005*

Since 1973, respondents to the GSS survey have been presented with a list of problems affecting the country and asked whether we spend too little, too much or about the right amount on each problem. The results of the latest survey (2006) put improving education at the top the public's spending priorities: 74 percent said we are spending too little on education, compared with 5 percent who said we are spending too much, for a net spending score (too little minus too much) of +69.

Other problems the public overwhelmingly thought we were spending too little, rather than too much, trying to solve were improving health (net spending score of +66), assistance to the poor (+62), improving the environment (+62), Social Security (+59), dealing with drug addiction (+55), and crime (+55).

Less strong, but still solidly on the side of more, rather than less, spending were assistance for childcare (+47), law enforcement (+46), drug rehabilitation (+43), solving the problems of the big cities (+35), supporting scientific research (+32), mass transportation (+31), parks and recreation (+27), highways and bridges (+24), and improving the condition of blacks (+21).

Are We Spending Too Little or Too Much to Solve the Nation's Problems?

74 percent said we are spending too little on education. **Five percent** said we are spending too much, for a net spending score (too little minus too much) of +69.

And...

Improving health (net spending score of **+66**)

Assistance to the poor (**+62**)

Improving the environment (**+62**)

Social Security (**+59**)

Dealing with drug addiction (**+55**)

Crime (**+55**)

General Social Survey, University of Chicago, 2006

Social Spending vs. Tax Cuts vs. Deficit Reduction

The data reviewed above give us a sense of where the public wants to see additional spending. But these data don't tell us whether and to what extent the public backs additional spending in these areas compared to the alternatives of tax cuts and deficit reduction.

Looking first at the issue of social spending vs. tax cuts, consider the following results. In January, 2003, Hart Research asked voters which was the better way to improve the economy, large tax cuts or public investments in schools, health care, and job training. Voters chose public investments over tax cuts by 61 percent to 29 percent.

In October 2007, the *Los Angeles Times* asked a similar question, posing an economic agenda focused on “returning money to taxpayers through tax cuts” against an agenda focused on “spending on such issues as health care and education.” The public again preferred social spending to tax cuts by a 52-to-36 percent margin.

These results hold up—indeed, they are generally stronger—when only a single spending priority is posed as the alternative to tax cuts. For example, an ABC/*Washington Post* poll in October 2003 found that 80 percent preferred providing health care coverage for all Americans, compared with just 17 percent who favored cutting taxes.

A choice between education and job training and tax cuts also produces a lopsided result. In a May 2005 Feldman Group/Market Strategies poll, 69 percent said they preferred “investing in education and training” to grow the economy, compared with 26 percent who thought tax cuts would work better.

Finally, a January 2005 *Los Angeles Times* poll found 60 percent in favor of stimulating the economy through an economic agenda focused on “spending for improvements to the country’s infrastructure such as roads, bridges, and schools,” rather than an agenda focused on “returning money to taxpayers through tax cuts” (34 percent).

Given these preferences for social spending over tax cuts, it should come as no surprise that the public generally endorses rolling back recent tax cuts to fund key social priorities. A Zogby poll in February 2002, for example, found 71 percent of the public favoring a tax cut rollback if that money were used for a prescription-drug program for seniors; 69 percent in favor of such a move if it were used for education; and 63 percent would agree if it were used for environmental protection. Similarly, an Ipsos-Reid poll, also from February 2002, had 76 percent favoring the postponement of a tax cut to provide prescription drugs for the elderly, 72 percent favoring it to improve education, and 68 percent favoring it to provide unemployment benefits to displaced American workers.

The willingness to roll back tax cuts also applies to funding universal health care. In

Tax Cuts vs. Universal Health Care

80 percent preferred providing health care coverage for all Americans, compared with just **17 percent** who favored cutting taxes.

ABC/Washington Post poll, October, 2003

Repealing Tax Cuts for Health Care

67 percent favor “the U.S. government guaranteeing health care for all citizens, even if it means repealing most of the recent tax cuts.”

60 percent said they would be willing “to repeal some of Bush’s tax cuts in order to help pay for a health care program that insures all Americans.”

*August, 2003 Pew Research Center poll;
October, 2007 Los Angeles Times poll*

August 2003, a Pew Research Center poll found a 67 percent-to-26 percent majority in favor of “the U.S. government guaranteeing health care for all citizens, even if it means repealing most of the recent tax cuts.” And in an October 2007 *Los Angeles Times* poll, the public by a 2-1 margin (60 percent to 31 percent) said they would be willing “to repeal some of Bush’s tax cuts in order to help pay for a health care program that insures all Americans.”

The public also tends to prefer cutting the deficit to tax cuts as a budget priority. For instance, in a November 2004 CBS/*New York Times* poll, the public thought reducing the deficit, rather than cutting taxes, “should be the higher priority right now” by a 67-to-28 percent margin.

But this result and others like it don’t tell us how cutting the deficit stacks up against social spending as a priority. For that, we have to turn to two questions asked by Ipsos in March 2004 in a split sample format. The first question was “If you had to choose, would you prefer balancing the budget or cutting taxes?” The public’s response was overwhelmingly in favor of balancing the budget (61 percent to 36 percent).

The second question was: “If you had to choose, would you prefer balancing the budget or spending more on education, health care and economic development?” The public’s response here was equally overwhelmingly in favor of increased spending—62 percent for spending more vs. 36 percent for balancing the budget. So balancing the budget trumps cutting taxes, but increased spending trumps balancing the budget.

When the public’s budget priorities are carefully scrutinized, they seem to have a consistent point of view in support of policies that increase investments in social programs at the top of their priority list and tax cuts at the bottom. This clearly puts the public on the side of the Congressional budget debate that advocates additional spending on social needs and less tax cuts and opposed to those who say tax cuts should outrank social spending as a budget priority. A very unpopular Bush administration might want to keep this in mind as the budget debate unfolds, lest it wind up even more unpopular than it is today.