

## Chapter 7

# The Surprisingly Weak Effect of Recessions on Public Opinion

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**H**AS THE GREAT Recession altered Americans' views about business, finance, government, opportunity, inequality, and fairness? Has it changed the public's preferences about the appropriate role of government in regulating the economy and helping the less fortunate? Has it shifted political orientations or party allegiances?

Public opinion surveys suggest that in some respects Americans' attitudes *have* shifted in reaction to the Great Recession. But that isn't especially surprising. Nor are changes in public opinion as important in a social or moral sense as loss of jobs, income, and wealth. More interesting and consequential is the question of whether changes in public attitudes induced by the Great Recession will last. Will they endure, or will the public's views return to prior positions once the economy gets back on its feet?

The Great Depression of the 1930s did produce lasting shifts in public attitudes, particularly toward the role of government and the Democratic and Republican parties. But the Great Depression was much larger in magnitude and duration than other economic downturns, including the Great Recession. Surprisingly, we know relatively little about the medium- or long-term impact on public opinion of other recessions.

Good public opinion data are available on a variety of interesting issues since the early 1970s. In this chapter we use these data to examine changes in public opinion in response to the past five economic recessions, including the Great Recession. Our focus is on the effects of the Great Recession, but examining trends in public opinion in prior recessions will assist us in understanding the possible long-term effects of the Great Recession. This general analysis of recession effects poses six questions: Do Americans notice and feel adversely affected by economic downturns? Do attitudes toward business and finance sour? Do attitudes toward government sour? Do people perceive less fairness and opportunity and more inequality? What do Americans think government can and should do to alleviate hardship? Do party allegiances and political orientations shift?

One possibility is that the impact of economic conditions on public opinion is symmetric across phases of the business cycle. Downturns have an impact, but the changes they produce are offset by shifts in the opposite direction during growth periods, so recessions have no long-term effect on public attitudes.

A second possibility is that recessions have a scarring impact that persists, but only on people in their formative years of life—say, age eighteen to twenty-four. The attitudes created by a recession endure for this group, producing significant differences in opinions across cohorts. In a recent study, Paola Giuliano and Antonio Spilimbergo (2009, 1) find that “individuals experiencing recessions during the formative years believe that luck rather than effort is the most important driver of individual success, support more government redistribution, and have less confidence in institutions.” But in the absence of large differences in cohort size or a steady increase in the frequency or magnitude of economic downturns, this scarring effect will yield no noteworthy shift for the population as a whole.

A third possibility is that the impact of recession periods and growth periods is asymmetric: the effect of declining economic fortunes on public opinion is stronger or longer lasting than the effect of economic growth. This was true of the Great Depression. Even if change generated by recessions is not as strong as change during depressions, if recession-induced changes ratchet up over time they can cumulate into significant shifts.

Our principal data sources are the General Social Survey (GSS), conducted by the National Opinion Research Center, and the Trends in Political Values and Core Attitudes surveys conducted by the Pew Research Center (Pew). These are nationally representative surveys. The GSS has been conducted annually or biannually since 1972, with the most recent survey in 2010 (National Opinion Research Center 2010). The Pew surveys have been conducted at irregular intervals since 1987 (Pew Re-

search Center for the People and the Press 2009). The Pew data thus do not include the early-1970s and early-1980s recessions, but Pew has a larger number of relevant questions, and some Pew questions have been asked at multiple points during the same year.

So as not to overwhelm the reader, we show the over-time patterns for only some of the public opinion questions for which data are available. We discuss others and show them in charts available in the online appendix at [http://www.russellsage.org/greatrecession\\_onlineappendix.pdf](http://www.russellsage.org/greatrecession_onlineappendix.pdf).

Our chief conclusion is that recent economic recessions have had real but mostly temporary effects on American attitudes on key economic, political, and social issues. The lone exception is political views and party identification; the recessions of the mid- and late 1970s may have contributed to disenchantment with liberalism and the Democratic Party. This suggests that the ultimate impact of the Great Recession on public opinion hinges on whether its economic magnitude, and that of the ensuing recovery, turns out to be closer to that of other recent recessions or to that of the Great Depression. As of this writing (February 2011), it is still too soon to tell.

### Do Americans Notice and Feel Adversely Affected by Economic Downturns?

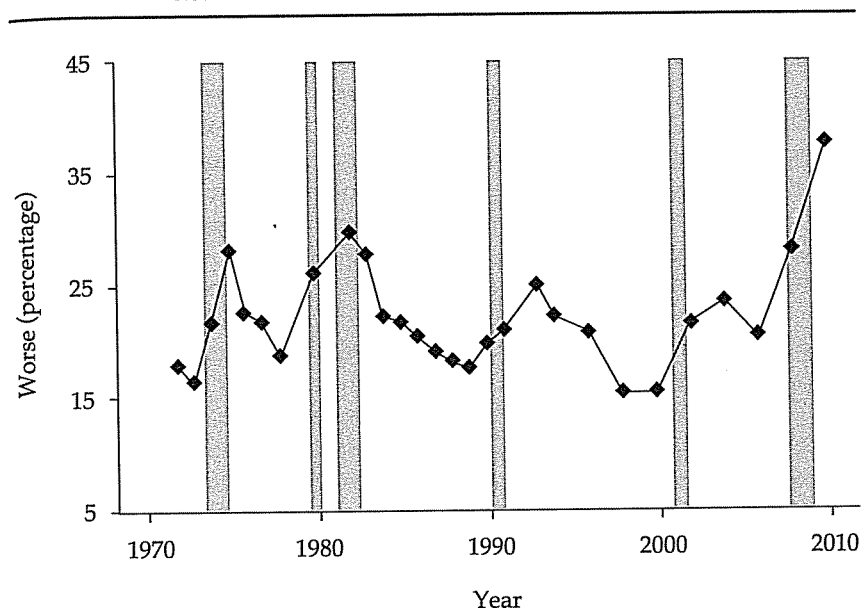
Recessions are significant economic downturns. They reduce employment, incomes, and assets for a substantial number of people. That is why we expect to see an impact of recessions on public opinion. But it is important to examine the extent to which Americans perceive their economic situation as deteriorating during downturns. To what degree does economic suffering show up in survey questions that ask about people's impression of their economic circumstances? We look at trends in responses to six GSS and Pew questions.

The over-time pattern for one of these six questions is displayed in figure 7.1a.<sup>1</sup> (The others are shown in the online appendix.) In this figure and all subsequent ones, recession periods are shaded. Those periods, as determined by the National Bureau of Economic Research, are November 1973 to March 1975, January 1980 to July 1980 and July 1981 to November 1982 (we treat this as a single recession), July 1990 to March 1991, March 2001 to November 2001, and December 2007 to June 2009.

Our interest is in changes in public opinion, rather than in the level of agreement or disagreement with the particular statement. In the graphs we therefore use a common range of values on the vertical axes of forty percentage points. This enables comparison of the magnitude of (absolute) change across figures.

Americans do notice economic downturns. In figure 7.1a we see that

Figure 7.1a Do Americans Notice and Feel Adversely Affected by Economic Downturns?

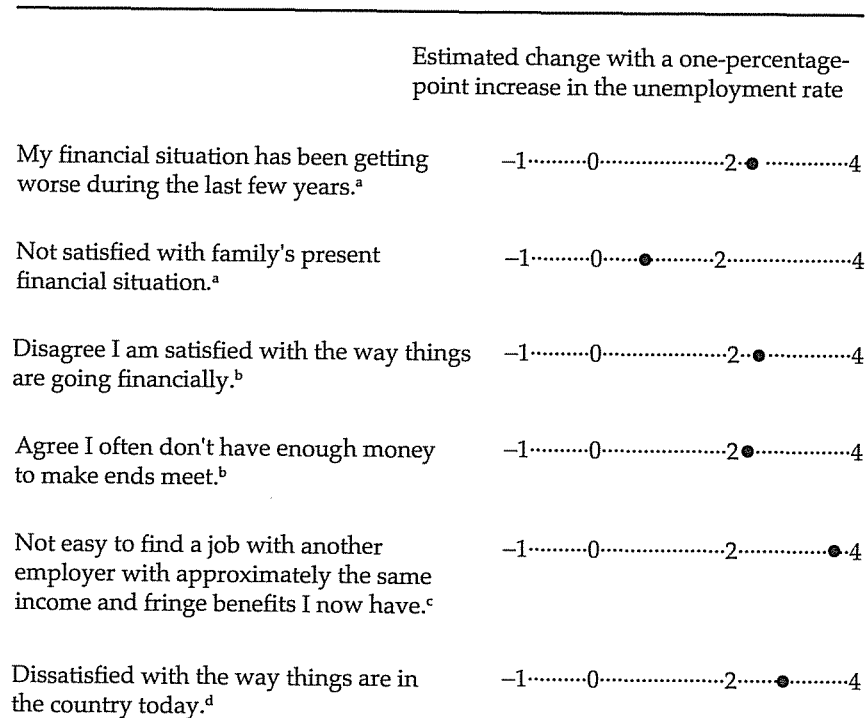


Source: Authors' compilation based on data from General Social Surveys (National Opinion Research Center 2010).

Note: Response: "My financial situation has been getting worse during the last few years." Other response options: "Better"; "Stayed the same." Gray bars represent recession periods.

the share of Americans agreeing that their financial situation has worsened increased by five to ten percentage points in each of the previous four recessions. The rise spurred by the Great Recession is about twice that size. A Pew item on satisfaction with how things are going for the respondent financially also suggests that the increase in financial dissatisfaction has been larger than in prior downturns (online appendix figure 7A.3).

Figure 7.1b summarizes the impact of recessions on all six survey questions. For each question, it shows the average change in public opinion given an increase of one percentage point in the unemployment rate. For instance, the "estimated change" for the item "my financial situation has been getting worse" is approximately 2.5. This means that as unemployment rose by 5 percentage points during the Great Recession (from 4.7 percent in late 2007 to 9.7 percent in early 2010), we would expect the share of Americans saying their financial situation has been get-

**Figure 7.1b Do Americans Notice and Feel Adversely Affected by Economic Downturns?**

Source: Authors' compilation based on General Social Surveys (National Opinion Research Center 2010) and Pew Research Center for the People and the Press (2009).

Note: Estimated change is from a regression of the survey response on the unemployment rate and a time variable; the data are monthly. For more details, see the online appendix.

<sup>a</sup> GSS, 1972 to 2010, 28 data points

<sup>b</sup> Pew, 1987 to 2009, 14 data points.

<sup>c</sup> GSS, 1977 to 2010, 20 data points.

<sup>d</sup> Pew, 1988 to 2010, 96 data points.

ting worse to have increased by about 12.5 percentage points. In this chart and analogous ones in subsequent sections, we show the response—"Agree," "Disagree," "Satisfied," "Dissatisfied," and so forth—whose incidence we expect to increase as the unemployment rate goes up during a recession.

For five of the six survey items we observe that recessions definitely affect Americans' perceptions of their financial well-being and the state of the country. Americans clearly do notice the impact of recessions.

Note that a large "estimated change" in public opinion in response to unemployment does not indicate a change that lasts. In fact, it often suggests the reverse: public attitudes shift when the unemployment rises

during a recession, but then they shift back when the unemployment rate goes down during the growth phase of the business cycle. The pattern of responses to the GSS item "My financial situation has been getting worse," shown in figure 7.1a, is illustrative; public opinion moves up and down in sync with the unemployment rate.

A small (or negative) "estimated change" in public opinion in response to unemployment can indicate one of two things: that public opinion is relatively unaffected by recessions, or that public opinion does respond to recessions and the change then persists during the subsequent economic upturn. To figure out which is the case, we need to look at the over-time patterns displayed graphically. The charts shown here and the full set in the online appendix allow us to do that.

Are there differences across sociodemographic groups? Not surprisingly, Americans with less education are more likely to report deterioration in their financial situation during recessions. In the 1970s and 1980s that was also true of African Americans, but the racial difference has diminished substantially since then. In the Great Recession, we observe for the first time a pronounced gender difference; the rise in financial dissatisfaction is much larger among men than among women. This may reflect disparities in unemployment between men and women during this period (see chapter 3, this volume).

## Do Attitudes Toward Business and Finance Sour?

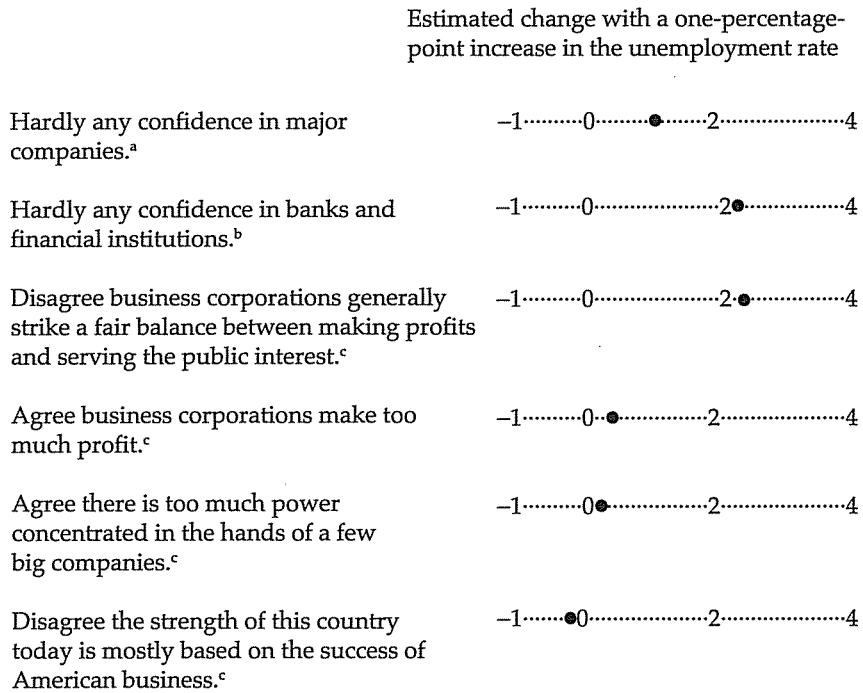
When bad things happen, we often look for someone to blame. In economic downturns, likely scapegoats include large firms and financial institutions. The GSS and Pew have six relevant questions.

As figure 7.2a suggests, the data offer mixed support for the hypothesis that Americans sour on big business during economic downturns. For two of the six survey items, a GSS question asking how much confidence people have in banks and financial institutions and a Pew question that asks whether Americans think corporations fairly balance profits with serving the public interest, we see a sizable responsiveness to the unemployment rate. For the other four items, public attitudes have not tended to track the unemployment rate particularly closely.

Figure 7.2b offers a closer look at two of the six items. The share of Americans saying they have hardly any confidence in major companies jumped by more than ten percentage points in the early-1970s recession but less in the early-1990s and early-2000s downturns and not at all in the early 1980s. The increase sparked by the Great Recession is similar to that in the early 1970s, on the order of ten percentage points.

Figure 7.2b also shows the share of Americans expressing hardly any confidence in banks and financial institutions. Here, too, we observe rel-

Figure 7.2a Do Attitudes Toward Business and Finance Sour?

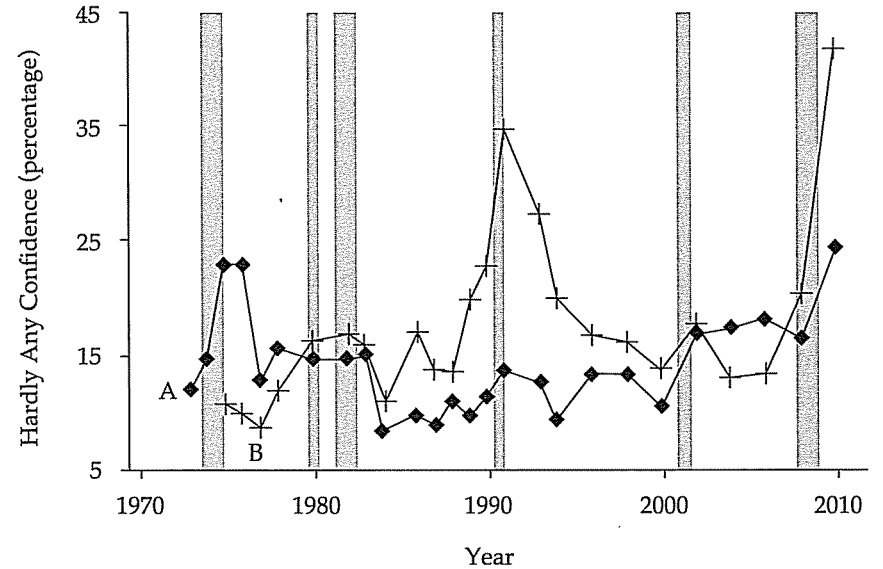


Source: Authors' compilation based on General Social Surveys (National Opinion Research Center 2010) and Pew Research Center for the People and the Press (2009).  
 Note: Estimated change is from a regression of the survey response on the unemployment rate and a time variable; the data are monthly. For more details, see the online appendix.  
<sup>a</sup> GSS, 1973 to 2010, 26 data points  
<sup>b</sup> GSS, 1975 to 2010, 24 data points.  
<sup>c</sup> Pew, 1987 to 2009, 14 data points.

atively modest increases during most economic downturns—with two major exceptions. One is the early-1990s recession, when the share jumped nearly fifteen percentage points. That was likely a product of the savings and loan crisis, which had already caused a significant rise in hardly-any-confidence responses even before the recession. The other exception, not surprisingly, is the Great Recession. The share expressing hardly any confidence in banks and financial institutions rose seven percentage points between 2006 and early 2008. The financial crisis hit in the fall of 2008, and by 2010 the hardly-any-confidence share had risen by an additional twenty percentage points.

Pew asks four questions about corporations' fairness and power. For

Figure 7.2b Do Attitudes Toward Business and Finance Sour?



Source: Authors' compilation, based on General Social Survey (National Opinion Research Center 2010).  
 Note: A: "Hardly any confidence in major companies." Other response options: "A great deal"; "Only some."  
 B: "Hardly any confidence in banks and financial institutions." Other response options: "A great deal"; "Only some."  
 Gray bars represent recession periods.

three of the four, we observe little or no impact of economic recessions (figure 7.2a and online appendix figures 7A.9 to 7A.12). The one for which shifts are apparent asks for responses to the statement "Business corporations generally strike a fair balance between profits and the public." Here we see a sizable increase in disagreement during and after the early-1990s and early-2000s downturns. As of April 2009, however, the same was not true of the Great Recession. The particular characteristics and media portrayal of recessions are likely to have mattered here. The early-2000s recession, for instance, was identified with the collapse of the dot-com bubble and was followed by the Enron scandal. The Great Recession, by contrast, has been blamed primarily on large financial companies.

If public opinion toward business and finance has correlated only modestly with changes in unemployment (see figure 7.2a), is that because public opinion has shifted during recessions and then endured?

No. It is because of inconsistent or small shifts in public attitudes produced by recessions themselves. Figure 7.2b shows this for attitudes toward major companies and financial institutions, and figures in the online appendix show the same to be true for the Pew questions.

Changes in attitudes toward business and finance during recessions have varied somewhat across sociodemographic groups. Particularly notable is a strong increase during the Great Recession in lack of confidence in banks and financial institutions among white men, including those with higher education. This is a new development.

### Do Attitudes Toward Government Sour?

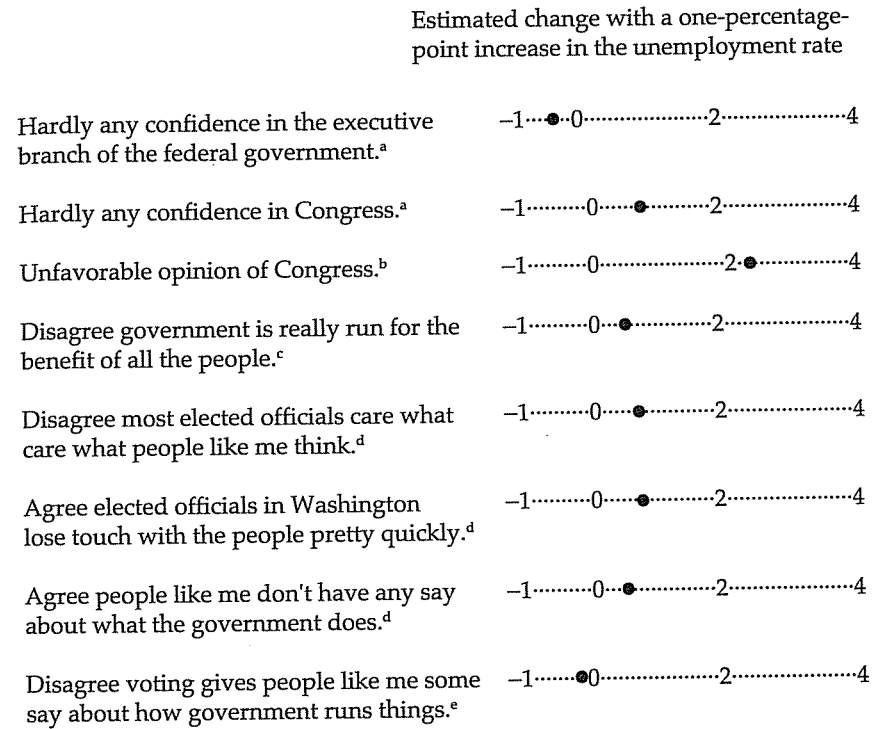
In addition to or instead of big corporations and finance, Americans might blame government for the country's economic plight during downturns. Alternatively, they may look more favorably upon government if they believe (or hope) it to be helpful in reversing the downturn. We examine changes in attitudes toward government using eight questions from the GSS and Pew surveys. These are listed, and their responsiveness to shifts in the unemployment rate depicted, in figure 7.3a.

Economic downturns, including the Great Recession, have had surprisingly little impact on Americans' views of government, even in the short run. We can point to a few instances of apparent support for the notion that views sour when the economy turns bad. For instance, as figure 7.3b shows, the share of Americans saying they have hardly any confidence in the president or in Congress increased in a few recessions (see also online appendix figure 7A.15). But in the early-1970s recession this may have been a product of Watergate rather than the economy, and in the early-1980s recession it reversed well before the downturn had ended. The Great Recession seems to have had limited impact, though that could be because lack of confidence in both the president and Congress had already risen sharply in the years leading up to the economic crisis.

Pew has five questions designed to elicit views about government's responsiveness to the citizenry. Here too we find little indication of a consistent or meaningful effect of economic downturns (figure 7.3a and online appendix figures 7A.16 to 7A.20). In the recessions of the early 1990s and early 2000s, as well as in the Great Recession, the levels move only slightly and in inconsistent directions, if they move at all.

There are no noteworthy differences across sociodemographic groups. One exception is that in the 2007-to-2009 period the share of black Americans disagreeing with the statement "The government is run for the benefit of all people" dropped sharply, but that is surely due to the election of the first African American president rather than to the economic downturn.

Figure 7.3a Do Attitudes Toward Government Sour?



Source: Authors' compilation based on General Social Surveys (National Opinion Research Center 2010) and Pew Research Center for the People and the Press (2009).

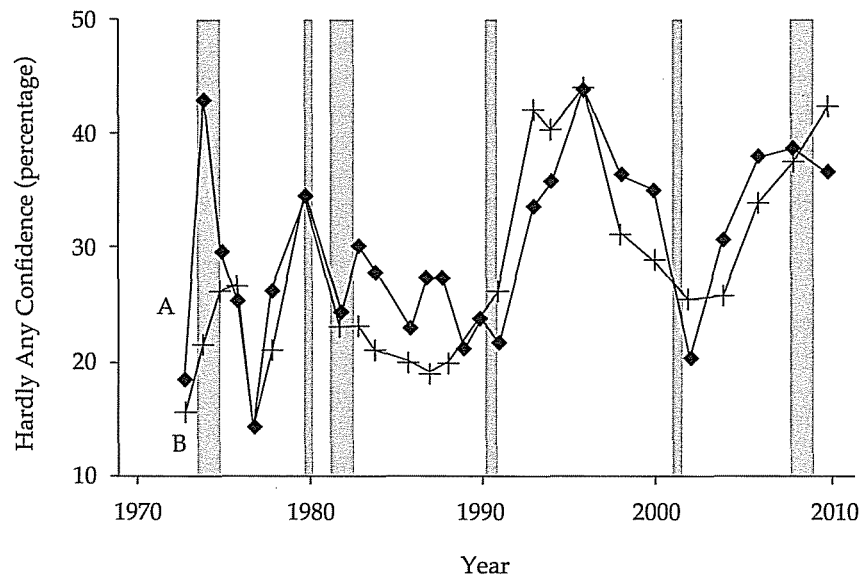
Note: Estimated change is from a regression of the survey response on the unemployment rate and a time variable; the data are monthly. For more details, see the online appendix.

- <sup>a</sup> GSS, 1973 to 2010, 26 data points
- <sup>b</sup> Pew, 1985 to 2010, 50 data points.
- <sup>c</sup> Pew, 1987 to 2009, 13 data points.
- <sup>d</sup> Pew, 1987 to 2009, 14 data points.
- <sup>e</sup> Pew, 1987 to 2009, 12 data points.

### Do People Perceive Less Fairness, Less Opportunity, More Inequality?

Recessions bring poverty, inequality, opportunity, and justice into stark relief. Mass layoffs, empty store fronts, and stories in the media of lines at food banks are among the consequences of recessions that might heighten Americans' perception of economic suffering. The GSS and Pew surveys have six items that help us to gauge shifts in attitudes about fairness, opportunity, and inequality.

Figure 7.3b Do Attitudes Toward Government Sour?



Source: Authors' compilation based on data from General Social Surveys (National Opinion Research Center 2010).

Note: A: Hardly any confidence in the executive branch of the federal government. Other response options: "A great deal"; "Only some."

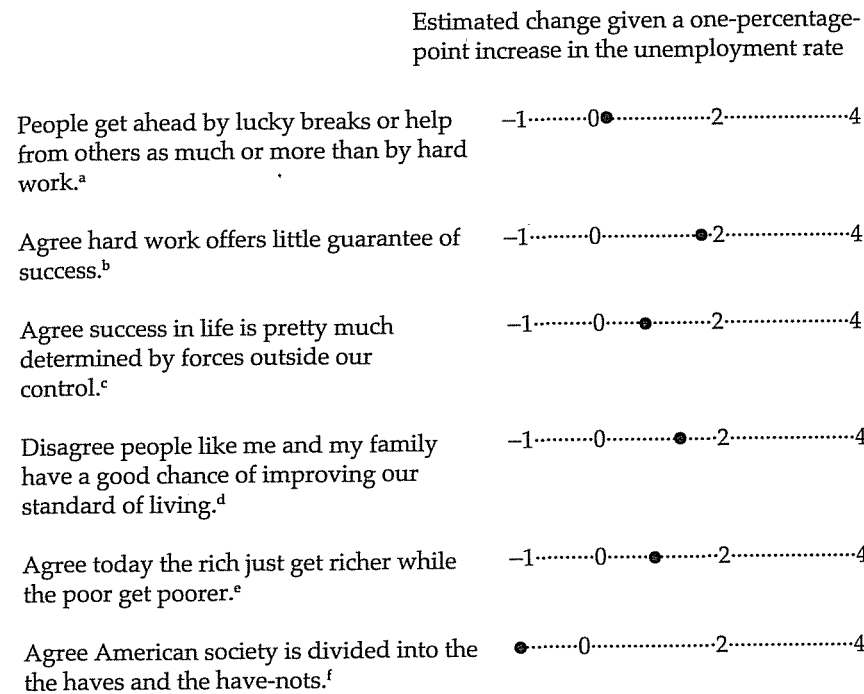
B: Hardly any confidence in Congress. Other response options: "A great deal"; "Only some."

Gray bars represent recession periods.

Figure 7.4a reveals nontrivial responsiveness to recessions on three of the four items that ask about beliefs concerning fairness and opportunity. When the economy turns bad, more Americans tend to view hard work as a weak guarantee of success, to believe that success is determined by forces beyond our control, and to be pessimistic about their family's likelihood of improving its living standards. However, the two questions on inequality offer a mixed story. The share of Americans thinking the rich are getting richer and the poor, poorer seems to have been affected by recessions, whereas the share believing the country is more and more divided between the haves and the have-nots doesn't.

Figure 7.4b offers a closer look at the trends for three of these survey items. It shows that in each of the five downturns since the early 1970s there has been an increase in the share of GSS respondents saying that people get ahead as a result of lucky breaks or help from others rather than from hard work. However, this rise is always small—five percent-

Figure 7.4a Do People Perceive Less Fairness, Less Opportunity, More Inequality?



Source: Authors' compilation based on General Social Surveys (National Opinion Research Center 2010) and Pew Research Center for the People and the Press (2009).

Note: Estimated change is from a regression of the survey response on the unemployment rate and a time variable; the data are monthly. For more details, see the online appendix.

<sup>a</sup> GSS, 1973 to 2010, 23 data points

<sup>b</sup> Pew, 1987 to 2009, 13 data points.

<sup>c</sup> Pew, 1987 to 2009, 12 data points.

<sup>d</sup> GSS, 1987 to 2010, 10 data points.

<sup>e</sup> Pew, 1987 to 2009, 14 data points.

<sup>f</sup> Pew, 1987 to 2009, 13 data points.

age points or less. A GSS question included semiregularly since the late 1980s more directly addresses people's perceptions of economic opportunity, asking whether the respondent believes the statement "People like me and my family have a good chance of improving our standard of living." This too is included in figure 7.4b. Here we do observe shifts during or shortly after each of the past three recessions, with the share disagreeing rising by five to ten percentage points. Following the early-1990s and early-2000s recessions, however, the share returned to essentially the pre-recession level.

**Figure 7.4b** Do People Perceive Less Fairness, Less Opportunity, More Inequality?



Source: Authors' compilation based on General Social Surveys (National Opinion Research Center 2010) and Pew Research Center for the People and the Press (2009).

Note: A: GSS: "People get ahead by lucky breaks or help from other people." Other response option: "Hard work."

B: GSS: "Disagree [that] people like me and my family have a good chance of improving our standard of living." Other response option "Disagree."

C: Pew: "Agree American society is divided into the haves and the have-nots." Other response option: "Disagree."

Gray bars represent recession periods.

Between September 2007 (just before the Great Recession) and April 2009 the share of respondents agreeing with the statement "American society is divided into the haves and the have-nots" fell by nearly fifteen percentage points (see figure 7.4b). This is surprising, given that both the media and policymakers have put a sizable portion of blame for the economic crisis on overpaid bankers and financial players. Perhaps Americans feel that the sharp declines in stock and home values have had a leveling effect.

What the survey data suggest, then, is that Americans have tended to view recessions as curtailing economic opportunity, but only temporarily, and as having no enduring impact on economic justice or inequality.

There also are no significant differences across sociodemographic groups in reactions on these issues.

## What Do Americans Think Government Can Do and Should Do?

One hypothesis concerning the expected role of government is that sentiment in favor of government activism, particularly to help the less fortunate, will increase during economic recessions (Erikson, MacKuen, and Stimson 2002; Blekesaune and Quadagno 2003; Blekesaune 2007). A second hypothesis is that even if this occurs, its impact will be outweighed by self-interested reactions of middle- and upper-class taxpayers, who see their own bank accounts shrinking and therefore are less willing than usual to support government redistribution to the needy (Durr 1993; Friedman 2005). Another possibility is that neither hypothesis is correct, or that both are correct but they cancel each other out (Kam and Nam 2008).

We examine thirteen GSS and Pew items in figure 7.5a. The first four of these questions are about government regulation, government intervention in daily life, the appropriate balance between local and federal government, and whether government management is efficient. Figure 7.5b displays the trends for two of these questions. On each of the two items shown and on the two items not shown here but included in the online appendix, we observe an increase in support, typically of around five percentage points, for government activism in the early-2000s downturn and in the Great Recession. But in the early-1990s recession there was no such increase.

The remaining nine questions are about attitudes toward government's role in helping the less fortunate. None of the responses to these items suggest a significant shift in public opinion during or shortly after recessions. We observe increases in a few of these items during recessions, but those increases are consistently small, and they are balanced by an equal number of small decreases. Overall, the story is one of no noteworthy change. Figure 7.5c displays the trends for two of these items.

What should we make of these two contradictory patterns—on the one hand rising support for government regulation in the early- and late-2000s recessions but not in the early-1990s downturn, and on the other hand no change in attitudes toward government help for the less fortunate? One explanation might be the shifting nature of job loss during recessions. The early-2000s downturn was the first in which middle-class, white-collar employees were just as likely as less-skilled and lower-paid workers to experience job loss. That downturn and the Great Recession also were characterized by massive drops in stock values and, in the Great Recession, drops in home values too. In short, these two most recent recessions have hit middle-class Americans fairly hard. Persons with lower incomes are more likely to support government activism during nonreces-

Figure 7.5a What Do Americans Think Government Can and Should Do?

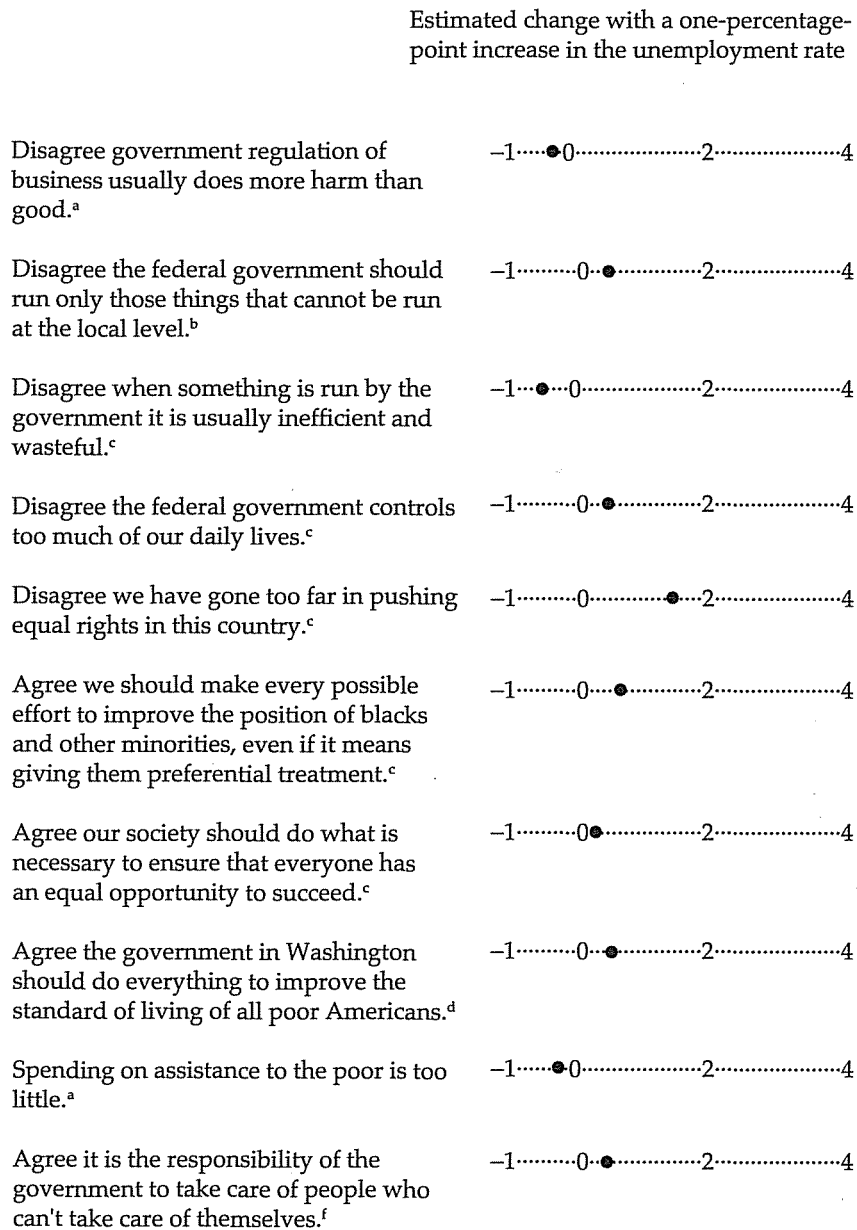
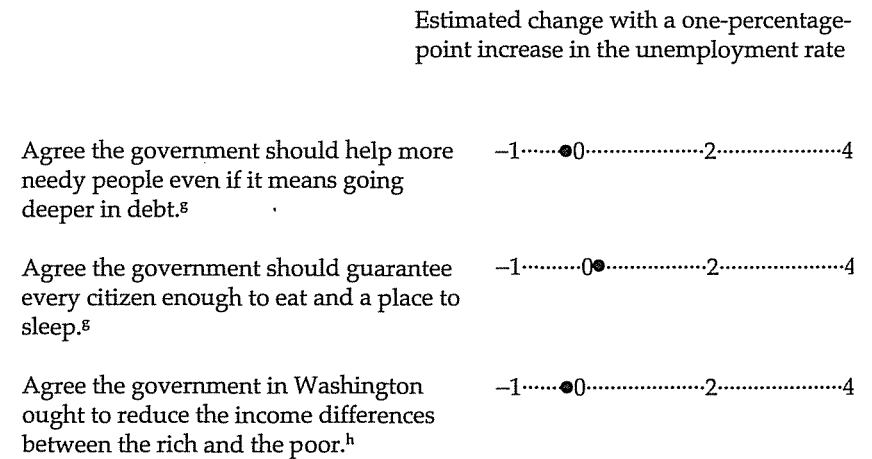


Figure 7.5a (continued)



Source: Authors' compilation based on General Social Surveys (National Opinion Research Center 2010) and Pew Research Center for the People and the Press (2009).

Note: Estimated change is from a regression of the survey response on the unemployment rate and a time variable; the data are monthly. For more details, see the online appendix.

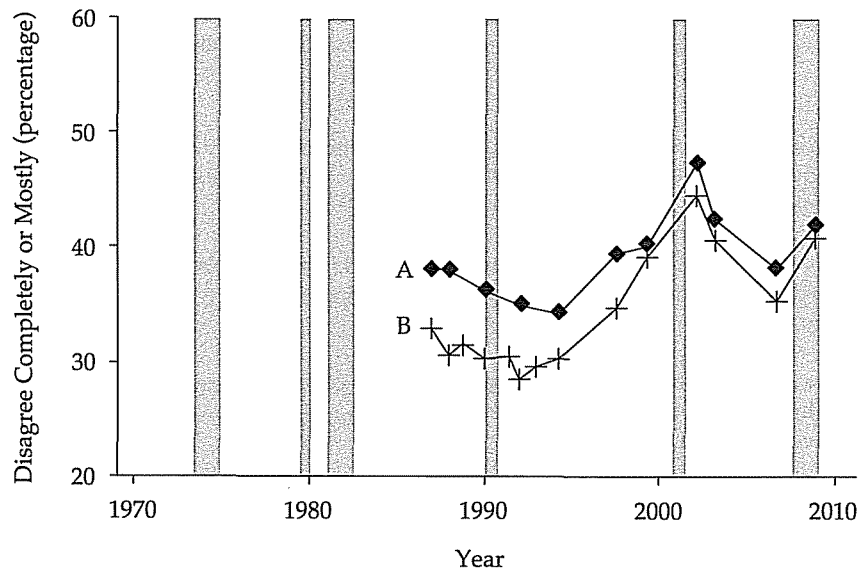
- <sup>a</sup> Pew, 1987 to 2009, 11 data points
- <sup>b</sup> Pew, 1987 to 2009, 9 data points.
- <sup>c</sup> Pew, 1987 to 2009, 14 data points.
- <sup>d</sup> GSS, 1975 to 2010, 19 data points.
- <sup>e</sup> GSS, 1984 to 2010, 18 data points.
- <sup>f</sup> Pew, 1987 to 2009, 12 data points.
- <sup>g</sup> Pew, 1987 to 2009, 13 data points.
- <sup>h</sup> GSS, 1978 to 2010, 20 data points.

sion periods; hence recessions are not likely to have much impact on attitudes among this group. A downturn that hits the middle class may well produce a shift in its attitudes, since during normal times this group tends to be less supportive of government regulation and management. Even while increasing their support for government intervention, though, middle-class victims of recessions may be no more inclined than usual to support enhanced help for the disadvantaged.

Another (not incompatible) possibility is that welfare reform in 1996 and perhaps the economic boom in the second half of the 1990s altered the way Americans think about what is needed from government in bad economic times. Whereas formerly the default policy response was assistance for the less fortunate, it may now have shifted to (temporary) government activism aimed at righting the economic ship.

Once again we observe few noteworthy differences across socio-demographic groups. One exception is that during the Great Recession

Figure 7.5b What Do Americans Think Government Can and Should Do?



Source: Authors' compilation based on data from General Social Surveys (National Opinion Research Center 2010).

Note: A: "Disagree government regulation of business usually does more harm than good." Other response options: "Agree completely"; "Agree mostly."

B: "Disagree when something is run by the government it is usually inefficient and wasteful." Other response options: "Agree completely"; "Agree mostly."

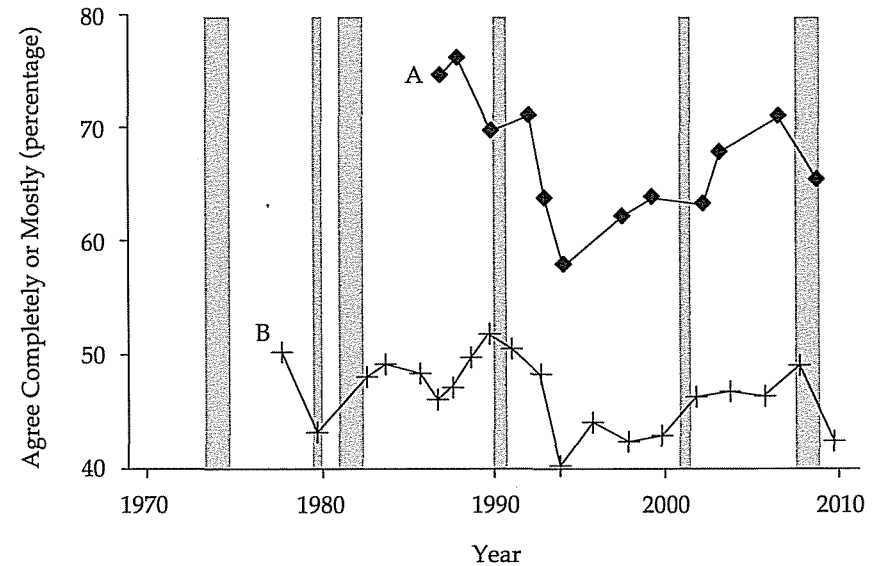
Gray bars represent recession periods.

the share of African Americans favoring government action to reduce income differences has increased much more than among whites. This too may be an Obama effect rather than a product of the economic downturn.

### Do Party Allegiances and Political Orientations Shift?

Economic recessions should tend to reduce support for the party in power and increase support for the other party. Whether such changes will endure is less obvious. The same considerations hold for the political views of conservatism and liberalism, though any shifts in these deeper-seated orientations are likely to be smaller than for party allegiances. We examine standard survey measures of party identification and political orientation in the GSS and Pew surveys (see figure 7.6a).

Figure 7.5c What Do Americans Think Government Can and Should Do?



Source: Authors' compilation based on General Social Surveys (National Opinion Research Center 2010) and Pew Research Center for the People and the Press (2009).

Note: A: Pew: "Agree it is the responsibility of government to take care of the people who can't take care of themselves." Other response options: "Agree completely"; "Agree mostly."

B: GSS: "Agree the government ought to reduce the income differences between the rich and the poor."

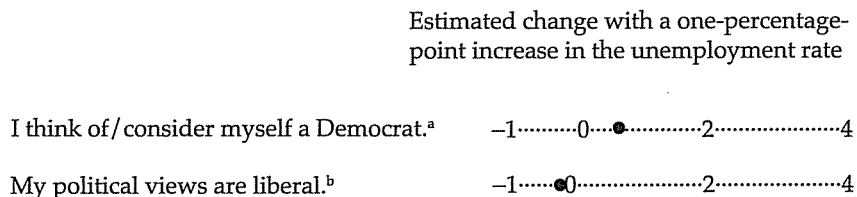
Response options on a scale from 1 to 7. Gray bars represent recession periods.

In measuring party identification, both surveys offer seven choices to respondents. Those who respond "independent" are allowed to reclassify themselves, if they wish, as "weak" identifiers with one of the two parties or as "leaning" toward one of them. We count the weak and leaning identifiers as Democrat or Republican, rather than as independent (Keith et al. 1992; Sides 2009).

The over-time patterns for party identification and political orientation are shown in figures 7.6b and 7.6c, respectively. In figure 7.6b we combine the GSS and Pew data, using the GSS through early 2008 and Pew since then.

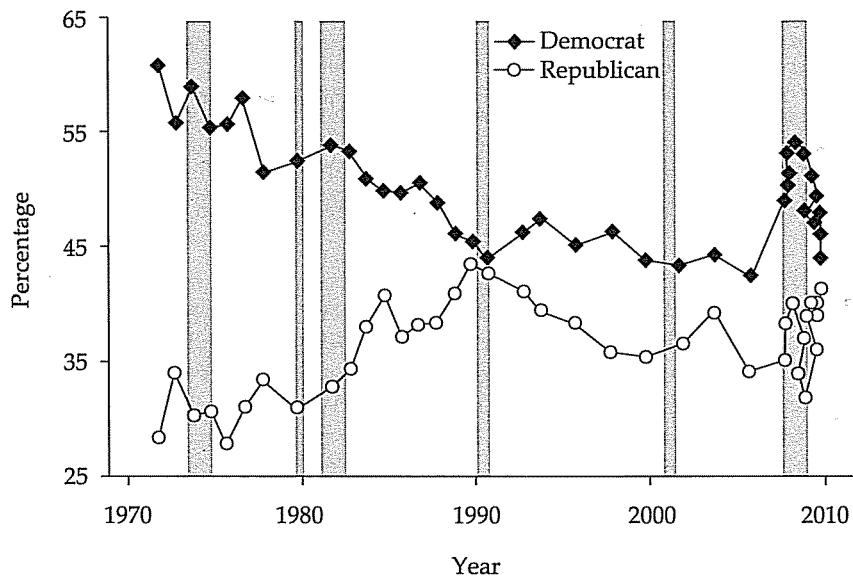
Whereas recent recessions seem to have had little impact on individual-issue attitudes we have examined up to now, a case can be made that some recent recessions have had a lasting impact on both political views and party identification. Figures 7.6b and 7.6c show that there were sig-

Figure 7.6a Do Party Allegiances and Political Orientations Shift?



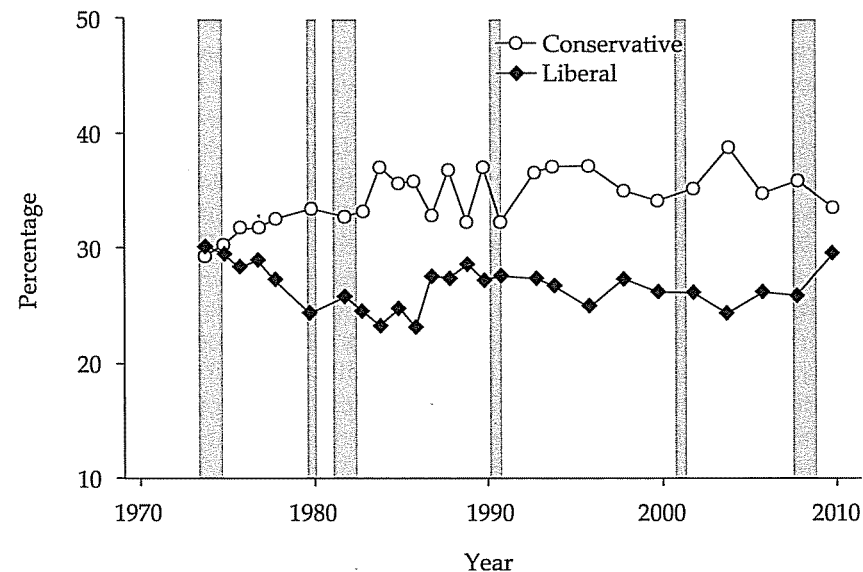
Source: Authors' compilation based on General Social Surveys (National Opinion Research Center 2010) and Pew Research Center for the People and the Press (2009).  
 Note: Estimated change is from a regression of the survey response on the unemployment rate and a time variable; the data are monthly. For more details, see the online appendix.  
<sup>a</sup> GSS and Pew, 1972 to 2010, 51 data points.  
<sup>b</sup> GSS, 1974 to 2010, 26 data points.

Figure 7.6b Do Party Allegiances Shift?



Sources: Authors' compilation based on General Social Survey (National Opinion Research Center 2010) 1972 to 2010; Pew Research Center for the People and the Press (2009) 2008 to 2010.  
 Note: On a seven-point scale ranging from "strong Democrat" to "strong Republican." Gray bars represent recession periods.

Figure 7.6c Do Political Orientations Shift?



Source: Authors' compilation based on data from General Social Surveys (National Opinion Research Center 2010).  
 Note: On a seven-point scale ranging from "extremely liberal" to "extremely conservative." Gray bars represent recession periods.

nificant shifts from Democratic identification to Republican and from liberal to conservative following the early-1970s and early-1980s recessions. Arguably these movements were causally connected (Kenworthy et al. 2007). The recession of the early 1970s, coupled with the ensuing period of stagflation, contributed to growing disenchantment with the Democratic Party, which had dominated American politics since the 1930s. Republicans argued that the Democrats had overreached and that liberal policies had gone too far. Ronald Reagan pressed this argument as a presidential candidate in 1979 and 1980, and as president he attributed the early-1980s recession to the same cause. These shifts in party identification and political orientations surely were products of a number of factors, but the recessions very likely contributed.

Conversely, the early-1990s downturn, occurring after more than a decade of Republican occupation of the White House, may have contributed to ending the rise in Republican identification. Around the same time there were two important foreign policy successes under Republican presidents that should have boosted their popularity: the collapse of the

Soviet Bloc beginning in 1989 and the successful prosecution of the first Gulf War. These successes strengthen the idea that the recessions played a sizable role in the reduction in voters' identifying as Republicans. No similar change, however, is observable for political orientations.

Given the magnitude of the Great Recession and the fact that Republicans held the presidency and both houses of Congress for much of the preceding eight years, we would expect the Democrats to have benefited from this downturn. But as figure 7.6b indicates, thus far that has not been the case. Democratic identification began to rise in the mid-2000s and continued through 2008, the first year of the Great Recession. But in 2009 and 2010 that gain was reversed.

The one sociodemographic difference of note has to do with education. Typically in recessions those with less education are a little more likely than those with more education to shift toward liberal views or to identify as a Democrat. In the Great Recession the reverse has been true, although the difference is not large.

## Conclusions

We have examined data from the GSS and the Pew Research Center's Trends in Political Values and Core Attitudes surveys to assess the effect of the five economic recessions since 1970, including the Great Recession, on American public opinion. We conclude by summarizing the answers to our six questions and by considering what our findings imply for the long-term impact of the Great Recession on public attitudes.

*Do Americans notice and feel adversely affected by economic downturns?* Yes, they do. The magnitude of changes typically has been on the order of five to ten percentage points, larger in the Great Recession. These effects have tended to disappear as the economy moves out of recession, though the lag was noticeably longer following the early-1990s and early-2000s recessions than it had been in the previous two. This is consistent with trends in the unemployment rate, which remained high for sustained periods following the downturns of the early 1990s and early 2000s.

*Do attitudes toward business and finance sour?* Yes, but perhaps not as much as we might expect. Only during the early-1970s and early-2000s (Enron) recessions and the Great Recession do we observe a sharp rise in the share of Americans expressing hardly any confidence in major companies, and only in the early-1990s recession (savings-and-loans crisis) and the Great Recession do they express that view of banks and financial institutions. On three of four Pew questions as to whether businesses are fair or whether they are too powerful, recessions have produced no apparent change of attitude.

*Do attitudes toward government sour?* Economic downturns, including

the current one, appear to have had little impact on Americans' views of government, even in the short run.

*Do people perceive less fairness and opportunity and more inequality?* Recessions do reduce Americans' perception of their own economic opportunity, but only temporarily. They appear to have less of an impact, if any, on perceptions of justice and inequality.

*What do Americans think government can do and should do to alleviate hardship?* Here most of the relevant survey data are available for only the three most recent recessions. The story they tell is mixed. On the one hand, in the two most recent downturns, those of the early and late 2000s, we observe a rise in approval of general government activism. On the other hand, there is no indication of any increase in support for policies that enhance opportunity, support for the poor, or support for redistribution.

*Do party allegiances and political views shift?* The recessions of the early 1970s and the early 1980s, coupled with the stagflation of the late 1970s, arguably contributed to a significant shift in party identification and political orientation. A growing number of Americans came to consider themselves conservative rather than liberal, and there was an even larger switch from Democratic Party identification to Republican. The downturn of the early 1990s may have contributed to a reversal of that pro-Republican trend in party identification.

Why have economic recessions produced so little enduring change in the attitudes of the American public on specific issues? One possibility is that public opinion has a strong tendency to stay locked into place and nothing shifts it, including recessions. Though there may be some truth in this, we can spot lasting changes in public opinion on a few of the issues we have considered here, such as income inequality (see figure 7.4b). The same is true for some other issues we have not examined, such as government spending on education and attitudes toward race and sexual orientation (see Loftus 2001; Erikson, MacKuen, and Stimson 2002; McCall and Kenworthy 2009).

Instead, the lack of enduring changes in public opinion in response to recessions suggests that the shifts economic downturns do produce tend to be small and that they tend to be either period effects or cohort effects. Period effects are offset by contrasting shifts in attitudes during periods of economic health. Cohort effects persist among those who were in their formative years during the recession, but they are offset for the full population by different attitudes held by nonrecession cohorts. For the most part, recessions have not produced lasting changes—scarring effects—in attitudes throughout the full population.

The story is different for party identification and political orientation. Here the recessions of the 1970s, 1980s, and 1990s do seem to have had a lasting impact, particularly on party allegiances. In some respects this is

not surprising. Even if Americans' attitudes on particular issues remain relatively constant, they may change their minds about which party is better able to deliver what they want, including a healthy economy. Moreover, although both the early-1970s and early-1980s recessions occurred under Republican presidents, the Democrats had dominated American politics for a generation and were in power during the years of stagflation that connected those two recessions. This allowed Republicans to blame the Democrats for what amounted to a decade of hard economic times.

What do our findings imply for the long-run effect of the Great Recession on Americans' views about fairness, opportunity, business, finance, and government activism? If the economy returns to normalcy in the near future, the pattern of responses to the four prior downturns suggests that its impact may be limited. But the Great Recession could be different (Bivens and Shierholz 2010; Peter S. Goodman, "Millions of Unemployed Face Years Without Jobs," *New York Times*, February 21, 2010; Peck 2010). Employment fell more rapidly and by a larger amount than in any downturn since the Depression. And, as noted earlier, the pace of job expansion has been slower in each succeeding recession since the early 1980s. Given the depth of the Great Recession and the pattern of slow job growth following the two prior downturns, it may be quite a long while before the labor market recovers. As of early 2011, a year and a half after economic growth had resumed, the share of Americans unemployed for more than six months was more than double that of the previous high, in the early-1980s downturn.

If the recovery does turn out to be slow or feeble, the lessons of recent recessions may not hold. In the early years of the Great Depression it was not clear that large changes in Americans' attitudes toward politics, fairness, and government activism were under way (Newman and Jacobs 2010). But in the end the Depression did contribute to enduring shifts. The same may yet prove true of the Great Recession.

## Note

1. In the figures and the figure source notes, "GSS" refers to the General Social Survey conducted by the National Opinion Research Center (2010). "Pew" refers to the Trends in Political Values and Core Attitudes surveys conducted by the Pew Research Center for the People and the Press (2009).

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# THE GREAT RECESSION

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