

Date: 15 January 1996
To: NES Board
From: Larry M. Bartels
Re: Budget items on 1995 Pilot Study

Here is my take on our new budget items (B1, B2, B3, B8, B9, B10, F1, F2, F3, F6, F6, and F8).

Marginals. The only three items that get majority support are those that propose cuts in defense spending regardless of the stipulated tradeoff (with mean values ranging from .54 to .61 on a zero to one scale). The mean values for the other nine items range from .10 to .35, suggesting that there isn't substantial public support for any major changes in the current balance among domestic spending, taxes, and the budget deficit, at least as measured by these items.

Reliability. The average intercorrelations (absolute values) for individual items range from .08 (for B1) to .25 (for F1) and average .17. These low correlations are presumably due in part to the complexity of the various issues being traded off here. However, even the pairs of items designed to trade off the same two goods (for example, B1 proposing tax increases to cut the deficit and B10 proposing an increase in the deficit in order to cut taxes) have an average (signed) correlation of .17, which suggests a good deal of unreliability if we view these pairs as measuring the same tradeoffs. The deficit versus tax items (B1 and B10) are especially anemic (and are actually slightly positively correlated despite proposing opposite tradeoffs).

Dimensional Structure. An exploratory factor analysis of all twelve items produces what looks like a three-dimensional structure with the first dimension tapping opposition to defense spending (and, less strongly, support for domestic spending), the second tapping preferences for deficit and tax reduction at the expense of (especially domestic but also defense) spending, and the third tapping a response set (with all twelve items getting moderately positive loadings). The first of these dimensions seems likely to be relatively well covered by existing questions on defense, domestic spending, and ideology. The second does seem to represent a hole in our existing coverage, which could perhaps be plugged by items B2 and B9 (or, if the response set and unreliability are sufficiently worrisome, these two plus their complements, F2 and F3). The third is, obviously, a nuisance rather than a target for analysis (although see Mark Hansen's analysis for a more detailed discrimination between indifferent and inconsistent responses).

Correlates. Two-item scales combining complementary items (for example, B2 proposing domestic cuts to reduce the deficit minus F2 proposing a deficit increase to fund increased domestic spending) correlate with ideology and party identification at .25 to .35 for scales involving domestic spending, and at .02 to .18 for scales involving tradeoffs among the budget deficit, taxes, and defense. All of these two-item scales are fairly strongly related to political information (controlling for ideology and party identification), with more knowledgeable respondents favoring deficit reduction to tax reduction and either to spending. In regressions including ideology and party identification as control variables, only the domestic spending versus deficit tradeoff has a significant impact on Clinton approval and Clinton thermometer ratings (with *t*-statistics of 2.4 to 3.2), while domestic spending versus deficit and domestic spending versus taxes have weaker effects on Gingrich thermometer ratings (*t*-statistics ranging from 1.1 to 1.8) and none of these items has any perceptible effect on Dole thermometer ratings.

Recommendations. The political debate so far has been cast primarily in terms of a tradeoff between domestic spending and the budget deficit, and there is some evidence that the Pilot Study respondents evaluated Clinton in terms of that tradeoff. Having agreed in principle to eliminating the budget deficit, he is now attempting to recast the political debate as a tradeoff between domestic spending and tax reduction. Substantively, these two tradeoffs seem most worth pursuing in 1996. Given the apparent

fragility of the Pilot Study items but also the likely difficulty of inventing anything clearly better, I would be inclined to carry items B2, B9, F2 and F3 in 1996. Having two items covering each of the two most salient tradeoffs would allow for some improvement in reliability, mitigate the problems with response set, and distinguish both extremes on each tradeoff from the (so far) broad inert middle.