

Talking Past Each Other

What Everyday Americans
Really Think (and Elites Don't Get)
About the Economy

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FOREWORD

It's *Still* "the Economy, Stupid"

Throughout the 2006 election campaign, President Bush and his allies complained that they weren't getting the credit they deserved for what they considered to be a strong and growing economy. On the Friday morning before Election Day, when the U.S. Department of Labor announced that the unemployment rate had fallen to its lowest rate since May 2001, Bush couldn't contain his optimism about the economy—and the elections. Campaigning in Missouri for Senator Jim Talent (who would be defeated), Bush boasted: "If the Democrats' election predictions are as good as their economic predictions, we're going to have a good day on November the seventh."

The President and his supporters didn't have a "good day" four days later, as Republicans lost control of the U.S. Senate and House of Representatives. But, in the weeks before the election, many of the nation's leading pundits echoed the administration's analysis. The economy, they agreed, was doing well, and, if the President's party was trailing, then the voters must be concentrating on concerns other than the economy—the Iraq War, the Congressional scandals, or simply the "six-year itch" that afflicts administrations entering the second half of their second terms. "Not a Pocketbook Election" was the headline on a column by William Schneider, the respected senior political analyst for CNN.

Just as the election results confounded the President's predictions, the findings of the exit polls on Election Day offered a counterpoint to the conventional wisdom, which held that most voters weren't worried about the economy and were basing their decisions on other issues. Most surveys taken just before or on the day of the election found that the economy was second only to the Iraq War as an important issue on people's minds, that Americans were anxious about the issues of jobs and incomes, and that these economic anxieties were translating into votes against the President's party.

Thus, on Election Day, 39% of the voters deemed the economy "extremely important" to their votes, and, by a margin of 59% to 39%, they said they were voting for Democrats for the House of Representatives, according to exit polling conducted by Edison Media Research and Mitofsky International for a combination of broadcast and cable television networks. Revealing the depth and breadth of economic anxieties, 81% of the voters told the exit pollsters that they had just enough to get by financially or were falling behind, and 68% thought the next generation would have it worse. Indeed, economic anxieties were driving the most volatile voters from the Republican to the Democratic camps. According to the national exit poll, voters without four-year college educations supported Democratic candidates for the House by 53% to 45%, compared to a 51% to 48% margin in 2004.

In races for the Senate and House, especially in major industrial states, Democratic candidates used populist appeals to woo and win working class voters. For instance, in Ohio, where Sherrod Brown struck an explicitly populist note, 42% of the voters said the economy was extremely important—and these voters supported Brown over the Republican incumbent Mike DeWine by an overwhelming 71% to 29% margin. Similarly, Bob Casey defeated Rick Santorum for Senator in Pennsylvania, where 38% said the economy was extremely important, and Claire McCaskill defeated Jim Talent in Missouri, where 45% said the economy was extremely important.

The voters' concern with economic issues; the potency of populist appeals; and President Bush's complacency about the economy's condition and the voters' attitudes towards it—all confirm the central theses of this report. Americans are anxious about national economic trends that extend well beyond the official employment rate. There is a “new insecurity” that includes concerns about layoffs, off-shoring, stagnant wages, cuts in health coverage, and the decline of guaranteed pension benefits. And the nation's decision-making and opinion-leading elites tend to be out of touch with the ways in which everyday Americans think and talk about their concerns about the economy.

This report is based upon the findings of focus groups and national surveys that the Economic Policy Institute conducted in 2005 and 2006 under the sponsorship of the Rockefeller Foundation's Economic Resiliency Group, as well as a study of the findings of public opinion research about American's attitudes about the economy over the past quarter century. The purpose of this research was not to take a snapshot of public opinion in 2006 but rather to paint a portrait of how Americans think about the economy, allowing for changing economic, social, and political conditions. We sought to uncover and analyze Americans' underlying attitudes about the economy—basic ways of thinking that persist in the midst of upturns, downturns, and administrations of both major parties. Beyond the anxiety of the first half of this decade and the prosperity of the second half of the last decade, these attitudes have been more profoundly influenced by the transformative impact of what has come to be called the “New Economy”—the new ways of working and doing business that have emerged in response to new technologies, international trade and investment, and the deregulation of many major industries.

In many important ways, the utterances of political and governmental elites on both sides of the spectrum—conservatives and liberals—do not reflect the ways that everyday Americans think about the economy. Most Americans tend to be simultaneously pessimistic and optimistic about the economy. Most people are pessimistic about how national economic trends are affecting people like them. They are concerned about insecurity, inequality, and the difficulty of attaining and maintaining a middle class standard of living. But, at the same time, most people are optimistic about their own economic prospects and their families' futures. They still believe that, if people study hard, work hard, and sacrifice for their families, they can achieve the American Dream.

In general, conservatives have been out of touch with American attitudes by under-estimating people's pessimism about the national economy. Meanwhile, liberals have been out of touch by under-estimating people's optimism about their own situations.

If these findings point to a new synthesis about how policy makers should talk about and act upon the economy, it is this: The nation should provide greater economic security to hard working families so that they can make the most of expanded economic opportunity. Now, as in the eras of the Homestead Act and the G.I. Bill, Americans need to stand on a solid foundation so that they can reach for their futures. Policy makers who listen to the people will best be able lead in the years ahead.

INTRODUCTION

The great disconnect

“The economists don’t know what they’re talking about.”

A participant made that statement during a focus group conducted recently by the public opinion analyst Celinda Lake. This sentiment was echoed by participants in several focus groups and national surveys that the Economic Policy Institute conducted with middle-class people in 2005 and 2006.

These focus groups discussed Americans’ economic insecurities—their daily struggles to make ends meet, provide for their children’s futures, save for their own retirements, and prepare for potential emergencies, without plunging deeper into debt.

But the focus group discussions also revealed a widening gap between the ways that everyday Americans and influential elites talk about the economy. When the man at the focus group attacked “the economists,” he wasn’t only talking about professional economists, he meant just about everyone involved in the national debates and decisions about economic policy, across the political spectrum—from Bush Administration officials to their critics in Congress, and from corporate executives to academic experts of every viewpoint.

This disconnect is of profound importance. The elites are making and discussing economic policies in an environment in which—though they may not realize it—they are poorly informed about the views of the very people who will be affected by those policies. This is of particular importance now that a relatively optimistic elite discourse about strong growth in the gross domestic product and other positive macroeconomic indicators coexists with a sharply negative assessment of economic conditions among the public.

On one level, the gap between everyday Americans and the policy-making, opinion-shaping, agenda-setting elites shouldn’t be surprising. After all, participants in national debates discuss the issues from the perspective of public policies and economic theories. But everyday Americans understand economic issues from the vantage point of their own experiences and the lens of their own values. No wonder it often seems that, when they talk about economics, everyday Americans and influential elites seem to be describing two very different worlds and speaking two very different dialects.

This report is an effort to begin bridging the gap between everyday Americans’ understandings of economic issues and the official economic discourse. The issues that the people and the policy makers are trying to discuss are too important for them to be talking past each other.

We prepared this report by reviewing much of the survey research (including our own from spring 2006), news coverage, and informed analysis of Americans' attitudes towards economic issues over the past decade-and-a-half. We took this long view because it helps us to look beyond the blips in public opinion produced by transient economic and political developments, as well as other events such as international crises or natural disasters, to try to understand the essential elements of how Americans think and talk about the economy.

While we suggest many areas where further research would be useful, certain conclusions do suggest themselves:

- The “New Economy” has created new forms of insecurity that differ substantially from the kitchen-table concerns of earlier eras.
- While Americans tend to embrace change, there are several issues, particularly trade, which most people understand very differently from the economic policy-making and opinion-shaping elites.
- Because Americans prefer optimism to self-pity, people are reluctant to describe their personal situations in negative terms and, therefore, often discuss their economic problems in roundabout ways.
- Just as people's insecurity puts them at odds with the conservative elites, their self-reliance puts them at odds with liberal elites.
- People judge the economy in several seemingly contradictory ways simultaneously: the economy can be thought to be doing well even though people's incomes can be judged to be growing poorly; a person and his/her family can be judged to be doing well even though “people like you” are not faring well.
- Instead of marching in lockstep with any economic approach, Americans are profoundly ambivalent about many issues and will agree with arguments that best express their experiences and reflect their values.

New Economy, New Insecurity

For the past three decades, everyday Americans have been struggling to make sense of the wrenching economic changes that are transforming their lives and their livelihoods. The New Economy has generated the New Insecurity: Americans can no longer count on life-long, full-time jobs, with regular raises, stable health coverage, and secure pensions.

These insecurities are different from those that worried working Americans for more than a half century after the start of the Great Depression. For most people today, their greatest anxiety is not that they will lose their job and be unable to find another, and their greatest hope is not that they will be able to get and keep a job. Instead, they have more complex concerns: Will their jobs be outsourced to a subcontractor or off-shored to another country? Will a full-time, permanent job be converted into a part-time or temporary job? Will their health insurance be cut back or their premiums or co-payments increased? Will they receive regular raises or earn merit raises? Will they be able to stretch their paychecks

to cover their family's expenses? Will their employer continue to provide pensions that offer guaranteed retirement benefits? And can they keep their skills current so that they can hold onto their current job and qualify for a promotion or for a new and better job? These uncertainties are more complicated than what worried their parents and can be summarized as a concern about both regular wages and other aspects of "job quality."

Globalization: the gap between elite opinion and public opinion

The New Insecurity also contributes to the gap between elite opinion and public opinion about globalization.

Among corporate, policy-making, and opinion-shaping elites, it is virtually an article of faith that globalization is an unalloyed blessing. Except for the unions, political leaders who are close to the unions, maverick economists, and the executives of a dwindling number of manufacturing companies whose operations are located almost entirely in the United States, the nation's elites have overwhelmingly supported every trade agreement that has been considered by Congress, as well as similar measures such as "Fast Track" negotiation prerogatives for the President and China's membership in the World Trade Organization. Opponents of these measures have been branded as "protectionist"—a label that the elites hold in contempt.

Most Americans, however, are much more doubtful and closely divided about globalization. While people say they support expanded trade in general, they believe that globalization has not benefited working people and are closely divided about actual trade agreements, from NAFTA to CAFTA. Most Americans insist upon including strong labor and environmental protections in these agreements—the very issue that has been the stumbling block for most opponents of the most controversial trade deals. By an even more overwhelming margin, Americans demand that there be much education, training, retraining, and other forms of assistance for workers who are being displaced by international competition.

Over the past two years, the offshoring of technical and professional jobs has made many more Americans anxious about globalization, including highly educated and well-paid white-collar employees—a group that previously tended to support trade agreements. But official discourse has yet to acknowledge these anxieties, except to say that highly educated professionals need to become even better educated.

Optimism and anxiety: "I'm OK," but "I worry about people like me"

By nature, Americans are self-reliant and optimistic. As with people everywhere, Americans are reluctant to acknowledge economic problems that might suggest they have failed personally. But Americans are also well aware of their own economic struggles; they are compassionate towards those who face similar, or even more severe, challenges; and, perhaps, they acknowledge their own economic insecurity by expressing their sympathy for those who are having a hard time.

Thus, Americans square their optimism and their anxieties by talking about the economy in two different ways:

- 1) When it comes to their own individual and family situations, most people say that they are succeeding (and expect their kids to succeed), thanks to their hard work and personal sacrifice in the face of great obstacles. This allows them to tell a story where they and their families are the heroes and where their difficulties redound to their credit.
- 2) But, when they talk about how the economy is actually performing for “people like me” or for the entire nation or for the next generation as a whole, people are more forthright and forthcoming about the challenges that they themselves face. Now, they are not pitying themselves; they are expressing concern for their children, their friends, their neighbors, their co-workers, and their fellow citizens.

At odds with conservative and liberal elites

Because people are acutely aware of the micro-economy—their own efforts to stretch their paychecks to pay their bills each month—they understand the economy differently from Bush Administration officials, corporate executives, Wall Street analysts and conservative economists who stress positive macro-economic statistics—economic growth, relatively low unemployment rates, and seemingly stable prices.

But, because people pride themselves on their can-do spirit and sense of individual responsibility, they are also skeptical of liberal public officials, opinion leaders, and academic experts who address Americans as if they were passive victims. They fail to tell a comprehensive and comprehensible story about how the economy does not reward hard work, and seem to take it for granted that most people still believe that benevolent corporations, the federal government, or labor unions can and should help them in the ways they want.

“It’s the economy, stupid.” Usually.

There is one more disconnect between everyday Americans and the opinion-leading elites. Except in times of extreme economic hardship, the political and media elites tend to believe that most Americans are less concerned about economic problems than about other concerns, especially moral and social issues and national security. This view could not be farther from the truth. Political scientist Mark Smith found that, from 1950-72, an economic problem was the dominant problem mentioned by the public only 5% of the time, while from 1973 onward, an economic problem was the dominant problem an amazing 65% of the time. So much for the conventional wisdom that economic issues have faded in importance to the public.

So is the saying, “It’s the economy, stupid,” always an accurate guide to the impact of public opinion on politics? Of course not. While economic issues are indisputably central to people’s lives—and to how they evaluate public officials and political candidates—their political importance compared to other concerns does vary, depending upon current events and the special concerns of segments of society and, often, the great majority of people.

For instance, in 1968, the nation was embroiled in an unpopular war in Vietnam, as well as social disorder at home. Thus, even though the economy was prosperous, the voters elected the Republican candidate, Richard Nixon, as president over the incumbent Democratic vice president, Hubert Humphrey. Similarly, in 1976, in the aftermath of the Watergate scandal, the voters favored the Democratic challenger, Jimmy Carter, over the Republican President, Gerald Ford, even though an economic recovery was underway.

Just as economic issues do not always dominate the nation's decision-making, they also are not always politically paramount for different segments of the population. For instance, many affluent Americans do not vote for conservative candidates, even though their policies may be in their economic interests, because these voters have liberal views on social issues. Meanwhile, many working class voters have rejected liberal candidates, despite agreeing with them on economic issues, because these voters have more conservative views on some social issues.

Raising the salience of economic issues

Thus, for public officials, political candidates, and leaders of business, labor, and advocacy groups, the challenge in discussing economic issues is not only to be persuasive, but also to increase their political importance to the general public or segments of the population—or, as public opinion analysts often say, to “raise the salience” of these concerns.

This is especially important for advocates of the economic policies favored by liberals and the labor movement. For several decades, most public opinion surveys have found that a substantial majority of Americans favor raising the minimum wage, extending health insurance, increasing funding for public education, college opportunity and job training and retraining, and making the tax system more progressive. But these proposals—and the candidates who support them—have not always prevailed, often because their opponents have raised other issues that have seemed more urgent to many voters. Therefore, for those who favor many elements of a liberal economic agenda, the challenge is not simply to persuade people to support these proposals but also to make them more urgent to those who are already inclined to support these issues.

Profound ambivalences: “It’s up to me” yet “We’re all in this together”

Now as in the past, the most interesting debates about economic issues are taking place not only among Americans, but also within Americans. The same person may well be anxious and optimistic, self-reliant, and socially conscious, eager for economic opportunity, but also yearning for economic security.

This ambivalence has always been part of public opinion in this country. As the political analysts Lloyd Free and Hadley Cantril famously pointed out years ago, Americans tend to be ideologically conservative and operationally liberal, firm believers in free enterprise and also strong supporters of government programs such as Social Security, Medicare, public education, student loans, and environmental protection, to name only a few.

The New Insecurity has strengthened both sides of Americans' ideological divide. Because the New Economy places a premium on individual initiative and because there is less reason to rely on large corporations, government programs or labor unions, a growing number of Americans would agree with another participant in one of our focus groups who summed up his view of his family's economic challenges by saying, "It's up to me."

But off-shoring jobs, vanishing health coverage, pension plans in peril, and a gyrating stock market are also convincing many Americans—often the same people who profess their optimism and self-reliance—that they also need certain forms of economic security that can only be attained by casting their lot with their fellow citizens. With President Bush's proposed partial privatization attracting more opposition than support—and even before Hurricane Katrina reminded people of the vicissitudes of life, nature, and the economy—*Business Week* magazine reported that an overwhelming majority of Americans, including non-Hispanic white men who supported President Bush in 2000 and 2004, want "a middle class security blanket that gives them protection as they build wealth."

This report begins to explain why Americans are simultaneously saying "I'm on my own" yet "we're all in this together." Before the elites can lead the people, they need to listen to them, even though what they are saying may sound contradictory and confusing.

Detailed Findings

■ Facing the New Economy

For policy makers and opinion leaders, the discussion about economic issues begins with what is usually called the “New Economy”—the new ways of working and doing business that have emerged in response to new technologies, international trade, and the deregulation of many major industries.

While the elites celebrate the New Economy as entirely beneficial, most Americans are more ambivalent, seeing it as both a source of opportunity and advancement, but also as the cause of instability and potential problems.

American optimism

Americans are optimistic by nature. “New” is a good word in our lexicon. So, when the New Economy is discussed in general terms—and especially when the economy is doing well, as during the boom years of the late 1990s—Americans have viewed the net impact of the New Economy as positive.

For instance, in a survey conducted in 1999 by Penn, Schoen, and Berland, voters, by a margin of 68% to 24%, said the nation had gained from the New Economy. By 57% to 28%, they said that they themselves had gained from the New Economy. And, by 54% to 41%, they saw the New Economy more as a source of opportunities for success than of difficulties in succeeding. It is possible, of course, that positive feelings about the New Economy have declined since 1999, which was, after all, close to the peak of a virtuous business cycle. Unfortunately, there are no data available to test this possibility.

The words “American” and “know-how” go together. So, if new technology plus globalization plus deregulation equals the New Economy, then it is not surprising that Americans are most optimistic about the impact of new technology. Thus, in a Pew Research Center poll in 1999, 89% saw science and technology as playing major roles in improving the country’s future. In this survey and other polling, there is little, if any, sentiment for slowing down the process of technological change; after all, the Luddite opponents of the Industrial Revolution were British, not American.

Nor do Americans see themselves as shrinking from other challenges. In most surveys, until the questions focus on specific problems, there is little overall sentiment for reversing globalization.

Concerns with current problems

While Americans are optimistic about the New Economy as a concept, they are also very much aware of the problems in the economy at any particular moment, especially if it is hitting a rough patch.

Thus, in a survey conducted by the Democracy Corps in May 2005, 62% of the public agreed with the statement, “The economy is not good for the middle class and working people. Jobs are scarce, incomes stagnant, and benefits being cut back.” In contrast, only 36% said they believed, “The economy is doing well, creating jobs, raising incomes, growing stock values, and home ownership and moving in the right direction.”

More recently, a March 2006 poll, conducted by Greenberg Quinlan Rosner for the Rockefeller Foundation’s Economic Resiliency Group (a consortium of the Economic Policy Institute, Good Jobs First, the Center for Economic and Policy Research, and the Financial Markets Center) found 61% agreeing that “Most people today face increasing uncertainty about employment, with stagnant incomes, paying more for health care, taxes, and retirement, while those at the top have booming incomes and lower taxes” and just 34% agreeing that “Our economy faces ups and downs, but most people can expect to better themselves, see rising incomes, find good jobs and provide economic security for their families.”

When specifically asked to identify positive and negative aspects of the economy, Americans do not hesitate to identify sources of insecurity, which often overshadow sources of satisfaction. In March 2004, an NBC News/*Wall Street Journal* poll presented people with six controversial elements of the U.S. economy. The three problems that people said were most important to their evaluation of the economy were:

- 1) The number of jobs moving overseas;
- 2) Jobs for lower-paid workers that lack health and retirement benefits; and
- 3) The federal budget deficit.

In this same survey, people were asked for their feelings about the economy and presented with four choices ranging from very cheerful to very gloomy. Only 4% selected the cheerful option (“These economic conditions don’t represent a problem now and in the future, and America has the same economic security it always has had”). Meanwhile, 47% selected the gloomy option (“These conditions are a major problem now and in the future, and America no longer has the same economic security it had in the past”).

In a similar vein, the NBC News/*Wall Street Journal* poll asked people in October 2004, whether they agreed with one of two statements on the economy—one optimistic, the other pessimistic:

- 1) “On the basis of what I see for the future, the signs point to an economy that is going to be strong—jobs are being created, inflation is low, and the stock market is up;” or
- 2) “On the basis of what I see for the future, the signs point to an economy that is going to be in trouble—jobs are moving overseas, the budget deficit is growing, and too many jobs do not have health insurance or pensions.”

By 52% to 38%, they chose the second—and more pessimistic—statement.

Reflecting this pessimism, people do not feel like much progress is being made on key economic problems. A May 2005 Pew Research Center poll included a series of questions asking respondents whether the country is making progress, losing ground, or staying about the same on a series of important issues. Asked about several problems relating to the economy, the results reflected a fairly negative view of current conditions. On how the health care system is working, 62% say we're losing ground and just 9% think we're making progress. That is followed by the availability of good-paying jobs (55% negative/15% positive), illegal immigration (52% negative vs. 11% positive) and the quality of public education (50% negative vs. 20% positive). On the health care system, this assessment was one of the most negative assessments since 1994. And on job availability, only the survey data from early 1994 is more negative than the public's assessment recently, although there have been anxieties about the availability of good-paying jobs for at least the past decade-and-a-half. In fact, even in the best days of the late 1990s economy—November 1997—there were still slightly more (37%) saying we were losing ground on good-paying jobs than thought we were making progress (31%).

Part of what drives these pessimistic sentiments is the sense that the social contract that used to underlie the U.S. economy has broken down, making it harder to attain a stable, economically secure middle-class life. A June 2006 Penn Schoen Berland poll for the Aspen Institute, for example, found 90% agreeing that “25 years ago, if you worked hard and played by the rules, you would be able to have a solid middle-class life.” This compared to only 49% who agreed this characterization is true today. Ninety percent also agreed that retirement today is far less secure than it used to be because you need to fund retirement yourself, through IRAs and 401(k)s. In contrast, 82% agreed that “25 years ago you could retire in dignity and comfort because most people had company pensions.” And perhaps most startling, 80% agreed that “Today, with the costs of housing, health care, education, and self-financed retirement, a middle-class life has become unaffordable for most people.”

Similar findings come from an August 2006 Pew Research Center survey, released on Labor Day 2006. That survey asked respondents to compare how the average working person is faring today as opposed to 20 or 30 years ago in a number of categories. On job security, 62% said there is less security, compared to 11% who said there is more, and 24% who thought it is about the same. On how hard one has to work to earn a decent living, 59% said harder, 1% said not as hard, and 26% said about as hard.

In the same poll, when asked about stress levels, the analogous figures were 69% more, 6% less, and 22% the same. Concerning employer loyalty to employees, the figures were 56% less, 6% more, and 33% the same. Concerning retirement benefits, the figures were 51% worse, 16% better, and 27% the same. And concerning employee benefits such as health insurance and vacations, the figures were 44% worse, 24% better, and 26% the same.

These data indicate that pessimistic sentiments about how well the economy is working for the typical American are now widely shared. Indeed, there is a clear sense that important aspects of our economy that used to serve the middle class well are now broken.

Heightened anxieties among low-income Americans

Not surprisingly, the less money people earn, the more pessimistic they tend to be about the economy, and the more concerned they tend to be about economic problems. Examples include the following:

- In a May 2005 Pew Research Center poll, 75% of those with less than \$30,000 in household income said jobs were difficult to find in their community, compared to 48% of those with \$75,000 or more in income.
- In the same survey, 57% of those with less than \$20,000 in household income said they had not had enough money to afford needed health care at times in the past year, compared to 7% of those with \$75,000 or more in income. There was a similar spread on affording needed food: 43% vs. 4%.
- In a June 2005 Lake Snell Perry Mermin poll, 20% of those with less than \$20,000 in household income said the nation's economy was going in the right direction and 71% said it was off on the wrong track; among those with \$100,000 or more in income, 51% said right direction, 48% wrong track. Similarly, 18% of those with less than \$20,000 in household income said the economy *for their family* was going in the right direction and 73% said it was off on the wrong track; among those with \$100,000 or more in income, 70% said right direction, 29% wrong track.
- In the same survey, those with less than \$20,000 in household income gave a statement asserting that a commitment to opportunity for all is slipping away an average rating of 7.4 on strength of agreement (out of 10), while those with \$100,000 or more in income gave it only a 4.9.
- In a May 2004 *Mother Jones*/Greenberg Quinlan Rosner survey, 75% of those earning under \$30,000 said the country was worse off than three years before on job security, compared to 54% of those with over \$75,000. Other similar spreads were observed regarding being worse off in terms of incomes keeping up with the cost of living (81% of those earning under \$30,000 vs. 53% for those earning over \$75,000), the economy (72% vs. 52%), and the availability of good-paying jobs (68% vs. 53%).
- In the same survey, 68% of those earning under \$30,000 said they themselves were worse off than three years before on job security, compared to 48% of those with over \$75,000. Other similar spreads were observed on incomes keeping up with the cost of living (79% vs. 52%) and the availability of good-paying jobs (64% vs. 47%).
- Also in the same survey, 43% of those earning under \$30,000 said they were confident their children would have sufficient opportunities to live a better life than theirs, compared to 51% who said they weren't confident. But among those with over \$75,000, the result was roughly reversed: 54% were confident their children would have sufficient opportunities to live a better life than they, compared to 43% who said they were not confident. Similarly, those earning under \$30,000 were overwhelmingly opposed to encouraging free trade agreements (62% vs. 28%), while those earning over \$75,000 were more closely split (52% vs. 43%).

The less formal education, the less optimistic

Educational levels also influence how hopeful people are about the economy. As might be expected, four-year college graduates are more optimistic than those with some college who, in turn, are more optimistic than those with a high school diploma or less. For example, in the Lake Snell Perry Mermin poll, 57% said the economy was headed in the right direction for their family, compared to 42% among those with some college, and 37% among those with a high school diploma or less. In the Greenberg Quinlan Rosner survey, college graduates only gave a statement asserting that a commitment to opportunity for all is slipping away an average rating of 5.1 on strength of agreement (out of 10), compared to 5.8 among those with some college, and 6.5 among those with high school or less. On trade, college grads in the Greenberg Quinlan Rosner survey were closely split on encouraging free trade agreements (48% against versus 44% for), compared to 63% against vs. 28% for among those with some college or less.

However, on the issues of health care costs and job security, people at all levels of education believe there are big problems and that little progress is being made in solving these problems.

African Americans and Hispanics more pessimistic

African Americans and Hispanics are almost always more pessimistic about the economy than non-Hispanic whites. In the Lake Snell Perry Mermin poll, just 18% of African Americans thought the country's economy was going in the right direction, compared to 43% of whites. In the Greenberg Quinlan Rosner poll, 63% of whites thought the country was worse off than three years ago in terms of incomes keeping up with the cost of living; 55% of whites felt the same way about job security and about the availability of good-paying jobs. The comparable figures among blacks were 81%, 72%, and 73%, and among Hispanics they were 74%, 77%, and 74%.

Asked whether they were confident their children would have sufficient opportunities to live a better life than their own, whites were slightly more confident than not (50%/45%), while blacks (36%/60%) and Hispanics (38%/56%) were not confident.

It is interesting to note that, while blacks' and Hispanics' views of economic problems tend to be similar, it is Hispanics, not blacks (despite their extremely strong support of the Democratic party), who are most enthusiastic about the general role of government and least tax-sensitive. For example, in a June 2003 Pew Hispanic Center poll, Hispanics—in contrast to both whites and African Americans—declared themselves willing to pay higher taxes to support a larger government that provides more services (55%), rather than pay lower taxes for a smaller government with fewer services (38%).

Women more pessimistic

Variation by gender is, as a rule, not large, but it is consistent: women tend to be more pessimistic about the economy and more concerned with economic problems than men. For example, in the Greenberg Quinlan Rosner poll, 71% of women thought the country was worse off than three years ago in terms of incomes keeping up with the cost of living, compared to 61% of men; on job security and the availability of good-paying jobs, women were also more pessimistic than men by 61% vs. 56% and 61% vs. 55%, respectively. In the Lake Snell Perry Mermin poll, 54% of men thought the country's economy was going in the right direction for their family, compared to 40% of women.

In terms of whether they were confident their children would have sufficient opportunities to live a better life than theirs, men were slightly more confident than not (50%/44%), while women were the reverse (45%/51%).

Age has little impact on views

There tends to be less variation by age than by the other characteristics considered above. On many issues, there is only modest variation—different age groups tend to express similar views. However, there are some issues on which the structural position of seniors tends to make them more optimistic than younger generations—for example, on jobs (since they tend to out of the labor force) or, especially, on access to health care (since they are covered by Medicare). And there are also a few issues on which seniors' position in the life cycle tends to make them more pessimistic—for example, their likelihood of eventually becoming wealthy. But, by and large, the impact of age tends to be relatively modest.

Negative views of national economic policies

Since most people believe that the economy is losing ground and performing poorly, it is not surprising that Americans are reaching harsh judgments about the effectiveness of national economic policies. For example, in May 2005, the NBC News/*Wall Street Journal* poll found that, on a series of important issues, the public believes that the current economic policies are not working well:

- Keeping manufacturing jobs in the country: 69%, not working well; 10%, working well
- Keeping white-collar jobs in the country: 48%, not working well; 23%, working well
- Dealing with the price of gasoline: 67%, not working well; 11%, working well
- Managing the federal budget: 65%, not working well; 15%, working well
- Expanding the number of new jobs: 48%, not working well; 24%, working well
- Controlling inflation: 43%, not working well; 28%, working well
- Improving the overall economy: 39%, not working well; 30%, working well
- Encouraging retirement savings: 38%, not working well; 32%, working well
- Keeping taxes low: 43%, not working well; 34%, working well

But making personal progress

How does the public feel it is faring in this unfriendly economic environment? Surprisingly well, especially when compared to its negative judgments on how the country as a whole is faring. For example, even today, with most voters agreeing with a negative economic story about rising gas prices and health care costs, declining benefits and a loss of good jobs, voters still tend to feel a positive economic story about home ownership, job creation, and rising incomes applies more to themselves (July 2005 National Public Radio poll). Similarly, in the June 2005 Lake Snell Perry Mermin poll, while only 38% said the overall economy was going in the right direction and 56% thought it was off on the wrong track, the judgment on whether the economy for their family was headed in the right direction was much more positive (47% right direction to 43% wrong track).

To illustrate this personal-optimism-but-overall-pessimism split with standard polling questions on the economy, in the January 2006 Pew Research Center poll, just 20% said they expected economic conditions in the country to be better in a year. But 61% said they expected their family's financial situation to improve in the next year.

More recently, in the March 2006 Economic Resiliency Group (ERG) survey, only 32% described the economy as excellent or good, while 67% said it was only fair or poor. But 52% said their *personal* economic situation was excellent or good, compared to 47% who said it was only fair or poor. More starkly, in the same poll, 61% said the economy was not improving, while just 36% said it was improving. That compares to 60% who described *their own living standards* as improving, and only 37% who thought they were not improving. Put another way, more than half (53%) of those who thought the economy was not improving also thought their own living standards were moving upwards.

What is particularly intriguing about this personal optimism is that it is by no means confined to affluent or white respondents (though it is true that affluent whites—those with over \$75,000 in household income—were the most optimistic). For example, 51% of white working-class (non-college educated) respondents described their living standards as improving, even though they were quite negative about the overall economy, as did 59% of the white middle class (between \$30,000 and \$75,000 in household income), 58% of women, 62% of men, and an amazing 70% of minorities, including 71% of blacks and 79% of Hispanics. Minorities were especially likely to characterize the economy as not improving, but view their living standards as on an upward trajectory.

What explains this seeming paradox? Part of the answer surely lies in the optimistic, aspirational nature of Americans as a people, who see themselves as being able to move ahead even when overall economic circumstances are difficult (see “Getting ahead or running in place” on page 21 for more on this). But another part of the answer lies in the fact that most people tend to gain more income as they get older and climb the “age-earnings profile” even when the economy as a whole is performing poorly (See “Starting Lower, Growing Slower” below). In other words, even though workers now “start lower and go up slower” than they did in the past (part of what colors people's jaundiced view of today's economy), they nevertheless do go up over time, and this reality helps explain why they evaluate their personal trend line positively.

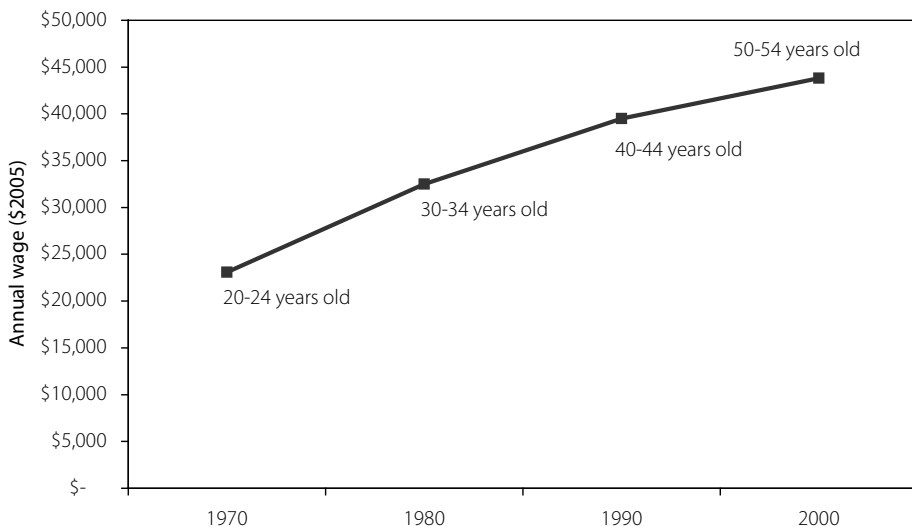
STARTING LOWER, GROWING SLOWER

It is important to understand that it can be, and has been, true that a group of workers can see their average hourly, weekly, or annual earnings decline in inflation-adjusted terms over time even though most members of the group (i.e., an occupation or an educational category such as ‘high school educated’ workers) actually experience solid wage growth. Therefore, measures of trends for a group do not directly correspond to what group members experience.

An illustration can help. How can it be true that the average high-school-educated or non-college-educated worker’s wage (inflation-adjusted) can fall over a 10-year period while most individual workers in this group saw their inflation-adjusted wage rise over that same period? As individuals gain experience, change jobs, or get promotions, their salaries usually rise, and so it makes sense that the vast majority of workers earn more when they are in their 30s than in their 20s and make further gains into their 40s and 50s. Yet it still can be true that the average wage of a group—say non-college-educated workers—can decline over a decade or two. This is because the average wage of the group includes workers of *all* ages. The group’s average wage declines because younger members of the group start out at lower wages and progress more slowly than did their predecessors.

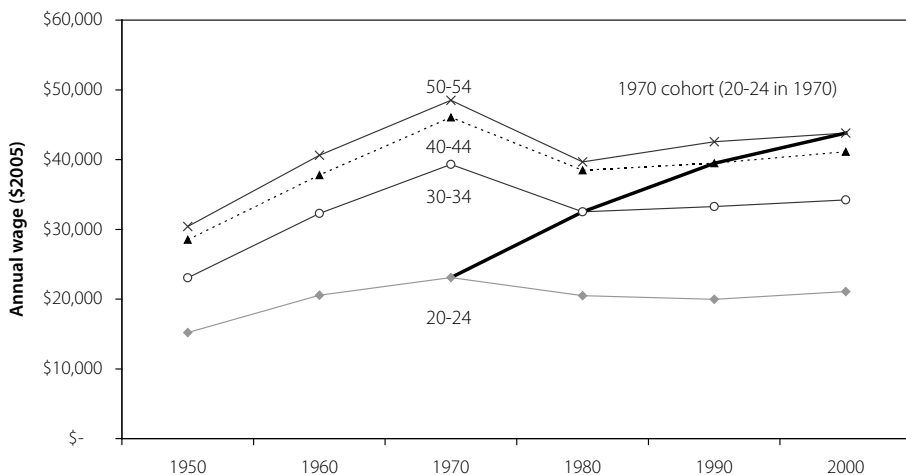
Take, for instance, the annual earnings of the group of workers with some college—a group with schooling beyond high school, possibly including an associate’s degree, but without a degree from a four-year college. In 1970, when these workers were 20 to 24 years old, they earned an average annual wage of \$23,071 (in 2005 dollars). By 1980, at 30-34 years old, this group’s earnings had grown to

FIGURE A Income growth of workers entering the labor force in 1970



Source: Authors' analysis of PUMS data.

FIGURE B Annual wages of workers with some college attendance (less than a degree) by age, 1950-2000



Source: Authors' analysis of PUMS data.

\$32,498, a 41% improvement. By ages 40–44 in 1990, their earnings had grown 22% further to \$39,488, and by 2000, at ages 50–54, they had grown to \$43,809. As shown in **Figure A**, this group saw its earnings grow 90% overall as they progressed from 1970 to 2000.¹

Figure B puts this experience of the 1970 cohort into a broader historical context, presenting the annual earnings of particular age groups at 10-year intervals from 1950 to 2000. The figure compares how the wages of four age groups in 2000 fared relative to similarly aged workers in the earlier decades. As the figure shows, the \$43,809 earnings level that the 1970 cohort attained in 2000 at ages 50–54 was roughly 10% less than the earnings of \$48,511 attained by similarly educated workers at the same age 30 years earlier in 1970. Compared to this earlier cohort, the members of the 1970s cohort made far less progress over their working lives. In fact, the earnings of every age group of these workers in 2000 were less than what the same age groups of some-college workers earned in 1970. Thus, although the cohort climbed the ladder successfully, the rungs on the ladder were lowered. That is why the average earnings of prime-age earners (ages 25–54) with some college were 11% lower in 2000 than in 1970.

This analysis may help explain why individuals are more satisfied and optimistic about their own circumstances than they are about “people like me,” the latter being a proxy for the experiences of their group. So, people seem to recognize the challenges facing young workers and understand that there is a trend of “starting lower, growing slower” even while their own wages have improved as they age and accumulate experience and promotions.

¹ Mishel, Lawrence, Jared Bernstein, and Sylvia Allegretto. 2007. *The State of Working America: 2006-07*. An Economic Policy Institute Book. Ithaca, N.Y.: ILR Press, an imprint of Cornell University Press.

Whom to blame?

So, people see themselves as moving ahead, even if they also believe that overall economic circumstances are making progress difficult. Who does the public blame for these difficult economic circumstances, for the obstacles that continually test their economic optimism?

In most survey questions in recent years, reflecting the choices they are typically offered in these questions, people have tended to blame the president and his predecessor, the business cycle, and disastrous events, such as the terrorist attacks of September 11, 2001 and, perhaps, now Hurricane Katrina.

Thus, in an NBC News survey in March 2001, 24% blamed “negative aspects of the country’s economy” on the normal business cycle, 14% blamed former President Clinton (who had just left office), 13% blamed the Republicans in Congress, 13% blamed corporations, 10% blamed the entire Congress, and only 6% blamed President Bush (who had just taken office).

Later in 2001, and for several years afterward, Americans tended to blame the September 11 attacks, but this explanation had faded by 2005. By the spring and summer of 2005, President Bush and his administration received a greater, but by no means overwhelming, share of the blame. Before Hurricane Katrina, people tended to blame President Bush for not solving or reducing economic problems, but not for causing them.

When surveys do not mention public officials and national disasters as possible causes of economic problems, people are more likely to blame corporations. Back in May 1996, at a time when corporate downsizings were receiving a great amount of attention from the news media and the American people, Garin-Hart Research asked respondents to rate which factors were responsible for the nation’s economic problems. Topping the list was “corporate greed”—53% held it “very responsible” for economic problems. Other factors that were blamed were: high taxes on working people (44%); people being too materialistic (41%); the decline in moral values (40%); and the lack of investment in education and training (39%).

When the questions focus more closely on specific economic problems, people are also more likely to blame corporate interests. For example, an Ipsos-Associated Press survey in May 2004 found that 64% of the people believed that the offshoring of American jobs is caused mostly by the greed of corporate executives, compared to 30% who thought offshoring was mostly caused by the need of companies to compete.

Earlier, in a survey conducted by Penn Schoen and Berland, 48% blamed corporate executives for the decline in the stock market, far more than blamed the weak economy, fear of terrorism, President Bush, former President Clinton, and other factors.

Similarly, in an August 2000 *Newsweek* survey, 62% blamed HMOs and health insurance companies for the country’s health care problems.

“It’s up to me...”

Americans observe economic issues through the lens of their values, especially their basic belief in individual responsibility.

Yes, Americans do believe that important aspects of the economy are changing for the worse. Yes, they do believe that secure jobs with stable benefits and rising wages are becoming a thing of the past. And, yes, they recognize that attaining the American Dream—a comfortable life for themselves or a better chance for their children—is becoming more difficult even as they retain some faith that they can negotiate these obstacles.

But, precisely because they believe that life is a difficult struggle in an unfriendly environment, Americans are increasingly concerned with developing, maintaining, and instilling in their children the virtues and values that enable them to survive and succeed. Hard work, strong families, and self-discipline—Americans take pride in upholding these values and look down upon those who do not live up to these standards. Meanwhile, they express little confidence that large corporations, government programs, labor unions, or most other major institutions will help them.

Results from the ERG survey underscore this lack of confidence. For example, only 36% agreed that labor unions help “people like you get ahead in today’s economy” (this figure was actually lower among those with the least income); just 35% thought the federal government or state and local governments were helpful; and a mere 24% thought large corporations were helpful to people like them (this figure was also lower among those with the least income). People were more positive (though still net negative) about the stock market (48% said it is helpful, though the figure was much lower among those with incomes less than \$50,000) and banks (44% helpful). And the only institution people were net positive about was small businesses, where 63% deemed them helpful to people like them, compared to 35% who did not.

In a 1996 study of working Americans without degrees from four-year colleges, the public opinion analyst Stanley Greenberg explained why people put such emphasis on individual responsibility in the New Economy:

People are able to achieve a rising living standard because of their own qualities, their own hard work and determination, and because of the support of their families. There is no sign in this discourse of government or political parties or organizations. What people have going for them in this economy are their own wits.

While non-college workers take for granted that their wages are stagnant, they nonetheless believe their overall economic position is improving and taking them just above the average American. That is the apparent paradox of living standards.

Still, people are gaining—not because the economy is growing and not because their jobs offer advancement and certainly not because anybody is helping them. They are gaining because of their own personal efforts and the choices and sacrifices that their own families are making. They see themselves clawing their way up the average to a better place—and God help those who make it a harder climb.

Since 1996, the findings of Greenberg’s prescient study have been replicated again and again. More recently, in the spring of 2005, Sando and Associates conducted focus groups in Indiana and Georgia as part of a study of the “middle-class squeeze” for the Economic

Policy Institute. The study concluded that the saying, “It’s up to me,” summarized the middle-class response to financial challenges in an uncertain economy:

There was great consistency in [their] answers, which indicated that they assume full responsibility for solving their own problems and do not look outside for solutions or assistance. They hold themselves and others responsible for their circumstances, and their success or failure. They see a very limited role for the government, particularly in their own lives, and regard having to accept assistance as a violation of their own moral standards.

“..But I want my safety net”

But Americans’ views are more complicated than simple self-reliance and this fundamental ambivalence between ideological conservatism and operational liberalism. The dual sense that “I’m on my own” and the feeling that “we’re in this together” was revealed once again this year. In the face of insecurities about job security, pension plans, and the stock market, President Bush proposed the partial privatization of Social Security.

In a cover story, “Safety Net Nation,” *Business Week* magazine explained the lack of support for this proposal. It reported that, in addition to voters who are reliably liberal on economic issues, a decisive swing group consisting of 17% to 22% of the electorate “who backed Bush in 2004” supports programs such as Social Security and Medicare because “they want a middle-class security blanket that gives them protection as they build wealth.” This group consists largely of non-Hispanic white men—the very people most likely to say “It’s up to me.”

This ambivalence is perfectly captured by a question from the ERG poll. Respondents were asked which of two statements came closest to their views:

1. In today’s economy, average Americans are on their own. Jobs and benefits are less secure, and you can’t really count on anyone but yourself and your family to get ahead.
2. In today’s economy, we all face some common challenges. Jobs and benefits are less secure, so we all need to work together to make it easier for average Americans to get ahead.

The response was divided right down the middle: 49% chose statement one—in essence, “I’m on my own”—and 50% chose statement two—“we’re in this together.” This ambivalence was common to most subgroups, though there were some interesting exceptions. One was by education, where those with a high school diploma or less were 53%–43% “on your own,” compared to those with some college who were 54%–43% “in this together.” Another was by race, where, while whites were split down the middle, blacks were 55% in this together vs. 42% on your own, and Hispanics were 56% on your own vs. 41% in this together. These modest exceptions, however, do not change the overall picture of a public that finds both being on your own and being in this together plausible views of today’s economy.

■ Paycheck economics

Just as with their views of the national economy, people's views of their own economic situations reveal an anxious ambivalence. They express concerns about their current predicaments but also insist that they are optimistic about their own futures. They are generally more concerned about their prospects for finding, keeping, and moving ahead to good-paying jobs with stable benefits than they are worried about being unemployed. And, even more than with the national economy, they see their own situations through the lens of such values as individual responsibility.

Job worries: a complex picture

When it comes to concerns about getting and keeping jobs, public attitudes are more complex than policy makers and opinion leaders across the philosophical spectrum are likely to understand. Unlike the half century after the Great Depression when, for many working Americans, their greatest hope was finding a job that would last a lifetime and their greatest fear was losing such a job, the picture today is much more complex. Other economic concerns like rising prices, inadequate savings, insecure retirement, and high rental or mortgage costs now equal or surpass workers' worries about personal job loss, while skyrocketing health care costs are easily workers' dominant economic worry (see Health Care section on page 36 for relevant data).

That said, there are still widespread anxieties about losing jobs. In a May 2006 Ipsos-AP survey, 45% reported that they were less confident than six months ago about job security for themselves, their family, and other people they knew personally. Moreover, 36% in the same survey said that, over the previous six months, they, their family, or their personal acquaintances had known someone who had lost his or her job because of economic conditions. Looking forward, 49% said that it was at least somewhat likely that they would know someone who would lose his or her job over the next six months for economic reasons.

However, anxieties about losing jobs may be less severe than at other times of economic stress, and employment concerns may focus more on finding a good job than on simply finding a job.

For instance, in a Gallup Poll conducted in April 2006, 41% said it was a good time to find a quality job in America, compared to 53% who said it was a bad time. This result sounds rather negative—and it is rather negative—but it is more positive than responses to the same question from 2002 through 2004. During this period, the number saying it was a bad time to find a quality job never dipped below 60% and was frequently in the 70 percents—even hitting 81% twice in 2003.

Another example of the anxiety about the availability of good jobs comes from a January, 2006 Pew Research Center poll. In that poll, respondents were asked about job opportunities “where you live.” Just 28% agreed that there were plenty of good jobs available in their community, compared to 64% who thought good jobs were difficult to find.

Just as people want to find quality jobs, they also want to find secure jobs. In recent years, the implicit social contract has changed—employees no longer believe that if they do quality work, employers will reward them with secure jobs.

Back in 1988, International Survey Research found that 73% of workers believed they could count on job security if they did a good job. But, during the peak of the 1990s business cycle, even in 1998—the eighth year of the expansion and a period of very fast growth and tight labor markets—only 56% of Americans still believed in that basic bargain between employers and employees.

The pinch on family budgets

Much economic anxiety is driven by concern about family budgets. In the January 2006 Pew poll, 53% said they did not earn enough money now to “lead the kind of life they want,” compared to 46% who said they did.

In the same poll, only 9% thought their family’s income was going up faster than the cost of living, while 41% thought they were staying about even, and 47% thought they were falling behind.

Health insurance and medical bills loom as a key challenge for families. In a May 2005 Pew Research Center poll, 29% said they had had problems paying for health coverage and medical care in the last year.

Turning to other financial difficulties, that poll found that 18% said there had been a time during the last year when they did not have enough money to buy the food their families needed. Twenty-two percent said they had similar difficulties with buying clothing and with paying for gas and transportation.

Mounting debts are also a concern. In an April 2006 Center for American Progress/Center for Responsible Lending poll, 82% said they thought household debt was now a somewhat serious (35%) or very serious (47%) problem in this country. The same poll also found that 86% believe the number of Americans having trouble with household debt has gone up in the last five years and that 79% thought rising household debt is a problem that now affects middle-class families, not just low-income families.

On a personal level, 23% in the January 2006 Pew poll said they owed more than they could afford on their credit cards, and 10% in the earlier Pew poll said they had declared bankruptcy at some point in their lives. And in the March 2006 Economic Resiliency Group poll, 37% admitted they were carrying more debt than they were five years ago, and 39% declared themselves very or somewhat worried about their level of debt. Note that the lowest income group (those with under \$30,000 in household income) is clearly the most heavily impacted by debt issues: pluralities of this group say they are carrying more debt now than five years ago and that they are very or somewhat worried by their debt burden. Blacks and Hispanics are also much more likely than whites to say they are carrying more debt than five years ago and they are worried by this burden.

The strains on families: moral as well as material

Asked about their economic challenges, many people will mention the moral as well as material consequences of Americans working longer and harder while their incomes increase slowly, if at all.

For instance, in a survey conducted in April 1996, by Garin-Hart Research, people were given some very short descriptions of the American economy and asked to rate each description from one to 10, with 10 being a “perfect” description of the economy. The highest rated description was, “Many families are under tremendous stress because most parents have to work in order to make ends meet.” Fifty-six percent of the respondents gave this statement a perfect “10.”

Intriguingly, even at a time when downsizing was very much in the news and on people’s minds, a description of the economy that emphasized family stress scored higher than one that emphasized job security. The second most highly rated statement was: “Nobody’s job is secure today. Downsizings, layoffs, and mergers can cost anyone their job, no matter how good a job they have done for their company.” Fifty-three percent of the respondents gave this statement a perfect 10—an impressive score, but slightly lower than the statement that stressed family concerns.

■ Getting ahead or running in place?

With the economic uncertainties since 2001—and even before Hurricane Katrina attracted attention to what President Bush himself has called “persistent poverty”—there has been renewed discussion about inequality in wages and wealth and social class in American life.

Traditionally, Americans have believed that hard work will be rewarded with upward mobility. While we know that there is economic inequality, we have rejected the view that this is a rigidly stratified society because we believe that families can move from poverty to a better life within a generation and that those who are in the middle of the economic spectrum can become wealthy. Thus, most Americans describe themselves as “middle class”—a concept that conveys not only one’s economic status but also the sense of being a full participant in a fluid society.

That is the conventional wisdom about Americans’ attitudes about upward mobility and class structure. In large measure, this view is vindicated by recent surveys of public opinion. However, there are also signs that growing numbers of Americans fear that their families could move down as well as up. And, given the choice, a surprisingly large number still describe themselves as “working class,” not “middle class,” suggesting that they see society as more polarized than many policy makers and opinion leaders believe.

Optimism, upward mobility, and the fear of falling

As part of a series about class, *The New York Times* conducted a poll in March 2005. Responses suggested that Americans are still optimistic about their own situations and their families' futures and continue to consider this country a middle-class society.

The poll found that 66% said they are better off than their parents were at comparable ages, compared to 20% who said they are doing about the same, and 13% who said they are doing worse. And 56% of parents believe their children will lead better lives, while 18% say the same, and 22% said worse.

Moreover, 70% said they had already attained the American Dream or would attain it in their lifetimes (though this figure is lower than it has been in the past). When asked to rate themselves on a 10-point scale from extremely poor (1) to extremely rich (10), both for now and in 10 years, 62% rated themselves between poor and middle class (1 to 5) now, but 60% said they would be between middle class and wealthy (6 to 10) within 10 years.

Note the contrast between this personal optimism about the next 10 years and views of how the "average American's standard of living" will fare in the next 10 years. In a July 2006 CBS News poll, more (49%) thought the average American's standard of living would fall over that time period than thought it would rise (45%).

Respondents to the *New York Times* survey also remained optimistic about class mobility. Eighty-two percent described themselves as working class, middle class, or lower class, but an amazing 45% believed it was very or somewhat likely that they would become wealthy in the future. Moreover, 80% say it's still possible to start out poor in this country, work hard, and become rich. These findings are consistent with polls taken over many decades that show Americans as great believers in, and supporters of, class mobility.

Most recently, many of these *New York Times* findings were replicated in the March 2006 ERG survey. In fact, it is striking just how similar the ERG findings are to the *Times* findings, suggesting that the optimistic and aspirational *New York Times* findings are quite robust and should be taken very seriously by progressives. In the ERG poll, 58% thought their current standard of living is better than their parents' at a comparable age, with just 16% saying worse. Interesting, they also termed their "quality of life" better than their parents' by 52% vs. 15%, indicating that the public's optimism embraces more than just the material circumstances of their lives.

In the ERG poll, as in the *Times* poll, optimism extends to the next generation. Those with children in the household thought, by 54% vs. 24%, that their kids' standard of living would be better than theirs once they reached the same age. It is interesting to note, though, that those without children in the household were more pessimistic about mobility prospects for kids generally: by 37%–33% they thought "kids today" would be worse off at their current age, rather than better off. Here again, we see the contrast between a personal economic assessment (concerning one's children) and a judgment about the economy as a whole (concerning kids today).

The ERG poll also found that 69% thought they had already attained the American Dream or would attain it in their lifetimes. And, on the 10 point scale previously explained,

60% rated themselves between poor and middle class (1 to 5) now, with 59% saying they would be between middle class and wealthy (6 to 10) within 10 years. Finally, 80% described themselves as working class, middle class, or lower class today, but 44% believed it was very or somewhat likely that they would become wealthy in the future. All these figures are essentially identical with results from *The New York Times* poll.

An interesting perspective on this optimism is provided by looking at another question in the ERG poll on whether increasing uncertainty or achieving the American Dream characterizes the economy today and comparing respondents' answers to their views on whether they themselves would achieve the American Dream. Here is the choice posed by the uncertainty question:

1. Most people today face increasing uncertainty about employment, with stagnant incomes, paying more for health care, taxes, and retirement, while those at the top have booming incomes and lower taxes.
2. Our economy faces ups and downs, but most people can expect to better themselves, see rising incomes, find good jobs, and provide economic security for their families. The American dream is very much alive.

By a two-to-one ratio (64% vs. 32%), respondents selected the first statement about increasing uncertainty as coming closer to their views. But of that group that said that increasing uncertainty, rather than achieving the American Dream, characterized the economy, an amazing 63% nevertheless thought that they themselves would achieve the Dream.

This personal optimism and aspirational outlook is broadly shared across social groups. For example, 69% of the white working class and 74% of the white middle class believed they have reached or will reach the American Dream, as did 67% of women, 72% of men, 66% of blacks, and 74% of Hispanics (blacks and Hispanics were less likely than whites to believe they had already attained the Dream, but made up for it by being more likely to believe they will attain it in the future). And looking at income levels, even 56% of low income respondents (less than \$30,000 in household income) believed they will attain the Dream, as did 63% of those in the \$30,000-\$50,000 group. Around 80% of each income group earning above \$50,000 believed they will or have already attained the Dream.

Blacks (63%) and Hispanics (71%) were also remarkably optimistic that they were likely to become financially wealthy. In this respect, they displayed far more optimism than the white working class (34%) and middle class (37%) about their prospects.

In addition, blacks and Hispanics lopsidedly believed they were better off than their parents (55% better to 16% worse among blacks, and 73% better vs. 11% worse among Hispanics) and that their children would be better off than they were (59% vs. 35% among blacks, 69% vs. 20% among Hispanics). Again these figures were generally higher than the still solidly optimistic views of the white working class (55% better to 18% worse about their standard of living and 50% better vs 25% worse regarding their kids') and middle class (60% vs. 14% about themselves, 55% vs. 20% about their kids').

Finally, it is worth mentioning how optimistic young people are. Seventy-five percent believe they have attained (8%) or will attain (67%) the American Dream, 67% believe they are better off than their parents at a comparable age, and 75% think it is very or somewhat likely they will become wealthy. On the other hand, it is also worth stressing that the optimism of youth in no way drives the overall results: 30–64-year-olds tend to be only slightly under the sample average on most of these questions and those 65-and-over are generally a bit over, with the understandable exception of the probability of becoming wealthy where they are as pessimistic (74% do not think they will make it) as youth are optimistic.

Turning back to *The New York Times* survey, results about social mobility suggest that Americans see today's economy as having higher stakes than in the past. Forty percent said the likelihood of moving up from one class to another is greater than 30 years ago, 23% said upward mobility is less likely, and 35% say it is the same.

But Americans also believe that the elevator goes down as well as up. Thus, 39% say the chance of moving down in class is greater than it was 30 years ago, while 17% say it is less likely, and 41% say it is just as likely. And 18% say they have felt at risk of falling out of their current social class.

Middle class or working class?

So do Americans see themselves as part of a predominantly middle class society? Yes, but with at least one interesting exception.

In *The New York Times* survey, 42% of respondents said they were middle class, 35% said they were working class, 15% said they were upper-middle class, 7% said they were lower class, and only 1% said they were upper class. Asked about their families when they were growing up, 44% said they were from working-class backgrounds, 28% said they were middle class, 18% said they were lower class, 8% said they were upper-middle class, and 1% said they were upper class.

The ERG survey reported findings on self-designated class that were similar to *The New York Times* findings. In the ERG poll, 45% said they were middle class, 27% said they were working class, 17% said upper-middle class, 8% said lower class, and 2% said upper class.

It is indeed impressive that an average of 31% of the public between the two surveys still describe themselves as “working class”—a term that is rarely used by policy makers and opinion leaders. Yes, overwhelming majorities of Americans in most surveys do usually describe themselves as “middle class,” but that appears to be because most surveys don't give them the option of calling themselves “working class.” The fact that such a substantial segment of Americans consider themselves working class suggests that for almost a third of the people, it still is relevant to them that they work for others, live from paycheck to paycheck, are economically vulnerable, and do not think they enjoy the same status and security as others.

The likely relationship of vulnerability to class self-designation is underscored by the relationship of income level to considering oneself working class in the ERG survey. Up to the \$50,000 income level, about 40% consider themselves working class, but among those in the \$50,000–\$75,000 group, the figure drops to 20% and then to just 12% in

the \$75,000–\$100,000 group. Similarly, around a third of the three non-college education groups—high school dropout, high school graduates, and those with some college—consider themselves working class, but at the four-year college degree level, the figure drops to 17%, and drops to only 9% among the postgraduate group.

Fears for the future of the middle class

Over the past three decades, many Americans have been increasingly expressing concerns about whether our society will continue to be predominantly middle class or if it is, instead, becoming more polarized between extremes of wealth and poverty. These social as well as economic anxieties are frequently expressed in focus group discussions.

In recent public opinion surveys, about half of all Americans said they worry that the middle class is dwindling. For instance, in a survey conducted in January 2005, the Democracy Corps, which includes the public opinion analyst Stanley Greenberg, offered respondents two statements about the middle class and its future:

- 1) People today have less chance to be middle class, even as middle-class living standards are declining.
- 2) The middle class dream is very much alive in America.

Reflecting how closely this question divides Americans, 42% agreed with the first statement “strongly,” and 8% agreed with it but “not strongly,” for a total of 50%. Thirty-seven percent agreed with the second statement “strongly,” and another 11% agreed with it but “not strongly,” for a total of 48%. Another 2% said they did not know which statement was true or refused to answer.

What does it mean to be wealthy?

Since only 1% describe themselves as upper class, what do Americans think it means to be wealthy? This is a particularly interesting question to look at since, as we have seen, around 45% of Americans believe they are likely to become wealthy someday.

When asked how much yearly income it would take for the typical American family of four to be considered rich, 16% in *The New York Times* survey named a figure under \$100,000, 29% between \$100,000 and \$200,000, 19% between \$200,000 and \$300,000, and the rest said it was more than \$300,000.

■ Building wealth

For most families, the challenge is not only to pay for their current needs, but also to put something away to provide for their children's college education and their own retirement. With jobs becoming less secure and fewer companies providing pensions with defined benefits, Americans increasingly believe that, when it comes to building wealth, "I'm on my own." Now more than ever people are relying on their homes, their investments, and other savings to provide for their families' futures and give them something to pass along to their children.

Homes

America has the highest rates of homeownership in the world, and, for most Americans, their home isn't only where they live. It's their most important asset; its location determines where their kids will go to school; and its increasing value will help them afford college for their children, retirement for themselves, and other expenses, expected and unexpected. That is why the high cost of homeownership concerns so many people, and why making homeownership more affordable is so appealing.

As one example of the multifaceted role of homeownership, in a June 2005 Gallup poll, more than half of non-retirees said that they see their homes or other real estate as a source of retirement income, with roughly one in five saying it is a *major* source of this income (similar to a finding in the ERG survey, where 23% of homeowners said they saw the value of their home as the primary or a significant source for financing their retirement).

And people display a remarkable amount of confidence in the future value of their home. In the ERG survey, 75% of homeowners said they had a lot (32%) or some (43%) confidence that the value of their home would continue to increase. And in a March 2006 *Los Angeles Times* survey, given a specific three-year time horizon, 95% of homeowners said they expected the value of their home to increase over that period.

The public also sees homeownership as the passport to good public schools in desirable neighborhoods. A June 2005 Homeowner's Alliance poll found that more than half of respondents were concerned that the cost of housing will force them to send their children to inadequate schools. In order to afford desirable housing, nearly half are considering leaving the area in which they live, and nearly one-third of all families have someone commuting an hour or more.

Personal savings and retirement

In a January 2006 Pew Research Center poll, 71% were very or somewhat concerned about not having enough money for retirement, slightly higher than the number concerned about being able to afford necessary health care for family members (68%) and much higher than the number concerned about losing their job or getting a pay cut (44%). And in an April

2006 Gallup poll, 60% said they are very or moderately worried about not having enough money for retirement, more than any other economic worry Gallup tested, including covering unexpected medical costs, maintaining one's current standard of living, and paying rent, mortgage, and other housing costs. Moreover, that 60% figure represents a seven point increase since 2001. The same Gallup poll shows just half of non-retirees expecting to have enough money to live comfortably in their retirement. And among those with less than \$30,000 in household income, the figure is far less: 30%.

As these public worries about a secure retirement have mounted—reflecting the fact that fewer employers offer pension plans with specific benefits that workers can count on—reliance on the private savings individuals can muster has only increased. In a June 2005 Gallup poll, 44% pointed to their 401(k) plans as a major source of retirement income, while another 39% pointed to other personal savings or additional investments, including IRAs. That compares to 30% who cited a company pension plan as a major source of retirement income, 28% of those who mentioned Social Security, and 22% who believed the value of their home or other real estate would be a major source.

But that reliance on private savings is not matched by money in the bank, so to speak. In the 2006 Retirement Confidence Survey conducted by the Employee Benefit Research Institute, more than two-thirds of current workers (68%) say they have less than \$50,000 in retirement savings. And even among those nearing retirement—55 and older—more than half (52%) report savings below that level.

■ Globalization

As with the New Economy, Americans tend to support “globalization” in principle. But they also have many doubts about international trade in practice, believing that workers are not benefiting and opposing trade agreements that do not include labor standards and environmental protections. And they have become quite negative about the offshoring phenomenon.

Globalization in principle

Overall, Americans support the concept of globalization and appear to be becoming both more familiar and more positive about it. In a 2004 Chicago Council on Foreign Relations (CCFR) survey, 64% described the process of globalization, “especially the increasing connections of our economy with others around the world,” as mostly good for the United States, compared to just 31% who said it was mostly bad. (Note, however, that if globalization is not specifically tied to the expansion of economic linkages, as in the CCFR question, feelings about globalization are more ambivalent; in the ERG survey, respondents were simply asked whether they thought globalization was mostly good or bad for the United States and only a very narrow plurality—43% vs. 41%—favored the idea that it was mostly good.)

The CCFR poll also revealed that Americans, by a 73%-to-22% margin, thought international trade is good for “consumers like you,” by a 65%-to-29% margin that it was good for “your own standard of living,” by a 59%-to-37% margin that it was good for American companies, and by a 57%-to-39% margin that it was good for the U.S. economy.

By and large, Americans do not wish to stop or even slow down the process of globalization. Surveys invariably show large majorities favoring the continuation of the globalization process and little support for opting out of that process.

Similarly, a majority of Americans support the growth of international trade, especially when the removal of trade barriers is clearly reciprocal—the United States and its trading partners are both removing trade barriers—and when provisions are made to assist affected workers (a theme developed further below). For example, in a June 2005 Program on International Policy Attitudes (PIPA) poll, 55% said they favor agreements for mutual lowering of tariff barriers provided the government has programs to help workers who lose their jobs, compared to 27% who oppose such agreements (another 11% supported tariff-lowering agreements, but were opposed to programs to assist workers).

Globalization in practice

In practice, Americans express many doubts about globalization. Many of these doubts about globalization—and the policy preferences that follow from these doubts—were captured in responses to a major survey conducted by PIPA in 1999 and in follow-up surveys they have done since then. (All findings in this and the following two sections are from PIPA polls, except where specifically noted otherwise.)

First and most fundamentally, the public believes that Americans as workers (as opposed to consumers) are not benefiting from the increase in international trade and that U.S. trade policy is not attentive to the needs of American workers. Indeed, it is this concern that leads to the public’s consistent support for import limits as a tool to aid workers, despite the generally favorable attitude toward international trade described above. Most recently, in the Economic Resiliency Group poll, 59% agreed “we should place new limits on foreign imports in order to protect American jobs and workers,” compared to 32% who thought “new limits on foreign trade would raise prices here and hurt American consumers.”

These sentiments were strongest at the lowest income (64% vs. 28%) and education (66% vs. 27%) levels and weakest at the highest income (48% vs. 43%) and education (45% vs. 41%) levels. In addition, Hispanics were notably less supportive of import limits (53% vs. 36%), while women were notably more supportive (64% vs. 28%).

The public also believes that trade expansion has not paid sufficient attention to the concerns of workers in other countries, or to the environment. On the specific issue of trade adjustment assistance, two-thirds of Americans say it has been inadequate.

So how can the needs of working Americans, as well as other social and environmental concerns, be better addressed? First, Americans favor programs that would not directly affect trade agreements but would prepare working people to meet the challenges of international competition, such as improved education and retraining for new job op-

portunities. (See “Preparing for the New Economy” on page 33.) If such efforts are made, an overwhelming majority say they would support the further growth of trade.

Second, almost all Americans (about nine in 10) support adding international labor standards and environmental standards to trade agreements. Third, most Americans (about three-quarters) believe the United States has a moral obligation to try to improve workers’ conditions and rights in other countries. Consistent with this, an overwhelming majority believes the United States should not allow products to be imported when their production has involved the violation of international labor standards. Americans also believe that the environment in other countries should be safeguarded. A large majority, for example, rejects the World Trade Organization’s current position that countries should not be allowed to restrict imports because they had been produced in ways that pollute the environment.

Concerns for the world’s poor

When they are asked about globalization, Americans don’t just talk about their own economic interests—they express concerns for people in poor countries. These compassionate concerns can lead Americans to favor overall expansions in international trade and also to support certain restrictions on corporate conduct.

By strong majorities, Americans say they believe that the United States has a moral obligation to help poor countries develop and that doing so will serve U.S. economic interests in the long run. Less strongly, Americans also support trade with lower-wage countries that do not have extreme levels of poverty.

Concerns for poor people around the world can also lead Americans to support some constraints on corporate behavior. By an overwhelming majority, Americans say that U.S. companies operating overseas should abide by American laws about the environment and working conditions, even if it results in higher prices for consumers. Similarly, a majority of Americans says that they would be willing to pay higher prices for products, if they could be sure they were not made in sweatshops.

NAFTA, CAFTA, and China

When it comes to specific trade agreements, such as the North American Free Trade Agreement (NAFTA) and the Central American Free Trade Agreement (CAFTA), Americans are closely divided and their views vary over the years, depending upon economic conditions and the perceived impact of international competition.

For instance, in February 2005, just half of Americans supported CAFTA. But the number who would support the trade agreement would increase to two-thirds if the U.S. government increased federal trade adjustment assistance spending and made sure governments in Central America enforced health and safety standards for their workers.

Similarly, NAFTA currently enjoys the support of only a small plurality of Americans. Forty-six percent say NAFTA has been good for the United States, 40% say it has been bad for the United States, and another 12% say it has been neither good nor bad.

When it comes to trade with China, public attitudes are more negative. In an April 2000 Pew Research Center poll, 52% said that, in the long run, China's entry into the World Trade Organization would lead to more jobs leaving the United States, while only 24% said it would lead to more jobs being created in this country.

More generally, since public fears about the effect of trade on jobs are driven by the (correct) perception that lower wages in many countries give these countries' goods a competitive advantage, views about trade are most negative when low-wage countries are considered. For example, in a 1999 PIPA poll, one-quarter of the support for trade with countries that reciprocally lower their trade barriers evaporated when it was specified that these countries were *low-wage* countries.

Offshoring

An emerging and increasingly important part of globalization is the offshoring of white collar jobs, particularly to India and China. Receiving national attention in 2004, this process is arousing concern and even anger among most Americans. (In some surveys and news coverage, offshoring is called "outsourcing;" when used in this way, "outsourcing" means moving American jobs overseas, not subcontracting jobs from one company to another.) It is probably the aspect of globalization about which Americans feel the most unambiguously negative.

In March 2005, a Pew Research Center poll found that, by 69% to 22%, Americans say outsourcing is bad for the economy because it sends good jobs overseas, rather than good for the economy because it keeps the cost of goods and services down, a finding replicated a year later in the ERG poll, where, by 64% over 29%, the public had the same negative assessment of outsourcing's effect on the American economy.

More than most economic issues, offshoring generates anti-corporate sentiments. In a May 2004, Ipsos-Associated Press poll, 64% believed outsourcing is mostly caused by the greed of corporate executives, compared to 30% who mostly thought that outsourcing was mostly caused by the need of companies to compete.

Negative sentiments about offshoring may have also contributed to a recent decline in public support for trade agreements among highly educated, high income people (as observed in PIPA polls), who are typically the strongest backers of globalization. The ERG poll shows just how strong anti-offshoring sentiment currently is among those with the most education and/or income: 64% of those with a high school diploma or less said outsourcing was bad for the economy because it sent good jobs overseas, as did 61% of those at the postgraduate level. Similarly, 65% of those with incomes under \$30,000 thought outsourcing was bad for the economy, but so did 61% of those with incomes over \$75,000.

Note the contrast with sentiment about import limits, where high income and education respondents were much more pro-free trade in their views than their poorer and less-educated counterparts.

■ Immigration

The public believes immigration is a serious problem, and levels of concern appear to be growing. For example, in a March 2006 *Time Magazine* poll, 68% said illegal immigration was a very or extremely serious problem and, in a March Pew Research Center poll on immigration, 74% termed immigration a very big or moderately big problem, up from 69% in 2002.

In the same Pew poll, 52% now say that “immigrants today are a burden on our country because they take our jobs, housing, and health care” (up from 38% in 2000), compared to 41% who say “immigrants today strengthen our country because of their hard work and talents” (down from 50% in 2000). (In the 2006 ERG poll, however, sentiment on a similar question was more closely split, probably because the question mentioned “taking jobs other Americans aren’t willing to do,” a view the public embraces—see below).

Note, however, that while sentiment has been turning negative on the Pew burden/strengthen question since 2000, levels of negative sentiment today are about where they were in 1997 and are still a bit lower than they were in the 1994-96 period.

Note also that positive sentiment about the characteristics of Asian and, particularly, Latino immigrants has been increasing over the last decade or so and that today, according to a Pew analysis, positive sentiment about immigrants is strongest in precisely those areas where immigrants are the most common.

Finally, the public overwhelmingly sees illegal, not legal, immigration as the more serious problem—by 60% to 4% in the Pew poll. And in a Kaiser Family Foundation survey in August 2004, 42% said legal immigrants are good for the country, while only 23% said they are harmful. But they expressed negative attitudes about illegal immigrants by a margin of 54% to 18%.

The public generally believes that immigrants do not displace American citizens from jobs. In a very typical result, the Pew poll found 65% saying immigrants take jobs Americans do not want, rather than take jobs away from American citizens (24%).

On the other hand, the public does believe immigration depresses wages. In a December 2005 Gallup poll, by margins of 52% vs. 42% for legal immigrants and 60% vs. 32% for illegal immigrants, the public thought immigrants mostly hurt the economy by driving down wages for other workers rather than mostly helped the economy by providing low-cost labor.

The public overwhelmingly wants tougher action to keep illegal immigrants out of the country. In the *Time Magazine* poll cited above, 82% of the public says the United States is not doing enough to keep illegal immigrants from crossing into the country. That’s very consistent with other results from recent polls.

But there is little enthusiasm for an enforcement approach that focuses exclusively on illegal immigrants themselves and removing them from the country, especially when posed against alternatives. In the Pew Research Center poll, only 27% said illegal immigrants already here should be required to return home, compared to 32% who said they should be

allowed to stay permanently, and 32% who said they should be granted temporary worker status. And, in the same poll, 49% said the best way to reduce illegal immigration from Mexico was to penalize employers, compared to 33% who chose increasing border patrols, and 9% who favored building more fences.

The public is open to a guest worker program for illegal immigrants and to making it easier for them to obtain citizenship, but only if certain strict conditions are met. For example, if you just ask, with no further specifications, whether we should make it easier for illegal immigrants to become legal workers, as Quinnipiac University did in February 2006, you get a negative response—54% against versus 41% for. And you get an even more negative response on whether we should make it easier for illegal immigrants to become citizens—62% against versus 32% for.

But that initial reaction turns around, if it sounds like helping illegal immigrants to get legal worker status or to become citizens is not a free lunch for those who broke the law. In the *Time* poll, they described making it easier for illegal immigrants to become legal workers as “allowing illegal immigrants already working in the United States to register as guest workers for a fixed period of time, so the government could keep track of them.” That gets a 79% vs. 18% positive response.

Similarly, the *Time* poll framed making it easier for illegal immigrants to become citizens as “Allowing illegal immigrants now in this country to earn U.S. citizenship if they learn to speak English, have a job, and pay taxes.” That is supported by the public by a very wide 78%-to-21% margin.

Another example, also from the *Time* poll, posed the legal worker issue this way: “Two different approaches have been suggested to deal with illegal immigrants. Please tell me which comes closest to your views. (1) Make illegal immigration a crime and not allow anyone who entered the country illegally to work or stay in the United States under any circumstances, or (2) Allow illegal immigrants to get temporary work visas so the government can track them and allow them to earn permanent residence after six years if they learn English, pay a fine, pay any back taxes, and have no criminal record.” That produced a 72% vs. 25% majority for the second option.

By these data, the public favors a tough, but not punitive, approach to the problem of containing illegal immigration and is willing to consider fairly generous approaches to the illegal immigrants already here, provided they feel expectations for these immigrants are high and that they will play by the rules. “Tough, but fair” is a reasonable summary of their position.

■ Preparing for the New Economy

When it comes to the importance of education and training in the New Economy, there is a significant gap between everyday Americans and the policy and opinion makers.

By overwhelming margins, Americans understand the importance of education and training, put a high value on its role in upward mobility, and support increased public investments in these areas. But, compared to the elites, Americans are more skeptical that inadequate education and low skills are holding most workers back in today's economy. And, especially now with the offshoring of professional and technical jobs, Americans are reckoning that a college degree, while desirable in itself, is not sufficient for the achievement of economic security.

The importance of education

To be sure, Americans do value education. In *The New York Times*' "Class Matters" poll early in 2005, 39% said a good education is essential for getting ahead in life, and another 46% said it is very important. This compares to the only other factor that most people rated as highly—46% said "hard work" is essential, and 41% said it is "very important." In contrast, 22% said "natural ability" is essential, and 49% said it is very important; 16% said "knowing the right people" is essential, and 33% said it is very important; and 11% said "coming from a wealthy family" is essential, and 33% said it is very important.

These results were generally confirmed by the 2006 ERG poll, except that education was actually ranked ahead of hard work as a factor in getting ahead. In the Economic Resiliency Group poll, respondents were asked to choose among seven possible factors that could matter for "getting ahead in life today:" a good education, hard work, saving and smart spending decisions, knowing the right people, coming from a wealthy family, natural ability, and luck. A good education was chosen by 63% as either the most or second most important factor in getting ahead, followed by 51% who chose hard work, 37% who chose saving and smart spending decisions, 18% who mentioned knowing the right people, 13% who mentioned coming from a wealthy family, and the rest in single digits.

It is striking how uniform belief in the value of education was across social groups. Sixty-five percent of those whose income was under \$30,000 believed education was either the most or second most important factor in getting ahead, as did 63% of the greater than \$75,000 income group. Similarly, 68% of high school dropouts endorsed a good education's importance, as did 71% of post-grads. Ditto for 65% of young people (18%–29%), and 67% of seniors, as well as 66% of women and 59% of men.

These sentiments were also shared by 61% of the white working class, 62% of the white middle class, and 61% of minorities, though blacks were relatively low at 54%. Even blacks, however, rated education ahead of the next most important factor, hard work, which was mentioned by 47% and far ahead of factors like knowing the right people (27%) and coming from a wealthy family (17%).

Besides revealing how much Americans appreciate the importance of education, these findings also show that most people do believe that success in this country is the result of merit (education and hard work), not privilege (knowing the right people and coming from a wealthy family).

In another indication that Americans believe education is essential, in the 1999 Penn Schoen and Berland poll on the New Economy, 84% said education is more important than before for being able to earn a good income. In the same survey, by 53% to 41%, they do not think the government is doing enough to provide people with the skills they need to succeed.

For workers without four-year college degrees, education is very important to their sense of potential mobility—for themselves and especially for their children. In his invaluable study of non-college workers in 1996, Stanley Greenberg summed up their attitude towards education:

Finally, it is hard to overestimate how important education and skill training are to these non-college voters, perhaps the most important strategy for people to gain an advantage in this stagnant economy. Education is a primary strategy for getting a better job and a higher wage (24% of the men and 25% of the women); lack of education is considered the biggest thing holding people back in their current careers and jobs; and schooling and education, particularly a college education, stand out from everything else as people's best hope for their children doing better in life....

These non-college participants are obsessed with education for their children as the one thing that can break them out of the current economic probabilities. The non-college women focus equally on children doing well in school (27%) and in getting a shot at college (27%). The men give a lot of importance to schooling (21%) but focus very heavily on the college degree as the educational accomplishment that will move their children into a different class position and different set of economic circumstances (41%). In any case, education is what enables the children to reach a different point on the ladder.

Not exactly as elites see it

However, these findings should not be taken to mean that Americans see a lack of education and skills alone as the problem holding back most American workers. In the ERG survey, respondents were asked whether “most Americans have the skills necessary to succeed in today’s economy.” Fifty percent agreed they did, compared to 46% who disagreed (though at the highest income and education levels, disagreement was much more common, rising to 63% among post-grads and 59% among the \$75,000 and over income group). This indicates that the bulk of the American public is unconvinced of what most elites regard as a truism: that most workers lack the skills they need for economic success in today’s hi-tech economy. The public clearly sees the question of economic success as involving far more than acquiring new skills and higher levels of education.

Indeed, in general, most Americans do not express the importance of education in exactly the same way as the policy-making and opinion-leading elites do. Perhaps because they have so much formal education themselves, the elites consider education to be far and away the most important factor in the success of individuals and the entire economy. Most Americans are more likely to look at education as one major factor among several others affecting the economy and their place in it—an important concern, especially for their individual economic mobility, but not carrying the transcendent importance typically assigned it by elites.

Thus, in a May 2005 Feldman Group poll, people ranked being able to acquire education and skills as fifth in the list of elements of the American Dream. They rated it behind a close family, the freedom to make your own decisions, providing for your family, and practicing your faith, but ahead of owning your own home, paying off bills and saving for the future, having access to health care, having a comfortable retirement, and owning your own business. In the same poll, the second- and third-ranked threats to the American Dream—right after health insurance being too expensive—were the high cost of college education and public schools that are not educating our children.

In the ERG poll, Americans' sense that education, while important, does have its limits was underscored by results from a question where respondents were asked which of two statements was closer to their views:

1. Even with a college degree, it is difficult to find good jobs and financial security in today's economy.
2. With a college degree and hard work, a good job and financial security is likely to follow.

Fifty-one percent agreed with the first statement, compared to 46% who agreed with the second. Evidently, a college degree, while helpful, is not viewed as guarantor—even with hard work—of finding a good job and achieving financial security. For a majority of Americans, good jobs and financial security are challenges too daunting and complicated to be reduced to a simple formula like get a college degree. This view was stronger among those with low incomes (57% thought a college degree was not sufficient for a good job and security), white working-class women (55%), women overall (53%), and minorities (60%, including 78% among blacks).

■ Health care

To the extent that people's personal economic worries can be ranked, rising health care costs are almost always at the top of the list or at worst second in the roster of concerns. That's not only because health care does cost more, but also because it is—quite literally—a necessity of life.

Health care cost headaches

Typical of this concern, in a June 2005, Lake Snell Perry Mermin survey, 27% said rising health care costs are their most important economic problem—more than listed any other issue. By way of comparison, 18% said their most important problem is wages not keeping up with costs, 14% said it is a secure retirement, 12% said it is higher taxes, and 9% said it is rising gas prices. Significantly, only 5% said losing their job is their foremost economic anxiety.

Similarly, in an October 2005 Kaiser Family Foundation survey, people were asked how worried they were about a wide range of problems. Forty percent said they were “very worried” about “having to pay more for your health care or health insurance,” the same number as reported being very worried about “your income not keeping up with rising prices” (40%). In contrast, only 22% were very worried about not being able to pay their rent or mortgage, 16% about losing their job, and 14% about losing their savings in the stock market.

The Kaiser Family Foundation also does regular and very thorough surveys specifically on the issue of health care costs. The considerable impact of rising health care costs on the public is well summarized by these excerpts from their June 2005 survey report on this issue:

- Two-thirds (66%) of insured adults said their health insurance premiums have gone up over the past five years, including 38% who say these premiums have gone up “a lot.” About one-quarter (24%) said premiums have stayed the same, while just 5% said they have gone down.
- Around half of insured adults say their co-payments for provider visits (52%) and health insurance deductibles (49%) have risen over the past five years. About four in 10 say co-payments (40%) and deductibles (42%) have stayed the same, and few say these costs have gone down (5% said co-payments have gone down, and 3% said deductibles have gone down).
- Almost two in 10 (18%) Americans said health care costs are their biggest monthly expense excluding rent or mortgage payments. By way of comparison, more than three in 10 (32%) said transportation is their biggest expense, and nearly one-quarter each said food or clothing (24%) or utilities (23%) are their biggest expense excluding rent or mortgage costs.

- Nearly one-quarter (23%) of Americans said they had problems paying their medical bills over the past year. More than one in five (21%) said they currently have an overdue medical bill, and almost two in 10 (19%) report experiencing serious financial consequences in the past five years due to medical bills.
- More than six in 10 (61%) of adults who reported problems paying medical bills are covered by health insurance. Among adults who had problems paying medical bills, majorities reported that the bills were for basic care such as doctor bills (85%), lab fees (62%), and prescription drugs (56%).
- Nearly three in 10 (29%) adults reported that they or someone in their household skipped medical treatment, cut pills, or did not fill a prescription in the past year because of the cost.

Universal coverage? Yes, but...

Responding to these problems, Americans definitely want the government to play a leading role in providing health care for all. But, reflecting the health care debate of 1994, Americans do have concerns with maintaining the choice of providers and controlling their waits for services.

Thus, in an October 2003 *Washington Post*/ABC News poll, by almost a 2-to-1 margin (62% to 33%), Americans said they preferred a universal system that would provide coverage to everyone under a government program, as opposed to the current employer-based system. Similarly, in Kaiser Family Foundation polls from 1992 to 2000, a large majority agreed that the federal government should guarantee medical care for people who do not have health insurance. In a slightly different question asked more recently by Kaiser in June 2003, more than seven in 10 adults (72%) agreed that the government should guarantee health insurance for all citizens, even if it means repealing most of the tax cuts passed under President George W. Bush, while fewer than one-quarter (24%) disagreed with this statement. Finally, in a January 2006 *New York Times*/CBS News poll, the public said by a 2-to-1 margin (62% to 31%) that it was the federal government's responsibility to "guarantee health care for all."

The public also says it is willing to pay more in taxes to provide every American with health care coverage. In August 2003, Pew Research Center found Americans favoring, by 67% vs. 26%, the U.S. government guaranteeing "health insurance for all citizens," even if that meant repealing most of the "recent tax cuts." And the majority was scarcely diminished (67% vs. 29%) by referring not to repealing tax cuts, but more directly to "raising taxes." Similarly, Greenberg Quinlan Rosner/Public Opinion Strategies (GQR/POS) found, in January 2004, a 69% vs. 28% majority saying they would be willing to pay more per year in federal taxes to assure every American citizen received health care coverage.

But support for universal coverage drops significantly if such a program would mean limitations on access to medical care. For example, while 62% in the October 2003 *Washington Post*/ABC News poll said they wanted universal health care system run by the gov-

ernment rather than the current system, that support dropped to 35% if that limited choice of doctors and to 38% if that meant longer waits for non-emergency treatment.

Moreover, willingness to pay more in taxes for universal coverage is a “soft” commitment. For example, when phrased as whether the respondent would be “willing to pay more—either in higher insurance premiums or higher taxes—in order to increase the number of insured Americans,” 51% say they would not, compared to 45% who say they would. And, in the GQR/POS survey, when asked how much they would be willing to pay in additional taxes to assure universal coverage for American citizens, 40% would not name a dollar figure at all and 16% named a figure under \$100.

This softness was illustrated most precisely by a poll conducted by Gerstein/Agne for the Center for American Progress and Americans for Health Care Reform. That poll found an astronomical 86% in favor of “reforming our current health care system to provide affordable health care for all Americans” and generally documented the extent to which Americans view our current system as broken and in need of fundamental change. However, as the poll’s report commendably emphasized:

Previous research has consistently found that doubts about efforts to extend health coverage to all Americans revolve around two primary fears—big government and higher taxes. When both of these concerns are introduced separately—in an attempt to provide the most difficult test possible—49% of Americans remain solidly in support of reforming our health care system to provide affordable care for all Americans, with 37% withdrawing their initial support based on one or both of these concerns. This is a significant drop, which underscores the difficulty of overcoming deep-seated reservations on these issues.

■ Representation in the workplace

As the New Economy generates new insecurities, Americans are becoming more likely to support unions in their conflicts with corporate management and to be interested in workplace representation for themselves.

According to most surveys, many more workers would like to join a union than currently belong to unions. But, among all workers, there is a pervasive and well-grounded fear that union organizing will prompt reprisals by their employers, and, especially among professional and technical employees, there is a gap between what they want from an employee organization and what they believe existing unions actually offer them.

Approval of unions

According to a February, 2005, Garin-Hart Research poll conducted for the AFL-CIO, two-thirds (64%) of Americans voice approval of unions and just 21% disapprove. This is among the highest approval ratings and is the lowest disapproval score for unions since

1965. In August 2005, the Gallup poll found that the approval score for unions was 58%—high but not as overwhelming as the other result.

The Gallup poll also found that, for the first time since they started asking the question in 1999, a plurality (38% vs. 30%) said they wanted unions to have more, rather than less, influence in the country. Asked whether, in labor disputes of the past two to three years, their sympathies had been with unions or companies, by 52% to 34%, they sided with unions—a wider margin in favor of unions than seen back in 1999 or even in 1952, when Gallup asked the same question.

The same poll asked the public whether unions help or hurt workers who are union members. Sixty-nine percent said unions help members, while only 25% said unions hurt them. Fifty-nine percent said unions help the U.S. economy, while only 39% said they harm it. Finally, by 53% to 40%, the respondents said unions help companies where workers are unionized.

However, the survey also found a spike in the perception that unions will be weaker in the future than they are today (up to 53% from 41% in 2004). Only 19% said unions will be stronger in the future. This perception that unions are more an institution of the past than the future is among the several problems that unions currently face in turning interest in union representation into actual union members.

Interest in joining unions

Meanwhile, the Garin-Hart poll found that majorities of workers would join unions if they had the opportunity—an especially significant finding since only 13% of all workers and fewer than 10% in the private sector now are represented by unions. The report on the survey noted:

As with general support for unions, interest in union representation on the job has increased in recent years. Among all non-managerial workers, 53% now say that they definitely or probably would vote in favor of union representation in their workplace, with 38% who would vote no. By comparison, in 2003, we find an even division in the vote on union representation: 47% vote yes and 47% vote no. This result and a similar response in a 2002 AFL-CIO survey (50% yes) mark a very substantial improvement over the previous decade. In both 1993 and 1996, the “yes” vote stood at just 39% among nonunion workers, while a majority indicated that they would vote no. From 1997 to 2001, support rose slightly to about 43% yes, but opposition still stood above 50%. Now support for union representation equals or exceeds opposition—a substantial change from sentiment in the early 1990s.

It is worth noting that the Garin-Hart findings diverge dramatically from a survey conducted by Zogby International in June 2005, for the militantly anti-union Public Service Research Foundation. That poll found workers saying they would vote against unions 56% vs. 35%—a far cry from the Garin-Hart result for unions of 53% in favor vs. 38% against. Even if we assume that Zogby also included managers in their survey, which might be true (it is hard to tell for sure from looking at their report), the analogous figure for all non-union workers from Hart would still be 49% for unions, 43% against.

Perhaps the wording of the questions can account for the difference. So far, however, Zogby International has not released the exact question wording. Until that question wording is released, the Hart result, which is based on a solid question with some history behind it, seems more trustworthy.

Workers' interest in joining and organizing unions is especially impressive since there is widespread and well-founded anxiety that such efforts will result in reprisals from their employers. As the Commission on the Future of Worker-Management Relations, chaired by former Secretary of Labor John Dunlop, reported in 1994, 59% of workers who were surveyed said it was likely that they would lose favor with their employer if they supported an organizing drive, and 79% agreed that it was "very" or "somewhat" likely that "non-union workers will get fired if they try to organize a union."

This concern about conflict with the employer is especially important for professional and technical employees. As Professor Richard Hurd of the Cornell University School of Industrial and Labor Relations wrote in a study of this sector of the workforce: "For professional and technical workers, the key attraction of employee organizations is that they give workers a voice. The key reason for not joining any employee organization is concern that they may create a conflict at work."

Interest in new forms of organization

For many workers, and for professional and technical employees in particular, there is an interest in new kinds of organizations that would offer education, training, and credentialing for jobs, give voice to their concerns with improving the quality of their products and services, and seek, when possible, to cooperate with management—a sort of hybrid of the traditional craft unions and professional associations and the newer professional unions such as those for teachers and engineers.

Surveys of the entire workforce—and professional and technical employees in particular—tend to reveal a "union gap" between support for employee organizations in the abstract and support for existing labor organizations. Thus, the Worker Representation and Participation Survey conducted for the Commission on the Future of Worker-Management Relations found that 56% of all workers wanted to have an employee organization in their workplaces, but that only 46% would "join unions tomorrow" (still a much larger share of the workforce than actually belongs to unions).

Similarly, in a survey of professional and technical employees conducted in 2000 by Garin-Hart Research for the Albert Shanker Institute, 55% said they wanted an employee organization, but only 45% wanted a union. This survey explored in more detail what professional and technical employees want from an organization: 67% wanted an organization that "speaks out for quality;" 64% wanted one that provides "professional training;" and 67% wanted one that "works with management." By way of comparison, only 58% mentioned "salaries/raises" as a major concern, and the same percentage wanted a group that "stands up to management."

Conclusion

The responses to more than a decade of surveys and even the voices of the people themselves—hopeful but anxious, self-reliant but yearning for economic security, supporting many new forms of government activism but still convinced that “It’s up to me”—suggest that Americans are not only closely divided, but also profoundly ambivalent about many economic issues.

Yes, it is apparent that most people do not agree with, or even understand, much of what the corporate, political, media, and academic elites are saying about the economy—especially when what they are saying is archaic, Pollyanna-like, pessimistic, or patronizing.

While the elites are generally optimistic about the current economy, most Americans are anxious. Most Americans are less concerned with getting and keeping any job than with obtaining and securing a *quality* job—a job with rising raises, stable health coverage, and reliable pension benefits. In addition to maintaining their earnings, most Americans are also concerned with increasing their assets and controlling their expenses. Thus, they worry about soaring health care costs, inadequate savings, high mortgage costs, and skyrocketing energy prices.

Perhaps the greatest gulf between the opinions of everyday Americans and influential elites is over issues involving globalization, including trade deals and the offshoring of American jobs. For elites, globalization in all its forms is not only desirable—it is not even debatable. But, while most Americans agree that the global economy is here to stay, they also want trade agreements to protect workers and the environment.

These and other views place most Americans at odds with economic conservatives, but their sense of self-reliance also often puts people at odds with liberals as well. Most Americans believe their economic destiny is in their own hands. Whatever they earn or own, they made it on their own, will hold onto it on their own, and will pass it along to their children on their own. Whether they believe this is simply the way it is or whether they believe this is also the way it ought to be is less clear. It is apparent, however, that most Americans believe that their economic struggles test and testify to their worthiness as responsible adults.

Still it is not clear who most people blame for their economic uncertainties, how they maintain their optimism, or how they would make the tough choices—for instance, about a health plan that would be managed by the federal government or a trade agreement that clearly does not protect workers and the environment. More fundamentally, do people believe that the saying, “It’s up to me” describes the way things *are* or the way things *should be*? And, if some large institutions should help them out, then which institutions and how?

This report summarizes what we do and what we do not know. It suggests areas for further research, by which, of course, we don't mean that there should be a separate survey or focus group for each as-yet unanswered question, but rather than these questions should be incorporated into one or two surveys and discussions.

This much we do believe: The New Economy has created a New Insecurity, which has created a new gap between everyday Americans and the elites. And before the elites can lead again, they should listen anew to the people on the frontlines and fault lines of economic change.

How to “Speak American” When You’re Talking About Economics

The purpose of this report is to bridge the gap between the ways that policy makers and opinion leaders discuss economic issues and the ways that everyday Americans think and talk about their own situations and the nation’s challenges.

This gap exists for several reasons. First, policy makers, academic experts, opinion leaders, and even the spokespeople for organizations of all kinds tend to talk in technical terms. Second, most members of these elites are insulated from many of the economic anxieties that most people are undergoing. And, third, for different reasons, advocates across the political spectrum tend to be removed from the daily experience or the deepest values of most Americans. Conservative policy makers and opinion leaders tend to take an unrealistically optimistic view of current economic conditions—a view which contradicts most Americans’ experiences. Meanwhile their liberal counterparts tend to address everyday people as if they were passive victims of trends beyond their control—a view which contradicts most Americans’ values.

In this section, we offer 12 simple suggestions for discussing economic policies in ways that make sense to most Americans:

1. Explain how “The Big Picture” touches people’s lives.

Academic economists, public policy makers, and opinion leaders tend to talk in terms of the big picture—numbers that express national or even international conditions, such as the gross domestic product, the federal budget deficit, the trade deficit, the inflation rate, and aggregate figures for employment and unemployment.

Yet most people understand the economy in the ways that they experience it—their paychecks, the prices they pay at the supermarket and the gas pumps, the interest rates on their home mortgages and credit cards, and the premiums and deductibles on their health insurance policies. When discussing economic policies, the challenge is to relate “the big picture” to people’s lives, explaining for instance, how the trade deficit destroys jobs or how rising interest rates mean higher mortgage and credit card payments.

Nor should leaders and advocates assume that most people believe that good or bad economic news should be credited to or blamed on the administration in office or large institutions of any kinds—companies, banks, or unions, to name a few. Most people understand that economic conditions result from the interplay of market forces, which are often global, public policies of all kinds, and countless decisions by institutions and individuals. If you want to claim credit or place blame for a particular condition—for instance, decreasing or increasing unemployment—you need to explain how a specific action led to this outcome.

2. No rosy scenarios, please—Americans *are* anxious about the economy.

Since the end of the boom of the 1990s, Americans have become increasingly anxious about the economy. While people are reluctant to acknowledge that their earnings are stagnating (see suggestion 4 below), they do say that they are squeezed by rising living costs, reduced health coverage, and increasing personal debt. They are also alarmed by other economic trends, from the offshoring of professional and technical as well as blue-collar jobs to the federal budget deficit and the nation's trade deficit.

While people continue to express a characteristically American optimism about the country's future and their own and their children's ability to overcome the obstacles in their way, they reject unrealistically cheerful descriptions of today's economy as it is experienced by most people. For policy makers and opinion leaders, whatever analysis they may be offering and whatever proposals they are advancing, it is important to begin by acknowledging that most Americans are troubled by today's economy and anxious about their families' futures.

3. Understand the New Insecurity—it's about more than just jobs.

When public policy makers and opinion leaders do discuss how economic developments affect everyday Americans, they usually talk about jobs—and little else. When new jobs are created, that's good news, and public figures take credit for it. When old jobs are eliminated, that's bad news, and public figures blame someone else for it. And that's as far as it goes.

In the New Economy, most Americans are worried about much more than losing their jobs and not being able to find another job, and they hope for much more than being able to get and keep a job. Instead of joblessness, they worry about the instability of the jobs, their health insurance, and their retirement plans, the precariousness of their family's financial situation, and the uncertainty of their children's futures. The alternatives before them are not employment or unemployment; they are stability or instability, security or insecurity.

When public policy makers and opinion leaders talk about the economy, they need to address all the elements of the New Insecurity. Will Americans' jobs be out-sourced to subcontractors, offshored to foreign countries, or converted to part-time or temporary positions? Will people's health coverage be cut back or their premiums or co-payments

be increased? Will their employers keep providing pensions that offer guaranteed retirement benefits? And how will future trends, such as interest rates and housing prices, affect Americans' economic security, especially older workers?

Policy makers and opinion leaders need to recognize this full range of concerns—and to address these issues in ways that respect individual Americans' abilities to understand their own problems and improve their own conditions.

4. Americans are anxious about the economy, but don't address people as passive victims.

Most Americans do believe that recent economic developments—including stagnant incomes, and shrinking health and retirement benefits—are placing middle-class families in a tightening financial vise. But, for all their economic anxieties, Americans do not appreciate being addressed as passive victims of trends beyond their control.

As with people everywhere, Americans have too much pride to acknowledge that they have not been successful on their jobs or that they have trouble providing for their families. Moreover, more than most peoples, Americans have a strong belief in self-reliance—your life is your own responsibility. That is why Americans are more likely to blame rising prices than stagnant wages for their financial worries—how much they are paid is an indication of how well they are doing at work, but how much they pay for life's necessities is the consequence of economic forces beyond their control.

Similarly, Americans also like to think of themselves as optimistic, patriotic, and forward-looking. That is why Americans are reluctant to admit how worried they may be about their own futures, to say that the nation's economy is doing poorly, or to say they're skeptical about the New Economy, emerging technologies, or international trade. But it is socially acceptable to express a concern about other people in situations similar to yours or about your own children's or grandchildren's futures.

For these deeply rooted reasons, Americans tend to talk about the economy from two different perspectives:

- 1) When it comes to their own individual and family situations, most people say that they are succeeding, thanks to their hard work and personal sacrifice in the face of great obstacles.
- 2) But, when they talk about how the economy is actually performing right now or how it is likely to perform in the future for "people like me" or for the nation as a whole, Americans are more forthright and forthcoming about the challenges that they themselves face. By expressing their own anxieties in terms of other people's prospects, they are not pitying themselves; instead, they are expressing concern for others—their children, their friends, their neighbors, their coworkers, and their fellow citizens.

Understanding that most Americans talk about the economy in different ways—they tend to be optimistic about America and the American economic system and proud of their own accomplishments but concerned about the way the economy is working for “people like me”—can help interest advocates discuss economic problems in ways that most people will accept. While speaking directly and emphatically is usually the most effective way to talk, a measure of indirection is essential in presenting a progressive critique of current economic conditions. Telling your listeners that America is in decline or that they are in deep trouble will turn off many people who would otherwise be receptive to progressive economic policies. But, by addressing people’s anxieties about their children’s futures and the problems of others in similar circumstances, progressive economic advocates can speak to the concerns that Americans are most willing to acknowledge.

It is also important not to patronize your audience by addressing them as if they did not know about their own economic situations. Ronald Reagan understood the importance of sounding as if he respected his audience’s intelligence, and this was one reason why he was successful in his presidential campaign in 1980. Reagan did not presume to tell individual Americans how they were doing economically; unlike many other political leaders, across the political spectrum then and now, he did not say something like: “Your job has become less secure; your paychecks aren’t keeping pace with the cost of living; and your health coverage and pension plan are in danger.” Instead, he asked the famous question, “Are you better off now than you were four years ago?” and he also conveyed the impression that he thought Americans understood their own economic problems and were prepared to make a reasoned judgment about how to solve them.

5. Recognize that Americans’ struggles to stay even, to get ahead, and to provide for their futures are central to their own identities—and to their moral judgments on economic issues.

Americans are working longer and harder just to stay even. In most families, the primary wage-earners are often working overtime or taking second jobs, and more and more family members—mothers and fathers, and teen-age children as well—are working at least part-time outside the home.

With most people, the intensity, the insecurity, and the arduousness of their economic struggles are woven into the fabric of their lives—and are central to their identity. That is why people in the middle of the economic spectrum can identify with others whose living standards may be very different but whose work ethic is unquestionable—thus, they can identify with the working poor and hardworking entrepreneurs. For the same reason, they are scornful of the dependent poor and the idle rich.

Because most Americans are convinced that they are on their own in the struggles to make ends meet and to get ahead, they tend to be skeptical of public figures, government programs, and institutions of all kinds that claim that they will help them out. As the public opinion analyst Stanley Greenberg writes, in a study that is quoted at greater length elsewhere in this paper:

They assume full responsibility for solving their own problems and do not look outside for solutions or assistance. They hold themselves and others responsible for their circumstances, and their success or failure. They see a very limited role for the government, particularly in their own lives, and regard having to accept assistance as a violation of their own moral standards.

Advocates across the ideological spectrum, public policy makers, academic experts, and opinion leaders need to talk about the economy in ways that recognize and respect people's struggles to stay even, to get ahead, to save a little, to keep their own skills current, and to encourage and assist their children's educations.

On the national scene, the most successful political leaders from both major parties have appealed to most Americans' sense that their economic struggles attest to their own worthiness. Thus, Richard Nixon spoke of "the work ethic" and "the silent majority." Ronald Reagan addressed Americans as working people and as taxpayers. And Bill Clinton did not describe Americans as passive victims of economic trends but rather defined them in terms of their struggles to stay even; he addressed his appeals to "people who work hard and play by the rules" and "Americans [who] are working longer and harder for less."

Similarly, many of the most popular social programs are those that reward work. The minimum wage and the earned income tax credit are supposed to make sure that full-time workers do not live in poverty; unemployment compensation and workers compensation protects those who are not working through no fault of their own; and Social Security helps to provide a dignified retirement after a lifetime of work. State and local living wage ordinances are winning support from voters, including many who also support conservative candidates for public office, because Americans across the political spectrum believe that there is an inherent value to all work and an inalienable dignity for all workers—and that everyone who works full-time should be able to support their family.

When discussing economic issues, public interest advocates should find ways to appeal to the value Americans place on hard work and other efforts to improve one's own life. For instance, it is better to refer to "low-income people" than to "poor people." The phrase "low income" suggests that people are earning their own livings, however meager they may be, while "poor" can have the connotation of dependency. While the wording is more cumbersome, it is also better to talk about "hardworking people who are trying to find jobs," rather than "the unemployed." The first phrase emphasizes people's willingness to work, while the second phrase focuses on the fact that they are not working.

Other programs and proposals can also be presented in terms of how they encourage and reward people's efforts to improve their own lives. Universal health coverage means that jobs will come with medical coverage and that working parents will be able to take their kids to the doctor. Student loans mean that young people from working families can afford to go to college and prepare for productive lives. Safeguarding Social Security, Medicare, and pension plans means that people who have worked hard all their lives will be rewarded with security when they retire.

6. Remember—the “middle-class squeeze” is moral as well as material.

For most Americans, being middle class (or striving to become middle class) has a moral dimension. You work for a living; your life is your own responsibility; you deserve credit for your own success, having achieved it through your own efforts and skills; and you are not one of the well-connected political and economic fixers who owe their good fortune to manipulating the political and economic systems. That is why Bill Clinton appealed to those who “work hard” and also “play by the rules.”

Because the middle class is the living manifestation of the American Dream, threats to the middle class strike at the most fundamental values of American society—equal opportunity, self-reliance, and upward mobility. Thus, most people will respond to warnings that the middle class is being “squeezed” or “stressed” or even “declining.” But a warning that the middle class is “disappearing” will sound extreme because it threatens people’s views of their own identity and America’s ideals.

Similarly, Americans understand the stresses on middle-class families to be moral as well as economic. Middle-class families can maintain their living standards by having both parents work longer hours outside the home—and by having the primary wage-earner work longer hours. But they believe that they pay a terrible price in terms of straining their family life, spending less time at home with their children, and having less time available for church, the PTA, the Little League, and other community activities. Quite reasonably, Americans will be more responsive, emotionally as well as intellectually, to a discussion of economic insecurity that also addresses the strains on family and community life and the entire social fabric.

7. “Opportunity” and “security” are both good words—so use them both.

“Opportunity” is at the heart of the American Dream. Americans believe that people should have the chance to go as far as their talents and hard work can take them. That is why Americans support investments in their fellow citizen’s education and training, especially when this means providing for children and young people, such as public schools and college assistance, and for mature workers who are striving to help themselves, such as job training for former welfare recipients and retraining for workers displaced by imports. Public interest advocates should call for support for these investments by appealing to Americans’ basic belief in “opportunity for all.”

While the word “security” is less central to their belief system, Americans also support basic guarantees of income, health care, and other necessities so that people can survive old age, illness or injury. That is why Social Security, Medicare, unemployment compensation, and workers compensation all are supported by an overwhelming majority of Americans, including many middle-class conservatives. When supporting these programs, public interest advocates should use the word security, but not by itself (which might suggest too

little faith in individual initiative and too much faith in government) but rather with another word before the word “security”—for instance “health security,” “retirement security,” or even “employment security.” The last phrase, “employment security,” suggests that displaced workers will be able to find new jobs; in this churning economy, it sounds more realistic than “job security,” which sounds like the promise that workers will be able to keep their current jobs.

8. Don't condemn large corporations and wealthy individuals for doing well—criticize them for doing wrong.

While Americans can accept inequalities in income and admire business people who succeed by offering high-quality products and services at affordable prices, they are angered when privileged and powerful people entrench their positions by bending or breaking the law. Americans understand fairness to mean that everyone in a competition must play by the same rules, not that there must be equality of results.

That is why Americans are offended by recent examples of the wealthy and well-connected manipulating the economic system and often the political system as well, including: Enron defrauding its investors about its accounting; Enron and other corporations defaulting on their pension obligations to retired workers; corporate chief executive officers paying themselves huge salaries even when their companies are losing money and laying off workers; price-gouging by energy companies in the midst of shortages; and large corporations and affluent individuals paying little or no taxes. These corporations and their top executives, together with the politicians and lobbyists who are their allies, appear to be violating the American value of fair play and to be victimizing the middle class that “plays by the rules.”

Because fair play is so important to Americans, two powerful ways to criticize corporate misconduct are 1) to attack politically connected corporate executives for “gaming the system,” and 2) to demand that there be “a level playing field” for everyday Americans who are up against powerful and politically connected corporations.

9. Don't forget that the elites and everyday Americans see globalization very differently.

Together with accusing adversaries of engaging in “class struggle,” calling someone a “protectionist” is one of the great debate-stoppers in today's America. But, while most people say they support globalization, everyday Americans are much more skeptical about trade agreements than are the economic, policy-making, and opinion-making elites.

Critics of globalization should not present themselves as opponents of every form of international trade and international investment—this would make them appear to be backward-looking and dedicated to defending particular industries, companies, regions, and groups of workers. Instead, these critics should appeal to American values, such as fair

play, environmental protection, and the work ethic. Thus, they should call for “a level playing field” for American companies and American workers in the domestic and international marketplaces, safeguards for workers’ rights and the natural environment, and provisions to assist and retrain workers who are displaced by floods of imports.

The recent trend towards offshoring professional and technical as well as blue-collar jobs is an especially explosive issue because it affects Americans who have made sure to obtain education and training— “who have done everything right,” as many people have said in describing their plight—but who still have not received the rewards, or even the security, that they had expected in return for acquiring credentials and learning skills. Critics of offshoring can appeal to the value that Americans place on education and skill as well as work.

But critics of the abuses of globalization should remember that, to their great credit, Americans care about people in poor countries. Far from speaking scornfully of people in the developing world, critics of faulty trade agreements should stress that the improvements they favor—protecting workers’ rights abroad as well as at home and protecting the natural environment everywhere—would benefit the great majority of people in poor countries. As many environmental and workers’ rights advocates have done, these critics should make the point that they do not want to stop globalization—they want to make rules for globalization that will protect the great majority of people throughout the world, not just large corporations and wealthy investors.

10. When you’re talking about government, remember people believe government can’t do everything—but government does have a job to do.

Americans are known for being conservative philosophically but liberal operationally. In other words, they believe in self-reliance and are skeptical of government—in principle. In practice, Americans strongly support many government initiatives that offer opportunities for education, training, and employment and provide a measure of security when people get older or are ill or insured (see suggestion 7 above).

In addition to existing programs, Americans also support an expanded role for government in a number of areas, from making sure that working families have health insurance to protecting workers, retirees, and investors against corporate fraud and protecting people, especially children, from pollution such as toxic wastes.

When arguing for these and other initiatives, public interest advocates should be sure not to present these ideas as “an expanded role for government” because, as the public opinion analyst Celinda Lake observes, “In their minds, it is more a matter of government doing its job, rather than giving government new and expanded powers.”

Here are some other pointers for making the case for more effective government action without conveying the impression that you are arguing for a greatly expanded (and more intrusive and expensive) role for government:

- Do not talk about what the government can do; talk about what America, the American people, or, simply, “we” can do. For instance, President John F. Kennedy famously said, “We can do better,” and “We will put a man on the moon.”
- Do not talk about a “program” (which sounds cumbersome, costly, and bureaucratic); talk about a “plan.”
- And do not talk about government “regulation” (which also sounds intrusive and bureaucratic); talk about “policing,” “protecting,” or serving as a “watchdog.”

11. If health care reform were easy to explain, someone would have explained it and achieved it by now.

For the past 15 years or more, most Americans have believed that the current health care system offers too little security and too much complexity at too great a cost. But, while they believe the current system is unworkable, they have yet to be persuaded that far-reaching reforms would be preferable. Thus, even communicators as skilled as Bill and Hillary Clinton were unable to persuade the voters and their representatives in Congress to support their health care plan—and, since then, leaders from both parties have been reluctant to propose comprehensive health care reforms of any kind.

Of course, devising and enacting health care reform requires much more than finding persuasive ways to discuss the problem and the proposed solution. But policy makers and public interest advocates should keep these pointers in mind when discussing health care.

First, while most Americans want the federal government to help solve the problem of health care becoming less affordable and accessible, most people do not want government to provide their health care. If you are advocating a health care reform that does not involve having the government actually provide health care, you should make this point clear. If you are advocating government-provided health coverage, you should point to a program that Americans do support—Medicare.

Second, the problem is not just covering those who are currently uninsured; the problem is making sure that those who are insured but are anxious about maintaining their insurance will not have their coverage eliminated, cut back, or made more costly. Framing the issue this way appeals to the self-interest of middle-class families as well as their concern for others in similar circumstances to their own and their compassion for those less fortunate than themselves.

Third, it is important to emphasize that the great majority of the uninsured are working people, their spouses, and their children and that most of the poorest of the poor are already covered by Medicaid. Describing the uninsured in this way appeals to two fundamental values—work and family.

12. Education and training are very important, but don't call people uneducated or unskilled.

Elites and everyday Americans generally agree on one important point: Getting a good education and keeping your skills current are essential to get ahead and stay even in today's world.

To be sure, Americans have always valued education as essential for preparing people for citizenship in our democracy and as instrumental in providing the skills for upward mobility. Indeed, of every form of public investment, education is one of the most popular because it requires reciprocal effort by the student and is seen as a form of self-help, not a hand-out.

Now, with the instability and insecurity of the New Economy, education looms even larger as a way to satisfy the demands of a churning job market. Thus, most people are concerned with improving their children's schools, making sure that their kids can be accepted at and afford to attend college, and that they themselves or their adult children have access to continuing education so that they can maintain their employability.

But frequently, the elites and everyday Americans have different ways of saying similar things. Well-educated, highly paid, and relatively secure members of the policy-making, opinion-shaping elites tend to believe and often say that America is a meritocracy, where people reap the rewards and enjoy the security that they have earned by accumulating educational credentials and developing skills that are valued in the competitive global marketplace. But, while they also value education and skills, everyday Americans understand that other advantages, such as connections, networking, and wealth also contribute to security and success. Moreover, with the offshoring of professional and technical jobs, growing numbers of Americans have seen that advanced education and superior skills need not guarantee career advancement or even steady work.

So, when policy makers, opinion leaders, and advocates of all kinds support improved and expanded education and training, they should speak in ways that appeal to most Americans, not in ways that sound Pollyanna-like or patronizing.

Present education and training as ways to navigate an uncertain economy, not as guarantees of security and success. Acknowledge that offshoring has created a new sense of insecurity among many Americans who acquired advanced education and specialized skills, as well as many more who fear for their children's and grandchildren's futures.

Refer respectfully to people who do not have advanced degrees. Speak of "high school graduates," "people with associate's degrees," or "people with several years of college," not "people without college degrees." Improving education means improving every stage and form of schooling, not just the track that leads to and through four-year colleges.

Remember that people can acquire and sharpen their skills in many ways—through military service, apprenticeship programs, vocational training, and on-the-job experience—and these forms of education and training deserve support and respect. And don't forget that every job requires knowledge, ability, and endurance—do not talk about "unskilled workers."

We offer these pointers in order to help public policy makers, opinion leaders, and other advocates discuss economic issues in ways that are clear and potentially persuasive to the American people. When those who debate economic issues speak incomprehensibly and unconvincingly, the decisions that the American people, their elected representatives, and the leaders of large institutions make will be mired in misunderstanding. But, when advocates across the philosophical spectrum make their best case in terms that make sense to most Americans, the quality of our debates and decisions will improve, and economic policy will better serve the nation's needs.

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