

Alan S. Blinder and Alan B. Krueger

“What Does the Public Know about Economic Policy, and How Does It Know It?”

*Brookings Papers on Economic Activity 1:2004*, pp. 327-87

Public opinion influences the views of politicians and therefore influences public policy decisions. But how is public opinion on economic issues formed? What are the relative roles of self-interest, knowledge, and ideology? And how do people inform themselves? Using a new telephone survey specially designed to answer these and related questions, we find that most respondents express a strong desire to be well informed on economic policy issues and that television is their dominant source of information. We also find that, although the average person has a reasonable amount of factual knowledge, use of more information sources does not increase knowledge much. On a variety of major policy issues (taxes, the budget deficit, the minimum wage, social security, and health insurance), ideology is the most consistently important determinant of public opinion, and objective measures of self-interest are the least important. Knowledge about the economy ranks somewhere in between.