Affluence & Influence

Economic Inequality and Political Power in America

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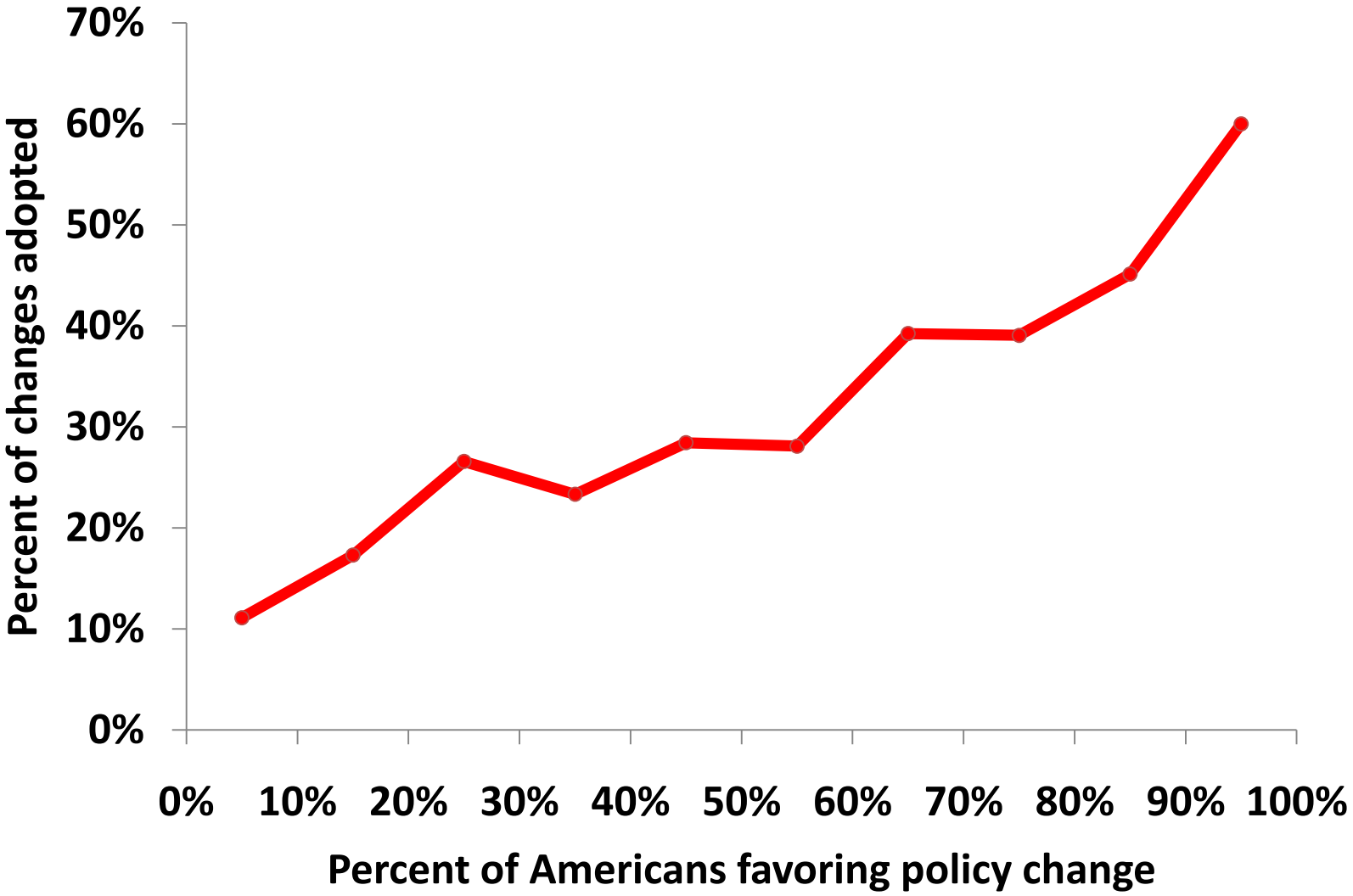
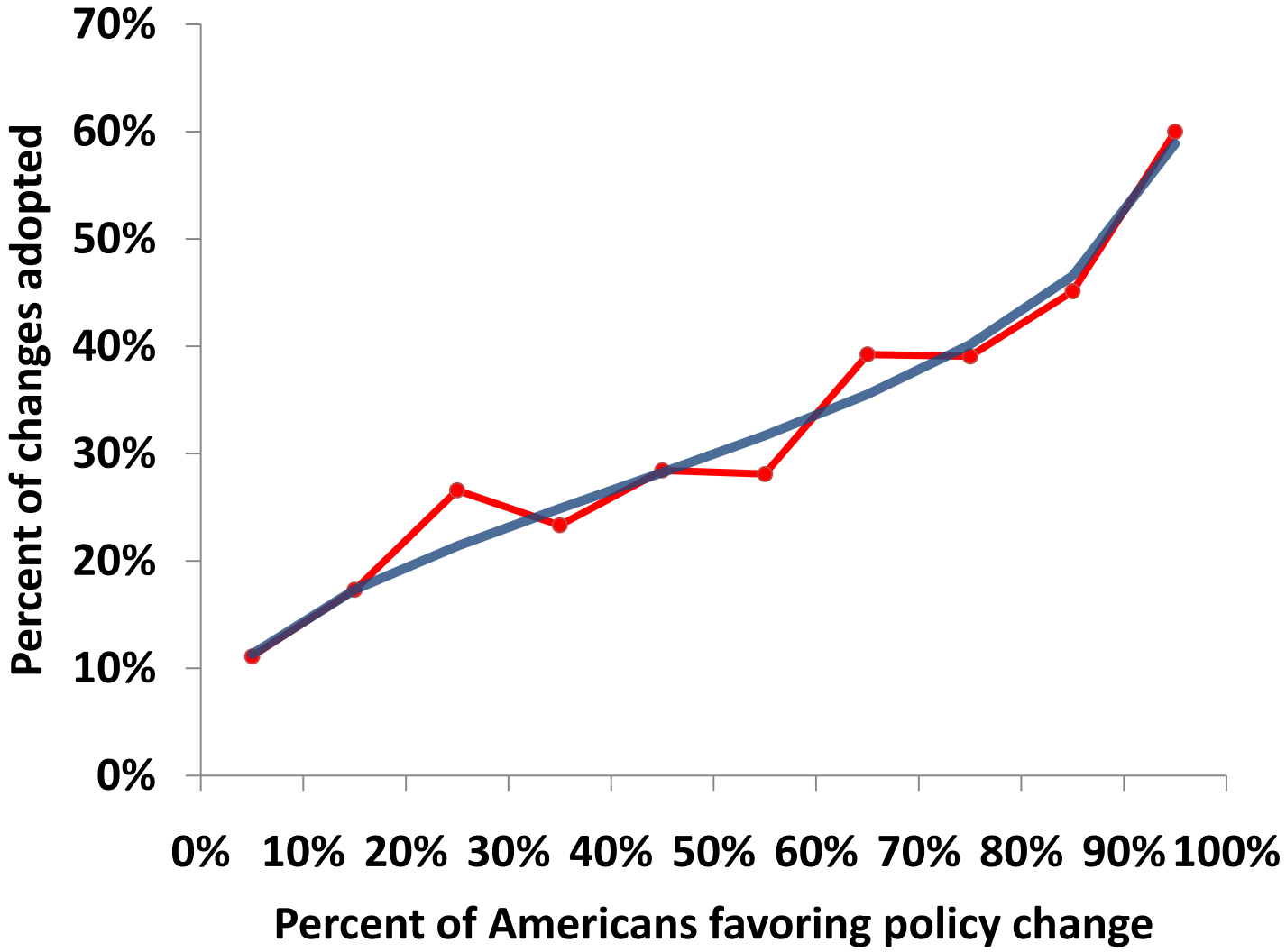

70%
60%
50%
40%
30%
20%
10%
0%
Percent of changes adopted
0%
10%
20%
30%
40%
50%
60%
70%
80%
90%
100%
Percent of Americans favoring policy change

$$prob(Y_i = 1) = \frac{1}{1 + e^{-z_i}}$$

where

$$Z_i = \alpha + \beta \ln\left(\frac{\%\, favor_i}{1 - \%\, favor_i} \right)$$


70%
60%
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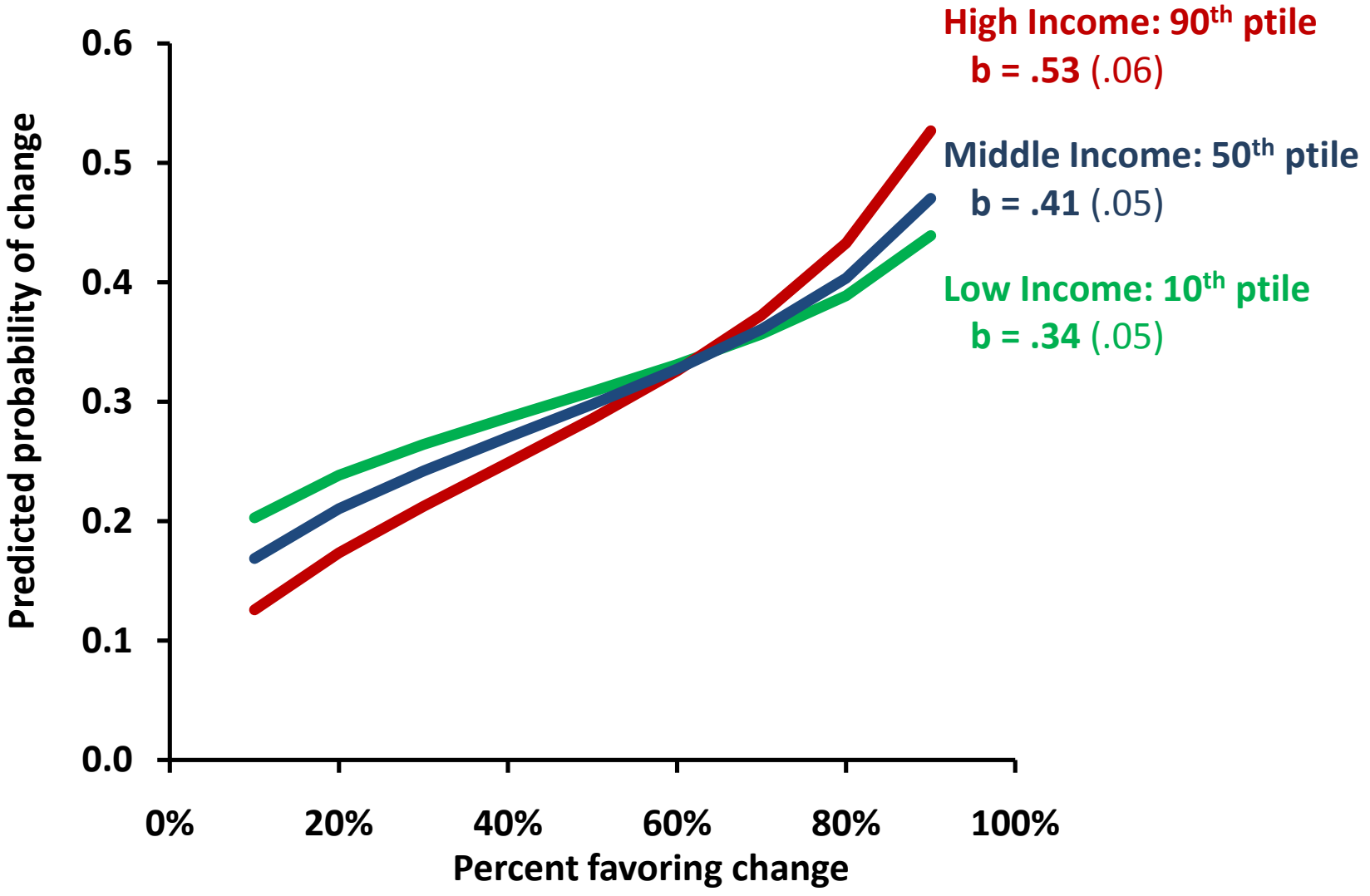
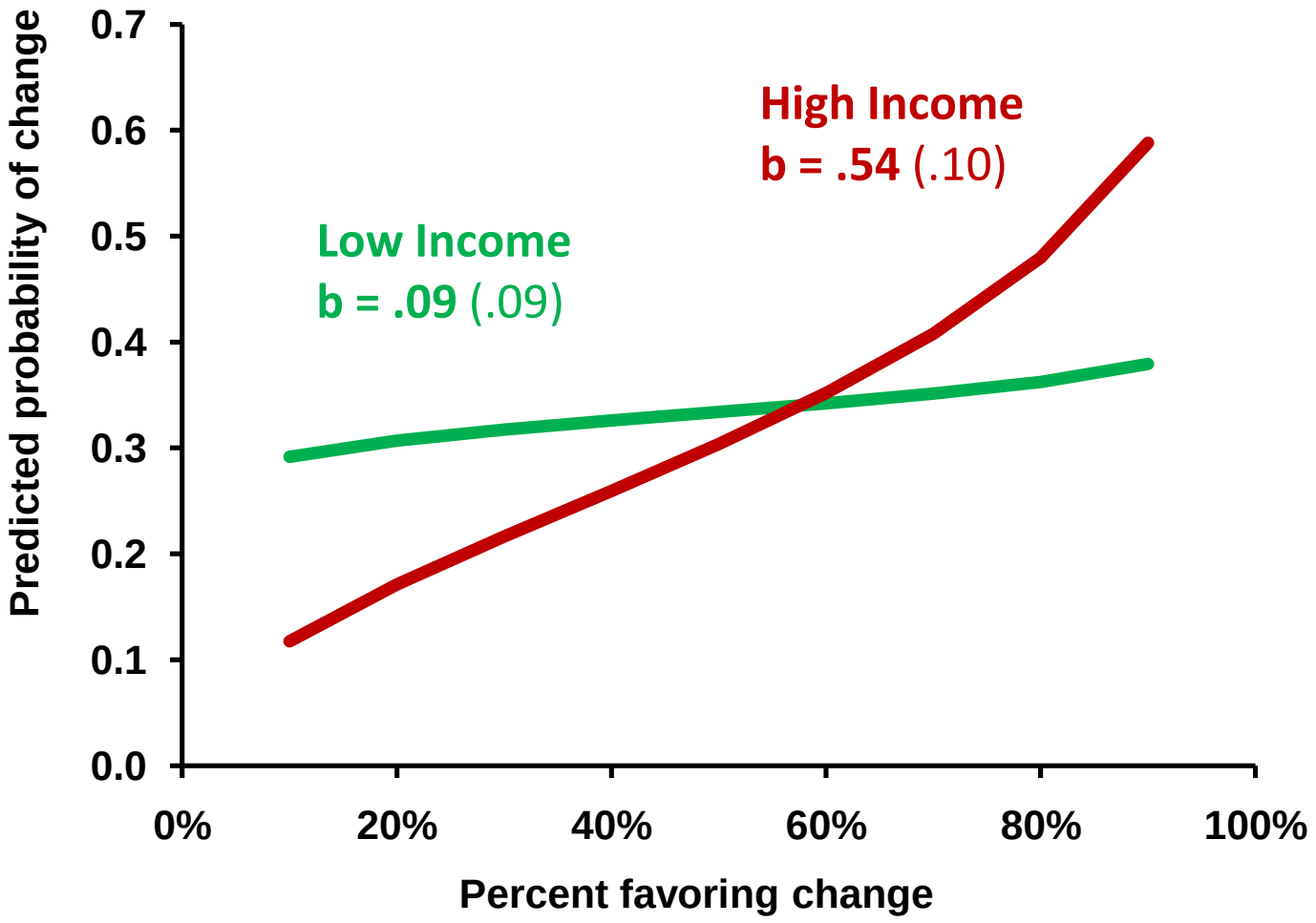
Percent of changes adopted
0% 10% 20% 30% 40% 50% 60% 70% 80% 90% 100%
Percent of Americans favoring policy change

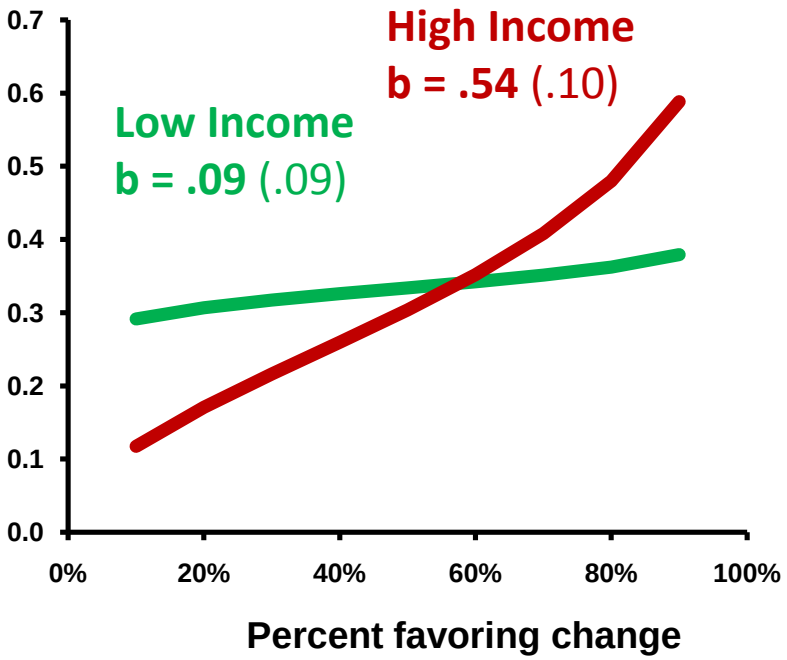

High Income: 90th ptile
b = .53 (.06)
Middle Income: 50th ptile
b = .41 (.05)
Low Income: 10th ptile
b = .34 (.05)
Predicted probability of change
0.6
0.5
0.4
0.3
0.2
0.1
0.0
0%
20%
40%
60%
80%
100%
Percent favoring change

When Low vs. High Income Preferences Diverge

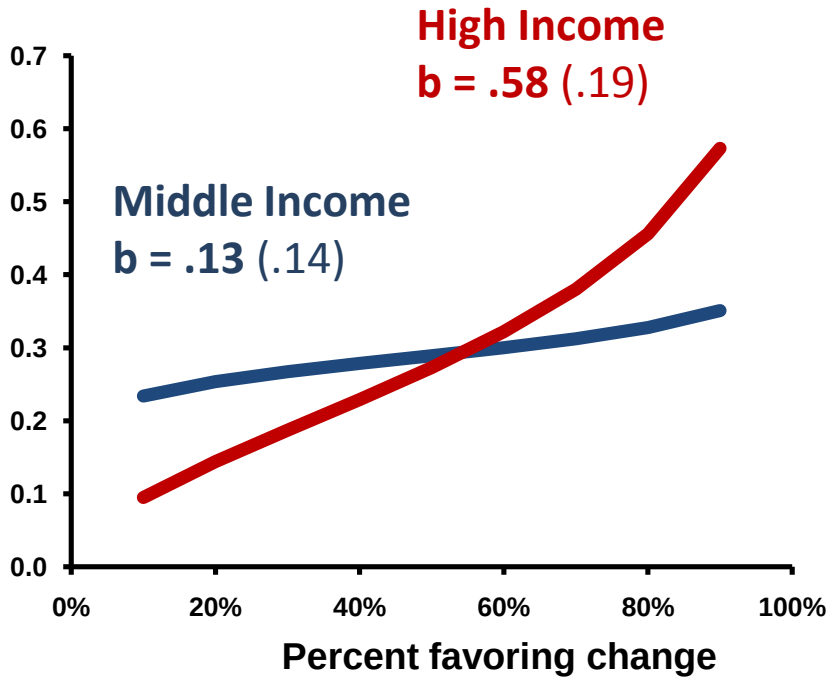


Predicted Probability of Policy Change

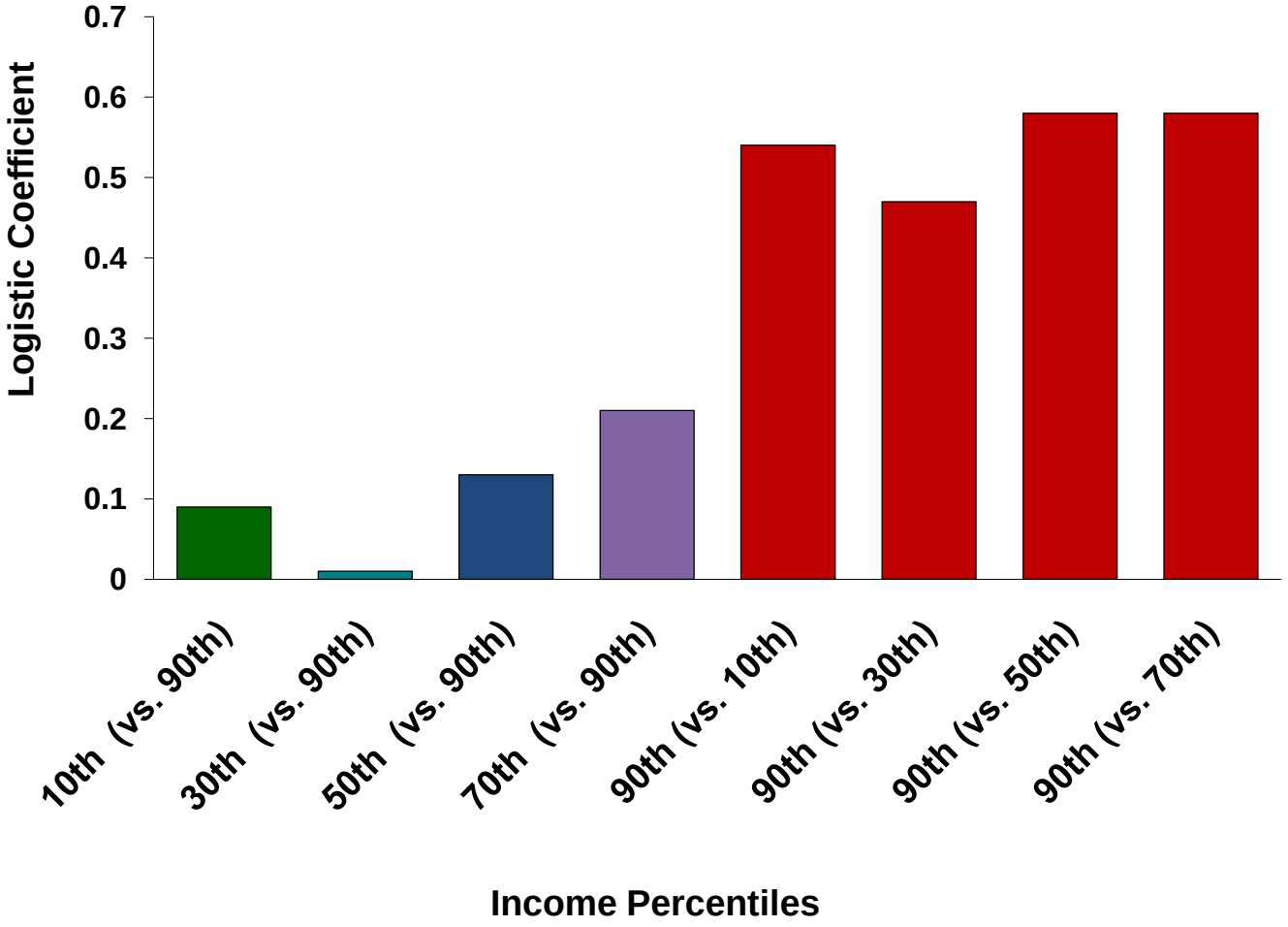
When Low and High Income Preferences Diverge



When Middle and High Income Preferences Diverge



Preference/Policy Link when Preferences Across Income Levels Diverge



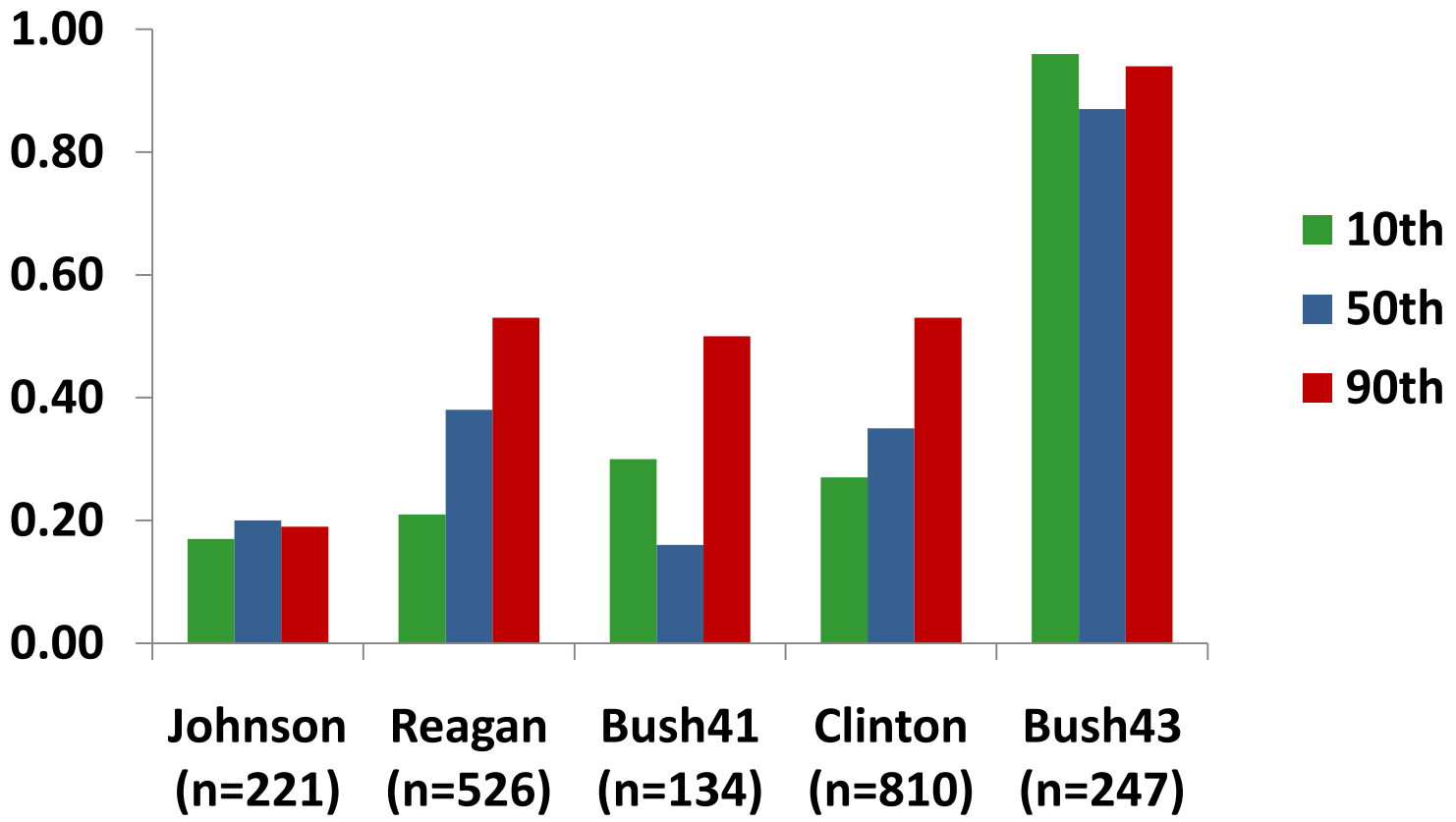
Preference/Policy Link
by Year in Presidential Election Cycle

When preferences across income levels diverge

	10th income percentile	50th income percentile	90th income percentile
Non-election years	**-.02 (.14)**	**.02 (.14)**	**.44 (.16)**
Congressional election yrs	**-.16 (.22)**	**.25 (.20)**	**.30 (.23)**
Presidential election yrs	**.54 (.25)**	**.63 (.24)**	**1.10 (.35)**

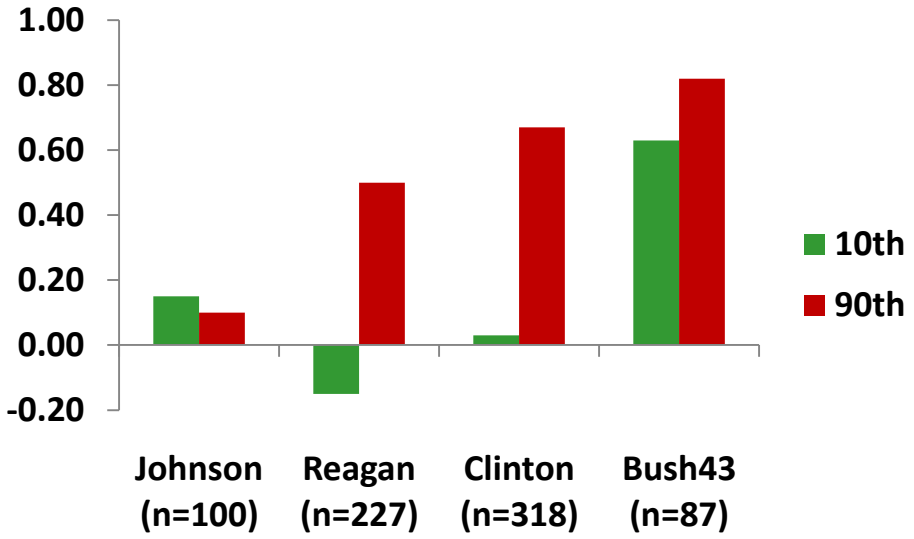
Figures for 90th percentile are average of analyses for 10th v. 90th and 50th v. 90th percentiles.

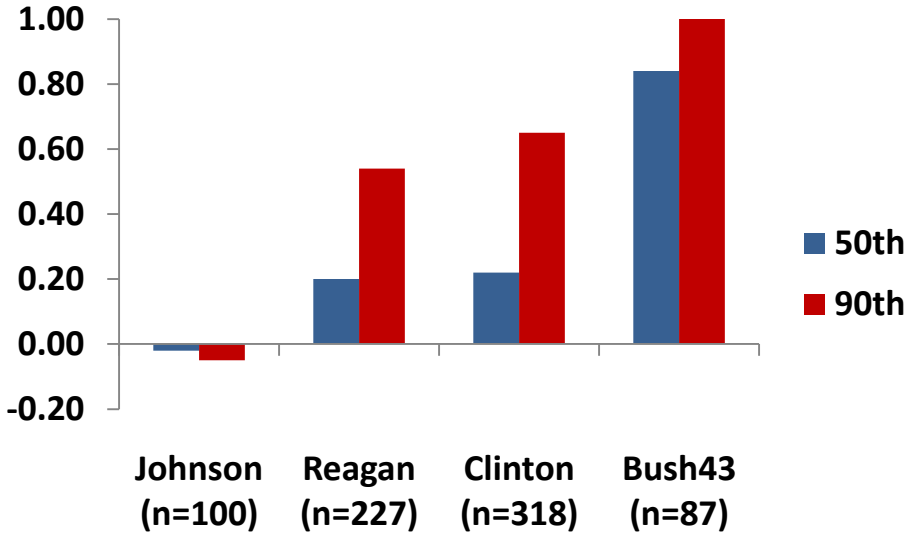
Preference/Policy Link by Income by President



Preference/Policy Link by Income by President

When preferences across income levels diverge





Difference between Bush and all others is sig. at p<.05 for all percentiles; difference between Clinton and Johnson is sig. at p<.05 for the 90th percentile.

Johnson Administration Policies

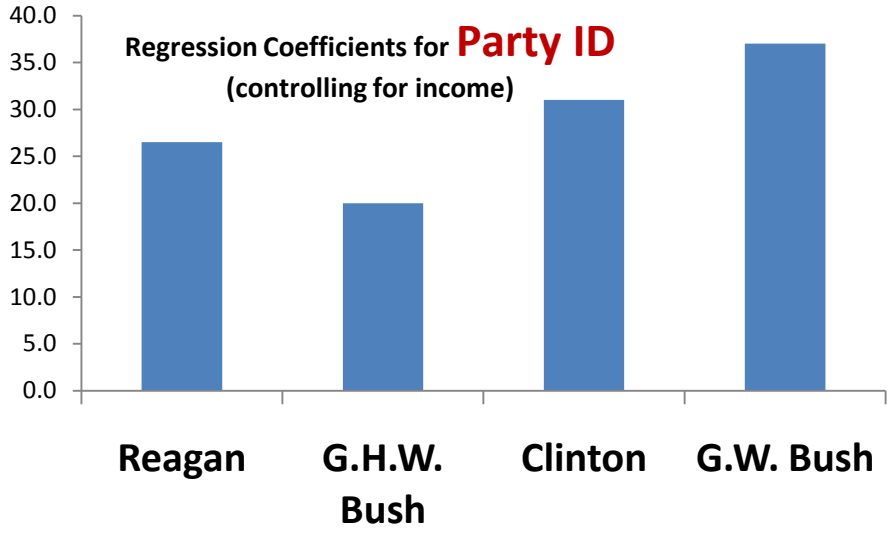
Popular Policies

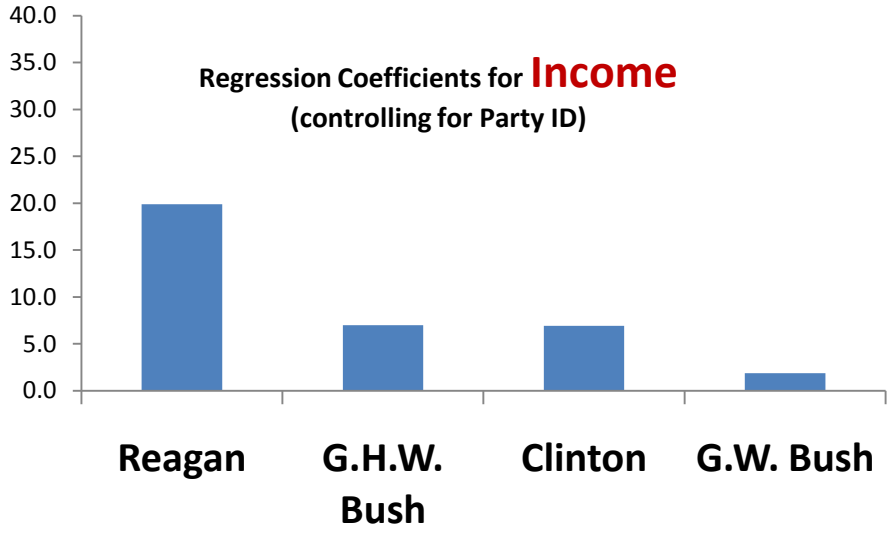
- Medicare
- Head Start
- Federal aid to education
- Increase in minimum wage
- Voting Rights Act

Unpopular Policies

- Increased spending on cities
- Increased housing aid
- Looser immigration laws
- Vietnam income tax surcharge
- Vietnam escalation

Predictors of presidential approval during July / August of first year in office





Broadly Popular G.W. Bush Administration Policies

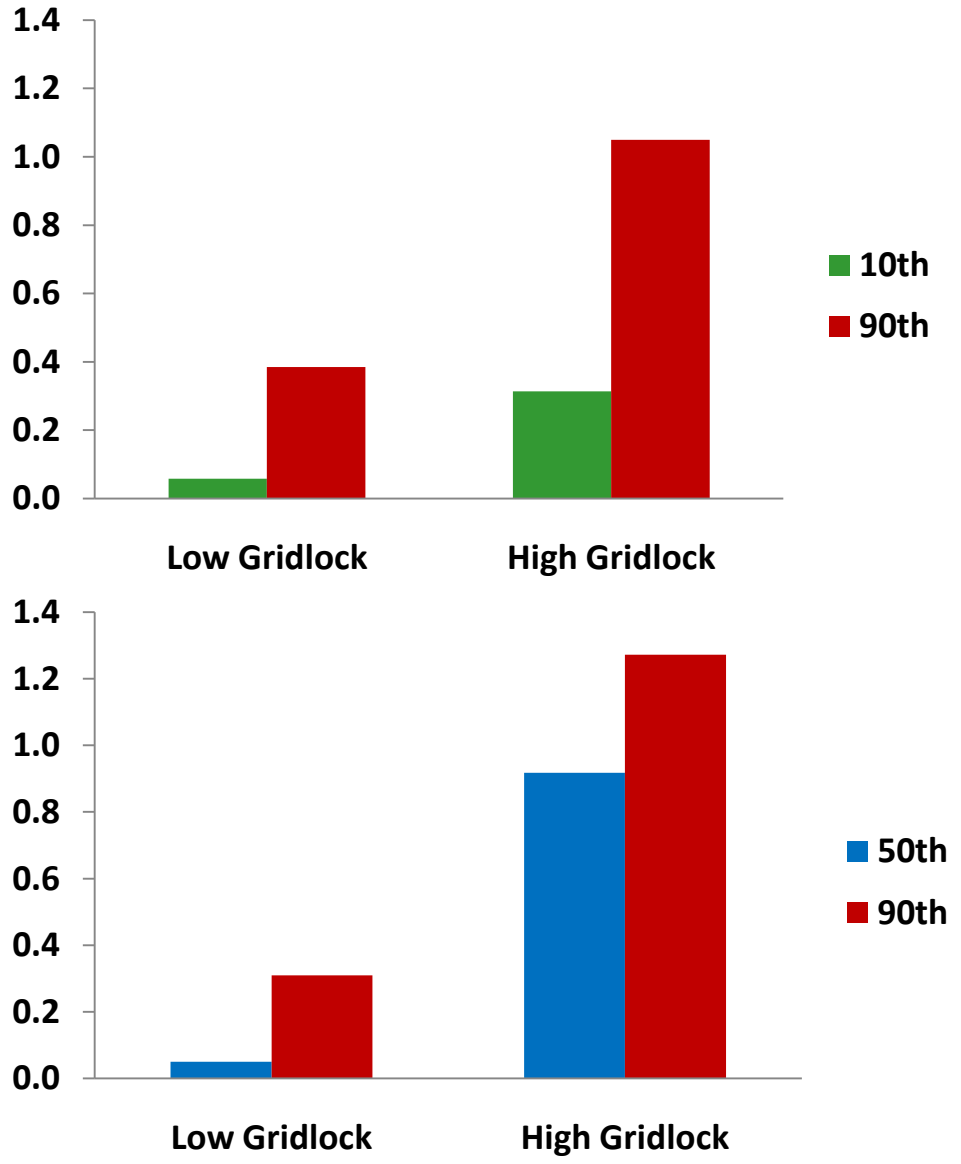
- No Child Left Behind
- Medicare drug benefit
- Faith based initiative
- Compromise on stem cell funding
- Income tax cuts and estate tax repeal
- Afghan and Iraq wars
- War on terror

Systematic Influences on Policy Responsiveness

- Gridlock
- Change in presidential partisan regime
- Majority party seat advantage

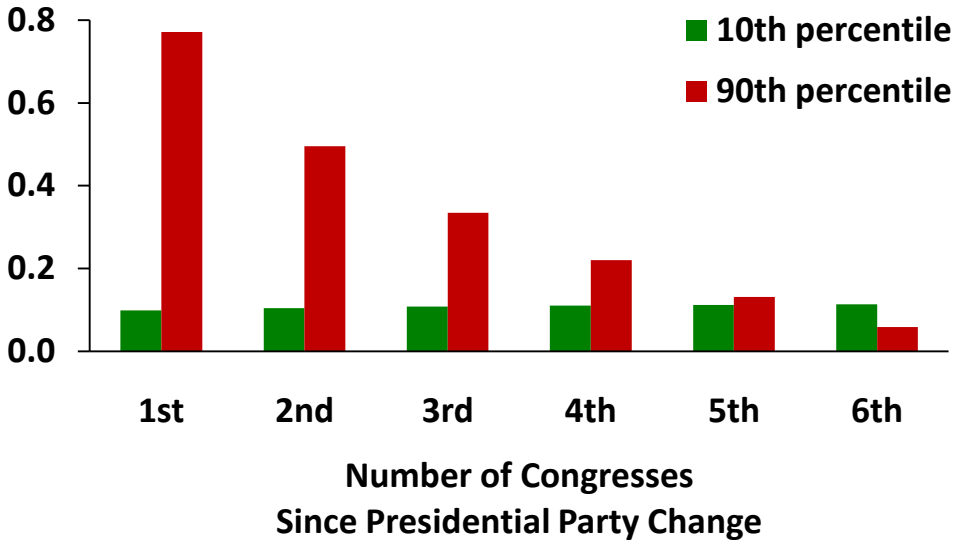
Preference/Policy Link by Income by Gridlock

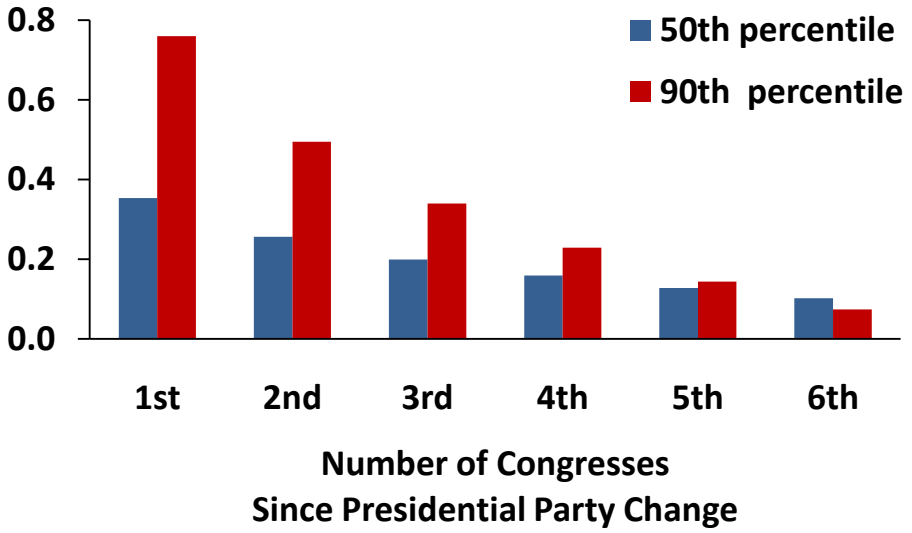
When preferences across income levels diverge



Preference/Policy Link by Number of Congresses since Presidential Party Change

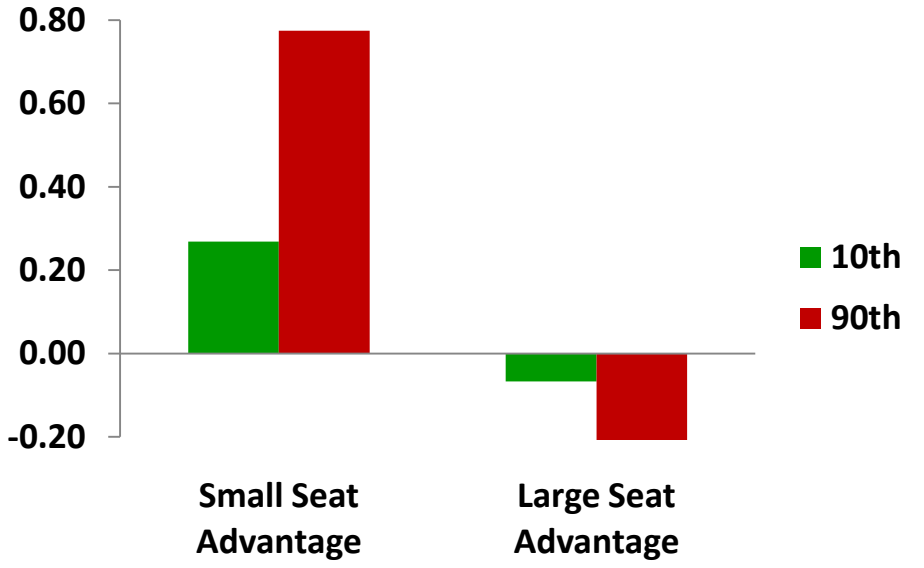
When preferences across income levels diverge

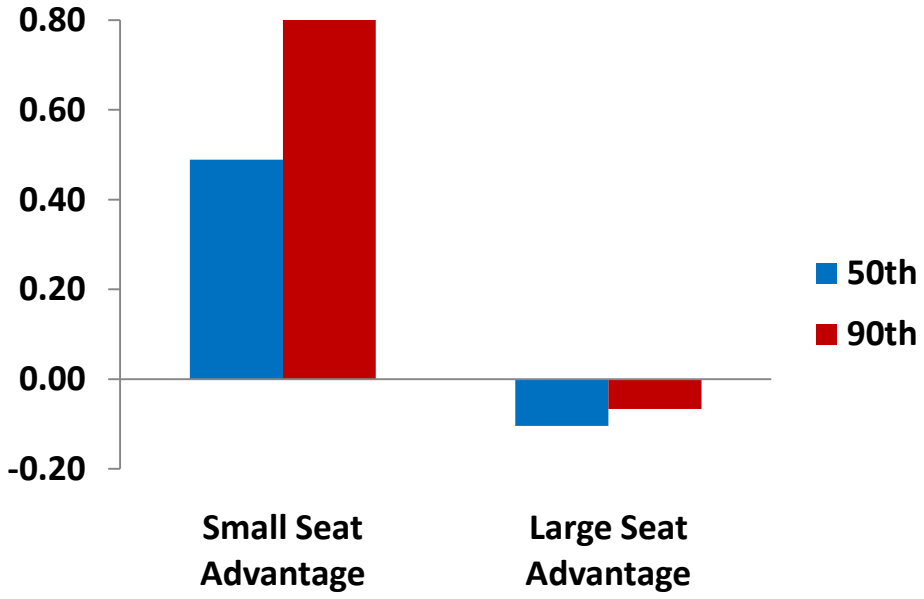




Preference/Policy Link by Income by Majority Party Seat Advantage in the US Senate

When preferences across income levels diverge





“There is no precedent in any modern White House for what is going on in this one:
a complete lack of a policy apparatus.

What you've got is everything -- and I mean everything -- being run by the political arm. It's the reign of the Mayberry Machiavellis.”

John DiIulio

Preference/Policy Link Under GW Bush

		Income Percentiles		
	N	10th	50th	90th
All policies				
2001/02	251	.91 (.19)	.90 (.18)	1.01 (.19)
2005/06	188	.09 (.28)	.25 (.29)	.23 (.29)

Preference/Policy Link Under GW Bush

		Income Percentiles		
	N	10th	50th	90th
All policies				
2001/02	251	.91 (.19)	.90 (.18)	1.01 (.19)
2005/06	188	.09 (.28)	.25 (.29)	.23 (.29)
Excluding defense & terrorism				
2001/02	193	.61 (.21)	.59 (.21)	.74 (.22)
2005/06	147	-.03 (.31)	-.07 (.32)	-.17 (.33)

Takeaways

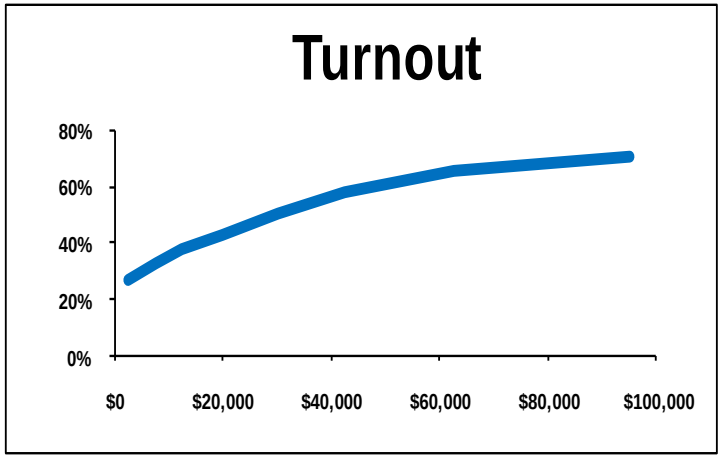
- Representational inequality is enormous
  (and has increased over time?)

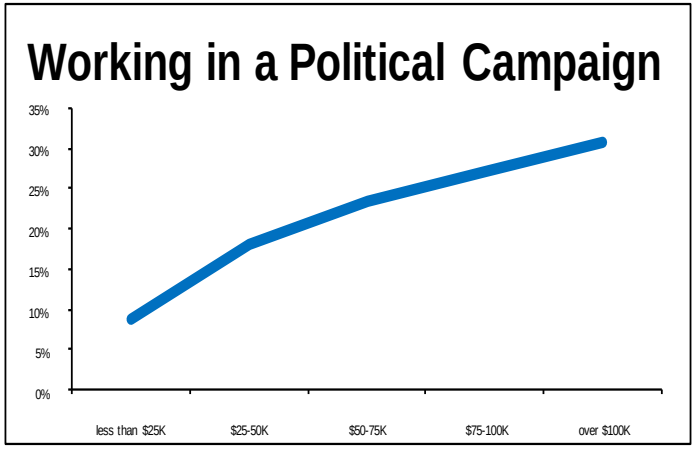
- Political circumstances matter

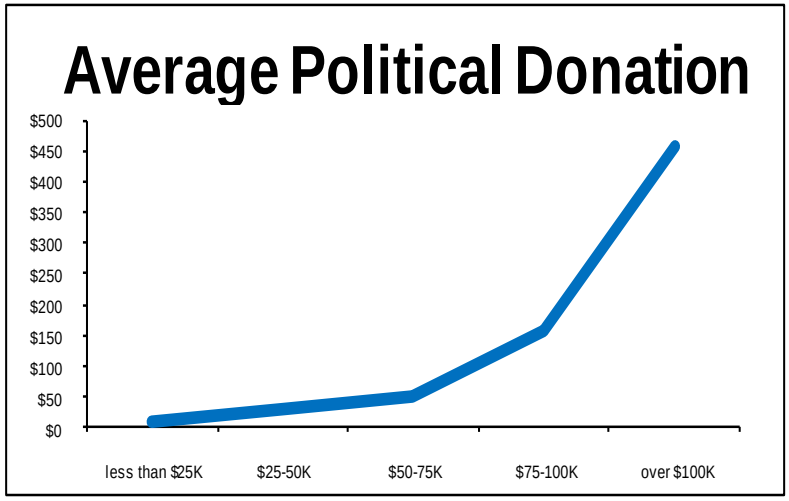
- Parties act as policy maximizers

end

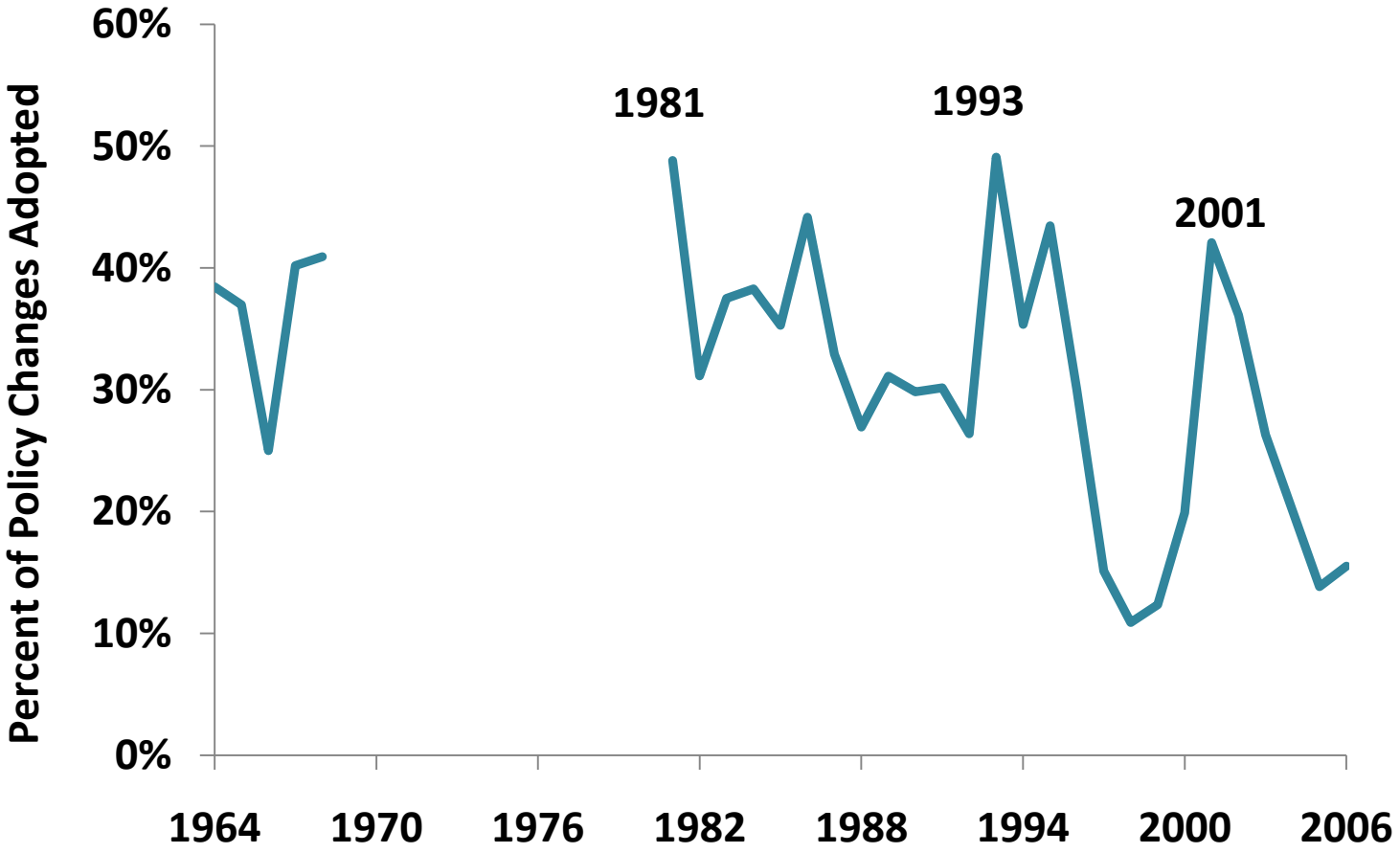
Political Behaviors by Income



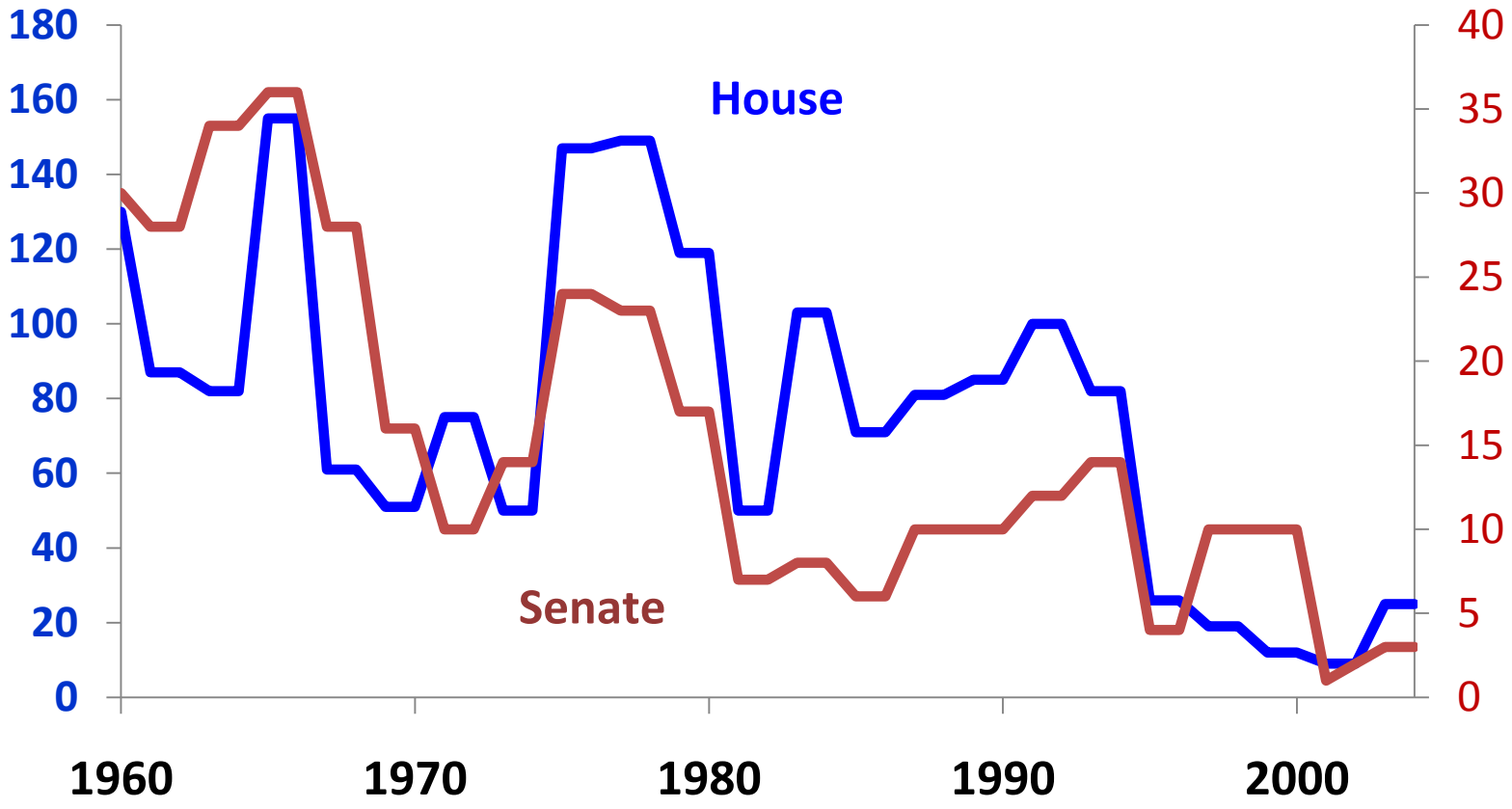




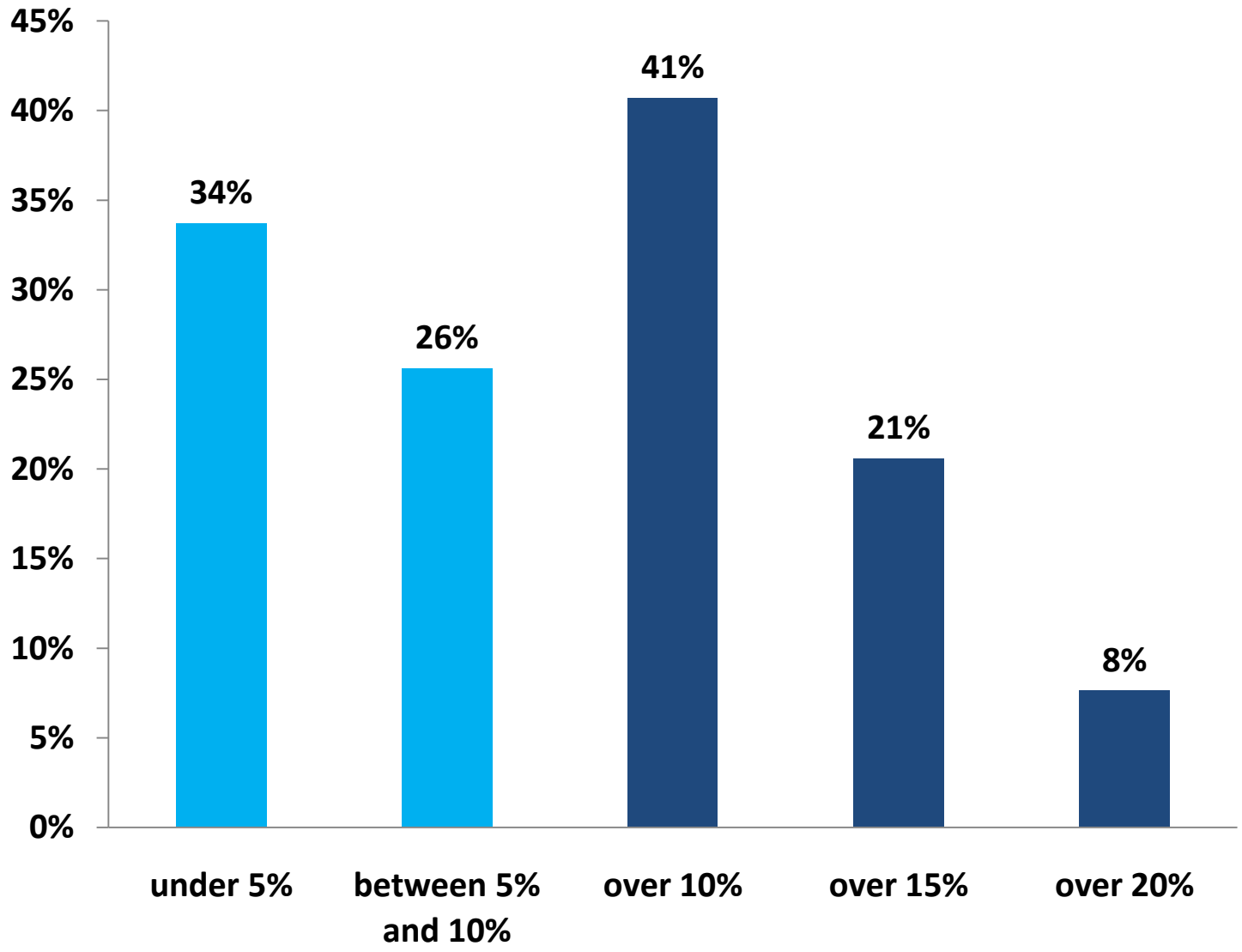
Percent of Proposed Policy Changes Adopted

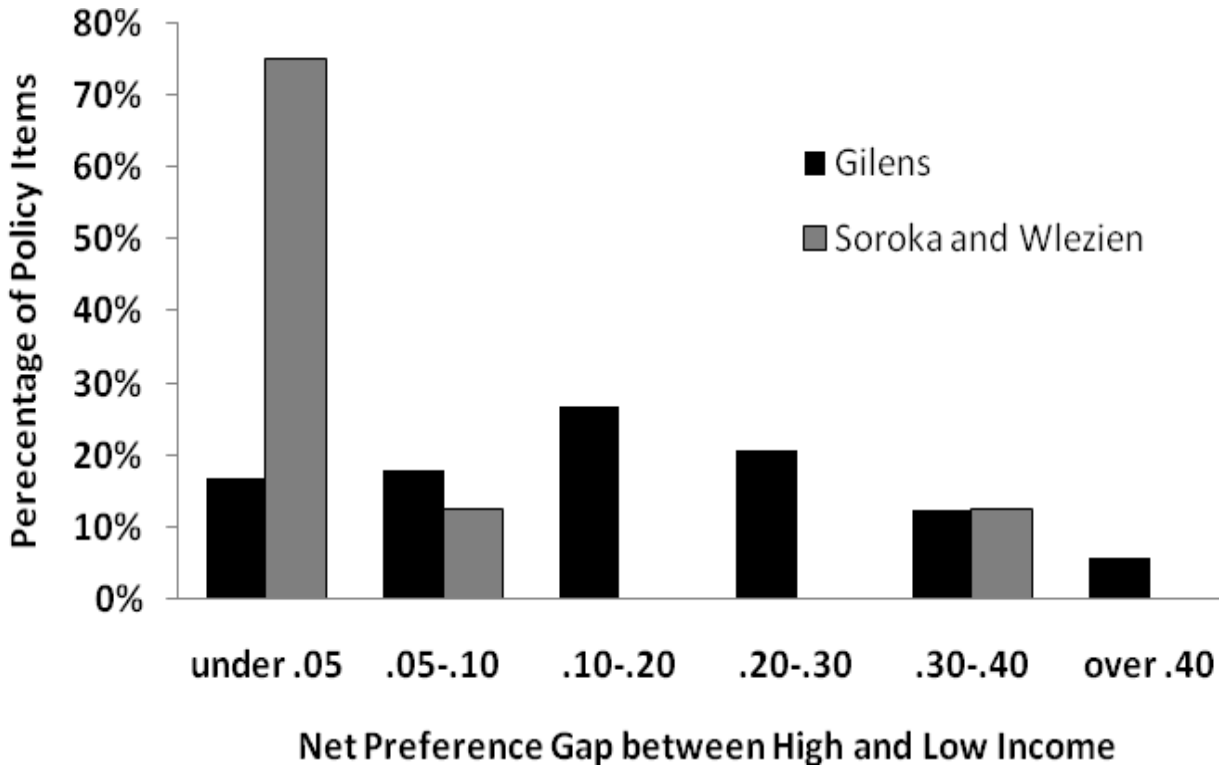


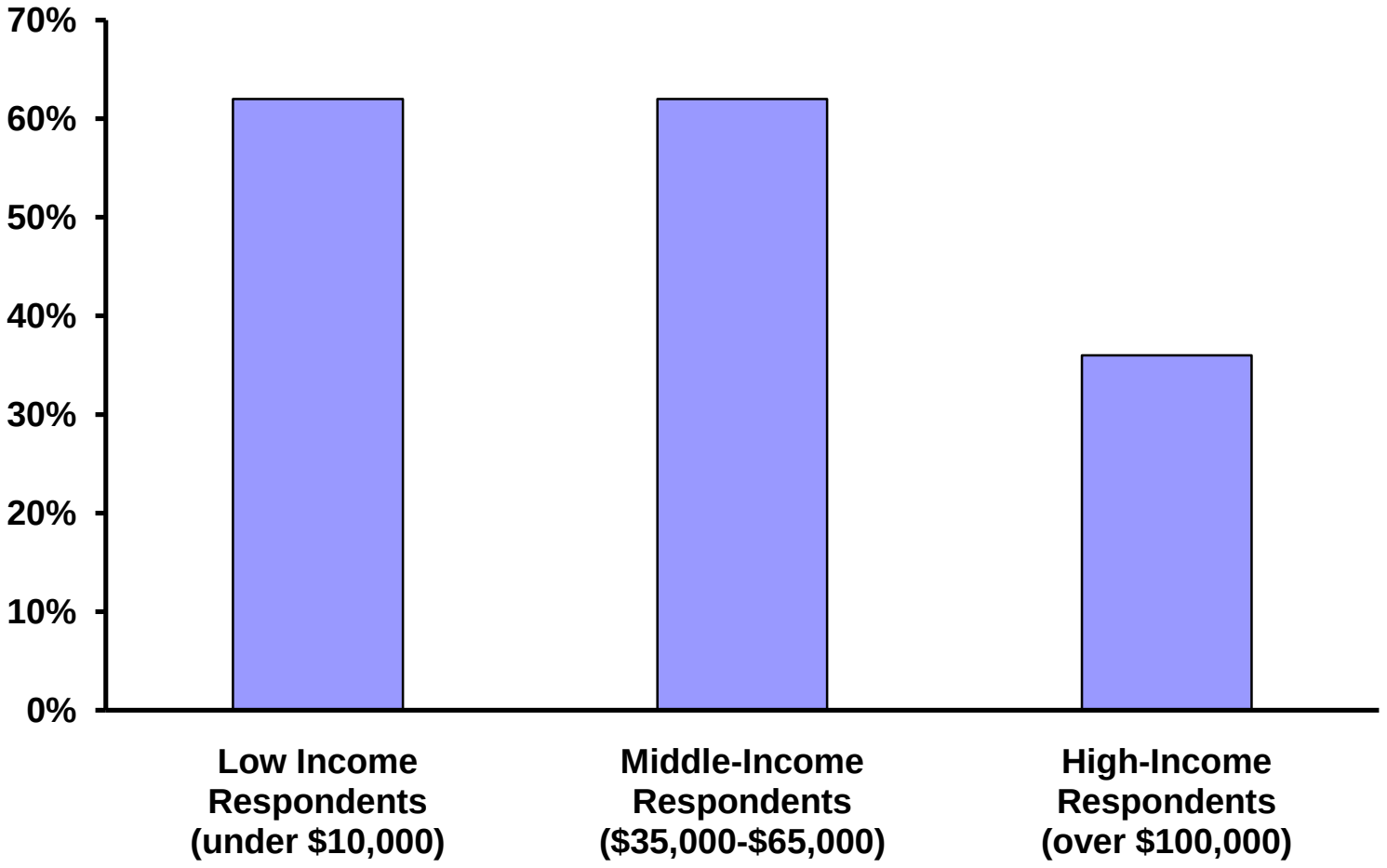
Size of Majority Party Seat Advantage, 1960-2004



Distribution of preference gap between 10th and 90th income percentiles




80%
70%
60%
50%
40%
30%
20%
10%
0%
Perecentage of Policy Items
Gilens
Soroka and Wlezien
under .05
.05-.10
.10-.20
.20-.30
.30-.40
over .40
Net Preference Gap between High and Low Income

Percent Agree:

"Public officials don't care much what people like me think"