Written by **Bob Adelmann** on April 20, 2015



Gallup: Americans Say Federal Government Is Number One Problem

According to a recent Gallup poll, Americans have named the federal government as <u>the</u> <u>most important U.S. problem</u> for four months in a row, noting that "dissatisfaction with government is by no means a new issue," having been at or near the top in its surveys for years.

None of this is new news to Emmanuel Saez, economics professor at the University of California, Berkeley, or to any of his coauthors <u>in their study</u> published by the National Bureau of Economic Research in early 2013.



That study summarized polls of more than 5,000 Americans about income inequality in the United States and what if anything should be done about it. They were fully expecting to discover that the more people knew about income inequality, the more they would push for enforced government redistribution of those incomes to the poor.

Not only was that meme (which underlies Democrat Party proposals to push for additional taxes on the rich, all in the name of "equality") rejected soundly in their study, but they discovered something else: Those Americans polled don't trust the government to do the distributing, if any were to be done.

Here is Saez's summary of that idea that Americans rejected in his study: "The ... theorem predicts that an increase in the demand for redistribution would accompany this rise in income concentration."

Translation: the more people knew about how the rich were getting richer, the more they would pressure their representatives in Washington to redistribute that wealth more "fairly."

However, Saez said exactly the opposite is happening: "Evidence from survey data does not support this prediction." Instead,

We find that information about inequality also makes respondents trust government less — [our survey shows trust in government] decreases by nearly twenty percent....

Emphasizing the severity of [the] problem appears to undercut respondents' willingness to trust the government to fix it....

[This] could act as evidence of the government's limited ability to improve outcomes more generally.

Saez and his cohorts simply didn't know what to make of it. Here's a perceived problem Democrats sorely want to solve, but Americans are increasingly distrustful of the very tool those Democrats want to use: the federal government. Saez continued,

Standard models predict that support for redistribution should increase with income inequality, yet there has been little evidence of greater demand for [government] redistribution over the past

New American

Written by **Bob Adelmann** on April 20, 2015



thirty years in the US, despite historic increases in income concentration....

A possible explanation is that the [proposed federal government solution] also decreases trust in government, potentially [rejecting] respondents' willingness to connect concern about inequality into government action.

If this were a one-time study with such illogical and confoundingly opposite conclusions from what was anticipated, it likely never would have seen the light of day. But another study, this one by Matthew Luttig, published by Oxford University Press six months after Saez's, confirmed the same opinion by Americans: Even if income inequality were a problem, government most certainly is not the tool to fix it. Wrote Luttig:

Numerous political theorists suggest that rising inequality and the shift in the distribution of income to those at the top should lead to increasing support for liberal policies.

But recent evidence contradicts these theories....

In general, the evidence supports the claim that rising inequality has been a force promoting conservatism in the American public.

Adding fuel to the increasingly anti-government mindset evidenced by the American people is another finding from Gallup that caught the attention of Thomas Edsall, a long-time liberal contributing editor at the *New York Times*: It's ObamaCare that completed the shift. Wrote Edsall:

The erosion of the belief in health care as a government-protected right is perhaps the most dramatic reflection of these trends. In 2006, by a margin of more than two to one, 69-28, those surveyed by Gallup said that the federal government should guarantee health care coverage for all citizens of the United States.

By late 2014, however, Gallup found that this percentage *had fallen 24 points to 45 percent*, while the percentage of respondents who said health care is *not a federal responsibility nearly doubled to 52 percent*. [Emphasis added.]

Once the real costs of ObamaCare became evident, Americans quickly lost confidence in the government. Those costs are just beginning to surface, with penalties for those opting out increasing greatly over the next couple of years, along with premiums of those forced into buying coverage they otherwise wouldn't want.

Those increases won't be limited, either, to just those buying new coverage. Those with existing coverage are seeing their premiums increase greatly, removing any doubt that the costs of ObamaCare, as most other government welfare programs, would be levied on America's middle class.

There's increasing government interference in the doctor-patient relationship. There's the ever more obvious coming shortage of doctors to meet the increased demand, thanks to limited reimbursements for providing those services. There's abortion coverage, which continues to be anathema to many citizens. There's the medical-devices tax which is limiting innovation in medical care.

All of which confounded Edsall, the *Times'* opinion writer, as he observed, "The conservative shift on health care and on issues of redistribution and inequality pose a significant threat to the larger liberal agenda."

It's also changing the political conversation. Ever sensitive to which way the political winds are blowing, the presumptive Democrat presidential nominee Hillary Clinton spoke not one word about



Written by **Bob Adelmann** on April 20, 2015



income inequality in her official announcement last week. Instead she focused on the cultural themes of family, same-sex marriage, education, and women's rights.

This isn't something Republican candidates are likely to avoid mentioning. As Edsall noted, this puts Clinton, and the Democrat Party in general, in a bind:

Neither core Democratic constituencies on the left nor Republicans on the right will permit Clinton to remain guarded [read: evasive] on these issues.

If conservative beliefs are strengthening ... Democrats are caught in a policy bind that has no short-term solution ... the redistribution [meme] is in trouble.

A graduate of an Ivy League school and a former investment advisor, Bob is a regular contributor to The New American magazine and blogs frequently at www.LightFromTheRight.com, primarily on economics and politics.

Related article:

ObamaCare: Stifling Innovation



Subscribe to the New American

Get exclusive digital access to the most informative, non-partisan truthful news source for patriotic Americans!

Discover a refreshing blend of time-honored values, principles and insightful perspectives within the pages of "The New American" magazine. Delve into a world where tradition is the foundation, and exploration knows no bounds.

From politics and finance to foreign affairs, environment, culture, and technology, we bring you an unparalleled array of topics that matter most.



Subscribe

What's Included?

24 Issues Per Year Optional Print Edition Digital Edition Access Exclusive Subscriber Content Audio provided for all articles Unlimited access to past issues Coming Soon! Ad FREE 60-Day money back guarantee! Cancel anytime.