ECONOMIC ANXIETY:
A LINK BETWEEN EVERYDAY LIFE AND POLITICAL OPINION

A Thesis in
Political Science
by
Nancy M. Wiefek

Submitted in Partial Fulfillment
of the Requirements
for the Degree of

Doctor of Philosophy

May 2001
We approve the thesis of Nancy Wiefek.

__________________________________________
Eric Plutzer
Associate Professor of Political Science
Thesis Adviser
Chair of Committee

_______________________________     ______________
Susan Welch
Professor of Political Science

_______________________________     ______________
Michael H. Bernhard
Associate Professor of Political Science

_______________________________     ______________
Constance A. Flanagan
Associate Professor of Agricultural and Extension Education

_______________________________     ______________
Frank R. Baumgartner
Professor of Political Science
Head of the Department of Political Science
ABSTRACT

Over the last thirty years the American economy has changed in fundamental ways. Instead of the security and egalitarian economic gains foretold by the postwar era, income inequality and job insecurity have increased. Increasingly fluid, global borders are eroding the social pact between capital and labor and the move away from manufacturing and toward services employment produces jobs that provide vastly less security and benefits for a great many workers. In short, America is moving toward a new and postindustrial economy. Many people thrive in this new economy and many more are left fearful. But we know little about how this transformation will play out in the political arena.

The individual-level anxiety accompanying America’s transition to a postindustrial, globalized economy has not been explored in any systematic way. What is the nature of the relationship between perceptions of the postindustrial economy and political beliefs and opinions? It is to this question that this dissertation speaks. In the following chapters I first sketch the broad outlines of America’s economic transformation and then review the findings and theories that suggest a strong impact of economic forces upon political opinions and review the weak link political scientists have found thus far. I describe in detail my conceptualization of economic anxiety and why I am asserting its political significance.

To examine the impact of economic anxiety on political opinion I estimate several regression models using data from a mail survey of Central Pennsylvanians conducted in December 1998. I use ordinary least squares multiple regression analysis to determine the effect of postindustrial anxiety, controlling for other relevant characteristics on
several political beliefs and policy opinions. These models present strong evidence of the predictive power of economic anxiety.

The line of inquiry underlying my study focuses attention upon the everyday trials and tribulations of people. We need to understand people’s lives in order to ascertain if and how people link their personal lives to politics. Further, emotions like worry and fear are far too central to the way individuals experience life not to be examined in depth by researchers seeking to understand political processes.
## Table of Contents

List of Tables .................................................................................................................. viii  
List of Figures ............................................................................................................... x  
Acknowledgments ......................................................................................................... xi  

### Chapter

1. **Overview** .............................................................................................................. 1  
   - America’s Economic Transformation ................................................................ 4  
   - The Post-World War II Economy .................................................................. 4  
   - Wage Stagnation ......................................................................................... 5  
   - Income Polarization/ The Shrinking Middle Class .................................. 10  
   - De-industrialization .................................................................................. 12  
   - Globalization ............................................................................................ 17  
   - The New Norms ..................................................................................... 19  
   - Anxiety Grows While Wall Street Booms ............................................ 22  
   - This is Not Your Father’s Economic Recovery ................................... 24  
   - Understanding The New Economy ....................................................... 27  
   - Potential Political Implications ............................................................ 29  
     - Declining Fortunes, Scapegoats, and Politics .................................... 29  
     - The Impact of Economic Hardship ................................................... 32  
   - Americans Take Note ........................................................................... 33  
     - Public Opinion Results ..................................................................... 33  
     - Implications for Political Science .................................................. 42  

2. **Postindustrial Economic Anxiety** ....................................................................... 47  
   - The Key Features of the Postindustrial Economy .................................... 48  
   - A Focus upon Subjective Interpretations ............................................. 50  
   - Economic Worries and Fears ............................................................... 53  
   - Long-Term Worries ............................................................................. 55  
   - Expectations ......................................................................................... 56  
   - The Power of Symbols ........................................................................ 58  
   - Summary ............................................................................................... 59  
     - A Conceptualization of Postindustrial Economic Anxiety ............ 62  
     - Linkages to Political Science Literature ........................................ 65  
       - Studies of Economic Self-Interest .................................................. 65  
       - A Model for Detecting Postindustrial Anxiety ................................ 67  

3. **Data and Methods** ............................................................................................. 69  
   - Secondary Data Sources ....................................................................... 69  
     - A Closer Look at Several Media Polls ............................................. 70  
   - The Global Change in Local Places Survey .......................................... 71
**List of Tables**

<table>
<thead>
<tr>
<th>Table</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.1</td>
<td>Census data on Centre, Clearfield, Clinton, Synder, and Union counties and Pennsylvania</td>
</tr>
<tr>
<td>3.2</td>
<td>Sample Characteristics</td>
</tr>
<tr>
<td>3.3</td>
<td>County and National Census Data</td>
</tr>
<tr>
<td>3.4</td>
<td>Beliefs</td>
</tr>
<tr>
<td>3.5</td>
<td>Worries</td>
</tr>
<tr>
<td>3.6</td>
<td>Economic Difficulties</td>
</tr>
<tr>
<td>3.7a</td>
<td>Correlations between family income, education and postindustrial belief items and summated scale</td>
</tr>
<tr>
<td>3.7b</td>
<td>Correlations between family income, education and postindustrial worry items and summated scale</td>
</tr>
<tr>
<td>3.7c</td>
<td>Correlations between family income, education and economic difficulties items and summated scale</td>
</tr>
<tr>
<td>3.8</td>
<td>Mean scores on unstandardized subjective economic scales across categories</td>
</tr>
<tr>
<td>3.9a</td>
<td>Correlations between beliefs and objective economic difficulties</td>
</tr>
<tr>
<td>3.9b</td>
<td>Correlations between worries and objective economic difficulties</td>
</tr>
<tr>
<td>3.10</td>
<td>Correlations between beliefs and worries</td>
</tr>
<tr>
<td>3.11</td>
<td>Factor analysis of 14 subjective economic items to confirm two components</td>
</tr>
<tr>
<td>3.12</td>
<td>Explanatory factor analysis of 14 subjective economic items</td>
</tr>
<tr>
<td>3.13</td>
<td>OLS regression predicting postindustrial economic anxiety</td>
</tr>
<tr>
<td>4.1</td>
<td>Beliefs about the Opportunity Structure</td>
</tr>
<tr>
<td>4.2</td>
<td>OLS regression predictions of the effects of economic threat and worries, sociodemographic characteristics, partisanship and ideology on judgments of the fairness of the opportunity structure</td>
</tr>
</tbody>
</table>
4.3 OLS regression predictions of the effects of economic threat and worries, sociodemographic characteristics, partisanship and ideology on views toward government helping the needy 136

5.1 OLS regression predictions of the effects of economic threat and worries, sociodemographic characteristics, partisanship and ideology on support for government job retraining programs 154

5.2 OLS regression predictions of the effects of economic threat and worries, sociodemographic characteristics, partisanship and ideology on support for protecting American jobs from foreign competition 157

5.3 OLS regression predictions of the effects of economic threat and worries, sociodemographic characteristics, partisanship and ideology on the belief that government often does a better job than people give it credit for 163
**List of Figures**

<table>
<thead>
<tr>
<th>Figure</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>81</td>
</tr>
<tr>
<td>2</td>
<td>85</td>
</tr>
<tr>
<td>3</td>
<td>111</td>
</tr>
</tbody>
</table>

- 1 Postindustrial Belief Items
- 2 Postindustrial Worry Items
- 3 Dependent Variables
Acknowledgments

I would like to express my gratitude to the faculty, staff, and graduate students of the political science department of Penn State. I am indebted to many of them who helped me in various ways during my graduate career. This dissertation research was supported by grants from the Penn State Department of Political Science, the Penn State Research and Graduate Studies Office, and the Society for the Psychological Study of Social Issues.

My undergraduate political science professor at Temple University, Dr. Joseph Schwartz provided me with guidance and knowledge for which I will always be grateful. From the very beginning of my time at Penn State, Dr. Robert O’Connor provided me with guidance and support. He and other researchers on the Global Change in Local Places Project graciously offered me space on their survey.

I gratefully acknowledge each of the members of my dissertation committee. Most importantly, this work and its associated accomplishments would not have been possible without the guidance of my dissertation chair, Dr. Eric Plutzer. I will always be grateful for his patience, mentoring, and kindness throughout my graduate career.

Above all else, this work would not have been possible without the love and guidance of my mother. Words can never convey the depth of my gratitude to her. From her I learned to love knowledge. But more importantly she instilled in me a belief in social justice and from her example I learned the importance of the ability to empathize with others. Her influence touches everything I do and I am a far better person and scholar for the privilege of having known her. This thesis is dedicated in loving memory to my mother, Margaret.
Economic Anxiety:
A Link Between Everyday Life and Political Opinion

Chapter I

Overview

Over the last thirty years the American economy has changed in fundamental ways. Instead of the security and egalitarian economic gains foretold by the postwar era, income inequality and job insecurity have increased. Increasingly fluid, global borders are eroding the social pact between capital and labor and the move away from manufacturing and toward services employment produces jobs that provide vastly less security and benefits for a great many workers. In short, America is moving toward a new and postindustrial economy. Many people thrive in this new economy and many more are left fearful. But we know little about how this transformation will play out in the political arena. An essential step toward determining the political implications of this economic transformation is discerning how people feel about it. This task requires an understanding of how this new economy differs from the economy of the postwar period.

Between 1945 and 1973 average family income in America nearly doubled in a generation. This massive economic growth was unprecedented and impossible to sustain. Beginning around 1973 America entered a new economic era. In the new global economy, layoffs turn into permanent job losses as whole industries become obsolete, operations move overseas, and corporations increasingly turn to temporary and contingent employees. This economy continues to create jobs but they are lesser paying jobs, and more importantly, offer less in the way of security and health and retirement benefits. Not wholly coincidentally, corporate profits grow with workers’ insecurity.
These features of the new economy engender a set of related fears and concerns that are different from general judgments about the economy and personal finances. Many people sense their standard of living slipping and fear losing a way of life that they fully expected to attain or maintain. Workers fear becoming obsolete and worry that their next job will not provide adequate wages and benefits. People feel that they are working harder and yet not getting ahead. Young families try to keep ahead by sending both spouses into the workforce but are still faced with the unthinkable prospect of not doing as well financially as their parents. Parents worry about their own retirement security and feel that their children will not do as well as them financially. And even as America is in its longest economic upturn in history with record low unemployment and increases in the average family’s income, job insecurity persists and income inequality is increasing. Undoubtedly, there have always been Americans with economic fears. But never has such insecurity followed a time of such security, real and promised. Further, income and wage inequality are not new to the American economy. But this increase in inequality follows a period of decidedly egalitarian wage and income gains. The feelings, worries, and concerns associated with the move to a new economy may have particular political potential because they speak to powerful myths and expectations integral to the American experience. While America is undoubtedly experiencing economic prosperity, it becomes easier to understand the continued uneasiness and insecurity that plagues many Americans and puzzles many economists when we understand the nature of the new economy. America has always had economic upturns and downturns and these cycles have always been particularly injurious to the most economically vulnerable. The ups and downs of the business cycle will certainly (de)amplify the anxiety at the root of this project and most certainly will affect media coverage but an economic boom does not eliminate its political potential.
Yet, the individual-level anxiety accompanying America’s transition to a postindustrial, globalized economy has not been explored in any systematic way. What is the nature of the relationship between perceptions of the postindustrial economy and political beliefs and opinions? It is to this question that this dissertation speaks. In the following chapters I intend to proceed as follows: In the first chapter, I sketch the broad outlines of America’s economic transformation. I then review the findings and theories that suggest a strong impact of economic forces upon political opinions and review the weak link political scientists have found thus far.

In the second chapter, I put forth my argument as to why the economic restructuring of the past thirty years has political consequences. In this chapter I describe what I mean by “postindustrial economic anxiety” and why I am asserting its political significance. In order to accomplish this task I first outline the key potentially politicizing features of the “new” American economy. I then put forth the reasons why I expect these economic changes to have political significance for individuals. Drawing upon the distinct characteristics of the postindustrial economy I describe my conceptualization of postindustrial economic anxiety. I end this chapter with a model predicting levels of anxiety and with a model for detecting this anxiety.

In chapter three, I examine several secondary data sources containing economic anxiety items. I compare these items and argue that some of them are more likely than others to tap postindustrial economic anxiety. I present analyses testing the correlation between economic anxiety and socioeconomic status and describing the relationship among the items. In the fourth chapter, I describe in detail the survey instrument and the raw data used for the bulk of the analyses in this study.
The next several chapters present statistical analyses first testing what factors are associated with higher levels of anxiety and then testing the impact of economic anxiety on diverse areas of political opinion, such as beliefs about the opportunity structure and whether the government should help the needy; support for government-funded job retraining for displaced workers and the protection of jobs from foreign competition; and judgments concerning the government.

America’s Economic Transformation

The Post-World War II Economy

The American economy grew dramatically in the period following the end of World War II, expanding at an annual rate of 3.5% between 1945 and 1970 (Palley 1998, 28; Blumberg 1980, 18). In what economist Frank Levy calls “upward mobility on a rocket ship” (cited in Jost 1993, 634), many incomes doubled in a generation (Levy 1999). This enormous increase in average family income in a generation lifted millions of factory and office workers into a growing middle class and enabled them to sustain a standard of living once thought reserved for the wealthy. Parents who had ended their education in high school or earlier came to expect to send their children to college. Indeed, an entire new working middle class was created, as blue collar workers came to enjoy the benefits of home ownership, and high wages gave them the ability to pay for household appliances, new cars, and regular vacations (Palley 1998, 28; Mayer 1963).¹ In the postwar period the majority of Americans were affluent in the sense that they were in a position to spend money on many things they wanted, desired, or chose to have, rather

¹ Government spending also contributed to the extraordinary economic growth in the post- World War II period, e.g., Defense expenditures, the Interstate Highway System (Jost 1993, 634; Jackson 1985). Many government programs, like the G.I. bill and low-interest mortgage programs contributed to the relatively egalitarian income growth patterns evidenced in the post-war period, as did trade union activism and union membership strength (Aronowitz 1998).
than on necessities alone. The acquisition of discretion in spending and saving by masses of people represents the essence of the new era that began in the United States in the late 1940s (Katona and Strumpel 1978, 4). However, this rate of growth did not last. The 1970s brought with it wage stagnation for many families and income polarization partly as a result of deindustrialization and globalization of the American economy. In the following sections I will describe these developments and how they relate to America’s current economic growth. The preceding discussion of postwar growth as with all the sections to follow are meant to give the reader a general overview of the abundant findings on each of the economic trends I discuss here. The reader can find more specific information as well as additional sources in listed in Table 1.1 in Appendix A.

**Wage Stagnation**

The fortunes of wage-earners changed vastly beginning in the 1970s. Compared to the immediate postwar period, family income and wages climbed more slowly, and for some groups stagnated, after 1973 (Beatty 1994; Schwarz 1997; Bluestone and Rose 1997; Rose 1996). Overall, real wages have been stagnant for most of the past two decades (Galbraith 1998, 80). The changes were especially acute among younger workers (Tolchin 1996; Rose 1996). For instance, a man who was 30 in 1949 saw his earnings, corrected for inflation, rise by 63% by the time he turned 40. But a man who was 30 in 1973 saw his real average earnings decline by 1% by the time he hit 40 (Greenhouse 1986). Average hourly pay dropped by one-fifth (22%) from 1973 to 1996 for all hourly wage earners in their 20s, after adjusting for inflation (Children’s Defense Fund 1997, 25). Young families (headed by someone younger than age 30) saw their incomes plunge from 1973 to 1994 (ibid 3-4). During the 1990s, the downward trends continue: from 1989 to 1994 alone, the median income of young families with children fell by one-sixth.
Importantly, this decrease is not solely the result of the increase in single headed households. While single mothers saw their income fall by 22% and single fathers by 24% over this period, families headed by married couples saw a decrease of 12% in their incomes (ibid 3-4).

Some of the largest long-term wage declines have been among entry-level workers (i.e., those with up to five years’ work experience) with a high school education. Average wages for male entry-level high school graduates were 28% lower in 1997 than in 1979. For women, the decline was 18%. And subsequent wage growth does little to close the gap as incomes are rising more slowly for workers as they get older. From 1990 to 1997, average hourly pay for college graduates fell 8% for men and 7% for women (Economic Policy Institute 1999f). There was real wage growth in the late 1990s, a reversal of the decline that prevailed from 1973 through 1995 but since real wages had been declining for more than 20 years, this gain (5.6% as of April 1999), marked a return to 1987’s level, which itself was below 1967’s (Henwood 1999b, 2).

Families responded to wage stagnation throughout the 1970s and 1980s by sending more members to work and for longer hours (Uchitelle 1999; Schriver 1997; Whalen 1996). In fact, according to the most current Census Bureau data, only 28% of the nation’s middle-income families have only one wage-earner and that is usually because there is only one adult (Uchitelle 1999). In a July 1996 Washington Post poll two out of five families reported that they have recently sent an additional family member into the paid labor force or had an existing working member take on an additional job simply because the family needed extra money; in July 1997

---

2 See, for example, Schor (1991) for an argument concerning whether Americans are working longer. And see Scott (1999) for a discussion of the debate surrounding changes in Americans’ available leisure time.
In large part, longer hours, not rising wages explain income gains among married couples and women (Bluestone and Rose 1997; Carnavale 1995). Bluestone and Rose (1997, 58-60) argue that many Americans are both overworked and underemployed. According to these authors, many people work as much as they can when work is available to compensate for short workweeks, temporary layoffs, or permanent job loss that may follow. For many Americans longer work schedules do not produce significant increases in living standards but are necessary to keep up with car payments and basic expenses. In 1979, 4.9% of U.S. workers reported working more than one job during the same workweek. By 1995, the percentage was up to 6.4%. Virtually all of this increase has occurred among women, who now represent nearly half of all multiple job holders (Bluestone and Rose 1997, 59).

The average combined weekly hours at work for married couples rose from 57.5 in 1969 to 71.8 in 1998 and the combined annual hours rose from 2,804 in 1969 to 3,521 in 1997 (Department of Labor 1999, table 3-6). According to the Bureau of Labor Statistics, in 1969, 59.2% of married women age 25-54 did not work at all. By 1998 this percentage had dropped to 28.2%. In 1969, 10.4% of the married women who worked full-time had husbands who also worked full-time. By 1998, 16.4% of full-time working wives had husbands who also worked full-time (Department of Labor 1999, table 3-7). The percent of married couples aged 25-54 years where both spouses work more than 40 hours per week increased from 4% in 1969 to 11% in 1998 (Department of Labor 1999, chart 3-26). Perhaps most telling is the percentage change in combined weekly hours and real family income between 1979 and 1997 for married couples ages

---

3 An analysis of the Roper Center data archives indicates that the July 1996 Washington Post poll may be the first national poll to explore this topic.

4 While analysts acknowledge that the increased labor force participation of married women is driven by a host of reasons, including women’s search for the satisfactions that employment carries, most identify economic need as the critical spur (Nelson and Smith 1999, 45).
25-54 by income groups. Only among the top 3 income deciles is the change in real family income larger than the change in weekly hours. For most of the lower income groups increased hours worked far outpaced increased family income, in some instances by more than half (Department of Labor 1999, chart 3-27).

Not only did wages stagnate but the price of goods rose dramatically. This steep rise in prices was particularly striking for goods like health care, college tuition and housing costs. For instance, the Consumer Price Index for medical care rose 255% between 1970 and 1987 (U.S. Census Bureau 1989). According to the Bureau of Labor Statistics’ 1995 Employee Benefits Survey, more employees are paying more for their medical insurance than ever before. In fact, the proportion of those required to pay more has been on the rise for the last decade and a half. By 1995, two in three full-time employees or 66% with medical insurance contributed to the cost of single coverage up from just 25% in 1980. Four in five contributed to the cost of family coverage up from just under 50% in 1980. Average monthly employee contributions were almost $34 for single coverage and over $118 for family coverage in 1995 increasing from $10 and $33, respectively, over roughly 10 years (Bureau of Labor Statistics 1998).

According to the most recent data available, the average undergraduate tuition, room, and board at a public institution (in 1996 constant dollars) rose from $5,105 in 1973 to $6,349 in 1995. For median family earners (those in the 50th percentile) this is an increase from 12% to 15% of their income. The increase is even more dramatic for private institutions. The average undergraduate tuition, room, and board at a private institution (in 1996 constant dollars) increased from $10,647 in 1973 to $17,474 in 1995. For median family earners this represented an increase from 25% to 42% of their income (National Center for Education Statistics 1997, table 12-1).
Between 1970 and 1985, a 20% down payment on the average-priced new home has nearly quadrupled, rising from $5,320 to $20,160. A typical 30-year-old male who bought a median-priced house in 1984 would have to devote 44% of his gross monthly income to carrying charges, compared with 21% in 1973 (Brophy 1986, 38). Among young families, the proportion that owns their home decreased from nearly one in two (47%) in March 1980 to only one in three (33%) by March 1994. One in every six households with children headed by someone between the ages of 25 and 29 paid more than one-half of their monthly income for housing in 1993, three times the proportion that did this in 1974 (Children’s Defense Fund 1997, 11).

Not only did families work longer and send a spouse into the workforce to deal with stagnating wages and increasing costs. They also began to take advantage of changes in the practices of financial institutions and vastly increased their individual debt burdens (Galbraith 1998; Klam 1998; Kurson 1998; Wolff 1995; Brophy 1986). Household debt, which includes credit cards, has risen from about 50% of disposable income in 1970 to over 80% in 1995. According to the most recent data available from the Federal Reserve Board Survey of Consumer Finances, the percentage of households owning at least one credit card increased from 65.4% in 1983 to 76.6% in 1995 and the average balance carried on these cards increased from $751 to $1852 (in real 1995 dollars) (Bird et al. 1999,128). In 1983, only 3.6% of all households had credit card debts greater than their monthly incomes, and 1% had balances greater than twice their monthly incomes. But by 1995 almost 16% of households had debt-to-income ratios above 1.0 and 8% had debt-to-income ratios above 2.0 (ibid 132). In addition, median outstanding debt grew 42% between 1995 and 1998 and is now 73% above a decade ago. Since 1992, every

---

5 See Ehrenreich (1989) for a discussion of the conflict between consumer culture and the traditional middle-class value of thrift.
income class except families earning $100,000 or more has experienced a worsening ratio of debt payments to income (Greider 2000, 12). During the first quarter of 1999, U.S. households recorded their first negative savings rate since the early 1930s, spending 100.5% of their incomes after taxes (Henwood 1999b). While families sent more members into the workforce for longer hours and increased their debt, the incomes of families continue to polarize.

Income Polarization/ The Shrinking Middle Class

The distribution of income among Americans has become more unequal beginning in the 1970s (Johnston 1999; Wolff 1996; Danziger and Gottschalk 1995; Phillips 1990). The economic growth of the immediate postwar period contributed to increases in every income group with even slight declines in the top income group (Palley 1998). But beginning in the 1970s, the income of bottom 40% of families fell; the income of the middle 40% stagnated; and the income of the richest 20% substantially increased (Whalen 1996, Edmondson 1995; Urban Institute 1992; Krugman 1992). The share of all income received by the bottom 80% of households fell to 50% from 56% in 1977 (Johnston 1999). The Center on Budget and Policy Priorities and the Economic Policy Institute released a report in January 2000 covering the 10-year period between 1988 and 1998 analyzing before-tax data from the U.S. Census Bureau adjusted for inflation; they found that earnings for the poorest 20% of American families rose less than 1% during the this period but jumped 15% for the richest fifth. Middle-class incomes grew only 2%, while the average income of the top 5% grew by 27%. The income gap grew

---

6 More specifically, a period of slow growth and oil shocks (1973 to 1979) was followed by a new pattern of generally slower growth than the immediate postwar period, but with a strong tilt in favor of the top end of the income distribution (Krugman 1992, 20).

7 Derived from the most recent data reported by the Congressional Budget Office.
more slowly in the 1990s, but the strongest American economy in 30 years did not halt it (Economic Policy Institute 2000b).

Regardless of the specific definition adopted, the proportion of households with moderate income is diminishing (U.S. Census Bureau 1998; Kacapyr 1996; Greenhouse 1986; Thurow 1984). The wealth held by families in the middle class has decreased since it peaked in 1966 (Levy 1999; Palley 1998; Greenhouse 1986). A study of mobility patterns suggests that those who fall down the income ladder are increasingly outnumbering those who climb it (Duncan et al. 1991). Overall, the economy has become one in which incomes are more unequal than during the growth period of the immediate postwar period. In addition, it is an economy in which those with more education start out and remain higher earners than those with less education (Rose 1996). Living standards for those without a college degree have deteriorated the most compared to the postwar period (Teixeira and Rogers 1996). For example, between 1976 and 1996 the average 30-year-old male high school graduate saw his income increase only $800 (in 1997 dollars) by the time he reached his 50th birthday (Levy 1999). Using Current Population Survey data for 1973-1993, one recent study finds clear evidence that individuals, particularly men, with little education (less than 12 years) are less likely to be in jobs of long duration today than they were 20 years ago. This is consistent with the declining real earnings (both relative and absolute) of the least educated workers in the U.S. economy (Farber 1998, 158). Median income plunged by one-half (47%) from 1973 to 1992 for young families with children headed by a high school dropout and by one-third (37%) for those headed by a high school graduate.

---

8 An analysis of income mobility with data from the 1990s is not presently available. Greg J. Duncan, email communication, October 13, 2000.

9 This study uses the mobility supplements appended, at irregular intervals, to the January Current Population Survey (CPS). These contain information on how long workers have been continuously employed by their current employers.
Even when the head of the family finished some college (but not a full four years), median family income fell by 22% (Children’s Defense Fund 1997, 18). Importantly, the trends of wage stagnation and increasing income inequality continue throughout the 1990s despite strong national economic growth and corporate profitability. To understand why this is the case we need to account for changes in the relationship among American workers, employers, and the world economy and how these changes have affected the nature of the workplace.

*De-industrialization*

One of the most notable transformations in the U.S. labor market since World War II has been the rising share of employment in the low-paying services industry and the declining share in the high-paying manufacturing sectors (Starobin 1995, 2404; Nackenoff 1983).10 According to the most recent Bureau of Labor Statistics data, the share of employment in manufacturing out of all nonfarm employees was 34.7% in 1948 (the earliest data available). From this peak it began a steady decline during the 1970s, most particularly with a decrease from 25.6% in 1974 to 23.8% in 1975 and then down to 14.3% in 1999. On the other hand, the share of employment in services was 11.5% in 1948, and rose steadily throughout the 1970s, particularly beginning in 1974 at 17% it rose steadily each year to 30.3% in 1999 (Bureau of Labor Statistics 1999).11 According to the Bureau of Labor Statistics’ occupational projections, more than half (54%) of the new jobs created between 1996 and 2006 will be in occupations that pay below the median

---

10 The broad group of service-producing industries include: transportation and public utilities; wholesale trade; retail trade; finance, insurance and real estate; and services. The services industry, the largest share of employment includes a broad variety of activities, such as health care, advertising, computer and data processing services, personnel supply, private education, social services, legal services, management and public relations, engineering and architectural services, accounting, and recreation (Meisenheimer 1998).

11 Demand for services has grown tremendously as a result of demographic shifts, changes in consumer preferences, technological advancements, and increases in competitive pressures. Some of these same forces have contributed to the decline in both the level and share of manufacturing jobs (Meisenheimer 1998).
earning rate. And 40% of the new jobs are projected to be in occupations with earnings in the lowest quartile (Economic Policy Institute 1999e).

This shift from the age of steel to the age of the silicon chip is comparable to the transition from farming to factory work in the 19th and early 20th century. However, unlike that earlier transition, the disruption is not eased by the availability of relatively unskilled and well paying jobs (Levy 1999). “The pattern of wages in the old, mill based economy looked like a normal bell curve. It had a few highly paid jobs at the top, a few low-wage jobs at the bottom, and plenty of jobs in the middle. But in the new services economy, the middle is missing” (Kuttner 1983, 60-63). For services as a whole, employment is concentrated in better-than-average and in poorer-than-average jobs, vastly different than the patterns evidenced in the manufacturing-based economy of the postwar period.

The “new economy” is characterized by a complex of service and information technology industries (Benner et al. 1999, ii). This economy quite naturally produces “an hourglass economy” marked at one end by growth in well-paying, highly skilled professions and, at the other, by the rapid expansion of low-wage jobs requiring only unskilled labor (ibid, iii). The jobs that tend to be created in the new economy are distinct from the jobs that tended to be created in the postwar period in crucial ways. In short, for many Americans, the workplace has become a far more capricious place with reductions in real wages, loss of health, pension, and social safety net protections, downsizing, outsourcing and the erosion of job security (Brecher 1997; Rose 1995; Harrison 1994).

The service economy tends to create part-time jobs. Jobs provided through temporary employment agencies such as Manpower, Inc. now the nation’s second largest employer, account for about 15% of all employment (Whalen 1996, 15). A sizable proportion of this increase
includes workers who wanted full-time jobs but could not find them (Bluestone and Rose 1997). Although the rate of aggregate part-time employment has increased very little in the last two decades, virtually all of the increase may be attributed to the increase in the number of part-time workers who would prefer full-time hours. The rate of involuntary part-time employment rose from 2.5% in 1969 to 5.2% in 1993 (Houseman 1995, 7). And much of the growth of part-time work can be traced to sectoral shifts in the economy towards industries dominated by low-wage part-time employment (Tilly 1990, 15). According to the April 1999 Current Population Survey, among all part time workers 19.3% were at work for economic reasons and would have preferred full time hours (Meisenheimer 1998, 40).12

The use of temporary workers or outsourcing, is an increasing and permanent trend in the services economy (Larson 1996, 26). Employment in the help supply services industry has grown rapidly in recent years increasing from 0.5% of nonfarm payroll employment in 1982 to 1.5% in 1993 (Houseman 1995, 7).13 According to the April 1993 Current Population Survey, 4.9% of workers were in contingent employment arrangements, that is they expected their jobs to end in the near future for an economic reason. Among services workers this percentage was 7.4% (Meisenheimer 1998, 41).14 Service workers are generally less likely than those in manufacturing to receive employer-provided health, retirement, and disability benefits (Meisenheimer 1998, 23). In the April 1993 Current Population Survey, 57.8% of all private

---

12 The Bureau of Labor Statistics differentiates between working part time for economic and non-economic reasons. Economic reasons, sometimes referred to as involuntary part time, include slack work or unfavorable business conditions, inability to find full-time work, and seasonal declines in demand. These respondents indicate that they want and are available to work full time. Non-economic reasons include illness, retirement, and personal obligations; these respondents did not want or could not work full time.

13 The industry definition was changed and comparable figures are not available prior to 1982 (Houseman 1995, 7).

14 Examining trends in contingent employment is difficult because in February 1995, the Bureau of Labor Statistics conducted the first supplement to the Current Population Survey designed to obtain more information on contingent and alternative employment arrangements.
wage and salary workers reported being covered by employer health plan, with 79.8% of manufacturing workers and 49% of services workers reported being covered by employer health plan (ibid 31). In this same report, 43.8% of all workers participated in pension or other retirement plan, 64.2% of manufacturing workers and 35.2% of services workers reported participating. In terms of long-term disability benefits, 37.7% of workers reported being covered with 52% of manufacturing workers and 31.4% of services workers covered (Meisenheimer 1998, 31-37).

Part-time workers are also less likely to receive employer provided benefits. The March 1993 Current Population Survey reports that 71% of full-time, full-year workers received health insurance in 1992 paid for entirely or in part by their employer, while just 23% of part-time full-year workers received such health insurance benefits. In 1992, 61% of full-time, full-year workers but just 19% of part-time, full-year workers received pension coverage from their employer (Houseman 1995, 8). According to the most recent Census data, among people who worked full-time, 17% lacked health insurance for the entire year, while 23% of those who worked part-time lacked health insurance for the entire year in 1998 (Campbell 1999). In fact, for all workers, benefits including employer-paid payroll taxes, health insurance, pension, and other non-wage compensation have not kept pace with the growth of hourly wages in the 1990s. The benefit share of total compensation fell from 18.2% to 17.9%, during the 1989-96 period (Economic Policy Institute 1999a.).

While unemployment in earlier decades was often cyclical and temporary, jobs lost to downsizing and restructuring in the new economy are often permanent and frequently occur despite strong corporate earnings. After reviewing dozens of studies, labor economists at the National Bureau of Economic Research conclude that, taken as a whole, the literature suggests
an increase in involuntary job loss and a modest decline in job stability between the late 1980s and early 1990s (Neumark et al. 1999). A job search in the 1990s is longer and many displaced workers never see a return to their previous income levels (Whalen 1996; Horvath 1987). Edward Wolff of the Jerome Levy Economic Institute stated that the rising duration of unemployment is a fundamental change in the nature of today’s labor force. Cyclical fluctuations in the economy cannot alone explain these changes. The average duration of unemployment (the average number of weeks an unemployed person remains unemployed) has nearly doubled. The percentage of unemployed persons who have remained unemployed for 27 weeks or more has almost tripled (The Jerome Levy Economic Institute 1996, 28). Although college-educated workers have always been much more secure in their jobs than their less-well-educated colleagues, in recent years the gap has slightly closed, according to job tenure data (Osterman 1999, 48).

William Dickens, a senior fellow at Brookings Institution, points out that if a worker lost a job in the 1960s, given the then 3% rate of productivity growth, no change in the distribution of earnings, and 2% normal growth in earnings on a new job, the worker could make up for his or her lost earnings in two years. Today, given the combination of low productivity growth and the drop in earnings at the bottom of the income distribution, after losing a job a worker could lose 10% or more of his or her income and would have to fight the head wind of the downward drift of low income. Losing a job today, then, is a much more major event than in the past in terms of

---

15 There exists much debate about the methodology involved in studies concerning changes in job tenure (see Neumark 2000). Mainstream labor economists are reluctant to conclude that there exists an objective basis for the subjective expressions of insecurity they acknowledge exist. In the context of this debate, the NBER’s conclusions about changes in job tenure are notable.
lost earnings (The Jerome Levy Economic Institute 1996, 43). Changes in the workplace are strongly related to America’s place in the global economy in the postwar period.

*Globalization*

Since the 1970s the connection of the American economy to the global marketplace has increased enormously (Page 1997; Peterson 1994). The process of globalization represents an increase in cross-border financial transactions, communications, trade, and cultural relationships. This process is not new: international trade and other aspects of economic and political relations began to grow among nations centuries ago (Farazband 1999, 514). Globalization, as a continuing process of capital accumulation, goes back to the nineteenth and early twentieth centuries and was marked by the transition from early (competitive) capitalism to late (monopoly) capitalism, which was boosted by the two world wars and produced capitalism’s “golden age” (1950-1970). Beginning with the recession of 1974-75, there was an accelerated rate of capital accumulation at the global level accompanied by a growth in multinational corporations. According to the United Nations Conference on Trade and Development, the number of global corporations increased from 3,500 in 1960 to 40,000 in 1995, representing 40% of the world’s total commerce. The largest 300 transnationals control 70% of all foreign direct investment and almost one-third of the total assets of all corporations around the world (Farazband 1999, 513). These multinationals accelerated their accumulation of capital during the stagnant era of the 1970s armed with technological advances like innovations in information technology, communications and transportation systems along with conducive state policies (ibid
These conditions allowed them to move capital around the world with little regard for national boundaries (Lee 1996, 485).\(^\text{16}\)

While Third World nations have been feeling the effects of globalization for decades it has only been fairly recently that American workers have felt the full brunt. Similar to the way in which corporations moved from the Snow Belt to the Sun Belt in search of new markets, cheap labor and unrestricted production sites, multinational corporations can now move production facilities around the world to pursue higher profits through the search for cheaper labor. Computer, communication, and transportation technologies have lessened distance as a barrier, making it possible for corporations to “global source,” that is draw its components and materials from anywhere in the world (Farazmand 1999, 512). These developments, what Bluestone and Harrison (1982) call the hypermobility of capital, have enormous consequences for the American workplace. The workplace that this process facilitates and demands is one characterized by flexibility, constant restructuring, and downsizing (Brecher and Costello 1998).

It is important to note that de-industrialization and globalization were accompanied not just by a change in the nature of employment but also an increase in the power of American corporations vis-a-vis workers.\(^\text{17}\) In the period following the Second World War, American economic power was at its zenith. American global preeminence produced special characteristics for producers, e.g., stability and relative certainty that gave rise to high levels of investment and permanent employment (Madrick 1995, 86). American corporations could “afford” to provide a social contract and in return they received political peace and labor accord

\(^\text{16}\)But see Chomsky (1999), who argues that this global system of power is not new, but acknowledges that the huge role of uncontrolled and unregulated financial capital really is new along with a counterbalancing increase in democratic participation over the last one hundred years.

\(^\text{17}\)For an analysis of the political activism of business interests beginning in the 1970s see (Akard 1992).
On the other side of the equation, labor strength grew as a result of successful organizing drives within the manufacturing sector. Organizing efforts within the services sector are vastly more difficult and have been much less successful. And as the economy has lost manufacturing jobs by the tens of thousands, union membership continues its twenty-year decline dropping from 14.1% of the workforce in 1997 to 13.9% in 1998 (Economic Policy Institute 1999b). At their zenith in 1945, unions represented 35% of the private sector labor force (Osterman 1999, 65). The benefits accorded to all workers from trade union strength diminished greatly with the shift away from manufacturing where trade unions were relatively strong and with the advent of state policies favoring corporations. As Paul Osterman (1999, xii) argues:

We are witnessing complex transformations in the relationships between American employers and workers, which have resulted in gradual shifts in the balance of power from labor to management. Such changes include the increased willingness of companies to lay off large numbers of workers even during profitable periods, the growing use of labor without perquisites on a “contingent” basis, new organizational strategies that diminish the need for middle managers, technological innovations that strengthen a company’s capacity to replace workers, and the eroding threat of union organization.

The New Norms

There is a general understanding in the United States today that companies are not going to compete for workers by raising wages. And that understanding has become embedded in our social structure.

---

18 For excellent discussions of these developments see (Aronowitz 1998, 9-50; Blumberg 1980, xii-xiii).
Particular norms and accepted behaviors develop around particular labor market structures. Economic transformations necessarily affect these norms and bring about behaviors fitting to the new labor market structure. In order to understand the political impact of anxiety about the new economy it is necessary to understand these new norms. All that occurs within this economy -- growth, booms, busts, technological advances—should be viewed within the context of these norms. Osterman (1999) argues that until the last decade or so, the American labor market functioned according to a set of rules and norms, the institutional structure of the labor market, put into place after World War II. For the most part the behavior of firms was predictable and understandable. He argues that this institutional structure has been destroyed in the past decade and with it the sense of order that undergirded people’s notions of the economy. From this perspective, the loss of order is what explains the unease that persists even in the face of good economic news. There is a greater willingness of firms to lay off employees even when times are good and, related to this, job security has eroded and that the length of time an employee can expect to stay with an employer has shrunk. The rise in contingent employment has made it much less certain what it means to have a “job.” Each of the symptoms of labor market distress-stagnating earnings, heightened insecurity, uncertainty about what it means to hold a job—reflects the collapse of the postwar labor market institutional structure (Osterman 1999, 32).

Unions, while never representing a majority of the labor force, played an important role in structuring the labor market (Osterman 1999, 30). Many of the practices and norms regarding how employers behaved and what employees could expect were derived from union-
management agreements and the influence of unions extended beyond the firms and industries in which they were strong.19

Another important contextual feature of the postwar system was the nature of corporate governance. There is a great deal of evidence that managers placed substantial value on maintaining, indeed, growing employment and on sharing profits not only with stockholders but with the broad employee base (Osterman 1999, 30). One important change in the 1980s was the rise of the leveraged buyout. This new source of finance suddenly made previously seemingly invulnerable firms potential targets for raiders who felt that financial results could be improved by changing management. Another development was the increased concentration of stock ownership in the hands of institutional investors (public and private pension funds, investment funds, insurance companies). These institutional investors increasingly demanded higher levels of short term performance and frequently worked as a group to put pressure on managers to deliver (Osterman 1999, 66). Relatedly, the third element in the broader context was the decreased role of government in the regulation of corporations, the enforcement of labor laws and the increasing of wages.

So we see two developments that, while not being unique in the history of capitalist development, have distinct consequences and occur at a particular point in America’s economic history. Technological advances allow corporations to disregard borders, the existence of which used to insulate first world workers from the harshest of capitalism’s “destructive creativity.” Concomitantly, changes in the labor market institutional structure and the norms of the workplace allow for behaviors among employers and others vastly different than what would

---

19 It is important to recognize that the decline of unions is also a symptom of this shift. An important component in the decline of unions is the same transformation in attitudes and norms that underlies some of the other changes. Namely, firms are more willing to oppose unions (Osterman 1999, 65).
have been acceptable during the postwar period. Together these developments have created a new kind of economy in which national economic growth coexists with job insecurity and economic worries.

Anxiety Grows While Wall Street Booms

Within America’s new labor market institutional structure, job insecurity and wage stagnation coexist with corporate profit growth and strong national economic indicators. In fact, if a demand for workers is increasingly shifting toward professional jobs at one extreme, and low-wage routine jobs at the other, it is entirely possible for the economy as a whole to grow more productive while wages and occupations continue to concentrate at the extremes (Danziger and Gottschalk 1995; Kramer 1992; Kuttner 1983,71). If job growth occurs within the context of a weakened labor movement and the ability of multinational corporations to threaten to outsource, then a growth in jobs may only mean more jobs offering low wages and little security, and a growth in corporate profits may mean increasing inequality. Beatty (1994) calls this phenomenon the “haunted recovery.” The very forces driving rising stock prices are related to corporate downsizing, job losses and stagnating wages (Schaeffer 1997, 121). Growth in productivity is not linked to compensation rates or job security in the global economy (Schwarz 1997, 92). Duch and Taylor (1993, 752) point out that:

Economic insecurity could be quite significant even at relatively high levels of economic growth. There is growing evidence in the developed economies that economic growth might even undermine economic security. For example, many argue that the efforts of countries to promote the international competitiveness
of their industries have resulted in considerable job displacement, a decline in job security, declining wages for certain segments of the labor force, and the rising threat, if not reality, of unemployment.

The National Commission for Employment Policy remarked upon the unprecedented, at least during our postwar economic history, contrast between the general rising tide of wealth and new jobs and the countervailing insecurities of employees:

Declining job tenure data explain much of the anxiety that persists in spite of much of the apparent prosperity demonstrated in aggregate statistics on growth, levels of employment, and price stability. The growing incongruity between measures of our overall positive economic performance and the declining economic security of individual workers suggests profound structural changes in the way our economy is producing and distributing the growing largesse (Carnavale 1995 quoted in Bennett 1998, 751).

Because American workers are increasingly competing against a global labor pool, low levels of unemployment in America will not necessarily improve the economic well-being of workers unlike in prior periods of our economic history. For example, despite increased productivity, rising profits, and low unemployment in 1994, the real pay of the average production worker in the U.S. continued to decline. The growth in nominal worker pay and benefits in 1994 constituted, according to the U.S. Dept. of Labor, one of the smallest annual increases on record (cited in Volgy et al. 1996,1248). Between 1992 and 1994, the median wage fell 3.3%, even as the economic expansion continued, as Teixeira and Rogers (1996, 43) point out:

Given the relatively low unemployment in the 1994-96 period, it has been
fairly easy for downsized employees to get another job and avoid unemployment. However, the big impact of downsizing on households’ living standards comes not from household members being out of work for a while but rather from those members becoming re-employed at a significantly lower wage. And one reason downsizing has provoked such particular anxiety in the 1990s is that the gap in wage levels between old and new jobs is now much larger than it was in the 1980s. In such a situation, ease of re-employment does not do much to allay economic anxiety.

Furthermore, growing productivity means there is more output per hour of work to be distributed as compensation to the workforce and as profits or investment. Historically, increases in productivity have meant growth in real compensation for much of the workforce. However, the gap between productivity and the median wages of both males and females grew through the 1989-96 period and remains significant in 1998 (Economic Policy Institute 1999c).

This is Not Your Father’s Economic Recovery

Despite the good economic news on many dimensions, there remains a widespread sense that the labor market is a riskier and more dangerous place than in the past (Osterman 1999, 3). According to Bureau of Labor statistics, despite an improving economy in the 1990s, the rate of job dislocation has clearly trended upward (cited in Osterman 1999, 48). In fact, between 1995 and 1997 the total number of dislocated workers was 8.0 million people. This is down from 9.4 million in the previous survey, but the decline is considerably less than the experience of past business cycles would have suggested (Osterman 1999, 196 note 41).

The median family income did not get back to its 1989 level until 1998 (a slower post-recession recovery of lost ground than occurred in the Reagan years). Economists Jared
Bernstein and Lawrence Mishel (1997) argue that the persistent rise in wage inequality that continued during the 1990s is an attribute of the nature of growth over the last few recoveries. While a large body of empirical research shows that the income distribution historically compresses over business-cycle expansions, that has decidedly not been the case in the last two recoveries (Bernstein and Mishel 1997, 14).

As Louis Uchitelle (2000b) pointed out in a recent *New York Times* article, America’s nine-year economic expansion is now the longest in history. Pay should be climbing faster and faster as the unemployment rate falls and companies raise wages to lure new workers or to retain the ones they have. Generally, a sustained unemployment rate under 5% has been accompanied by accelerating, not decelerating, inflation as workers drive up inflation rates with wage demands. The common wisdom according to economists has been that a major source of inflation is the pressure to lift wages that translates into pressure to raise prices to cover the higher labor costs. Although a slight acceleration in wages and salaries has accompanied the relatively low unemployment rate, the acceleration has been weaker than the past would indicate (Wilson 1998, 36). In fact, wage increases, instead of getting bigger, are getting smaller. With all the data available for 1999 it is clear that nearly everyone who earned $26 an hour or less—90% of the work force—found that their pay last year, adjusted for inflation, rose by far smaller amounts than in 1998. Richard T. Curtin, director of the University of Michigan’s Consumer Surveys called it a mystery, “The usual preconditions for wage pressure have existed for some time, but the behavior that we expected, based on behavior in the past, particularly in the 1960s, has not been forthcoming” (cited in Uchitelle 2000b). Economists have been caught off guard by this phenomenon but have advanced several possible explanations. High on their list of explanations is job insecurity. That is despite rising public confidence in the economy, many
workers still remember the layoffs and downsizings of the early 1990s. Even Federal Reserve Board Chairman Alan Greenspan has conceded that the risk of high inflation has diminished because workers have become more fearful about losing their jobs and therefore less willing to demand raises from their employers (cited in Osterman 1999, xii). In a speech to the National Governors’ Association, Alan Greenspan suggested that worker demands for higher wages are being moderated by the fear of being laid off amid what he terms, labor force flexibility, the ability of American companies to fire workers without fear of significant legal or cultural disapproval (Bloomberg News 2000). Commenting in 1997 on the apparent paradox of a successful economy and worker insecurity, Greenspan remarked, “It is one thing to believe that the economy, indeed the job market, will do well overall, but another to feel secure about one’s own situation, given the accelerating pace of corporate restructuring and the heightened fear of skill obsolescence that has apparently characterized this expansion” (Tran 1997). As Dimitri Papadimitriou, the executive director of the Jerome Levy Institute, states,

> By most accounts the U.S. economy has performed well recently. The unemployment rate has declined to 5.2%, family income has risen and the poverty rate has fallen to 13.8%—all while inflation has been kept in check, hovering around an annual rate of 3 percent. Nevertheless, 7 million Americans remain unemployed, many workers have joined the ranks of the underemployed and the contingent workforce, and Americans in all occupations and income groups are expressing anxiety about their economic security. Rapid technological change, globalization of production, and the wave of corporate downsizings have forever altered the economic landscape, and many Americans risk being left behind as the American economy moves toward the next millennium (The Jerome Levy Economic Institute 1996,3).
None of this is to say that the New Economy is not fabulously successful nor that the American economy is not growing as we begin the 21st century. Median family income rose to a record $46,737 in 1998, adjusted for inflation, decisively past the old high of $44,974 in 1989 (Uchitelle 2000a). The standard of living among Americans is higher than in any other nation on earth, more Americans own stock in what is currently a booming market than ever before. The number of people who attend college has increased enormously over last several decades. Technological advances have made consumer goods immensely affordable and most Americans take their telephone, television, and stereo equipment for granted.

However, because some people are doing so well certain things tend to get drowned out. For instance, while more Americans own stock today than ever before, the majority of Americans still do not own any stock in any form, including mutual funds and 401(k)-style pension plans. The top 1% of American households captured 42.5% of the stock market gains between 1989 and 1997. The next 9% of households received 43.3% of the total. The remaining 14.2% of the benefits of the current boom went to the remaining 90% of American households (Economic Policy Institute 1999d). Edward Wolff argues that even among the 49% of households who own stock, most own very few shares. Wolff found that among the bottom three income quintiles of the population, as of 1997, only about 25% own any stock at all. And only 6-7% of them own more than $10,000” (quoted in Greider 2000, 13). Furthermore, while the resources being devoted to human capital accumulation have increased enormously during the last 15 years with the share of the workforce with a college degree doubling and the percentage of high school dropouts vastly reduced during the last years, if hourly compensation is corrected for the growth of human capital, it becomes negative during the 1980s and 1990s. The typical
male college graduate earns 12% less today than a male college graduate in 1973. Earnings among workers with a high school diploma are down, as are those of high school dropouts and some workers with college degrees (The Jerome Levy Economic Institute 1996, 30).

It is also not the purpose of this project to argue that everyone is suffering or is anxious in the new economy. Those who have the necessary tools, education, skills, and outlook--flourish. Many individuals relish the freedom that contingent employment offers and are enthused by not knowing where they will be working in five or ten years. Indeed, there have always been groups who benefit more or less from the American economy. However, several distinctions are crucial. First, those who suffer now suffer far more than they would have in the postwar labor market structure. Second, regardless of current wage and benefit levels, wages and benefits are far lower than they would have been had the trajectory of growth which began in the postwar period continued. Third, the uncertainty of the new economy affects not just those who are always the most vulnerable in the American economy. The postwar era promises of security were heeded by all Americans. But the basis of the project at hand is not about the magnitude of objective suffering or whether Americans’ expectations are reasonable. Nor is this an argument for whether or not people should be worried based upon America’s present level of affluence compared to other nations or previous generations of Americans. The political potential of economic anxiety in the new economy is rooted in perceptions and expectations. Undoubtedly, the postindustrial economy has the potential for enormous growth and many families are reaping the benefits. In California’s Silicon Valley an average of 63 people hit the millionaire mark

---

21 For instance, Robert J. Samuelson believes, “the real problem is that Americans developed a habit of unrealistic expectations during the boom years following World War II. The pleasure of the early postwar years was that people spent beyond their expectations. There was more of everything than people had anticipated. Now the reverse is true” (Jost 1993, 630).
every day (Nieves 2000). But the flip side of an exciting stock market is enormous uncertainty for many people. In fact, the security provided to so many in the postwar period certainly constrained the possibility for the exceptional prosperity among the few we are witnessing in the late 1990s and the early 21st century. As President Clinton remarked at a graduation ceremony at the University of Chicago, “All of us know that the problem with the new global economy is that it is both more rewarding and more destructive” (Greider 2000, 11).

The previous sections are meant to demonstrate that there is general agreement among observers with different perspectives and using slightly different data that these economic changes indeed did occur. Armed with an understanding of the relevant features of America’s new economy, we can move on to observe the political implications of this transformation. It is important to note the significant debate surrounding the extent and causes of these economic changes. Beliefs about what should be done, if anything, to address these changes depend in large part upon political ideology. Regardless of the causal explanations advanced for the trends I discuss above, it is hard to imagine a scenario wherein changes of this magnitude did not have significant political implications.

Potential Political Implications

Declining Fortunes, Scapegoats, and Politics

Journalistic accounts and scholarly overviews of these economic and social changes posit various possible political effects. Some accounts draw a picture of an angry and resentful middle class calling for less government spending across the board (e.g., Kuttner 1980; Tolchin 1996). Others outline the presence of an anti-business backlash among those hardest hit by these changes (Pennar 1996). E.J. Dionne Jr. (1986) described workers in the service economy as a new political force--the “new collar” voters (see also Whitehead 1988). Teixeira (1996) points to
substantial electoral and political implications for the declining standards of living, particularly among those without college degrees and Teixeira and Rogers (1996, 15) highlight the political effects of long-term changes like declining living standards.

Still others speculate that pinched American citizens blame out-groups. In this scenario, Americans left anxious by the new global order, often directed by political elites, target their anxiety at minorities. For instance, former Labor Secretary, Robert Reich, warns that, “disillusionment and frustration become easy prey for politicians who want to place the blame on immigration, affirmative action, welfare and other things that are not the underlying cause” (cited in Roberts, 1997, 6). Anxiety, according to this argument, makes people look for convenient scapegoats and adopt harsher views toward those more needy than themselves (Galbraith 1998). The pollster, Daniel Yankelovich, sees job insecurity producing a floating anger that is attaching itself to diverse targets like immigrants, blacks, women, government, corporations, welfare recipients, computers, the very rich, and capitalism itself (The New York Times 1996, 24). More specifically, Brecher (1997) argues that the implementation of the new corporate agenda which accompanied the global economic transformations was achieved by former President Reagan’s political alliance between big business and diverse “new right” groups working to reestablish hierarchies and cultural conformities eroded in the Vietnam War era. In this case, scapegoating was used by political elites to enable economic policies that benefited only the wealthiest individuals and most powerful corporations (see e.g., Galbraith 1998, 17). William J. Wilson’s latest book (1999) posits that economic anxiety was responsible
for the Republican’s electoral success in the first half of the 1990s and has powerful potential for political action.22

Such accounts imply that these fundamental economic changes have impacted political beliefs and opinions. The assumptions underlying these accounts have a strong basis in sociological and political theory. As the following quotes from diverse thinkers suggest, scholars see connections between material conditions and politics whether it be work, income, or material conditions more generally. For instance,

the sociology of work starts with the assumption that the tie of a man to the workplace and indirectly to the economic order-is the most fundamental and essential of all social relationships. This social relationship is assumed not only to provide the fundamental framework of the individual's identity but also to provide those social rewards, especially economic resources, which permit his family to establish a style of life consistent with that identity (Aiken et al. 1968, 65).

The economic insecurity hypothesis maintains that fluctuations in income and the instability of work roles result in the expressions of anti-democratic actions and sentiments as well as in leftist political orientations (Lipset 1963). Recently, a close observer of the Freemen of Montana warned of “a return of economic conditions that could make desperate farmers receptive to extremism” (Brooke 1998). Lane (1959, 149) argued that feelings of mastery in the workplace are related to feelings of efficacy in the political arena. Others see a strong connection between work environment and political attitudes (e.g., Pateman 1970; see also Allardt 1976 for an

22 For an insightful discussion of the political impact of economic insecurity in the British context see (Elliott and Atkinson 1998).
examination of the connection between work and political attitudes). In general, Marxist theory assumes a strong connection between citizens’ material conditions and their political views (Zeitlin 1966; Marx [1867]1936; Kautsky 1901). Finally, post-materialist theory is based upon the influence of material conditions on values and political change (Inglehart 1977).

**The Impact of Economic Hardship**

More generally, economic conditions can have far-reaching effects. Economic hardship creates a stressful state that makes individuals susceptible to such behaviors as crime, madness, suicide, or alcoholism (Brenner 1973; Bonger 1916). Social psychological studies link economic troubles such as job loss among wage-earners to depression (Warr 1984; Oliver and Pomicter 1981), lowered self-esteem (Baum et al. 1986) and irritability (McLoyd 1989). Economic hardship, such as a high family debt-to-asset ratio, parents’ unstable work history, low per capita family income and income loss, disrupts parents’ emotional well-being, and thereby affects relationships within the family, particularly the father’s parenting and children’s sense of self-efficacy (Whitbeck et al. 1997, 12). Pearlin and his colleagues (1981) find economic stress, especially experiences that are enduring and resistant to efforts aimed at change, linked to clinical depression. Iversen and Sabwe (1988) find in their survey of Danish workers during the early 1980s significant differences in psychological well-being between employed people who were afraid of losing their jobs and those who were not. Liker and Elder (1983) find that economic loss produced marked declines in marital quality among middle- and working-class families. Bradburn (1969, 98) found that people with higher incomes are more likely to report that they are happy. He suggests that more money may allow people a greater sense of security and decrease the amount of worry that they have about providing the basic necessities. Schlozman and Verba (1979, 53) demonstrate psychological stress among the unemployed workers they interviewed.
For example, one respondent linked his unemployment to losing his sense of control over his own destiny. Newman (1988) demonstrates the far-reaching psychological effects of downward mobility on members of the middle class. Numerous studies of plant closings demonstrate the impact on marital and parental relationships (e.g., Perrucci 1994; Broman et al. 1990). Dooley and his colleagues (1987) find that perceived job security (measured by whether they expected a change in their employment for the worse or whether anything had happened recently to make them feel less secure in their jobs) was the single most important predictor of scores on a checklist of psychological symptoms. Kasl and Cobb (1982) found that the threat or anticipation of unemployment was as strong as unemployment itself in its effect on psychological ill health. A recent study of Finnish workers found a link between downsizing and the deterioration of the health of the employees who survived the job cuts (The Washington Post 2000). Furthermore, children of parents experiencing job insecurity manifest social and school-related problems (Flanagan and Eccles 1993; Stewart and Barling 1996).

**Americans Take Note**

*Public Opinion Results*

Of course, economic trends, like globalization and deindustrialization, no matter how monumental they seem on the surface, will not necessarily have a political impact if Americans do not notice them. However, American society, on both the elite and mass level, reflects their impact and substantial segments acknowledge these changes in their lives. Perhaps most telling in this respect, Hallmark Cards introduced a card in their “Thinking of You” line in 1997 that

---

23 In this project I focus upon mass political opinion. It is, of course, possible for economic transformations to have a political impact without a noticeable impact on average political opinion, i.e., through the actions of elites’ and/or politicized constituencies.
recognizes the loss of a job due to downsizing (Heubusch 1997). In 1996, *The New York Times* devoted a lengthy series to downsizing. Several books written recently within a wide array of disciplines are based in an assumption of the far-reaching impact of the transformation to a new economy (e.g., Wallulis 1998; Madrick 1995; Dudley 1994; Newman 1993). Robert Reich, former secretary of labor, remarked, “As Secretary of Labor, I carry on a kind of freefloating focus group. Every week I’m out there talking to people. And what I hear, over and over again, is: Yes, jobs are back. Yes, there are a lot of technological marvels out there. Yes, there’s a lot that’s good about the economy. But over my kitchen table we worry. It’s getting harder to pay the bills” (quoted in Tough 1996, 6).

Poll results demonstrate that Americans feel the impact of postindustrial transformation. A Democratic Leadership Council poll of registered voters conducted in March 2000 found that 57% agreed that a New Economy has emerged in the United States. In 1995, the Princeton Survey Research Associates (PSRA) found that 65% of the respondents believed that “compared with 20 years ago, the difference in income between wealthy and middle-class Americans today is wider.” A January 1996 NBC News/Wall Street Journal survey found that 30% of the public were personally affected by downsizing and 88% felt that there was still more downsizing to come. In a October 1996 CBS News/ New York Times poll, 36% were “very concerned that someone in their household would lose their job due to employer downsizing, reductions in force, corporate restructuring, permanent plant closings or jobs moving overseas.” Hart Research Associates found that 50% of the respondents in their 1997 national poll felt that less

---

24 “People use the term New Economy to refer to a set of changes in the economy. Do you believe that a New Economy that is significantly different from the industrial economy has emerged in the United States, or is the current economy basically the same as it has been for the past ten to twenty years?” Yes 57%; No 37%
25 All poll results come from marginal frequencies reported in codebooks or RPOLL on Lexis/Nexis. A full list of polls cited appears at the end of the references.
job security and more downsizing would have a great deal of influence on the future of young people. A poll conducted by the Program on International Policy Attitudes (PIPA) in October 1999 asked, “Would you say that over the last ten years, your economic security has improved or worsened?” Thirty percent of the respondents said it had worsened, while 12.7% volunteered that it had stayed the same. In the same PIPA survey, 56.2% thought that “the growth of international trade has increased the gap between rich and poor in this country.” In addition, an item about free trade and job loss asked the respondent to compare the statement, “Even if the new jobs that come with freer trade pay higher wages, overall it is not worth all the disruption of people losing their jobs” with the statement, “it is better to have higher paying jobs, and the people who lost their jobs can eventually find new ones.” In response, 55.5% of the respondents agreed with the first statement, while 40.3% agreed with the second statement.

Importantly, in terms of political potential, many people seem to acknowledge that, as Business Week pointed out in their 1996 cover story on economic anxiety, “this is not your father’s economy” (cited in Pennar 1996, 50). For instance, A 1992 Yankelovich, Clancy, and Shulman national survey found that 62% of the respondents did not think that “Americans today can enjoy the same standard of living as recent generations.” An October 1996 CBS News/New York Times poll found that 44% felt that “our best years were behind us in terms of the availability of good jobs for American workers.” And in the 1995 New York Times Economic Insecurity Poll, 72% agreed that “layoffs and loss of jobs are not just temporary problems in America, but will continue permanently.” A 1997 PSRA survey found that 70% and 60% of the respondents felt, “compared to 30 years ago, the average working person in this country has less job security” and “has to work harder to earn a decent living,” respectively.

The belief among many Americans that the middle class face intense economic
difficulties continues into the late 1990s. For example, a 1996 U.S. News and World Report survey found that 46% of the respondents agreed strongly that “middle class families can no longer make ends meet and keep up with the cost of living” and 36% agreed strongly that “people who work hard for a living and play by the rules never seem to get ahead.” A 1996 Knight-Ridder poll found that among registered voters, 49% thought that “middle class families are worse off compared to 10 years ago.” A poll conducted for Reader’s Digest in 1996 found that among adults age 30 and older, 55% felt that “middle class in America is currently facing more economic hardship than at any other time during the past fifty years.” A poll conducted in September 1998 for U.S.A. Today found that 40% thought that “the quality of life will be worse for the middle class.” A 1997 poll conducted for Newsweek found that 40% thought that “middle class families are economically worse off compared to 10 years ago.” An April 1999 poll conducted for the Pew Research Center found that, in the midst of the longest economic upturn in our history, 44% of the respondents felt that “life has gotten worse (22%) or stayed the same (22%) for middle class Americans over the past 50 years.”

Apparently, the “psychology of prosperity” cultivated during the seemingly limitless economic growth of the 1950s and 1960s has produced frustrated expectations. In a 1996 New York Times national poll, 49% said they were not as “well off financially as they expected to be at this point in their life.” In a May 1993 ABC News/Money magazine survey, 48% thought that their children will be “worse off than they are financially when they reach their age” (Jost 1993, 628). This was the highest percentage during the twelve years that this question has been asked. The Institute for Social Research found in July 1996, 48% of the respondents felt they would “never earn enough money to lead the kind of life they wanted” and 45% felt that their “financial standard of living would not exceed their parents.” An NBC News/Wall Street
Journal poll conducted in September 1998 and December 1998 found that 32% and 31% did not expect their children’s generation to enjoy a higher standard of living than their own generation, respectively. A poll conducted in November 1998 by Peter Hart Research Associates for Shell Oil Company found that 27% thought that the standard of living for average people would be worse in thirty years with 29% thinking it would be about the same.

While family income has inched upward during the late 1990s, fears about retirement, health care, and tuition costs as well as future job opportunities continue. In May 1988 the Pew Research Center found that 34% of Americans surveyed were very concerned about not having enough money for retirement.26 This worry continued throughout the late 1990s with the percentage of respondents reporting being very worried about retirement costs in the polls conducted by Pew: October 1996 (60%); May 1997 (42%) and October 1999 (51%).

In a 1993 Gallup poll, over half of American workers (56%) expressed concern that they won’t be able to afford retirement at a reasonable age. This apprehension is particularly acute among younger workers. Over age 65, only one in five (22%) expresses concern, but more than half of the 18-29 age group (54%) and the 30-49 group (59%) are worried. Not surprisingly, those with smaller incomes are more likely to be worried: 71% of those earning between $20,000 and $30,000 compared with 38% of those earning over $50,000. Perhaps what is surprising is the large number of higher income workers who express concern about not being able to afford retirement: over a third (35%) of workers earning more than $75,000 a year express this apprehension (Moore and McAney 1993, 16).

In a May 1988 Pew survey 23% were very worried about being unable to save enough

---

26 The response categories for all Pew Research Center concern/worry items are: very concerned, somewhat concerned, not too concerned, and not at all concerned. The October 1996 sample was limited to registered voters.
money for college tuition. This worry continued throughout the late 1990s Pew surveys with the percentage of respondents reporting being very worried about this: October 1996 (47%); May 1997 (39%) and October 1999 (51%). In a March 1994 Pew survey 50% were very worried about being unable to afford necessary health care when a family gets sick. This worry continued throughout the late 1990s with the percentage of respondents reporting being very worried about health care costs: October 1996 (61%); May 1997 (50%) and October 1999 (60%). A slightly different item asked in a Harris poll conducted in November 1999, found 29% reported worrying a lot about not having enough health insurance to pay for large medical bills. And an ABC News/Money Magazine poll conducted in September 1999 found that 65% agreed with the statement, “I worry that health care costs I may have in the future will not be taken care of.”

Polls conducted in December 1998 and December 1999 for the Henry J. Kaiser Family Foundation found that 28% and 25%, respectively, were very or somewhat worried that they would “have to stay in their current job instead of taking a new job for fear of losing health benefits.”

In a March 1994 Pew survey 51% were very worried about their children not having good job opportunities. This worry continued throughout the late 1990s with the percentage of respondents reporting being very worried about their children’s future job prospects: March 1996 (67%); May 1997 (44%). In a March 1994 Pew survey, 31% were very worried about losing their home or not being able to own their own home. This worry continued throughout the late 1990s with the percentage of respondents reporting being very worried about housing costs: October 1995 (38%) and in March 1996 (30%). In a May 1988 Pew survey 18% were very worried about losing their job or taking a cut in pay. This worry continued throughout the late
1990s with the percentage of respondents reporting being very worried about job loss/paycut: March 1994 (28%); October 1995 (34%); March 1996 (47%); May 1997 (30%).

Perhaps most important of all, many people sense threats to the American Dream. The July 1996 Institute for Social Research survey found that 48% of the respondents felt they would “never achieve the American Dream” with 57% thinking that their parents, however, had achieved it. Throughout the 1990s, a majority of respondents in the Time/CNN polls have agreed that the “American Dream has become impossible for most people to achieve” and a 1995 Harris Poll found that 67% thought that the “American Dream had become harder to achieve in the past 10 years” and 74% thought it would be “harder rather than easier to achieve in the next 10 years” (Cited in Galen and Vamos 1995, 80). According to a survey conducted in the winter of 1994-95 for U.S. News and World Report, 57% of those asked said the American Dream is out of reach for most families and more than two-thirds were worried that their children will not live as well as they do (Whalen 1996, 14).

While the unemployment rate has fallen steadily during the 1990s, there is evidence from several sources that more people continue to feel insecure about their jobs during this economic recovery than in past economic recoveries. A 1997 survey conducted by the PSRA for Wisconsin Public Television found that workers are feeling less secure about their own jobs. According the executive summary produced by PSRA, the percent of workers who are completely satisfied with their job security has dropped to 31% in 1997 from 45% in 1989. The current rate is even marginally lower than the 35% recorded in 1991, in the midst of the recession. It is not so much that more workers feel in imminent danger of losing their jobs. In fact, only 13% believe it is very or fairly likely they will lose their job in the next twelve months, a figure that has not changed significantly over the past 20 years. Rather, workers are less likely
than in the past to feel absolute confidence that their job is secure. Currently 55% say it is not at all likely they will be laid off in the next 12 months, a figure that has been in a slow decline since 1990 when 62% had no fear of an impending lay off. Polls conducted for NBC News/Wall Street Journal from September 1996 through December 1998 found that, consistently, between 21% and 25% of the respondents reported being somewhat or very dissatisfied with their current job security. Similarly, the Marist College Institute found 23% of the respondents were dissatisfied with their job security in October 1996.

Labor economist Stefanie Schmidt (1999) uses two items from the General Social Survey (GSS) to examine job insecurity, respondents’ beliefs about their likelihood of job loss during the next 12 months and beliefs about their likelihood of costly job loss (job loss that results in a decline in earnings). Looking at 1977-96, she finds that during the economic recovery years 1993-96, workers were more pessimistic about keeping their jobs and about the chances of costly job loss than during the late 1980s, an economic recovery with comparably low unemployment. In fact, despite the fact that the 1990-91 recession was much less severe than the 1982-83 recession, workers’ beliefs about their chances of job loss were quite similar during the two recessions (Schmidt 1999, 129). She finds that during the 1993-96 economic recovery, workers were more pessimistic about both measures of job security than they were during previous periods of low unemployment in the late 1970s and late 1980s (Schmidt 1999, 130).

Many people are worried about their way of life and maintaining their middle-class status. A Yankelovich, Clancy and Shulman national survey conducted in 1991 found that 54% worried a great deal about having their standard of living decline in the next five years. Worries about making ends meet continue during the late 1990s despite higher average family incomes. A September 1999 Pew survey found that 36% of the respondents completely or mostly agreed
with the statement, “I often don’t have enough money to make ends meet.” Similarly, a Pew poll conducted in July 1999 found that 29% of the respondents felt that “I often don’t have enough money to make ends meet” came closer to their own views than “Paying the bills is generally not a problem for me.” A Harris poll conducted in November 1999 found that 30% worried a lot about not having enough money to live comfortably. A 1999 Marist poll found that 56% of the respondents reported worrying always (23%) or sometimes (33%) that their “total family income will not be enough to meet your family’s expenses and bills.” This is even more strongly felt about the nation as a whole. In a June 1999 NBC News/Wall Street Journal Poll, 70% of the respondents felt that “economic pressures to make ends meet” was a very serious (50%) or fairly serious (20%) problem for families today.

It is difficult to assess the increase in these worries since many of these questions have only recently been added to surveys. Additionally, determining trends in these items is difficult because many survey organizations stopped asking these questions as the mainstream media began to report on the economic recovery and growth and politicians stopped talking about middle-class economic anxiety. The information that is available is a function of the interests of the news media as much as any ordering of the fears of Americans. All of these factors limits the conclusions I can draw from these public opinion polls. But the point of listing these findings was to suggest rather than draw conclusions. My argument is that there are definitely worries and fears among Americans and that these can be linked to economic changes that have occurred over the last thirty years. These worries do not significantly fade during economic upturns, but for those items for which there are multiple data points, the percentages remain stable. In fact, it may be that the public’s reactions to business cycles is distinct in the postindustrial economy. Overall, it seems that an average about 30% to 50% of the public is expressing some sort of
worry: about making ends meet, retirement costs, the middle-class standard of living. The fact
that these numbers hold up throughout what has been billed as the biggest economic boom in
American history is telling in and of itself. These survey findings give reason to investigate
further and lend support to my argument that these changes have been noticed by the American
public.

**Implications for Political Science**

The present catastrophe [rise in inequality] has been slow and insidious,
stretched over a period of almost thirty years, difficult to measure and with
far-reaching implications that are nevertheless subtle and easily left undetected.
It has been a slow-motion event, to which many have adjusted themselves, some
in insular satisfaction, more in sullen frustration.

*James K. Galbraith 1998, 263*

Taken together, journalistic accounts, social science theory, and public opinion strongly
imply that economic changes of the last thirty years matter. However, we have relatively little
empirical evidence or understanding of the political significance of these economic trends. Part
of the reason for this is that the empirical evidence we do have strongly suggests that citizens do
*not* link changes in their personal fortunes to their political opinion.

Political scientists have generally concluded that American citizens make few direct
connections between their personal life and their political judgement.\(^{27}\) This “disconnect” has

\(^{27}\)The empirical findings in this area are not entirely conclusive see Sears and Funk (1991) for a review of
circumstances under which connections are made.
been made the clearest in the case of economic life experiences.\textsuperscript{28} For instance, Kinder and Kiewiet (1979, 504) examine the impact of personal conditions on vote choice. They find that congressional voting from 1956-1976 was seldom motivated by perceptions of declining personal financial well-being or by unemployment experiences.\textsuperscript{29} In terms of policy preferences, Sears and his colleagues (1979; 1980) found that those respondents whose children were at risk to be bused were no more likely to oppose busing policies than those who were not at risk. Rather they found that ideological predispositions such as racial intolerance were far greater determinants of racial policy views. Victims of crime do not typically regard crime as a more serious problem for society as a whole or even for their own communities than do those personally untouched by crime (Tyler 1980; Kinder and Sears 1981). Americans whose personal lives were most disrupted by the severe energy shortages of 1974 were no more likely to believe the energy crisis to be a serious and persistent national problem than were those whose personal lives were untouched (Sears et al. 1978). The war in Vietnam loomed no larger as a political problem among those who had close relatives that served there than among Americans without such personal connections to the war (Lau et al. 1978).

Sears and his colleagues (1980) found the unemployed were not more likely to support the policy of government guaranteed jobs. And the unemployed interviewed by Schlozman and Verba (1979) were not unusually sympathetic to radical policy solutions. Researchers found surprisingly little impact of economic insecurity on support for the property tax revolt in

\textsuperscript{28} For the most part, most political scientists operationalize economic discontent/dissatisfaction with the National Election Studies standard survey question: "Would you say that you and your family are better off or worse off financially than you were a year ago?" and/or whether the respondent is currently unemployed, or had to cut back on spending.

\textsuperscript{29} However, a strong relationship appears on the aggregate level between economic indicators (mostly national rather than individual or family) and electoral outcomes (e.g., Kramer 1971; Kernell 1978; Fiorina 1978; Kinder and Kiewiet 1984).
California (Sears and Citrin 1985; Lowery and Sigelman 1981). Sears and Citrin measure “economic malaise” with perceived decline in personal finances. Lowery and Sigelman tested the impact of the “economic pinch” explanation in their study with retrospective and prospective financial well-being judgments. Citizens apparently do not readily link their personal economic circumstance to the political realm.30

Several attributes of the American political and belief systems help explain these findings. Americans tend to attribute their own problems and difficulties to personal shortcomings rather than to governmental policies (Feldman 1983a; Kluegel and Smith 1986; Peffley 1985; Kinder and Kiewiet 1979). The belief in economic individualism causes many Americans to blame themselves for their economic problems. And the belief that success comes to those who are willing to work hard is widespread (e.g., Sniderman and Brody 1977).

Kinder and Kiewiet (1979, 523) explain their findings with the powerful speculation that economic discontents and political judgments inhabit separate mental domains. Lane (1962) in the course of his interviews with working-class men, remarked that he seldom encountered reasoning that placed events and issues in context; "morselizing" was far more common.

This treatment of an instance in isolation happens time and time again and on matters close to home: a union demand is a single incident, not part of a general labor-management conflict; a purchase on the installment plan is a specific debt, not part of a budgetary pattern- either one's own or society's. The items and fragments of life remain itemized and fragmented (quoted in Kinder and Kiewiet 1979, 353).

30 However, for contrary findings resulting from an early period of interest in this topic see (e.g., Aiken et al. 1968; Leggett 1964; Street and Leggett 1961; Centers 1949).
Given the American political system’s emphasis upon symbols as opposed to concrete policy proposals it is entirely understandable that symbolic beliefs would outweigh the impact of direct self-interest.\textsuperscript{31} This, added to the strong American belief in individualism, limited government, and limited class consciousness go a long way toward explaining why Americans tend not to make strong connection between personal experiences and political views. So the weak connection that political scientists find in their empirical tests no doubt partly reflects the reality of American beliefs and behavior.

Rather than seeking to dispute this impressive body of work, my project addresses a crucial implication of these findings: that personal lives do not matter to political opinion. As Peterson (1990) argues, we might be well advised to pay more attention to people’s everyday lives as a source of deeper understanding of their political ideas and behavior. Kuechler (1986) points out that we may want to first understand what people’s concerns are in the daily pursuit of happiness and once we know more about everyday life, we may achieve a better understanding of the role politics play. I argue that the explanation for the weak connection between personal life and political judgment is partly a result of the decisions of researchers. Specifically, the way political scientists normally go about looking for these connections misses what we observe in our daily lives and what several theories predict. I argue that this is particularly the case regarding the enormous economic changes I discuss in the introduction.

A general measure of economic discontent or dissatisfaction is not equipped to address changes that are historically situated and distinct. If we draw conclusions about these economic

\textsuperscript{31} Typically research studies stipulate that an issue affects one’s personal self-interest when it impacts directly upon one’s material well-being in the here and now (Tedin 1994, 628).
trends based upon the dominant political science studies we would tend to discount the impact of these events on political opinion. The danger lies in drawing conclusions about the probable impact of these economic transformations without accounting for their distinctive qualities. I argue that commonly used measures do not tap the impact of the changes I outline in the introduction nor the anxiety, insecurity and fear they engender.32

So the important question remains unanswered. What is the political impact of the economic trends of the last thirty years? These trends have fundamentally changed the landscape of the American economy and for this reason alone merit investigation. But more importantly, these trends are affecting the life chances and dreams of many Americans. To understand these trends we have to undertake a full examination of post-industrial society. My contribution to this project is to conceptualize one key aspect of post-industrial America: economic anxiety. While journalists and ethnographers have explored these economic changes, they have not developed a clear concept that could be used to systematically gauge their political impact at the individual level. The first step is to outline the distinctive characteristics of “postindustrial anxiety” and this is the task I take on in the next chapter.

32 See, for example, Aldrich et al. 1999 and Burns and Gimpel 2000.
Chapter II

Postindustrial Economic Anxiety

Fear is associated with the expectation that something destructive will happen to us...

People do not believe this when they are, or think they are in the midst of great prosperity, and are in consequence insolent, contemptuous, and reckless... nor yet when they have experienced every kind of horror already and have grown callous about the future for there must be some faint expectation of escape. Fear sets us thinking what can be done, which of course nobody does when things are hopeless.

--Aristotle, Rhetoric 2.5.1383

I think life’s getting harder for everybody. I think the stress level in this country and I think just getting through every day is much harder for people now that it was in my parents’ generation. There’s a lot more uncertainty, and its very hard for your average person to deal with.

--Focus group respondent, Greenberg Research, 1996

For thirty years America has been moving toward what we might term the “postindustrial” era. This new economy is characterized by de-industrialization and globalized capital that resulted in changes in the nature of the workplace and the relationship between employers and employees. In this context, a growing economy does not have the same relationship with the fortunes’ of workers as it once did.

33 Quoted in Marcus and MacKuen 1993, 672.
34 Quoted in Greenberg 1996, 12.
This era is also distinct not just for what is it but for what it follows. The immediate postwar period, in comparison, was a time of relatively rapid wage increases and egalitarian income growth. Many analysts and scholars assume weighty political consequences for the transformation to a postindustrial economy. Their assumptions are backed up by theory and empirical findings concerning economic hardship in general. And according to survey data, many Americans note the impact of this transformation in various ways.

However, knowing all this only gets us so far in determining the political implications, if any, of the postindustrial shift. We still have to deal with the tendency of Americans to “disconnect” their personal economic experiences from their political opinion. But even more important and certainly the chief aim of my project, I seek to develop conceptual tools capable of discerning the political impact of the New Economy. In this chapter I describe what I mean by “postindustrial economic anxiety” and why I am asserting its political significance. In order to accomplish this task I first outline the key potentially politicizing features of the new American economy. I then outline the reasons why I expect these economic changes to have political significance for individuals. I put forth a conceptualization of postindustrial economic anxiety and end this chapter with a model for detecting this anxiety.

The Key Features of the Postindustrial Economy

Since at least the 1970s, the economy of the United States has been changing in essential ways. These changes are distinctive in that they follow a period of intense economic growth.

---

35 Many argue that the trend away from manufacturing is neither inevitable nor destined (e.g., Bluestone and Harrison 1982). My use of the term is not meant to be all inclusive of the characteristics of the current economy, nor is it, in any way, meant to suggest inevitability or any “natural” process underlying economic transformations. I use the term “postindustrial society” to suggest a social system where knowledge is central and employment is concentrated in the services; but not to imply that the problems of the previous industrial epoch have been solved or that America has transcended this phase (see Blumberg 1980, 217). Specifically, I am referring to the structural components of the notion of a postindustrial society rather than any psychological component of this notion, e.g.,
During the postwar period, from roughly 1945 to 1973, enormous economic growth, along with government spending, trade union activity, and the United States’ global preeminence, produced relatively egalitarian income gains. This postwar period produced a corresponding set of myths, beliefs, and expectations that the post-1973 economic restructuring affected in politically powerful ways.

The American economy since the end of the Second World War can be briefly summarized with the following scenario: 1) The postwar period created mass affluence and rising expectations. 2) The post-1973 era did not continue the trajectory of wage growth that the postwar growth suggested. 3) Therefore, families have had to work harder, working more hours (often sending wives into the workforce), and go into debt to maintain a middle class standard of living. 4) Global trends increased the number of service sector jobs, and temporary and part-time employment that offer diminished security and health and retirement benefits. 5) The shift to service sector employment from manufacturing employment, along with institutional and cultural changes, weakened labor union strength and this exacerbated the negative effects of the broader changes. 6) Incomes became increasingly polarized and the number of middle income earners decreased while the costs of college tuition, health care, and home ownership skyrocketed. 7) Job insecurity and stagnating wages became permanent trends rather than part of the cyclical business cycle, and coexisted with corporate profitability and national economic growth.

postmaterialism (see Hamilton and Wright 1986, 384).
What are the key implications of this scenario? The postwar affluence created politically powerful beliefs, expectations, and assumptions and the post-1973 economic changes affected them in several crucial ways. 1) Globalization is eroding the social contract between business and labor creating a great deal of worry and job insecurity. 2) Those who feel the effect of these trends cannot dismiss them as temporary nor can they be comforted by the idea that the nation as a whole is also suffering. 3) These trends threaten powerful symbols of middle class status like homeownership, affordable college tuition, and comfortable retirement established by the postwar affluence. 4) These economic changes also threaten the powerful expectation, partly built upon the postwar affluence, that hard work would almost always lead to doing better than one’s parents.

Why would we expect these economic changes to have political significance for individuals especially when Americans tend not link their economic circumstances to their political opinion? The answer to this question lies partly in the distinctive characteristics of the post-1973 economy. Specifically, the post-1973 economy: 1) created fears and these fears cannot be dismissed as temporary, cyclical or shared by all equally. 2) affected expectations and 3) undermined powerful symbols.

_A Focus upon Subjective Interpretations_

As the preceding points suggest, the political significance of economic transformations will not be found in simply observing their objective impact but in understanding how they are perceived and interpreted (see also e.g., Katona and Strumpel 1978,96). In fact, much of the work underlying the growing subfield of economic psychology argues that economic life forms part of our psychological life and that economic decisions can only be understood in the context of the psychological processes underlying them (Lewis et al. 1995, 6).
Furthermore, enormous differences exist between individuals and groups in the extent to which they are sensitive or vulnerable to stress produced by certain types of events (Lazarus and Folkman 1984, 22). In the research on social indicators there has been a recognition that any real measure of social condition must include the subjective evaluation of the individuals involved in the experience (Angrist 1976). Schneider (1975) argues that objective aggregate statistics like unemployment rates do not provide a complete picture and are often unrelated to the personal social well-being of individuals as measured through the use of subjective social indicators (cited in Kennedy and Mehra 1985, 103). (McCall 1975, 237) points out that being satisfied is a common coping response: a means of coming to terms with objective conditions and a means of defining them in an acceptable light. McCall argues that the same objective conditions may elicit different evaluative responses or the same response may be elicited by different objective conditions. Given the fact that these two processes may be simultaneously ongoing in a social system, it is not surprising that the relationship between the objective and the subjective is obscure (cited in Kennedy and Mehra 1985, 103). Whatever role objective factors play will not be found in traditional measures of economic status, like income, or short-term outlook concerning income. However, objective measures that account for the new economy, like a wife reluctantly entering the workforce, may improve our understanding of American political opinion far more than a focus upon objective hardship ever could.

American history demonstrates that objective economic deprivation is not automatically translated into the expression of political grievances, even among the most disadvantaged. Absolute deprivation (low income, low living standard) does not show any relationship with the susceptibility to political protest appeals, (Klandermans 1989, 68) and sometimes even made people less susceptible (Runciman 1967). Recently, Lobao and Thomas (1992) found that
farmers’ subjective economic appraisals were more closely related to their political beliefs than objective economic indicators. Furthermore, a recent series of psychological studies of the impact of the parents’ work status on their children find evidence that job insecurity rather than employment status affect family functioning (Barling et al. 1998; Barling 1990, 1992). Barling et al. (1998, 116) find that children’s perceptions of both their parents’ job insecurity were influenced more by their parents’ expressed insecurity than by the number of layoffs they experienced. According to labor economist Stefanie Schmidt (1999,128) the growing literature in labor economics related to the changes in job security in the new economy has largely ignored the issue of what workers believe about their own job security. Trends in involuntary job loss rates are indicators of the economic well-being of the minority of workers who have recently lost their jobs. However, Schmidt argues that one can only learn about how changes in job stability and job loss are affecting all workers by looking at data on job security perceptions. (Italics in original).

The post-1973 economic changes did not reverse the prior trend of mass affluence. Therefore, the political impact of the postindustrial economy is not to be found in poverty or mass unemployment per se nor even fears of poverty or unemployment. Essential to my investigation is that within this mass of affluence there are those who cognitively and, more importantly, emotionally sense that things have changed permanently. In others words the objective category of middle class income contains a growing number of citizens who feel insecure and greatly fear “falling.” The symbolic weight of middle class status combined with the large number of self-identified members of the middle class in American society means that their fears have a large impact on society across income levels. Therefore, one key place to look for a political impact is in these fears.
Economic Worries and Fears

The fear and worry that the post-1973 economic changes produce provide a clue to their political significance.\textsuperscript{36} Political scientists and social psychologists suggest the power of emotional reactions in triggering a connection between personal economic circumstances and political opinion.\textsuperscript{37} For instance, Marcus and MacKuen (1993,672-674) argue that threat (measured by emotional responses to political figures) powerfully motivates citizens to learn about politics.\textsuperscript{38} Generally inattentive to political matters, citizens may require sharp notice, like threat, before they become motivated to learn anything new. The presence of threat interrupts ongoing activity, attention is shifted toward the intrusive source, and increased arousal occurs. Marcus and MacKuen argue that anxiety, worry, fear and other negative feelings play a role in directing people’s attention to their immediate context, disrupting standard routines.

Psychological studies support the notion that people abandon complacency and start to pay attention to politics when the world signals that something is not right (e.g., Pratto and John 1991). That is, emotional reactions stimulate attention.

\textsuperscript{36} For the purposes of this research project I consider the constructs of worry and fear to be interchangeable, experimental studies have not provided sufficient evidence to establish a fundamental qualitative difference between them (Tallis et al. 1991, 97). Anxiety, worry and fear are closely related in terms of behavioral concomitants. For the purposes of this research and consistent with psychology theory, anxiety will be considered the more general construct with worry and fear as more specific measurement constructs (Levitt 1980, 9).

\textsuperscript{37} This is not to say that fears do not have a cognitive component or to suggest the preeminence of emotions as opposed to rationality. Rather, the point is that a focus upon the role of emotions in political science is relatively rare. This is partly because most empirical studies have tried to hew close to measures of direct, objective self-interest in studies of this kind. These studies produce robust findings but have tended to downplay the role of personal experiences along the way. Emotions like fear are a promising way for political scientists to understand how people may connect daily experiences to politics. Furthermore, I argue fears and worries are made more salient in America’s high-risk new economy.

\textsuperscript{38} The authors measure these emotions with response items included in the 1980 American National Election Study. Respondents were asked in relation to several political figures which emotion that figure elicited among several listed, i.e., hopeful, afraid, proud, disgusted. The authors designated the terms afraid, uneasy, anger and disgust as markers for underlying anxiety. They observed changes over the course of the presidential campaign in the level of political knowledge and campaign involvement. Individuals evidencing more threat-related emotions learned more about the policy stands of the candidates.
Conover and Feldman (1986) find that emotional reactions to both personal and national economic conditions are important in explaining political evaluations (presidential approval, and rating the government’s handling of inflation and unemployment). They find that cognitive reactions (assessing personal finances, whether hurt by inflation, and whether unemployed) have only a small influence on political evaluations. In contrast, emotional responses have a significant effect on all evaluations. They conclude that emotional reactions may act as an “intensifier” amplifying a person’s response to a situation. Rahn and Transue (1995) find that fear of crime shapes evaluations of illegal immigrants and erodes beliefs about government responsiveness. They demonstrate that people’s views about how to address crime are shaped not only by symbolic beliefs about moral traditionalism but also by real fear of personal criminal victimization.

Fears are significant not just for the intensifying impact provided by their emotional component. After all, Americans have always had economic fears. However, the nature of the postindustrial economy heightens the intensity of these fears. This economy is built upon high risk with high reward for a few and increased anxiety for many. It is the particular nature of the postindustrial economy that give these fears their intensity. The “fear of falling” that so many Americans now use to describe their place in the economy strongly connotes a fear of future events (see e.g., The New York Times 1996; Newman 1988). These fears may have particular political potential. First, something in the future remains something that can still be avoided with some action. This is nicely illustrated by Aristotle in the epigraph to this chapter. Not only

---

39 Their empirical analysis employs data collected in Lexington, Kentucky, and measures of emotional reactions. They adapt the affect checklist for candidates included in the 1980 National Election Study so that it pertains to the economy. A typical questions was “does the nation’s economy/personal economic situation make you feel angry...hopeful?”

40 “How afraid are you that a member of your family, or a close friend, or you yourself might be a victim of an assault during the coming year?”
does the possibility exist to avoid future threat but mentally trying to determine how to avoid the threat or to prepare for its occurrence remains as one of the few coping responses available (Borkovec et al. 1998, 566).

On the other hand, events that have already occurred offer no possibility for avoidance. According to Riskind (1997, 687-689), anxiety is typically deemed a “mobilization” response to a threat situation that is developing and coming but that can still (with some hope) be avoided. People are more vigilant for potential threat and show greater behavior to avoid such circumstances, as well as other defensive behavior to cope with/or prevent negative outcomes. On the other hand, psychological depression is a “demobilization” response to a static situation that can no longer be avoided because it has already developed or come to pass. In other words, anxiety is evoked by future threat and leads to anticipatory anxiety, while depression is evoked by past loss and leads to hopelessness. In fact, laboratory inductions of worry with normal participants elicit both anxiety and depression in nearly equal amounts. “It may be that the content of worry may alternate between thoughts of future feared events (and thus generate anxiety) and thoughts of past negative events (and thus create depression)” (Borkovec et al. 1998, 569).41

Long-Term Worries

Economic fears have political potential not only because they are looming in the future but because they cannot be dismissed as temporary. Of course, even temporary spells of unemployment can elicit worry and fear. However, it is of a fundamentally different, and I am arguing less potentially political, kind. Unemployment or a decrease in income can be dismissed

---

41 See Rosenstone (1982) for an argument that posits the depressive effect of economic difficulties on political participation.
as a temporary condition. This is especially the case in American society. Such dismissal would tend to dampen the impact of economic factors on political opinion. The postindustrial economy is distinct in that globalization has made many jobs and industries obsolete and downsizing has led to permanent job insecurity. In this way, the impact of the postindustrial economy may have particular political potential unlike general economic downturns. The potential impact of these long-term trends is powerful because they affect the previously secure middle class. The postwar mass affluence seemed to promise that chronic economic fears were only supposed to affect the poor. According to the myths which grew from this affluence, the middle class were to suffer only temporary setbacks on their way to all that the postwar growth promised.

Normal economic downturns are depoliticized by Americans not just because they are perceived as temporary in nature. The political impact of economic downturns is also dampened by the uniformity of its effects. Horwitz (1984, 113) argues that apart from the actual degree of economic loss, people who feel everyone else faces the same dire circumstances may suffer less than those who feel they have lost more than others. People who lose their jobs but who do not feel that their economic situations are unfavorable relative to others’ exhibit less stress, smaller declines in self-esteem and less frequent depression (Pearlin et al. 1981). The myth, if not the reality, of economic downturns is that they are a natural part of the economy which affect the whole nation and will eventually lead to a recovery. However, in a postindustrial economy, job insecurity underpins corporate growth; this is quite in contrast to the postwar period. Media reports on strong economic growth serve as a further reminder that the nation as a whole does not seem to share the fate of the most fearful.

*Expectations*
So far I have argued that the fears and worries created by the postindustrial economy have particular political potential for several interrelated reasons. 1) recent findings of political scientists point to the power of emotional reactions, like fear. 2) more specifically these fears, according to social psychologists, have the potential to mobilize rather than demobilize a reaction. 3) even more specifically unlike economic downturns these economic changes cannot be dismissed as temporary or as affecting everyone. However, there is more to the story of the political significance of the postindustrial economy than the looming, long-term fears it engenders. Part of the political potential of the post-1973 economy comes from the shattering of expectations.

The postwar period created a level of mass affluence in America that was unprecedented. But perhaps even more important it created a set of unsustainable consumer expectations. This period gave birth to the belief that if one worked hard doing better than one’s parents, gaining access to the middle class and all that this entailed were inevitable. These expectations became part of the American imagination and as such their frustration has political potential.42 The loss of stable employment and the growth of bad jobs creates a fundamental disconnect between what a significant portion of the working population are told they should be able to expect of themselves and what they can realistically attain (Nelson and Smith 1999, 18).

Lane (1986, 384) argues that expectations are important, for both past expectations that by now one would possess some good and expectations that one will in the future possess that good affect justice sentiments. De Tocqueville (1955) suggested the power of frustrated expectations and a formidable body of more recent work in the political protest literature, 

42 “We’ve always believed in something called progress. We’ve always had a faith that the days of our children would be better than our own. Our people are losing that faith” Jimmy Carter, address to the nation, July 15, 1979 (quoted in Blumberg 1980, 256).
particularly relative deprivation theories, (Klandermans 1989; Morrison 1971; Gurr 1970; Pettigrew 1967; Davis 1962) suggest these frustrated expectations are politically potent. For instance, Davis (1962, 86) argues that political protest is most likely to occur when a prolonged period of objective economic and social development is followed by a short period of sharp reversal. The first period arouses the expectation of continued satisfaction of needs and the second evokes anxiety and frustration because reality differs from that which was anticipated.\footnote{I draw upon relative deprivation theories to illustrate the political potential of postindustrial anxiety and not to suggest its revolutionary or even protest potential per se.}

Bettelheim and Janowitz (1949) found feelings of deprivation to be a much better predictor of intolerance than indicators of objective deprivation in their study of the Army. There is also evidence that citizens more readily link relative judgments to political behavior than objective conditions (Klandermans 1989, 64).

The legitimacy surrounding expectations built upon postwar growth gives them added political strength. Muller (1980) stresses that it is the frustration of aspiration that is felt to be legitimate that makes people protest. “We know deprivation when we see a disparity between that which we have and that which we assume to be the standard and our due.”(Gaylin 1984, 147). A sense of deservedness is central to the concept of justice (Lane 1986, 386). Nevertheless, people develop many expectations and material desires throughout their lives. Many of these are dashed every day with little political impact. However, this point brings us another piece of the picture: the importance of symbols in American society.

The Power of Symbols

The postwar period not only created high expectations. The period’s affluence imbued
certain characteristics with great symbolic weight. The postwar affluence did not bring about the expectation of a guaranteed level of income for all citizens but it did bring into reach of the masses things previously limited to the wealthy. Affordable college tuition and homeownership came to symbolize middle class status and threats to these symbols affect the expectations of present and future middle class members in powerful ways. The same could be argued for the social contract between labor and business. The job security and fringe benefits this largely symbolic contract created came to be expected and associated with middle class status.

The strength of symbolism in American politics is considerable (e.g., Edelman 1964). That the post-1973 economic trends threaten cherished and assumed trappings of middle class life beyond family income make them more likely to be politicized, not just for members of the middle class, but also for those aspiring to that status.44 Faced with threats to a lifestyle they feel entitled to many families try to maintain it by sending another wage earner into the workforce and increasing their household debt which serves to further heighten their sense of frustration and anxiety.

Summary

In this chapter I have outlined the distinct features of the postindustrial economy, the implications of these features, and described what may give these features political weight. Several distinct characteristics of the postindustrial economy may serve to trigger a connection between economic factors and politics. The fears and worries created by the postindustrial economy have the potential to stimulate attention and because this emotional reaction is about

---

44 An analogy might be found in America’s industrial revolution throughout the late 19th and early 20th century. The American Dream in the early part of our history was shaped heavily by the idea of the independent farmer. Not only would farmers, unwillingly driven into factory jobs, have drawn upon American beliefs and mythology, but the symbolic weight of this shift would have importance for all citizens regardless of occupational status because of how intimately connected the farming way of life was to America’s history up to that point.
the future it may mobilize rather than demobilize a reaction. The long-term nature of trends like wage stagnation makes it less likely for people to dismiss their concerns as temporary which usually serves to dampen the impact of economic factors. And the nature of economic growth in the postindustrial economy makes it less likely that these trends can be accepted as affecting everyone uniformly and eventually leading to a recovery. The post-1973 era threatens powerful beliefs built upon the postwar affluence. These frustrated expectations, imbued with symbolic weight, are made even more politically potent.

Before moving on to conceptualize economic anxiety, it is important to reiterate that asserting the distinctiveness of the new economy is not meant to claim that economic hardship and anxiety are unique to the postindustrial era. The business cycles of the American economy have always produced economic hardship and poverty, and continue to in the economic boom of the early 21st century. Furthermore, there have been seismic economic episodes that changed the landscape of the American economy along with the expectations and beliefs built upon it while creating fears and worries. Perhaps the most dramatic of these events was the Great Depression beginning in 1929. The anxiety produced by the Depression shares some of the attributes of the present anxiety, but it also differs in key ways. Like those anxious in the postindustrial age, those who lived through the Depression would have felt that their way of life had fundamentally changed. Similarly, understanding the fears of those who were haunted by the severity of the Depression throughout their lives requires a focus upon subjective as well as objective considerations.

However, in a certain sense the fears arising from the Depression share the attributes of those due to business cycle downturns. While obviously an economic depression is much more traumatic, it is like a downturn in that those suffering saw that most of the nation shared their
fate. This is unlike the new economy wherein the nation (as a whole) might be doing very well, while many people feel left behind and intensely insecure.

Another important difference relates to historical vantage point. Nothing will ever look the same to Americans after the mass affluence created in the postwar period. Most especially, mass affluence produced expectations that could hardly have been imagined at any prior point in time. Relatedly, there is an issue of perspective. To a large extent, the fears of those who lived through the Depression were about a return to certain conditions of hardship; those left fearful in the new economy fear never attaining or losing a status they feel entitled to. Furthermore, the nature of the fears, what they are afraid of, is different. For instance, even though the Depression was severe, it did not fundamentally change the nature of the workplace in the way the current economic transformation is doing. While those who lost everything in the Depression and those who watched others lose everything probably felt quite betrayed by the American Dream, the promises which later came with mass affluence would “up the stakes” of such betrayals enormously.

But all economic anxiety, at least in the American context, grows out of the risk and fear inherent in a market economy. The degree of regulation placed upon the market has varied throughout America’s economic history. To the extent that the market is less fettered, the risk and fear increases. A key factor, as far as the political potential of this variance is concerned, becomes the context in which it occurs. Those who lived through the Depression feared its return because it had been terrifying. But most Depression era Americans probably did not feel that not having to suffer through a massive Depression caused by the market was necessarily their due. Here the role of expectations in current anxiety is distinct. Promises of security,
having once been made, powerfully affect the ways in which people view the characteristics inherent in America’s market economy.

**A Conceptualization of Postindustrial Economic Anxiety**

We have several good reasons to suspect a political impact for the economic trends of the post-1973 era. An analysis of current public opinion offers one way to ascertain this impact. If these economic changes have had a political impact then we should see its effects when we ask people about their economic situation and their political views. Since subjective interpretations are important here we should see a difference in opinion between those who feel the impact of these changes on their lives and those who do not. One mechanism whereby the political potential of these economic changes could manifest itself is through the expression of what I will refer to as “postindustrial economic anxiety.” The term “postindustrial” is meant to emphasize the uniqueness of the economic era from which it grows as opposed to other equally monumental economic shifts, (e.g., the industrial revolution) and to distinguish it from general economic anxiety. “Economic anxiety” is used to connote an affect which is broader than specific worries or fears; however, worries and fears are certainly a part of this anxiety.

In order to accomplish the task at hand, the conceptualization of “postindustrial economic anxiety” has to account for the distinct features of the post-1973 economic era and must be distinct from short-term economic dissatisfaction. What is “postindustrial anxiety” and how is it distinct?

*First, postindustrial economic anxiety is about subjective interpretations rather than objective economic categories.* Unemployed citizens may see their status as temporary and not be concerned whereas many employed citizens may have long-term concerns about their industry becoming obsolete or moving its operations overseas. Additionally, the mass affluence created
in the postwar era lessens the relevance of the differences between those who call themselves middle-class and those who identify with the working class or differences among income groups. The crucial distinction in the post-industrial context is between those who sense a threat to their way of life from economic change and those who do not.

Postindustrial anxiety includes the feeling that things are not going to get better in due time. To many families the rules of the economic game seem to have changed permanently. Therefore, we have to understand people’s long-term concerns rather than their short-term economic evaluations. The trend of wage stagnation does not tend to show up as a loss of income in any particular year. The effects of this trend tend to build up slowly over time leaving people with the feeling that they are working harder but not getting ahead. The key point to be made here is that families can feel this way without evidencing any substantial objective loss of income in the short term.

When studying the impact of economic discontent political scientists tend to focus on whether people feel they are worse off financially than they were a year ago. In other words, we compare those whose current income is less than last year with those whose income stayed the same or improved. In general, a focus upon short-term economic evaluations may not be the most fruitful approach. Economist Stephen Rose (1996) argues that fully one-third of the bottom income quintile in any given year are there temporarily. Many people who are having one bad year jump back immediately the next year. In his studies of social mobility he only uses ten year average earnings and does not draw conclusions from any single year’s data. Of course, I would
expect that economically anxious people will tend to be doing worse financially. But to speak
directly to postindustrial society requires the distinction between short-term and long-term.

Postindustrial anxiety entails more than just present or future family income worries, but
threats to a way of life. The postwar affluence promised a way of life which included certain key
elements. Therefore, in the context of postindustrial society, accounting for worries about things
like health insurance benefits, credit card bills, college tuition, and a comfortable retirement is
essential. In the postindustrial economy many families who are doing as well as, or even better
than they were a year ago in terms of income may nonetheless worry about job security and
saving for retirement.

A focus solely upon income may not be a fruitful way to truly understand the impact of
financial circumstances generally. In fact, Mullis and his colleagues (1992, 119-120) find that a
comprehensive measure of economic well-being based on permanent income, annuitized net
worth (based on a projection of life expectancy), and household economic demands (compared to
other households), performs better as a predictor of psychological well-being than conventional
measures of economic well-being, particularly current reported income. Specifically, he argues
that, “current income is an inadequate measure of economic well-being in that it does not fully
represent all the components of economic resources which undoubtedly contribute to a sense of
well-being”.

45 Incidentally, a decrease in income for any particular year might not be related to longer term hardship.
For example, the return to school of the primary wage-earner might produce a temporary income loss which will
translate into a long term gain. This scenario is particularly relevant in the new economy.

46 For instance, Mughan and Lacy (1998, 10) find that their measure of job insecurity is independent from
retrospective and short-term economic evaluations. They argue that short-term economic evaluations are not
necessarily surrogates for more long-term economic judgments which may tap into popular hopes and fears that
transcend the last year or two and may even involve concern for the economic prospects of future generations (18).
Unfortunately, their data (The New York Times poll, see Appendix B) do not allow for a test of the impact of
postindustrial economic anxiety as I conceptualize it.
Postindustrial anxiety involves expectations and relative comparisons. A focus upon decreases in income or even economic dissatisfaction does not address this distinct characteristic. The political potential of frustrated expectations has little to do with objective levels of income or financial evaluations. Similarly, evaluations of national economic health or business conditions would not account for the political potential of the feelings many families have who judge the national economy to be growing but nonetheless feel that their long-term fortunes are declining.

Linkages to Political Science Literature

Studies of Economic Self-Interest

My discussion of the distinctiveness of postindustrial anxiety speaks to the significant body of work investigating the political impact of economic factors. In the late 1970s, Boskin (1979, 42) asserted that tax limitation movements are rooted in the lack of private economic progress in the last half decade. However, the reason researchers failed to find empirical support for the role of economic fears during the late 1970s (e.g., Sears and Citrin 1985; Lowery and Sigelman 1981) may be partly due to citizens’ inability to react to economic trends early in their trajectory before they could be seen as a long-term trend. Sears (1978,6) argued that the tax revolt movement resembled Peter Finch’s litany in the film *Network*, “I’m mad as hell and I’m

---

47 In general the postindustrial economy has not necessarily produced more objective economic suffering in the United States; although the poor and the working poor have suffered disproportionately both from the breakdown of the social contract between business and labor and the anti-government backlash.

48 Researchers have made a strong argument for the kinds of measures they use to study the political impact of the economy (see e.g., Sears and Funk 1991). For their purposes it is important to distinguish between subjective symbolic beliefs and objective economic circumstances. The assumptions and empirical findings of symbolic politics scholars have tended to color how political scientists, even those not strictly concerned with testing self-interest effects per se, conceptualize people’s everyday lives. I think that the implications of this have become increasingly problematic as America moves into a new economy and political scientists relying on assumptions and findings best suited to another economic era fail to “hear” what people are feeling and saying to them. My purpose here is not to refute the large body of work in the area of symbolic politics or its theoretical argument. Instead, I seek to focus attention on the political implications of peoples’ everyday lives which necessitates blurring the distinction between the subjective and the objective.
not going to take it any more!” But Sears goes on to note, “Most voters do not seem to have a clear sense of what the ‘it’ is”. These voters may have needed time to clearly see the trends underlying their frustrations.

As many of the studies on this topic confirmed, American political opinion seems largely driven by symbolic beliefs, like political ideology, as opposed to self-interest or everyday life circumstances. As I discuss in the previous chapter there are several explanations for this phenomenon. Americans strongly believe in economic individualism and tend to morselize their personal experiences. They tend not to think in terms of economic class position. This is partly because the appeals they receive from elites are likely to be based on vague symbols rather than class rhetoric or concrete policy proposals. These explanations represent fairly stable characteristics of the American social system. However, there are other, not so stable, factors at work here. Muted class identification in the United States partly rests upon the belief that personal economic standing is neither permanent nor inevitable. The myth if not the complete reality is that once in the middle class or on the road to the middle class things may be temporarily rough or fall short of expectations but will ultimately, with hard work, get better. For a large stretch of our history and most especially in the years between 1945 and 1973 unemployment often was cyclical and temporary as were declines in income or financial setbacks. So, especially during the postwar period, reality served to buttress important myths.
If indeed material concerns were muted in part by aggregate postwar growth patterns, it makes sense that economic self-interest and, more generally, objective economic categories would be less cognitively accessible than other applicable constructs. However, it also makes sense that changes in that aggregate pattern of growth will impact this phenomenon. Specifically, the particular characteristics of postindustrial society may bring personal economic issues to the tops of people’s heads.49 Young and his colleagues (1991) refer to the chronic accessibility of self-interested considerations as a situation in which the personal relevance of a policy is always clear. On a grand scale “postindustrial” threats to the promise of the postwar period may serve to “prime” (i.e., increase the accessibility of attitudes or information) and increase the salience of economic experiences in ways suggested by individual-level studies of priming (e.g., Iyengar et al. 1984; Krosnick and Kinder 1988; Krosnick 1989; Lau 1989) and studies of the effects of priming on self-interest (Lau et al. 1990; Lewis-Beck 1985; Sears and Lau 1983). The accessibility of economic concerns may make the differences more distinct between those who feel threatened by postindustrial changes and those who don’t feel threatened. In this way postindustrial society may make the connections between everyday experiences and political opinion easier to detect empirically.

A Model for Detecting Postindustrial Anxiety

Environmental events or cues impinge on the individual; the individual appraises these events or cues and, as a consequence of the appraisal, stress arousal is produced (Paterson and Neufeld 1987, 404). These cognitive appraisals (judgments) about a source of threat or danger are direct antecedents of anxiety (Riskind 1997,685). However, because anxiety cannot be observed directly I need to establish its key antecedents in order to detect it. Combining the

49 Term used by Zaller (1992).
social psychological, sociological, economic, and political science literature discussed above I propose that postindustrial economic anxiety contains several key *subjective* components. 1) beliefs that economic change is permanent. 2) perceived threats to a way of life. 3) relative comparisons and frustrated expectations. By establishing people’s subjective evaluations of these key components I can observe directly the appraisals underlying economic anxiety while accounting for the characteristics of the postindustrial economy. Thus, I can then compare the political opinion of people based upon differences in their postindustrial economic anxiety.

In the next chapter I describe the steps I took to identify existing indicators of postindustrial economic anxiety and then build on them to fashion my own operationalization. I describe several secondary data sources containing economic anxiety items. I compare items that I think more or less tap postindustrial economic anxiety as opposed to more general economic items. I then describe in detail the survey instrument I develop and the data I derived from it.
Chapter III

Data and Methods

In the previous two chapters I outlined how the economy has changed in the last thirty years and what I mean by “postindustrial anxiety.” I want to determine how this anxiety affects the beliefs and policy positions of those who are cognizant of these anxieties in their everyday lives. While there are several possible ways to approach this research topic, (e.g., qualitative interviews, focus groups), I will examine the statistical relationship between expressions of anxiety and political opinion using survey data. Before moving on to describe the survey data I collected for this project, I briefly describe how existing data sources complement this project.

My project speaks to economic fears, which unfortunately are only addressed in media-sponsored polls, and to policy views and political beliefs, commonly only included in academic-sponsored public opinion polls. Therefore, the key hurdle was finding or building a suitable data set. The American National Election Study and the General Social Survey are inadequate for my purposes because, while they include all the desired policy and political beliefs questions, they have only a limited range of questions on economic perceptions.

Secondary Data Sources

I began this task by examining the existing academic polls archived at the Inter-University Consortium for Political and Social Research (ICPSR) as well as hundreds of relevant polls conducted by Gallup, Roper and other commercial firms. I used the Lexis-Nexis RPOLL service and other archive searches to find existing data sets containing economic anxiety questions. I then viewed the exact question wording and marginals, along with the contents of
the rest of the survey.\textsuperscript{50} During this process I compiled a list of economic anxiety questions that I could add to a survey and identified several potentially useful existing polls.

\textit{A Closer Look at Several Media Polls}

Most of the relevant questions appeared in isolation with only a handful on any given survey. However, I found four data sets that included a large number of anxiety items and at least a few policy questions.\textsuperscript{51} These would seem to allow for testing some hypotheses if I couldn’t conduct my own survey. More important, they would permit me to explore reliability and validity of many anxiety items used in media polls. For each survey I identified all the subjective economic-related items and distinguished between the items that appear to represent some aspect of postindustrial economic anxiety from standard economic measures. I include in Appendix B five tables displaying all the items and the analyses I conducted.

One of the central arguments of my project is that economic anxiety is distinct from objective economic hardship. To establish the validity of that claim, I examined the correlation between all the economic items and the two available measures of socioeconomic status, namely income and education. I also argue that economic anxiety is distinct from standard economic items. Therefore, I examined the correlations between a standard economic item and all the anxiety items. To determine if the items that represent economic anxiety group together as I would expect I created simple summed indices of the anxiety items in each survey and examined the reliability of each scale.

\textsuperscript{50} The keywords I searched on included: anxiety, anxious, insecurity, insecure, fear, fearful, worry, worried, worries, middle class, expected, expectations, finances.

\textsuperscript{51} Using a pre-dissertation grant from the Department of Political Science at Penn State University, I purchased these data sets from the Roper Center. In addition, I requested three polls from Times Mirror Center for the People and the Press which were provided free of charge. (The Center is funded by the Pew Charitable Trusts and the Center bears no responsibility for the interpretations presented or conclusions reached based on analysis of the data.)
From my exploratory secondary analyses, I was able to draw two important conclusions. First, the items I suggest represent anxiety appear to be distinct from income, education, and standard, short-term personal and national economic evaluations based on their low or moderate correlation with these items. Second, item analysis indicates that the anxiety items that I grouped together based solely upon face validity cluster in ways that make sense based upon my conceptualization of anxiety. In other words, these items, often not grouped together on their respective surveys, create reliable scales. In summary, my search of RPOLL and the initial analysis of these data sets gave me insight into the structure of the economic anxiety items, their relationship with socioeconomic indicators, and a list of economic items from which to draw upon for my own survey instrument.

**The Global Change in Local Places Survey**

While I was searching for suitable data I was informed about a survey concerning global warming and energy use that was to be conducted by a group of scholars at Penn State University. I contacted a member of this group, Professor Robert O’Connor, about the possibility of adding some questions to this survey. Professor O’Connor and his colleagues graciously offered me space on this questionnaire and I was invited to participate in the development of the survey. In the next section I describe the survey and the data I derived from it for my project.

The bulk of the data for this study were drawn from a mail survey of 1,200 individuals living in five Central Pennsylvania counties conducted by an inter-disciplinary team of Penn State University Researchers. The survey was funded by Global Change in Local Places Project of the National Aeronautical and Space Administration (NASA). It was mailed on

52 The researchers are: Professor Ann Fisher (Economics), Professor Brent Yarnal (Geography), Professor Richard Bord (Sociology) and Professor Robert O’Connor (Political Science) and Nancy Wiefek (Political Science).
December 3, 1998 with a follow-up postcard mailed on December 10, 1998 and a second survey mailed to non-respondents on January 7, 1999 (as per Dillman 1978). This procedure produced a 53% response rate (N=637). The names and addresses were purchased from a commercial firm, Affordable Samples, Inc. located in Connecticut. This firm provided the addresses for a random sample of households in the five counties based upon telephone listings.

The questionnaire was produced in the form of a four-page booklet. The survey included a split ballot design comparing a national with a local focus. Specifically, half the surveys were entitled “Global Change in Local Places: Issues Affecting You and Your Country” with a picture of the United States on the front and the other half referred instead to “Issues Affecting You and Your County” with a picture of the five Central Pennsylvania counties on the front. Because the sampling process was based upon telephone listings, the questionnaire was addressed to the household member in whose name the telephone was listed. Households headed by married couples are likely to have their telephone listing in the name of the male head of household and that tends to produce an over-representation of male respondents (Dillman 2000, 203). In an attempt to alleviate this problem, the cover letter accompanying one half of the mailings requested that an adult female member of the household complete the survey.

The survey contained 145 questions mainly on the topic of energy use and beliefs about global warming. Several items allowed the respondent to express an opinion on a fictional national referendum concerning global warming and ways to reduce energy use. The items that I included for my study appeared together at the beginning of the survey. The final section of the survey contained standard sociodemographic questions as well as partisanship and political ideology items. The principal investigators on this study chose not to include a measure for race.
The race of the residents of these counties is predominately white (98% of the population averaged across the five counties) according to 1990 Census figures.

The five Pennsylvania counties included in the sample were Centre, Clearfield, Clinton, Synder, and Union. These counties include the geographic center of the state, the site of a large research university, and farming communities. Table 3.1 outlines some characteristics of these communities and of the state based upon the most recent available data.

<table>
<thead>
<tr>
<th>Table 3.1 Census data on Centre, Clearfield, Clinton, Synder, and Union counties and Pennsylvania</th>
</tr>
</thead>
<tbody>
<tr>
<td>Centre</td>
</tr>
<tr>
<td>Clearfield</td>
</tr>
<tr>
<td>Clinton</td>
</tr>
<tr>
<td>Snyder</td>
</tr>
<tr>
<td>Union</td>
</tr>
<tr>
<td>Pennsylvania</td>
</tr>
</tbody>
</table>

Sources:
- Pennsylvania State Data Center
- Pennsylvania Department of Labor and Industry, prepared by Pennsylvania State Data Center
- U.S. Census Bureau

This overview of the counties indicates that except for Centre county, these areas tend to be much more rural and have smaller urban populations than Pennsylvania. The five counties are varied in the types of economic conditions they may have been experiencing during the data collection. For instance, the unemployment rates among these counties varied with Clearfield at almost double the rate of the state, but Centre and Union with lower unemployment rates than
Pennsylvania as a whole. The average annual wages for these counties were ranked near the bottom half out of all the 68 counties in Pennsylvania but with an array of rankings among them. Centre county had the highest wages among these five counties, as of 1996, ranking 25th out of the 68 counties in the state.

*Sample Characteristics*

Table 3.2 presents some information about the characteristics of this particular sample of Central Pennsylvania residents.
Next, Table 3.3 compares this sample with the population from which it is drawn.

<table>
<thead>
<tr>
<th>Table 3.2 Sample Characteristics</th>
<th>Percent</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sociodemographics</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Low income, below $30,000</td>
<td>40.5</td>
<td>244</td>
</tr>
<tr>
<td>Middle income, $30-80,000</td>
<td>48.6</td>
<td>293</td>
</tr>
<tr>
<td>High income, $80,000+</td>
<td>10.8</td>
<td>65</td>
</tr>
<tr>
<td>Male</td>
<td>59</td>
<td>361</td>
</tr>
<tr>
<td>Female</td>
<td>42</td>
<td>256</td>
</tr>
<tr>
<td>High school graduate</td>
<td>95.6</td>
<td>591</td>
</tr>
<tr>
<td>Attended some college</td>
<td>15.5</td>
<td>96</td>
</tr>
<tr>
<td>College graduate</td>
<td>35.6</td>
<td>220</td>
</tr>
<tr>
<td>Beyond a four year degree</td>
<td>16.2</td>
<td>100</td>
</tr>
<tr>
<td>35 years old and younger</td>
<td>23</td>
<td>144</td>
</tr>
<tr>
<td>36 to 65 years old</td>
<td>58</td>
<td>357</td>
</tr>
<tr>
<td>66 years old and older</td>
<td>19</td>
<td>116</td>
</tr>
<tr>
<td>Labor union household</td>
<td>23</td>
<td>137</td>
</tr>
<tr>
<td>Homeowners</td>
<td>75.5</td>
<td>469</td>
</tr>
<tr>
<td><strong>Political Ideology</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Conservative</td>
<td>47.8</td>
<td>286</td>
</tr>
<tr>
<td>Moderate</td>
<td>26.0</td>
<td>156</td>
</tr>
<tr>
<td>Liberal</td>
<td>26.2</td>
<td>157</td>
</tr>
<tr>
<td><strong>Partisan identification</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Republican</td>
<td>38.9</td>
<td>240</td>
</tr>
<tr>
<td>Democrat</td>
<td>30.7</td>
<td>189</td>
</tr>
<tr>
<td>Independent</td>
<td>14.4</td>
<td>89</td>
</tr>
<tr>
<td>No preference/neither</td>
<td>13.6</td>
<td>84</td>
</tr>
<tr>
<td>Third party</td>
<td>2.4</td>
<td>15</td>
</tr>
</tbody>
</table>
Where comparable data is available, I also present data from the national population. I present the most recent available census data that most closely corresponds to the information collected.

### Table 3.3 County and National Census Data

<table>
<thead>
<tr>
<th></th>
<th>Sample December 1998</th>
<th>Five County Average</th>
<th>National Data</th>
</tr>
</thead>
<tbody>
<tr>
<td>Median Household Income, 1995</td>
<td>$30,000</td>
<td>$31,723</td>
<td>$34,076</td>
</tr>
<tr>
<td>Percentage Female, 1990</td>
<td>42</td>
<td>50</td>
<td>51</td>
</tr>
<tr>
<td>Percent High school graduate, 1990</td>
<td>95.6</td>
<td>72.8 (80.9)</td>
<td>82.8</td>
</tr>
<tr>
<td>Percent College graduate, 1990</td>
<td>35.6</td>
<td>16.1 (18.7)</td>
<td>24.4</td>
</tr>
<tr>
<td>%65 years or older, 1995</td>
<td>18.8</td>
<td>13.8</td>
<td>13</td>
</tr>
<tr>
<td>Percent labor union household, 1998</td>
<td>23</td>
<td>NA</td>
<td>14</td>
</tr>
<tr>
<td>Percent of housing units owner occupied, 199</td>
<td>76</td>
<td>73</td>
<td>64</td>
</tr>
<tr>
<td>Percent Democrat, 1997</td>
<td>31</td>
<td>36.6</td>
<td>39</td>
</tr>
<tr>
<td>Percent Republican, 1997</td>
<td>40</td>
<td>54.3</td>
<td>28</td>
</tr>
<tr>
<td>Liberal</td>
<td>26</td>
<td>NA</td>
<td>26</td>
</tr>
<tr>
<td>Moderate</td>
<td>26</td>
<td>NA</td>
<td>30</td>
</tr>
<tr>
<td>Conservative</td>
<td>48</td>
<td>NA</td>
<td>44</td>
</tr>
</tbody>
</table>

All data based on U.S. Census Data unless otherwise noted:

- a Percent of union members in Pennsylvania in 1998, 16.3%
- b Median age in Pennsylvania in 1998, 37.6
- c 1998 is estimated figure extrapolated from change in percentages that occurred from 1980 to 1990
- d figure based on 1998 estimated Census data
- e figure based on voter registration data from Pennsylvania Bureau of Elections and Pennsylvania State Data Center
- f Figure based on 1996 American National Election Study partisan identification item (v960417)
- g Figure based on 1996 American National Election Study political ideology item (v960365)
- h Figure based on Bureau of Labor Statistics data
from the sample. The first column in Table 3.3 indicates the year the census data were collected. For instance, the most recent data available for median household income were collected in 1995. Therefore, I present the average median household income for the five counties in 1995, $31,723; the national median household income in 1995, $34,076 and the median household income of the sample data collected in 1998; $30,000. The data in Table 3.3 indicates that compared to the population of the counties, this sample is more highly educated and older.53 Male respondents are over-represented compared to their percentages in the population.

My sample data are collected eight years after the most recent Census and there is reason to believe that county educational levels have increased appreciably over these eight years. To give some approximation of the increase I present current percentages of high and college graduates based upon extrapolated data. For instance, the average percentage of high school graduates in the five counties as of 1990 was 72.8%. The percentage in parentheses (80.9%) is an estimate of the 1998 percentage of high school graduates based upon the average increase in these percentages each year between 1980 and 1990.

In general the sample is not representative of the national population, nor was it designed to be. Rather it is a useful sample for my purposes for three general reasons. First, a key function of this project is to determine the validity of measures that have not been used previously and for such a purpose a nationally representative sample is not imperative. I have no reason to believe that the national economic trends I discuss differ appreciably in their impact on Central Pennsylvania residents. Even if the region is a little above or below average in factors that could lead to slightly higher anxiety, this should not change the fundamental relationship among the

---

53 In fact Pennsylvania ranks second nationally in percent of population age 65 and older according to the Pennsylvania State Data Center’s Fact Sheet (http://www.psdc.hbg.psu.edu/psdc/Data__Information/PAfacts.pdf)
variables in my study (e.g., as reflected in regression slopes). Third, a regional mail survey provided an affordable instrument to explore measures not previously included in any national surveys. In other words, the fact that so little information about these measures is available makes this type of survey justifiable. Additionally, I have no reason to expect that the residents of Central Pennsylvania who responded to this survey, although generally older and more educated than the county populations, are distinct in ways which would bias the information I obtain. In other words, this is not a study that hinges upon sociodemographics like age, education, etc., factors upon which my sample may differ from the population.

The Survey Instrument

Space on the GCLP survey was limited and I was only able to include a subset of the anxiety questions I compiled. Given space and content limitations, I was able to include two batteries of anxiety questions and four objective economic items. The first battery of questions, Postindustrial beliefs, was designed to tap beliefs about economic changes, particularly whether the changes are long-term, and whether the changes affect one’s expectations. The second battery of questions, Postindustrial worries, was designed to tap long-term worries concerning standard of living as distinct from short-term worries about income or employment. The third battery of questions measured objective economic difficulties. These objective economic

---

54 Ideally, I would have included several lengthy batteries of questions in order to have multiple indicators of each component of postindustrial economic anxiety. In addition, I would have included standard personal and national economic evaluation items in order to compare the impact of standard items and what I term postindustrial economic items. See the previous chapter for my categorization of standard economic items. Ideally in order to compare sociotropic and family/individual considerations I would have included several similar batteries of questions with prompts asking the respondent to think about the national as a whole” and “their family”.

55 Ideally, I would have included items tapping short-term worries about income and employment for the sake of comparison.

56 Originally these questions also contained a measure as to how worried the respondent was about these events occurring if they had not already. I designed this item to tap postindustrial worries distinct from standard “worried about losing your job” items and also distinct from the more future oriented worries about retirement included in the postindustrial worry items. Unfortunately, the worry part of these items had to be deleted because of
items focus upon difficulties that are indicative of the postindustrial economy. While this battery of items is not exhaustive and of course these difficulties are not completely unique to the post-1973 economy, these items tap into the distinctive hardships experienced in the postindustrial era.

As part of the split ballot design of the survey, approximately half the sample received surveys that used references to the American economy and the other half to the local economy for the items I describe below. I examined the difference in means between the respondents on by survey type and the t-tests produced no meaningful differences significant at the .05 level. Therefore, I will proceed to examine the sample as a whole in all analyses to follow.

I. Measures of Postindustrial Beliefs

A battery of eight questions asked respondents for their opinion “about how they see the economy for people here in America (Central Pennsylvania).” Respondents were asked to circle the response that best reflected their beliefs and values: these responses ranged from (1) strongly disagree to (6) strongly agree. Table 3.4 displays the exact question wording and the percentages for each response category.

---

space considerations. I decided to keep the objective items in order to measure the impact of economic difficulties that are somewhat unique to the current economy and because such difficulties have rarely if ever been examined in this type of study.
For each item that I drew from the media polls reviewed in the previous section I include the name of the survey. Comparisons to the national survey responses are difficult because the response categories are different but the overall results do not seem vastly different between the Pennsylvania and the national samples. In *The New York Times* poll, the second item listed in Table 3.4 had two response categories and the responses were: 53% believed that the best years are behind us in terms of good jobs and 47% agreed that the best years are yet to come. In *The New York Times* poll, the third item listed in Table 3.4 had two response categories and the responses were: 74% believed that layoffs and loss of jobs are permanent problems and 23%
thought that they were just temporary problems. The seventh item listed in Table 3.4 had four response categories and the responses were: very unlikely 18%; somewhat unlikely 33%; somewhat likely 38% and very likely 11%. The items without reference to a survey from chapter three are the items I wrote. Figure 1 contains the distribution of these measures in bar chart form.

Figure 1. Postindustrial Belief Items (the number of missing cases appears in the right-hand corner)
Today's economy has made it easier for families like yours to make ends meet

The average family has to work harder to stay in the middle class than previous generations

In terms of good jobs, America’s best years are yet to come

Layoffs and loss of jobs in this country are just temporary problems
Overall, Table 3.4 suggests that many respondents sense a threat from the postindustrial economy. Looking at the percentages reported in Table 3.4 we see that this sample of Central Pennsylvanians tends to believe that working harder does not necessarily mean getting ahead and that families today have to work harder to maintain middle class status than did previous generations. The sentiment that things are tougher these days for the “average family” tend to elicit the strongest support with high percentages in the most supportive category. While most of the respondents tend to believe that Americans have reason to be insecure about their jobs and that this is a permanent rather than temporary problem, they appear less sure about whether they believe that good jobs are a thing of the past.

Retired respondents may have a somewhat different perspective when forming their beliefs about the postindustrial economy; since this sample contains a slight over-representation
of retired households this may affect the distribution of responses. I suspect that Social Security yearly cost-of-living increases and other retirement income provide some insulation from economic downturns for retired families. This may translate into meaningful distinctions, particularly on those items that referred to “families like mine” as opposed to the average family or most Americans. When I looked at the frequency distributions for retired respondents only, I found that they had higher percentages feeling that “today’s children will have a better living standard than their parents” and that “families like theirs have an easier time making ends meet” than the rest of the sample. But I found very small differences on the other items. Retired respondents perhaps see their own household circumstances as different but are similar to the rest of the sample in their judgments about the average family.

I constructed a scale of the postindustrial belief items and indicate in Table 3.4 which items are reverse coded in a summated scale in which higher values indicate more threat and more support for the belief that postindustrial economic change is threatening. The average inter-item correlation among these eight items is .25 and the reliability coefficient for a scale created from these items is .73. The values on the eight item scale could vary from 8 to 48 with a mean of 32. Approximately 17% of the sample fell more than one standard deviation above the mean and 20% were more than one standard deviation below the mean.

II. Measures of Postindustrial Worries

Six items intended to measure worry were introduced with the following: “below is a list of specific issues some families worry about. For each one, please circle the number that best describes how worried you are about it.” The response categories for these questions ranged from (1) not at all worried to (5) very worried. Table 3.5 displays the exact question wording and the percentages for each response category.
All of these worry items, except the “credit card bills,” item are drawn from the Pew Research Center May 1997 poll. Figure 2 contains the distribution of these measures in bar chart form.

Figure 2. Postindustrial Worries Items (the number of missing cases appears in the right-hand corner)

57 I do not compare the results to the Pew Research Center national survey results because all the Pew worry/concern items have only four response categories.
Looking at Table 3.5 we see that respondents expressed a great deal of worry about many of the concerns that have gained prominence in the current economic era. More than one third of the respondents are very worried about affording health care and a sizable majority are more than a little worried about saving for retirement. Because several items tap future oriented worries these items may differ for the many retirees in this sample. Looking at the frequencies for just the retired respondents I find that they differ somewhat on several items. While the non-retired
respondents are overwhelmingly worried about saving retirement with 35% very worried, the retired respondents are less united with 28% not worried at all and 28% very worried. On the items dealing with saving for college, understandably, a sizable 55% of the retirees reported being not worried at all about saving for college compared to 27% for the non-retirees. The other marked difference occurred on the credit card item with 57% of the retirees reporting being not worried at all compared to 38% of the non-retirees.

A scale of these six items produced an average inter-item correlation of .38 and an alpha coefficient of .78. Values on the six item scale could range from 6 to 30 with a mean value of 19. Eighteen percent of the respondents were very worried about two or more of the issues. Approximately 3% of the sample was not worried about any of the issues and 3% were very worried about all the issues.

III. Measures of Objective Economic Difficulties

A battery of four questions was introduced with “some (Central Pennsylvania)families have had difficult times. Please indicate whether your family has had any of these things happen in the last 10 years. These four items had a yes/no response category. Table 3.6 displays the complete question wording and marginal percentages for each of the four questions.
Forty nine percent of the respondents had not experienced any of these difficulties while 9% had experienced three out of the four. A sizable 34% responded that a spouse who wanted to stay at home had to take a job to make ends meet.

**Correlates of Postindustrial Anxiety**

One of the central arguments of my project is that postindustrial economic anxiety is distinct from objective economic status. To explore the validity of that claim, I examine the correlation between all the economic items and the two available measures of socioeconomic status, income and education. Tables 3.7a-c report the correlations between all the economic items and family income and education. For example, looking at Table 3.7a, the complete question wording of each item of the eight items contained in the postindustrial beliefs scale appear in the far left column.
The next two columns contain Pearson correlation coefficients. Correlations which are statistically significant at the .05 level or lower are signified with an asterisk. The first item in table 3.7a deals with whether the respondent feels that most Americans can feel secure about their job. The positive correlation between this item and income indicates that those with higher incomes are more likely to agree with this statement. The same relationship holds for education with more education associated with feeling that Americans can feel secure about their jobs. If we examine all these correlations for each of items listed in Table 3.7a we would find small to moderate relationships. The eight item scale is moderately and negatively correlated with income and education. Those with low incomes and less education are more likely to perceive threat
from the postindustrial economy. Not surprisingly, the two items which reference, “families like mine” have the highest correlation to family income.

Turning to Table 3.7b we see the correlations between postindustrial worries and income and education.

<table>
<thead>
<tr>
<th>Post-industrial Worry Items</th>
<th>Family Income</th>
<th>Education</th>
</tr>
</thead>
<tbody>
<tr>
<td>Being able to save enough for retirement</td>
<td>-0.11*</td>
<td>-0.11*</td>
</tr>
<tr>
<td>Being able to save enough for my children's college education</td>
<td>-0.06</td>
<td>-0.01</td>
</tr>
<tr>
<td>Being able to afford necessary health care</td>
<td>-0.24*</td>
<td>-0.20*</td>
</tr>
<tr>
<td>My children having good job opportunities</td>
<td>-0.08</td>
<td>-0.13*</td>
</tr>
<tr>
<td>Being able to own or keep my own home</td>
<td>-0.31*</td>
<td>-0.17*</td>
</tr>
<tr>
<td>Keeping up with credit card bills</td>
<td>-0.15*</td>
<td>0.00</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Composite Postindustrial Worry Scale</th>
<th>Family Income</th>
<th>Education</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>-0.22*</td>
<td>-0.12*</td>
</tr>
</tbody>
</table>

N (553-595) (566-609)

*p<.05

These correlations are also moderate with less income and education consistently correlated with more worry. The correlations between worry and income range from .31 to .06 and for education from .20 to 0. Among the worries, housing and health care costs demonstrate the strongest relationship with income and education. The summated six item scale is negatively correlated with both income and education meaning that those with more worry tend to have lower incomes and less education.
Next we have the correlations between objective economic difficulties and income and education reported in Table 3.7c.

All but one of the objective economic difficulties items are significantly related to income and education with correlations ranging from .22 to .01. Understandably, those who experienced economic difficulties tended to be those respondents with lower incomes and less education.

What is striking about this table is that these correlations are not higher. We see in this table some evidence of the trends I discussed in the first two chapters. Economic difficulties in the postindustrial economy are less tightly linked to levels of income or education than they may have once been. Plant closings and downsizing do not solely hit the lowest earners. Apparently, not being able to make ends meet is not simply a matter of family income.

The conclusion I draw from Tables 3.7a-c is that though family income and education are linked to how threatened and how worried people are about the new economy, the relationship is
not strong. These tables demonstrate that anxiety is not simply a proxy for socioeconomic status.

It seems that anxiety is distinct from income and education, but are certain groups of people more likely to feel threatened or worried? Table 3.8 presents the mean scores on the postindustrial beliefs and worries scales across several categories of respondents.
<table>
<thead>
<tr>
<th></th>
<th>Beliefs</th>
<th>N</th>
<th>Worries</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td>Entire sample</td>
<td>32.28</td>
<td>596</td>
<td>19.01</td>
<td>569</td>
</tr>
<tr>
<td>Low income</td>
<td>32.94</td>
<td>231</td>
<td>20.4</td>
<td>* 212</td>
</tr>
<tr>
<td>Middle income</td>
<td>32.29</td>
<td>284</td>
<td>19.41</td>
<td>* 278</td>
</tr>
<tr>
<td>High income</td>
<td>29.37</td>
<td>* 65</td>
<td>17</td>
<td>* 63</td>
</tr>
<tr>
<td>Women</td>
<td>32.96</td>
<td>242</td>
<td>19.91</td>
<td>* 228</td>
</tr>
<tr>
<td>High school degree or less</td>
<td>33.02</td>
<td>* 287</td>
<td>19.46</td>
<td>269</td>
</tr>
<tr>
<td>Some college</td>
<td>32.94</td>
<td>92</td>
<td>20.36</td>
<td>* 91</td>
</tr>
<tr>
<td>College degree or higher</td>
<td>30.98</td>
<td>* 213</td>
<td>17.81</td>
<td>* 206</td>
</tr>
<tr>
<td>Young</td>
<td>30.9</td>
<td>* 141</td>
<td>19.76</td>
<td>141</td>
</tr>
<tr>
<td>Middle-aged</td>
<td>32.96</td>
<td>* 346</td>
<td>19.2</td>
<td>338</td>
</tr>
<tr>
<td>Older</td>
<td>31.65</td>
<td>104</td>
<td>16.82</td>
<td>* 85</td>
</tr>
<tr>
<td>Labor union member in household</td>
<td>33.3</td>
<td>134</td>
<td>19.61</td>
<td>127</td>
</tr>
<tr>
<td>Homeowners</td>
<td>32.46</td>
<td>454</td>
<td>19.6</td>
<td>* 428</td>
</tr>
<tr>
<td>Democrats</td>
<td>32.83</td>
<td>180</td>
<td>19.13</td>
<td>167</td>
</tr>
<tr>
<td>Republicans</td>
<td>31.5</td>
<td>233</td>
<td>18.42</td>
<td>222</td>
</tr>
<tr>
<td>Independents (includes third party identifiers)</td>
<td>32.98</td>
<td>109</td>
<td>18.91</td>
<td>105</td>
</tr>
<tr>
<td>No party preference</td>
<td>32.8</td>
<td>81</td>
<td>20.45</td>
<td>78</td>
</tr>
<tr>
<td>Conservatives</td>
<td>31.82</td>
<td>275</td>
<td>19.35</td>
<td>261</td>
</tr>
<tr>
<td>Liberals</td>
<td>31.66</td>
<td>150</td>
<td>19.03</td>
<td>144</td>
</tr>
<tr>
<td>Moderate</td>
<td>33.44</td>
<td>* 153</td>
<td>19.92</td>
<td>148</td>
</tr>
</tbody>
</table>

* p=<.01
The most striking thing about this table is the similarity across groups. There are slight differences among these groups, some statistically significant, particularly among income groups. Nevertheless, the overall picture seems to be that these subjective measures of threat and worry are strongly aligned with objective categories or political beliefs.

Correlations Among the Economic Items

Tables 3.9a-b report the correlations between the subjective economic items (beliefs and worries) and the four objective economic items. Table 3.9a displays moderate correlations among these items.
Those who have suffered economic difficulties apparently make some connections between their experiences and their beliefs about economic changes. The items referring to “families like mine” evidence the strongest correlation with objective difficulties. These items evidenced a

<table>
<thead>
<tr>
<th>Postindustrial Beliefs</th>
<th>Lost a job</th>
<th>Had to take second job</th>
<th>Lowered wages</th>
<th>Spouse had to take job</th>
<th>Four item scale</th>
</tr>
</thead>
<tbody>
<tr>
<td>Most Americans can feel secure about their jobs</td>
<td>.15 *</td>
<td>.17 *</td>
<td>.23 *</td>
<td>.12 *</td>
<td>.24 *</td>
</tr>
<tr>
<td>In terms of good jobs, America's best years are yet to come</td>
<td>.13 *</td>
<td>.08</td>
<td>.13 *</td>
<td>.08 *</td>
<td>.14 *</td>
</tr>
<tr>
<td>Lays-offs and loss of jobs in this country are just temporary problems</td>
<td>.16 *</td>
<td>.13 *</td>
<td>.19 *</td>
<td>.12 *</td>
<td>.21 *</td>
</tr>
<tr>
<td>The average family has to work harder to stay in the middle class than previous generations</td>
<td>.07</td>
<td>.10 *</td>
<td>.12 *</td>
<td>.16 *</td>
<td>.16 *</td>
</tr>
<tr>
<td>In today's economy, working harder does not always mean getting ahead for the average family</td>
<td>.00</td>
<td>.06</td>
<td>.04</td>
<td>.09 *</td>
<td>.07</td>
</tr>
<tr>
<td>Families like mine will not do as well financially as they expected</td>
<td>.11 *</td>
<td>.19 *</td>
<td>.15 *</td>
<td>.18 *</td>
<td>.21 *</td>
</tr>
<tr>
<td>Today's youth will have a better living standard than their parents</td>
<td>.09 *</td>
<td>.11 *</td>
<td>.13 *</td>
<td>.08 *</td>
<td>.13 *</td>
</tr>
<tr>
<td>Today's economy has made it easier for families like yours to make ends meet*</td>
<td>.21 *</td>
<td>.21 *</td>
<td>.24 *</td>
<td>.27 *</td>
<td>.31 *</td>
</tr>
<tr>
<td>Composite Postindustrial Beliefs Scale</td>
<td>.20 *</td>
<td>.22 *</td>
<td>.26 *</td>
<td>.24 *</td>
<td>.32 *</td>
</tr>
</tbody>
</table>

All belief items are coded so that higher values indicate more threat.

Economic difficulties are dummy coded.

*p = <.05
similar relationship with family income. Those respondents who experienced economic
difficulties are less likely to believe that Americans can feel secure about their jobs.

Table 3.9b presents the correlations between worry and objective difficulties.

<table>
<thead>
<tr>
<th>Postindustrial Worries</th>
<th>Lost a job</th>
<th>Had to take second job</th>
<th>Lowered wages</th>
<th>Spouse had to take job</th>
<th>Four item scale</th>
</tr>
</thead>
<tbody>
<tr>
<td>Being able to save enough for retirement</td>
<td>13 *</td>
<td>.19</td>
<td>.21</td>
<td>26 *</td>
<td>.28 *</td>
</tr>
<tr>
<td>Being able to save enough for my children's college education</td>
<td>09 *</td>
<td>.11</td>
<td>.03</td>
<td>31 *</td>
<td>.20 *</td>
</tr>
<tr>
<td>Being able to afford necessary health care</td>
<td>17 *</td>
<td>.17</td>
<td>.20</td>
<td>19 *</td>
<td>.24 *</td>
</tr>
<tr>
<td>My children having good job opportunities</td>
<td>.03</td>
<td>.14</td>
<td>.08</td>
<td>22 *</td>
<td>.16 *</td>
</tr>
<tr>
<td>Being able to own or keep my own home</td>
<td>18 *</td>
<td>.26</td>
<td>.18</td>
<td>23 *</td>
<td>.29 *</td>
</tr>
<tr>
<td>Keeping up with credit card bills</td>
<td>11 *</td>
<td>.17</td>
<td>.11</td>
<td>21 *</td>
<td>.22 *</td>
</tr>
<tr>
<td>Composite Postindustrial Worry Scale</td>
<td>17 *</td>
<td>.25</td>
<td>.19</td>
<td>34 *</td>
<td>.34 *</td>
</tr>
</tbody>
</table>

N: (555-594) (554-592) (541-578) (548-585) (531-564)

* p < .05

Those who have experienced economic setbacks are more likely to have economic worries. This
seems particularly the case with those who had to take a job with lower wages and whose spouse
had to take a job.

Table 3.10 reports the correlations between the subjective items (beliefs and worries).
As I would expect there are moderate and consistent correlations across these items. The belief items that contain a personal reference, “families like yours”, tend to be the most strongly correlated with the worry items. In addition, most of the worry items are correlated relatively strongly with the belief item that refers to the middle class. Apparently, the worry items represent middle class status and what is involved in making ends meet for many families.

These tables indicate several things about the data. Those with fewer socioeconomic resources upon which to draw feel the most threatened by economic changes, express the most worry about their overall standard of living, and have experienced the most economic
difficulties. Nevertheless, an examination of zero-order correlations indicates that economic anxiety is not simply about income or education.

People who have experienced economic difficulties link this to their beliefs and are more likely to be worried. However, the correlations reported in Tables 3.9a-b indicate that anxiety is not simply a reaction to objective difficulties. The correlations between the two sets of subjective items indicate that people who are worried also tend to feel threatened, but these two scales are only moderately correlated (.34). This would suggest that the two concepts, worry and belief, are distinct. To address this issue I turn the focus to the subjective economic items.

*The Structure of Postindustrial Anxiety*

To better understand the underlying structure of postindustrial anxiety I submitted the 14 subjective economic items to principal components analysis.58 Table 3.11 reports the factor loadings for a rotated solution based upon the assumption of two underlying components.

---

58I use oblimin rotation for all procedures because I do not expect any resulting components to be entirely uncorrelated and for all oblique solutions I interpret and present the correlations from the factor structure matrix as per Professor Michael Friendly’s “Presenting a Factor Analytic Study.”

[www.yorku.ca/dept/psych/lab/psy6140/facplan.htm](http://www.yorku.ca/dept/psych/lab/psy6140/facplan.htm)
This rotation produces a component on which the worry items load highly and a component on which the belief items load highly with an inter-factor correlation of .25. While there is no hard and fast rule for determining salient loadings, no item loaded above .5 on more than one
component.$^{59}$ I feel confident given the reliability coefficients for the scales based upon these two components, .79 and .73, that these two components are distinct.

To explore the existence of dimensions within these two components I submitted the 14 items to principal components analysis without assuming the number of factors. Table 3.12 reports the factor loadings for a rotated solution based upon a minimum eigenvalue of 1.0.

$^{59}$ See above referenced Friendly site for a discussion.
<table>
<thead>
<tr>
<th>Item</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Being able to own or keep my own home</td>
<td>.77</td>
<td>-.03</td>
<td>-.29</td>
<td>.25</td>
</tr>
<tr>
<td>Being able to save enough for retirement</td>
<td>.76</td>
<td>.10</td>
<td>-.26</td>
<td>.07</td>
</tr>
<tr>
<td>Being able to afford necessary health care</td>
<td>.71</td>
<td>.00</td>
<td>-.32</td>
<td>.15</td>
</tr>
<tr>
<td>Being able to save enough for my children's college education</td>
<td>.67</td>
<td>.24</td>
<td>.02</td>
<td>-.02</td>
</tr>
<tr>
<td>Keeping up with credit card bills</td>
<td>.62</td>
<td>-.18</td>
<td>-.20</td>
<td>.14</td>
</tr>
<tr>
<td>My children having good job opportunities</td>
<td>.60</td>
<td>.31</td>
<td>-.27</td>
<td>-.05</td>
</tr>
<tr>
<td>Six item alpha coefficient</td>
<td></td>
<td></td>
<td></td>
<td>.79</td>
</tr>
<tr>
<td>Layoffs and loss of jobs in this country just temporary problems</td>
<td>.14</td>
<td>.82</td>
<td>-.22</td>
<td>.27</td>
</tr>
<tr>
<td>Most Americans can feel secure about their jobs</td>
<td>.18</td>
<td>.79</td>
<td>-.40</td>
<td>.15</td>
</tr>
<tr>
<td>In terms of good jobs, America's best years are yet to come</td>
<td>-.03</td>
<td>.54</td>
<td>-.06</td>
<td>.59</td>
</tr>
<tr>
<td>Three item alpha coefficient</td>
<td></td>
<td></td>
<td></td>
<td>.67</td>
</tr>
<tr>
<td>The average family has to work harder to stay in the middle class than previous generations</td>
<td>.24</td>
<td>.17</td>
<td>-.78</td>
<td>.09</td>
</tr>
<tr>
<td>In today's economy, working harder does not always mean getting ahead for the average family</td>
<td>.18</td>
<td>.21</td>
<td>-.77</td>
<td>.08</td>
</tr>
<tr>
<td>Families like mine will not do as well financially as they expected</td>
<td>.30</td>
<td>.14</td>
<td>-.70</td>
<td>.40</td>
</tr>
<tr>
<td>Three item alpha coefficient</td>
<td></td>
<td></td>
<td></td>
<td>.64</td>
</tr>
<tr>
<td>Today's youth will have a better living standard than their parents</td>
<td>.06</td>
<td>.12</td>
<td>-.11</td>
<td>.79</td>
</tr>
<tr>
<td>Today's economy has made it easier for families like yours to make ends meet</td>
<td>.39</td>
<td>.18</td>
<td>-.41</td>
<td>.64</td>
</tr>
<tr>
<td>Two (three) item alpha coefficient</td>
<td></td>
<td></td>
<td></td>
<td>.50(.53)</td>
</tr>
</tbody>
</table>

Factor correlations:

<table>
<thead>
<tr>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.08</td>
<td>-.29</td>
<td>.11</td>
</tr>
<tr>
<td>2</td>
<td>-.16</td>
<td>.14</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>-.19</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

N=553
Extraction method: principal components
Rotation method: oblimin
Criteria: mineigen=1
Loadings from structure matrix reported
This produces four factors with eigenvalues above 1.0. Twenty-eight percent of the variance is explained by the first component (which is identical to the first factor reported in Table 3.11). All the worry items load highly together on this first component. The pattern of loadings for the eight belief items is less straightforward but understandable nonetheless. The three items concerning whether these trends are long-term load together on the second component and produce a reliability coefficient of .67. The three items related to expectations load highly together on the third component and produce a reliability coefficient of .64. The last two items load together on the last component and produce a relatively low coefficient of .50. Both of these two items seem to deal with standards of living. However, it is difficult to determine the nature of the underlying concept based on so few items. One of the items dealing with the long-term nature of job losses also loads fairly highly on this last component and so I report a reliability coefficient based upon its inclusion. However, this item is more strongly related conceptually to the second component. The loadings based on this analysis produce interesting sub-factors and I may use the three factor based scales of the belief items in later analyses. Unfortunately, I need more items to produce clear and reliable indices for each of these subfactors. Most of the analyses will be conducted with the six item worry scale and the eight item belief scale.

_Evaluating the Measures of Postindustrial Anxiety_

The previous discussion indicates that I have assembled fairly reliable measures with which to test my hypotheses. However, statistical reliability is only part of the picture. Regardless of these properties, an item must measure what we are proposing it measures. Recall from Chapter 2 that I proposed that postindustrial economic anxiety is an emotional reaction to threat and worry which contains several key **subjective** components. 1) beliefs that economic
change is permanent, 2) perceived threats to way of life, 3) relative comparisons and frustrated expectations.

If we return to Tables 3.4 and 3.5 I will comment on how well these measures fit the bill. With the worry items I am able to tap the impact of emotional reactions. The substantive focus of these items also taps worries about living standards that go beyond changes in income. The first three postindustrial belief items listed in Table 3.4 tap evaluations of whether these changes are long-term. The second three items relate to beliefs that the middle class and this generation have fared worse than previous generations and worse than they expected. The last two items concern feelings about standards of living. Concurrently, the last five items in Table 3.4 are all related to beliefs that these economic changes affect the standards of living expected for the middle class.

I feel confident, given the limitations I faced, that these indicators are statistically reliable and conceptually sound. In other words, those respondents who score high on these indicators are those who feel the most anxious about America’s move to a postindustrial economy. With these measures in hand I can move on to testing their impact on political opinion.

*Modeling Strategy*

In the chapters to follow I will focus on several diverse areas of political beliefs and policy opinions. I will discuss existing empirical findings and state hypotheses concerning the impact of economic anxiety in each area. In order to test these hypotheses I use ordinary least squares multiple regression analysis to determine the predictive power of postindustrial anxiety, controlling for other relevant characteristics. Using this type of analysis I can estimate the impact of anxiety on political

---

60 Ideally, each belief item would have also included a second question about how worried the respondent was about each of these threats to further measure emotional reactions.
opinion while simultaneously controlling for other factors that also affect political opinion. Each of the regression models will be similarly designed with a dependent variable representing a political opinion and independent variables representing sociodemographic control variables: age, gender, family income, education, and labor union membership. In addition to family income I will include the four objective economic difficulties in each model. To control for symbolic beliefs I will include party identification and political ideology self-placement. Finally, to test the impact of postindustrial economic anxiety, I will include the two scales discussed in the preceding chapter. In the following section I describe how I handle missing values in all the regression analyses.

**Missing Values**

The method used to replace the missing values in my data set was data augmentation. Essentially, this process replaces the data using software, NORM, developed by Professor Joseph Schafer of the Penn State University Statistics Department. Data augmentation is an iterative process that alternately fills in the missing data and makes inferences about unknown parameters for the assumed data model. This is preferable to replacing the missing values with the mean because it preserves relationships among the variables in a data set. To account for the relationships among variables, we impose a model on the data in question (both observed and missing values). In this case, the NORM package assumes that the data come from a multivariate normal distribution because it is consistent with the regression analysis that will be carried out following the imputation. NORM imputes data using predictions from linear regressions at the respondent level. For example, if a respondent in the data set had a missing value for only item q4a. The value of q4a will be imputed based on linear regression using the

---

values of all other variables for that respondent in the imputation data set. Residual noise is also added to the regression prediction to form the imputed value. If a respondent has multiple variables with missing values then residual correlations among the variables with missing values are added to the regression equation as well.

I did not replace the missing cases using data imputation for two variables, political ideology and partisan identification. The missing values on these two variables were not replaced because assuming a natural ordering for them was more problematic than was the case for the sociodemographic measures and therefore data imputation was not the optimal solution. The measures of partisanship included in the survey distinguished those who identified with a third party from Democratic and Republican identifiers as well as those who did not identify with a political party at all. Rather than place these respondents in the center of a partisanship scale as Independents I created a set of four dummy variables: Democratic, Republican, and Third Party identifiers and those who said they had no party preference. Further, rather than impute missing cases to the mean of this scale I excluded the resulting six missing cases. 62 Political ideology was measured with a standard five-item scale ranging from very conservative to very liberal. I excluded the twenty-four missing cases on the scale. These coding decisions leave me with a sample for all further regression analyses of 595 cases resulting in less than 5% missing cases. 63

What Determines Postindustrial Anxiety?

Before moving on to test the impact of anxiety on political opinion I will determine what kinds of characteristics are most strongly associated with these feelings. In this section I use

---

62 The partisanship survey items did not provide a reliable measure of strength of partisanship.
63 Schafer (1997,1) argues that less than 5% missing is not problematic for survey data analysis.
regression analysis to further examine the factors associated with feeling threatened and worried in the new economy. Table 3.13 presents a model predicting scores on the anxiety scales.
Table 3.13 OLS regression predicting postindustrial economic anxiety
(high values on standardized dependent variables indicate feeling more threatened and worried)

<table>
<thead>
<tr>
<th>Variables</th>
<th>Postindustrial beliefs</th>
<th>Std. beta</th>
<th>Postindustrial worries</th>
<th>Std. beta</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>β</td>
<td></td>
<td>β</td>
<td></td>
</tr>
<tr>
<td>Young Respondents (19-35 years old)</td>
<td>-.12</td>
<td>-.05</td>
<td>.40 **</td>
<td>.17</td>
</tr>
<tr>
<td></td>
<td>(.13)</td>
<td>(.12)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Middle Aged Respondents (36-65 years old)</td>
<td>.24 *</td>
<td>.12</td>
<td>.38 **</td>
<td>.19</td>
</tr>
<tr>
<td></td>
<td>(.11)</td>
<td>(.10)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Female</td>
<td>.19 *</td>
<td>.09</td>
<td>.10</td>
<td>.05</td>
</tr>
<tr>
<td></td>
<td>(.08)</td>
<td>(.08)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Labor Union Household</td>
<td>.14</td>
<td>.06</td>
<td>.05</td>
<td>.02</td>
</tr>
<tr>
<td></td>
<td>(.10)</td>
<td>(.09)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Middle Income ($30,001-$70,000)</td>
<td>-.06</td>
<td>-.03</td>
<td>-.24 **</td>
<td>-.12</td>
</tr>
<tr>
<td></td>
<td>(.09)</td>
<td>(.09)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>High Income ($70,001+)</td>
<td>-.39 **</td>
<td>-.12</td>
<td>-.32 *</td>
<td>-.10</td>
</tr>
<tr>
<td></td>
<td>(.15)</td>
<td>(.14)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Some College</td>
<td>-.02</td>
<td>-.01</td>
<td>.06</td>
<td>.02</td>
</tr>
<tr>
<td></td>
<td>(.11)</td>
<td>(.11)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>College Graduate</td>
<td>-.11</td>
<td>-.05</td>
<td>-.21 *</td>
<td>-.10</td>
</tr>
<tr>
<td></td>
<td>(.10)</td>
<td>(.09)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lost a job</td>
<td>.14</td>
<td>.05</td>
<td>.10</td>
<td>.04</td>
</tr>
<tr>
<td></td>
<td>(.12)</td>
<td>(.11)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Had to take a second job</td>
<td>.22 *</td>
<td>.09</td>
<td>.28 **</td>
<td>.12</td>
</tr>
<tr>
<td></td>
<td>(.10)</td>
<td>(.10)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Had to take a job with lower wages</td>
<td>.29 **</td>
<td>.12</td>
<td>.03</td>
<td>.01</td>
</tr>
<tr>
<td></td>
<td>(.11)</td>
<td>(.11)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Spouse had to take a job</td>
<td>.27 **</td>
<td>.13</td>
<td>.51 **</td>
<td>.24</td>
</tr>
<tr>
<td></td>
<td>(.09)</td>
<td>(.09)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Democrat</td>
<td>.16</td>
<td>.07</td>
<td>-.10</td>
<td>-.05</td>
</tr>
<tr>
<td></td>
<td>(.11)</td>
<td>(.11)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Independent</td>
<td>.15</td>
<td>.06</td>
<td>-.11</td>
<td>-.04</td>
</tr>
<tr>
<td></td>
<td>(.12)</td>
<td>(.12)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>No party preference</td>
<td>.22 +</td>
<td>.08</td>
<td>.05</td>
<td>.02</td>
</tr>
<tr>
<td></td>
<td>(.13)</td>
<td>(.12)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Liberal</td>
<td>-.05</td>
<td>-.05</td>
<td>.08 +</td>
<td>.09</td>
</tr>
<tr>
<td></td>
<td>(.04)</td>
<td>(.04)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Constant)</td>
<td>-.47</td>
<td>-.36 **</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(.13)</td>
<td>(.13)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

N 595 595
adj. R sq. .14 .17

Standard errors are in parentheses
** p<=.01
* p<=.05
+ p<=.01
The first model presented in Table 3.13 predicts the respondent’s score on the eight item standardized postindustrial beliefs scale and the second model predicts the respondent’s score on the six item standardized worry scale. I dummy coded age, education and income.64 For age, respondents who are between 19 and 35 years old were coded as young. Respondents who were between 36 and 65 years old were coded as middle-aged. The excluded category is older respondents, those who are above 65 years of age. I measure income with three dummy variables: family incomes up to and including $30,000 are low, incomes above $30,000 and through $70,000 are considered middle and high incomes are above $70,000. The excluded category is respondents reporting low incomes. Education is measured with three dummy variables representing those respondents who have a high school degree or less, those who responded that they had completed some college and those who finished college or more. The excluded category is those who have high school degree or less.65 Gender, labor union membership and the four objective economic difficulties are coded as dichotomous dummy variables. The coding of the age, education, and income dummy variables was not ideal because these characteristics were not measured with continuous variables. But I tried to account for important distinctions like retirement age while trying to avoid creating grossly unequal dummy categories.

My decision to dummy code the variables was based upon an important consideration that I believe outweighs whatever information is forfeited. I believe that there are distinct

---

64 In the survey, Age is measured in seven categories: 18 or under, 19 to 25, 26 to 35, 36 to 45, 46 to 55, 56 to 65 and 66 or over. Education was measured in six categories. The respondent was asked which of the following reflects the highest level of schooling attained: grade school, high school graduate, trade school graduate, some college, college graduate, graduate school. Household income was measured with eleven categories: less than $10,000, $10,001 to $20,000, $20,001 to $30,000, $30,001 to $40,000, $40,001 to $50,000, $50,001 to $60,000, $60,001 to $70,000, $70,001 to $80,000, $80,001 to $90,000, $90,001 to $100,000 and more than $100,000.

65 An examination of more dummies for age demonstrated the same general pattern.
characteristics about the middle categories, in this case: middle income, middle age, and attending some college. The topic I am exploring necessitates examining the middle categories of age, education and income because I think that these groups are distinct in substantively interesting ways. For instance, middle-aged respondents might feel particularly squeezed in the new economy. Those who attended some college might have expectations that cause them to feel more threatened.

The anxiety scales were standardized with a mean of zero and a standard deviation of one. The postindustrial beliefs scale ranged from –3.29 to 2.44 and the postindustrial worry scale ranged from –2.22 to 1.88.

The first model presented in Table 3.13 predicts respondents’ scores on the postindustrial beliefs scale and the second model predicts scores on the worry scale. From these models we can see that more income clearly matters. High-income respondents are significantly less likely to believe that the new economy threatens their way of life and less likely to express worry than low-income respondents. From these models we see that the impact of these variables differs for the two scales. Middle-income respondents are less worried than low income respondents, but do not necessarily feel less threatened than them. Controlling for income, educational attainment does not display a strong relationship to anxiety in these models. Middle-aged respondents feel more worried and threatened by the new economy than older respondents. Younger respondents are not distinct from older respondents in feeling threatened by the new economy but are significantly more worried than older respondents with a coefficient close to four times as  

---

66 Many members of the generation that began to reach retirement age in the 1980s entered the labor force during the 1940s and 1950s and matured in the labor force during 1950s and 1960s, periods of high employment and strong economic growth. They accumulated significant amounts of personal wealth, including homes that rose in value faster than prices, before the economy slipped in the last two decades (Levy and Michel 1991, 59).
large as that for the threat scale. Further, ideology and partisan identification does not seem to shape the expression of anxiety.

Not surprisingly, those who reported losing a job in the last ten years are not distinct in their anxiety. These respondents did not necessarily suffer the consequences of reduced benefits or wages from their new job. Even though this item referred to a job loss due to downsizings or plant closings, we cannot determine from this item how the wage-earner fared after the layoff. In this way this item is most similar (among the objective items) to the standard measure of a layoff commonly used by political scientists. On the other hand, those measures that more directly home in on features of the new economy, like sending a wife into the work force and taking a second job, are more strongly related to respondents’ level of anxiety.

These results suggest that a person who feels especially threatened by the new economy is middle-aged, low-income, and she or her husband had to take a job with lower wages after losing a job. People who feel especially worried in the new economy are young people with low income, high school degrees, and they or their spouses had to unwillingly take jobs to make ends meet.

Overall, these objective measures explain only a portion of the threat and worry scales, 14% and 19%, respectively. Clearly, there are elements of this anxiety not driven by respondents’ objective socioeconomic status or gender. In the chapters to follow, the two anxiety scales I have just examined become my key independent variables and bar charts of the dependent variables that will be used in this study appear in Figure 3.

---

67 For the dummy variables with more than two possible categories, age, education, and income, I examined models including dummy variables for all possible categories. These alternate specifications produced results supporting the conclusions drawn from the more parsimonious models reported here.

68 I expect that precise measures of occupation, not available in this data, would add some additional explanatory power to this model.
Figure 3. Dependent Variables (the number of missing cases appears in right-hand corner)

The American Dream has become harder to achieve in the past ten years

Business corporations make too much profit

Hard work offers little guarantee of success

Today it’s really true that the rich just get richer while the poor get poorer
Figure 3. Dependent Variables (the number of missing cases appears in right-hand corner)

Government should take care of people who can’t take care of themselves

The federal government should fund retraining programs for people whose jobs have been eliminated

American jobs should be protected from foreign competition

Government often does a better job than people give it credit for
In the next chapter I focus upon beliefs about the opportunity structure, discussing the dominant findings concerning Americans’ beliefs about the economic system; who wins, who loses and whether it is fair. I estimate statistical models of the impact of economic anxiety on these beliefs.
Chapter IV

The American Dream

The American dream that we were all raised on is a simple but powerful one -- if you work hard and play by the rules you should be given a chance to go as far as your God-given ability will take you.

---President Clinton

We’ve got a $6-trillion-a-year economy, the stock market’s at an all-time high, corporate profitability is at a thirty-year high. But this is the first recovery in the postwar period in which wages are still falling in the fifth year of the recovery….What’s going on here is a redistribution of income from employees to employers, from people who work for a living to people who own. America is coming apart at the seams, because it’s getting so much more difficult to make a living in America by hard work.

---Ronald Blackwell, chief economist for UNITE

The American dream entails a promise that all Americans have a reasonable chance to achieve success, however they define it, through their own efforts and to attain virtue and fulfillment through success (Hochschild 1995, xii). The core of this Dream is the expectation that by dint of hard work, education, saving and playing by the “rules of the game”-- one’s economic well-being will steadily improve (Peterson 1994, 20). The economic growth of the postwar period influenced Americans in monumental ways exactly because it seemed to align so perfectly with their myths and beliefs. Truly, it seemed, everyone could be part of the middle class. In fact, during this era the American Dream began to take on decidedly consumerist expectations. According to Peterson (1994), the American dream now involves a bundle of psychological expectations including owning a home, a secure and steady job at good and

---

69 From a 1993 speech to the Democratic Leadership Council (quoted in Hochschild 1995,18).
70 Quoted in Tough (1996, 18). UNITE is a trade union formed in 1995 by the merger of the Amalgamated Clothing and Textile Workers’ Unions and the International Ladies’ Garment Workers’ Union.
improving wages, affording amenities, fringe benefits, adequate leisure time, college for one’s kids and upward mobility.

The power of the American Dream goes beyond its promise of material possessions. As an ideology, the American Dream helps explain the political world and our place in it. As Hochschild (1995, 6) explains, “an ideology is the dominant, more or less culturally universal scheme by which the social order is understood and explained. Through ideological formulation members of the society account for and understand the social order of which they are a part. It is the public’s best effort—at any given time—to make sense of, comprehend, and explain the problematic world of everyday life.” The egalitarian nature of the postwar economic growth changed the characteristics of the American Dream and who was expected to attain it and thus influenced the ideology built around it.

Expectations are crucial to the American Dream and present little problem so long as there are enough resources and opportunities so that everyone has a reasonable chance of having some expectations met (Hochschild 1995, 27). The period from roughly 1945 to 1973, while certainly seeming to fulfill the myth of America as a classless society, also created immense expectations. These expectations, if not sustained, could bring the myth into conflict with reality in an extraordinary manner. This is not to suggest that Americans expect a firm correspondence between their economic circumstances and the promises of the American Dream. However, the symbolic weight of the American Dream is powerful and it is mightily shaped by perceptions and expectations. The economic changes of the past thirty years have the potential to shake confidence in the expectation of success.

The American Dream is not threatened by economic misfortune and poverty per se but it is endangered when people feel that even though they work hard they are falling behind. One of
the key premises of the American Dream is the belief that success results from actions and traits under one’s own control. “Americans who do everything they can and still fail may come to understand that effort and talent alone do not guarantee success” (Hochschild 1995, 30).

Beliefs about the Opportunity Structure

Just the way you see how the corporations are taking all their money and not distributing it to their workers, hiring temps. It seems to me that they’re looking to get rid of their full-time employees, and the rate of pay that they’re hiring the new people coming in is going down instead of coming up. So I just think the whole system is more going to be for the top and less for the bottom.

--Focus group respondent, Greenberg Research, 1996,27

According to the dominant findings of social scientists, Americans tend not to link their personal economic troubles to a larger judgment about the fairness of the economic system. Americans believe that ample opportunities exist for individuals to succeed and prosper. They are inclined to believe in the myth of American classlessness or the belief that one’s station in life is not prescribed at birth. In other words, they do not see themselves as necessarily “stuck” in any particular class position and thus tend not to link their troubles to their position in the larger class structure. Further, they tend not to resent those who are higher up the ladder because there is ostensibly nothing stopping their own future ascent. In short, Americans believe intensely in economic individualism.

Economic individualism postulates that each individual is responsible for his or her own welfare and that economic success is a function of hard work and thrift (Hasenfeld and Rafferty
This individualism consists of two dimensions: belief in the "work ethic" and belief that the opportunity for advancement is available to all (Feldman 1983a, 6). Relatedly, according to the ideology of equality of opportunity, American society provides ample opportunities for mobility to the able and ambitious (Schlozman and Verba 1979, 23). In their study, Schlozman and Verba (1979, 128) found a strong commitment to individualism and weak attachment to economic class groupings. In general, Americans tolerate great differences in wealth if they believe that opportunity is broadly present (Ladd and Bowman 1998, 3). American society has traditionally accepted the inequality of incomes by invoking the concept of the equality of opportunity and the prospect of rising mass affluence (Katona and Strumpel 1978; 99). Overall, Americans believe both that individuals should and can succeed by their own effort.

Much of this ideology, which underpins both our economic and political systems, is embedded in the reality of a certain degree of social mobility and relatively inconspicuous income inequality. Of course, many Americans today and throughout America’s history are systematically precluded from rising up the socioeconomic ladder due to educational inequities, racial and gender discrimination. Sociologists have found a strong and consistent class bias in upward mobility since such studies were first undertaken. Nevertheless, throughout its history America has been in a unique position to offer economic opportunity. From the economic opportunities afforded by the 18th century frontier to the massive economic growth of the 1950s and 1960s, our myths were fed by reality.71

---

71 In light of these beliefs Americans face intense dilemmas when confronted with evidence of systematic discrimination and exclusion. This evidence would interact with existing beliefs in distinct ways for majority and minority groups. Unfortunately, racial differences cannot be a focus of this project, but see Hochschild (1995) for her excellent treatment of the relationship between race and the American Dream.
Undoubtedly, the way Americans think about class and the opportunity structure is largely due to long-standing characteristics of the American sociopolitical system. Theories advanced to explain America’s individualistic political culture point to the absence of a feudal tradition, a limited central government, non-class-based political parties, and the frontier culture (e.g., Weinstein 1967). But the other key characteristic shaping the way Americans think about these things is economic wealth. In fact, the opportunities for upward mobility afforded by America’s material abundance are often cited to explain the lack of a strong Socialist or Workers movement in the United States (Vanneman and Cannon 1987; Lipset 1977; Thernstrom 1964; Sombart 1906). This was never so much the case as during the period following the end of World War II. Bolstered by an expanding economy, government spending, and trade union activity, inequality decreased and the level of mass affluence attained was unprecedented in our history. The relatively egalitarian income growth of the postwar era added fuel to the long-standing American myth of classlessness. In general, America’s material abundance, particularly during the postwar period, has played a large role in our individualist political culture.

It is not essential that social reality conform entirely to the myth in order for it to be powerful. It is fair to assume that most people know and accept that all those who headed out to stake a homestead in the frontier did not end up financially comfortable and many did not even live through the treacherous journey or that everyone did not enter the affluent middle class in the halcyon days of the 1950s. As with the ideology of the American Dream, reality need only be able to make people believe in the possibility.

Economic Experiences and Beliefs about the Opportunity Structure
Many of the studies investigating the connection between economic difficulties and beliefs focus upon objective categories. These studies examine the differences in beliefs between the poor and the wealthy, or the employed and the unemployed. The logic underlying this research is that people who suffer more economic hardship, for example, the unemployed, would link their troubles to the way they feel about the opportunity structure. In this case unemployed people would be more likely to feel that the structure is unfair. Conceptualized in these terms there is little evidence of a link between personal economic circumstances and beliefs about the opportunity structure. A defining study on this topic found little difference among occupation groups in their views on the availability of opportunity (Schlozman and Verba 1979).

While those with lower incomes and less education are less likely to believe in the existence of equality of opportunity than higher status individuals (Hasenfeld and Rafferty 1989, 1043; Huber and Form 1973), and persons of lower prestige and class position are more likely than others to support an egalitarian ideology (Robinson and Bell 1978), a majority of lower status individuals still express belief in the prevalence of opportunity in general and view their own life chances optimistically (Kluegel and Smith 1986).

Viewed within the context of America’s history and institutional development these findings are understandable. In fact it would be surprising to find the working class, for instance, attributing their economic difficulties to their class position in the absence of the articulation of such a scenario by political elites or of a political party organized around their interests. Rather, given the nature of America’s historical development it is necessary look to subjective economic

---

72 Most research has focused upon beliefs about the opportunity structure generally and there are relatively few studies focusing upon feelings about the American Dream, more specifically.
evaluations to detect any connections made between economic difficulties and beliefs. Studies that incorporate the crucial subjective interpretation given to people’s economic circumstances have proven more illuminating. For example, Plutzer (1987) found that a respondent’s prediction about his/her family’s economic situation in the coming year was strongly associated with support for redistributing economic resources.

Postindustrial Economic Experiences and Beliefs about Opportunity

Changes in the opportunity structure during the last thirty years speak to American economic individualism and the American Dream in ways that normal economic downturns and hardships do not. For instance, the strong belief that any citizen who works hard enough will be rewarded is severely undercut by the changed norms of the workplace and increased job insecurity. Long-term wage stagnation has left many families with the sense that working harder does not necessarily lead to doing better. Cues from their own lives come to be sharply at odds with the myths underlying economic individualism and chip away at the tenets of the American Dream. Those citizens who feel that they are working hard and still falling behind should judge the ability to succeed differently than those who do not feel these anxieties. As Nackenoff (1983,111) argued:

Job creation in the contemporary American economy (namely growth in the secondary labor market marked by low wages, job insecurity, and frequent job changes with low rates of unionization) may be endangering beliefs which underpin a commitment to individualism, presumably unique among advanced industrial societies-beliefs that hard work pays off, that upward mobility is available to all, and that with self-help, things get better with time.
I argue that recent economic trends have the potential to affect the beliefs of those who perceive such changes have adversely affected their life chances. Americans who feel the pinch of economic anxiety may view the opportunity structure differently than those who thus far feel they have escaped or even benefited from these economic developments. This is not to assert that those who feel they have been left behind in the new economy will necessarily relate their plight to their position in the larger economic system or become class conscious. However, these citizens should be less likely to think that economic difficulties are solely a function of personal failings, as the belief in economic individualism would prescribe, than those who feel secure in the “new” economy.

**Research Design**

One way to determine if I am correct would be to see if changes in beliefs are linked to economic changes. Unfortunately, my data do not allow me to look at changes over time. Instead, this project uses cross-sectional, individual-level survey responses to compare the beliefs of those who feel anxious and those who do not. I use ordinary least squares (OLS) multivariate regression analysis to determine if postindustrial economic anxiety affects people’s views toward the fairness of the economic system. I measure these views with the four items listed in Table 4.1.

---

73 The ways in which this anxiety is directed depends largely upon the actions of political elites.
74 Survey data concerning the results of globalization, etc. have only recently been collected. Mughan and Lacy (1998, 5) point out the difficulty of tracking changes in anxiety and beliefs over time because of the lack of data.
75 These questions were drawn from several media polls, particularly Pew Research Center.
The response categories for each question varied from one (strongly disagree) to five (strongly agree). A scale built from these four items produced a reliability coefficient of .72 and an average inter item correlation of .40. The values on this scale range from (4) to (20) with higher values indicating support for the belief that the economic system is unfair and the American Dream has become harder to achieve. The mean score on this scale is 14 with a standard deviation of 3.7. Approximately 17% of the sample fell more than one standard deviation below that mean and approximately 24% fell more than one standard deviation above the mean.

Three of these items appeared on Pew Research Center national polls. However, it is difficult to compare the results because the Pew items have four response categories. But the percentages appear similar in the two samples. When asked in an August 1999 poll which statement they agreed with more, 42% agreed strongly and 10% agreed not strongly that, “Business corporations make too much profit” while 29% agreed strongly and 13% agreed not strongly with the statement, “Most corporations make a fair and reasonable amount of profit.” An August 1999 poll found that 11% completely agreed, 18% mostly agreed, 36% mostly agree,
disagreed and 33% completely disagreed with the statement, “Hard work offers little guarantee of success.” And a June 1998 poll found that 41% completely agreed, 31% mostly agreed, 18% mostly disagreed and 8% completely disagreed with the statement, “Today it’s really true that the rich just get richer while the poor get poorer.”

What Determines Beliefs about the Opportunity Structure?

I estimate a model of the impact of economic anxiety on beliefs about the opportunity structure controlling for sociodemographic characteristics, objective economic difficulties, and symbolic beliefs. My central hypothesis is that being worried and feeling threatened by postindustrial economic change will be positively related to the view that the American Dream is out of reach and that the opportunity structure favors the rich.

Before moving on to the empirical results it is important to note that the use of attitudes, such as political ideology and partisanship, in a regression model predicting attitudes toward the opportunity structure is not without controversy. In this model I assume that symbolic predispositions are more basic and stable than the political and policy attitudes I use them to predict. I argue that people use these long-standing attitudes, such as partisanship and political ideology, as a tool to evaluate other aspects of the political and social arena. Sears’ (1975) research on political socialization indicates that ideology and partisanship are formed in late adolescence and early adult years, and have persistent effects over the life-cycle. Voting studies have demonstrated the stability of partisan identification over time (Markus and Converse 1979) and across generations (Jennings and Niemi 1968). Values are thought of as relatively stable and as having considerable predictive utility (Feldman 1983a; Rokeach 1973). Conceptually, values are usually thought of as more general, than, and causally prior to attitudes on specific issues (Sears et al. 1986, 165).
Further, I feel confident that economic anxiety, although subjective, is exogenous to the process. I think it is reasonable to assume that views toward the political system and policy opinions do not cause respondent’s feelings of threat and worry about the new economy. In this case, economic anxiety seems much less “susceptible to influence” than political opinion (Rosenberg 1968, 11). Also, as we saw in the previous chapter, anxiety is significantly shaped by experiences with the new economy, like having to send a spouse into the workforce.

Table 4.2 reports the estimates of three models predicting views toward the opportunity structure.
Table 4.2 OLS regression predictions of the effects of economic threat and worries, sociodemographic characteristics, partisanship and ideology on judgements of the fairness of the opportunity structure
(high scores on the dependent variable indicates belief that the economic system is unfair)

<table>
<thead>
<tr>
<th>Variables</th>
<th>β</th>
<th>Std. beta</th>
<th>β</th>
<th>Std. beta</th>
<th>β</th>
<th>Std. beta</th>
</tr>
</thead>
<tbody>
<tr>
<td>Young (19-35 years old)</td>
<td>-.18</td>
<td>-.08</td>
<td>-.20</td>
<td>(.12)</td>
<td>-.09</td>
<td>(.12)</td>
</tr>
<tr>
<td>Middle Aged (36-65 years old)</td>
<td>.16</td>
<td>.08</td>
<td>.14</td>
<td>(.10)</td>
<td>.07</td>
<td>(.09)</td>
</tr>
<tr>
<td>Female</td>
<td>.06</td>
<td>.03</td>
<td>.05</td>
<td>(.08)</td>
<td>.02</td>
<td>(.07)</td>
</tr>
<tr>
<td>Labor Union Household</td>
<td>.18</td>
<td>.07</td>
<td>.15</td>
<td>(.09)</td>
<td>.06</td>
<td>(.08)</td>
</tr>
<tr>
<td>Middle Income ($30,001-$70,000)</td>
<td>-.23</td>
<td>-.12</td>
<td>-.16</td>
<td>(.08)</td>
<td>-.08</td>
<td>(.07)</td>
</tr>
<tr>
<td>High Income ($70,001+)</td>
<td>-.83</td>
<td>-.26</td>
<td>-.69</td>
<td>(.14)</td>
<td>-.22</td>
<td>(.12)</td>
</tr>
<tr>
<td>Attended some college</td>
<td>-.19</td>
<td>-.07</td>
<td>-.24</td>
<td>(.11)</td>
<td>-.09</td>
<td>(.09)</td>
</tr>
<tr>
<td>College graduate</td>
<td>-.38</td>
<td>-.18</td>
<td>-.36</td>
<td>(.09)</td>
<td>-.17</td>
<td>(.08)</td>
</tr>
<tr>
<td>Democrat</td>
<td>.36</td>
<td>.17</td>
<td>.32</td>
<td>(.10)</td>
<td>.14</td>
<td>(.09)</td>
</tr>
<tr>
<td>Independent</td>
<td>.31</td>
<td>.12</td>
<td>.26</td>
<td>(.11)</td>
<td>.10</td>
<td>(.10)</td>
</tr>
<tr>
<td>No party preference</td>
<td>.27</td>
<td>.09</td>
<td>.23</td>
<td>(.12)</td>
<td>.08</td>
<td>(.11)</td>
</tr>
<tr>
<td>Liberal</td>
<td>.08</td>
<td>.09</td>
<td>.10</td>
<td>(.04)</td>
<td>.10</td>
<td>(.04)</td>
</tr>
<tr>
<td>Lost a job</td>
<td></td>
<td></td>
<td>.02</td>
<td>(.11)</td>
<td>.01</td>
<td>(.10)</td>
</tr>
<tr>
<td>Had to take a second job</td>
<td></td>
<td></td>
<td>.16</td>
<td>(.10)</td>
<td>.07</td>
<td>(.09)</td>
</tr>
<tr>
<td>Had to take a job with lower wages</td>
<td></td>
<td></td>
<td>.23</td>
<td>(.11)</td>
<td>.10</td>
<td>(.10)</td>
</tr>
<tr>
<td>Spouse had to take a job</td>
<td></td>
<td></td>
<td>.30</td>
<td>(.08)</td>
<td>.09</td>
<td>(.08)</td>
</tr>
<tr>
<td>Postindustrial beliefs (eight item standardized scale)</td>
<td></td>
<td>.37 **</td>
<td>.37</td>
<td>(.04)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Postindustrial worries (six item standardized scale)</td>
<td></td>
<td>.22 **</td>
<td>.22</td>
<td>(.04)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Constant)</td>
<td>.07</td>
<td>-.12</td>
<td>.14</td>
<td>(.12)</td>
<td>(.13)</td>
<td>(.11)</td>
</tr>
<tr>
<td>N</td>
<td>595</td>
<td>595</td>
<td>595</td>
<td>595</td>
<td>595</td>
<td>595</td>
</tr>
<tr>
<td>adj. R sq.</td>
<td>.17</td>
<td>.22</td>
<td>.41</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Change in R sq.</td>
<td></td>
<td>.05 **</td>
<td>.19</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Standard errors are in parentheses
Dependent variable is standardized four item index

** p<=.01
* p<=.05
+ p<=.01
The logic underlying this presentation is to demonstrate the impact of anxiety after controlling for the strongest alternative explanations. The independent variables contained in the first model are the demographic characteristics and symbolic beliefs that were used in the previous chapter to estimate scores on the anxiety scales. This model reflects what is considered a standard specification for much of the existing research on the determinants of attitudes. For the dummy variables containing more than two categories the excluded categories are older respondents, low income respondents, and those who completed high school or less. For party identification the excluded category is Republican identifiers. Independent identifiers include those who identified with a third party. The respondents included in the no party preference category said that they had no party preference and did not feel closer to either of the two major parties. Ideology was measured with five categories: very conservative, somewhat conservative, neither, somewhat liberal, very liberal.

In the second model I add the four reports of objective economic circumstances. By accounting for experiences with the new economy, these measures add specificity to the standard objective control variables. These three dummy variables were coded to reflect the respondent’s experience with losing a job due to downsizing, having to take a second job to make ends meet, being unable to find a job at the same or better wages after losing a job, and having a spouse, who wanted to stay at home, have to take a job to make ends meet.

Finally, the third model includes the two measures of anxiety that are central to this analysis, postindustrial beliefs and worries. These two scales have been standardized with a resulting mean of zero and standard deviation of one. Higher values on these scales indicate more worry and feeling

---

76 An examination of more dummy variables to represent age, education, and income supported the conclusions drawn from this more parsimonious model.
threatened by the new economy. The dependent variable has been standardized with a resulting mean of zero and a standard deviation of one.

The first model displayed in Table 4.2 estimates the impact of standard sociodemographic factors along with ideology and partisanship. Both middle-income and higher income respondents were significantly less likely to think the economic system is unfair than those respondents with the lowest incomes. Respondents with more education are also less likely to see the economic system as unfair than are high school graduates. Republican identifiers, the excluded category, are more likely than the other identifiers to feel the system is fair.

In the second model displayed in Table 4.2 we can see the effects of the four measures of economic difficulties. The experiences of having difficulty finding a job with comparable wages after losing a job and the experience of having a spouse have to take job make respondents significantly more likely to have doubts about the fairness of the opportunity structure. If we look at the impact the addition of these variables had on the other measures in the model, we see that the coefficient for middle income decreased by about one-third and the coefficient for high income decreased by about one-sixth. The independent effects of the other variables in the model are changed only slightly by the economic difficulties measures. Further, the modest increase in the R² suggests that the coefficients representing economic difficulties are not simply mediating the effects of income, education, or ideology but represent additional independent effects.

The third model displayed in Table 4.2 indicates that postindustrial beliefs and worries are strong predictors of attitudes toward the opportunity structure. Those who are economically anxious are significantly more likely than those who feel less anxious to believe that the opportunity structure favors the wealthy. The magnitude of the coefficient of the effect of having to send a spouse into the workforce is cut by a third and the impact of having to take a job
with lower wages is cut in half with the addition of the anxiety measures. This suggests that the impact of objective economic circumstances is mediated by the subjective feelings of threat and worry. The coefficient for high income is cut almost in half by the addition of the economic anxiety measures. This suggests both that high-income people are less likely to feel anxious and so once this anxiety is controlled for, high and low income respondents are less distinct in their views, and that part of the impact of high income is mediated by anxiety. Higher income respondents who feel threatened and worried in the new economy, like low-income respondents, translate these anxieties into their beliefs about the larger opportunity structure. In other words, once we have information about fears and worries grouping people according to their objective income levels becomes less illuminating.

College graduates are less likely than high school graduates to feel that the economic system is unfair. This impact is not mediated but other variables and remains fairly constant across the models. The coefficient for labor union household is cut in half by the addition of anxiety measures. Democratic identifiers and those who identify as Independents are significantly more likely to think that the opportunity structure favors the wealthy than Republican identifiers and the more liberal the respondent is the more likely he/she is to feel this way.

Based upon the symbolic weight of middle class status we might expect that middle-income respondents who are anxious may feel especially aggrieved and therefore may differ in their views about the opportunity structure from those middle-income respondents who do not feel threatened and worried. To test this notion, I entered four multiplicative terms in the final model in Table 4.2 representing interactions between each of the two income dummy variables included in the model with each of the two standardized anxiety scales. None of these terms
reached statistical significance.

The three models displayed in Table 4.2 indicate that postindustrial beliefs and worries are strong predictors of attitudes toward the opportunity structure. Those who are economically anxious are significantly more likely than those who feel less anxious to believe that the opportunity structure favors the wealthy. The largest standardized coefficient in the model represents the impact of post-industrial beliefs. The standardized dependent variable ranged from –2.81 to 1.52. The highest score on the beliefs scale, 2.46, would represent an almost one full point increase in the dependent variable compared to the mean respondent with a score of zero. Similarly, the highest score in the worry scale, 1.89, would represent an almost half a point increase in the dependent variable compared to a respondent with the mean level of worry.

Those with lower incomes and less education are more likely to view the economic system as unfair. Those who have experienced economic difficulties are more likely to feel that the opportunity structure is unfair, particularly those who had to send a spouse into the workforce. However, the independent effects of these variables do not hold up once economic anxiety is added to the model. The magnitude of the coefficient of the effect of having to send a spouse into the workforce is cut by a third and the impact of having to take a job with lower wages is cut in half with the addition of the anxiety measures. This suggests that the impact of objective economic circumstances is mediated by the subjective feelings of threat and worry. It further demonstrates the importance of distinguishing people by how they feel about their economic circumstances. As existing research findings demonstrate, for whatever reason, objective conditions are not automatically linked to the political realm. Measuring subjective evaluations of objective reality is crucial to detecting the links people make.
A comparison of the adjusted $R^2$ values across the models demonstrates the predictive power of economic anxiety. The addition of the two scales measuring economic anxiety substantially increases the adjusted $R^2$. Along with the adjusted $R^2$, I also report the net change in this statistic due to the addition of each set of variables: sociodemographics and symbolic beliefs, economic difficulties, and anxiety. The addition of the four economic difficulties dummy variables adds to the predictive power of the model even after controlling for an array of socio-economic characteristics. Finally, if we compare the predictive power of the first model with that of the final model, we see that the measures of anxiety still add a great deal even after controlling for commonly-used and powerful measures of objective circumstances and symbolic predispositions.

There are several conclusions suggested by these findings. First, measures of objective economic circumstances designed to capture features of the new economy serve to explain beliefs as evidenced by the significant coefficients for these variables even controlling for socioeconomic characteristics and symbolic beliefs. Second, these objective economic difficulties are significantly mediated by the expression of economic anxiety as suggested by the decrease in magnitude of these coefficients when anxiety measures are added in the final model. Relatedly, we can see that postindustrial beliefs and worry are not simply mediating the impact of other factors. With the addition of the two anxiety measures in the final model the adjusted $R^2$ is nearly doubled. Beyond mediating the effects of income and economic difficulties in the new economy, economic anxiety is still able to explain a great deal about beliefs toward the opportunity structure.

In the next section I focus upon a subject related to how people feel about the opportunity structure: how people feel about government helping those in need.
Help for the Needy

Americans’ views toward helping the needy are also shaped by our strong belief in individualism. Believing as strongly as we do both in the sanctity of individual responsibility and the availability of opportunity for advancement, Americans are apt to not see a need for and to be wary of government efforts that they perceive downplay individual responsibility.

Because economic individualism postulates that each individual is responsible for his or her own welfare and that economic success is a function of hard work and thrift, poverty is viewed as a consequence of personal deficiencies ranging from biological to cultural (Hasenfeld and Rafferty 1989, 1030). If there are ample opportunities for those willing to work hard, poverty and unemployment is the result of personal failings (Feldman 1983a). Wealth is a product of superior effort and talents; poverty is a result of a lack of such effort and talent (Huber and Form 1973; Feagin 1975). Relatedly, the belief in a limited government is a strong component of American political culture that serves to limit government social welfare efforts.

Nevertheless, our present social welfare system has also been mightily shaped by material conditions. The expansion of the welfare state throughout the 1950s and 1960s was underpinned by sustained economic growth that provided governments with more revenues at the same tax rates and raised the take-home pay of individuals (Sears and Citrin 1985). Madrick (1995, 121) argues that in the past, U.S. citizens did not really wonder where the money would come from to pay for our social problems. If we hesitated to adopt these programs, the reason was more a consequence of our historic preference for minimal government than that we could not afford them. “Deeper, darker distributional conflicts were mooted by the expanding pie” (Kuttner 1980, 203). In the 1970s, however, the costs of public policy rose at a much more rapid rate than the growth of the private economy (Sears and Citrin 1985).
Anxiety and Helping Others

There are several plausible arguments that could be made about the impact of economic anxiety on beliefs about helping the needy. Allport (1954) argued that the experience of victimization can lead to either heightened out-group prejudice or to greater compassion and sympathy for out-group victim (cited in Kluegel and Smith 1982, 529). In other words, insecure citizens may displace the negative affect generated by their fears toward the beneficiaries of social welfare spending. On the other hand, economic insecurity may elicit empathy among respondents whose own circumstances lead them to see the need for help for others more so than those who don’t feel threatened and worried (e.g., Cialdini et al. 1997) and facing personally painful situations might render individuals more sensitive to others’ problems (Peterson 1990, 71).

The notion that empathy plays some role in altruistic responding has been accepted among psychologists (Oswald 1996, 614). Empathic concern is defined as an emotional reaction characterized by such feelings as compassion, tenderness, softheartedness, and sympathy. It is brought about by the act of perspective taking, wherein one person takes the point of view of another. Perspective taking, in turn, is brought about by a perception of attachment, for instance, similarity, to another person (Batson and Shaw 1991). Empathy and altruistic behavior frequently are viewed as stemming from perspective-taking activities; understanding someone else’s feelings, and, especially, actually experiencing feelings (empathy) may act as a motive to offer aid (Eisenberg 1991, 274). Further, as Cialdini and his colleagues (1997) point out this behavior obtains even if the underlying motive is not selfless altruism, but simply because individuals are more likely to help others when they feel more at one with the other—that is
because they perceive more of themselves in the other. In this case, perspective taking fosters both a sense of commonality and a sense of compassion for the other.

Individuals may try to deal with their fears by “blaming” social welfare recipients or by judging spending *unaffordable* in the face of their own insecurity. In contrast, those who are left feeling insecure by the new economy despite their best efforts may sense the fallibility of economic individualism and see the need for social welfare spending. On the other hand, those who feel secure in the new economy may feel secure enough to feel generous or they may resent the help others get what they feel they had to work hard to get. These people draw upon personal experiences which support the dominant myths. Along these same lines, Gallie and Vogler (1994, 299) cite two arguments prevalent in Britain: (1) those who are secure in the changed labor market have become increasingly conservative in their attitudes and have come to resent the prevailing structure of welfare provision which they see as serving primarily the interests of others (2) those who have directly experienced unemployment and job insecurity direct their frustrations into resentment of inequality.

Existing empirical studies, however, would suggest that people would not link their own insecurity to the larger issue of government assistance. Attributes of the American belief system help explain these findings. Namely, Americans tend to attribute their own problems and difficulties to personal shortcomings rather than to governmental policies (Feldman 1983a; Kluegel and Smith 1986; Kinder and Kiewiet 1979). Within this framework, Americans draw upon their beliefs and partisanship, especially as it pertains to what the government should and should not do. It is not necessarily *only* symbolic beliefs which matter to these views. Kluegel and Smith (1986) find that the objectively deprived are more likely to favor redistributive policies; those at the bottom of the economic ladder are much more supportive than the wealthy
of a government guaranteed minimum income (Jackman and Jackman 1983, 202). Hasenfeld and Rafferty (1989,1041) report that those who are more socioeconomically vulnerable are more supportive of the welfare state. But for the most part, once researchers account for views toward the size of government in the form of an individual’s political ideology, other factors, like people’s daily economic worries, appeared much less weighty. Nevertheless, I argue that in the new economy the connection between personal financial conditions and views on the welfare state is accentuated. And a measure of economic anxiety that accounts for the distinctiveness of this new economy will be equipped to detect this previously obscured connection.

**Research Design**

To test the impact of economic anxiety on support for the needy, I use an item that asks the respondent whether, “the government should take care of people who can’t take care of themselves”. The response categories for this question ranged from (1) strongly disagree to (5) strongly agree. Of the 602 respondents for this item, the responses for each category were (1) 16% (2) 17% (3) 32% (4) 18% (5) 16%. The percentages for all the survey items may not equal 100 due to rounding. The mean for this item is 3.0 and the standard deviation is 1.3. Approximately 16% of the sample fell more than one standard deviation below that mean and approximately 34% fell more than one standard deviation above the mean. In national surveys support for the government helping those who can’t take care of themselves is fairly high, especially relative to items that include a reference to funding for a specific poverty program. Majorities completely or mostly agreed that “it is the responsibility of the government to take care of people who can’t take care of themselves” throughout the 1990s (see Weaver et

---

77 Ideally to test the impact of economic anxiety in this area I would have also included several items about support for funding/spending for several specific federal programs with varied stated beneficiaries.
al. 1995). In contrast to resentment of welfare, there is strong support for helping people perceived to be in genuine need and question wording has particular relevance in the area of social welfare (see Smith 1987). In a Pew Research Center poll conducted in September/October 1999, 20% completely agreed that “it is the responsibility of government to take care of people who can’t take care of themselves” 42% mostly agreed, 21% mostly disagreed, and 14% completely disagreed.

I estimate a model of the impact of economic anxiety on support for helping the needy controlling for sociodemographic characteristics, objective economic difficulties, and symbolic beliefs. My central hypothesis is that being worried and feeling threatened by the new economy will be significantly related to views toward government help for the needy. A positive relationship will lend support to the notion that insecurity leads to empathy for others and/or the articulation of self-interest. A negative relationship indicates a scenario whereby anxiety turns people against others and the absence of anxiety creates feelings of generosity.

Table 4.3 contains the regression coefficients predicting support for helping the needy.
Table 4.3 OLS regression predictions of the effects of economic threat and worries, sociodemographic characteristics, partisanship and ideology on views toward the government helping the needy
(higher values support taking care of those who can’t take care of themselves)

<table>
<thead>
<tr>
<th>Variables</th>
<th>β</th>
<th>Std. beta</th>
<th>β</th>
<th>Std. beta</th>
<th>β</th>
<th>Std. beta</th>
<th>β</th>
<th>Std. beta</th>
</tr>
</thead>
<tbody>
<tr>
<td>Young (19-35 years old)</td>
<td>-.60 **</td>
<td>-.25</td>
<td>-.61 **</td>
<td>-.26</td>
<td>-.70 **</td>
<td>-.30</td>
<td>-.65 **</td>
<td>-.28</td>
</tr>
<tr>
<td>Middle Aged (36-65 years old)</td>
<td>-.25 *</td>
<td>-.12</td>
<td>-.26 *</td>
<td>-.13</td>
<td>-.35 **</td>
<td>-.17</td>
<td>-.35 **</td>
<td>-.17</td>
</tr>
<tr>
<td>Female</td>
<td>.00</td>
<td>.00</td>
<td>.00</td>
<td>.00</td>
<td>-.03</td>
<td>.01</td>
<td>.02</td>
<td>.01</td>
</tr>
<tr>
<td>Labor Union Household</td>
<td>-.11</td>
<td>-.05</td>
<td>-.12</td>
<td>-.05</td>
<td>-.13</td>
<td>-.06</td>
<td>-.15</td>
<td>-.06</td>
</tr>
<tr>
<td>Middle Income ($30,001-$70,000)</td>
<td>-.12</td>
<td>-.06</td>
<td>-.12</td>
<td>-.06</td>
<td>-.07</td>
<td>-.03</td>
<td>-.05</td>
<td>-.03</td>
</tr>
<tr>
<td>High Income ($70,001+)</td>
<td>-.24</td>
<td>-.07</td>
<td>-.24</td>
<td>-.07</td>
<td>-.16</td>
<td>-.05</td>
<td>-.08</td>
<td>-.02</td>
</tr>
<tr>
<td>Attended some college</td>
<td>.09</td>
<td>.03</td>
<td>.09</td>
<td>.03</td>
<td>.08</td>
<td>.03</td>
<td>.12</td>
<td>.04</td>
</tr>
<tr>
<td>College graduate</td>
<td>.09</td>
<td>.04</td>
<td>.09</td>
<td>.05</td>
<td>.15</td>
<td>.07</td>
<td>.19 *</td>
<td>.09</td>
</tr>
<tr>
<td>Democrat</td>
<td>.27 *</td>
<td>.12</td>
<td>.27 *</td>
<td>.12</td>
<td>.29 **</td>
<td>.13</td>
<td>.24 *</td>
<td>.11</td>
</tr>
<tr>
<td>Independent</td>
<td>.18</td>
<td>.07</td>
<td>.17</td>
<td>.06</td>
<td>.19</td>
<td>.07</td>
<td>.15</td>
<td>.06</td>
</tr>
<tr>
<td>No party preference</td>
<td>.42 **</td>
<td>.14</td>
<td>.42 **</td>
<td>.14</td>
<td>.40 **</td>
<td>.14</td>
<td>.38 **</td>
<td>.13</td>
</tr>
<tr>
<td>Liberal</td>
<td>.15 **</td>
<td>.16</td>
<td>.15 **</td>
<td>.16</td>
<td>.14 **</td>
<td>.14</td>
<td>.12 **</td>
<td>.12</td>
</tr>
<tr>
<td>Lost a job</td>
<td>.00</td>
<td>.00</td>
<td>-.03</td>
<td>-.01</td>
<td>-.02</td>
<td>-.01</td>
<td>-.01</td>
<td>-.01</td>
</tr>
<tr>
<td>Had to take a second job</td>
<td>-.04</td>
<td>-.02</td>
<td>-.11</td>
<td>-.05</td>
<td>-.11</td>
<td>-.05</td>
<td>-.05</td>
<td>-.05</td>
</tr>
<tr>
<td>Had to take a job with lower wages</td>
<td>-.01</td>
<td>.00</td>
<td>-.02</td>
<td>-.01</td>
<td>-.04</td>
<td>-.02</td>
<td>-.02</td>
<td>-.02</td>
</tr>
<tr>
<td>Spouse had to take a job</td>
<td>.07</td>
<td>.03</td>
<td>-.05</td>
<td>-.03</td>
<td>-.07</td>
<td>-.03</td>
<td>-.03</td>
<td>-.03</td>
</tr>
<tr>
<td>Postindustrial beliefs (eight item standardized scale)</td>
<td>.02</td>
<td>.02</td>
<td>.05</td>
<td>.05</td>
<td>.05</td>
<td>.05</td>
<td>.05</td>
<td>.05</td>
</tr>
<tr>
<td>Postindustrial worries (six item standardized scale)</td>
<td>.23 **</td>
<td>.23</td>
<td>.20 **</td>
<td>.19</td>
<td>.20 **</td>
<td>.19</td>
<td>.20 **</td>
<td>.19</td>
</tr>
<tr>
<td>Beliefs about the Opportunity Structure</td>
<td>.17 **</td>
<td>.17</td>
<td>.17 **</td>
<td>.17</td>
<td>.17 **</td>
<td>.17</td>
<td>.17 **</td>
<td>.17</td>
</tr>
<tr>
<td>(Constant)</td>
<td>.22</td>
<td>.22</td>
<td>.31 *</td>
<td>.28</td>
<td>.31</td>
<td>.28</td>
<td>.31</td>
<td>.28</td>
</tr>
</tbody>
</table>

N 595 595 595 595 595 595 595 595
adj. R sq. .08 .08 .12 .13 .08 .08 .12 .13
Change in R sq. -.00 .05 ** .02 ** .02 ** .02 ** .02 ** .02 ** .02 **

Standard errors are in parentheses
Dependent variable is standardized four item index
** p<=.01
* p=.05
+ p=.1
In order to make results comparable across models, the dependent variable has been standardized with a resulting mean of zero and a standard deviation of one. Like the models displayed in Table 4.2, the excluded categories for the dummy variables are older respondents, low income respondents, and those who completed high school or less. The first model contains variables measuring sociodemographic factors and symbolic beliefs. The second model adds variables measuring economic circumstances. The third model adds the two anxiety scales. Finally, the fourth model adds beliefs about the opportunity structure, the dependent variable from Table 4.2.

What Determines Beliefs about Help for the Needy?

The first model displayed in Table 4.3 estimates the impact of standard sociodemographic factors along with measures of ideology and partisanship. Younger respondents are significantly less likely to support government efforts in this area. Ideology and partisanship are the other strong performers in this model. The addition of the four economic difficulties variables does not add to the predictive power of the model and their addition has no impact on other variables in the model.

The third model displayed in Table 4.3 indicates that economic worries are strongly related to views toward government help. Those who are worried about keeping up with bills and affording health care are significantly more likely to believe that the government should take care of those who can’t take care of themselves. Those with more economic worries may feel they need the help or they may empathize with others. However, feeling threatened by long-term changes in the economy is not related to beliefs about government help for the needy. This finding suggests that certain components of anxiety may be more salient in different context. The addition of the measures of anxiety does not affect the other variables in the model, except for decreasing slightly the magnitude of the two income dummy variables. Democrats and those
without a partisan preference remain significantly more supportive of government help for the needy than Republican identifiers and liberals more so than conservatives.

A comparison of the adjusted $R^2$ across the first three models displayed in Table 4.3 demonstrates the predictive power of postindustrial economic worries. The addition of the two scales measuring economic anxiety appreciably increases the adjusted $R^2$ of the model. In looking at these statistics for the overall models, we should keep in mind that the dependent variable predicted in Table 4.3 is represented by a single item as opposed to the dependent variable predicted in Table 4.2 that was measured with an index.

**Beliefs about the Opportunity Structure and Government Help**

Another aspect of support for helping the needy is worth exploring; the link between views toward the opportunity structure and support for helping the needy. If people feel that the economic system is unfair, they may be more likely to support the government doing something about this. Specifically, general beliefs about the economic system may influence views toward a more specific means by which to address economic unfairness. In the fourth model displayed in Table 4.3 I add the standardized scale of beliefs about the opportunity structure that was previously predicted in the models displayed in Table 4.2. Higher values on this scale indicate the belief that the economic system is unfair.

The fourth and final model displayed in Table 4.3 indicates that beliefs about the opportunity structure are significantly related to views about helping the needy. Those who feel that the system is unfair are more likely to think that government should help those in need. The addition of the beliefs measure does not affect most of the other variables in the model. However, the dummy variable for being a college graduate reaches significance only in the fourth model. Those with a college degree are significantly more likely to support help for the
needy than those with a high school degree or less. This suggests that educational attainment does not distinguish respondents on their support for the needy unless we compare the impact of education among respondents with comparable beliefs about the fairness of the economic system. The impact of partisanship and ideology is maintained in this final model.

Importantly, even though the previous analysis displayed in Table 4.2 makes it clear that postindustrial worries have a strong independent impact on beliefs about the opportunity structure, the worry scale continues to be significant when the measure of these beliefs is added to the model. In fact the coefficient for postindustrial worries declines by only about 15% with the addition of the beliefs about the opportunity structure scale. The highest score on the worry scale, 1.89, would move a respondent almost a half a point on the standardized dependent variable that ranges from –1.57 to 1.55 compared to the mean respondent with a score or zero. It is important to reiterate that the impact of the worry scale remains significant even controlling for family income. In short, anxiety has a direct and an indirect impact on views toward the needy and the significant impact of postindustrial worries can be seen as the direct translation of life experience to a policy opinion.

Expressing worry about things like affording health care and retirement, as distinct from income level, does strongly increase a respondent’s belief that the government should take care of those who can’t take care of themselves. This sizable effect may represent feelings of empathy for others engendered through feeling worried or it may represent self-interest if worried respondents identify themselves as currently or potentially needing help. In the latter scenario the respondent might be basing their conception of need on things like health care and retirement security rather than purely income. Regardless, the significant impact of a measure of individual-level economic worries upon a policy opinion related to social welfare is noteworthy.
The results displayed in Tables 4.2 and 4.3 speak to the theoretical underpinnings of previous empirical studies. The significant relationship between anxiety and beliefs about the American economic system indicate that these respondents did indeed make a connection contrary to the expectations based upon Kinder and Kiewiet (1979), for instance. Further, the fact that there was a connection between personal anxiety and attributes of the larger system suggests that these respondents did not solely attribute their anxiety to their personal shortcomings as (Feldman 1983a and Sniderman and Brody 1977) would suggest.

Being faced with not being able to make ends meet might render individuals more sensitive to the problems of others (Peterson 1990). Moreover, having worries about health care and retirement may facilitate perspective taking and empathy for others. The results suggest that feeling anxiety in the new economy might not be linked so strongly to the resentment and scapegoating of the poor that political commentary assumes. However, this research needs to be extended to test the relationship of anxiety to specific poverty programs and funding for these programs.

**Chapter Conclusion**

Americans’ strong belief in individualism, limited government, and their weak class ties go a long way toward explaining why Americans tend not to make strong connections between personal experiences and political views. America’s material affluence has always lent support to the myth of classlessness and economic individualism. This was particularly the case following the Second World War.

While America has always had a fluid class structure, the relatively egalitarian income growth and consumption patterns of roughly 1945 through 1973 served to blur even further the lines between social classes and income groups. Growing out of this period were levels of mass
affluence that expanded the American Dream to include the expectation of accoutrements previously reserved for the wealthy. Hence, many existing theoretical and empirical studies suggest that those who call themselves working class and those who think of themselves as members of the middle class would not be distinct. Neither might we find sizable differences among those who have acquired the fruits of middle class status and those who have not (yet). Americans feel strongly that if an individual works hard opportunity will be available.

However, it is important to note that the way Americans feel about the economic system is predicated on their belief in certain rules of the game, both real and illusory. Importantly, to many Americans recent economic trends seem to change the rules of the economic game in fundamental ways. One place to look for the political impact of this important development is in differences in levels of subjective economic anxiety. I argue that in our postindustrial economy we would expect to find sizable differences between those who feel that their hold on middle class status is tenuous and fear losing or never attaining the signposts of their status and those who feel secure in the changing economy. The empirical results of this chapter clearly tend to support this argument.

Further, the findings reported here which link economic worries to support for helping the needy may offer commentary on the relationship between the economy and efforts to help the most disadvantaged. Recently, the secretary of Housing and Urban Development, Andrew Cuomo argued that a strong economy would increase support for addressing poverty because, “it’s a different story when the people are worried or anxious about their own circumstances. Then they turn inward. But if they’re O.K. with their mortgage and they’re O.K. with the tuition, then they can start to look at things beyond their own circumstances” (Herbert 1999). Secretary Cuomo is confounding aggregate level information about the economy with individual-level
information about economic worries. However, his comments point to important facts about the
new economy. A strong national economy leaves many Americans worried and anxious about
their circumstances. We may see that a strong national economy does serve to increase support
for social welfare programs but if we do not look at the individual-level basis for this support we
may misattribute the support to the successful rather than the fearful. Social science researchers
must not neglect the downside of the new economy and assume that national economic growth
means that all Americans feel secure. Further, political elites who seek to build support for
social welfare efforts would do well to take heed of the worries and fears of Americans' across
income levels.

But the most important point that can be drawn from these results is that the respondents
seem to draw upon their own experiences in answering questions about society as a whole;
contrary to well-established findings of people making little connection between beliefs about
opportunities in general and their personal opportunities (Schlozman and Verba 1979; Sennett
and Cobb 1972; Lane 1962). Further, these respondents are calling upon their personal
experiences, namely worries, in deciding what government should do for those who cannot care
for themselves.
Chapter V

Employment Policy in a Global Economy

The heyday when a high school or college education would serve a graduate for a lifetime is gone.

--- Alan Greenspan (quoted in Belton 1999)

They cut people’s throats in this country and then they argue about what size band-aid to apply.

--- Rudy Kuzel, president of the United Auto Workers Local 72, Kenosha, Wisconsin (quoted in Blau 1999, 113)

The American workplace has been transformed by the economic restructuring of the last thirty years. The trend of deindustrialization has eaten away at high wage jobs and Americans increasingly find themselves competing against a global labor pool. Many American workers find themselves vulnerable to foreign competition and unable to retool as quickly as the new economy requires. Throughout America’s history, economic downturns have displaced workers. But increasingly, workers who lose their jobs have to find work in new fields requiring new skills or take jobs that do not offer a comparable level of wages and benefits. As technological change increases the cost of retraining, employers are increasingly reluctant to hire new employees and this increases the duration of unemployment (The Jerome Levy Economic Institute 1996, 29). Displaced workers are increasingly exhausting unemployment benefits that used to tide workers over between manufacturing jobs, or often, between temporary layoffs in the same factory (Blau 1999, 120). America’s liberal trade policy has increased exports in areas such as the aerospace industry, with beneficial effects for highly skilled workers. But at the same time, increases in imports that compete with labor-intensive industries (such as apparel, textile,
toys, footwear, and some manufacturing industries) hurt low-skilled labor” (Wilson 1999, 71).

Employment Policy

Relative to other industrialized countries, the United States plays a small role in the economy and does not have a federal employment policy per se.78 Reemployment policy in the United States can be dated to the New Deal and the passage of the Wagner-Peyser Act in 1933, which established the U.S. Employment Service (ES). Up to the 1960s, reemployment policy in the United States emphasized job placement and assumed that unemployed workers were job-ready and merely needed to be matched to an employer (Woodbury 2000, 1). The War on Poverty produced a large, diverse, and uncoordinated set of programs aimed at serving the many needs of the unemployed (Baumer and Van Horn 1985,16).79 These programs began to shift emphasis away from job placement and toward training for workers who either were poorly served by the conventional system of public education or who were dislocated as a result of structural economic change (Woodbury 2000,1). Specifically, the Manpower Development and Training Act of 1962 was designed to serve those who had been displaced by automation (Blau 1999, 118; Baumer and Van Horn 1985, 24).

The Trade Adjustment Assistance program was established by the Trade Expansion Act of 1962 to provide cash assistance to workers harmed directly by federal trade policies. Little use was made of the program until its overhaul by the Trade Act of 1974 because of difficulties in proving that specific job dislocations were caused by trade initiatives (Storey 1999, 1). The 1974

---

78 For an analysis of the development of employment policy after the New Deal see (Weir 1992).
79 Federal employment and training measures were reordered under the Comprehensive Employment and Training Act of 1973 (CETA) and replaced by The Job Training Partnership Act (JTPA) in 1982 (Baumer and Van Horn 1985, 20).
act required that workers only show that import competition had “contributed importantly” to their job loss in order to receive weekly cash assistance (Storey 1999,2). The Economic Dislocation and Worker Adjustment Act (EDWAA) was enacted in 1988 as an amendment to Title III of the Job Training Partnership Act and sharply increased the federal funding available to the states for programs designed to meet the adjustment needs of displaced workers (Blau 1999, 126). Relatedly, the Worker Adjustment and Retraining Notification Act (WARN) was enacted in 1998 requiring notification where employers with one hundred or more workers lay off at least one-third of their labor force. The North American Free Trade Agreement (NAFTA) Implementation Act enacted in 1993 augmented TAA with a “transitional adjustment assistance program” (NAFTA-TAPP), which offers the same benefits as TAA, with a few altered rules, for workers left jobless because of trade with Canada or Mexico or the relocation of jobs to one of those countries (Storey 1999, 2).

While there have been national efforts to address the hardships of workers displaced by globalization, both national political parties have tended to support liberalized trade policy in the postwar era (Keller 1999, 32). Protectionism had some resonance in the late 19th century Republican party and among policy intellectuals, conjuring up security in an unstable, rapidly changing economy and, most of all, the shielding of American jobs, wage scales, and economic growth from the overseas threat of cheap products and sweated labor (Keller 1999, 19). In fact, for many years after its formation, the Republican party supported protection, while the

---

80 Unlike advanced notification in most European countries, WARN does not require that employers offer their workers any financial compensation.

81 Chomsky (1999) argues that “free trade” agreements like NAFTA, the World Trade Organization agreements, the Uruguay Round, the Multilateral Agreement on Investment are actually highly protectionist in many respects. They’re designed to serve the special needs of powerful transnational corporations, which involves a complex mixture of protectionism and liberalization.
Democrats advocated free trade.82 The tracing of the party platform positions on trade from the 1920s through the 1990s illustrates a change in the dominant ideology from protection to free trade (Keech and Pak 1995, 1132). However, instead of the convergence that appears to have taken place on the presidential level, we see a reversal in partisan identities in Congress. In the period after the 1960s, majorities of Republicans became consistently supportive of the positions closer to free trade, while majorities of Democrats usually took the more protectionist side (Keech and Pak 1995, 1133). In fact, the North American Trade Agreement (NAFTA), advanced by a Democratic president won more Republican than Democratic House votes.83 So while both of the major parties advocated the expansion of trade, the Democrats emphasized, most forcefully among Congressional Democrats, the issues of environmental, health, and safety standards and assistance for dislocated workers, while the Republican party has emphasized the long-term benefits of open markets (Keech and Pak 1995, 1132).

There is general agreement that the United States is facing competitive challenges from abroad that could have been scarcely imagined in the postwar period. While the questioning of America’s trade policy was common throughout the 19th and early 20th century, in the post-World War II period, a consensus arose that America should have an open, liberal trade posture. However, by the 1980s, newspapers and journals were heralding the return of protectionism and sounding the death knell for America’s liberal trade policies (Goldstein 1988, 179).84 The third-party candidacy of Ross Perot in 1992 brought the issue of trade and economic competitiveness

---

82 Presumably, the old partisan ideologies had reflected the interests of the parties that were defined in the 19th century, when the Republicans had supported protection for developing American industry, while the Democrats had supported free trade to enhance the export of southern cotton (Keech and Pak 1141).

83 There exists an extensive literature on the history of trade policy in the United States (see e.g., Wallerstein 1987; Goldstein 1988; Aggarwal et al. 1987; Nivola 1986).

84 For an example of these views (see e.g., Zuckerman 1993).
forcefully upon the national agenda. His candidacy not only highlighted the convergence of the national parties, but the support for his campaign brought attention to the views of the public about globalization that had not previously found an outlet.

An extensive analysis of polling data from throughout the 1980s conducted by Teixeira and Molyneux (1993) indicates that the public is profoundly aware of the country’s trade problems and understands the negative consequences for prosperity at home. Teixeira and Molyneux find evidence of what they term “economic nationalism.” There is well-developed support among Americans for both protectionist measures to save jobs and efforts to invest in the skills and knowledge of American workers. The first option is most closely captured by the stance advocated by Ross Perot in his 1992 bid for the presidency and in his rhetoric opposing the passage of NAFTA. The second version might be best characterized by the policies advocated by President Clinton in advocating for increased spending for education and training and his rhetoric in support of lifelong learning.

Views on Jobs and Job Training

Public opinion data collected during the 1990s confirms the findings of Teixeira and Molyneux (1993) and describes an American public that is much more skeptical of the benefits of globalization than political elites and quite supportive of government action to address the downsides of global competition. In August 1996 the Washington Post, Kaiser Family Foundation, Harvard University “Economy Poll” found that when asked if they thought “that trade agreements between the United States and other countries have helped create more jobs in

---

85 In fact, a focus upon these issues can be traced to the Democratic primary campaign of Representative Richard Gephardt.
86 See also the Economic Policy Institute’s review of public opinion on Trade: http://www.epinet.org/pulse/tradeanaly.html).
the U.S. or have they cost the U.S. jobs, or haven’t they made much difference?” 17% said they helped create jobs, 54% said they cost jobs, and 27% said they haven’t made much difference. Interestingly, when economists were asked this same question: 50% said they helped create jobs and only 5% said they thought they cost U.S. jobs. In the *New York Times* poll conducted in December 1995, 48% of the respondents said they placed a lot of blame “for the loss of jobs in this country on foreign competition” 38% said some and only 12% said not much. When asked in a poll conducted by Penn, Schoen and Berland Associates for the Democratic Leadership Council in March 2000, “Do you think it is important that America remain on the cutting edge of technological innovation even if that means losing some jobs in traditional industries, or should we concentrate on protecting traditional jobs even if it means slowing down American technological innovation?” 55% said remain on cutting edge and 39% said protect jobs. When asked in an EPIC-MRA survey in April 1998 which of the following two statements comes closer to their view about the impact of trade on American jobs, 47% agreed “we should restrict or ban imports of foreign-made goods in order to protect certain American jobs.” And 45% agreed, “permanent import barriers artificially prolong the death of certain types of outmoded jobs and those workers should compete for work open in the global marketplace.” The World Values Survey conducted by the Gallup organization in September 1995 found that when asked “do you think it is better if goods made in other countries can be imported and sold here if people want to buy them, or that there should be stricter limits on selling foreign goods here, to protect the jobs of people in this country?” –a sizable 74% said there should be stricter limits and 27% said goods should be imported. A CBS News poll conducted in October 1996 found that 63% agreed that “trade restrictions are necessary to protect domestic industries” while 27% agreed that free trade must be allowed, even if domestic industries are hurt by foreign competition.”
In general, education and job training have considerable public support (Shapiro et al. 1987, 269). Many Americans are also supportive of helping workers re-skill for the new economy. In a May 1997 Pew Research Center survey, 54% supported increasing federal spending on re-training programs for displaced workers (31% keep it same and 11% said decrease it). An October 1999 national survey conducted by the University of Maryland’s Program on International Policy Attitudes (PIPA) found that when asked to report about government efforts to help retrain workers who have lost jobs due to international trade, 57% said they were not adequate, 29% thought they were adequate and only 2% said these efforts were more than adequate.87

An assumption underlying the commentary of many political observers is that an individual’s experiences with the postindustrial, globalized economy will translate into views on trade. This assumption underlies comments like those of former Treasury Secretary Robert Rubin who feared “that if no solution is found to the rising inequality, angry voters will soon turn to radical measures such as restoring trade barriers or re-regulating entire industries--moves that I predict will slow economic growth and ultimately be self-defeating” (quoted in Pearlstein 1995). Another example is the contention of pollster Stanley Greenberg that “many people in the middle class believe that they are playing by a harder set of rules than others in the society and that with the growing awareness of widening inequality and corporate excess, these feeling could lead to support of protectionism and tax policies that soak the rich” (quoted in Ladd and Bowman 1998, 84).

---

87 One third of the sample was asked this question. The full questionnaire is available at: http://www.pipa.org/OnlineReports/Globalization/appendixe.html
Further, recent studies examining the cross-national political implications of globalization and industrialization assume a strong link between the personal insecurity that individuals are presumed to feel as a result of broad economic shifts individuals and their opinions towards these economic transformations. For instance, several studies assume that when faced with increased market risks, individuals will look to government for policy protection (e.g., Rodrik 1997; Garrett 1995). Rodrik (1997) cautions that tensions between those who have been made better off by globalization and those who have been left behind may polarize opinion as trade openness increases. According to this globalization literature, those who feel secure and prosperous in an open economy prefer that the government maintain its trade-competitiveness and will seek reductions (or, at least, no increases) in the levels of expenditures by the government for social services. On the other hand, those who are in less secure positions will seek increases in social safety net programs and protection against foreign labor and goods (Aldrich et al. 1999, 7).

However, we have relatively little empirical research on the individual determinants of employment policy positions in the globalized economy. Political economists who look at individual-level data assume that individuals’ trade policy preferences are determined by how policy affects their personal welfare, with more-skilled or highly educated workers favoring freer trade while less-skilled, less well-educated workers should oppose it (e.g., Scheve and Slaughter 1998). But we have not explored whether fears about the new economy are linked to employment policy and policy designed to address the negative effects of globalization.

*Postindustrial Economic Experiences and Views on Employment Policies*

The economic changes during the last thirty have left American workers increasingly vulnerable to foreign competition in the global economy. While unemployment in earlier decades was often cyclical and temporary, jobs lost to downsizing and restructuring in the new
economy are often permanent and frequently occur despite strong corporate earnings. Now, even when individuals work hard and try to play by the rules their employers can decide to move operations to a country with cheaper labor. This individual is left to try to develop new skills and often is forced into a job with lower wages and less benefits. Those individuals who feel insecure about their economic fortunes should be more supportive of policies to address their concerns than those who feel secure and able to handle the uncertainty of the new economy. If the measures of economic anxiety are tapping fears and worries about the new economy then economic anxiety should be linked to views on policies designed to address the negative effects of the new, globalized economy. Further, those who have been left feeling insecure in the new economy should be more supportive of policies that address its harmful consequences and therefore alleviate their worries.

The existing evidence would suggest that economic anxiety would not be related to support for employment policies. A large and impressive body of work has documented the strong linkage between policy attitudes and symbolic predispositions, like political ideology (e.g., Lau et 1978; Sears et al. 1979,1980; Kinder and Sears 1981; Sears and Citrin 1985). This linkage seems to consistently far outweigh the impact of immediate material interests. When faced with complicated decisions individuals apparently are most likely to make decisions based on long-standing values rather than their present material circumstances (e.g., Sears et al. 1979, 1980; Citrin and Green 1990). Apparently, one’s political and personal lives exist largely isolated from one another and that for most people politics is compartmentalized from private life (Sears et al. 1980, 671). The “symbolic politics” school of thought questions the conventional assumption that the personal impact of political events, the extent to which they affect the citizen’s own life, is a major determinant of the individual citizen’s policy attitudes.
(Sears et al. 1978, 70). These findings make sense in light of Americans’ tendency to attribute their own problems and difficulties to personal shortcomings rather than to governmental policies (Feldman 1983a; Kluegel and Smith 1986; Kinder and Kiewiet 1979). This body of work would strongly suggest that after controlling for sociodemographic characteristics and political ideology, we would not expect to find any strong relationship between an individual’s economic anxiety and their policy position.

To explore the connection between economic anxiety and economic policy opinions, I focus upon two relevant policy areas that have been widely suggested as solutions to the insecurities of American workers. First, is the issue of job retraining efforts for those who have lost their jobs due to economic restructuring. Second, is the issue of trade liberalization and whether Americans should be protected in the competitive global economy. Two questions included in the *Global Change in Local Places* survey allow me to test whether support for economic policy solutions differ across levels of economic anxiety.  

*What Determines Views Toward Job Retraining Programs?*

To test the impact of economic anxiety on job retraining programs, I use one item asking the respondent whether, “The federal government should fund retraining programs for people whose jobs have been eliminated.” The response categories for this question ranged from (1) strongly disagree to (5) strongly agree. Of the 608 respondents for this item, the responses for each category were (1) 10% (2) 11% (3) 28% (4) 22% (5) 30%. These responses demonstrate support for these programs comparable to the responses in the Pew Research Center national survey conducted in May 1997 in which 54% supported an increase in spending, 31% said keep

---

88 I examine these questions separately because only one of the questions contains a reference to the federal government and because these variables are only modestly correlated at .20.
spending the same and 11\% said decrease it. The mean for this item is 3.52 and the standard deviation is 1.28. Approximately 20\% of the sample fell more than one standard deviation below that mean and approximately 30\% fell more than one standard deviation above the mean. I estimate a model of the impact of economic anxiety on support for government job retraining programs controlling for sociodemographic characteristics, objective economic difficulties and symbolic beliefs. My central hypothesis is that being worried and feeling threatened by the new economy will be positively related to support for job retraining programs.

The first model displayed in Table 5.1 estimates the impact of standard sociodemographic factors, ideology and partisanship.
Table 5.1 OLS regression predictions of the effects of economic threat and worries, sociodemographic characteristics, partisanship and ideology on support for government job retraining programs (high scores on the dependent variable indicates support for retraining programs for people whose jobs have been eliminated)

<table>
<thead>
<tr>
<th>Variables</th>
<th>β</th>
<th>Std. beta</th>
<th>β</th>
<th>Std. beta</th>
<th>β</th>
<th>Std. beta</th>
</tr>
</thead>
<tbody>
<tr>
<td>Young (19-35 years old)</td>
<td>-.11</td>
<td>.05</td>
<td>-.11</td>
<td>.05</td>
<td>-.15</td>
<td>.07</td>
</tr>
<tr>
<td>Middle Aged (36-65 years old)</td>
<td>-.08</td>
<td>.04</td>
<td>-.09</td>
<td>.04</td>
<td>-.18</td>
<td>.09</td>
</tr>
<tr>
<td>Female</td>
<td>.18</td>
<td>.09</td>
<td>.18</td>
<td>.09</td>
<td>.14</td>
<td>.07</td>
</tr>
<tr>
<td>Labor Union Household</td>
<td>.02</td>
<td>.01</td>
<td>.01</td>
<td>.00</td>
<td>-.02</td>
<td>-.01</td>
</tr>
<tr>
<td>Middle Income ($30,001-$70,000)</td>
<td>-.07</td>
<td>.04</td>
<td>-.04</td>
<td>-.02</td>
<td>.01</td>
<td>.00</td>
</tr>
<tr>
<td>High Income ($70,001+)</td>
<td>.01</td>
<td>.00</td>
<td>.07</td>
<td>.02</td>
<td>.17</td>
<td>.05</td>
</tr>
<tr>
<td>Attended some college</td>
<td>.03</td>
<td>.01</td>
<td>.00</td>
<td>.00</td>
<td>.00</td>
<td>.00</td>
</tr>
<tr>
<td>College graduate</td>
<td>-.07</td>
<td>.03</td>
<td>-.06</td>
<td>-.03</td>
<td>-.01</td>
<td>-.01</td>
</tr>
<tr>
<td>Democrat</td>
<td>.25</td>
<td>.12</td>
<td>.24</td>
<td>.11</td>
<td>.24</td>
<td>.11</td>
</tr>
<tr>
<td>Independent</td>
<td>.07</td>
<td>.03</td>
<td>.04</td>
<td>.02</td>
<td>.04</td>
<td>.01</td>
</tr>
<tr>
<td>No party preference</td>
<td>.06</td>
<td>.02</td>
<td>.05</td>
<td>.02</td>
<td>.01</td>
<td>.00</td>
</tr>
<tr>
<td>Liberal</td>
<td>.17</td>
<td>.18</td>
<td>.17</td>
<td>.18</td>
<td>.17</td>
<td>.17</td>
</tr>
<tr>
<td>Lost a job</td>
<td>-.12</td>
<td>.05</td>
<td>-.16</td>
<td>-.06</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Had to take a second job</td>
<td>-.02</td>
<td>.01</td>
<td>-.10</td>
<td>-.04</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Had to take a job with lower wages</td>
<td>.23</td>
<td>.10</td>
<td>.18</td>
<td>.08</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Spouse had to take a job</td>
<td>.13</td>
<td>.06</td>
<td>.01</td>
<td>.01</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Postindustrial beliefs</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>.13</td>
<td>.13</td>
</tr>
<tr>
<td>Postindustrial worries</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>.16</td>
<td>.16</td>
</tr>
<tr>
<td>(Constant)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>.00</td>
<td>.05</td>
</tr>
<tr>
<td>N</td>
<td>595</td>
<td></td>
<td>595</td>
<td></td>
<td>595</td>
<td></td>
</tr>
<tr>
<td>N adj. R sq.</td>
<td>.06</td>
<td></td>
<td>.06</td>
<td></td>
<td>.11</td>
<td></td>
</tr>
<tr>
<td>Change in R sq.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>.01</td>
<td>.05**</td>
</tr>
</tbody>
</table>

Standard errors are in parentheses
Dependent variable is standardized four item index

** p<=.01
* p<=.05
+ p<=0.1
Females, Democrat identifiers and liberals were significantly more likely to express support for retraining programs. In the second model displayed in Table 5.1 we can see the effects of the four measures of economic difficulties. The experience of having to take a job with lower wages significantly increases support for these programs, but the addition of the four variables did not add appreciably the predictive power of the model. The independent effects of the other variables in the model are not affected by the addition of the economic difficulties measures. Understandably, those respondents who reported having to take a job with lower wages are more supportive of the notion of training programs that may have helped them obtain a better paying job.

The third model displayed in Table 5.1 indicates that postindustrial beliefs and worries are strong predictors of views on job retraining efforts. Those who feel threatened by and worried about the new economy are significantly more likely to express support for retraining. The significant variables in the model remain virtually unchanged by the addition of the anxiety measures. However, the independent impact of having to take a job with lower wages is reduced in magnitude and is no longer significant. The impact of this objective circumstance is mediated by the subjective feelings of threat and worry. In the final model we see that being a Democrat and self-identifying as a political liberal have consistent positive impacts on support for job retraining efforts. Further, the full model explains 11% of the variance in this single item and with the addition of the two anxiety measures the predictive power of the model almost doubled.

*What Determines Views on Protecting Jobs?*

The next item that I will examine asks the respondent whether, “American jobs should be protected from foreign competition”. The response categories for this question ranged from (1) strongly disagree to (5) strongly agree. Of the 611 respondents for this item, the responses for
each category were (1) 6% (2) 11% (3) 19% (4) 21% (5) 44%. Similar to the national polling data, there exists a substantial amount of support for the idea of protecting jobs in globalized economy. The mean for this item is 3.88 and the standard deviation is 1.24. Approximately 16% of the sample fell more than one standard deviation below that mean and approximately 44% fell more than one standard deviation above the mean.

I estimate a model of the impact of economic anxiety on support for protecting American jobs controlling for sociodemographic characteristics, objective economic difficulties and symbolic beliefs. My central hypothesis is that being worried and feeling threatened by the new economy will be positively related to support for job protections.

The first model displayed in Table 5.2 estimates the impact of standard sociodemographic factors, ideology and partisanship.
Table 5.2 OLS regression predictions of the effects of economic threat and worries, sociodemographic characteristics, partisanship and ideology on support for protecting American jobs from foreign competition
(high scores on the dependent variable indicates support for protecting American jobs)

<table>
<thead>
<tr>
<th>Variables</th>
<th>β</th>
<th>Std. beta</th>
<th>Std. beta</th>
<th>Std. beta</th>
<th>Std. beta</th>
</tr>
</thead>
<tbody>
<tr>
<td>Young (19-35 years old)</td>
<td>-.16</td>
<td>-.07</td>
<td>-.17</td>
<td>-.07</td>
<td>-.20</td>
</tr>
<tr>
<td></td>
<td>(.12)</td>
<td>(.13)</td>
<td>(.13)</td>
<td>(.12)</td>
<td>(.12)</td>
</tr>
<tr>
<td>Middle Aged (36-65 years old)</td>
<td>-.01</td>
<td>.00</td>
<td>-.01</td>
<td>-.01</td>
<td>-.11</td>
</tr>
<tr>
<td></td>
<td>(.11)</td>
<td>(.11)</td>
<td>(.11)</td>
<td>(.10)</td>
<td>(.10)</td>
</tr>
<tr>
<td>Female</td>
<td>.19 *</td>
<td>.10</td>
<td>.19 *</td>
<td>.09</td>
<td>.14</td>
</tr>
<tr>
<td></td>
<td>(.08)</td>
<td>(.08)</td>
<td>(.08)</td>
<td>(.08)</td>
<td>(.08)</td>
</tr>
<tr>
<td>Labor Union Household</td>
<td>.11</td>
<td>.05</td>
<td>.11</td>
<td>.04</td>
<td>.07</td>
</tr>
<tr>
<td></td>
<td>(.10)</td>
<td>(.10)</td>
<td>(.10)</td>
<td>(.09)</td>
<td>(.09)</td>
</tr>
<tr>
<td>Middle Income ($30,001-$70,000)</td>
<td>-.16 +</td>
<td>-.08</td>
<td>-.14 +</td>
<td>-.07</td>
<td>-.10</td>
</tr>
<tr>
<td></td>
<td>(.09)</td>
<td>(.09)</td>
<td>(.09)</td>
<td>(.09)</td>
<td>(.09)</td>
</tr>
<tr>
<td>High Income ($70,001+)</td>
<td>-.23</td>
<td>-.07</td>
<td>-.21</td>
<td>-.06</td>
<td>-.09</td>
</tr>
<tr>
<td></td>
<td>(.14)</td>
<td>(.15)</td>
<td>(.14)</td>
<td>(.14)</td>
<td>(.14)</td>
</tr>
<tr>
<td>Attended some college</td>
<td>-.22 *</td>
<td>-.08</td>
<td>-.23 *</td>
<td>-.08</td>
<td>-.23</td>
</tr>
<tr>
<td></td>
<td>(.11)</td>
<td>(.11)</td>
<td>(.11)</td>
<td>(.11)</td>
<td>(.11)</td>
</tr>
<tr>
<td>College graduate</td>
<td>-.65 **</td>
<td>-.31</td>
<td>-.65 **</td>
<td>-.31</td>
<td>-.60 **</td>
</tr>
<tr>
<td></td>
<td>(.10)</td>
<td>(.10)</td>
<td>(.10)</td>
<td>(.09)</td>
<td>(.09)</td>
</tr>
<tr>
<td>Democrat</td>
<td>.19 +</td>
<td>.09</td>
<td>.18 +</td>
<td>.08</td>
<td>.16</td>
</tr>
<tr>
<td></td>
<td>(.11)</td>
<td>(.11)</td>
<td>(.11)</td>
<td>(.11)</td>
<td>(.11)</td>
</tr>
<tr>
<td>Independent</td>
<td>-.06</td>
<td>-.02</td>
<td>-.07</td>
<td>-.03</td>
<td>-.09</td>
</tr>
<tr>
<td></td>
<td>(.12)</td>
<td>(.12)</td>
<td>(.12)</td>
<td>(.11)</td>
<td>(.11)</td>
</tr>
<tr>
<td>No party preference</td>
<td>.13</td>
<td>.05</td>
<td>.13</td>
<td>.04</td>
<td>.08</td>
</tr>
<tr>
<td></td>
<td>(.13)</td>
<td>(.13)</td>
<td>(.13)</td>
<td>(.12)</td>
<td>(.12)</td>
</tr>
<tr>
<td>Liberal</td>
<td>-.08 +</td>
<td>-.09</td>
<td>-.08 +</td>
<td>-.08</td>
<td>-.08</td>
</tr>
<tr>
<td></td>
<td>(.04)</td>
<td>(.04)</td>
<td>(.04)</td>
<td>(.04)</td>
<td>(.04)</td>
</tr>
<tr>
<td>Lost a job</td>
<td>-.01</td>
<td>.00</td>
<td>-.05</td>
<td>-.02</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(.11)</td>
<td>(.11)</td>
<td>(.11)</td>
<td>(.11)</td>
<td>(.11)</td>
</tr>
<tr>
<td>Had to take a second job</td>
<td>.04</td>
<td>.02</td>
<td>-.04</td>
<td>-.02</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(.10)</td>
<td>(.10)</td>
<td>(.10)</td>
<td>(.10)</td>
<td>(.10)</td>
</tr>
<tr>
<td>Had to take a job with lower wages</td>
<td>.03</td>
<td>.01</td>
<td>-.03</td>
<td>-.01</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(.11)</td>
<td>(.11)</td>
<td>(.11)</td>
<td>(.11)</td>
<td>(.11)</td>
</tr>
<tr>
<td>Spouse had to take a job</td>
<td>.07</td>
<td>.03</td>
<td>-.05</td>
<td>-.02</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(.09)</td>
<td>(.09)</td>
<td>(.09)</td>
<td>(.09)</td>
<td>(.09)</td>
</tr>
<tr>
<td>Postindustrial beliefs</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>.20 **</td>
</tr>
<tr>
<td>(eight item standardized scale)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(.04)</td>
</tr>
<tr>
<td>Postindustrial worries</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>.13 **</td>
</tr>
<tr>
<td>(six item standardized scale)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(.04)</td>
</tr>
<tr>
<td>(Constant)</td>
<td>.21 +</td>
<td>.18</td>
<td>.32</td>
<td>.32</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(.13)</td>
<td>(.13)</td>
<td>(.13)</td>
<td>(.13)</td>
<td>(.13)</td>
</tr>
<tr>
<td>N</td>
<td>595</td>
<td>595</td>
<td>595</td>
<td>595</td>
<td>595</td>
</tr>
<tr>
<td>adj. R sq.</td>
<td>.15</td>
<td>.15</td>
<td>.20</td>
<td>.20</td>
<td></td>
</tr>
<tr>
<td>Change in R sq.</td>
<td>-</td>
<td>.00</td>
<td>.06 **</td>
<td>.06 **</td>
<td></td>
</tr>
</tbody>
</table>

Standard errors are in parentheses
Dependent variable is standardized four item index

** p<=.01
* p<=.05
+ p<=0.1
As we saw in the model predicting support for job retraining efforts, females and Democrat identifiers are significantly more likely to express support for job protections. However, in this case the more liberal the respondent the less likely he/she is to support job protections. Although, the magnitude of the coefficient for ideological self-identification is about half as large in this model compared to the model predicting support for job retraining programs. The findings for the effects of ideology and partisanship are consistent with the findings of Teixeira and Molyneux (1993). In their analysis of public opinion data they found that the public did not tend to link the trade and competitiveness issue with a particular political party and voters also had difficulty placing trade-related issues in ideological terms, though if anything tough trade views seem to be associated with conservatism. For example, in a 1988 post-election survey conducted by Stan Greenberg and Celinda Lake, respondents identified “enforcing tough trade laws against foreign countries” as a conservative (46%) rather than liberal (29%) position.

Income matters somewhat more in this model than in Table 5.1 with middle income respondents being significantly less likely to be supportive job protections than low income respondents. The biggest difference between support for these two employment policies shows up in measures of education. Attending some college and being a college graduate both makes respondents significantly less likely to support job protections than those with a high school degree or less. In the second model displayed in Table 5.2 we can see the effects of the four measures of economic difficulties. The addition of the four variables did not add to the predictive power of the model. The independent effects of the other variables in the model are not affected at all by the addition of the economic difficulties measures.

The third model displayed in Table 5.2 indicates that postindustrial beliefs and worries are strong predictors of views on job protection efforts. Those who feel threatened by and
worried about the new economy are significantly more likely to express support for protecting jobs from foreign competition. Further, the full model explains 20% of the variance in this single item. The significant impact of education variables remains unchanged by the addition of the anxiety measures. Females are still more likely than males to support job protections. However, the independent impacts of middle income and being a Democrat are reduced in magnitude and are no longer significant and the coefficient for high income is vastly reduced.

Economic Anxiety and Policy Views

The results presented in Table 5.1 and Table 5.2 present clear evidence of individuals translating their own economic concerns directly into policy prescriptions. These findings suggest that people do indeed take cues from their own lives in forming their views on specific policies. Further, since these policies may be viewed as beneficial to those who are anxious in the new economy, these individuals may be seeking to advance their self-interest. More importantly, a link between economic anxiety and policy views means that political coalitions might be built by speaking to people’s anxieties, regardless of the motives underlying their views. Teixeira and Molyneux (1993, 26) posit that the economic nationalism they find indicates an underlying support for a program of activist government. They argue that, “looking to the long term, economic nationalism’s greatest impact may be opening the door to a new political coalition supportive of public interventions into the marketplace.” The findings presented in this chapter also hint at that potential political support for government action among those who are driven by their anxiety to link their personal lives to political solutions.

These suggestive findings beg the question: how is anxiety related to feelings toward the government? If, indeed, there is some evidence of support for government action based on anxiety, there is at the same time reason to think that anxiety may be partly directed against
government. The upward trend in anti-government sentiment has occurred during roughly the same time frame as the economic trends, e.g., increasing job insecurity, income inequality and wage stagnation at the root of postindustrial economic anxiety. If anxious individuals are convinced that the government is incapable or inefficient, then, regardless of their policy views, the potential for building a political coalition is greatly diminished.

**Feelings toward the Government**

An argument advanced by conservatives is that the government’s escalating spending, taxation, regulation, and waste were strangling the growth of business and the economy. This thesis has become a politically powerful way of explaining the economic stagnation and loss of opportunity that many households have experienced over the past two decades. The route to a return of prosperity and opportunity, this line of argument contends, is to rein in the nation’s government (Schwarz 1997, 124). Kuttner (1980, 96) has observed that during the 1970s, basic political assumptions changed. The Left no longer could count on economic grievances to rally political support. Pocketbook distress was acute, but events conspired to direct these frustrations, not against economic injustice, but against government. Throughout the steady postwar boom, as long as most people continued to make real economic gains, the relative size of the public sector was not a major issue. By the mid-1970s the after-tax income of most people stopped increasing. Not because taxes were so much bigger, but because the economy as a whole slowed down. And according to Kuttner (1980, 203) the tax burden was a magnificent scapegoat.

Schwarz (1997, 99) argues that an atmosphere of constricted economic opportunity engenders feelings of despair that leads to cynicism about the government. W. Lance Bennett (1998, 753-754) argues that while social life has become unbalanced and stressful for the majority of Americans whose lives revolve around the increasing uncertainties of work, most
individuals also reject the inefficiencies and costs of centralized, heavily regulated economies, meaning that social and economic insecurities are typically defined as personal issues for which governmental solutions are deemed ineffective, if not outright unwelcome.

Studies of public opinion toward the government tend to focus upon trust and confidence in political institutions (e.g., Hibbing and Theiss-Morse 1995; Lipset and Schneider 1987; Feldman 1983b). The single item pertaining to the government available on the Global Change in Local Survey focuses upon judgments of the efficiency of government. This item taps confidence in the capability of government rather than confidence or trust in the institutions of governments. With this single item I cannot disentangle general distrust or lack of confidence in all institutions. But I can explore whether people draw connections between their personal economic anxieties and their judgments about government.

To test the impact of economic anxiety on confidence in government’s ability, I use an item which asks the respondent whether, “government often does a better job than people give it credit for”. The response categories for this question ranged from (1) strongly disagree to (5) strongly agree. Of the 609 respondents for this item, the responses for each category were (1) 18% (2) 17% (3) 35% (4) 23% (5) 7%. A Pew Research Center survey conducted in September 2000 found that when asked which statement came closer to their views, “government is almost always wasteful and inefficient” 43% strongly agreed and 9% not strongly agreed compared to the statement, “government often does a better job than people give it credit for, 27% agreed strongly and 13% agreed not strongly. The mean for this item is 2.82 and the standard deviation is 1.17. Approximately 18% of the sample fell more than one standard deviation below that mean and approximately 7% fell more than one standard deviation above the mean.
I estimate a model of the impact of economic anxiety on support for government’s ability controlling for sociodemographic characteristics, objective economic difficulties and symbolic beliefs. A negative relationship between anxiety and belief in the government’s abilities would suggest that individuals blame government for their economic concerns and the economic changes underlying these concerns. If on the other hand, anxious individuals tend to think that the government is capable then these individuals might view government as a force that could address their fears and uncertainty engendered by the new economy.

*What Determines Beliefs about the Government’s Abilities?*

The first model displayed in Table 5.3 estimates the impact of standard sociodemographic factors, ideology and partisanship.
Table 5.3 OLS regression predictions of the effects of economic threat and worries, sociodemographic characteristics, partisanship, and ideology on the belief that government often does a better job than people give it credit for
(high scores on the dependent variable indicates support for the government)

<table>
<thead>
<tr>
<th>Variables</th>
<th>β</th>
<th>Std. beta</th>
<th>β</th>
<th>Std. beta</th>
<th>β</th>
<th>Std. beta</th>
</tr>
</thead>
<tbody>
<tr>
<td>Young (19-35 years old)</td>
<td>-.26 *</td>
<td>-.11</td>
<td>-.23 +</td>
<td>-.10</td>
<td>-.32 **</td>
<td>-.14</td>
</tr>
<tr>
<td>Middle Aged (36-65 years old)</td>
<td>-.17</td>
<td>-.08</td>
<td>-.16</td>
<td>-.08</td>
<td>-.18 +</td>
<td>-.09</td>
</tr>
<tr>
<td>Female</td>
<td>.11</td>
<td>.06</td>
<td>.12</td>
<td>.06</td>
<td>.14 +</td>
<td>.07</td>
</tr>
<tr>
<td>Labor Union Household</td>
<td>-.23 *</td>
<td>-.10</td>
<td>-.24 **</td>
<td>-.10</td>
<td>-.22 *</td>
<td>-.09</td>
</tr>
<tr>
<td>Middle Income ($30,001-$70,000)</td>
<td>.05</td>
<td>.03</td>
<td>.05</td>
<td>.02</td>
<td>.08</td>
<td>.04</td>
</tr>
<tr>
<td>High Income ($70,001+)</td>
<td>-.01</td>
<td>.00</td>
<td>-.06</td>
<td>-.02</td>
<td>-.08</td>
<td>-.02</td>
</tr>
<tr>
<td>Attended some college</td>
<td>.17</td>
<td>.06</td>
<td>.18</td>
<td>.07</td>
<td>.17</td>
<td>.06</td>
</tr>
<tr>
<td>College graduate</td>
<td>-.05</td>
<td>-.03</td>
<td>-.08</td>
<td>-.04</td>
<td>-.07</td>
<td>-.03</td>
</tr>
<tr>
<td>Democrat</td>
<td>.18</td>
<td>.08</td>
<td>.20 +</td>
<td>.09</td>
<td>.24 *</td>
<td>.11</td>
</tr>
<tr>
<td>Independent</td>
<td>.01</td>
<td>.00</td>
<td>.02</td>
<td>.01</td>
<td>.07</td>
<td>.02</td>
</tr>
<tr>
<td>No party preference</td>
<td>-.02</td>
<td>-.01</td>
<td>-.01</td>
<td>.00</td>
<td>.03</td>
<td>.01</td>
</tr>
<tr>
<td>Liberal</td>
<td>.24 **</td>
<td>.25</td>
<td>.24 **</td>
<td>.25</td>
<td>.21 **</td>
<td>.22</td>
</tr>
<tr>
<td>Lost a job</td>
<td>-.31 **</td>
<td>-.13</td>
<td>-.30 **</td>
<td>-.12</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Had to take a second job</td>
<td>-.02</td>
<td>-.01</td>
<td>-.02</td>
<td>-.01</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Had to take a job with lower wages</td>
<td>.06</td>
<td>.02</td>
<td>.10</td>
<td>.04</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Spouse had to take a job</td>
<td>-.13</td>
<td>.06</td>
<td>-.16 +</td>
<td>.08</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Postindustrial beliefs (eight item standardized scale)</td>
<td>-.18 **</td>
<td>-.18</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Postindustrial worries (six item standardized scale)</td>
<td>.16 **</td>
<td>.16</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Constant)</td>
<td>.15</td>
<td>.24 +</td>
<td>.21</td>
<td>.13</td>
<td></td>
<td></td>
</tr>
<tr>
<td>N</td>
<td>595</td>
<td>595</td>
<td>595</td>
<td>13</td>
<td></td>
<td></td>
</tr>
<tr>
<td>adj. R sq.</td>
<td>.09</td>
<td>.10</td>
<td>.14</td>
<td>.09</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Change in R sq.</td>
<td>.02 **</td>
<td>.04 **</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Standard errors are in parentheses
Dependent variable is standardized four item index

** p<=.01  
* p<=.05  
+ p<=.1
Liberals were significantly more likely to believe that the government often does a good job. Young people were less supportive of government’s abilities than older respondents. Those respondents who live in a labor union household are less likely than others to believe in the government’s ability.

In the second model displayed in Table 5.3 we can see the effects of the four measures of economic difficulties. The experience of having lost a job due to downsizing significantly decreases support for the notion of government as capable. The independent effects of the other variables in the model are virtually unaffected by the addition of the economic difficulties measures and the addition of these variables does add modestly to the predictive power of the model.

The third model displayed in Table 5.3 indicates that postindustrial beliefs and worries are strong predictors of views toward government. Interestingly, the impact of feeling threatened by changes in the new economy is related to feeling that the government is not efficient, but the impact of having economic worries is related to feeling that the government often does a good job. The other significant variables in the model remain virtually unchanged by the addition of the anxiety measures. In terms of the other variables, we see that age matters with the older respondents being more likely to acknowledge government’s abilities. The magnitude of the positive coefficient for female has increased slightly in the final model. Labor union membership continues to be significantly and negatively related to the idea that government often does a good job. In the final model, the positive coefficient for Democratic identifiers increases in magnitude. Democrats and liberals are significantly more likely to believe that the government does a good job. Strikingly, the impact of experiencing a layoff due to downsizing is significantly and negatively related to feelings about the government’s abilities. The impact of
this objective economic difficulty is not mediated by the addition of the anxiety measures and its
coefficient remains virtually unchanged in the final model. The magnitude of the coefficient
representing the experience of a spouse having to take a job increases and is negatively related to
feelings about the government.

The results presented in Table 5.3 indicate that individuals link their economic anxiety to
their evaluation of government’s abilities. Markedly, those who feel threatened are less likely to
acknowledge government’s abilities but those who are worried are MORE likely to do so. These
results are somewhat surprising so I took several steps to make sure that the relationship was
genuine and not a function of some relationship among all the independent variables included in
the model. First, I checked the bivariate correlations between each of the two anxiety scales and
the dependent variable separately. These correlations confirm the results. The correlation
between the postindustrial beliefs scale and feelings toward the government is -.14 and the
correlation between the worry scale the feelings toward the government is .09 (both significant at
the .05 level). Further, I examined the coefficients for each of the anxiety measures before
entering any other variables. The slopes and direction of each of the coefficients are virtually
identical to the coefficients in the final model. Those who feel more threatened are less likely to
see the government as efficient, but those who are more worried are more likely to see the
government as efficient. From this evidence I can be more confident that the results obtained in
the full model were not the result of the impact of other variables. As we saw in Table 3.10 the
correlation between the beliefs scale and the worry scale is .34, so for at least some individuals
the underlying components of their anxiety conflict in their views on this subject. The findings
presented in Table 5.3 are interesting and I will speculate about their implications in the chapter
conclusion but I will proceed cautiously in drawing conclusions until I am able to confirm them with other data.

**Chapter Conclusion**

On the one hand, the results presented in this chapter provide support for the argument advanced by political observers that economic anxiety finds an outlet in negative feelings toward a host of scapegoats including government (e.g., Aronowitz 1998, Schwarz 1997; Kuttner 1980). On the other hand, this chapter also presents evidence that anxiety is associated with support for government solutions similar to the potential described by Teixeira and Molyneux (1993). Furthermore, it supports Barry Bluestone argument that increasing inequality may lead to a movement among citizens to develop tax, education, and employment policies to redress the inequality (quoted in Greenhouse 1986). The evidence presented in this chapter indicates that those who are worried about things like retirement security are more likely to see the government as efficient. This may partly represent their hope that government could possibly address their worries. Whereas those who feel more threatened are less confident about government's ability and this may partly represent their frustration and lack of hope. For those who feel that things have changed in the economy for the worse, the very existence of their feelings may appear to them as evidence of the failure of the government. Similarly, for instance, Rahn and Transue (1995) find that fear of crime erodes beliefs about government responsiveness.

The evidence displayed in this chapter suggests that individuals may be torn: torn between wanting government to do something about their big worries and feeling that government is incapable of addressing anything. Moreover, it is possible that issues like college tuition and health care have been more closely associated with government solutions whereas the overall picture of stagnating wages has not been. Much more work needs to be done to unravel
the relationship between economic anxiety and the political world. Nevertheless, what the results presented in this chapter say most clearly is that respondents link their personal lives, worries and feelings to their political opinion. Those who have been left feeling insecure in the new economy apparently draw upon those feelings in their support for policies that might directly benefit them: job retraining and job protection. Contrary to the expectations of theories which stress that individuals tend not to view their own problems in terms of government solutions (e.g., Feldman 1983a), anxious individuals are significantly more likely to support employment policy solutions that might address their anxiety. Further, those who have lost a job due to downsizing and those who feel threatened by economic changes apparently link these problems to the government and are not shouldering all the blame for their anxiety and economic hardship. It should be reiterated that all of these effects are achieved while controlling for political ideology. Regardless, what this evidence says the most clearly is that respondents apparently translate their personal lives and worries into judgments about the federal government. Clearly, postindustrial economic anxiety has something to tell us about political opinion.
Chapter VI

Conclusion

During the last thirty years the American economy has changed in fundamental ways. Instead of the security and egalitarian economic gains envisaged by the postwar era many Americans are faced with decidedly inequitable growth patterns and diminished job security. Economic, technological, and political changes coalesced over the last thirty years to erode the social pact between capital and labor: business restructuring, growing global competitiveness, declining union influence, changes in workplace technology, and government efforts to restrain wage growth have brought about increased job insecurity and decreased benefit packages. The new economy engenders a certain set of fears and concerns and requires that academic researchers reevaluate how they interpret the impact of the economy on political opinion. We need to develop appropriate tools and an understanding of people’s everyday experiences to accomplish this task. The fact that these fears exist in an atmosphere of increasing corporate profits and national economic growth make them that much more difficult to detect and important to acknowledge.

In this study, I address a critical, unexamined topic: the political impact of fears and anxiety built upon long-term economic decline following a period of sustained economic growth. To do this I draw upon theories and empirical findings from diverse fields and perspectives. A number of polls show that the economic changes of the last twenty-five years have contributed considerably to the economic anxiety of a large portion of Americans. Given that this issue touches so many lives, the absence of specific empirical evidence about the political effects of economic anxiety is striking. This study adds to a large body of empirical findings examining
the impact of short-term economic changes by presenting evidence of the political impact of long-term economic changes. My project helps resolve a long-standing puzzle in political science. Previous studies have found only weak links between citizens’ everyday lives and their political attitudes. These studies fail to examine the role of emotions like anxiety that can act to amplify or depress the impact of economic changes.

The line of inquiry underlying my study focuses attention upon the everyday experiences of people: a focus that I argue facilitates better detection of the connections that people make between their lives and politics. In other words, we need to understand people’s lives in order to ascertain if, indeed, people link their personal lives to politics. Further, a focus upon everyday lives highlights the role of emotions. Emotions like worry and fear are far too central to the way individuals experience life not to be examined in depth by researchers seeking to understand political processes.

In the following section I briefly summarize my central findings. In the concluding sections I discuss the implications of my study including how my analysis fits within the existing framework of research. In a concluding discussion section I discuss the broader implications of the economic changes at the root of economic anxiety and suggest ways to alleviate this anxiety. I end by placing the focus of my study within the framework of a progressive politics.

Summary of Findings

What do the empirical findings presented in this study tell us? First, everyday contexts and events affect how we see and define the political world. Importantly, people apparently do link their evaluations of economic circumstances and their economic worries to the larger political arena of beliefs, policies, and government. The impact of anxiety seems potentially broad: in this study it impacts both general beliefs and specific policy views. Second,
respondents draw upon their own life experiences to evaluate the fairness of the opportunity structure. This finding supports the notion that changes in the economy may indeed be affecting the features underlying American exceptionalism. Third, economic worries are related to support for helping those who can’t take care of themselves. This finding suggests that some of those who are anxious may feel empathy for others rather than the negative affect that some journalistic accounts strongly suggest. Fourth, this study presents evidence that suggests that anxious individuals may have negative views on the efficacy of government action even though they are more likely to support government actions like spending on job training, helping the needy and protecting jobs. Moreover, this evidence suggests that anxious individuals may feel hopeful that the government can deal with their economic worries but also doubtful of the abilities of government. Lastly, objective economic circumstances, not surprisingly, did not often display direct effects. However, these negative experiences with the new economy did significantly affect beliefs about the fairness system; this effect was then mediated by the anxiety measures. Further, an effect for having lost a job due to downsizing significantly predicts beliefs about the government’s abilities even controlling for anxiety.

*Symbolic or Self-Regarding?*

The economic transformation of the last thirty years provides a promising opportunity to understand how citizens link their economic lives to their political opinion. The dominant findings of survey researchers up to this point has been that objective economic categories and even subjective evaluations of personal economic circumstances did not seem to matter relative to long-standing beliefs and partisanship. Within a context of mass affluence, these findings made intuitive sense. The findings seemed to correspond with the reality many people experienced and with what America’s historical development might predict. In fact, at the
aggregate level, different attributes may be paramount at different historical points. A time of rising affluence might very well make ideology more prominent, while times of economic transformation might make emotions, like anxiety more salient. Moreover, we have learned much from this line of research about American political opinion.

The purpose of my project is not to present a measure of pure or objective economic self-interest to be tested against the power of long-standing beliefs. In fact, the parameters of this debate have served to obscure important issues (see also Stoker 1992). I argue that one outcome of the nature of this debate has been the neglect of the political implications of people’s everyday hopes and fears, trials and tribulations. On the one hand, studies of political behavior based on the assumption that citizens seek to advance their interests, e.g., rational choice theory, tend to reduce citizens to calculating actors largely devoid of emotions and values. On the other hand, the “symbolic politics” approach is inclined to impugn behavior based on personal needs as selfish and to disregard its characteristics. In short, so long as evidence for an alternative to self-regarding explanations is available, the existence of any self-regarding benefit is immaterial (Stoker 1992, 376). Further, both approaches limit a discussion concerning the ways in which anxious individuals might act on their “self-regard” in concert to alleviate their fears and address their concerns. While the rational choice perspective can acknowledge material concerns, its unconditional reliance upon a vocabulary and perspective drawn from the market limits its ability to understand or imagine solutions to anxieties that spring from the excesses of the market.

A New Class Cleavage for the New Economy
In light of the economic changes of the last thirty years, rumors of the death of class in America may have been greatly exaggerated, predicated on conditions that no longer prevail.89 Beginning during the 1940s, studies of stratification were characterized by a conception of America as a middle-class society in which some people were more middle-class than others. During the long postwar era, some of America’s most distinguished social analysts, as well as the most influential sections of the media, described an America of rising affluence and growing equality, trends which they expected to continue indefinitely, culminating in a capitalism which was classless, harmonious, and abundant (Blumberg 1980, xii). Stratification was viewed not as a matter of economic and political inequality but as an expression of differences in values, style of life, status, and prestige (Huber and Form 1973,22; also see Parsons 1953; Bell 1949). This “class convergence” theory claimed that the significance of the remaining traces of class was diminished by pervasive opportunities for upward mobility (Antonio and Knapp 1988, 97).

Moreover, exponents of the “end of ideology” theory argued that as living standards had risen, class lines had blurred, collective bargaining had been institutionalized then the modern class struggle and its ideological manifestations were coming to an end (Blumberg 1980, 31). “We can see now that convergence theorists were truly prisoners of their age and assumed that postwar American power and prosperity were natural and permanent” (Blumberg 1980, 63). But it may be, as C. Wright Mills remarked, “The end of ideology is, of course, the ideology of endings” (Mills, 1963, 248 cited in Aronowitz 1998, 7).

It is likely that America will continue to be a nation of middle-class identifiers but, importantly, some feel firmly ensconced in that status, while many fear falling. Differences

89 See Kesselman (1979,285) for a similar argument made in his criticism of the notion of “postmaterialism” for extrapolating “from a tendency originating in an expansionary epoch…”
among members of the middle class that may have once been described as status and style of life issues are increasingly distinctions based upon feelings of security about retirement, health care, and job security. Many members of the middle-class remain there because they are perched precariously on mountains of credit card debt. The distinction between the secure and the not so secure has the potential to create a new political cleavage.

Future Research

The results of my study indicate that economic insecurity may be a key explanatory characteristic of public opinion in the new American economy. There are several projects that are suggested by the research conducted for this study. One of the most promising next steps in this research is to investigate the impact of anxiety on political participation. There are many arguments suggesting a role for anxiety in increasing or decreasing participation. Beatty (1994) offers that the America of declining living standards is developing populist sentiments that are also anti-politics, programatically inchoate, cynical about government and hostile to political parties and ideology. Both Putnam (1995, 669) and Bennett (1998, 753) have suggested that economic insecurity may be somewhere at the root of civic disengagement and the decline of social capital. In the context of an investigation of the relationship between anxiety and civic and political participation, I can further explore the somewhat surprising finding that one measure of anxiety was linked to positive feelings about the government and the other was linked to negative feelings. It may be that a similar conflict might arise in decisions to participate: conflicts between hoping that participation might help their situation and feeling that the situation is hopeless.
Discussion

I think there’s a lot of opportunity out there for people who are willing to take a certain amount of what I consider calculated risk. But at the same time, I feel like there’s becoming a bigger gulf between the middle-class and...the lower-middle-class. It’s harder to make that transition for those people. I’m not sure why that’s happening, but that’s my sense.

--Focus group respondent, Greenberg Research
1996, 30

America’s new economy may be the best of economies and the worst of economies. This economy brings unbridled wealth and opportunity for some and unmitigated insecurity for many. For some this is a dynamic and exciting time. But for the middle manager in the virtual corporation told to think of himself as a vendor who goes to a company to sell his skills and for the high school graduate who is told he must constantly retool, this economy is far from exciting. Job flexibility for some is job insecurity for many. Not only is loyalty to the company not valued in the new economy, a permanent, experienced workforce is increasingly seen as an unnecessary expense.90 For some this means freedom from the constriction of social institutions and conformism, for many others it means being cut off from a sense of their secure place in society.

The problem at the root of postindustrial anxiety is not the phenomenal growth of the new economy, nor the technological changes, nor even entirely global competition, rather the problem lies in the fact that there are so few forces to balance the market forces: to take the heat off those are left insecure by this turbo-charged capitalism. In other words, what lies at the

---

90 See Faludi (1999) for a discussion of how the devaluing of loyalty along with other changes in the economy affected men’s sense of their role and utility in society.
center of these fears is not the distress of experiencing this dynamic economy that can make
many feel like they are walking on a tightrope, but rather the absence of a safety net.

Addressing the Excess: The Role of Equalizing Institutions

Alleviating the fears engendered by the new economy requires strengthening what MIT
economist Frank Levy (1998) calls the “nation’s equalizing institutions,” referring to “the quality
of education, the welfare state, unions, international trade regulations, and the other political
structures that blunt the most extreme market outcomes and try to insure that most people benefit
from economic growth” (cited in Wilson 1999, 2). As President Clinton put it in a speech to the
World Economic Forum in January 2000:

Every time a national economy has seen a major change in paradigm, in the
beginning of the new economy those that are well-positioned reap great gains; those that
are uprooted but not well-positioned tend to suffer an increase in inequality. In the
United States, when our economy, the center of our economy moved from farm to factory
100 years ago -- and many people left the farm and came to live in our cities; …There
was a big increase in inequality, even though there was an increase in wealth, in the
beginning. Why? Because some people were well-positioned to take advantage of the
new economy, and some people weren't. But then political and social organizations
began to develop the institutions, which would intermediate these inequalities (World
Trade Organization 2000).

Those equalizing institutions that developed earlier in our history have been severely
weakened over the course of the last thirty years. However, strengthening these institutions
requires first acknowledging their role, particularly their role in the egalitarian nature of the
postwar economic growth, but in the American context that is not an easy proposition. Part of
the political potential of economic anxiety is based upon where we have been as a nation and the
expectations created but the potential for political action also depends upon how much we know
about where we have been. Palley (1998, 29) argues that to solve the increase in income
inequality and the decline in real wages requires admitting that mass prosperity is by design.91
Galbraith (1998, 16) points out that “public policies before 1970 largely supported a middle-class
society but not so later on. From 1945 through 1970, the state maintained a wide range of
protections for low-wage, less educated, more vulnerable workers, so that a broadly equal pattern
of social progress was sustained despite, even in those distant years, rapid technological change.”
Further, if the role of institutions is not acknowledged then linkages will be established between
skill biases in the economy and political and social inequities. If political action is not taken
before the memory of the postwar expectations fade then these biases will become part of the
American myth.

Further, the role played by equalizing institutions in the way the economy grew in the
postwar period is often obscured. For instance, for the first quarter century after World War II
unions provided much of the political muscle for the welfare state and drove wages up, even for
nonunion workers. What became known as the “American” standard of living was a result, in
large measure, of the astounding success of industrial unionism (Aronowitz 1998, 9). Further,
during the growth period of the 1950s, corporate America was willing to pay higher wages
owing to the strength of unions, and because it sought to prevent a revival of an active political
left such as had begun to emerge in the 1930s. These objective social and political conditions

91 Also, see Fischer et al. (1996) for a similar argument refuting the role of genetics in racial inequality.
provided the basis of the social contract between business and workers. The success of the social contract led Americans (and academe) to believe that the essential conflict of interest between business and labor was an issue of the past. In the environment of the postwar economic prosperity it was easy to believe that there was no longer a need for unions to even the balance of power between labor and capital (Palley 1998, 35). For forty years following the militant 1930s, collective bargaining seemed to replace class war (Aronowitz 1998, 9). Prior to 1973 union bargainers could rely to a great deal on the growth and stability of the nation’s economy to justify their wage and benefit demands (Aronowitz 1998, 39). To the extent that union successes came about without militancy, the public is not accustomed to what an active labor movement looks like. Also, to the degree that business agreed to the social compact in light of extraordinary economic growth labor, unions lost their independence (Aronowitz 1998, 48). Therefore, labor unions have not been as able to or inclined to develop into a social movement that would be prepared to educate the public about its institutional role and to provide an alternative explanation of the economic changes.

Moreover, often Americans’ frustration and anxiety is exacted on the very institutions that might address it. As Bauman (1993, 272) puts it, “the weaker and less reliable are the guarantees of individual security communally offered, the less justified and more burdensome seem the communal claims for joint effort and sacrifice. The natural rallying cry is that no new program should be funded because old programs have allegedly failed ” (cited in Wallulis 1998, 177). The more that anxious individuals blame government and constrain its resources the more frustrated they become because their anxiety is not addressed. Added to this scenario is that increasingly strapped middle-class families withdraw into themselves and increase their borrowing. As Kuttner (1980, 208) argues, by the late 1970s, consumer credit has replaced
government spending as the engine that kept aggregate demand at full tilt. This pattern creates more anxiety as families cannot keep up with their credit card bills and further limits government action. Galbraith (1998, 188-189) clarifies the interaction of these factors:

We have seen the growth of an economy characterized by distorted and unsustainable financial relations. The rich set an exemplary consumption standard. Meanwhile, middle-class American households are not merely unable to save; they cannot even maintain their existing consumption patterns on cash income. And so the middle classes have resorted to borrowing on the most massive scale, absorbing back as credit the financial accumulations of the wealthy. High interest rates squeeze the private household sector and they squeeze the state, by raising the flow of net interest payments on the debt relative to other uses of taxpayer funds. By squeezing the state, they indirectly squeeze the household again and so further raise the tension between government and private household that marks that politics of our time.

Further, the hyper-capitalism of the new economy is nurtured by a supporting cultural ethic: “a new spirit which is skeptical about the possible uses and benefits of acting together, joining forces,…and resigned to the idea that whatever you want to achieve, you had better look to your own cunning and ingenuity as the principal resources” (Bauman 1993, 274 cited in Wallulis 1998, 177). The super-charged consumer culture of the new economy in which everyone is urged to create their own “brand name” adds to the difficulty in defining a role for collective action. Added to this influence is the general ethos underlying postmodernist theory
which tends to dictate that no institution, however equalizing, is free from its critical gaze and is highly critical of the stultifying conformism of the past that for many connotes security.

In short, in an atmosphere of weak equalizing institutions, we have an economy that may be considered strong and efficient but which exacts enormous social costs. This trade-off is described by Edward Luttwak as being between efficiency and stability (quoted in Tough 1996, 36):

A society that is rich in GNP and poor in tranquility ought to be thinking of ways to impede change, to secure and stabilize, not ways to increase change for the sake of efficiency. Turbo-charged capitalism will undoubtedly increase the GNP, and it will secure higher levels of employment. But it will also destabilize society. More structural change means that anybody who has a job is penalized whereas anybody who has a highly mobile set of skills is rewarded. It rewards acrobats at the expense of working stiffs, who also happen to be fathers and stable members of the community.

Therefore, addressing anxiety requires educating the public about the role played by institutions. “We need to develop a vocabulary that helps ordinary Americans become more aware of how global economic changes as well as monetary, fiscal, and social policies have increased social inequality and how that inequality enhances racial antagonisms” (Wilson 1999, 120). It is entirely possible that even with knowledge about the role played by equalizing institutions that Americans will resist this route to addressing their anxiety and opt for the continued reliance on market mechanisms. However, their preferences cannot be fairly ascertained if this does not happen and Americans remain so completely uninformed about the role of equalizing institutions, like government and trade unions.
The Potential for a Progressive Politics

At this point in America’s history there exists a potent potential for coalition-building around shared worries and anxieties in the new economy. Sociologist William Julius Wilson (1999, 4) argues that, “the most powerful motivation for [multiracial] group action resides in economic insecurity that results from the decline or stagnation of real incomes linked to changes in the economy, including the global economy.” The democratization of economic worries, as Princeton University professor Henry Farber has dubbed the phenomenon of white-collar workers being vulnerable to downsizing, “the democratization of displacement” (quoted in Belton 1999), might offer the potential for a progressive politics that speaks to the commonalities of fears and worries and directs those to positive and progressive action.

Additionally, Wilson (1999, 32) stresses that, “During periods when people are beset with economic anxiety, they become more receptive to simplistic ideological messages that deflect attention away from the real and complex sources of their problems. It is therefore vitally important that leaders channel citizens’ frustrations in more positive or constructive directions” (Wilson 1999, 32). My study can contribute to this goal by: 1) presenting empirical evidence of a link between individual economic insecurity and political opinion and 2) contributing to a fuller understanding of this insecurity. I think my study has contributed to the goal of acknowledging and understanding people’s worries, fears, and everyday lives as well as contributing to the bigger goal described by Eric Hobsbawm in his book, On History (1997, 9) as quoted in (Elliott and Atkinson 1998, 219):
Government, the economy, schools, everything in society is not for the benefit of the privileged minorities. We can look after ourselves. It is for the benefit of the ordinary run of people, who are not particularly clever or interesting…not highly educated, not successful or destined for success—in fact are nothing very special….Any society worth living in is one designed for them, not for the rich, the clever, the exceptional…A world that claims that this is its purpose is not a good, and ought not to be a lasting, world.
Table A.1 Supplementary Table of Findings

<table>
<thead>
<tr>
<th>Author(s) and year</th>
<th>Time Period</th>
<th>Findings</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Postwar growth</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Blumberg 1980</td>
<td>1947 to 1978</td>
<td>Real gross family income doubled, from $8,850 to $17,650 (in 1978 dollars)</td>
</tr>
<tr>
<td>Beatty 1994</td>
<td>1955 to 1973</td>
<td>The real wages of the nation’s production workers climbed by about 38%</td>
</tr>
<tr>
<td>Schwarz 1997</td>
<td>1967 to 1973</td>
<td>Nearly 75% of working heads of household experienced a real increase in pay, with a median gain of 3.1% a year</td>
</tr>
<tr>
<td>Levy 1999</td>
<td>1949 vs.1969</td>
<td>In 1949, the average 30-year-old man earned about $16,800 (in1997 dollars). In 1969, this average man, now 50, was earning almost $40,000.</td>
</tr>
<tr>
<td>Bluestone and Rose</td>
<td>1947 to 1973</td>
<td>Real wages for hourly workers rose 79%.</td>
</tr>
<tr>
<td><strong>Wage Stagnation</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Beatty 1994</td>
<td>1979 to 1994</td>
<td>For all workers, average real wages fell by 8%</td>
</tr>
<tr>
<td>Beatty 1994</td>
<td>1974 to 1989</td>
<td>Workers with less than a high school education saw their wages fall by 21.7%, and high school graduates saw theirs fall by 14.7%</td>
</tr>
<tr>
<td>Bluestone and Rose</td>
<td>since 1973</td>
<td>Real wages declined by over 13%</td>
</tr>
<tr>
<td>Rose 1996</td>
<td>During the 1980s</td>
<td>Thirty-three percent of prime working age adults had lower incomes at the end of the decade versus the beginning.</td>
</tr>
<tr>
<td>Rose 1994</td>
<td>1970s vs. the 1980s</td>
<td>Of younger males beginning their work lives, only 9% ended the decade of the 1970s with lower earnings that at the beginning. Three times as many (26%) ended the 1980s with lower earnings.</td>
</tr>
<tr>
<td>Somma 1996</td>
<td>the 1970s vs. the 1980s</td>
<td>In 1970, men, 16-24 years old holding full-time jobs, earned 93% of the average working wage. By 1987, the percentage had fallen to 82%. For young women, comparable figures are 73% in 1970 and 72% in 1987</td>
</tr>
<tr>
<td>Galbraith 1998</td>
<td>1970 vs. 1980</td>
<td>By 1980 the real income of the typical American family was actually lower than in 1970.</td>
</tr>
<tr>
<td>Galbraith 1998</td>
<td>1965 vs.1998</td>
<td>After adjusting for inflation, today’s hourly wages give the average American less purchasing power than the average U.S. worker had in 1965.</td>
</tr>
<tr>
<td>Mishel et al. 1996</td>
<td>1994-95</td>
<td>Wages of the median worker declined 1.2%, 4.6% behind its level in 1989.</td>
</tr>
<tr>
<td>U.S. Census Bureau</td>
<td>1965 to 1980</td>
<td>The Consumer Price Index (CPI) increased by 23% from 1965 to 1970, 37% from 1970 to 1975 and 53% from 1975 to 1980</td>
</tr>
<tr>
<td><strong>Working More</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Carnavale 1995</td>
<td>1970 to 1990</td>
<td>Eighty percent of the increase in women’s earnings during this period was due to doubling the average individual hours worked</td>
</tr>
<tr>
<td>Bluestone and Rose</td>
<td>1973 to 1988</td>
<td>For working couples, income gains in this period can be attributed almost entirely to increased hours worked, as real hourly wages increased only 2 cents per year during that period</td>
</tr>
<tr>
<td>Schriver 1997</td>
<td>1967 vs.1997</td>
<td>Nearly 75% of all married couples headed by someone aged 20 to 55 years old have two full-time working spouses, up from 33%</td>
</tr>
<tr>
<td>Bluestone and Rose</td>
<td>1973 to 1988</td>
<td>Families headed by high school dropouts increased their annual work effort by nearly 12% yet ended up with 8% less annual income. Those with some college work effort was up by 17% producing less than a 4% increase in total earnings</td>
</tr>
<tr>
<td>Uchitelle 1999</td>
<td>1997 vs. 1979</td>
<td>A married couple with one or two children worked an average of 3,860 hours more than two full-time jobs in 1997 up from 3,236 hours in 1979.</td>
</tr>
</tbody>
</table>
### Appendix A-cont’d

#### Table 1.1 Supplementary Table of Findings

<table>
<thead>
<tr>
<th>Author(s) and year</th>
<th>Time Period</th>
<th>Findings</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>More Debt</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Klam 1998</td>
<td>1984 to 1998</td>
<td>A rise in household debt to after-tax income from 59% in 1984 to 83% in 1998</td>
</tr>
<tr>
<td>Kurson 1998</td>
<td>1984 to 1998</td>
<td>The ratio of household debt to after-tax income in 1984 was 59% in 1998 it is 83%.</td>
</tr>
<tr>
<td>Brophy 1986</td>
<td>1975 vs. 1986</td>
<td>The average household after inflation owed $46,166 to banks, retailers and other creditors in 1986 compared with $4,695 in 1975</td>
</tr>
<tr>
<td>Wolff 1995</td>
<td>1960s-1980s</td>
<td>The middle third of the population saved almost 5% of its income during the 1960s, but by the 1980s it was saving virtually nothing</td>
</tr>
<tr>
<td>Henwood 1999</td>
<td>since 1992</td>
<td>Mortgage debts have grown 60% faster than income, while consumer debts have grown twice as fast.</td>
</tr>
<tr>
<td><strong>Job Insecurity</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Whalen 1996</td>
<td>since 1978</td>
<td>America’s largest 100 companies have reduced employment by 22%.</td>
</tr>
<tr>
<td>Whalen 1996</td>
<td>the 1990s</td>
<td>More than 1,000,000 workers have been laid off each year about half from large private-sector firms. In January of 1996 alone, U.S. corporations announced almost 100,000 job cuts -up sharply from a monthly rate of 37,000 during 1995</td>
</tr>
<tr>
<td>Nackenoff 1983</td>
<td>1973 to 1980</td>
<td>Employment growth in retail trades and services represented more than 70% of all new jobs created in the private economy</td>
</tr>
<tr>
<td>Whalen 1996</td>
<td>1967 vs. 1995</td>
<td>The average duration for a job search in 1995 was 2.5 months as compared to 1967 when it was 2.5 weeks</td>
</tr>
<tr>
<td>Whalen 1996</td>
<td>1996</td>
<td>The U.S. Census Bureau recently reported that workers losing jobs recently have seen their wages drop an average of more than 20% upon regaining full-time work.</td>
</tr>
<tr>
<td>Whalen 1996</td>
<td>1994</td>
<td>A Department of Labor study found that less than one of three displaced workers returns to full-time employment with equal or higher pay</td>
</tr>
<tr>
<td>Horvath 1987 cited in McLoyd 1989</td>
<td>1981 to 1986</td>
<td>Among displaced workers who found employment after losing jobs between 1981 and 1986, 30% had earnings that were 20% or more below their predisplacement earnings.</td>
</tr>
<tr>
<td>Whalen 1996</td>
<td>1970 to 1990</td>
<td>Total U.S. employment grew by less than 54%, but the number of persons working part time, yet preferring a full-time job, rose 121% and the number of temporary workers increased 210%.</td>
</tr>
<tr>
<td>Bluestone and Rose 1997</td>
<td>1973 to 1993</td>
<td>In 1973, 19% of total part-time employment was accounted for by individuals who wanted full-time jobs but could not find them. By 1993 this proportion was up to 29%</td>
</tr>
<tr>
<td>Rose 1995</td>
<td>1970s vs. 1994</td>
<td>Weak attachment, working for the same employer for less than three of the last ten years, rose from 12% in the 1970s to 24% in 1994</td>
</tr>
<tr>
<td>Harrison 1994</td>
<td>1979 to 1989</td>
<td>The share of the private-sector work force covered by company pensions went from 50% to 43% and the incidence of employee coverage by health insurance at least partly provided by employers declined from 69% to 61%</td>
</tr>
</tbody>
</table>
# Table 1.1 Supplementary Table of Findings

<table>
<thead>
<tr>
<th>Author(s) and year</th>
<th>Time Period</th>
<th>Findings</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Income Inequality</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Palley 1998</td>
<td>1945 to 1973</td>
<td>Every income group except the top fifth saw their income share increase and within the top fifth, the share going to the very top 5% also declined</td>
</tr>
<tr>
<td>Urban Institute 1992</td>
<td>1973 to 1992</td>
<td>The incomes of the wealthiest one-fifth of the population increased by 11% while the poorest one-fifth saw their incomes decline by 13%</td>
</tr>
<tr>
<td>Edmondson 1995</td>
<td>1989 to 1993</td>
<td>Median household income declined for all income groups except the highest quintile, those earning more than $60,000</td>
</tr>
<tr>
<td>Krugman 1992</td>
<td>since 1979</td>
<td>70% of the rise in average family income has gone to the top 1% of families.</td>
</tr>
<tr>
<td>U.S. Census Bureau 1998</td>
<td>1969 to 1996</td>
<td>The share of income controlled by the top 5% of households has increased from 16.6% to 21.4%</td>
</tr>
<tr>
<td>Whalen 1996</td>
<td>mid-1970s to 1996</td>
<td>The average corporate executive received 41 times the salary of the average U.S. worker; in 1996, CEOs received incomes 225 times greater than the average worker</td>
</tr>
<tr>
<td>Greenhouse 1986</td>
<td>1960s to 1980s</td>
<td>The proportion of prime working-age adults (twenty-five to fifty-four years old) living in middle-class households fell from 60% to about 51%.</td>
</tr>
<tr>
<td>Greenhouse 1986</td>
<td>1966 vs. the 1980s</td>
<td>The Congressional Research Service found that the middle 60% of Americans had 52% of all income in 1947. That climbed to 54% of total income in 1966, its peak, and fell to 52.4% during the 1980s</td>
</tr>
<tr>
<td>Duncan et al. 1991</td>
<td>before and after 1980</td>
<td>35.5% of low-income individuals moved into middle-class groups, but after 1980, the number dropped to 30.4%. During these same years, those who fell from the middle-income status increased from 6.2% (from 1967 to 1980) to 8.5% after 1980</td>
</tr>
<tr>
<td>Palley 1997</td>
<td>1967 to 1995</td>
<td>The share of households making between $15,000 and $50,000 has declined from 56.2% in 1967 to 47% in 1995</td>
</tr>
<tr>
<td>Levy 1999</td>
<td>1979 to 1997</td>
<td>The average income of the middle one-fifth of American families rose from $42,000 to $44,600 (adjusted for inflation). Over the same years, the average income of the richest five percent of families rose from $148,000 to $235,000.</td>
</tr>
</tbody>
</table>
### Appendix B

#### Table 1 New York Times 1995 Economic Insecurity Poll (N=1,265)

<table>
<thead>
<tr>
<th>Economic Anxiety Items</th>
<th>INCOME</th>
<th>EDUCATION</th>
<th>ECONBAD2</th>
<th>JOBWORRY</th>
</tr>
</thead>
<tbody>
<tr>
<td>In the past couple of years would you say you have been getting ahead financially (22%), just staying even financially (50%), falling behind financially (27%)? FALLBEH</td>
<td>-.26 *</td>
<td>-.20 *</td>
<td>.34 *</td>
<td>0.31 *</td>
</tr>
<tr>
<td>Are you at least as well off financially today as you expected to be at this point in your life? No(53%) NOTEXP</td>
<td>-.25 *</td>
<td>-.19 *</td>
<td>.21 *</td>
<td>0.27 *</td>
</tr>
<tr>
<td>How likely do you think it is that today's youth will have a better life (better living standard, better homes, a better education, etc.) than their parents-very likely (11%), somewhat likely (38%), somewhat unlikely (33%), very unlikely (18%)? NOBETTER</td>
<td>-0.02</td>
<td>.00</td>
<td>.28 *</td>
<td>0.16 *</td>
</tr>
<tr>
<td>When it comes to the availability of good jobs for American workers, some say that America's best years are behind us. Others say that the best times are yet to come. What do you think? Best yet to come (47%), Best behind (53%). JOBSGONE</td>
<td>-.12 *</td>
<td>-.20 *</td>
<td>.26 *</td>
<td>0.17 *</td>
</tr>
<tr>
<td>(if employed) In the past couple of years would you say you have felt more secure and confident that you can continue in your job as long as you want (29%), or less secure and confident (29%) or has there been no change (42%)? LESSSEC</td>
<td>.01</td>
<td>-.03</td>
<td>.16 *</td>
<td>0.43 *</td>
</tr>
<tr>
<td>How worried are you about not having enough savings for retirement--not worried at all (24%), somewhat worried (42%) or very worried (34%)? WORRYRET</td>
<td>-.20 *</td>
<td>-.16 *</td>
<td>.21 *</td>
<td>0.47 *</td>
</tr>
<tr>
<td>All in all, how economically secure do you feel--very secure(14%), somewhat secure (51%), somewhat insecure (25%), very insecure (9%)? INSECURE</td>
<td>-0.30 *</td>
<td>-.21 *</td>
<td>.24 *</td>
<td>0.45 *</td>
</tr>
<tr>
<td>Do you think that lay-offs and loss of jobs in this country are just temporary problems, (23%), or do you think they will continue permanently (74%)? LOSSPERM</td>
<td>-.01</td>
<td>.04</td>
<td>.22 *</td>
<td>0.12 *</td>
</tr>
<tr>
<td>Now think about the next two or three years. How concerned are you that you or someone else in your household might be laid off from work-not at all concerned (51%), somewhat concerned (34%), or very concerned (15%)? LOWORRY</td>
<td>-.11 *</td>
<td>-.11 *</td>
<td>.17 *</td>
<td>0.67 *</td>
</tr>
<tr>
<td>Do you ever feel as if you're at risk of falling out of the middle class? Yes(34%)? FALLING</td>
<td>-.10 *</td>
<td>-.08</td>
<td>.19 *</td>
<td>0.33 *</td>
</tr>
</tbody>
</table>

*Ten item alpha coefficient (N=250)*

#### Standard Economic Evaluation Questions

<table>
<thead>
<tr>
<th>Questions</th>
<th>INCOME</th>
<th>EDUCATION</th>
<th>ECONBAD2</th>
<th>JOBWORRY</th>
</tr>
</thead>
<tbody>
<tr>
<td>How would you rate the condition of the national economy these days--very good (4%), fairly good (50%), fairly bad (33%), or very bad (13%)? ECONBAD</td>
<td>-.16 *</td>
<td>-.15 *</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Do you think the economy is getting better(15%),getting worse (30%), or staying about the same (55%)? ECONBAD2</td>
<td>-.12 *</td>
<td>-.13 *</td>
<td></td>
<td></td>
</tr>
<tr>
<td>In your community these days, how easy is it for someone who is trying to find a job to get a good job at good wages--very easy (3%), somewhat easy (16%), somewhat hard (43%), very hard (37%)? JOBSHARD</td>
<td>-.15 *</td>
<td>-.15 *</td>
<td></td>
<td></td>
</tr>
<tr>
<td>How worried are you that in the next 12 months you or someone else in your household might be out of work and looking for a job for any reason-not worried at all (55%), somewhat worried (31%), very worried (14%)? JOBWORRY</td>
<td>-.12 *</td>
<td>-.10 *</td>
<td>.21 *</td>
<td></td>
</tr>
</tbody>
</table>
### Table 2 Knight Ridder 1996 Poll (N=1,206 registered voters)

#### Economic Anxiety Items

<table>
<thead>
<tr>
<th>Group</th>
<th>INCOME</th>
<th>EDUCATION</th>
<th>ECONBAD2</th>
<th>FINBAD2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wealthy families (4%)</td>
<td>.05</td>
<td>.05</td>
<td>.03</td>
<td>-.04</td>
</tr>
<tr>
<td>Middle class families (50%)</td>
<td>.04</td>
<td>.18 *</td>
<td>.16</td>
<td>.09 *</td>
</tr>
<tr>
<td>Poor families (51%)</td>
<td>.00</td>
<td>.08 *</td>
<td>.02</td>
<td>.01</td>
</tr>
<tr>
<td>Retired people (42%)</td>
<td>-.01</td>
<td>.03</td>
<td>.13</td>
<td>-.01</td>
</tr>
<tr>
<td>Families with children (51%)</td>
<td>-.03</td>
<td>.09 *</td>
<td>.18</td>
<td>.07</td>
</tr>
<tr>
<td>Young adults without children (28%)</td>
<td>.04</td>
<td>.05</td>
<td>.13</td>
<td>.13 *</td>
</tr>
<tr>
<td>People like you (28%)?</td>
<td>-.15</td>
<td>-.04</td>
<td>.19</td>
<td>.16 *</td>
</tr>
<tr>
<td>A major wage earner in your household losing a job (37%)</td>
<td>-.10 *</td>
<td>-.11 *</td>
<td>.11</td>
<td>.12 *</td>
</tr>
<tr>
<td>Maintaining your current standard of living (52%)</td>
<td>-.12 *</td>
<td>-.11 *</td>
<td>.12</td>
<td>.16 *</td>
</tr>
<tr>
<td>Financing your children's education (55%)</td>
<td>-.09 *</td>
<td>-.04</td>
<td>.03</td>
<td>-.07 *</td>
</tr>
<tr>
<td>Having enough savings for retirement (68%)</td>
<td>-.08 *</td>
<td>-.08 *</td>
<td>.04</td>
<td>.01</td>
</tr>
<tr>
<td>Being able to pay medical or health care costs (55%)</td>
<td>-.22 *</td>
<td>-.16 *</td>
<td>.05</td>
<td>.09 *</td>
</tr>
<tr>
<td>Dealing with conflicts between work and family (30%)</td>
<td>-.06 *</td>
<td>-.04</td>
<td>.06</td>
<td>-.03</td>
</tr>
<tr>
<td>Being able to care for an aging parent or other relative (49%)</td>
<td>-.05</td>
<td>-.06 *</td>
<td>.06</td>
<td>-.01</td>
</tr>
<tr>
<td>Getting ahead in your career (36%)</td>
<td>-.14 *</td>
<td>.00</td>
<td>.07</td>
<td>-.03</td>
</tr>
<tr>
<td>economy&quot;? Agree (34%)</td>
<td>-.32 *</td>
<td>-.29 *</td>
<td>.10</td>
<td>.15 *</td>
</tr>
</tbody>
</table>

* p<.05

**Thirteen item alpha coefficient (N=449) form 1**  
.69

**Thirteen item alpha coefficient (N=424) form 2**  
.73

#### Standard Economic Items

- How would you rate the state of the national economy today--excellent shape (3%), good shape (26%), fair shape (44%), poor shape (27%)? ECONBAD  
  -.11 *  
  -.14 *

- Over the next 12 months, do you think the national economy will get better (15%), get worse (21%), or stay about the same (61%)? ECONBAD2  
  -.06 *  
  -.04 *

- How would you rate your own financial situation today? Excellent shape (7%), good shape (42%), fair shape (42%), poor shape (9%). FINBAD  
  -.43 *  
  -.23 *

- Over the next 12 months, do you think your own financial situation will get better (37%), get worse (8%), or stay about the same (55%)? FINBAD2  
  -.04  
  -.04

*a form 1 contains first three and the last questions. Form 2 contains last four questions*
Table 3 Gallup 1997 Poll (N=1,014)

<table>
<thead>
<tr>
<th>Economic Anxiety Items</th>
<th>INCOME</th>
<th>EDUCATION</th>
<th>ECONBAD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Do you agree or disagree with the statement &quot;No matter what you hear about the economy, things are not going to get better for you any time soon? Agree (40%)&quot;</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Are you worried or not worried about each of the following happening to you in the near future? (% worried)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>You will be laid off (19%)</td>
<td>-.14 *</td>
<td>-.15 *</td>
<td>.17 *</td>
</tr>
<tr>
<td>Your hours at work will be cut back (14%)</td>
<td>-.20 *</td>
<td>-.15 *</td>
<td>.23 *</td>
</tr>
<tr>
<td>Your wages will be reduced (16%)</td>
<td>-.09 *</td>
<td>-.13 *</td>
<td>.22 *</td>
</tr>
<tr>
<td>Your benefits will be reduced (33%)</td>
<td>-.09 *</td>
<td>-.10 *</td>
<td>.19 *</td>
</tr>
</tbody>
</table>

Five item alpha coefficient (N=598) .69

Standard Economic Items

How would you rate economic conditions in this country today-- excellent (9%), good (43%), fair (36%), poor (12%)? ECONBAD -.35 * -.28 *

How would you describe business conditions in your community-- very good (17%), good (50%), not too good (25%), bad (8%)? BUSBAD -.25 * -.22 *

* p<.05
Table 4  Connecticut 1996 Poll (N=568 Connecticut residents)

<table>
<thead>
<tr>
<th></th>
<th>INCOME</th>
<th>EDUCATION</th>
<th>BUSBAD2</th>
<th>NOTSAT</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Economic Anxiety Items</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>In general, if you had a serious medical problem, do you think you would be worried about being able to pay for the medical care, or do you feel pretty well protected? Worried (32%)</td>
<td>.33 *</td>
<td>-.15 *</td>
<td>-.08</td>
<td>.25 *</td>
</tr>
<tr>
<td>Would you describe the state of your own personal finances these days as very secure (19%), fairly secure (61%), fairly shaky (14%), very shaky (6%)? SHAKY</td>
<td>-.37 *</td>
<td>-.22 *</td>
<td>.02</td>
<td>.46 *</td>
</tr>
<tr>
<td>Some people worry about losing their jobs because of layoffs or bad economic times. Others feel pretty secure. Are you very secure in your present job (44%), somewhat secure (41%), somewhat insecure (12%), or very insecure (3%)?</td>
<td>-.17 *</td>
<td>-.14 *</td>
<td>.03</td>
<td>.29 *</td>
</tr>
<tr>
<td>Three item alpha coefficient (N=364)</td>
<td>.58</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Standard Economic Items</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>How satisfied are you with your family's financial situation--Very satisfied (24%), more or less satisfied (58%), not at all satisfied (19%)? NOTSAT</td>
<td>-.30 *</td>
<td>-.20 *</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Six months from now, do you think you and your family will be better off (22%), worse off (7%), or about the same (71%)?</td>
<td></td>
<td></td>
<td>.02</td>
<td>.00</td>
</tr>
<tr>
<td>How would you rate the present business conditions in your area--good (31%), normal (43%), or bad (26%)? BUSBAD</td>
<td>-.10 *</td>
<td>.03</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Six months from now, do you think they will be better (23%), the same (65%), or worse (12%)? BUSBAD2</td>
<td>-.01</td>
<td>-.05</td>
<td></td>
<td></td>
</tr>
<tr>
<td>What would you say about available jobs in your area right now--plenty (26%), not so many (40%), or hard to get (34%)?</td>
<td>.09</td>
<td>.03</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Six months from now, do you think there be more jobs (21%), the same (63%) or fewer jobs (16%)?</td>
<td>.04</td>
<td>.01</td>
<td></td>
<td></td>
</tr>
<tr>
<td>How would you guess your total family income to be six months from now---higher (37%), the same (60%), or lower (4%)?</td>
<td>.05</td>
<td>.03</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Do you think now is a good time(48%) or a bad time (40%) to make major purchases such as furniture or appliances?</td>
<td>-.13 *</td>
<td>-.09 *</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* p<.05
<table>
<thead>
<tr>
<th>Economic Anxiety Items</th>
<th>INCOME</th>
<th>EDUCATION</th>
<th>FINBAD2</th>
<th>PROBAD</th>
<th>SATMONEY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Do you now earn enough money to lead the kind of life you want or not? No (53%)</td>
<td>-.35 *</td>
<td>-.16 *</td>
<td>.09 *</td>
<td></td>
<td></td>
</tr>
<tr>
<td>May 1997</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Do you think you will be able to earn enough money in the future to lead the</td>
<td>-.13 *</td>
<td>-.09 *</td>
<td>.36 *</td>
<td></td>
<td></td>
</tr>
<tr>
<td>kind of life you want, or not? No (53%). May 1997</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>How concerned are you about: (%very concerned May and October)</td>
<td>-.27</td>
<td>-.12 *</td>
<td>-.21</td>
<td>-.11 *</td>
<td>.12 *</td>
</tr>
<tr>
<td>not having enough money for your retirement(43%) (49%)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>.27 *</td>
</tr>
<tr>
<td>being unable to save enough money to put a child through college (46%) (50%)</td>
<td>-.30</td>
<td>-.14 *</td>
<td>-.19</td>
<td>-.10 *</td>
<td>.10 *</td>
</tr>
<tr>
<td>being unable to afford necessary health care when a family members gets sick</td>
<td>-.36</td>
<td>-.28 *</td>
<td>-.25</td>
<td>-.18 *</td>
<td>.13 *</td>
</tr>
<tr>
<td>(50%) (64%)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>.27 *</td>
</tr>
<tr>
<td>losing your job or taking a cut in pay (34%) (38%)</td>
<td>-.31</td>
<td>-.22 *</td>
<td>-.24</td>
<td>-.18 *</td>
<td>.10 *</td>
</tr>
<tr>
<td>your children not having good job opportunities (47%) (62%)</td>
<td>-.18</td>
<td>-.11 *</td>
<td>-.20</td>
<td>-.13 *</td>
<td>.06 *</td>
</tr>
<tr>
<td>losing your home because you can't afford to keep it or being able to own your</td>
<td>-.33</td>
<td>-.26 *</td>
<td>-.25</td>
<td>-.21 *</td>
<td>.10 *</td>
</tr>
<tr>
<td>own home (30%) (37%)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>.27 *</td>
</tr>
<tr>
<td>not having adequate child care when you go to work (40%) October 1995 only</td>
<td>-.25</td>
<td>-.15 *</td>
<td>-.10 *</td>
<td>.09 *</td>
<td></td>
</tr>
<tr>
<td>How would you describe economic conditions would you say the economy is</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>now recovering, (7%), or that we are in a recession that will pass fairly soon</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(46%), or that we are in a depression that will last a long time (47%)? January</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1992 (DEPRESS)</td>
<td>-.01</td>
<td>-.04</td>
<td>.31</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Would you agree or disagree with the statement,'I often don't have enough</td>
<td>-.37</td>
<td>-.28 *</td>
<td>.09 *</td>
<td></td>
<td></td>
</tr>
<tr>
<td>money to make ends meet' completely agree (19%) January 1992</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Eight item alpha coefficient (N=645) May 1997                                          .83

Four item alpha coefficient (N=750) October 1995 **                                     .77

Three item alpha coefficient (N=676) October 1995                                      .64

Standard Economic Items

Compared to 4 years ago, would you say that you are better off financially today    | -.19 * | -.09 * |
| (32%) or worse off financially today (52%)? January 1992                             |        |        |
| How would you rate your own financial financial situation-excellent shape          | -.47 * | -.23 * |
| (8%), good shape (45%), fair shape (37%), or poor shape (10%)? May 1997            |        |        |
| Over the course of the next year, do you think the financial situation of you and  | -.12   | -.10   |
| your family will improve a lot (13%), improve some (58%), get a little worse (10%) |        |        |

a. for income and education, coefficient in first column is May 1997 and second is October 1995. An asterisk indicates both coefficients are significant.

** concern items split on form 1 (retirement, college, home, and payday) and form 2 (child care, health care and opportunities)
### Table 5 Pew Surveys - cont'd

<table>
<thead>
<tr>
<th></th>
<th>INCOME&lt;sub&gt;1997&lt;/sub&gt;</th>
<th>EDUCATION</th>
<th>FINBAD2</th>
<th>PROBAD</th>
<th>SATMONEY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economic Anxiety Items</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Do you expect that at</td>
<td>-.05</td>
<td>-.05</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>this time next year</td>
<td>(28%)? January 1992</td>
<td>PROBAD</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>you will be financially</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>better off than now</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>or worse off than now</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>How satisfied are you</td>
<td>-.30 *</td>
<td>-.10 *</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>with: (% not at all satisfied) October 1995</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The amount of money you earn (14%) SATMONEY</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The kind of work you do (4%)</td>
<td>-.21 *</td>
<td>-.08 *</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The amount of leisure time you have (9%)</td>
<td>-.01</td>
<td>.01</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Your ability to balance your job and your family life (5%)</td>
<td>-.11 *</td>
<td>-.06 *</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Do you think the changes are high (42%), low (28%) or almost zero (30%)</td>
<td>-.12 *</td>
<td>-.10 *</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>that sometime in the next 12 months</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>an adult in your family will be out of work and actively looking for a job? January 1992</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. For income and education, coefficient in first column is May 1997 and second is October 1995. An asterisk indicates both coefficients are significant.

** Concern items split on form 1 (retirement, college, home, and paycut) and form 2 (child care, health care and opportunities)**
References


Conover, Johnston, Pamela and Stanley Feldman. 1986. "Emotional Reactions to the Economy: I'm Mad as Hell and I'm Not Going to Take It Anymore." American Journal of Political Science 30:50-78


http://www.greenbergresearch.com/gri/library/


p. 1


14.


Publishing.


Harrison, Bennett. 1994. Lean and Mean: The Changing Landscape of Corporate Power in the


Hasenfeld, Yeheskel and Jane Rafferty. 1989. “The Determinants of Public Attitudes Toward the

Henry, Andrew and James Short. 1954. Suicide and Homicide: Some Economic, Sociological


(10):32.


Hochschild, Jennifer. 1995. Facing Up to the American Dream: Race, Class, and the Soul of the

Monthly Labor Review 111:3-12.

Horwitz, Allan. 1984. “The Economy and Social Pathology.” Annual Review of Sociology 10:95-
119.

Houseman, Susan. 1995. “Job Growth and the Quality of Jobs in the U.S. Economy.” Upjohn


University Press.


205


**Polls/Surveys Cited** (Samples are national adults unless otherwise noted.)

Marist College Institute for Public Opinion. April 6-8.
May 15-18.
March 28-31.
December 4.
Reader’s Digest. 1996. “Personal Financial Achievements and Status Survey.” conducted by the
November 3-7.
Anxiety: Erosion of the American Dream.” USA Today September 125(2616):14-16.
U.S. News and World Report. Begin date 11-2-96. Conducted by The Tarrance Group and Lake
Research. Sample is national registered voters.
conducted by International Communications Research (ICR).
Poll” July 22- August 2. Interviews conducted by Chilton Research Services.

207
Vita

Nancy Wiefek

Education

Ph.D. 2001  Penn State University (Political Science)
M.A. 1996  Penn State University (Political Science)
B.A. 1989  Temple University (Political Science; Russian minor)
Non-degree 1997 University of Michigan/ICPSR Program in Quantitative Methods

Research Skills and Interests

U.S. Public Policy: Welfare reform, state education funding, and economic policy.
Public Opinion: Social welfare and racial policy views, and economic anxiety.
Research methods: Mail and telephone surveys, questionnaire design.
Statistics: Multivariate methods, scale construction, factor analysis, and data management
including writing SPSS syntax files.

Teaching Experience (Instructor and Teaching Assistant at Penn State)

Introduction to Public Policy
Bureaucracy and Public Policy
State and Local Government
Introduction to American Government

Dissertation Research Grants

Society for the Psychological Study of Social Problems: Dissertation Grant-in-Aid
Research and Graduate Studies Office, Penn State: Dissertation Research Grant

Selected Conference Presentations

