

Subject: Economic Policy Preferences
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Half of all consumers thought a stronger economy would result from more international trade and less income inequality. Immigration policy was more contentious, with just one-in-five that thought increasing immigration would benefit economic growth prospects. On entitlements, six-in-ten preferred tax increases to benefit cuts in Social Security and Medicare. The questions, asked in July and August, were phrased in general terms, without specifying the exact mechanisms that would be used to accomplish the policy goals. The intent was to determine the expected impact of the various policy goals on growth prospects for the overall economy. The table below shows the distribution of the responses across all households as well as across political party affiliations, income, age, and education. Note that “don’t know” responses are not shown in the table.

Trade Policy. Consumers were asked whether increases or decreases in trade would be better for the national economy. In response, 60% thought that increased trade would be better for domestic economy, while 22% favored less trade. Indeed, more than half of all consumer in every subgroup examined thought more trade would benefit the domestic economy. Of all the economic policies, the favorable impact on the economy from increased trade drew the most support from consumers.

Immigration Policy. Just 21% of all consumers thought that increased immigration would benefit the economy, while 37% favored decreased immigration as best for the economy. A rather large 37% thought that whether immigration increased or decreased, it would have no significant impact on the national economy. There were sharp difference by party, as decreases in immigration were viewed favorably for the economy by 61% of Republican and just 19% of Democrats. Favorable views toward increasing immigration were primarily associated with higher incomes and education as well as by younger consumers.

Income Inequality. Nearly half of all consumers thought that higher taxes on the wealthy would benefit the overall economy, while just one-in-four thought higher taxes on the wealthy would harm the economy. Nearly three-in-four Democrats supported higher taxes on the wealthy, while about half of all Republicans though higher taxes would hurt the economy. Higher taxes on the wealthy was viewed as helping the economy among all groups about twice the frequently as those that thought it would harm economic conditions, with higher margins by the young, least educated, and those with low incomes.

Social Security and Medicare. Consumers were asked whether they would prefer to cut benefits or increase taxes as the best means to sustain Social Security and Medicare. Increasing taxes dominated, favored by 63% of all consumers and by a majority in every demographic subgroup. There were differences across parties, with Democrats more in favor of raising taxes, although half of all Republican were in favor of tax increases rather than benefit cuts. Not surprisingly, the least supported was given to benefit cutbacks by consumers over age 65 and by consumers with the lowest incomes.

	Social Security		Income Inequality			Immigration Policy			Trade Policy		
	Cut Benefits	Raise Taxes	Tax Wealthy Help the Economy	Tax Wealthy Hurt the Economy	No Diff to the Economy	Increase Better for Economy	Decrease Better for Economy	No Diff to the Economy	More Trade Better for Economy	Less Trade Better for Economy	No Diff to the Economy
All Households	24	63	48	23	26	21	37	37	60	22	14
Expectations Index	78.3	83.1	86.2	62.6	77.0	76.6	78.3	84.5	83.9	72.0	66.8
Party											
Democrat	12	82	73	5	20	29	19	47	65	18	14
Independent	26	58	47	20	29	23	35	37	59	22	14
Republican	35	50	23	47	28	8	61	25	59	22	15
Income											
Bottom Third	18	67	53	14	28	14	39	39	52	26	17
Middle Third	25	65	50	25	25	20	40	37	60	24	12
Top Third	28	61	43	29	26	28	32	36	70	15	13
Top 10%	30	59	34	35	29	33	25	38	82	7	9
Age											
Under 35	32	61	51	19	28	31	21	45	64	23	9
35 to 49	28	59	48	22	27	22	38	34	61	25	11
50 to 64	22	62	46	27	23	16	42	36	58	20	17
65 or older	14	72	51	20	28	15	45	35	59	19	19
Education											
High sch or less	21	66	52	15	29	11	46	37	52	27	16
Some college	23	61	46	25	26	16	46	33	53	27	15
College degree	26	64	48	25	25	29	26	40	69	15	13

The questions were: We hear a lot of talk these days about the increasing cost of Social Security and Medicare. Which do you think is the better way to handle the cost increases: cutting benefits or raising taxes? These days we hear a lot of talk about income inequality in the U.S., and some have suggested raising taxes on the wealthy to reduce income inequality. Do you think such a tax increase on the wealthy to reduce income inequality would help the overall economy, hurt the overall economy, or wouldn't it make much difference? Which would be better for the economy as a whole -- if immigration into the U.S. increased, if immigration into the U.S. decreased, or wouldn't it make much difference to the national economy? Which would be better for the economy as a whole -- more trade with other countries, less trade with other countries, or wouldn't it make much difference to the national economy? Total sample size was 1,088 cases in the July and August surveys.