UC Berkeley

California Journal of Politics and Policy

Title

How Much Does the Public Know about the State Budget, and Does It Matter?

Permalink

https://escholarship.org/uc/item/7b6790rd

Journal

California Journal of Politics and Policy, 2(3)

Author

McGhee, Eric M

Publication Date

2010-10-05

DOI

10.5070/P2TG7Z

Peer reviewed

THE CALIFORNIA Journal of

Politics & Policy

Volume 2, Issue 3 2010

How Much Does the Public Know about the State Budget, and Does It Matter?

Eric McGhee Public Policy Institute of California

Abstract

The budget crises of recent years have left the sense that California legislators are unwilling or unable to work together. Is public misinformation part of the problem? The Statewide Survey of the Public Policy Institute of California has repeatedly shown that most California voters have only the barest sense of where the state gets its money or what it spends it on. If voters were better informed, would they change their opinions about the budget, possibly opening a way to compromise? To answer this question, I simulate the effect of full information on opinions about budget-related issues. The results suggest that a hypothetical fully informed electorate might be less supportive of spending, but would mostly hold opinions about the budget similar to the ones they hold now. Budget opinion is driven less by information than by broad predispositions like party affiliation and ideology, as well as feelings about specific issues and groups.

Keywords: California budget, taxes, spending

www.bepress.com/cjpp

Journal of
Politics
& Policy

How Much Does the Public Know about the State Budget, and Does It Matter?

Eric McGhee Public Policy Institute of California

In recent years, the budget process in California has lurched from crisis to catastrophe. Shortfalls have become the norm, ballooning from \$6.7 billion for the 2005-06 budget to \$20.7 billion today. The legislature has had tremendous difficulty responding to this challenge. Budgets have repeatedly been delayed, to the point where state workers receive IOU's instead of paychecks, infrastructure projects are put on hold, and a myriad of service providers teeter on the edge of closing their doors. The California public is appalled by this state of affairs and the apparent incompetence of their elected officials. Approval of the legislature has fallen to record lows, from 37 percent in 2005 to a mere 16 percent in May of 2010 (Baldassare, 2005; Baldassare, et al. 2010b).

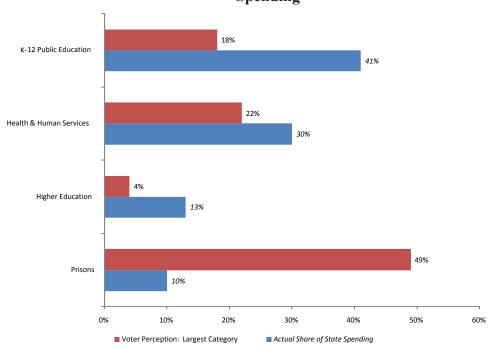
It might seem that the public has a right to be upset. But do they know enough about the budget to make sensible decisions about it? Or are their perceptions based in large part on faulty information that leads to skewed opinions? Would they have a different perspective if they could become more fully informed?

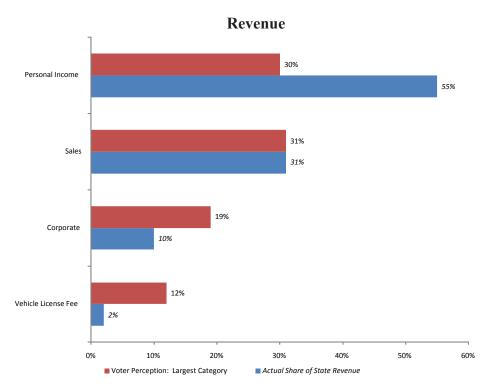
The January 2010 PPIC Statewide Survey (Baldassare, et al. 2010a) allows some purchase on these issues. The survey repeated a pair of questions it has asked several times over the last few years. The first question asks respondents if they know which portion of the state budget accounts for the largest share of spending and then gives them a choice of K-12 public schools (41% of actual state spending), health and human services (30%), higher education (13%), and prisons and corrections (10%). The second question is similar: it asks which type of tax is the largest source of state revenue and then offers a choice of income taxes (55% of actual revenue), sales taxes (31%), corporate taxes (10%), and vehicle license fees (2%). The options in each case are comprehensive, so respondents are not left wanting—together the categories account for 94% of actual spending and 98% of actual revenues.

If Californians were fully informed about the budget they should all choose K-12 public schools as the largest share of spending and personal income taxes as the largest share of revenue. Since Californians are not fully informed, it should come as no surprise that many choose wrong answers. Nonetheless, the sheer number is remarkable (see Figure 1). The correct answer is not even the majority choice

Figure 1. Perceptions of Spending and Revenue versus Reality

Spending





in each case, and on the spending question, the *smallest* of the four categories in terms of budget share (prisons) is chosen by the *most* respondents (49%). Nor is this result unique to today's charged budget environment. As Figure 2 makes clear, the problem has been with us to some degree since at least May 2005, when the Statewide Survey first asked these questions. The correct answers (always K-12 public education and personal income tax) have never been chosen by a majority of respondents in any survey.

This misinformation ought to matter. To voters who give the wrong answers, spending and taxes must seem wildly off-kilter. Why cut education, they might ask, when other categories make up such a large share of the budget? Why raise the vehicle license fee when it is already such a large share of revenue? If voters do think this way, then a broad-based effort to inform them might lead to a different perspective on budget issues, potentially changing the dynamics of the budget debate in the process. With the state billions of dollars in the red, it seems important to know whether a simple voter education campaign might break the Sacramento logjam.

I briefly explore this issue by simulating what might happen if all voters gave the correct answers to the Statewide Survey's factual questions. If voters were fully informed in this sense, would they hold different preferences about the budget and budget-related issues? Would they be more or less willing to pay higher taxes, or to protect certain programs? Would they change their opinion of certain reforms, like lowering the two-thirds threshold for passing a budget?

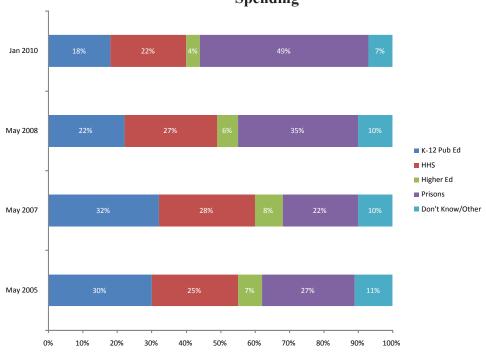
Misinformation

The Statewide Survey is not the first to discover that many voters are poorly informed. In fact, there is a long-standing debate in political science about the political knowledge and awareness of the general public. Both sides in this debate agree that voters are poorly informed about politics and give wrong answers to many apparently simple factual questions, but they disagree about the implications. One side argues that voters can learn what they need to know through simple cues and rules-of-thumb. According to this perspective, voters who rely on these cues can make choices that are just as consistent with their fundamental beliefs as those who bother to collect more information (Lupia 1994; Lupia and McCubbins 1998). Moreover, voters who are ignorant even of the cues are probably harmless, since they can be expected to make random choices that will cancel each other out in the aggregate (Page and Shapiro 1992).

The other side in this debate argues that the lack of information matters. They note that voters who are uninformed are not as adept as their informed counterparts at connecting their fundamental predispositions to corresponding opinions on specific policy questions (Zaller 1992). Moreover, they argue, there is no reason

Figure 2. Perceptions of Spending and Revenue over Time

Spending





70%

80%

90%

60%

100%

DOI: 10.2202/1944-4370.1107

10%

20%

30%

40%

50%

0%

to think this confusion will cancel out in the aggregate, because those who are uninformed might fall back on inappropriate decision rules that bias their opinions consistently in one direction. The end result is that a hypothetical fully informed electorate might make very different choices than the imperfectly informed electorate we have now (Althaus 1998; Bartels 1996; Delli Carpini and Keeter 1996; Gilens 2001).

I use a common method from this second, "information matters" research tradition to simulate the effect of a fully informed electorate on a variety of budget-related issues. The first step of this method estimates the relationship between demographic and political variables and public opinion on each of several budget issues, and does so separately by levels of political information. Specifically, each of the five demographic and political variables is interacted with two dummy variables—one for the correct answer on spending, and one for the correct answer on taxes—for a total of 17 independent variables. If information matters, then these relationships should be different for fully informed voters than for others. For example, rich voters and poor voters might have different opinions about the two-thirds threshold to pass a state budget, but the difference itself might be larger for those rich and poor voters who know enough to understand how the two-thirds vote affects their interests. For this first step of the analysis, the demographic and political variables I use are age, income, education, party identification, and ideology.

The second step in the analysis uses the estimates from the first step to predict how overall opinion would change if all voters became fully informed—that is, if they gave the correct answer to both the factual questions.³ Naturally, fully informed voters are different from other voters along a variety of dimensions: they are wealthier, better educated, and so on. The advantage of the method used here is that it automatically accounts for any of the demographic or political differences that are included in the first step described above (i.e., age, income, education, party identification and ideology). In short, the method uses these demographic and political variables to predict opinion for all voters in precisely the way they do for the most fully informed alone.

The issues I examine with this information measure are listed in Table 1 and can be grouped into three categories. The first category is reform issues. These involve some change to California law that applies to all future budgets, not just the one at hand. They include: whether to reduce the threshold for passing the budget from two-thirds to 55%; whether to force state employees to use a 401K-style investment plan instead of the defined-benefit pension system they have now; and whether to place some kind of cap on state spending. In each case, the question has been coded to reflect a general "pro-government" perspective, though some positions are clearly more favorable toward government than others. At any rate, they all tend to be positions that the Democratic party supports to varying degrees.

Table 1. Questions Used in the Analysis

Position	%
Reform	
Support replacing the two-thirds vote requirement with a 55% majority vote for the	50
state legislature to pass a budget Oppose changing the pension systems for new public employees from defined	50
benefits to a defined contribution system similar to a 401(k) plan	20
Oppose strictly limiting the amount of money that state spending could increase	
each year	25
Spending	
Prefer to deal with the state's budget gap either through tax increases, a mix of spending cuts and tax increases, or deficit spending (i.e., not through spending	
cuts alone)	57
Oppose cutting spending on K-12 public education	81
Oppose cutting spending on health and human services	60
Oppose cutting spending on higher education	63
Oppose cutting spending on prisons and corrections	27
Taxes	
Support higher taxes to maintain current funding for K-12 public education	65
Support higher taxes to maintain current funding for health and human services	49
Support higher taxes to maintain current funding for higher education	48
Support higher taxes to maintain current funding for prisons and corrections	11

The second set of questions concerns spending more directly. First is a general question about how respondents would prefer to balance the budget. For this question, I grouped together all the responses that betrayed a desire to avoid cutting spending wherever possible: by tax increases alone, by a mix of taxes and spending cuts, or by running a deficit. The other four questions tap whether respondents would like to protect specific programs from cuts in order to balance the budget. Strong majorities oppose cuts to K-12 public education (81%), health and human services (60%), and higher education (63%). Prisons are far less popular, with barely a quarter opposing cuts. These questions are not ideal measures of opinions about government, since they do not ask respondents to make any explicit sacrifices or trade-offs. They are likely to inflate support for spending and to minimize differences between groups of respondents as a result. Nonetheless, they do offer some sense of opinions about spending, and the low support for spending on prisons suggests there is significant variation in responses.

The final set of questions is the reverse of the spending items: would respondents be willing to pay more in taxes to maintain current spending levels for each

program? Unlike the spending items, these questions explicitly ask for a trade-off. Perhaps as a result, such tax increases are generally far less popular than simply avoiding cuts, though about two-thirds favor taxes for K-12 schools, and about half support taxes for health and human services and higher education. Prisons are once again last, with only 11 percent willing to pay more to maintain current funding.

Does Misinformation Matter?

The question is how overall responses to these questions change when all voters are fully informed. Does the electorate become more favorable toward government spending, or less?

The results are in Figure 3. Despite the dramatic nature of the counterfactual, the change is fairly small for every question and within the margin of error for all but a handful. Where the change is significant, it tends to weaken support for government spending. Opposition to cuts often declines: 13 percentage points for K-12, 14 points for higher education, and 7 points for health and human services. Support for taxes to fund K-12 education also drops 10 points. Opinions on reform barely move, including for perhaps the most contentious reform question—a lower threshold for passing the budget—where support climbs a statistically insignificant 4 points. Only two of these counterfactuals flips the majority opinion on the subject from one side to the other, and none does so outside the margin of error.

The consequences of information are small in part because opinion on these issues is driven by political views, not objective information per se. Figures 4 and 5 demonstrate this point by showing differences by party and ideology instead of information, as estimated by the same model as in Figure 3. Figure 4 shows the differences between registrants of different parties who identify only weakly with their chosen affiliation, while Figure 5 shows the difference between those who consider themselves somewhat liberal and somewhat conservative. In either case, these differences do not even cover the maximum range of each variable, yet the effects are generally far more profound than any that might come from information. Majorities of weak Democrats and Republicans take opposite positions on four of the twelve questions (i.e., 55% budget vote, preference for limited cuts, cuts for health and human services, and taxes for health and human services), and the average difference exceeds the margin of error on six others. These two sets of voters share opinions only about prison funding.

The differences are even larger for ideology—liberals are an average of 13 points higher on all questions, with roughly 15- to 20-point gaps on the spending and tax questions in particular. As with political parties, the smallest differences are found on pension reform, spending caps, and taxing and spending for prisons, where a strong majority always takes a general anti-spending perspective. But the

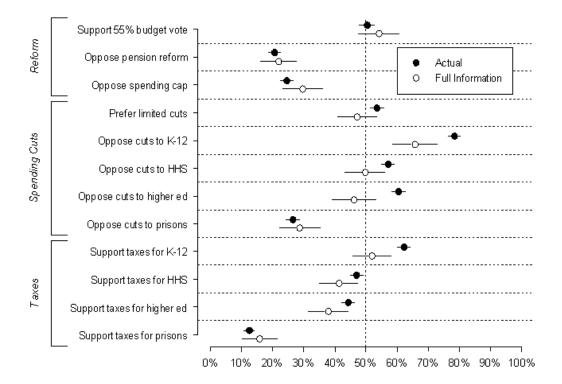


Figure 3. Simulated Effect of Full Information

Note: Estimates are based on logit regressions as described in the text. Error bars identify 95% confidence intervals.

numbers are clear: attitudes about the budget are less a function of ignorance than politics.

Implications

How can we explain the small effect of information? The result is at odds with some findings in the political science literature, notably Althaus (1998) and Gilens (2001), even though I have adopted the same methodology and in some cases analyzed very similar issues.⁴ Is there an easy way to account for the discrepancy?

One possibility is the weakness of our information measure. We know only whether respondents could identify the largest category of spending or taxes, not how large they perceived each category to be. A respondent might correctly identify K-12 education as the largest category of spending and still have no idea whether it amounted to 26 or 90 percent of the state budget. Thus, we would certainly get a

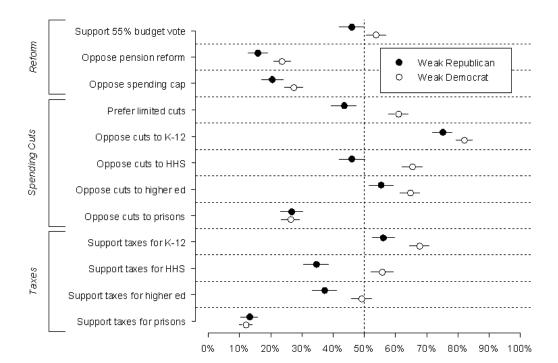


Figure 4. Simulated Partisan Differences

Note: Estimates are based on logit regressions as described in the text. Error bars identify 95% confidence intervals.

better sense of a respondent's knowledge if we had more factual questions, or if we asked respondents exactly what share of the budget they attributed to each program. Both are features of earlier research on information effects, so both might make a difference here.

Nonetheless, to blame the result entirely on measurement is unsatisfying, to say the least. Wrong answers to our two factual questions *should* matter, especially for issues directly related to the budget. To believe that prisons account for more spending than schools or that vehicle license fees offer more revenue than personal income taxes is to harbor a gross misconception that should logically affect other attitudes about the budget. The fact that it does not is puzzling, and further supports the highly conditional model of information effects that has been found in other research (Burnett, Garrett, and McCubbins 2010; Gilens 2001). In short, while information can matter, it is not always easy to predict when and how much.

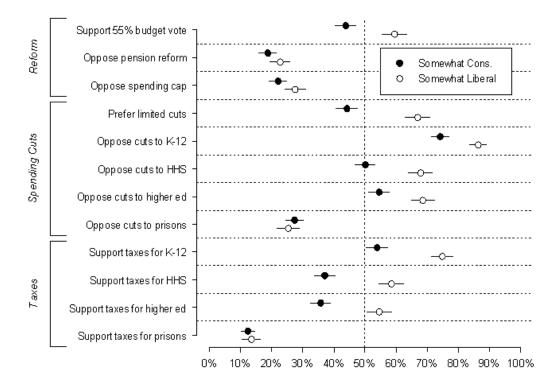


Figure 5. Simulated Ideological Differences

Note: Estimates are based on logit regressions as described in the text. Error bars identify 95% confidence intervals.

It is worth noting that the simulated effect of information as presented here is far larger than anything we would expect in a real world educational campaign. The analysis here assumes that all voters could be made perfectly informed. The practical obstacles to this goal would be large enough. But Zaller's (1992) theory of learning suggests many voters are beyond the reach of all but the most extraordinary political campaigns and events. They would be highly susceptible to conversion if they could be reached, but they are rarely reached and so their opinions change slowly over time.

To the extent that knowledge does have consequences, a fully informed electorate appears somewhat worse for traditionally Democratic positions. Those who are aware that personal income taxes are the largest source of revenue and K-12 education the largest government program are marginally less supportive of spending on and taxes for major government programs. It may be that voters who know where the money comes from and where it is going better understand the difficult trade-

offs involved in the budget process, and become more willing to accept spending cuts as a result.

The real driver of opinion on budget items is politics, not information. Popular programs like K-12 education receive strong support among all groups of voters, and unpopular ones like prisons do not. Within this variation, Republicans and conservatives oppose taxes and spending, while liberals and Democrats are more supportive of both. None of these conclusions is especially surprising, but the contrast with the weak effect of information is important nonetheless.

Overall, the results suggest no easy way out of our current budget impasse. The public might be confused about aspects of the California budget, but they have largely committed themselves to one side or the other in the budget wars. To the extent that they break ranks—for example, Democrats opposing spending or conservatives supporting taxes—it is tied to specific issues in a way that information affects only at the margins. As much as we may hope for it, we cannot educate the public and expect a clear path toward a balanced budget to emerge from the effort.

Appendix

Table A1: Logit regression models

	Support 55% budget vote		Oppose pension reform	
_	b	S.E.	b	S.E.
Intercept	-0.392	0.287	***-1.393	0.348
Age	0.009	0.044	0.015	0.053
Income	-0.007	0.041	-0.046	0.050
Education	0.104	0.068	0.022	0.082
Party ID	#0.063	0.035	**0.119	0.044
Ideology	***0.267	0.070	0.014	0.084
Age X Correct Spending	-0.064	0.098	0.023	0.120
Income X Correct Spending	-0.022	0.088	-0.066	0.108
Education X Correct Spending	0.006	0.138	0.057	0.170
Party X Correct Spending	0.065	0.084	0.059	0.110
Ideology X Correct Spending	0.124	0.163	0.204	0.202
Spending = Correct	0.363	0.668	-0.129	0.823
Age X Correct Revenue	0.009	0.085	0.003	0.100
Income X Correct Revenue	0.054	0.072	-0.037	0.085
Education X Correct Revenue	-0.031	0.121	0.053	0.145
Party X Correct Revenue	0.023	0.067	-0.011	0.085
Ideology X Correct Revenue	0.114	0.128	0.244	0.153
Revenue = Correct	0.087	0.546	-0.037	0.650
Pseudo R ²	0.055		0.035	
-2 * log likelihood	1988.	573	1480.723	
c^2 (d.f. = 17)	***115.		***53.351	
N	1,518		1,518	

Note: Cell entries are logit coefficients for models run with registered voters only, using Zelig for R (Imai, et al. 2008). These coefficients are the basis for the predicted effects in Figures 3 through 5. ***p<0.01; **p<0.01; **p<0.05; **p<0.01

12

McGhee: Does It Matter How Much the Public Knows About the State Budget?

Table A1: Logit regression models (cont.)

	Oppose spending cap		Prefer limited cuts	
	b	S.E.	b	S.E.
Intercept	***-1.470	0.334	0.171	0.307
Age	0.013	0.051	**-0.138	0.048
Income	*-0.102	0.047	-0.036	0.044
Education	*0.168	0.079	***0.243	0.073
Party ID	*0.094	0.041	***0.206	0.037
Ideology	0.048	0.080	***0.407	0.076
Age X Correct Spending	0.054	0.110	0.076	0.104
Income X Correct Spending	*-0.200	0.099	0.015	0.094
Education X Correct Spending	-0.031	0.157	-0.093	0.149
Party X Correct Spending	0.070	0.099	0.015	0.088
Ideology X Correct Spending	0.127	0.186	0.115	0.177
Spending = Correct	0.742	0.745	-0.313	0.706
Age X Correct Revenue	-0.028	0.094	0.043	0.092
Income X Correct Revenue	0.095	0.080	-0.061	0.079
Education X Correct Revenue	-0.054	0.136	-0.093	0.133
Party X Correct Revenue	-0.028	0.078	-0.033	0.071
Ideology X Correct Revenue	#0.259	0.144	#0.259	0.142
Revenue = Correct	0.063	0.612	0.241	0.591
Pseudo R ²	0.039		0.153	
-2 * log likelihood	1622.973		1776.002	
c^2 (d.f. = 17)	***65.	345	***320.703	
N	1,518		1,518	

Table A1: Logit regression models (cont.)

	Oppose cuts to			
	K-12		HHS	
	b	S.E.	b	S.E.
Intercept	***2.278	0.411	***1.425	0.327
Age	**-0.195	0.062	*-0.124	0.050
Income	-0.022	0.053	***-0.193	0.045
Education	0.105	0.089	0.086	0.075
Party ID	**0.121	0.045	***0.233	0.037
Ideology	***0.455	0.097	***0.384	0.079
Age X Correct Spending	*0.223	0.109	*0.231	0.109
Income X Correct Spending	0.021	0.095	[#] -0.166	0.098
Education X Correct Spending	0.026	0.150	-0.040	0.151
Party X Correct Spending	0.065	0.091	0.060	0.090
Ideology X Correct Spending	-0.150	0.179	0.199	0.181
Spending = Correct	**-1.926	0.739	-0.484	0.729
Age X Correct Revenue	-0.048	0.107	0.029	0.091
Income X Correct Revenue	0.077	0.086	0.091	0.076
Education X Correct Revenue	-0.107	0.144	-0.075	0.129
Party X Correct Revenue	-0.083	0.080	-0.064	0.070
Ideology X Correct Revenue	0.023	0.159	-0.001	0.137
Revenue = Correct	0.100	0.705	-0.393	0.585
Pseudo R ²	0.100		0.1:	57
-2 * log likelihood	1415.9	953	1746.558	
c^2 (d.f. = 17)	***158.1	144	***326.421	
N	1,518		1,518	

McGhee: Does It Matter How Much the Public Knows About the State Budget?

Table A1: Logit regression models (cont.)

	Oppose cuts to			
-	Higher Ed		Priso	ons
	b	S.E.	b	S.E.
Intercept	***1.039	0.310	**-0.992	0.322
Age	#-0.083	0.047	*0.113	0.050
Income	*-0.090	0.047	#-0.085	0.036
Education	0.084	0.073	-0.068	0.075
Party ID	**0.098	0.072	0.007	0.039
Ideology	***0.308	0.075	-0.034	0.077
Age X Correct Spending	0.100	0.097	*-0.221	0.104
Income X Correct Spending	0.003	0.086	-0.015	0.093
Education X Correct Spending	0.070	0.137	-0.100	0.145
Party X Correct Spending	0.069	0.083	-0.050	0.091
Ideology X Correct Spending	-0.143	0.160	0.024	0.173
Spending = Correct	*-1.410	0.662	*1.483	0.698
Age X Correct Revenue	0.001	0.088	0.020	0.094
Income X Correct Revenue	[#] 0.141	0.073	0.001	0.078
Education X Correct Revenue	-0.189	0.124	-0.002	0.131
Party X Correct Revenue	-0.025	0.068	-0.008	0.074
Ideology X Correct Revenue	0.131	0.133	-0.083	0.140
Revenue = Correct	0.029	0.569	-0.125	0.603
Pseudo R ²	0.074		0.016	
-2 * log likelihood	1885.578		1720.326	
c^2 (d.f. = 17)	***151.705	5	*28.448	
N	1,518	3	1,518	

Table A1: Logit regression models (cont.)

	Support taxes for			
	K-12		НН	S
	b	S.E.	b	S.E.
Intercept	***1.518	0.331	**0.965	0.310
Age	***-0.190	0.050	*-0.115	0.048
Income	-0.001	0.045	**-0.142	0.044
Education	0.021	0.075	-0.006	0.073
Party ID	***0.133	0.037	***0.219	0.037
Ideology	***0.416	0.079	***0.433	0.076
Age X Correct Spending	0.106	0.108	-0.006	0.114
Income X Correct Spending	**-0.253	0.097	-0.069	0.104
Education X Correct Spending	0.154	0.152	0.038	0.163
Party X Correct Spending	0.138	0.089	**0.327	0.103
Ideology X Correct Spending	-0.020	0.177	-0.153	0.191
Spending = Correct	-0.634	0.737	-0.401	0.752
Age X Correct Revenue	-0.146	0.098	0.017	0.093
Income X Correct Revenue	0.117	0.080	0.021	0.079
Education X Correct Revenue	-0.138	0.135	0.058	0.135
Party X Correct Revenue	-0.068	0.072	-0.093	0.073
Ideology X Correct Revenue	*0.326	0.148	*0.284	0.145
Revenue = Correct	0.623	0.641	-0.367	0.595
Pseudo R ²	0.149		0	.180
-2 * log likelihood	***1711		***1721.291	
c^2 (d.f. = 17)		3.647	377.765	
N N	1,518		1,518	

McGhee: Does It Matter How Much the Public Knows About the State Budget?

Table A1: Logit regression models (cont.)

	Support taxes for			
-	Higher Ed		Prisons	
_	b	S.E.	b	S.E.
Intercept	0.305	0.294	***-1.910	0.433
Age	**-0.119	0.045	0.013	0.067
Income	*-0.096	0.042	0.029	0.061
Education	#0.121	0.070	-0.079	0.102
Party ID	***0.123	0.036	0.010	0.053
Ideology	***0.305	0.072	-0.036	0.105
Age X Correct Spending	-0.065	0.110	#-0.237	0.133
Income X Correct Spending	#-0.185	0.101	-0.092	0.124
Education X Correct Spending	0.061	0.157	-0.196	0.190
Party X Correct Spending	*0.210	0.096	-0.148	0.123
Ideology X Correct Spending	0.139	0.185	#0.396	0.232
Spending = Correct	0.289	0.734	**2.311	0.871
Age X Correct Revenue	-0.003	0.089	#0.231	0.129
Income X Correct Revenue	0.113	0.075	#-0.189	0.106
Education X Correct Revenue	-0.083	0.128	0.100	0.175
Party X Correct Revenue	-0.080	0.071	-0.028	0.100
Ideology X Correct Revenue	*0.289	0.138	-0.018	0.189
Revenue = Correct	-0.197	0.568	-0.651	0.827
Pseudo R ²		0.114	(0.018
-2 * log likelihood	0.114 ***1846.428		1097.357	
•	_	7.515		
c^{2} (d.f. = 17)	_		19.970	
1N		1,518]	1,518

Support 55% budget vote Reform Oppose pension reform Actual Full Information Oppose spending cap Prefer limited cuts Spending Cuts Oppose cuts to K-12 Oppose cuts to HHS Oppose cuts to higher ed Oppose cuts to prisons Support taxes for K-12 Taxes Support taxes for HHS Support taxes for higher ed Support taxes for prisons

Figure A1. Simulated Effect of Full Information, Accounting for Degree of Error

Note: The measure of information for this graph weights a respondent's answer to the factual questions about spending and revenue by how "wrong" the answer was. The details of this process are described in Footnote 3.

30%

40% 50%

60%

70%

10% 20%

0%

DOI: 10.2202/1944-4370.1107

80% 90% 100%

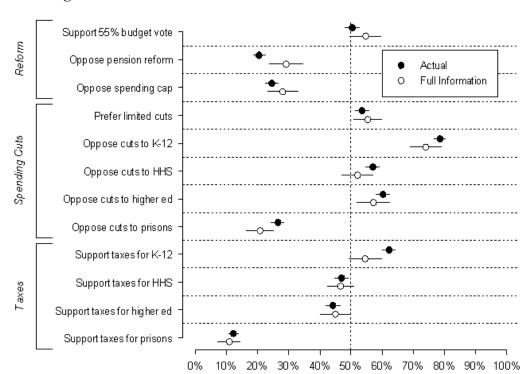


Figure A2. Simulated Effect of Full Information, Using Index of General Knowledge and Awareness

Note: The measure of information for this graph comes from summing together responses to three self-assessment questions. The first asks "Generally speaking, how much interest would you say you have in politics: a great deal, a fair amount, only a little, or none?" The second asks, "In general, how much would you say you know about how your state and local governments spend and raise money: a lot, some, very little, or nothing?" The last asks, "How closely are you following news about candidates for the 2010 governor's election: very closely, fairly closely, not too closely, or not at all closely?"

References

- Althaus, Scott L. 1998. "Information Effects in Collective Preferences." *The American Political Science Review*, v92, n3, 545-558.
- Baldassare, Mark. 2005. PPIC Statewide Survey: Special Survey on the California State Budget, January 2005. San Francisco: Public Policy Institute of California.
- Baldassare, Mark, Dean Bonner, Sonja Petek, and Nicole Wilcoxon. 2010a. *PPIC Statewide Survey: Californians and Their Government, January 2010.* San Francisco: Public Policy Institute of California.
- . 2010b. *PPIC Statewide Survey: Californians and Their Government, May 2010*. San Francisco: Public Policy Institute of California.
- Bartels, Larry M. 1996. "Uninformed Votes: Information Effects in Presidential Elections." *American Journal of Political Science*, v40, n1, 194-230.
- Burnett, Craig M., Elizabeth Garrett, and Mathew D. McCubbins. 2010. "The Dilemma of Direct Democracy." USC Law School: Legal Studies Research Paper Series.
- Delli Carpini, Michael X. and Scott Keeter. 1996. What Americans Know About Politics and Why It Matters. New Haven, CT: Yale University Press.
- GIlens, Martin. 2001. "Political Ignorance and Collective Policy Preferences." *The American Political Science Review*, v95, n2, 379-396.
- Kosuke Imai, Gary King, and Oliva Lau. 2008. "logit: Logistic Regression for Dichotomous Dependent Variables" in Kosuke Imai, Gary King, and Olivia Lau, "Zelig: Everyone's Statistical Software," http://gking.harvard.edu/zelig
- Lupia, Arthur. 1994. "Short Cuts versus Encyclopedias: Information and Voting Behavior in California Insurance Reform Elections." *American Political Science Review*, v88, n1, 63-76.
- Lupia, Arthur, and Mathew D. McCubbins. 1998. *The Democratic Dilemma: Can Citizens Learn What They Need to Know?* Cambridge: Cambridge University Press.
- Page, Benjamin I., and Robert Y. Shapiro. 1992. *The Rational Public: Fifty Years of Trends in Americans' Policy Preferences*. Chicago: University of Chicago Press.
- Zaller, John R. 1992. *The Nature and Origins of Mass Opinion*. Cambridge: Cambridge University Press.

Notes

- ¹ That is, five independent variables, two sets of five interaction terms, and the two knowledge dummies by themselves. The results of these first stage regressions can be found in the Appendix.
- ² The income gap in this example would not have to be larger. Fully-informed voters might just as easily converge toward a common opinion. The methodology does not prejudge the effect of information, but instead estimates it from the data.
- ³ The effect of information was similar, but somewhat smaller, using two alternative measures. The first incorporated the *degree* to which the answers were incorrect by subtracting the actual share of spending or revenues for each respondent's choice from the share accounted for by the correct answer. For example, those respondents who chose health and human services received a score of 11 (41% for K-12 education minus 30% for health and human services), while those who chose prisons received a score of 31 (41% minus 10%). The higher the score, the less informed the respondent. I then averaged the results for the spending and tax items to create a single measure of information. Second, I created a measure of general knowledge about politics and the budget using an additive index of respondent's self-reported knowledge about the budget, political interest, and attention to news. The results of both estimations are in the Appendix.
- ⁴ For example, Gilens (2001) looks at the effect of policy specific information, by which he means information that pertains directly to the policy question being analyzed in each case. Such information often has larger effects on overall preferences than the sort of general information measures used in previous studies, and it closely resembles the sort of information examined here. Furthermore, one of the questions Gilens analyzes concerns support for spending on foreign aid, using a measure of policy-specific information that gauges awareness of foreign aid's actual share of the federal budget. That would seem to bear close resemblance to the issues addressed in this study.