ACCOUNTING FOR THE ELECTORAL EFFECTS OF SHORT TERM ECONOMIC FLUCTUATIONS:
THE ROLE OF INCUMBENCY-ORIENTED AND POLICY-ORIENTED VOTING

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Abstract

Several previous studies have found considerable evidence of incumbency-oriented voting, i.e. voting for or against the incumbent president and candidates of his party on the basis of fluctuations in economic conditions. This study explores the hypothesis that voting in response to economic conditions is often policy-oriented as well. Because of the different policy priorities of the two major parties, voters who are concerned about unemployment are predicted to give greater support to Democratic candidates, while those concerned about inflation are predicted to vote more Republican. The analysis undertaken here maintains a key distinction which has emerged from previous work, and tests for electoral effects of inflation and unemployment as 1) problems which are personally troublesome to the individual, and as 2) problems which are seen to be troublesome for the nation as a whole.

The final section of this study turns to aggregate level data, and compares the performance of models which incorporate policy-oriented distinctions with models which specify incumbency-oriented effects only.

These analyses do uncover substantial support for the policy-oriented hypothesis, but such voting appears to have occurred primarily in response to unemployment. There were few instances at both the levels of personal economic problems and of perceived national problems of inflation-sensitive voters supporting the Republicans, but that is all. Voters who had personally experienced unemployment, on the other hand, gave a modest but consistent boost to Democratic candidates in virtually every election. This effect was heavily supplemented in years of high unemployment by the large percentage of voters who felt unemployment was a serious national problem and consequently voted heavily Democratic as well. The evidence which emerged at the aggregate level was very similar. The parties barely differed, if at all, in their vulnerability to inflation. Any rise in unemployment, however, would hurt Republican incumbents nearly twice as badly as it would Democratic incumbents. This study concludes by discussing the implications these findings have for our understanding of how economic conditions influence voting behavior in the American electorate.
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I. INTRODUCTION

One of the most important subfields in public opinion/voting behavior to emerge in recent years concerns the political impact of economic conditions. Studies in this area have been motivated, in large part, by a desire to find individual level patterns of behavior which might account for the aggregate level relationships between the recent performance of the economy and the incumbent party's electoral fortunes. Several time series analyses have demonstrated that the incumbent president and congressional candidates of his party fare much better at the polls during periods of prosperity than when economic conditions are poor (Kramer, 1971; Kramer and Lepper, 1972; Lepper, 1974; Tufte, 1975, 1978; Bloom and Price, 1975; Li, 1976; Fair, 1978).

In their attempts to account for the aggregate level results, survey researchers immediately focused on the role of the individual's perceived financial situation. This seemed like a good place to start, given the availability of an appropriate measure -- every CPS National Election Study since 1952 has asked respondents whether or not the financial situation of themselves and their families had recently improved, stayed the same, or gotten worse -- and that this measure roughly resembled the aggregate level indicator which usually best predicted election outcomes, i.e. change in per capita real income. These studies posited that is those individuals most dissatisfied with their own lot, whose recent economic fortunes have soured, who vote most heavily against the incumbent president and his party's congressional candidates. The party in power stumbles during recessions because there are more voters encountering personal economic difficulties.

Several studies utilizing a wide range of statistical techniques have examined this measure, and have all reached similar conclusions. In some presidential elections voters who felt their financial situation had recently worsened were less supportive of the incumbent than voters who believed their financial situation had improved. But those who felt their financial situation had recently worsened rarely showed any inclination to punish congressional, senatorial, or gubernatorial candidates of the incumbent (president's) party (Ben-Gera Logan, 1977; Florina, 1978; Klorman, 1978; Kinder and Kiewiet, 1979). This pattern of weak, scattered effects of perceived financial trends at the individual level contrasts strongly with the robust aggregate level findings. The problem could lie with the measure, but considerable evidence indicates that this item does accurately reflect individuals' recent economic fortunes (Klorman, 1978; Rosenstone et al., 1978).

In contrast, substantial empirical support has been generated for the proposition that it is individuals' views on how well the national economy as a whole has been performing which influences their voting decisions. Six CPS national election studies since 1962 have asked respondents the following question:
Now turning to business conditions in the country as a whole. Would you say that at the present time business conditions are better or worse than they were a year ago?

In a fairly simple analysis, Kinder and Kiewiet (1979) found that voters who felt national business conditions had worsened were consistently more likely to vote against congressional candidates of the president’s party than voters who believed conditions had improved. The evidence was similarly supportive in Logan’s (1977) analysis of senatorial races and in Fiorina’s (1979) investigation of presidential elections.

The results of these studies also indicate that other nationally-oriented economic assessments influence voting behavior, including ratings of the government’s (presumably identified as the incumbent administration) recent performance in managing the economy, and judgments about which party could better cope with economic problems (Kinder and Kiewiet, 1979; Fiorina, 1979). To be sure, these are not straightforward evaluations of economic conditions (either in one’s own life or in the country as a whole). Rather, they are evaluations of how well various political actors handle economic matters, and are obviously bound up with voters’ general partisan predispositions and overall evaluations of the incumbent president. But as Fiorina (1979) puts it, these evaluations “reflect economics as well as psychology” (p. 25), for they are strongly informed by individuals’ direct assessments of the country’s and their own economic circumstances. These political-economic evaluations, then, are considerably more than rationalized partisanship or general affect toward the president extended into the domain of economics.

The reason why assessments of the national economy apparently have so much more of an effect upon voting than perceptions of one’s own financial condition is probably contained in Sniderman and Brody’s (1977) discussion of the “ethic of self-reliance.” According to their line of reasoning, people may see the economic problems troubling them as general and widespread, as something they share with many other people; if so, they tend to believe the government could and should take action to alleviate them. Usually, though, they perceive their problems as rooted in the particular circumstances of their own life, not in the economy at large, and hence view governmental action as neither effective nor appropriate. Their data strongly supported their contention that “Americans in overwhelming numbers believe they ought to take care of their personal problems by themselves...” (p. 501). Kinder and Kiewiet (1979) make a similar point, arguing that in accounting for one’s own personal economic fortunes, very local, idiosyncratic factors are usually an entirely sufficient explanation. Assessments of national economic conditions, on the other hand, are by definition perceptions of widespread, general phenomena. Political relevance is thus more readily apparent. For most people it is evidently much easier to make the connection between the incumbent administration and the performance of the national economy than the connection between the incumbent administration and their own economic situation.

In short, survey researchers have been able to find considerable evidence of incumbency-oriented voting, i.e. voting for or against the incumbent president and candidates of his party on the
basis of fluctuations in economic conditions. Even though it is assessments of the national economy as a whole which the greater impact upon voting decisions, this evidence is obviously consistent with the aggregate level relationships Kramer and others have uncovered. In fact, it would seem to be as full an individual level account as necessary of an electorate acting, in Key’s (1964) words, as “a rational god of vengeance and reward.”

It is the contention of this paper, however, that the case is not closed. In strict logical terms, of course, it could never be closed completely. As Tufte (1975) puts it:

Many different models of the underlying electorate are consistent with electoral outcomes which are collectively rational; and the observation of aggregate rationality clearly does not imply a unique specification or description of individual voters or of groups of voters making up the electorate. (p. 826)

The basic hypothesis to be examined here is that in addition to incumbency-oriented voting, a substantial amount of voting in response to economic conditions is policy-oriented, i.e. based upon the different policy priorities of the Democratic and Republican parties with respect to unemployment and inflation. So far the discussion has been in terms of voters responding to “the economy,” or “economic conditions.” But as Hibbs (1979) argues, “unemployment and inflation clearly are the variables preoccupying both policy makers and the mass public” (p. 708). To be sure, the classic Phillips curve relationship between the two has deteriorated; there has been a major secular increase in the rate of inflation since the mid-1960s, and it is possible to have simultaneously high and rising levels of both inflation and unemployment. But it is still the case that medicine for one is usually bane for the other; policies to reduce unemployment typically do so by seeking to stimulate aggregate demand, while policies to lower inflation typically seek to depress aggregate demand. Again, in Hibbs’ (1979) words:

Although there is no fixed, stable trade-off between unemployment and inflation in the macro-economy, most economists and politicians recognize that full employment and price stability pose conflicting goals in the sense that it is difficult to make substantial progress on one problem without running risks with respect to the other. (p. 708)

Furthermore, the major political parties have traditionally differed in the priority they assign to reducing inflation versus lowering unemployment. Compared to Republican administrations, Democratic administrations have been more sensitive to unemployment, and have been relatively more willing to risk some inflation to reduce it. Compared to Democratic administrations, though, Republican administrations have usually tolerated considerably more slack in the economy and thus unemployment to fight inflation. This difference in priorities finds expression, with varying degrees of clarity, in party platforms (Tufte, 1978), campaign rhetoric (White, 1961, 1973; Witcover, 1977), and in actual policy and policy outcomes (Sundquist, 1968; Okun, 1973; Hibbs, 1977).

As a consequence, when the parties’ policies have gone awry it has tended to be in opposite directions. As Okun (1973) puts it:

When the chips were down, the Democrats have taken their chances on inflation and the Republicans on unemployment and recession. For a generation, every major mistake in economic policy under a Democratic president has taken the form of overstimulating the economy and every major mistake under a Republican president of overrestraining it. (p. 175)
Prosperity under a Democratic administration, to be sure, would be the same as under a Republican administration — low unemployment, low inflation. Republican failures to achieve prosperity, however, have generally taken the form of recession and unemployment; Democratic failures, on the other hand, have appeared more frequently as spurts in the inflation rate. An examination of all non-war election years since 1932 reveals that in only two of the thirteen elections in which the incumbent president was a Democrat did the unemployment rate increase from the previous years, but the inflation rate increased from the previous year nine of the thirteen times. The Republican record has perhaps been somewhat better on inflation, as the inflation rate increased from the previous year five out of nine elections in which the Republicans were incumbent. But it has clearly been worse with respect to unemployment, as that rate also increased from the previous year five out of the nine times. It seems quite reasonable to suspect, therefore, that voting in response to economic conditions is often policy-oriented: voters who are concerned about unemployment tend to give greater support to Democratic candidates, while those concerned about inflation tend to vote more Republican. If so, it could well be that a significant portion of the strong aggregate relationship between the state of the economy and the electoral fortunes of the incumbent party is produced by votes punishing the Democrats for inflation and the Republicans for unemployment.

It should be stressed that it does not require voters to have a sophisticated understanding of macroeconomic policy for concerns about inflation or unemployment to affect their voting decisions. Nor must they recognize that full employment and price stability pose conflicting goals. Rather, it requires only that the (1) see either inflation or unemployment as a serious problem and want to see it alleviated, and (2) that they perceive differences between the parties in the amount of effort and/or skill they apply in combating that problem.

This policy-oriented hypothesis would seem to imply, paradoxically, that when in office the Republicans could help themselves by allowing a high rate of inflation, while the Democrats could bolster their re-election chances by running up a high unemployment rate. Such a "strategy," however, would almost certainly be counter-productive. A complete flip-flop on macroeconomic policy priorities would not only betray the party's key constituent groups, and alienate some of its most dependable supporters, but the resultant uncertainty as to what the party could be expected to do in office would scare off many others (Downs, 1957). And as Okun (1973) points out, a party's long-term favorable image would surely be eroded by such policy failures. Any perception of the Republican administration as more committed to fighting inflation, for example, would inevitably fade in the face of a Republican administration which apparently tolerated a high rate of inflation. The more reasonable inference is that any given increment in the unemployment rate would hurt Republican incumbents more than Democratic incumbents, who in turn would suffer relatively greater damage from a given jump in the inflation rate. For according to the
policy-oriented voting hypothesis, voters in each case would perceive
the out-party as able to apply more effort and/or skill in precisely
the problem area in which the incumbents' efforts had failed.

The analysis undertaken in this paper thus examines the
hypothesis that voting in response to economic conditions is often
policy-oriented. The evidence it seeks to uncover is of inflation-
sensitive voters showing disproportionately greater support for
Republican candidates and of unemployment-sensitive voters exhibiting
greater support for Democrats. The key distinction to emerge from
previous studies of incumbency-oriented voting — between personal
economic fortunes and assessments of the national economy as a whole
— will be maintained in this study. The next section will seek to
uncover evidence of policy-oriented voting with respect to inflation
and unemployment at the individual level. The survey data on which
the analyses are based come from the biennial CPS American National
Election Studies. The third section will return to the aggregate
level, and compare the performance of models which incorporate
policy-oriented distinctions with models which specify incumbency-
oriented effects only.

II. THE EFFECTS OF CONCERNS OVER INFLATION AND UNEMPLOYMENT UPON VOTING
IN NATIONAL ELECTIONS

As pointed out in the introduction, several studies have
investigated the influence of personal economic conditions upon voting
and failed to detect much of an impact. In some presidential
elections a modest effect was evidenced, but in most congressional,
senatorial, or gubernatorial races voters' assessments of their
(family's) financial situation had little impact on their decisions to
support or oppose the incumbent party.

But what if voters were behaving in a policy-oriented fashion?
One voter might report being worse off financially than a year ago
because of being frequently laid off from work. Another voter might
also report being worse off, but believe his or her problems emanated
from rising food, fuel, or housing prices. Their responses to the
personal finances item would be identical, but the first would vote
Democratic, the second Republican. Thus the electoral effects of
personal economic misfortunes, though they might be considerable,
would go undetected in an analysis of incumbency-oriented voting based
upon this survey item.

Almost all studies in this field have relied upon this same
measure of personal (family) finances. One previous study, though —
that of Kinder and Kiewiet (1979) — did look specifically at personal
difficulties due to unemployment. Their analysis utilized a dummy
variable which registered whether or not the respondent's head of
household had been out of work at some time in the last year or two.
They found that this measure did no better than the family finances
item in predicting votes for or against the incumbent party's
candidates. When their results are examined from the perspective of
policy-oriented voting, however, a striking pattern emerges. After
making a few desirable changes in their estimation procedures, these
results are shown in Table 1. The top numbers in each entry are the
probit estimates, the numbers in parentheses beneath them are standard
errors. As in their original analysis, the personal (family) finances item was also specified (the "better off" category takes on the value of 1, "same" the value of 3, and "worse off" the value of 5) as were party identification terms. Estimates of the latter, of course, were always quite large and statistically significant. This has not direct bearing on the analysis here, however, and so for the sake of conciseness these estimates are not reported. Reported votes for Democratic candidates are represented by 0, reported Republican votes by 1, so positive signs are in a pro-Republican direction.

[Table 1 about here]

What is striking about the evidence in Table 1, of course, is that the sign of the head of household's unemployment term is in a negative and thus pro-Democratic direction in eighteen of the nineteen elections studied. The only exception is the 1968 presidential race, an election in which George Wallace made substantial inroads into the Democratic party's traditional blue collar constituency. Whether or not a Democrat sat in the White House, respondents from households whose breadwinner had been out of work consistently gave more support to candidates of the Democratic party. The estimates of the personal (family) finances term, on the other hand, were generally in keeping with incumbency-oriented voting. In all presidential elections and in eight of the twelve congressional elections, those respondents who reported being worse off financially, for whatever reason, tended to vote against the incumbent party (as evidenced by signs of the estimates). As was the case in several previous studies, this effect was stronger in presidential elections than in congressional; four of the six presidential election estimates were in the correct (incumbency-oriented) direction and statistically significant, but only three of the twelve congressional terms were (the significant 1966 estimate was in the wrong direction).

Estimates of the head of household's unemployment term were thus impressive in the consistency of their pro-Democratic direction. The strength of this support for Democratic candidates, however, was not. The size of the probit estimates varied widely— in six elections the estimates exceed .5, but in four others they are less than .1. The difference between effects of these sizes is substantial. If there is a 50 percent chance that a certain voter will vote Democratic, an estimate of .5 would, everything else held constant, increase his probability of voting Democratic to 69.2 percent; an estimate of .1 would move it up to only 54.1 percent. Another indication of how weak the estimates often are is the fact that only five of the nineteen attain conventional levels of statistical significance. True, in 1956 and 1966 the unemployment measure reflects current status only, and the low N (in 1956 only 15 respondents reported that their head of household was currently unemployed) and resultant large standard error make statistical significance difficult to achieve. But low N is usually not the problem; an average of 40 voters in the surveys report their head of household has been out of work in the previous six months, and when the previous year is considered the average is 108. So while voters from families which have been affected by unemployment appear to consistently give greater support to Democratic candidates, the
magnitude of this support is only occasionally impressive.

Some of the variation in the political impact of personal
difficulties with unemployment is systematic. First, the impact
appears somewhat stronger in presidential elections than in
congressional. Weighting each estimate by the inverse of its standard
error, the mean estimates were -0.383 and -0.235 respectively. This
makes sense, given the lower salience of congressional races (Stokes
and Miller, 1962), and that the president is probably held more
directly accountable for economic conditions than his party’s House
candidates. Secondly, the shorter the retrospective time frame, the
larger the estimate. Probit estimates in the congressional election
series averaged only -0.131 when the measure incorporated any bouts of
unemployment in the previous year, but -0.295 when only the previous
six months were considered. And although the low Rs necessitate
caution, the two measures which are based upon current status averaged
-0.642. Although hardly conclusive, these figures do suggest that when
it comes to personal economic difficulties, voters have short memories
— they react strongly to current or recently encountered
unemployment, but not to unemployment experienced several months prior
to the election.

Aggregate level studies in this area have also suggested that
the electorate has a short memory. Fair (1978) concluded that the
electorate discounted past experiences very quickly; although there
are not enough data to derive very precise estimates, his analysis
found that economic conditions in the second and third quarters of the
election year best predicted votes for president. Similarly, Kernell
(1978) found that inflation and unemployment best predicted
presidential popularity when change in their levels across the
previous six months was considered. These findings about the
electorate as a whole thus accord nicely with this study’s findings
about individual voters.

Given how rapidly such difficulties appear to be discounted,
it is evident that the effect of personally experienced unemployment
upon election outcomes would be quite small. Still, the support these
data on personal unemployment difficulties have generated for the
policy-oriented hypothesis is considerably greater than the support
other data on personal economic fortunes have given the incumbency-
oriented hypothesis.

There are obviously some shortcomings in this analysis.
First, its evidential base concerns only the unemployment side of the
hypothesis; the corollary is that voters for whom inflation is a
serious personal problem give greater support to the Republicans.
Secondly, only personal level economic difficulties have been
investigated. As indicated in the introduction, it has instead been
assessments of the national economy as a whole which have produced the
strongest evidence of incumbency-oriented voting. These deficiencies
will be remedied by 1) analyzing direct indicators of personal
difficulties due to inflation as well as unemployment, and by 2)
investigating the effects upon voting of individual’s perceptions of
unemployment or inflation as problems troubling the nation as a whole.
Personal Economic Problems

What is needed in order to conduct a more compelling test of the policy-oriented hypothesis at the level of personally experienced economic problems is a means of isolating those voters who find inflation or unemployment salient and troublesome. In three of the CPS election studies — 1972, 1974, and 1976 — this could be done on the basis of respondents' answers to the following set of questions:

Let's change the subject for a moment. We like to have people tell us what sorts of problems they have to deal with in their daily lives. Can you tell me what some of the problems are that you face these days in your life... Anything else? Although these questions did not specifically refer to economic problems, well over half the problems respondents mentioned were economic in nature.

Unfortunately, the coding categories developed by the CPS for these items were, for present purposes, not appropriate. In several important instances responses which should have been kept separate were grouped together. It was therefore necessary to recode the responses as they appeared on the original protocols. References to unemployment and inflation were naturally sorted out, but categories of other important economic problems were derived from the verbatim interview data as well. The coding scheme which was thus developed, along with the marginal frequencies from all three years, is presented in Table 2. What are reported are the respondents' most important personal economic problems. If a respondent mentioned some noneconomic problem as the most important one he or she faced, e.g., poor health, but also mentioned an economic problem, the economic problem was the one which was coded here.

As Table 2 shows, respondents cited inflation more frequently than any other economic problem. This category includes all references to high or rising prices, either in general or for specific commodities. Economists, of course, express puzzlement that anyone should be much concerned about inflation in and of itself. What should worry people is the failure of their wage and salary increases to match price increases — a declining real income — and not the nominal price level. But as long as inflation is present, the typical way real incomes are reduced is for price inflation to outpace wage increases. People may thus be confusing the product (declining real income) with the process (inflation).

But as the presence of the category in Table 2 indicates, between five and seven percent of the respondents did refer explicitly to a declining real income. A variety of responses were subsumed under this category: failure of wages to keep up with price increases, living on a fixed income, declining purchasing power, failing to maintain the standard of living one is accustomed to, or having great difficulty in doing so.

It makes sense on two grounds to differentiate between these respondents and those who simply cited high or rising prices as their worst problem. First, such respondents appeared to be worse off in objective terms; references to a declining real income were considerably more frequent in low income categories than in high, and more frequent among retirees as well. When asked to compare their
family’s financial present financial situation with that of a year ago, in 1976 49 percent of the respondents in this category said it had worsened; only 33 percent in the inflation category reported being worse off, a figure barely distinguishable from the sample average of 30 percent. Secondly, people who referred to a declining real income may have been more sophisticated in perceiving the true nature of their problems. There was, however, no relationship between the frequency with which respondents referred to this problem and their level of educational attainment. At any rate, it seems quite plausible to suspect that the political response to perceived economic problems of this nature may differ from that of respondents who simply cited inflation.

The unemployment related category is broadly defined. It contains all respondents who felt their worst economic problem was that they (or someone in their family) were laid off, unemployed, unable to find a job, worried by the threat of unemployment in the near future, or underemployed, i.e. unable to work enough hours. The percentages of respondents in this category closely paralleled the objective rates of unemployment among different racial and occupational groups. According to the 1976 cross-sectional data, blacks were more than twice as likely as whites to refer to unemployment — 7.9 percent to 3.7 percent. Among occupational categories the percentages ranged from only 1.6 percent of managerial-administrative personnel to 14.0 percent of nonfarm laborers.

Yet despite the breadth of this definition, only between 3.4 percent and 4.4 percent fell into this category. Perhaps, as conservative economists and politicians claim, unemployment compensation and other benefits have substantially eased the burden of joblessness. And as the previous findings suggested, experiences with unemployment are evidently quickly discounted. Whatever the reason, the percentage of respondents naming unemployment their worst problem was lower than the objective rate of unemployment.

Similarly, not too many respondents referred to taxes as their worst personal economic problem. A residual category, general or miscellaneous economic problems, was largely composed of vague references to such things as "bills," "finances," "money," "money problems," or "not making enough money." As Table 2 shows, the percentage of respondents falling into this category was remarkably stable from year to year — around 20 percent each time. In fact, the size of most categories remained quite stable from year to year; only the percentage citing inflation fluctuated much. Fluctuations in the size of that category, though, clearly reflected the actual rates of inflation which obtained in 1972, 1974, and 1976.

Perceived National Economic Problems

As noted earlier, in several previous studies of incumbency-oriented voting it was individual’s assessments of how well the national economy as a whole was performing, not their evaluations of recent trends in their own personal (family) financial situation, which most strongly affected their voting decisions. This bodes well for the present analysis of policy-oriented voting — that voters apparently respond to the general state of the economy certainly suggests that their perceptions of specific national economic problems
matter as well. As at the personal level, though, the incumbency-oriented and policy-oriented hypotheses are separate and distinct. Thus the good showing of the former is no guarantee the latter will meet with similar success.

The comparison between the personal level and national level versions of the policy-oriented hypothesis should obviously be a fair one. A desideratum for the following analysis, therefore, is to develop measures of national economic problem concerns which are as similar as possible to the personal economic problem measures. Fortunately, with one exception (1962) all CPS Election Studies since 1958 have contained question suitable for present purposes. Like the personal problems questions, they were all open-ended, and imposed a minimum of constraint on the respondent’s answers. Not only does this provide assurance that the problems cited are salient to the respondents, it also allows them to frame the issues in their own way. As Repass (1971) points out, the closed-ended type of questions around which the virulent "issue voting" controversy revolves are wanting in both regards.

The various questions used were as follows:

What do you think are the most important problems facing this county? (1972, 1974, 1976, 1978).

What do you personally feel are the most important problems which the government in Washington should try to take care of? (1966, 1968, 1970).

What would you personally feel are the most important problems the government should try to take care of when the new President and Congress take office in January? (1960, 1964).

Now, how about problems here at home inside the United States in the past year or so . . . Would you say that things in general have been going along better than they were a year ago, not as well as before, or have they stayed about the same? How is that? (1958).

The coding scheme derived from the available CPS categories and marginal frequencies for each year are presented in Table 3. As before, it is the most important economic problems respondents cited which are reported, if a noneconomic problem (e.g. crime) was deemed most important, but an economic problem was also mentioned, the economic problem was the one which was coded.6

[Table 3 about here]

Most categories require little explanation. The inflation category includes all those who named high or rising prices the most troublesome national economic problem. Occasionally they referred to particular goods or services, but most references concerned prices in general. Included under unemployment are respondents who felt the government should create more jobs, provide job retraining, or grant aid to depressed areas; most, though, simply cited unemployment. As the figures in Table 3 clearly show, the number of respondents who named either of these two economic problems the most important closely tracked the actual inflation and unemployment rates in these years. The unemployment figures peaked in 1958 and 1976, inflation in 1974 and 1978. It should be noted that in the three years in which comparisons are possible (1972, 1974, 1976) the number of respondents who cited inflation or unemployment at the national level was always much larger than the number who named them as their most serious a personal problem. The potential impact of the national level
perceptions upon elections is thus much greater. Only a small percentage of respondents, for example, cited unemployment as a personal problem, but in 1958 and 1976 it was cited more frequently at the national level than any other problem.

As at the personal level, few respondents felt taxes were the most important national economic problem. Under more government programs were respondents who believed that the federal government should do more to alleviate social problems. Most of them advocated new or enlarged federal programs in particular areas: education, housing, transportation, health and medical care, urban renewal, poverty programs, aid to minorities, or social security. The category also included those who felt the federal government should increase its spending in order to stimulate the economy, and those who felt government should exert more control or regulatory power over private business. Individuals in the next category, however, believed that a large and growing public sector was precisely what was wrong with this country. A variety of responses fell under the rubric of less government spending — the federal government's budget deficits, a lack of fiscal responsibility, waste and inefficiency in the bureaucracy, creeping socialism, or too much government interference into private enterprise. As Table 3 shows, this category was never a very large one, ranging from virtually zero in some years to a high of 7.2 percent in 1966.

Parties of the left typically favor expansion of the size and scope of the public sector, while parties of the right oppose it (Hibbs, 1978; Cameron, 1978). Given the centrality of this issue in domestic policy debate it is thus important for the following analysis that these categorical variables be specified. As Table 3 shows, percentage of respondents in the two public sector categories dropped off considerably after 1970. It seems likely that most people view inflation, unemployment, or the general state of the economy as prior concerns, which, as the economy stumbled through the Seventies, took precedence over questions about the need for additional government programs.

Finally, most respondents included in the next category, general economic problems, referred simply to "the economy." The few who cited several other problems, such as interest rates, a bearish stock market, or balance of payments deficits were also included. This category was obviously quite small during the prosperous Sixties, but by 1974 over a quarter of the respondents were included in it. As was also the case at the personal level, no obvious policy-oriented hypotheses can be made about respondents who cited general or miscellaneous economic problems. It seems reasonable to post, though, that such voters, concerned about the economy in general but not attune to a specific problem, would tend to vote against the incumbent president and his party's candidates.

Non-economic problems, of course, are everything else: the Vietnam War, foreign affairs, national defense, crime, drug abuse, public disorder, and a host of other things. Not surprisingly, this catch-all category was largest in the tumultuous, war-torn, but prosperous year of 1968, smallest in the peaceful but economically troubled period beginning in 1974.
Sources of National Economic Problem Perceptions

One of the more intriguing findings reported in Kinder and Kiewiet's (1979) study was the weakness of the relationship between respondents' assessments of their own economic conditions and their perceptions of the state of the economy; their views on whether or not national business conditions had recently worsened or improved had little to do with their own (family's) financial situation.

When specific economic problems were considered, however, a somewhat stronger relationship was present. Probit analyses of perceptions of unemployment and inflation as national problems indicated that these perceptions were influenced by personal experiences. (For the sake of brevity only a summary of these analyses can be reported — a detailed report of the estimation procedures and results is available from the author upon request.) Respondents who named unemployment at the personal level were considerably more likely to cite it at the national level as well. The same was true for inflation. Furthermore, several important group differences were present — blacks, union members, low income, and low education respondents were more likely than average to cite unemployment, while farmers, managerial-administrative personnel and Southerners were less likely. These differences obviously make sense in light of what we know about the way the costs of unemployment are distributed. On the other hand, there were virtually no group differences present in the propensity of respondents to cite inflation as a national problem; blacks were less likely than average, but only slightly so. A similar pattern appeared when respondents' partisan predilections were considered. Democrats were somewhat more likely to name unemployment the nation's most serious problem, but they did not differ from Republicans in their propensity to cite inflation.

The strength of these associations between perceived national economic problems and other variables, though, should not be overstated. Despite the greater propensity of respondents who had referred to inflation and unemployment as personal problems to also cite them at the national level, it is also the case that the large majority who did name one of these two maladies at the national level had not referred to them as personal problems. Furthermore, the impact of party identification upon perceptions of national economic problems was quite small in comparison to the overall variation in perceptions of inflation and unemployment from year to year. As previous studies have shown, perceptions of national economic problems, though affected to some degree by the respondents' personal economic experiences, socioeconomic background, and party affiliations, closely reflect objective economic conditions (Repass, 1971; Miller and Miller, 1977).

A couple of other matters must be considered before the electoral effects of concern over inflation and unemployment can be estimated. First, although the problem indicators are evidently not very susceptible to partisan coloration (indeed, the questions from which the indicators were derived, referring to neither parties, issues, nor candidates, clearly should have kept rationalization to a minimum), the reverse might be a problem. Several recent studies have shown that party identification, at least as measured by the standard
seven-point scale, is affected by short-term forces. In particular, Fiorina (1979) found that between 1974 and 1976 respondents' partisanship changed in accordance with their overall ratings of the president, their views on the Nixon pardon, and their assessments of the government's performance in managing the economy. Brody's (1977) study generated similar findings. His analyses, however, strongly indicated that most of the instability is in the strength component, e.g. movements from "strong" Democrat to "weak" Democrat; there was very little change, on the other hand, in the basic direction of identification, e.g. movements from Democrat to Republican. In specifying partisan predispositions, therefore, the following procedures shall be used: 1) When panel data are available, the respondent's vote in the previous elections will be specified; 2) When only cross-sectional data are available, the partisanship indicators will incorporate only the directional component.9

The second matter to be considered is the fact that both the personal and national level indicators of concern over inflation and unemployment are sensitive to only the presence of these problems, and not their absence. It may be that voters reward one party or the other for dealing successfully with inflation or unemployment. Or it may be that voters punish but do not reward (Bloom and Price, 1975). Success of this nature, however, would be indicated by the percentage of respondents naming inflation or unemployment as a serious problem approaching zero. An analysis based upon these indicators, though, can only detect voters reacting to the presence of either inflation or unemployment by favoring the candidates of the party whose priorities match their own. Estimation will thus be confined to those years in which inflation or unemployment was bad enough to prompt a significant number of respondents (over 10 percent) to cite one of these problems at either the personal or national level. These years are 1958, 1960, and 1970 through 1978.

Estimation

The following analysis is a simple one. The probit model to be estimated is of the form:

\[ V_{j}^{P,C} = f(\beta_{0} + \beta_{1}R + \beta_{2}D + \beta_{3}PE_{j} + \beta_{4}NE_{k} + u) \]

where \( V_{j}^{P,C} \) = respondent's reported vote for president or congressman, taking on the value of 0 if Democratic, 1 if Republican.

\( \beta_{0} \) = a constant term.

\( R \) = a dummy variable which, when only cross-sectional data are available (1966, 1970, 1972, 1978), takes on the value of 1 if the respondent identifies with Republican party (as either a strong or weak identifier, or as an Independent leaning Republican), 0 otherwise. When panel data are available, however, (1958, 1960, 1974, and 1976) the respondent's vote in the previous election is used. Thus this variable takes on the value of 1 if the vote was Republican, 0 otherwise.

\( D \) = the same as above, except it registers Democratic identifiers or respondents who voted Democratic in the previous elections. A reference group is thus composed of those respondents who, in years in which cross-sectional data are used, are independents, or, when panel data are used, had not voted in the previous election.

\( PE_{j} \) = in 1972, 1974, and 1976 a battery of dummy variables, one for each of the categories of personal economic problems which were coded. The reference groups are composed of those respondents who either reported no economic problems or no problems whatsoever. In other years the same personal finances and head of household's unemployment terms used previously are included.
Democratic direction of the unemployment terms, however, most estimates for the inflation terms did not differ noticeably from those of the neutral, nondescript reference groups. The one bright spot is the 1972 president election, where the sign was in the correct direction and statistically significant. Apparently the only Democratic candidate to be punished by voters who felt personally injured by inflation was the unfortunate George McGovern. There is not very much to report concerning the other personal economic problems included in the analysis. In general, estimates for the effect of a declining real income fell in between the inflation and unemployment terms, with respondents voting slightly more Democratic than the former but somewhat more Republican than the latter. Estimates of the taxes term were erratic in direction, while those for the general economic problems category did not differ much from zero.

Turning to perceptions of **national** economic problems, the unemployment side of the policy-oriented hypothesis again receives strong empirical backing. Voters who named unemployment the most serious national economic problem gave considerably more support to Democratic presidential candidates in 1960 and 1976 and to that party’s congressional candidates in 1958. To be sure, the size of the probit estimates in these three elections were not overwhelming. On the whole they were not quite as large as estimates for the personal unemployment terms. This means that for any one individual, being personally affected by unemployment related difficulties will probably have a slightly larger impact upon his or her vote than simply perceiving unemployment to be a serious national problem. But as
pointed out earlier, the number of voters who perceived unemployment to be nationally troublesome in these years was a large multiple of the number for whom it was personally troublesome. In 1976 the national level measure included over eight times as many voters as the personal level measure; it was over three times as large in 1960, and over six times as large in 1958. Taking this into account, it is clear that in elections which follow severe recessions (1958 and 1976) or periods of slow growth (1960), the electoral impact of unemployment derives mainly from voters who see it as a pressing national problem, and not from those who have been personally affected.

As was the case at the level of personal economic problems, though, the inflation side of the policy-oriented hypothesis does not fare as well. The strongest support for it was received in 1966, when the large number of respondents (16 percent of the sample) who cited inflation as the nation's worst economic problem were considerably more likely to vote Republican. At the present juncture it seems hard to believe that the 2.8 percent rise in consumer prices that year triggered such a reaction, but this was a major spurt compared to the average 1.3 percent of the previous five years. In the 1960 presidential election the estimate was also statistically significant. But in all five elections from 1970 on -- all years in which large percentages of voters named inflation -- the greater level of support they were predicted to give Republican candidates was not forthcoming.

Similarly -- at least in the elections analyzed in Table 4 -- respondents who believed more government programs were needed to alleviate serious national problems did not appear to differ systematically in their voting decisions from those who believed too much government spending or taxation was to blame for the nation's difficulties. It should be noted, though, that the former category was very small from 1972 on, and that the latter categories never contained more than a small percentage of respondents. The final categories were composed of those respondents who mentioned some general or miscellaneous economic problem at either the personal or national level. For the most part such concerns had no effect upon voting. The only glimmer of an impact occurred in 1972, when voters in this category at the national level gave greater support to the Democratic challenger, George McGovern.

One last point deserves attention, and that is that the policy-oriented hypotheses receive much more support early in the congressional election series than it does later on. In the first three or four equations reported in Table 4 the hypotheses do not fare badly. As mentioned earlier, the Republicans paid dearly for the 1958 recession; over a third of the voters in that year believed unemployment was the most important national economic problem, and they were significantly more likely to cast their ballots for Democratic congressional candidates. The inflation hypothesis was strongly supported in 1966, and although not statistically significant, the signs of the national inflation and unemployment terms were clearly in the predicted direction as late as 1970. To be sure, this first set of elections contain some anomalous results as well. Estimates of the 1966 national unemployment term and 1960 more government programs term were statistically significant but in the
opposite direction as predicted. On the whole, though, results of the first half of congressional elections equations estimated in Table 4 composed a somewhat attenuated and more erratic version of the pattern of findings obtained in the analysis of presidential elections.

This is not the case in the second half of the congressional election series. In the five elections equations beginning with 1970, only one national problems term — more government spending in 1976 — is statistically significant, and its sign is in the opposite direction as predicted. As the virtually random patterns of the signs of the various terms indicate, after 1970 the particular economic problems respondents cited did not appear to affect their voting choices in any consistent fashion. Admittedly, the break between the first set of elections and the second set has probably been exaggerated. Looking across the entire series in Table 4, however, it seems clear that voters' perceptions of national economic problems no longer have a significant impact upon their voting decisions in congressional elections.

This disappearance at the congressional level of policy-oriented voting based upon perceived national economic problems is consistent with a growing body of literature on the "denationalization" of congressional elections over the past few decades (Burnham, 1974, Mann, 1978). Most researchers in this area attribute this denationalization to a substantial increase in the electoral advantage enjoyed by incumbents (Mayhew, 1974, Fiorina, 1977). Such an increase in the advantage of incumbent congressmen, regardless of their party, would make individual congressional elections less sensitive to cross-district national forces, including, of course, perceptions of particular national economic problems.

Summary of Results

This analysis has uncovered considerable evidence of policy-oriented voting vis-a-vis inflation and unemployment. To be sure, the inflation side of the hypothesis garnered only weak, scattered support. There were a few instances at both the personal and national levels of inflation-sensitive voters supporting the Republicans, but that is all. Furthermore, policy-oriented voting in congressional elections appears to have declined considerably over the past decade or so. The preponderance of the evidence, though, was of voters reacting against Republican candidates because of their concern over unemployment. Voters who had personally experienced unemployment gave a modest but consistent boost to Democratic candidates in virtually every election. This effect was heavily supplemented in years of high unemployment by the large percentage of voters who felt unemployment was a serious national problem and consequently voted heavily Democratic as well.

Now this does not take anything away from the evidence in favor of incumbency-oriented voting in response to economic fluctuations; support for that hypothesis, reviewed earlier in this paper, is strong and pervasive. But it is reasonable to conclude that in the period studied incumbency-oriented voting was importantly supplemented by policy-oriented voting, and that such voting occurred primarily in response to unemployment.
This paper will turn now to aggregate data, and seek to determine whether or not evidence in favor of policy-oriented voting exists at this level. More specifically, this section will compare the performance of models which incorporate policy-oriented distinctions with models which specify incumbency-oriented effects only.

III. A COMPARISON OF INCUMBENCY-ORIENTED AND POLICY-ORIENTED MODELS: A NEW LOOK AT THE AGGREGATE LEVEL EVIDENCE

Obviously, there is no easy, direct way to proceed from individual-level analyses to aggregates. This is especially true with the sort of individual-level measures examined in this paper. These measures only register whether or not individuals at a given point in time see inflation, unemployment, or some other problem as the most serious problem facing themselves or the country as a whole. Data of this nature tells us little about the dynamics of public concern over inflation or unemployment. Is it the simple rates of unemployment and inflation which the electorate reacts to? A strong argument can be made that 8 percent unemployment or 10 percent inflation is bad regardless of whether the rate is moving up or down. An equally strong case can be made that it is changes in the rates of inflation and unemployment which matter. In fact, it is often argued that a steady, fully anticipated inflation rate is nearly as good as a steady price level (Okun 1975), though, characterizes the goal of "steady inflation" as a "mirage".

Fortunately, evidence from some previous studies bears on this point. Fair (1978) found that votes for president were powerfully predicted by changes in the unemployment rate. And Hibbs' (1979) analysis clearly shows that the American public's aversion to unemployment vis-a-vis inflation is extremely insensitive to the level of unemployment, but very sensitive to changes in the unemployment rate. Furthermore, the steady secular increase in the rate of inflation from the mid-Sixties suggests that change in the rate of inflation is the appropriate measure. As shown earlier in this paper, the jump in the inflation rate from about 1 percent to 3 percent in 1966 triggered a significant public reaction; today, of course, a drop to even 12 percent would be welcome.

This study, therefore, will examine the electoral impact of changes in the unemployment and inflation rates. It would not seem prudent to extend the time series back before the emergence of the current party system, at which time the parties' macroeconomic priorities emerged as well. The data base used here is therefore the 22 congressional elections since 1932 (the war years of 1942 and 1944 are excluded). Finally, the dependent variable to be examined is the change in the Republican share of the two-party vote from the previous election.

Three different equations were estimated, and the results are reported in Table 5. Equation 1 specifies incumbency-oriented voting only. This was done by simply multiplying the change in unemployment and change in inflation terms by an incumbency index, which took on the value of 1 when a Republican was president, -1 when a Democrat was president. Both terms were in the correct direction, both were
statistically significant, and the $R^2$ was a respectable .55. As have several previous studies, this study also shows strong support for incumbency-oriented voting.

Equation 2, though, represents a clear improvement over Equation 1. It allows estimates of the change in unemployment terms to vary across Democratic and Republican administrations. (This is done by multiplying the change in unemployment term by dummy variables which reflect the party of the incumbent president. $R$ takes on the value of 1 if he is a Republican, 0 otherwise. Similarly, $D$ is 1 if he is a Democrat, 0 otherwise.) This modification produces an improvement in explained sum of squares which is significant at the .05 level ($F_{1,18} = 4.50$). The positive sign of the Democrat-unemployment term and negative sign of the Republican-unemployment term indicate that incumbents of both parties have been hurt by rises in unemployment and have benefited from drops in unemployment.\footnote{11} As noted earlier in this paper, though, increases in unemployment occurred during only two of the thirteen election years in this period in which the Democrats controlled the White House, but occurred during five of the nine election years in which the incumbent president was a Republican. The difference in the magnitude of the estimates indicates that when they are the incumbents, the Republicans' electoral fortunes are far more sensitive to changes in unemployment. In particular, any rise in unemployment would hurt the Republicans nearly twice as badly as it would the Democrats were they the incumbents.

Finally, Equation 4 simply allows the effects of changes in the rate of inflation to vary across the different parties' administrations. Although the estimates suggest that Democratic incumbents are hurt worse by a rise in inflation than are Republicans, the improvement in fit this affords is quite small and insignificant. In short, the conclusion to be drawn from the aggregate level is the same as the conclusion drawn at the individual level: during the period studied incumbency-oriented voting in response to fluctuations in economic conditions was importantly supplemented by policy-oriented voting, but such voting primarily occurred in response to unemployment.

IV. CONCLUSION

That the amount of support voters extend to candidates of the incumbent party is responsive to fluctuations in economic conditions constitutes one of the most important findings of recent political research. Its implications for empirical democratic theory are clear. As Kramer (1971) put it "... election outcomes are in substantial part responsive to objective changes occurring under the incumbent party; they are not 'irrational,' or random, or solely the product of past loyalties and habits, or of campaign rhetoric and merchandising" (p. 140). How well the incumbents do at the polls, then, depends in part on how well they have done in office.

But by emphasizing incumbency-oriented voting so strongly, this research has paid insufficient attention to important differences in the relative priorities the major parties have assigned to the conflicting goals of full employment and price stability. As Hibbs
(1977) has shown, such differences in macroeconomic priorities have important distributional consequences. This study has shown that these differences in priorities have had important electoral consequences as well. The evidence it has generated indicates that a significant amount of voting in response to both personal economic problems and perceived national economic problems has been shaped by policy-oriented considerations.

1. As of this writing the present Democratic administration would seem to have adopted this strategy. President Carter has fully supported the Federal Reserve's policies of raising interest rates to record levels, and has vowed to balance the FY1981 budget. This would appear to contradict the premise that the parties' macroeconomic priorities differ and thus undermine the case for policy-oriented voting. However, it does not. The argument is that their relative priorities differ, not that the Democrats only care about unemployment, never about inflation, while the Republicans care only about inflation and are oblivious to unemployment. It is hard to believe a Reagan or Ford would be less zealous than Carter at battling inflation, or more concerned about unemployment. Finally, up to this point Carter has pursued policies, which, compared to those of any conceivable Republican administration (i.e. Ford or Reagan) have produced a relatively low unemployment-high inflation configuration.

2. These data were made available by the Inter-University Consortium for Political and Social Research. Neither the original collectors of the data nor the consortium bear any responsibility for the analyses or interpretations presented here.

3. The changes made in their original analysis were as follows: 1) Probit analysis was used instead of ordinary least squares regression. This is a preferable procedure given the dichotomous nature of the dependent variable. 2) The analysis was extended to include
presidential as well as congressional elections. 3) Their construction of the unemployment variable allowed bouts of joblessness which had occurred up to two years prior to the interview to be counted. This period is probably inordinately long. The point here is to isolate those voters for whom unemployment is a serious personal problem. For individuals who had been out of work two years ago but had been steadily employed since, this is probably not the case, and to include them in the "unemployed" category could attenuate estimates of the variable's effect. In the elections in which their measure used the previous two years as a time frame, this analysis will therefore reduce it to the previous six months.

4. In the years in which panel data were available (1958, 1960, 1974, and 1976) dummy variables registering the respondents' vote in the previous election were used. In other years partisanship was specified by a pair of nominal party identification dummies. Results were virtually identical, however, when the nominal party identification dummies were substituted for the previous vote terms in the four panel years.

5. This recoding was done originally as part of an intensive analysis of the impact of personal economic problems upon voting. The results of this work are reported in the author's unpublished Ph.D. dissertation.

One of the major problems with the 1976 code was that complaints about unemployment were lumped together with all other job-related references, which ranged from despising the public (frequently mentioned by sales clerks) to having to work too many hours. It turned out that only about half of the references in the employment-related category were about unemployment. The 1972-74 codes often contained a wide variety of responses. One category, for example, contained references to inflation, taxes, governmental waste, and the cost of college. These responses obviously needed to be disaggregated.

The staff at CPS was extremely accommodating and helped make the task of recoding the interviews much less arduous than it might have been. I would like to thank Warren Miller for his approval of the project, and Ann Robinson, Alice Hayes, and Maria Sanchez for their valuable assistance.

6. In all studies except 1958, respondents were subsequently asked which of the problems they had mentioned they considered most important. The CPS coders were thus able to order problem reports according to perceived importance, and the highest ranking economic problem (if any were mentioned) was included in Table 3. The procedure followed in the 1958 study was a little more complicated. After respondents were asked whether they thought "problems here at home in the United States" had gotten better in the past year, gotten worse, or stayed the same, they were asked to report the particular problems they had in mind. Only the reported problems of those who believed things had stayed the same or had worsened were coded, but about 85 percent of the sample fell into these two categories. As Table 3 indicates, inflation and unemployment were the only two economic problems which could be extracted from the CPS codes for that year. The "no problem mentioned" category is inordinately large in 1958 because responses relating to defense and foreign affairs were inappropriate, and because it includes the 15
percent who felt the U.S. domestic situation had been improving.

7. One criticism of previous work in this area is that the statistical models employed are so simple that they are possibly under-specified. Fiorina (1978), however, indicates that the economic conditions items are not strongly correlated with other noneconomic issue items. Thus specification bias should not present any problems for the analyses undertaken in this study.

8. "Previous election" means the previous congressional election when congressional elections are analyzed but the previous presidential election when presidential elections are analyzed. In 1976, for example, the previous election considered in the congressional equation was 1974, but for the 1976 presidential race the respondents' reported vote for president in 1972 was specified.

9. Cross-tabular analyses revealed that change in respondents' party identification from 1974 to 1976 was only slightly affected by their perceptions of national economic problems. Furthermore, what little systematic change there was occurred in the strength component — perceiving inflation to be the nation's worst problem tended to strengthen the identification of Republicans, while unemployment tended to strengthen the identification of those who had already been Democrats in 1974. So while the nominal party dummy specification used here (it is the same as the specification used in Fiorina (1978) and Kinder and Kiewiet (1979)) is appropriate, the results which are generated would not differ much if the seven point scale were used instead.

10. Findings concerning the effects of these public sector issues were markedly different in the 1964 and 1968 elections, however. In these years the percentages of respondents in these categories were quite high, while the percentages in the inflation and unemployment categories were very small. Furthermore, estimates for the "more government programs" terms were strongly pro-Democratic in direction, while voters in the "too much government spending" and "taxes" categories in 1964 and 1968 gave substantially greater support to Republican candidates.

11. Kramer and Goodman's findings are based upon a re-analysis of data utilizing a model developed by Arcelus and Meltzer (1975). They had criticized this model on several fundamental grounds, however, and so had little confidence in this and any other findings generated in their study.
In 1966, the U.S. Census Bureau conducted a survey to determine the impact of various factors on voting in presidential elections. The survey included questions about the employment status of the household's head, the family's finances, and the head's experience. The results were analyzed and reported in a table, which is shown below.

<table>
<thead>
<tr>
<th>Year</th>
<th>Head's Employment</th>
<th>Family Finances</th>
<th>Congressional Elections</th>
<th>Presidential Elections</th>
</tr>
</thead>
<tbody>
<tr>
<td>1966</td>
<td>Likely to Vote</td>
<td>Possibly Vote</td>
<td>Likely to Vote</td>
<td>Likely to Vote</td>
</tr>
<tr>
<td>1967</td>
<td>Likely to Vote</td>
<td>Possibly Vote</td>
<td>Likely to Vote</td>
<td>Likely to Vote</td>
</tr>
<tr>
<td>1968</td>
<td>Likely to Vote</td>
<td>Possibly Vote</td>
<td>Likely to Vote</td>
<td>Likely to Vote</td>
</tr>
<tr>
<td>1969</td>
<td>Likely to Vote</td>
<td>Possibly Vote</td>
<td>Likely to Vote</td>
<td>Likely to Vote</td>
</tr>
<tr>
<td>1970</td>
<td>Likely to Vote</td>
<td>Possibly Vote</td>
<td>Likely to Vote</td>
<td>Likely to Vote</td>
</tr>
<tr>
<td>1971</td>
<td>Likely to Vote</td>
<td>Possibly Vote</td>
<td>Likely to Vote</td>
<td>Likely to Vote</td>
</tr>
<tr>
<td>1972</td>
<td>Likely to Vote</td>
<td>Possibly Vote</td>
<td>Likely to Vote</td>
<td>Likely to Vote</td>
</tr>
<tr>
<td>1973</td>
<td>Likely to Vote</td>
<td>Possibly Vote</td>
<td>Likely to Vote</td>
<td>Likely to Vote</td>
</tr>
<tr>
<td>1974</td>
<td>Likely to Vote</td>
<td>Possibly Vote</td>
<td>Likely to Vote</td>
<td>Likely to Vote</td>
</tr>
<tr>
<td>1975</td>
<td>Likely to Vote</td>
<td>Possibly Vote</td>
<td>Likely to Vote</td>
<td>Likely to Vote</td>
</tr>
<tr>
<td>1976</td>
<td>Likely to Vote</td>
<td>Possibly Vote</td>
<td>Likely to Vote</td>
<td>Likely to Vote</td>
</tr>
<tr>
<td>1977</td>
<td>Likely to Vote</td>
<td>Possibly Vote</td>
<td>Likely to Vote</td>
<td>Likely to Vote</td>
</tr>
<tr>
<td>1978</td>
<td>Likely to Vote</td>
<td>Possibly Vote</td>
<td>Likely to Vote</td>
<td>Likely to Vote</td>
</tr>
</tbody>
</table>

The table above shows the trend in family finances and voting in presidential elections from 1956 to 1978. It indicates that the head's employment status and family finances are important factors in determining voting behavior.
In any of the product analyses, weighted when voters are considered, weights are not used. Percentages presented here are weighted samples of all respondents. No important influence effects were present; however, so the percentages reported here are virtually the same as the unweighted percentages. Ns are based on the 1972, 1974, and 1976 cross-sectional weighted.

<table>
<thead>
<tr>
<th>Year</th>
<th>1972</th>
<th>1974</th>
<th>1976</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>13.4</td>
<td>20.8</td>
<td>8.09</td>
<td>11.09</td>
</tr>
<tr>
<td>24.4</td>
<td>32.5</td>
<td>19.2</td>
<td>18.6</td>
</tr>
<tr>
<td>19.2</td>
<td>2.5</td>
<td>5.5</td>
<td>1.3</td>
</tr>
<tr>
<td>4.1</td>
<td>3.4</td>
<td>4.4</td>
<td>4.0</td>
</tr>
<tr>
<td>5.9</td>
<td>7.1</td>
<td>4.8</td>
<td>5.0</td>
</tr>
<tr>
<td>22.2</td>
<td>14.4</td>
<td>14.2</td>
<td>14.2</td>
</tr>
</tbody>
</table>

(in percentages)

Table 2

Most Important Personal Economic Problems
A. The "no problem mentioned" category in 1996 is not comparable to the same category in the other years.

<table>
<thead>
<tr>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>N</td>
<td>11.2</td>
<td>10.2</td>
<td>9.7</td>
<td>9.2</td>
<td>9.6</td>
<td>9.9</td>
<td>10.8</td>
<td>11.9</td>
<td>12.6</td>
<td>12.7</td>
<td>12.2</td>
<td>12.7</td>
<td>13.5</td>
<td>14.1</td>
<td>14.6</td>
<td>14.9</td>
<td>15.1</td>
<td>15.4</td>
</tr>
</tbody>
</table>

- No Problem
- Economic Problems
- General Economic Problems
- Programs Spending
- Less Government Programs
- More Government Programs
- Taxes
- Unemployment
- Inflation

(All categories are in percentages)

Most Important National Economic Problems, 1939-1996

Table 3
<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>C</td>
<td></td>
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<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Family Income</td>
<td>-0.04^**</td>
<td>-0.06</td>
<td>-0.05</td>
<td>-0.04</td>
<td>-0.03</td>
<td>-0.02</td>
<td>-0.01</td>
<td>-0.00</td>
</tr>
<tr>
<td>Unemployment</td>
<td>-0.23</td>
<td>-0.24</td>
<td>-0.25</td>
<td>-0.26</td>
<td>-0.27</td>
<td>-0.28</td>
<td>-0.29</td>
<td>-0.30</td>
</tr>
<tr>
<td>Inflation</td>
<td>-0.33</td>
<td>-0.34</td>
<td>-0.35</td>
<td>-0.36</td>
<td>-0.37</td>
<td>-0.38</td>
<td>-0.39</td>
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</table>

**Note:** The table above shows the effect of personal and perceived national economic problems on voting in national elections, 1958-1978. The values represent the change in the probability of voting for a particular party, with negative values indicating a decrease in support for that party. The values are standardized coefficients with p-values, where asterisks (*) indicate significance at the 0.05 level, and double asterisks (**) indicate significance at the 0.01 level. The null hypothesis is that there is no change in voting behavior for personal and perceived national economic problems.
<table>
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<tr>
<th></th>
<th>2.38</th>
<th>2.46</th>
<th>2.47</th>
<th>d.w.</th>
<th>( R^2 )</th>
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<td>0.0022</td>
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<tr>
<td>0.0056**</td>
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<td>-</td>
<td>-</td>
<td>R</td>
<td>(IR ( L ) - IR ( L-1 )) \cdot I</td>
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<td>(0.004*)</td>
<td>(0.007*)</td>
<td>(0.004*)</td>
<td>I</td>
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<td>0.0139**</td>
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<td>-</td>
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<td>-</td>
<td>(0.004*)</td>
<td>I</td>
<td>(ur ( L ) - ur ( L-1 )) \cdot I</td>
</tr>
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</table>

A Comparison of Incumbency-Oriented and Policy-Oriented Models

Table 5
REFERENCES


Sniderman, P. M., and Brody, R. A. "Coping: The Ethic of Self-reliance."

Stigler, G. J. "General Economic Conditions and National Elections."


Tufte, E. R. "Determinants of the Outcomes of Midterm Congressional Elections."


