# Understanding Public Opinion

Second Edition

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# 11 Public Opinion, Economic Issues, and the Vote: Are Presidential Elections "All About the Benjamins"?

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In a 1998 hit song, rapper Sean Combs argued that "it's all about the Benjamins"—that money (in this case, $100 bills) is what really matters. Although the artist formerly known as Puff Daddy presumably did not have presidential elections in mind when he wrote these lyrics, many political observers have used his logic to explain how voters make up their minds. What voters really care about, according to what we might dub the Puff Daddy theory of presidential elections, are dollars-and-cents issues: national economic conditions, budget deficits, taxes, and so forth. In 1996, for example, voters rewarded the incumbent, President Bill Clinton, with another four years in office because the national economy was doing well, just as they had punished incumbent George Bush in 1992 for a recession and a broken promise not to raise taxes. Or so the argument goes.

On the other hand, 2000 did not seem to be a good year for either Puff Daddy himself (he was indicted for bribery and unlawful possession of a handgun) or the Puff Daddy theory of presidential elections. Despite a booming economy and budget surpluses, the candidate of the party in the White House—Clinton's vice president, Al Gore—won the popular vote by only the slimmest of margins and lost the electoral vote. If voters attach more weight to economic issues than anything else, then why did Gore not win by a wide margin? Was the 2000 election not all about the Benjamins after all?

## "The Economy, Stupid!"

The following account examines how public opinion on economic issues shapes the presidential vote. It focuses on the three most recent presidential elections: 1992, 1996, and 2000. First, though, it takes a closer look at what we know—or at least what previous research tells us—about public opinion, economic issues, and presidential voting. A good place to begin is with the most obvious economic issue: the performance of the national economy.

American history is sprinkled with presidents who lost reelection campaigns after the economy soured during their tenure. Martin Van Buren was swept out of office in the wake of the Panic of 1837. The Great Depression doomed Herbert Hoover's chances in 1932. In

1980 the winning candidate, Ronald Reagan, quipped: "A recession is when your neighbor loses his job and a depression is when you lose your job. Recovery is when Jimmy Carter loses his" (Boller 1996, 359). By contrast, presidents who served during economic good times typically have fared well in their bids for reelection. The moral seems clear: voters reward prosperity and punish economic hardship. As Clinton's chief strategist, James Carville, put it, "It's the economy, Stupid!"

That's a neat slogan. But which economy is it that matters? People could base their votes on national economic conditions or on personal economic circumstances. The former type of voting is sometimes called *sociotropic voting*, the latter, *pocketbook voting* (Kinder and Kiewet 1979). This distinction is not necessarily one between selfish pocketbook voters and altruistic sociotropic voters. People who vote on the basis of national economic circumstances may be acting on their own individualistic motives: they may care about how the national economy performs because that will ultimately influence their own financial fate as well.

To complicate matters, voters also may think *prospectively* or *retrospectively* about both the national economy and their personal finances. When people vote retrospectively, they base their votes on their perceptions of what has happened already—whether the economy has gotten better or worse, whether their personal fortunes have increased or decreased. When people vote prospectively, on the other hand, they base their votes on their expectations about what will happen to the national economy or to their own financial situation in the future. Put more simply, retrospective voting is about looking back, while prospective voting refers to looking forward.

Figure 11-1 summarizes the four types of economic voting. The conventional wisdom is that that sociotropic voting is more common than pocketbook voting (see, for example, Kinder and Kiewet 1979) and that retrospective voting is more common than prospective voting (see, for example, Fiorina 1981; Norpoth 1996). Not everyone agrees, however (Kramer 1983; MacKuen, Erikson, and Stimson 1992), so a look at the recent evidence is in order. Did voters in the past three presidential elections look back at the national economy?

The implications of economic voting—particularly retrospective, sociotropic voting—are intriguing, though controversial. Some observers, such as the late political scientist V. O. Key, have argued that "voters are not fools"—that the electorate acts as a "rational god of vengeance and reward" (1964, 568). Other commentators, however, have worried that if citizens vote on the basis of national economic circumstances, their faulty attributions of responsibility for those circumstances may mislead them. For example, Stephen Ansolabehere, Roy Behr, and Shanto Iyengar (1993, 203; see also Fiorina 1981) have noted that although "[President] Carter was widely blamed for the rampant inflation in the United States that was produced by the sudden surge in energy costs" during his term, there was "not much [he] could do to prevent the OPEC cartel from raising oil prices."

**Figure 11-1** Types of Economic Voting

| | Pocketbook voting | Sociotropic voting |
|---|---|---|
| Retrospective voting | Did I get a raise?<br>Did I lose my job? | Did the economy grow?<br>Did unemployment increase? |
| Prospective voting | Will I get a raise?<br>Will I lose my job? | Will the economy grow?<br>Will unemployment increase? |

In any event, one point seems clear: voters take the economy into account when they choose between candidates for the White House. Some pundits and election forecasters have even suggested that *all* one truly needs to know in order to predict the outcome of a presidential campaign is the state of the economy. If the economy is in good shape, the party in the White House will stay; conversely, if the economy is in bad shape, out it goes.

## Two Things in Life Are Certain (Maybe): Deficits and Taxes

Throughout U.S. history, a variety of other dollars-and-cents issues have played major roles in presidential campaigns. At the dawn of the twentieth century, for example, the debate over the gold standard dominated politics. "In two presidential campaigns," party boss George Washington Plunkitt (Riordan 1995, 88) once complained, "The leaders talked themselves red in the face about silver bein' the best money and gold bein' no good." He was referring to "free silver" advocate William Jennings Bryan, who won two Democratic nominations (and lost two presidential elections) by vowing that gold standard supporters "would not crucify mankind upon a cross of gold!" As for Plunkitt, he favored "all kinds of money—the more the better."

In recent years, tax proposals and budget deficits have loomed large in presidential politics. For decades the Gallup Organization has asked survey respondents, "Do you consider the amount of federal income taxes you have to pay as too high, about right, or too low?"[1] From the early 1960s onward, most respondents (always a majority, and often over 60 percent) have said they pay too much in taxes, while hardly any (never more than 2 percent) have said that they pay too little. This point has not been lost on presidential candidates, who have tried to woo voters with promises of tax cuts, "no new taxes," or (in one ill-fated case, that of Walter Mondale) tax increases. As federal budget deficits rose in the 1970s and 1980s—and with them, the national debt—they, too, became a major issue in presidential campaigns.

What role have these three critical economic issues—the performance of the national economy, taxes, and budget deficits—played in recent presidential elections? Is money the root of all presidential election outcomes? Admittedly, other factors also matter: for example, noneconomic issues (such as abortion and gay rights), candidate images (Bill Clinton as "Slick Willie"; Al Gore as "stiff"), and longstanding partisan loyalties. But there is ample evidence to suggest that the Puff Daddy theory was not far off in every election from 1976 to 1988.

## 1976–1988: From W.I.N. Buttons to "Read My Lips"

In 1976, the economy presented Republican president Gerald Ford with a major hurdle on his path to reelection. One problem facing the nation was inflation. As Barbara Holland (1989, 268) related, with tongue only slightly in cheek:

> Ford tackled the situation head-on. He had millions and millions of big round buttons printed up that said "W.I.N.," which stood for "Whip Inflation Now," and he promised that if we wore them every time we went out in public, pretty soon prices would stop going up and then slowly but surely start going down. Unfortunately not enough people remembered to wear them—you know how it is when you're dressing in a hurry in the morning—so it didn't work, but it might have.

High unemployment compounded Ford's dilemma. In 1976, the unemployment rate was about 8 percent, and Ford's opponent, Jimmy Carter, "won seven of eight votes from persons who held unemployment to be the major issue" (Pomper 1977, 75). Carter won the election, buoyed by voters' negative perceptions of business conditions and of the government's performance on economic policy and inflation (Fiorina 1981, 48).

In 1980, Carter's reelection bid was hampered by a weak economy. During a debate the challenger, Ronald Reagan, summed up his campaign theme by asking viewers:

> Are you better off than you were four years ago? Is it easier for you to go and buy things in the stores than it was four years ago? Is there more or less unemployment in the country than there was four years ago? . . . if you don't agree, if you don't think this course that we've been on for the last four years is what you would like to see us follow for the next four, then I could suggest another choice that you have.

Most voters answered Reagan's question in the negative, and Reagan won the election. "Despite their partisanship," Pomper wrote (1981, 88–89), "those Democrats suffering economically defected to Reagan. . . . Jimmy Carter was not defeated in the marketplace of ideas; he was trounced in the marketplace of food and gasoline and mortgages."

Four years later, Reagan posed the same question: "Are you better off now than you were four years ago?" This time, though, he was an incumbent presiding over a growing economy. His opponent, Walter Mondale, tried to shift the focus of the campaign to two other economic issues—budget deficits and, most famously, taxes. "Mr. Reagan will raise taxes," the Democratic challenger said in his nomination acceptance speech, "and so will I. He won't tell you. I just did." Mondale's announcement inspired more ridicule than popular support. A *Saturday Night Live* sketch, for example, portrayed an incredulous reporter stating that no candidate who had promised to raise taxes had ever won an election, then asking Mondale why he pledged to raise taxes; "I don't know," is all he could say in reply. In the end, Reagan crushed Mondale, winning 59 percent of the popular vote and every electoral vote except those of the District of Columbia and Mondale's home state of Minnesota.

Again, economic issues played a key role. Fewer than one in four Americans had approved of the way Ford was handling the economy in 1976 or Carter was in 1980. In 1984 a majority approved of Reagan's economic performance. Those who did by and large voted for Reagan, just as those who had disapproved of Ford's and Carter's performances by and large voted against them (Abramson et al. 1985). Moreover, among voters who considered taxes the most important issue in deciding whom they voted for, an overwhelming majority preferred Reagan to Mondale (Keeter 1985). Mondale did win a majority among voters who chose the deficit as the most crucial issue, but their numbers were far too small to help him.

As Reagan's second term wound down, inflation, unemployment, and interest rates were still low. His political heir, Vice President George Bush, capitalized on the economic situation in his campaign:

> The Republicans . . . started with a strong anti-Carter television spot to remind people of how angry they had been eight years ago. Black-and-white stills of former President Carter were interspersed with pictures of gas lines and unemployment lines; the old song "I Remember You" played in the background. Voters were warned not to take the Reagan successes for granted. (Farah and Klein 1989, 118)

Bush also vowed in his acceptance speech at the Republican convention: "Read my lips: no new taxes," a "one-liner he would repeat almost daily during the fall" (Hershey 1989, 79). His Democratic opponent, Michael Dukakis, could not persuade voters that he would make a better economic manager than Bush. Most Americans thought they were better off in 1988 than they had been in 1980 (Farah and Klein 1989, 118). Bush's tax pledge also resonated with the public: two-thirds of the voters endorsed it, and many were influenced by it (Pomper 1989, 150). Bush won the election, garnering 54 percent of the popular vote.

So far, so good, then, for the proposition that presidential elections are all about the Benjamins. But have economic issues played the same role in more recent presidential elections? The elections of 1992, 1996, and 2000 provide a useful mix of scenarios: an incumbent president running under poor economic conditions, an incumbent president running during economic growth, and an incumbent vice president running during a continued economic boom.

## 1992–2000: Three New Tests of the Puff Daddy Theory

The analysis that follows uses data from a variety of sources but focuses in particular on the results of the National Election Studies (NES). These surveys asked voters to rate all four "economies," retrospective and prospective, personal and national. Thus we can see how many people judged each economy favorably or unfavorably, how people who made a specific judgment (for example, "the national economy has gotten worse") tended to vote, and whether one type of economic voting mattered more than others. The studies also measured public opinion about budget deficits and taxes, allowing us to gauge these issues' effects on the outcomes, too.

### *1992: A Bad Economy, a Broken Pledge, and Ross Perot's Storm*

The economic outlook was bleak when President Bush launched his 1992 reelection effort. Whereas disposable per capita income had grown 8.5 percent and 6.6 percent, respectively, during Reagan's two terms in office, it grew a net of 1 percent during Bush's tenure (Alvarez and Nagler 1995). The deficit, meanwhile, grew much more rapidly. Bush had even agreed to "new taxes" as part of a 1990 budget deal designed to reduce the deficit.

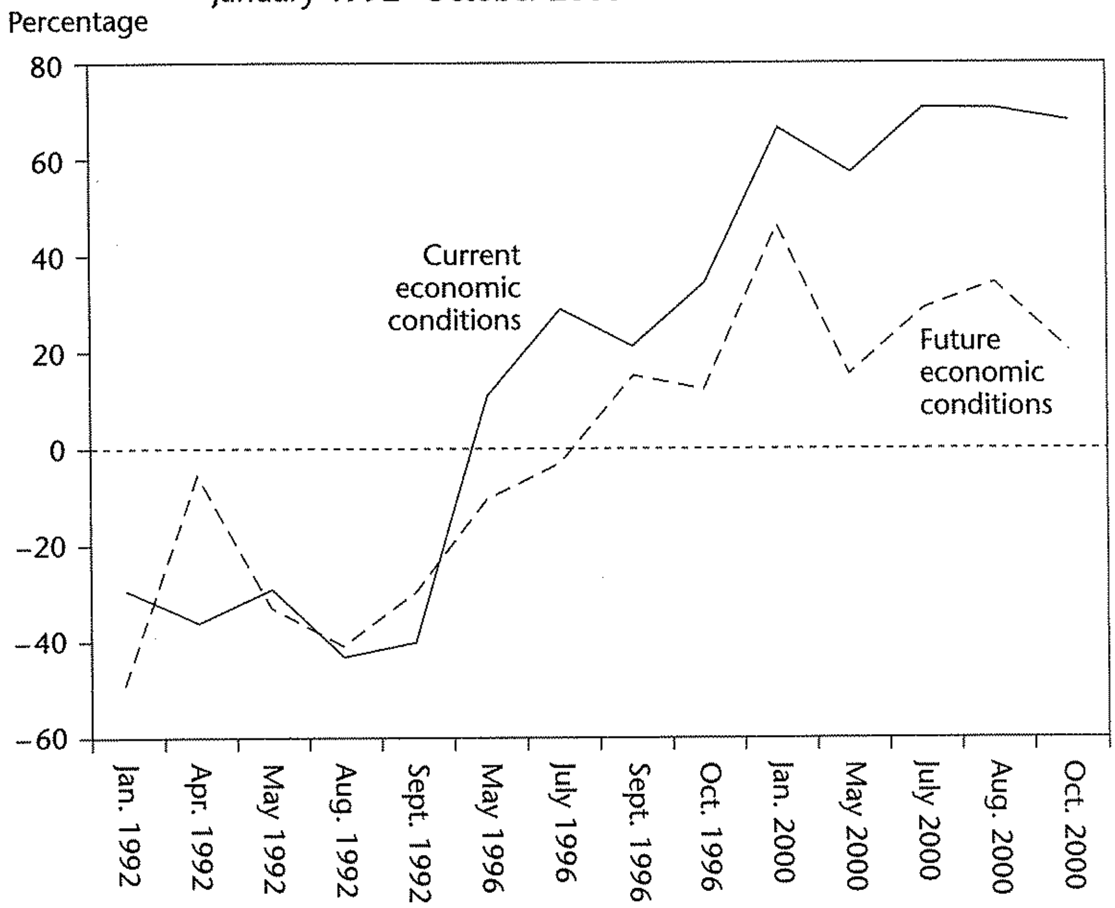
*The Economy in the 1992 Election.* Placed on the defensive, Bush struggled to defend his economic record. On January 18, 1992, he spoke to New Hampshire voters about the recession:

> That guy over there at Pease—a woman actually—she said something about a country-Western song, you know, about the train, a light at the end of the tunnel. I only hope it's not a train coming the other way. Well, I said to her, "well, I'm a country music fan. I love it, always have . . . But nevertheless, I said to them you know there's another one the Nitty Ditty Gritty Great Bird [Nitty Gritty Dirt Band]—that they did. And it says if you want to see a rainbow you've got to stand a little rain. We've had a little rain. (Boller 1996, 398)

The Clinton campaign's message about the economy was simpler: "The economy, Stupid!" On the stump, Clinton repeatedly criticized Bush's handling of the economy and touted his own economic plans, as did independent candidate Ross Perot.

How did voters react to the economy in 1992? In a word, negatively. For starters, the American public perceived the national economic climate as dire. Gallup polls consistently found that the percentage of respondents who rated "economic conditions in this country today" as "poor" far outnumbered the percentage rating conditions as "excellent" or "good." Americans were also pessimistic about the future of the economy. When Gallup asked, "Right now, do you think that economic conditions in the country as a whole are getting better or getting worse?" the public's verdict invariably favored "getting worse." Fig-

**Figure 11-2** Perceptions of Current and Future Economic Conditions, January 1992–October 2000




**Source:** Gallup Organization.

**Note:** "Current economic conditions" represents the percentage of respondents who said the economy was in excellent or good condition minus the percentage of respondents who said the economy was in poor condition. "Future economic conditions" represents the percentage of respondents who said the economy was getting better minus the percentage of respondents who said the economy was getting worse.

ure 11-2 charts the trends in the Gallup poll findings, represented as the percentage of favorable economic evaluations minus the percentage of economic unfavorable evaluations.

The respondents in the 1992 NES rendered a similar verdict. More than 70 percent said that the economy had gotten worse over both the past year and the past four years; more than a third answered "much worse" to each question. Only 5 percent said the economy had improved over the past year or the past four years. NES respondents were somewhat more optimistic about the future; even so, half of them expected the national economy to stay the same (that is, bad) and 19 percent expected it to get worse.

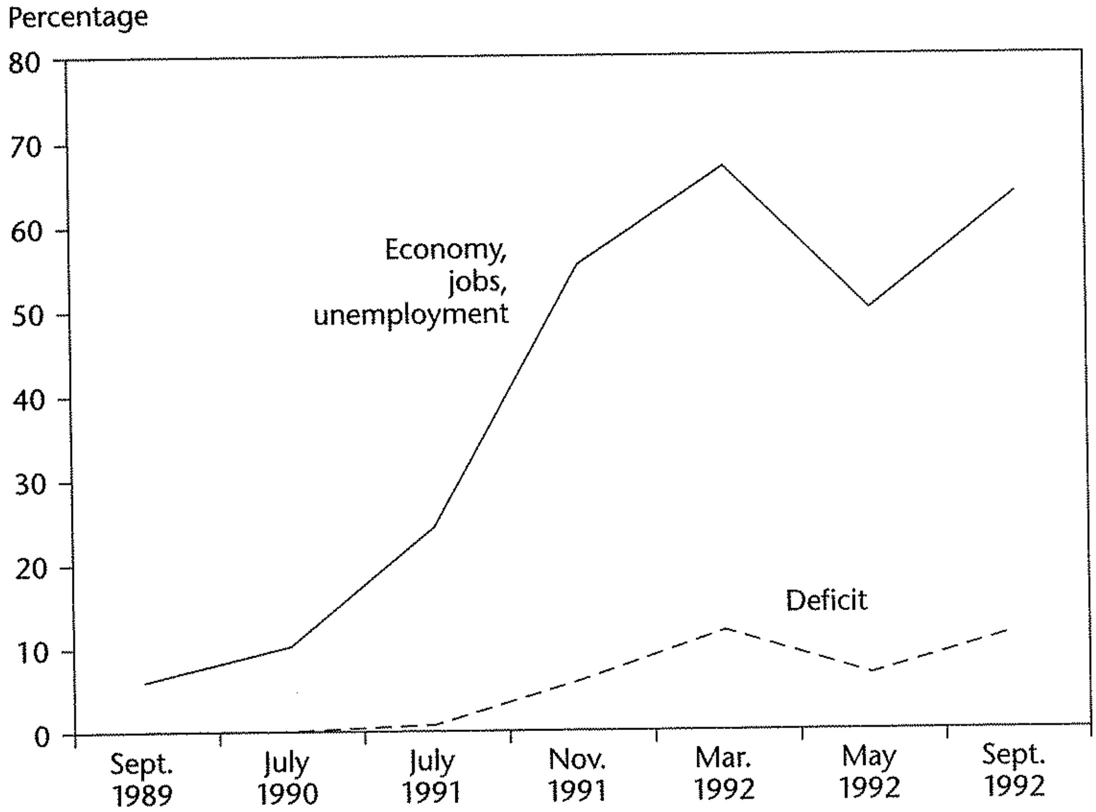
When it came to their own pocketbooks, Americans were also unhappy. At first glance, judgments of personal economics do not seem as harsh. When asked whether they were "better off or worse off financially than they were a year ago," NES respondents were more likely to say "worse off" (35 percent) than "better off" (30 percent)—but not by much. They were fairly optimistic about their own financial future: 34 percent expected to be better off in 1993, whereas only 10 percent expected to be worse off. Below this surface, though, were signs of personal economic anxiety: for example, about half of those surveyed said that their income had fallen behind the cost of living over the past year. Perhaps most crucially, Americans saw the federal government as hurting rather than helping them economically. Many NES respondents (29 percent) attributed worsening personal finances to "the economic policies of the federal government," but only 3 percent attributed improving personal finances to government.

Given their perceptions of economic circumstances, it is hardly surprising that voters saw the economy as the biggest problem facing the nation in 1992. Figure 11-3 tracks responses to a Gallup question—"What do you think is the most important problem facing the country today?"—over the course of the Bush presidency. The percentage of respondents who answered that "the economy," "unemployment," or "jobs" was the most important problem rose from only 6 percent in September 1989 to 64 percent in late August and early September 1992. The 1992 NES included a similar question: "What do you personally feel are the most important problems the government in Washington should try to take care of?" Two-thirds of the interviewees cited economic issues as the most important issue for the federal government, with 23 percent specifically mentioning unemployment or the recession (Abramson et al. 1995, 174). These percentages represented dramatic increases from 1988 (when the figures were 45 percent and 5 percent, respectively). Clearly, Americans were becoming more and more concerned about the performance of the economy as the 1992 election approached.

Respondents were also highly dissatisfied with Bush's performance on this most important issue. When the NES respondents were asked, "Do you approve or disapprove of the way George Bush is handling the economy?" 79 percent disapproved. Indeed, 62 percent disapproved strongly, whereas only 7 percent approved strongly. The American public saw Clinton as a more promising economic manager. Upon being asked, "Which presidential candidate do you think would do a better job at handling the nation's economy—George Bush, Bill Clinton, or wouldn't there be any difference?" those naming Clinton outnumbered those naming Bush by almost a two-to-one margin.

Voters who expressed dissatisfaction with the national economy tended to favor Clinton—and because those outnumbered the ones who were happy with the national economy, this issue gave Clinton an electoral advantage. Of the NES respondents who said that the nation's economy had gotten better over the past year, 71 percent voted for Bush and 16 percent voted for Clinton; unfortunately for Bush, such people were rare. In contrast,

**Figure 11-3** Most Important Problem Facing the Nation, September 1989–September 1992




**Source:** Gallup Organization.

among the interviewees who thought that the economy was getting worse (72 percent of the sample), Clinton trounced Bush, 55 percent to 26 percent. Similarly, whereas the few respondents who thought they were better off now than they had been four years earlier preferred Bush, the much greater number of respondents who thought otherwise preferred Clinton. When respondents were asked to look forward, rather than backward, the pattern persisted: those who saw rosy days ahead for the national economy chose Bush by a slim margin (43 percent to 40 percent), but those who saw dark clouds picked Clinton overwhelmingly (49 percent to 29 percent).

What about voters' perceptions of personal, rather than national, economic circumstances? Among NES respondents who thought they were better off in 1992 than in 1991, Bush won narrowly, 43 percent to 35 percent; among those who thought they were worse off, Clinton won 58 percent to 21 percent. Expectations about personal finances were not strongly related to voter preferences: respondents preferred Clinton to Bush regardless of whether they expected to be better off or worse off in 1993.

A closer look at the NES data reveals that one type of economic voting was more com-

**Table 11-1** Influences on Votes for Bush in 1992 (Bush and Clinton Voters Only)

| *Independent Variable* | *Coefficient* | *Standard Error* |
|---|---|---|
| Favorable retrospective evaluation of national economy | 1.45** | .39 |
| Favorable prospective evaluation of national economy | 0.38 | .30 |
| Favorable retrospective evaluation of personal finances | 0.56* | .25 |
| Favorable prospective evaluation of personal finances | −0.46 | .35 |
| Republican partisanship (7-point scale) | 5.49** | .34 |
| Conservative ideology (7-point scale) | 4.26** | .56 |
| Gender (1 if female, 0 if male) | 0.35 | .20 |
| Race (1 if African American, 0 otherwise) | −2.32** | .50 |
| Education (7-point scale) | −0.06* | .02 |
| Income (in $/100,000) | −0.48 | .40 |
| Age (in years/100) | −0.40 | .61 |
| Constant | −5.21 | .59 |
| Number of cases | (1,234) | |

Source: American National Election Study, 1992.

Note: Coefficients represent the impact of the independent variables on the dependent variable, vote choice. Variables are coded so that a positive coefficient indicates a positive relationship between the independent variable and voting for Bush. Respondents who did not vote for Bush or Clinton are excluded from the analysis. Except where noted otherwise, all variables are coded to range from 0 to 1.

The coefficients were estimated by using logistic regression. The model correctly predicts how 87.68 percent of the respondents voted; the $\chi^2$ for the model is 961.25 (significant at the .01 level). See the Appendix for more information about statistical techniques.

*The impact of this independent variable is statistically significant at the .05 level (that is, the chance that an effect this large would occur by random chance is less than 5 percent).

**The impact of this independent variable is statistically significant at the .01 level.

mon than other types in 1992. Table 11-1 reports the results of a logistic regression analysis of influences on voters' preferences in 1992. As the table shows, retrospective judgments of the national economy had a stronger effect (statistically significant at the .01 level) on the vote than did prospective sociotropic judgments (not significant), retrospective pocketbook judgments (significant at the .05 level), or prospective pocketbook judgments (not significant). Put another way, voters tended to focus on the big picture, not their personal fortunes, and they tended to look backward rather than forward. The conventional wisdom about economic voting was right in this case.

By looking only at the impact of the economy, might we be overlooking other forces that influenced both public opinion about the economy and voters' candidate preferences? For example, Republicans' party loyalties could have shaped their economic perceptions in

Bush's favor, while Democrats looking for a reason to support Clinton might have been predisposed to think the worst about the economy. However, this relationship was no mere illusion. Opinions about the economy influenced the vote even when a host of other forces that might influence voter preferences were taken into account—not only party loyalty but also ideology, gender, race, education, age, and income.

Indeed, voters themselves identified the economy as the single most important factor in the election. In a *Los Angeles Times* exit poll that asked voters what issues were most important to them in deciding how to vote, 69 percent of Clinton voters and 72 percent of Perot voters said "jobs" or "the economy." No other issue came close to matching those figures (see also Alvarez and Nagler 1995).

*Deficits and Taxes in the 1992 Election.* Ross Perot, the wild card in the 1992 election, won 19 percent of the vote as an independent candidate. Public opinion about the economy is not a persuasive explanation of the Perot phenomenon: support for Perot did not vary dramatically between those who thought the economy was doing well and those who thought it was doing poorly. One of the Texas billionaire's favorite campaign themes, however, was another economic issue: the budget deficit, which served as the focus for the following ad script:

> The national debt. It is a massive storm that is clouding America's future. It is a debt so enormous that it will take one-third of the federal income tax collected this year just to pay the interest. . . . When will it end? When we choose a candidate who understands that deficit spending is an irresponsible act of government, not an uncontrollable force of nature. . . . The candidate is Ross Perot.

Perot told the public he could solve the problem "without working up a sweat. It's just that simple" (Boller 1996, 396).

In July 1990, Perot's pet issue was almost completely absent from the public's radar screen: in a Gallup poll that month, fewer than 1 percent named the deficit as the most important issue facing the nation. Over the next two years, though, the deficit began to weigh more heavily on the public's mind: by August of 1992, 12 percent chose it as the nation's biggest problem (see Figure 11-3). It is difficult to say whether Perot was responsible for the public's increasing attention to deficit spending or merely took advantage of it; a mixture of the two seems likely. What is clear is that concern over the deficit boosted public support for Perot. Forty percent of Perot voters in a *Los Angeles Times* exit poll said that the federal budget deficit was an important issue in deciding their vote, four times the proportion of Clinton and Bush voters (Brownstein 1992). In particular, the issue won Perot support among NES respondents who otherwise would have preferred Bush (Alvarez and Nagler 1995).

Finally, let us not forget Bush's 1988 pledge, "Read my lips, no new taxes." Indeed, many Clinton supporters remembered it well. In the documentary *The War Room,* James Carville referred to the statement (hyperbolically, perhaps) as the most famous broken campaign promise in history. One in four Clinton voters surveyed in the *Los Angeles Times* exit poll said that Bush's flip-flop on raising taxes had a major influence on their vote.

*The Verdict.* The election of 1992 *was* all about the Benjamins. It would be an exaggeration to say that voters made their decisions entirely on the basis of economic issues, for other factors mattered, too. Yet the evidence strongly indicates that dollars and cents trumped all other issues in determining Bill Clinton's 43 percent to 37 percent victory over incumbent George Bush.

### *1996: A Good Economy Beats Bob Dole's 15 Percent Tax Cut*

As Clinton prepared for his reelection bid in 1996, economic reports were as bright as they had been gloomy in 1992. During Clinton's first term, the economy averaged a 2.5 percent growth rate; by the second quarter of 1996 it was growing at a 4.8 percent clip (Herrnson and Wilcox 1997). Unemployment was at a seven-year low, inflation at a thirty-year low (Pomper 1997). Even budget deficits were declining.

*The Economy in the 1996 Election.* Americans' perceptions of the national economy reflected the good news. As the 1996 campaign progressed, public opinion on the economy became increasingly positive (see Figure 11-2). By October, 47 percent of Gallup poll interviewees rated the economy as excellent or good, whereas only 13 percent rated it as poor. Thirty-nine percent of NES respondents said that the nation's economy had improved over the past year, and only 17 percent said it had worsened. Americans also became increasingly optimistic about the future of the national economy. In May 1996, more Gallup interviewees expected a downturn than expected continued growth, but by the eve of the election these expectations had flip-flopped. Sixty-two percent of NES respondents expected the economy to stay the same (that is, good) and 25 percent expected it to get better. Only 13 percent expected it to get worse.

Americans were just as pleased with their personal finances. Asked whether they were better or worse off than they had been a year before, Gallup interviewees who said the former outnumbered those who said the latter by a twenty-point margin. Optimism about the future was even greater. When Gallup and NES asked people whether they expected to be better or worse off in 1997, they were overwhelmingly more likely to say better off.

Americans were happy not only with the economy but also with Clinton's handling of it. Two in three NES interviewees approved of his performance on the economy. One in three approved strongly. Americans still cared deeply about the issue, too; respondents in a Voter News Service exit poll, for example, ranked the economy as the top campaign issue (Sabato 1997).

Clinton was quick to take credit for the economic gains. He trumpeted them in the first presidential debate: "Four years ago I ran for president at a time of high unemployment and rising frustration. Now there's a record: 10½ million more jobs, rising incomes. . . . We are better off than we were four years ago. Let's keep it going."

Dole, asked to reply, wisecracked, "Well, he's better off than he was four years ago." His dilemma was that most Americans felt that they were, too.

In the end, the economy was the number one reason voters gave for supporting Clinton. Half of the Clinton voters polled by the *Los Angeles Times* named the economy or jobs as one of the two most important issues to them in deciding how they would vote (Brownstein 1996); 61 percent of the Clinton voters in the Voter News Service poll said the same thing (Sabato 1997). The 1996 NES survey provides further evidence that the performance of the national economy benefited Clinton. The relatively few voters who said that the economy had worsened since 1995 or would worsen in 1997 favored Dole over Clinton by a two-to-one margin. On the other hand, the more numerous voters who saw past improvement and expected future improvement favored Clinton by an even wider margin. The logistic regression analysis reported in Table 11-2 shows that one of these differences remains statistically significant even after accounting for the effects of party loyalty, ideology, and demographics. As in 1992, voters thought about the national economy more retrospectively than prospectively: backward-looking judgments had a stronger effect on voter preferences than did forward-looking ones.

Voters also paid more attention to the national economy than to personal finances—another echo of 1992. Whereas Clinton won 71 percent support from voters who said the national economy had improved, he won a smaller majority (62 percent) among voters who said their own financial situation had improved. Dole won a 27 percentage point victory among voters who said the national economy had gotten worse, but he barely beat Clinton among voters who said their own financial situation had gotten worse. Furthermore, the effects of pocketbook judgments disappear entirely when sociotropic judgments and other relevant factors are taken into consideration (see Table 11-2). The conventional wisdom was right again in 1996: retrospective sociotropic voting not only mattered, it mattered more than any other type of economic voting.

*Deficits and Taxes in the 1996 Election.* Aware that he needed an issue to counterbalance the performance of the national economy, Dole chose to campaign on a pledge to cut taxes by 15 percent, even selecting tax-cut champion Jack Kemp to be his running mate. This campaign theme was somewhat awkward for Dole, who was not known as a tax cutter. His opponents highlighted the inconsistency and stressed the dangers of such a plan: during the vice presidential debate, Al Gore repeatedly called the 15 percent tax cut a "risky scheme" that would "blow a hole in the deficit" and "knock our economy off track."

**Table 11-2** Influences on Votes for Clinton in 1996 (Clinton and Dole Voters Only)

| *Independent Variable* | *Coefficient* | *Standard Error* |
|---|---|---|
| Favorable retrospective evaluation of national economy | 1.80** | .38 |
| Favorable prospective evaluation of national economy | .79 | .42 |
| Favorable retrospective evaluation of personal finances | −.10 | .33 |
| Favorable prospective evaluation of personal finances | .52 | .45 |
| Support for a tax cut | −.76* | .34 |
| Republican partisanship (7-point scale) | −5.22** | .41 |
| Conservative ideology (7-point scale) | −4.25** | .72 |
| Gender (1 if female, 0 if male) | .52* | .24 |
| Race (1 if African American, 0 otherwise) | 4.06** | 1.08 |
| Education (7-point scale) | −.24 | .21 |
| Income (in $/100,000) | −.16 | .41 |
| Age (in years/100) | −.56 | .74 |
| Constant | 4.12 | .64 |
| Number of cases | (987) | |

**Source:** American National Election Study, 1996.

**Note:** Coefficients represent the impact of the independent variables on the dependent variable, vote choice. Variables are coded so that a positive coefficient indicates a positive relationship between the independent variable and voting for Clinton. Respondents who did not vote for Clinton or Dole are excluded from the analysis. Except where noted otherwise, all variables are coded to range from 0 to 1.

The coefficients were estimated by using logistic regression. The model correctly predicts how 89.56 percent of the respondents voted; the $\chi^2$ for the model is 832.81 (significant at the .01 level). See the Appendix for more information about statistical techniques.

* Statistically significant at the .05 level.

** Statistically significant at the .01 level.

Dole's appeal produced mixed results. Many voters did not care about tax cuts either way. When asked what they thought about the idea of a 15 percent tax cut, half the NES respondents said they had no opinion or had not thought much about the issue. Of those who did have an opinion, 41 percent said federal income taxes should not be cut at all. Furthermore, in a poll conducted by the *New York Times* and CBS, 64 percent of respondents expressed skepticism about whether Dole could actually implement his proposal if elected (Berke 1996). The public's lack of awareness about the proposal was yet another obstacle for Dole. Ten percent of NES interviewees thought he *opposed* tax cuts, and a *Washington Post* poll found that almost one in three voters was unaware that *either* candidate had proposed a 15 percent tax cut (Keeter 1997).

Nevertheless, Dole's plan did appeal to some voters. Even taking other factors into account, including the national economy, NES respondents who favored a tax cut preferred Dole to Clinton. As Table 11-2 reports, the impact of support for a tax cut was significant at the .05 level (see also Alvarez and Nagler 1998). Indeed, voters in the Voter News Service exit poll who listed taxes as the top issue preferred Dole to Clinton, 73 percent to 19 percent (Sabato 1997). However, these voters were outnumbered two to one by those who cared more about the economy than taxes.

What of Ross Perot and his call for deficit reduction? In 1996, Perot was a voice in the wilderness. Voters who were worried about the deficit still liked him; they constituted 25 percent of his supporters, according to the *Los Angeles Times* exit poll (Brownstein 1996). Those supporters, however, were few and far between this time, and Perot won only 9 percent of the vote. As for Dole and Clinton voters, relatively few of them named the deficit the most important issue in deciding how they would vote.

*The Verdict.* In 1996, the Puff Daddy theory of presidential election outcomes triumphed again. Voters cared about both the economy and taxes, but Clinton's economic record beat Dole's tax cut. Clinton won, 49 percent to 41 percent. It was *still* all about the Benjamins.

### *2000: What Happened?*

On August 14, 2000, Bill Clinton spoke at the Democratic National Convention about the state of the economy:

> Today, we are in the midst of the longest economic expansion in our history. More than 22 million new jobs, the lowest unemployment in 30 years. . . . For the first time in decades, wages are rising at all income levels. . . . Today, we have gone from the largest deficits in history to the largest surpluses in history—and if we stay on course, we can make America debt-free for the first time since 1835.

He then presented his vice president as the person to maintain this economic growth, "Al Gore and Joe Lieberman will keep our prosperity going. . . . In stark contrast, Republicans want to spend every dime of our projected surplus and then some on big tax cuts." Clinton's message was clear: a vote for Gore was a vote for a strong economy.

*The Economy in the 2000 Election.* Americans shared Clinton's view that the economy was in great shape. According to Gallup polls, public perceptions of the national economy in 2000 were considerably more favorable than the already positive perceptions of 1996 (see Figure 11-2). In the month of Clinton's speech, for example, 74 percent said that national economic conditions were excellent or good, whereas only 4 percent said they were bad. Gallup respondents also foresaw good times ahead for the national economy. Those who expected the national economy to get better consistently outnumbered those who expected it to get worse, as Figure 11-2 shows. The same patterns held among NES interviewees. Forty percent of them said that the national economy was stronger than it had been a year ago, whereas only 17 percent said it had worsened; similarly, 81 percent of them expected national economic conditions to stay the same or even improve.

Americans saw themselves as better off, too. Compared with their 1996 counterparts (let alone their 1992 counterparts), the Gallup interviewees of 2000 were more likely to call their personal financial situation excellent or good, and they were overwhelmingly optimistic about their future financial situation. As of October 2000, those who expected their own situation to improve outnumbered their pessimistic peers by a 57 percentage point margin. Of the NES respondents, 33 percent said they were better off financially than a year earlier and 12 percent said they were worse off. Those expecting to be better off a year in the future outnumbered those expecting to be worse off, 40 percent to 6 percent.

All in all, economic circumstances portended a Gore victory. Recall the simple rule offered by pundits: if the economy is in good shape, the party in the White House will stay there. Because Gore ran to succeed Clinton under the most favorable economic circumstances in recent memory, one might have expected him to win by a landslide. Yet he and GOP nominee George W. Bush virtually tied in the popular vote, and Bush won a narrow (albeit contested) victory in the electoral college. In the aftermath of the election, many observers wondered whether voters really cared about the economy that year.

Voters did, in fact, cast their ballots partly on the basis of the economy, or at least on the basis of their retrospective sociotropic evaluations of it. Among NES respondents who thought that the national economy had improved, Gore won a two-to-one victory. Among the less numerous voters who thought it had worsened, he lost by the same margin. A logistic regression analysis of the 2000 NES data (Table 11-3) shows that backward-looking evaluations of the national economy influenced voters' preferences, even controlling for other factors. Other types of economic voting were inconsequential in 2000, but people who thought the national economy had improved were significantly more likely to vote for Gore than those who thought it had worsened. Why, then, did Al Gore not win the presidency?

Put simply, economic voting did not matter enough to give him the victory. Although voters cared about the economy, they did not care enough about the economy to make it *the* decisive issue. When Gallup respondents were asked to name the *most* important problem facing this country, the "economy in general" was tied for fifth, with 8 percent; even adding the 3 percent who said "unemployment/jobs," it still only tied for third. When voters in a *Los Angeles Times* exit poll were allowed to list two issues that were important to them in deciding how they voted for president, only 26 percent chose the economy. Even among Gore voters, only 36 percent named the economy.

That begs the question of why voters placed less weight on the economy than they had in

**Table 11-3** Influences on Votes for Gore in 2000 (Gore and Bush Voters Only)

| *Independent Variable* | *Coefficient* | *Standard Error* |
|---|---|---|
| Favorable retrospective evaluation of national economy | 1.00** | .32 |
| Favorable prospective evaluation of national economy | .26 | .35 |
| Favorable retrospective evaluation of personal finances | −.63 | .36 |
| Favorable prospective evaluation of personal finances | .40 | .40 |
| Support for a tax cut | −.92* | .23 |
| Republican partisanship (7-point scale) | −6.40** | .42 |
| Conservative ideology (3-point scale) | −1.00** | .34 |
| Gender (1 if female, 0 if male) | .19 | .22 |
| Race (1 if African American, 0 otherwise) | 1.57* | .63 |
| Education (7-point scale) | .52 | .45 |
| Income (in $/100,000) | −.12 | .28 |
| Age (in years/100) | −.55 | .70 |
| Constant | 3.49 | .71 |
| Number of cases | (1,017) | |

Source: American National Election Study, 2000.

Note: Coefficients represent the impact of the independent variables on the dependent variable, vote choice. Variables are coded so that a positive coefficient indicates a positive relationship between the independent variable and voting for Gore. Respondents who did not vote for Gore or Bush are excluded from the analysis. Except where noted otherwise, all variables are coded to range from 0 to 1.

The coefficients were estimated by using logistic regression. The model correctly predicts how 87.91 percent of the respondents voted; the $\chi^2$ for the model is 802.41 (significant at the .01 level). See the Appendix for more information about statistical techniques.

* Statistically significant at the .05 level.

** Statistically significant at the .01 level.

the previous two elections. One answer is that the prosperity of the 1990s eroded the public's concerns about the economy, allowing other issues to rise to the top of the agenda. Economic considerations are less likely to be decisive during a long period of prosperity, when the economy is less on people's minds as an issue, than they are in a bad economic period or during a period of recovery, when the bad times are still on people's minds. Indeed, some citizens had even forgotten why they were so upset with Bush's father back in 1992. By the end of Clinton's tenure, according to Gallup pollster David Moore (2000), Americans had "revised their dour views of almost a decade ago, giving a retrospective rating of the 1992 economy that [was] much more positive: 52 percent remembered it as excellent or good, and only 12 percent as poor" (compare with Figure 11-2). They also judged Bush's economic performance less harshly than they had at the time: in a June 1999 Gallup poll, 58 percent said they approved of the elder Bush's handling of the economy, whereas only 36 percent disapproved.

Moreover, polls found that Americans did not give Gore much credit for the rosy state of the economy. When Gallup asked respondents who deserved the most credit for the good economy—"the Clinton-Gore administration, Congress, Alan Greenspan and the Federal Reserve, or the American entrepreneur and worker"— only 22 percent chose Clinton-Gore. Only 8 percent of interviewees said that Gore himself deserved a "great deal" of credit for the improvement of the state of the economy; although 37 percent gave him "a fair amount" of the credit, 33 percent gave him "not much" credit and 17 percent gave him none. Just as people were dubious about Gore's attempt to claim responsibility for inventing the Internet, so too were they skeptical about assigning him responsibility for inventing the prosperity of the 1990s.

Some have argued that the Gore campaign could have done more to capitalize on the economic gains of the 1990s. Gore did point to the administration's economic record on occasion. For example, in his acceptance speech at the Democratic convention he proclaimed:

> For almost eight years now, I've been the partner of a leader who moved us out of the valley of recession and into the longest period of prosperity in American history. I say to you tonight: millions of Americans will live better lives for a long time to come because of the job that's been done by President Bill Clinton.

At the same time, however, he also attempted to distance himself from Clinton: "This election is not an award for past performance. I'm not asking you to vote for me on the basis of the economy we have. . . . I stand here tonight as my own man." Was Gore casting away his most powerful advantage? We can only speculate about how the election would have turned out if Gore had campaigned more aggressively on the administration's economic record. In the election that really happened, though, the state of the economy did not give him enough of a boost to carry him to victory.

*Taxes in the 2000 Election.* Gore and Bush clashed repeatedly on the issue of tax cuts. Each offered a tax-cutting plan. Each criticized his opponent's plan. In the first presidential debate, Gore asserted:

> Under Governor Bush's tax cut proposal, he would spend more money on tax cuts for the wealthiest 1 percent than all of the new spending that he proposes for education, health care, prescription drugs and national defense all combined. Now, I think those are the wrong priorities.

Gore repeated this charge seven more times in the first debate alone. Bush replied that Gore was using "fuzzy math": "[Gore] says he's going to give you tax cuts. Fifty million of you won't receive it. He said in his speech he wants to make sure the right people get tax relief.

That's not the role of a president to decide right and wrong. Everybody who pays taxes ought to get tax relief." The same themes reappeared in subsequent debates and in the candidates' television commercials.

Did the tax issue give Bush an advantage? At first glance, the answer appeared to be yes. In a Pew Research Center survey, few of those who preferred Gore cited the tax issue as a reason for liking him, but many Bush supporters specifically mentioned taxes as a reason for liking their candidate. Twenty-five percent of the Bush voters surveyed by the *Los Angeles Times* listed taxes as one of the two most important issues in deciding how they voted for president; only 9 percent of Gore voters mentioned taxes. Moreover, as Table 11-3 reports, NES respondents who approved of using the federal budget surplus to cut taxes preferred Bush to Gore (effect significant at the .05 level).

Other poll results, however, cast doubt on whether the public bought Bush's tax cut plans. When the Pew Research Center asked whether Bush or Gore would do a better job with taxes, respondents split almost evenly. Gallup poll interviewees actually preferred Gore's plan to Bush's by an eight- or nine-point margin. Moreover, when Gallup asked whether respondents preferred "broad, across-the-board tax cuts, (or) targeted tax cuts to alleviate specific problems (or) no tax cuts at all," 44 percent favored targeted tax cuts and 10 percent favored no tax cuts. Only a minority, 44 percent, endorsed the broad, across-the-board tax cuts that Bush promised. Voters cared about taxes, but neither candidate had a clear edge on the issue.

*The Verdict.* The third time was not the charm for the Puff Daddy theory of presidential election outcomes. With the new surplus, the deficit issue was nowhere to be seen.[2] The tax issue led to a draw. Even the traditional powerhouse, retrospective evaluations of the national economy, failed to prove decisive: if the election had been all about the economy, Gore would have won. Instead, this time it was *not* all about the Benjamins.

## Conclusion: Two out of Three Ain't Bad

The evidence suggests that the Puff Daddy theory provides a compelling explanation of the outcomes of the 1992 and 1996 elections, but not of the 2000 election. What should we make of this? Are presidential elections really all about the Benjamins?

One answer is simply no. From this perspective, the 2000 results put to rest the idea that economic considerations always exercise the decisive impact on the outcome of presidential elections. Although there are numerous explanations for why the pattern was broken in 2000, the most intriguing one lies in the changing dynamics of economic evaluations. Eight years, it seems, was sufficient time for voters to forget past economic woes. Perhaps this was because voters took the recent prosperity for granted because their most recent point of reference, the 1991–1992 recession, was too distant in memory to matter; then again, perhaps they discounted prosperity because Al Gore failed to stake a persuasive claim that he deserved credit for it.

From another perspective, the answer is that presidential elections *are* all about the Benjamins, the premise being that the 1992 and 1996 results fit the normal pattern and that the 2000 result was a rare exception to the rule. In looking for regularities in politics, we cannot realistically expect to be right every time. Having begun with a 1990s Puff Daddy lyric, it seems fitting to end with 1970s lyric by Meat Loaf: "Two out of three ain't bad." Even though special circumstances that prevailed in 2000 worked against the emergence of economic issues as decisive, they still influenced voters' choices. Furthermore, the 1992 and 1996 elections pose further confirmation of what political analysts have long known: that such issues are generally a crucial determinant of how presidential elections come out. That this is a tendency—albeit, it would seem, a strong one—rather than a universal truth is made clear by the 2000 election.

## Notes

1. Except where noted, the survey data reported in this chapter were obtained from the Web pages of the Gallup Organization, the National Election Studies, the Pew Research Center for the People and the Press, and the *Los Angeles Times*.

2. Only 1 percent of Gallup poll respondents named the deficit as the most important issue in 2000.