



FACING UP TO THE
Nation's Finances

A nonpartisan project on
the long-term challenges
of the federal budget

The Brookings Institution
The Concord Coalition
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Public Agenda
Viewpoint Learning

Understanding Public Attitudes about the Federal Budget

A Report on Focus Groups

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Introduction

In March and April of 2006 Public Agenda conducted six focus groups; one each in Englewood, New Jersey and Kansas City, Missouri, and two each in San Antonio, Texas and San Diego, California. Our overarching goal in these groups was to get a sense of the public's starting point on issues surrounding the federal debt. Where does the federal debt rank among public concerns? Do people understand the issues involved? If people are prone to be less concerned with the debt than with other priorities what can elicit greater urgency or make the issue more relevant? If presented with objective and easy-to-understand information about the composition of the federal budget and debt, do people think or talk differently about the issues?

Key Findings

- For most respondents the deficit and the debt were initially low level issues, behind higher priorities such as the war in Iraq, jobs, health care and education. That said, most quickly recognized its importance once the conversation turned to the deficit.
- While people understood very little of the specifics – the deficit vs. the debt, discretionary spending vs. entitlements – they did display a strong, almost intuitive sense that continued “in the red” spending is a recipe for big trouble. Moreover, a little information went a long way toward helping them appreciate the magnitude and nature of the problem.
- Cynicism about government is broad and deeply-felt, perhaps even more so on this issue than on many others. Based on what we have seen in these groups, finding a way to address this is a vital prerequisite for engaging the public on the issue of the debt.
- One of the most hopeful dynamics we witnessed was people's ultimate willingness to take the issues of the nation's debt and finances seriously. Once the conversation got going, many respondents seemed both to let go of simplistic solutions that are unlikely to really solve anything and to accept that hard choices and compromises will be necessary as we face up to the challenges.

While we believe these results hold important clues to the public's starting point and deliberative process with respect to engaging questions around the nation's finances and debt, readers should bear in mind that this is qualitative research based on a small sample of the public. Results should therefore be viewed as strongly suggestive, but not as definitive.

I. Not a Top Priority... but Not a Hard Sell, Either

For most respondents the deficit and the debt were initially low level issues, behind higher priorities such as the war in Iraq, jobs, health care and education. That said, most easily became convinced of its importance once the conversation turned to the issue.

Most respondents initially ranked the debt low on their list of priorities, often saying that the issue does not feel as immediately relevant to their lives as other concerns.

Federal debt, even though I know it's there, I don't see it, I don't feel it every day. (Female, Kansas City)

As long as I can drive my fancy car and eat good, sleep in my \$200,000 home, the heck with the federal budget. It ain't bothering me. (Male, San Antonio)

When I walk out the door, I'm not thinking about federal debt. I'm thinking about how much tax I got to pay, if my kid can go to school, if I can pay for my milk, my mortgage. [The debt's] not prevalent in my mind. (Male, Kansas City)

Some respondents also suggested that the debt is not cause for special concern now because it is perennial and cyclical. In other words, some people view it as a constant challenge that sometimes gets worse and sometimes gets better—similar to fluctuating interest rates, perhaps.

Since I'm out of college, when I really started paying attention to these issues, I've been hearing about the federal debt and the deficit. I don't think it's really

affected me one way or the other in all those years. (Male, New Jersey)

We see it go in cycles, right? We talked about how high it was, and then Clinton closed the gap, and now it's high again. What's to make us not believe that the gap will close again? (Male, New Jersey)

It's always going to be there. It's always going to be expected. I guess everybody's kind of just used to it always being there. We've never been a country to say, "Hey, you know what? We're caught up." (Female, San Antonio, younger)

A Starting Point, but Not a Sticking Point

To experts concerned with the grave potential of a national debt spiraling out of control as the boomers cross the trip-wire of mandatory spending programs like Medicare and Social Security, these comments will be both familiar and troubling. As we shall see in the next section, the good news is that this is just a starting point, and people were surprisingly open to new information and arguments that quickly convinced them—even the most skeptical among them—that the national debt is a critical problem requiring immediate attention and tough decisions.



II. Coming to Terms with the Heart of the Matter

If people understood very little of the specifics – the deficit vs. the debt, discretionary spending vs. entitlements – they did display a strong, almost intuitive sense that continued “in the red” spending is a recipe for big trouble. Moreover, a little information went a long way toward helping them appreciate the magnitude and nature of the problem.

Initial Understanding: Overreaching Abroad and Pork at Home

When asked to discuss the causes of the debt, most focused on issues like Iraq and other involvements abroad, rather than mandatory spending, or “entitlement” programs.

I really feel once we get out of Iraq and Afghanistan, we will have a balanced budget again. (Male, San Antonio)

We stretch ourselves out too far helping other countries. I’m all for helping people, but you can’t spend money you don’t have to help them. (Female, San Diego)

It seems like we’re overreaching. We’re spending money on the war, spending tons of money on other countries. In other words, we’re too big for our britches. (Male, Kansas City)

Beyond issues of the war in Iraq and foreign aid, a large majority of focus group participants focused on mismanagement, waste and corruption as the main causes of federal debt.

A lot of the money that the government puts out and throws us into debt is nothing more than pandering money. (Male, Kansas City)

I think a lot of our debt could be wiped out if we could just take care of, to some degree, the waste and the corruption. (Female, San Antonio)

Every day I read somebody’s swindled, cheated, used funds inappropriately. All I hear is how everything’s going up in price, but all that money is just being wasted (Female, San Diego)

Adding the Boomers to the Mix

From the expert’s point of view the public is missing the heart of the matter, which has much more to do with mandatory spending programs and demographics than it does with instances of irresponsible spending at home or high-priced adventures abroad. That said, it is worth noting two things about the public’s initial analysis. First, it is not completely off-point. Certainly undisciplined and even corrupt practices in the governmental budgeting process and how we invest in action overseas are reasonable items to put on the table—the public is hardly out-to-lunch in bringing them into the discussion.

Second, people were not fixated on these items to such an extent that they were unable or unwilling to learn more. In fact, it was not difficult at all to get people to understand the impact of the baby boomers and mandatory spending programs on the debt. *This is the point at which providing information about the role of entitlements in the current make-up of the federal budget and future projections was most useful for advancing understanding*—doing so both reinforced the urgency of the issue and introduced a critical element of the problem as people think about solutions. Once presented with even a small amount of simple, visual information about what government spending looks like and what future trends portend, their appreciation for the issues and their implications deepened quite quickly.

I think the major thing you have going is that you're going to have more retirees and less workers. That's something that really, really needs to be addressed. (Male, New Jersey)

Of [all] the problem scenarios, the most serious is the Baby Boomer issue, because that's real—that's going to happen... This is definite. (Female, New Jersey)

In the old days, you worked and you died. People collected for a year or two. Now, people are collecting for 30, 40 years. (Male, New Jersey)

At this stage it was clear that people were seeing the debt in a wholly different light. Even those who had argued earlier that the debt was hardly worthy of even 2nd tier concern began to speak of it as an underlying,

encompassing problem that could affect all the things they care about in their day-to-day lives. In short, the sense of urgency that is a prerequisite for engaging the public on tough issues emerged.

The following quotes are from participants who initially ranked the debt at the bottom of their priority lists, but seemed to change their perspectives as the conversation progressed and as they absorbed some basic information.

I think [the debt has] got to be dealt with sooner than later... I don't think we have a choice. It is fixable, and it has to be because, if not, the consequences are dire. (Male, New Jersey)

Basically, we've got Social Security and Medicare taking up all the money. There's nothing left. At the same time, we've got [the interest on] the national debt... somewhere it's got to stop. (Male, Kansas City)

III. Cynicism and Mistrust Threaten to Overwhelm the Search for Solutions

Cynicism about government is broad and deeply felt, perhaps even more so on this issue than on many others. Based on what we have heard in these groups, finding a way to address this is a vital priority for the project and for the country as a whole.

Bringing people to a better understanding of the problem is one challenge, engaging them in a search for solutions is another. Pervasive mistrust of politicians and cynicism about electoral politics appear to be the greatest obstacles to engaging the public on solutions. While these dynamics can come up in focus groups on many issues these days, it struck us as especially strong in these discussions on the nation's finances. Perhaps no one captured this point more poignantly than a New Jersey resident in simply stating, "I think to get robbed is a crime. To get robbed and lose trust, I think is more of a crime, and that's what they [politicians] are doing, they're taking our trust."

This sentiment was echoed by others across all of the groups we conducted.

As much as you give them, as much as they can get, they're going to take. As much as they take, they will spend. They will spend more than they can even possibly take because they're not out to get for the United States. They're for getting reelected. (Female, San Antonio)

I feel there's no accountability for what's happening in the government. It's like everything that's going on, they just want to do what they want to do, and everybody else be damned. (Male, San Diego)

The cynicism and mistrust we encountered made it easy for citizens to avoid engaging solutions deeply because they despair that a solution is even possible.

I think what we're all saying is there's a way to fix [the debt], but we don't trust [leaders] to do it. (Female, New Jersey)

We're frustrated because we feel like there's nothing tangible that we can do. Yes, we can vote, but how much do you know about the person you vote for except what they say on television? And who believes that? (Female, San Antonio)

I think we don't really know the truth about what's really going on. There's just a lot of covering up. We really can't make decisions. We don't have all the information in politics. In anything. (Female, San Diego)

Not only did cynicism affect *whether* people would engage solutions, it sometimes seemed to affect *how* they did so. For example, mistrust sometimes seemed to encourage people's thinking about solutions to skew away from things leaders can do and toward solutions that they can personally hope to control. For example, we often saw people feeling hopeless that social security could be saved through government action, gravitating instead toward personal account-type measures. In doing so they recognized that some people might be hurt as a result (those without the discipline to start saving early), but since they didn't trust politicians to look after the program, they figured that they should salvage what they could.

I think I probably could make up choices in terms of investment, choices for myself, instead of federal government,

*just like he said, pissing money away.
(Male, San Diego)*

*I'm sure all of us in here are responsible
individuals, but what about the guy out
there that, you know, isn't responsible?
(Female, San Diego)*

Of course, people may well be attracted to individual accounts even if they are convinced

that serious government accountability could be enacted. All we are saying here is that, based on our observations in the focus groups, it appeared that mistrust of politicians played a role in driving some people toward this solution. If that were to change, it seemed possible that these individuals may have been more receptive to some government-based solutions.

IV. Let's Get Real

One of the most hopeful dynamics we witnessed was people's ultimate willingness to take the issue of the nation's debt and finances seriously. Once the conversation got going, many respondents seemed both to let go of simplistic solutions that are unlikely to really solve anything and to accept that hard choices and compromises will be necessary as we face up to the challenges.

While people tend to lean on easy answers before they've had a chance to think about and understand the issue, once they have a chance to confront the financial realities, such as the dilemma created by the baby boomers' retirement, they quickly realize that there are no easy answers. From that point forward, people recognize that some sacrifice and hard choices will be necessary, and that any solution would likely include a combination of both cutting spending and raising tax revenues.

They obviously have to do both [cut spending and raise taxes]. They have to learn how to be fiscally responsible much more than they are now, and they have to have enough—I was going to say have some guts. (Female, Kansas City)

You take one thing at a time... Everyone has to make sacrifices when you are deep in debt. (Male, San Antonio)

We might not like how they might try [to fix it]- raise taxes, however we might not like it, but it might be something we're going to have to deal with. (Female, New Jersey)

Continued Commitment to a Social Safety Net

While there was a sense that everyone would have to sacrifice in order to get the budget under control, there was also a fairly consistent sentiment across the groups that higher income Americans should be asked to shoulder more of the burden and the poor should be protected. The ideal of a safety net remains a strong one in the minds of many.

Very often when they talk about cutting programs, it's generally for the poor. If it were done fairly, just across the board, then I could [support] that... (Female, New Jersey)

I would rather pay taxes than see homeless people and a veteran that's been injured and he doesn't get any health care. I'd rather pay more money and live in a society where I have to pay higher taxes, and know that people do have some services, than [have] everybody on their own. (Female, San Diego)

Conclusion: Implications for Engaging the Public

In sum, most do not view the debt as a top priority, but it is not very difficult for them to realize how it could pose a dire threat to the things they hold dear; most do not appreciate the boomers/entitlements factor, but they understand it rather quickly with just a little bit of information; and if most are so cynical and mistrustful of political leadership that it is hard for them to imagine that solutions can be reached, at least they are beyond the stage of wishful thinking and recognize that any solutions will require compromise and shared sacrifice.

Based on what we saw – and the openness of respondents to take this issue seriously once it was introduced – we think it is fair to conclude that much of the public's confusion and detachment are indicative of a leadership vacuum. In the absence of effective leadership and honest talk, citizens tend to be left to their own devices, struggling to make sense of things as best they can. And with such a complex and vast issue it is no surprise that they can become mired in ineffective modes of thought. But we've seen that citizens really can engage this issue productively, and we believe that the groups offer important lessons for leaders who are willing to step up. By way of conclusion, we offer a number of suggestions and reminders designed to overcome the more pernicious obstacles and clear the way for more effective public deliberation about this difficult issue.

First things first: Address the Accountability Issue

By far, the biggest obstacle to public engagement is the profound cynicism and mistrust of leaders that colors the public's ability to apprehend the complex issues at work in the debt. More specifically, disgust with waste, mismanagement, and corruption (i.e., pork) in electoral politics materially thwarts the public's capacity and willingness to take the time to grapple with the issues and seek solutions. Therefore, we believe that those attempting to

engage the public on this issue would be well-served by tackling this obstacle at the outset.

In part, this is likely to require creating an opportunity for citizens to vent their cynicism and mistrust in order to begin to move past the hostility and open some space for deliberation. But that is not likely to be enough. Another important part of the equation will be to devote some time to tackling the problem of ensuring better government accountability. For example, it could be important to make sure that addressing corruption, waste, mismanagement and pork is something that citizens do before they engage potential solutions to the federal debt. Alternately, building strong accountability measures into all solutions that citizens are asked to consider might do the trick. In whatever way it is accomplished, the focus groups suggest that people will be much more open to thinking creatively about solutions if they can be reassured that their efforts will not be wasted by undisciplined, cowardly or corrupt government officials.

Give people a chance to talk about what government can and should do.

We also found it useful to provide the opportunity for people to talk in general ways about what government can and should do. Doing so helped create a context for talking about how the nation handles its finances. Giving people a chance to think in broad terms about the nature and purpose of government makes it easier to spur productive dialogue about public priorities and how best to finance them.

Anticipate confusions and misperceptions

Our focus groups suggest that certain confusions and misperceptions will tend to need attention as citizens engage these issues. For example, many tend to apply the lessons of personal finances to the national picture in ways

that both illuminate and obscure. Some also harbor doubts about whether the debt is actually *real* or just political fiction. Those who would try to engage citizens in a deeper look at these issues ought to be prepared to help people work their way through these potential missteps.

The personal finance analogy

Using the framework of personal finances to think about the national debt is, for many, the only way to bring the issue close enough to home to make it relevant. For some, this framework makes the federal debt a more pressing issue.

The government eventually is going to have to follow the same principles [as the rest of us]. You can't borrow. You can run your credit cards up and when you max them out, when all of your money's gone and when your monthly payment starts to equal what you take home, you can't have anything else.
(Male, Kansas City)

For others, the personal finance framework makes the federal debt seem normal and natural, seeming to suggest that it's not such a big deal.

This country is built on credit and debt. As long as you live in America, you always are [in debt], that's my opinion.
(Male, New Jersey)

I bet every person in this room has some kind of debt. That's just how it is. It's like it's our culture. (Male, Kansas City)

"It's just paper"

One of the more peculiar resistances we encountered among a small number of respondents was the suggestion that the debt is not a cause for concern because it might not actually be real. In this vein, participants speculated that the debt is all just magical numbers and meaningless paper that leaders toss around for political gain.

A lot of the debt is all on paper; it's not [real] money changing hands. It's just passing out papers to each other. [Politicians] are going to make it work for them. (Female, San Antonio)

Who's to say there is a debt? It's just a number that they post out. (Male, San Antonio)

A "Maven" can be helpful

While most people in our focus groups initially ranked the debt near the bottom of their priority list, we did encounter a few people who were profoundly concerned about the debt right from the start. In several instances, they used compelling language that brought the issue closer to home for everyone in the group.

I have it [high on my list] because without financial solvency, you can't have anything else. That's how you deal in your own personal life. If you're broke...you can't buy healthcare. If you're broke, you can't send your kids to school. (Male, Kansas City)

My thinking is that with all the other issues...[the debt] is the under-riding element that cuts into everything. If we continue with this debt, the economy is poor...It's not going to be about not having healthcare, we're not going to have jobs period. (Female, New Jersey)

Although these people were few in number, we mention them because they sometimes had a strong impact on the rest of the groups in which they appeared. We found these individuals could play a unique role in the focus groups; they were able to engage their fellow citizens quickly and spur the group to think more deeply about issues surrounding the debt and deficit. From the perspective of future engagement efforts, the role these individuals play in creating deliberative space is worthy of closer attention. These individuals might serve as what Malcolm Gladwell calls "mavens," and may play a crucial role in facilitating meaningful deliberation about the debt.



Offer alternative solutions

In this series of focus groups, presenting an array of actual solutions for deliberation was helpful. For this issue as with many others, it provides the opportunity to weigh choices and deliberate about trade-offs and mechanisms that might be included in any solution. For example, people can and will talk about specific measures such as reforming entitlement eligibility (means-testing), raising the retirement age, cutting spending through eliminating specific programs, raising revenues through various taxing strategies, privatizing public institutions or creating personal Social Security or Medicare accounts, creating discretionary spending caps, and establishing enforceable pay-as-you-go rules.

While there are plenty of obstacles, our initial research suggests that it is possible to overcome them and engage the public on this issue. The evidence suggests that the public desires fiscal sanity and is willing to make some sacrifices to attain it. The implication here is that it is possible to make it politically viable for leaders to provide actual leadership. But it is also clear that leaders are going to have to meet the public halfway in making it possible to tackle the problems and issues surrounding the debt. These focus groups suggest to us that this means being willing to tackle government accountability, and, beyond that, engage in straight talk that is neither pandering nor patronizing, but that honestly informs and challenges the public to think seriously about the financial undergirding of our collective future.

Methodological Notes

Six focus groups were conducted overall. Groups were generally recruited to roughly reflect the general population with respect to gender, race, party affiliation (each group having several Republicans, Democrats and Independents) and other major demographic characteristics, with some variations for research purposes. Thus for the first two focus groups we conducted (in Englewood, NJ and Kansas City, MO) demographic criteria were used to recruit a cross-section of the general population. For the two focus groups in held in San Antonio we targeted specific age groups. In

one all of the participants were between the ages of 50 and 70, while in the other all of the participants were between the ages of 25 and 35. To experiment with the impact of people who consider the budget a high priority concern, in the two focus groups in San Diego we recruited at least one individual per group who considered the federal debt a top national issue. All groups were facilitated and analyzed by senior Public Agenda staff.

About Public Agenda

Founded in 1975 by social scientist and author Daniel Yankelovich, and former U.S. Secretary of State Cyrus Vance, Public Agenda works to help the nation's leaders better understand the public's point of view and to help average citizens better understand critical policy issues. Our in-depth research on how citizens think about policy has won praise for its credibility and fairness from elected officials from both political

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