Journal of Law and Economics

Volume 65
Number 6 *(S2: A Special Issue in Honor of Sam Peltzman)*

Article 1

11-1-2022

Public Opinion about Regulation

Sam Peltzman
Sam.Peltzman@chicagounbound.edu

Public Opinion about Regulation

Sam Peltzman *University of Chicago*

Abstract

The paper describes how ordinary citizens view economic regulation and summarizes answers to questions about regulation and regulators since the 1970s from the General Social Survey. The pattern is clear: ordinary citizens are skeptical and wary. They want less regulation and do not trust regulators to do what is right. The mistrust has become stronger over time. However, the public supports environmental and electricity rate regulation. These sentiments are shared across age, sex, race, education, and income groups and the left/right ideological spectrum. The public tends to oppose less traditional regulation, such as wage and price controls, government ownership of some industries, and regulation of steel prices. But there is less consensus across demographic groups: blacks, the less educated, and low-income groups are less hostile, or marginally friendly, to less conventional modes of regulation. The paper concludes by contrasting public opinion with the path of regulation since the 1970s.

1. Introduction

I am going to describe what the broad US public believes about economic regulation. This might require an excuse from someone identified with a line of research that emphasizes the role of organized interests and the unimportance of the diffuse public in influencing the path of regulation. Indeed, I will avoid issues of how regulation might work in practice—for example, whether there is a Volcker rule in banking, how a utility rate schedule should be set, and so on. But pressure for fundamental change in regulation does occasionally arise, and public opinion plays some role in how politics responds on such occasions.

The role, I would argue, is to help define the status quo, which important regulatory change has to overcome. For example, it is hard to conceive of the Dodd-Frank Act of 2010 taking the approach it did (detailed regulation of bank operations and balance sheets) without some broad consensus that large banks needed to somehow be prevented from behavior that had just imposed great cost on the tax-paying public. This is not the kind of change that experts and industry lobbyists can either resist or shape entirely on their own. So to reframe my intent: it is to shed light on the background against which pressure for important regulatory

I thank Dennis Carlton and Cliff Winston for comments on a previous draft.

[*Journal of Law and Economics,* vol. 65 (November 2022)]
 0022-2186/2022/6504-0040$10.00

change is taking place. Are rationally ignorant ordinary citizens (or their not-much-better-informed political representatives) going to be easy or hard to convince that a change should occur and in what direction?

The answers can be different in different circumstances, as with the Dodd-Frank Act. I will be unable to follow a specific sector, like banking, from an era of relaxed regulation to a more restrictive one. Nevertheless, a fairly consistent pattern emerges: the broad public is skeptical about regulation in general but tolerant of it in a few (predictable) areas. These beliefs cut across standard demographics—age, sex, race, education, and income. Though data are limited, skepticism seems to have increased over time (at least until 2018, the last year in my data). In the concluding section I discuss the implications of this public skepticism for interest-group theories of regulation, which suggest that actual practice can differ from the public's beliefs and preferences.

The data summarized here come from the General Social Survey (GSS), which has canvassed the US population every year or two since 1972. I pull together answers to survey questions that bear on attitudes toward regulation. These include attitudes toward bureaucrats, because they are relevant to support or opposition for regulation. Overall, the broad public leans more toward a public choice view, in which regulators cannot be presumed to do what is best for the country, rather than a public interest view, in which such a presumption is accepted.

The paper is entirely descriptive and mainly visual. I begin with general attitudes and then go on to specific kinds of regulation. The GSS asks different questions across surveys, and, with one important exception, I cannot address long-run trends. For most questions I have to rely on a few survey years after around 1980. I have two broad goals. The first is to show the central tendency in the population. The second is to describe differences across some standard groupings: age, sex, race, education, and income. Some attitudes cut across groups, while others vary more perceptibly. Race, education, and income differences are especially notable, and I describe them in more detail.

2. Data and Results

Table 1 shows summary statistics for all the variables I discuss. The survey questions have varying scales. I convert all the answers to a common scale in which −100 means opposition to regulation or negative attitudes toward regulators; 100 means the opposite; and 0, if it is available, means a neutral answer. The data are for random samples of the US adult (25 and older) population. I mainly dispense with *t*-tests against a null to avoid clutter: for the typical sample sizes in my data, the null can usually be rejected for differences greater than around 5 on my scale, but only differences over 10 or so are meaningful.[1]

The many caveats about attitudinal surveys like the GSS need to be kept in

[1] My scaling bears analogy to election returns. A 5-point difference on my scale corresponds to a 52.5 to 47.5 election—decisive but reasonably close. A 10-point difference (55 to 45) is no longer reasonably close. Anything larger than 20 points is a landslide.

mind. For example, there is no budget constraint or, usually, any trade-offs. This makes translating answers into policy preferences risky. Wording and framing can matter on particular questions.[2] As Table 1 reveals, scaling of the answers varies, most notably in whether there is a middle ground between yes and no.[3] I do not dwell on specific questions and instead try to describe broad patterns.

The top panel of Table 1 covers questions about general attitudes, such as whether respondents trust regulators to do the right thing or whether there should be more or less regulation. The subsequent panels are about specific kinds of regulation, such as environmental restrictions and electric utility rates. These include historically atypical interventions, such as government regulation of steel prices and government ownership of banks. Table 1 shows the original GSS nomenclature, the paraphrased questions, the available answers, and my recoding of them along with the usual summary statistics.

The first question, about confidence in federal bureaucrats, is not directly about regulation. I include it first because it would be hard to like regulation but believe the regulators would not or could not implement it. And, indeed, the answers about confidence broadly corroborate the other more directly relevant answers. Also, the confidence question is the only one in Table 1 that has been consistently asked for a long time, so I can discuss trends.

2.1. What Does the Public Think about Regulation?

The answer is that the broad public seems to lean more toward the public choice rather than the public interest view. No single result is definitive, but the pattern is telling: ordinary citizens are not on average confident in regulators, nor do they trust regulators to do what is best for the country. By two to one, they say they want less business regulation. They are also wary of extending the reach of regulation.

This skepticism about regulation is apparently not a new phenomenon and is arguably on the rise. Figure 1 shows a smoothed time series of answers (with 95 percent confidence intervals) to the question about confidence in federal regulators from the 1970s to 2018. The series is negative (that is, not confident) throughout, with a distinct downward trend that seems to accelerate after around 1990. What was a relatively close call in the Watergate era has become a rout. Some of this may reflect a more general decline in social trust, but that is not the

[2] For example, here is the actual wording of a question (cuthours) in Table 1: "Here are some things the government might do for the economy. Circle one number for each action to show whether you are in favor of it or against it." One answer is "Reducing the work week to create more jobs." This could prompt the respondent that regulating maximum hours is good for the economy, which is controversial. This may be relevant to some of the odd answers to this set of questions, as discussed below.

[3] There is no obvious bias introduced by the narrower scales. However, where a middle ground is available it usually attracts a substantial share of answers. This raises questions about large margins where there is no middle-ground choice: does it mean a strong preference or a mild one among a large number of moderates?

Table 1

Regulation-Related Questions in the General Social Survey: Summary Statistics

General Social Survey Variable	Question	Survey Years	Coding Assignment			Answers	Mean Response	SD
			−100	0	100			
General attitudes:								
confed	Do you have confidence in the people running the executive branch of the federal government? 3 = hardly any, 2 = only some, 1 = a great deal	1973–2018, except 1985	3	2	1	37,284	−16.96	68.08
lessreg	Are you in favor of or against less government regulation of business? 5 = strongly in favor, 4 = in favor, neither = 3, 2 = against, 1 = strongly against	1985, 1990, 1996, 2006, 2016	4, 5	3	1, 2	5,292	−32.13	76.90
poleff17	Most government administrators can be trusted to do what is best for the country. Agree or disagree? 1 = strongly agree, 2 = agree, 3 = neither agree nor disagree, 4 = disagree, 5 = strongly disagree	1996, 2006, 2012, 2016	4, 5	3	1, 2	4,230	−27.65	82.18
Area of regulation:								
Environment:								
grnlaws	Should government impose strict laws to make industry do less damage to the environment? 1 = definitely yes, 2 = probably yes, 3 = probably no, 4 = definitely no	1996, 2006, 2016	3, 4		1, 2	3,625	82.60	56.38
busdecid	Government should let business decide how to protect the environment or make laws. 1 = business decide, 2 = make laws	1993, 1994, 2000, 2010	1		2	4,238	79.23	61.02
pubdecid	Government should let ordinary people decide how to protect the environment or make laws. 1 = people decide, 2 = make laws	1993, 1994, 2000, 2010	1		2	3,771	43.27	90.17

Industry:							
	What do you think government's role should be in [industry]? 3 = own, 2 = control prices, 1 = leave alone	1985, 1990	1	2, 3			
ownpower	Electric power				1,478	34.80	93.78
ownbanks	Banking and insurance				1,430	10.37	99.50
ownsteel	Steel				1,428	−22.40	97.49
	Should [industry] be run by private organizations or companies or by government? 1 = private, 2 = government	1996	1	2			
runpower	Electric power				1,028	−61.23	79.10
runbanks	Banks				1,016	−62.03	78.47
Wage, price, and hours:							
setwage	Do you favor or oppose control of wages by legislation? 1 = strongly favor, 2 = favor, 3 = neither, 4 = oppose, 5 = strongly oppose	1985, 1990, 1996	4, 5	3 1, 2	2,751	−29.28	83.83
setprice	Do you favor or oppose control of prices by legislation? 1 = strongly favor, 2 = favor, 3 = neither, 4 = oppose, 5 = strongly oppose	1985, 1990, 1996	4, 5	3 1, 2	2,741	−6.28	88.17
cuthours	Do you favor or oppose government reducing the work week to create more jobs? 1 = strongly favor, 2 = favor, 3 = neither, 4 = oppose, 5 = strongly oppose	1985, 1990, 1996, 2006, 2016	4, 5	3 1, 2	5,350	−12.67	84.22

Note. All data are from the General Social Survey (GSS) (see NORC, GSS: Get the Data [http://www.gss.norc.org/Get-The-Data]). Questions from the GSS are paraphrased (exact wording can be found by searching by variable name: GSS, Data Explorer [https://gssdataexplorer.norc.org/variables/vfilter]). The GSS scale used for answers and the survey years in which the question was asked are indicated. The answers were transformed into a common scale where −100 (100) is assigned to answers implying negative (positive) attitudes toward regulation or regulators; 0 is assigned to intermediate answers, such as "neither" for lessreg, if available. Means and standard deviations are for the population over 25 years old. All answers are weighted by the GSS weighting variable wtssall, which converts the GSS sample into a random sample of the population. The sample size shown is the weighted total of survey answers.

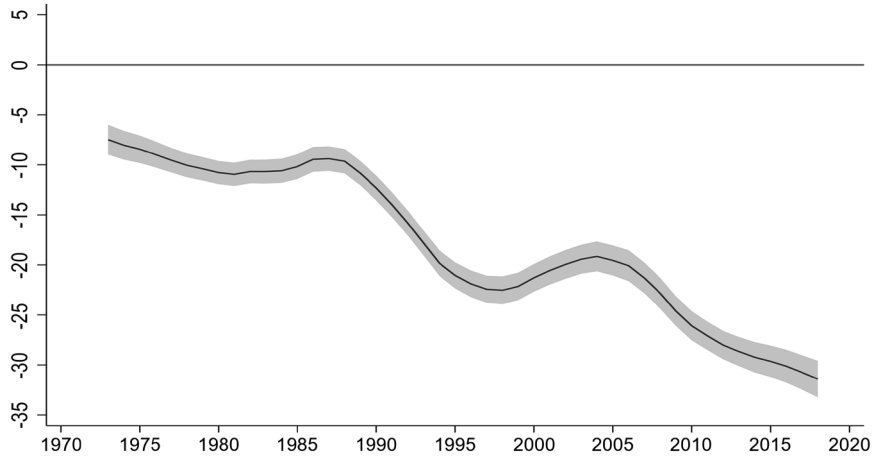

Figure 1. Confidence in the federal bureaucracy, 1973–2018

whole story.[4] Moreover, the negative attitude toward regulators shows up consistently across alternative formulations (not shown here) similar to the poleff17 question in Table 1.[5]

Nor is the deteriorating view of regulators part of a general decline in attitudes toward institutions. Appendix A compares answers to the question about confidence in the bureaucracy shown in Figure 1 with identically worded questions about three other government institutions (Congress, the Supreme Court, and the military) and two from the private sector (banks and big business). Only one comes close to matching—indeed exceeding—the poor record of the federal bureaucracy. This is the US Congress, which among other things provides the regulatory infrastructure for the bureaucrats. Even the banks in the midst of the financial crisis rated more positively than the axis of Pennsylvania Avenue.

There are exceptions to this general hostility. The middle and lower panels include questions about particular kinds of regulation or government intervention in markets. They are questions of should we or should we not regulate rather than how much. I list the questions according to priors informed by how the typical student in a typical introduction to economics course might respond, that is,

[4] Analyses of the alleged decline in social trust sometimes use the General Social Survey (GSS) general "trust" question (for example, Clark 2015). This has been asked since 1972: "Would you say that most people can be trusted or that you can't be too careful in dealing with people?" The answers also are generally negative ("can't be too careful") with a declining trend. But there is only modest overlap with the confed question. When I converted trust answers to the same scale as confed and cross-tabulated them, less than a third (30.7 percent) were on the main diagonal. Also, the timing is different: most of the decline in general trust occurred before 1990, while declining confidence in the bureaucracy accelerated after 1990.

[5] Two such questions from the GSS are govdook ("Most of the time we can trust people in government to do what is right," asked in 2004, 2010, and 2014) and servepeo ("How committed are government administrators to serving the people?" asked in 2004 and 2014). The mean answers to both are in the −20s on the scaling in Table 1.

probably friendlier to regulation of externalities or natural monopoly than to, say, steel prices. The answers mostly bear out these priors.

For example, the public is nearly unanimous in favoring legal restraint on industrial pollution (see responses to grnlaws). Fans of Coasean bargaining or Elinor Ostrom might take comfort from the diminished support for regulation when the group to be restrained is people (pubdecid) rather than industry. But the overall message is clear: the public likes environmental regulation. The public is also decidedly positive toward regulation of electricity prices, less so toward financial services prices, and negative about steel price regulation. (The first three questions about industry regulation are effectively about price regulation, though they allow a government ownership option.)[6] The public is decidedly hostile to government ownership of banks and electric utilities.

There is something of a status quo bias in this group of answers. The environmental questions are from the last 30 years or so, by which time environmental regulation had become well established. The industry questions were asked in the 1980s, when comprehensive regulation of electricity was the norm and, for example, auto insurance premiums were more actively regulated than today. Bank deposit rate regulation was still on the books, and active enforcement was not a distant memory.[7] The steel question reflects a time further back in the past when that industry was deemed of special national importance, and steel prices merited presidential interest. Broadly, there are varying degrees of support for established modes of regulation but reluctance to go much further. But there is more than just a preference for the status quo: the public's negative view of regulators and desire for less regulation imply dissatisfaction with the status quo.

The bottom panel of Table 1 is puzzling. The questions are about heterodox kinds of regulation (from an Economics 101 perspective) and are not part of any recent status quo.[8] To be sure, the answers lean negative, but not by that much. There is little support for legislated setting of wages. But price controls and mandatory work spreading come close to even levels of support and hostility. There are some important divisions within the broad public that I revisit later. For now I note the possible inconsistency. Yes, the public does not like regulators or regulation in general, but it can apparently[9] flirt with some quite drastic kinds of regulation that would confer great power on regulators.

[6] The question asks, "What do you think the government's role in [industry] should be?" Less than 10 percent pick "own it." So the answers are effectively split between "regulate prices" and "leave alone."

[7] Other government interventions in financial service prices include state usury laws and Federal Reserve fixing of short-term interest rates.

[8] The Nixon-era wage and price controls ended over a decade before these questions began being asked.

[9] Framing issues loom. See note 2. Wages and price controls can be interpreted in macro terms: keeping a lid on inflation. Another GSS question (pricecon) asks about prices in the plural and regulation more generally: "Should it or should it not be the government's responsibility to keep prices under control?" This one invariably elicits a strong positive response. I do not include it in my sample because of the potential ambiguity: "responsibility" and "control" could be about fiscal or monetary restraint or beyond.

2.2. Is the Public One or Many? Ideology and Demography

As in recent elections there can be significant divisions within the polity, which I explore here. One possible division is ideological: conservatives are believed to be more hostile to regulation than liberals. Then there are the common sociodemographic groupings—age, sex, race, education, and income.[10] How do these groups differ from the overall central tendencies just discussed? The answer is that there is broad agreement on generalities and on natural monopoly and pollution. There is less agreement on more heterodox kinds of regulation.

2.2.1. Ideology

I begin with the ideological dimension in the confidence question, because the long time series helps to surface a significant political aspect. Figure 2 shows answers to the confidence question broken down by self-declared ideology over the whole survey history and within the first and last part of that period. The left panel shows surprisingly little ideological cleavage—all three groups hold federal bureaucrats in about the same degree of negative regard on average. The next two panels, however, reveal some complexity. The three groups all hold negative views all the time. But there seems to have been a role reversal whereby liberals were the more negative early on but have ceded that role to conservatives more recently.

The plausible reason for this switch is politics. The share of survey years with Republican presidents is higher in the first subperiod. Indeed, when surveys are classified by presidential party, as in Figure 3, the ideological role reversal is sharper as evidenced by the clear inverse-U pattern in the right panel. Conservatives are much friendlier to bureaucrats in a Republican administration, while liberals have warmer feelings toward them during a Democratic administration.[11] These distinctly different ideological patterns need to be kept in perspective: the best that a president brings to executive departments is a break-even attitude within the ideologically compatible subgroup. Even liberals, who lean toward active government, are not on average confident about a Democrat-led bureaucracy. The main effect of presidential politics is to rotate the composition of a population that increasingly leans toward skepticism about federal bureaucrats. I leave for others whether similar rotation occurs for other questions about regulation.[12]

The ideological dimension is clearer in the remaining questions. Table 2 shows

[10] These are correlated with ideology and also each other. But the correlations are weak enough to warrant a separate treatment. Some conditional means—by race, education, and income, holding all else constant—are discussed below.

[11] The question asks about confidence in those running the executive branch, which of course includes the president and department and agency personnel.

[12] For example, are liberals friendlier to business regulation (the lessreg question) when the president is a Democrat? The answers to such questions in the GSS come mainly from the second half of the sample period, which leans toward Democratic presidents and has much smaller sample sizes than the confed question, so statistical power is limited. For what it is worth, the directional answer (not shown) to the question above is yes. And conservatives were more hostile to regulation during Democrat-led years.

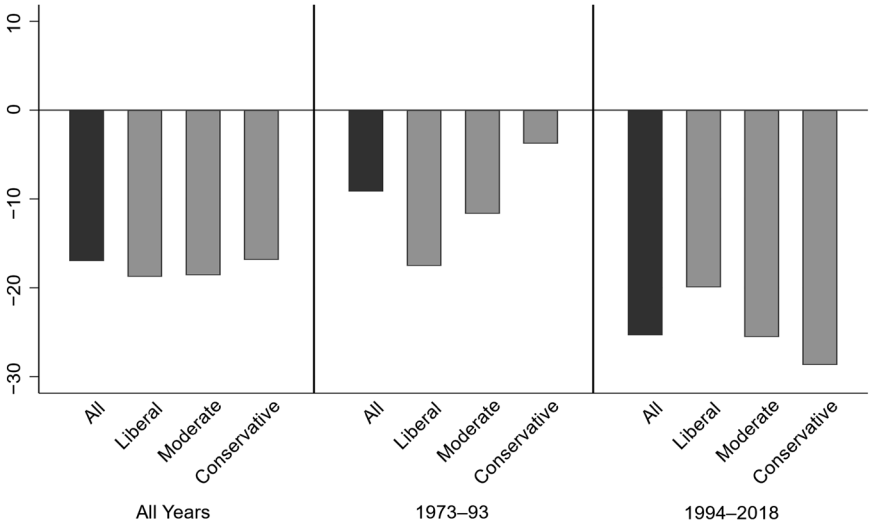

Figure 2. Confidence in the federal bureaucracy by time period and ideology

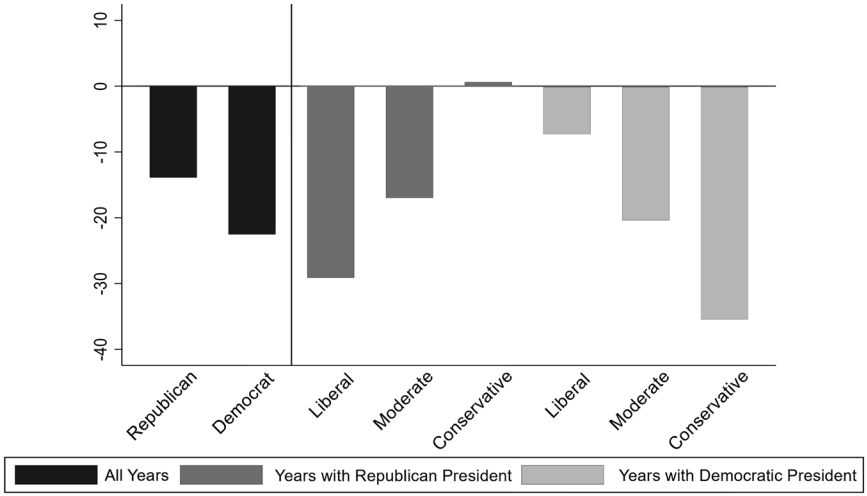

Figure 3. Confidence in the federal bureaucracy by president's party and ideology

Table 2

Regulation-Related Questions in the General Social Survey by Ideology

General Social Survey Variable	Abbreviated Question	Survey Years	Sample Mean (1)	Ideology			Liberal − Conservative 2 − 4 (5)
				Liberal (2)	Moderate (3)	Conservative (4)	
General attitudes:							
confed	Confidence in bureaucrats	After 1985	−20.4	−19.4	−20.9	−20.7	1.3
lessreg	More/less regulation of business	1985, 1990, 1996, 2006, 2016	−32.1	−14.2	−23.9	−47.7	33.5[a]
poleff17	Government officials do best for country	1996, 2006, 2012, 2016	−27.7	−24.3	−27.6	−31.6	7.3
Area of regulation:							
Environment:							
grnlaws	Laws to protect environment	1996, 2006, 2016	82.6	92.5	86.7	70.6	21.9[a]
busdecid	Let business decide on environment	1993, 1994, 2000, 2010	79.2	86.8	80.4	73.3	13.5
pubdecid	Let people decide on environment	1993, 1994, 2000, 2010	43.3	64.2	40.6	31.7	32.5[a]
Industry:							
	Government should regulate prices	1985, 1990					
ownpower	Electric power		34.8	44.0	36.4	28.8	15.2
ownbanks	Banking and insurance		10.4	22.0	13.0	1.9	20.1[a]
ownsteel	Steel		−22.4	−8.0	−17.2	−36.6	28.6[a]
	Government should run	1996					
runpower	Electric power		−61.2	−53.9	−58.9	−68.7	14.8
runbanks	Banks		−62.0	−55.0	−63.1	−68.7	13.7
Wage, price, and hours:							
setwage	Wage control law	1985, 1990, 1996	−29.3	−20.8	−23.5	−43.0	22.2[a]
setprice	Price control law	1985, 1990, 1996	−6.3	−3.1	5.0	−22.4	19.3
cuthours	Maximum hours law	1985, 1990, 1996, 2006, 2016	−12.7	−3.4	−9.8	−24.0	20.6[a]

Note. All data are from the General Social Survey (GSS) (see NORC, GSS: Get the Data [http://www.gss.norc.org/Get-The-Data]). Questions from the GSS are paraphrased; exact wording can be found by searching by variable name at GSS, Data Explorer (https://gssdataexplorer.norc.org/variables/vfilter).

[a] Difference between liberal and conservative is greater than 20.

this by adding an ideological breakdown of the questions listed in Table 1.[13] Column 5 shows differences between liberal and conservative respondents; large (over 20 points) differences are indicated. Every difference is positive (liberals more favorable to government intervention), and large differences appear in every panel. At the same time, every mean in every row has the same sign. The ideological differences are in degree, not direction. For example, liberals also want less regulation of business, and conservatives also favor environmental regulation. This broad pattern of general agreement on direction holds across other groupings, such as the usual observables like race, sex, and so forth, which I discuss next. But here there are also important nuances.

2.2.2. Demography

The next set of figures shows answers to some of the questions in Table 1 distributed by age, sex, race, education, and household income. The data are unconditional means, and the observables are correlated with each other and with self-reported ideology.[14] Some conditional means are discussed later. The data in the figures roughly follow the ordering in Table 1.

The popular preference for less business regulation cuts across all the relevant groups in Figure 4. Differences go in the direction suggested by the simple correlations with ideology—the more conservative groups (older, male, white, high school graduates, and higher-income percentiles) tend to be more negative about expanding regulation. But, with the possible exception of race, these differences are small. Every group wants less regulation by a comfortable margin.

There is also a geographic dimension to the public's attitudes toward regulators and regulation. I leave details to Appendix B, which gives breakdowns by region and place of residence to answers to the questions about confidence in the bureaucracy[15] and whether there should be more or less business regulation. The regional patterns reflect stereotypes about American political geography. Residents of large cities are least negative toward regulators and regulation; rural residents are most negative. Those in the in-between categories—suburbs and smaller cities—give in-between answers. Residents of coastal regions are less negative than residents of the interior (flyover country), especially the Deep South. These differences can be substantial—around 15 or 20 points between the extremes. But every group—even residents of deep blue large cities—is negative about regulators and regulation.

Support for regulating the environment and electric utilities cuts across all the demographic groups. The top panel of Figure 5 shows a strong consensus for legal intervention (see grnlaws in Table 1) to reduce pollution. There is a little more

[13] Since all the questions except confed come from 1985 and later, I show post-1985 means for confed.

[14] For example, conservatives tend to be older, male, higher income, and so on.

[15] Appendix B shows answers to this question for 1994 forward, which captures the more negative recent period and also overlaps with most of the answers to the question about more or less regulation.

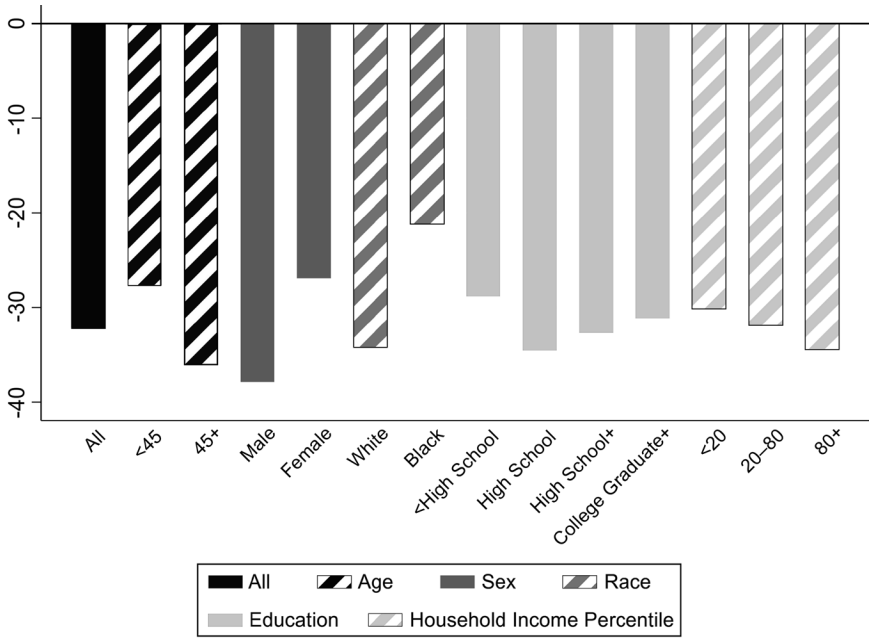

Figure 4. Support for more or less regulation of business by demographic group, 1985–2016

variety in the lower panel, where the question proposes letting "ordinary people" decide (pubdecid) what to do about the environment as an alternative to legal intervention. Here the (smaller) majority favoring legislation is notably stronger among the most educated and weaker at the bottom of the income and education distribution. These details aside, all segments of the public clearly favor environmental regulation. Similarly, Figure 6 shows a broad majority in favor of regulating electricity prices (ownpower). In sum, agreement about the prototypical Economics 101 examples of externalities and natural monopoly regulation is widespread.

This agreement frays for more heterodox government interventions. Figure 7 shows this heterogeneity for regulating financial services (ownbanks) and steel prices (ownsteel). Overall there is lukewarm support for the former and opposition to the latter. These averages accord with a status quo in which steel prices are unregulated, as are most but not all bank and insurance prices. But there is more demographic variety here than for the more orthodox interventions. This is perhaps foreshadowed by the deeper ideological divisions on regulating these industries already noted in Table 2. Figure 7 shows even deeper cleavages by race, education, and income. The least opposition or most support for regulating banks and steel occurs among blacks and the lowest income and education categories. The relevant differences are substantial, ranging up to around 60 points.

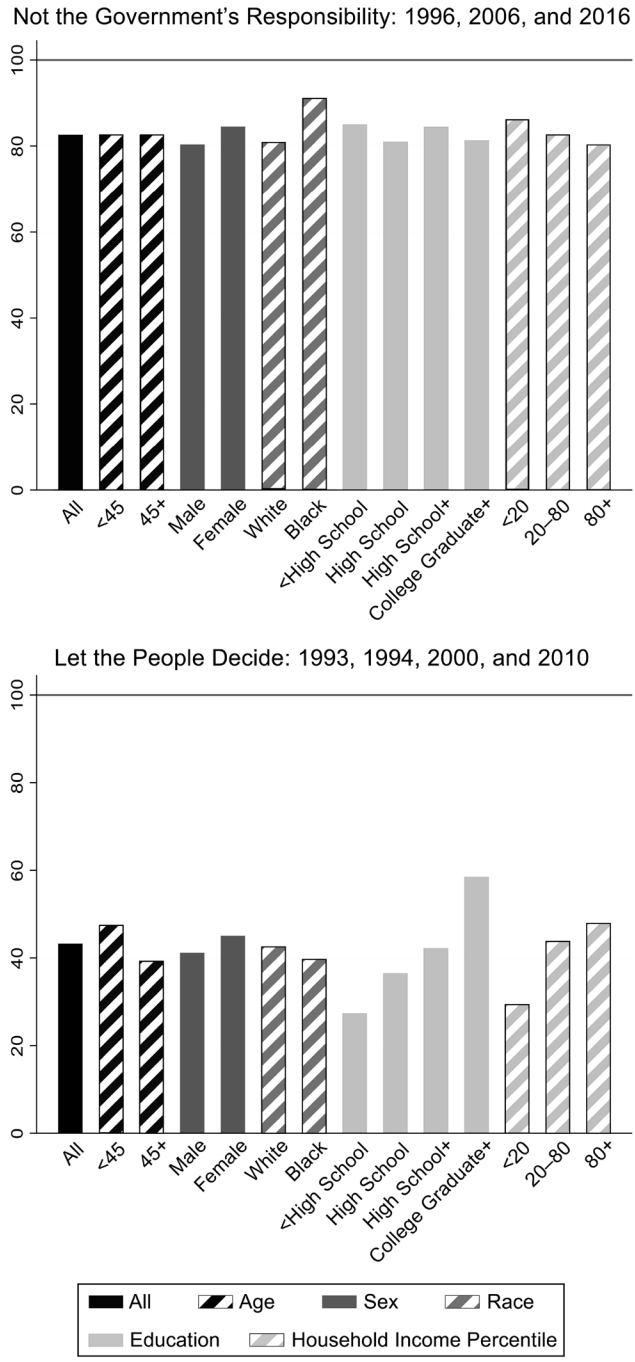

Figure 5. Support for legislation to protect the environment by demographic group

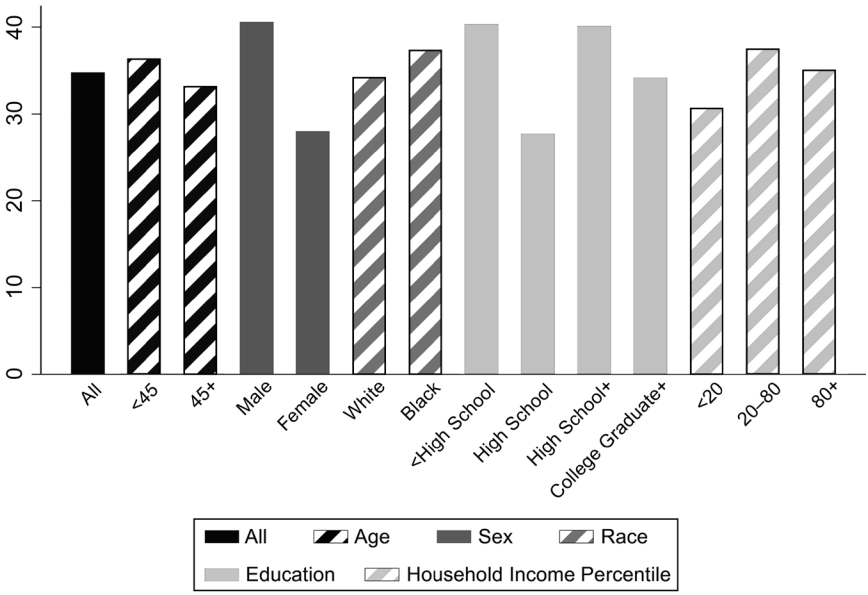

Figure 6. Support for government regulation of electricity prices by demographic group, 1985 and 1990.

There is a similarly substantial variety in attitudes toward the even more heterodox interventions of wage, price, and hours controls. These elicit overall opposition, ranging from mild (price controls) to substantial (wage controls), with significant ideological differences (see Table 2). But it is the demographic differences that are most notable. Figure 8 shows these differences for wage (setwage) and price controls (setprice), and Figure 9 shows them for maximum-hours laws (cuthours). For all three there are substantial racial, education, and income differences. For wage and price controls the size of the differences is similar to that for bank and steel price regulation, that is, ranging up to 60 points or so. For maximum hours, the differences are smaller but still meaningful.

There is a necessary caveat to these demographic results. Race, education, and income are all correlated and have the same direction as the differences in opinion about regulation. Accordingly, it would be useful to know about conditional differences: that is, what is the racial difference conditional on income, education, and so on, and which conditional difference is most important? To answer such questions, the next set of figures presents conditional mean differences (regression coefficients) from regressions in which the y-variables are respondents' scaled answers to the question in Table 1, and the x-variables are dummies for the demographic observables in Figures 4–9 and also respondents' self-identified ideologies. The categorical dummies (baseline categories) on the right-hand side of the regression are the following: ideology: conservative (moderate) liberal; age:

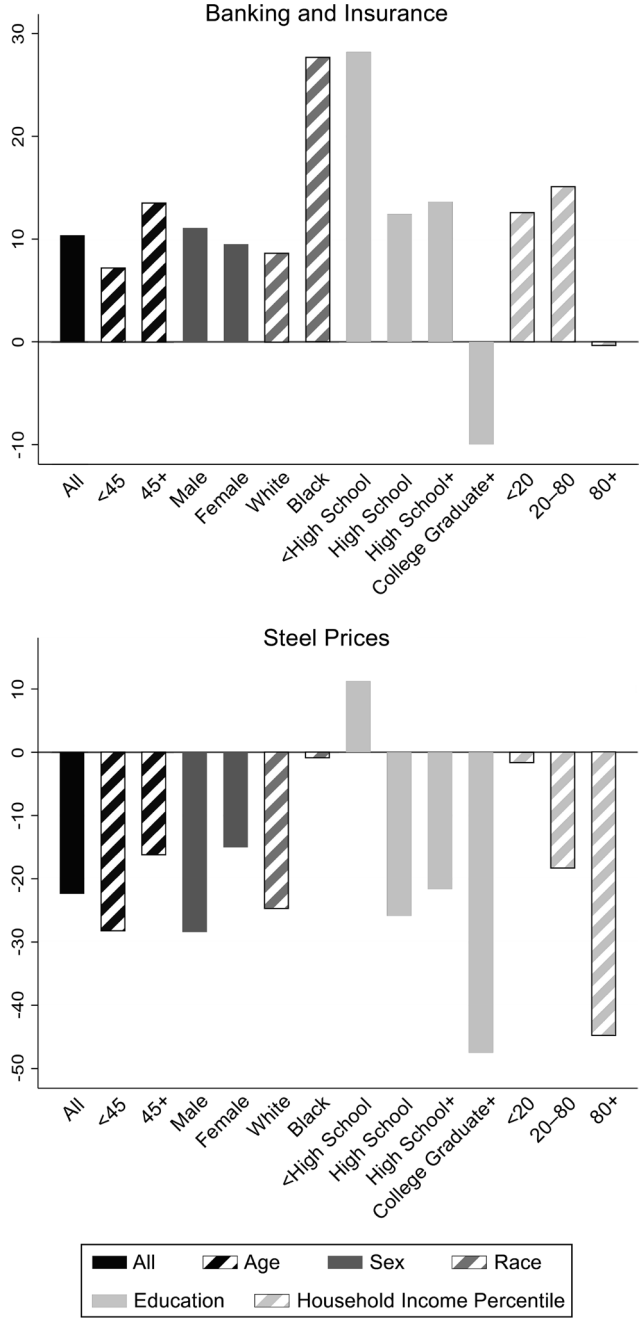

Figure 7. Support for government regulation of banking and insurance and of steel prices by demographic group, 1985 and 1990.

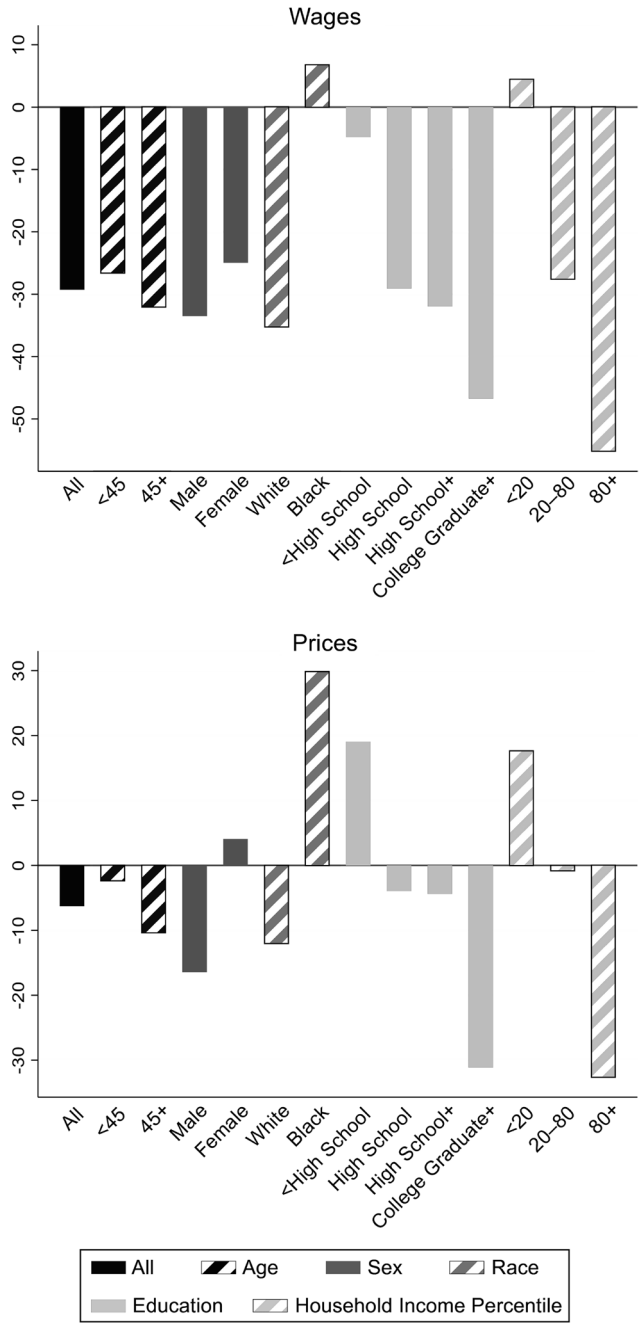

Figure 8. Support for government control of wages and prices by demographic group, 1985, 1990, and 1996.

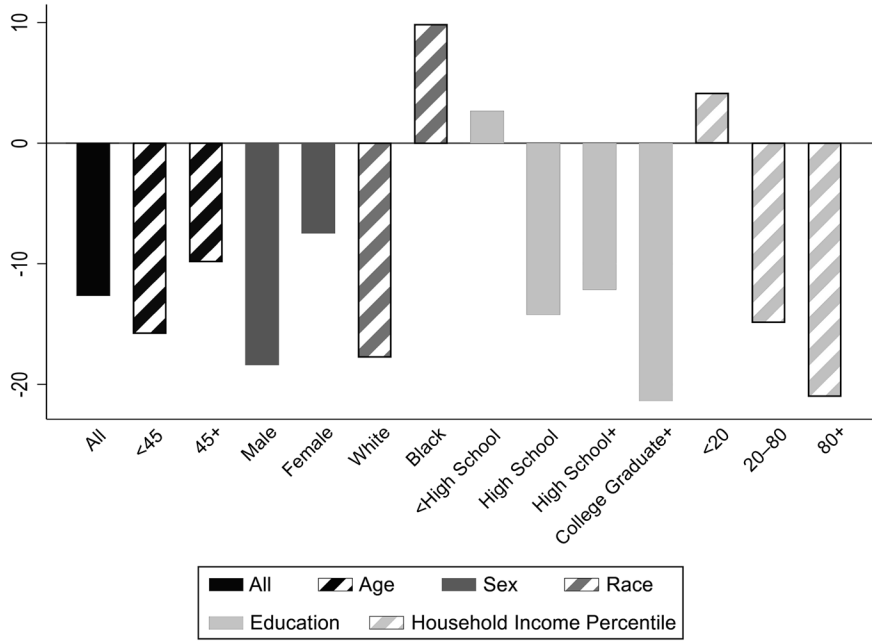

Figure 9. Support for government reduction of work hours by demographic group, 1985, 1990, 1996, 2006, and 2016.

45 and over (25–44); race: black, other (white); education: less than high school (high school graduate), some college, college graduate and more; and income percentile: less than 20 (20–80), over 80. Year effects are also included. The detailed results of these regressions are in Table C1.[16]

In Figures 10–12 I focus on race, education, and incom+e, where the variety is most meaningful. Each figure shows differences across the questions in Table 1. The questions are listed as in Table 1, starting with the general questions at the top and proceeding from the less to the more controversial specifics. With some qualification, the pattern in the figures is similar to the unconditional differences.

For example, Figure 10 shows minor racial differences until the bottom two sections. The large unconditional differences on bank and steel price regulation in Figure 7 are attenuated there, so race per se does not seem to be primary for those issues. But on wage, price, and hours laws the racial differences (the bottom section of Figure 10) are on the same substantial order as the unconditional differences. They are even wider on the government ownership questions (not pre-

[16] Results in Table C1 are essentially unchanged if region and place effects are added to the regressions.

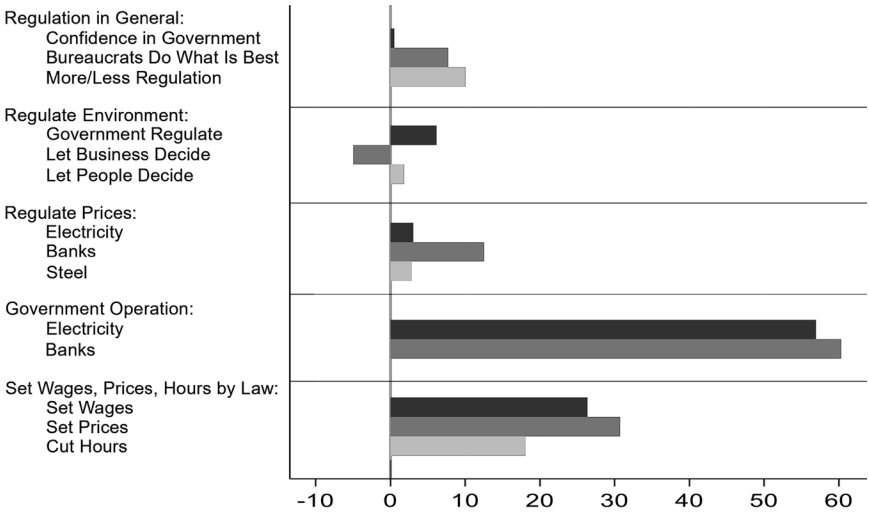

Figure 10. Black-white differences in support for regulation

viously shown): whites oppose government ownership of either banks or electric utilities by 80–20; blacks are basically 50–50 on these questions.[17]

This general pattern—small differences for questions about general attitudes and the more or less settled areas of regulation and larger differences for the more unconventional proposals—holds for education and income as well as race. The education differences in Figure 11 are larger than for income (Figure 12) and more interesting in direction. Figure 11 shows how the extremes of the education distribution—less than high school versus college graduates and beyond—differ from a baseline of high school graduates. A college degree has been a marker for self-identified liberalism in the relevant period. But the conditional differences at the bottom of Figure 11 go decidedly in a different direction. The most educated are mainly more skeptical than the least educated about giving government novel powers. The difference is very wide (over 30 points) for regulating bank and steel prices and substantial (around 15–30 points) for wage and price controls and nationalizing banks. It is as if many college graduates absorbed a lesson about limiting regulation to externalities and natural monopoly from an Economics 101

[17] The depth of the opposition from whites might be surprising. Government ownership in these industries is not the norm, but it is hardly unknown. Government-owned electric utilities are common in Tennessee, Nebraska, the Pacific Coast states, and elsewhere. While government-owned retail banks are rare, the various government-supported entities like Fannie Mae and Freddie Mac are important players in the financial system.

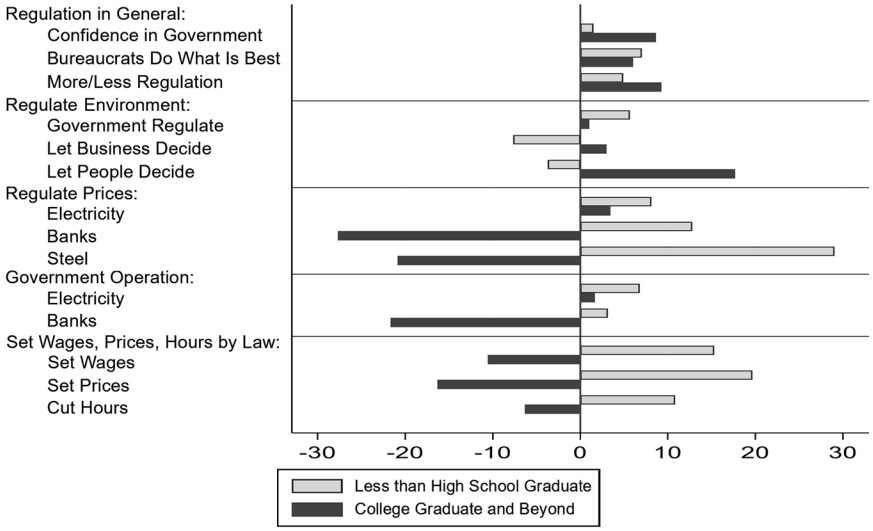

Figure 11. Education differences in support for regulation

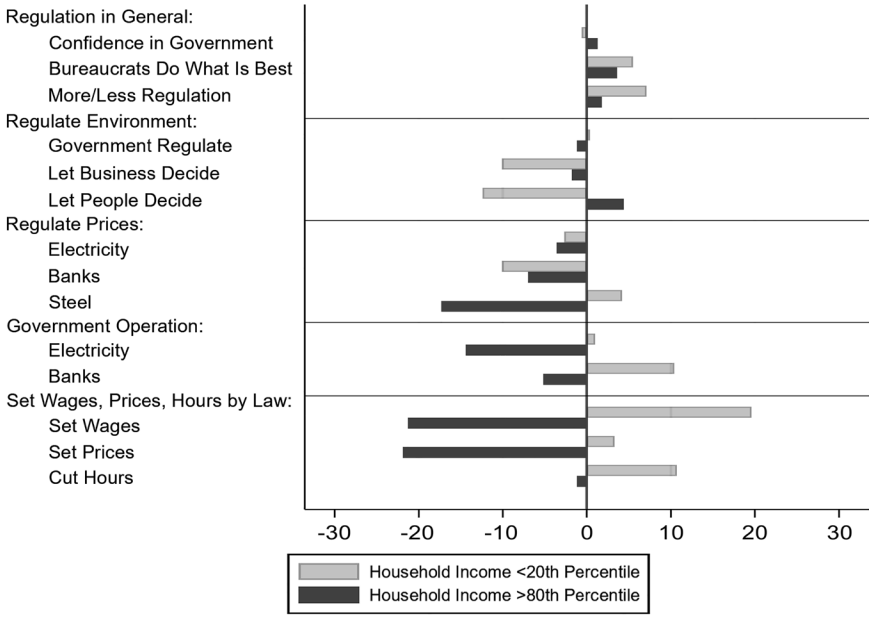

Figure 12. Income differences in support for regulation

textbook. There are also issues about framing and the ability to process questions, but these are unlikely to be the full story behind the differences by education.[18]

The conditional income differences in Figure 12 compare the top with the bottom of the income distribution (with the middle three quintiles as the baseline). These differences also bellow out toward the bottom. Their direction seems to imply belief that unusual policies, like wage and price controls, will redistribute income progressively.

3. Summary and Conclusion

This brief tour has shown that public opinion is wary of regulation and skeptical about regulators in general, while making allowance for some particular kinds of regulation. The negative view of regulation is shared broadly across population groups: age, sex, race, education, and income. There is some evidence that this negative view is increasing over time. There is broad consensus favoring environmental and electricity rate regulation. This consensus breaks down for nontraditional government interventions like wage and price controls, maximum hours worked, regulation of bank prices, and government ownership of banks and electric utilities. Most of these are also viewed negatively on average but generally less so by blacks, the less educated, and lower-income groups.

I began by noting the muted role assigned to public opinion by interest-group-centric economic theories of regulation. In a way, the evidence here lends weight to those theories. If the general public is wary and skeptical, what has it got? The answer is more regulation, not less. Figure 13, from McLaughlin and Sherouse (2019, figure 2), shows time-series indicators of US federal regulation for the same period as the public opinion data. The dotted line is a flow measure: annual pages in the Federal Register,[19] a traditional measure of current federal regulatory activity. The stock measure is from RegData, which uses text searches of the Code of Federal Regulations to count key words such as "must," "shall," "prohibited," and "required" (McLaughlin and Sherouse 2019). The solid line in Figure 13 shows the total word count over time. There has been a steadily increasing stock and a choppier but increasing flow since the 1970s.[20]

[18] See note 2 for how the framing of the wage and price control questions can prime a positive answer. An advantage of education would then be in processing the question rather than absorbing wisdom from an economics textbook. However, the nationalization questions are presented as stark yes or no choices: "Do you think [industry] should be run by private organizations or companies, or the government?" Those who did not answer yes or no are not counted. The mean answers are overwhelmingly no (see responses to ownpower, ownbanks, and ownsteel in Table 1). But, at least toward the banks, the most educated are the most negative. The three questions on regulating electricity and bank and steel prices are also presented neutrally as "What do you think government's role should be?" and there are three choices: "own it, regulate prices or leave alone." Virtually all of the progovernment answers favor regulation over ownership.

[19] According to the Administrative Procedure Act, proposed new regulations are published in the Federal Register for public comment and then published as a final rule.

[20] The large temporary jump in the late 1970s follows a flurry of new or expanded agencies in the late 1960s and early 1970s—for example, the Environmental Protection Agency, the National Highway Traffic Safety Administration, the Occupational Safety and Health Administration, and so on. This is followed by a pullback in the Reagan administration and a subsequent resumption of growth. Annual numbers of Federal Register pages have been around 80,000 recently compared with around 60,000 in the mid-1970s.

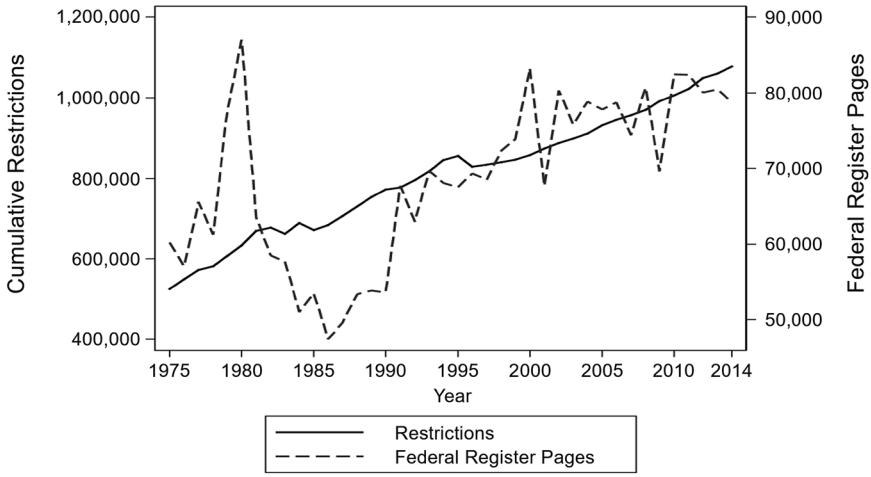

Figure 13. Two measures of US federal regulation, 1975–2014 (McLaughlin and Sherouse 2019, figure 2).

The contrast between Figure 1 and Figure 13 in this paper is stark. Not only has the ordinary citizen gotten more regulation rather than less, but the gap between what the public wants and gets seems to be growing over time. This suggests an agenda for further research that might clarify what the public's preference for less regulation means specifically and what obstacles to related changes in policy stand in the way.

Appendix A

Confidence in Various Institutions over Time

The GSS has asked about confidence in various institutions since the 1970s. The phrasing is "As far as the people running these institutions would you say you have a great deal of confidence, only some confidence or hardly any confidence at all in them?" This is followed by a list of institutions. Figure 1 shows a smoothed representation of the mean answers (with 95 percent confidence intervals) about confidence in the executive branch of the federal government over time. Figure A1 repeats that series in the thick dark line and adds series for three other federal government institutions—the legislative (conlegis) and judicial (conjudge) branches and the military (conarmy).[21] It also shows (dashed lines) two nongovernment institutions—banks (confinan) and large businesses (conbus)—that seem relevant to the topic of the paper.

Within this group there is no general lack of confidence or long-run deterioration as has happened with the federal bureaucracy. Only Congress matches or

[21] In Figure A1, the smoothing is over a common bandwidth of 3 years (roughly equivalent to smoothing a three-term centered moving average). The smoothing, by design, eliminates abrupt turning points, such as the large decline in confinan during the financial crisis of 2008–9.

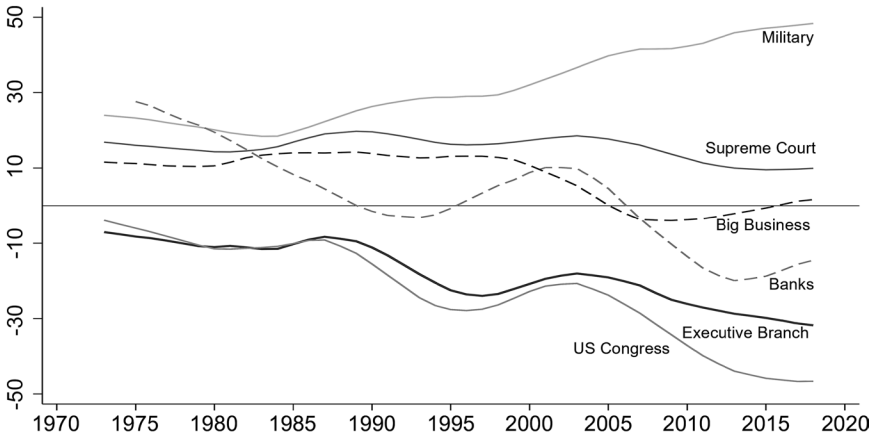

Figure A1. Confidence in government and private institutions, 1973–2018

even exceeds the disdain shown for the executive branch. The third branch—the Supreme Court—has been net positive over the whole period by a margin of 10–15 points on my −100 to 100 scale (or roughly a 56 to 44 "electoral" margin). The military is a mirror opposite the executive and legislative branches. It was viewed positively even in the Vietnam War era, and views toward it have been rising steadily since then to a 50-point positive margin today.

The two business groups have trended downward, but neither is viewed as negatively as Congress or the executive branch. Banks show evidence of negative shocks from the savings and loan crisis of the 1980s and the financial crisis of 2008. Both of these resulted in federal bailouts followed by legislation that increased regulation. Big companies also show signs of a negative Enron shock that culminated in new regulatory restrictions (the Sarbanes-Oxley Act). Both of these private-sector groups seem to be in slight recovery mode as the shocks recede in time. Big business has roughly even responses to it today, and attitudes toward the banks are something like 57 to 43 against them.

Appendix B

Opinions on Bureaucracy and Regulation by Geography

I summarize the geographic dimension in answers to two GSS questions in Figures B1 and B2. These are results from the confidence in federal bureaucracy (confed) question discussed in the text and Appendix A and the question about more or less regulation (lessreg) as described in the text, tables, and figures. For confed I focus on the second half of the sample period, when confidence in the bureaucracy was lowest. This also overlaps with most of the lessreg data. For reference I show the US mean (vertical line). Recall that this mean is distinctly neg-

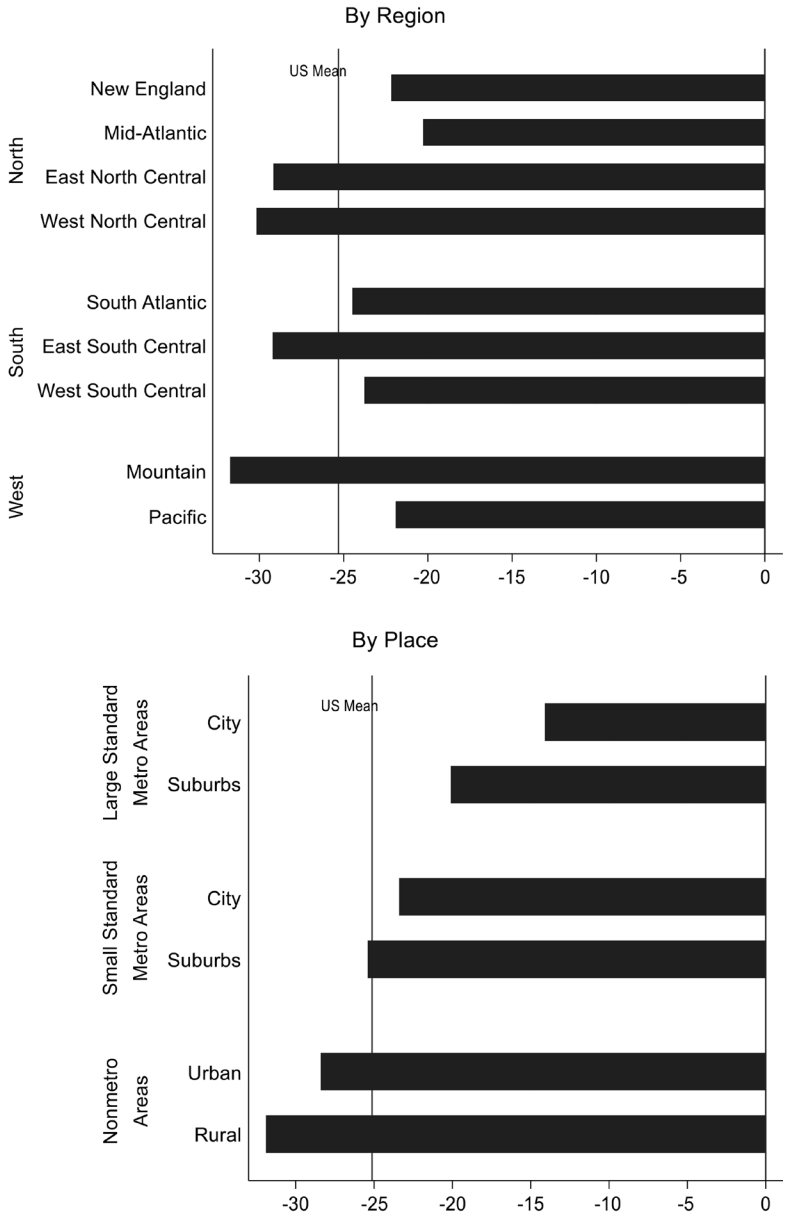

Figure B1. Confidence in the federal bureaucracy by region and place, 1994–2018

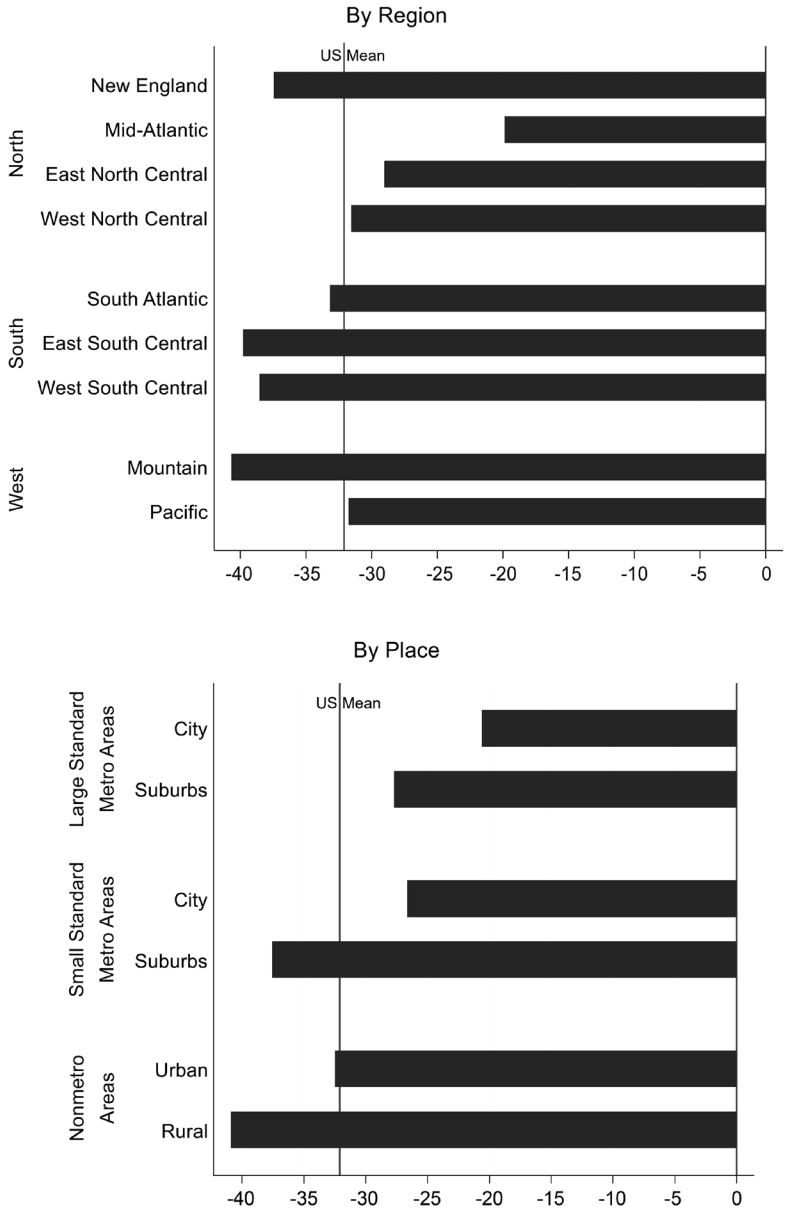

Figure B2. Mean support for regulation by region and place, 1985–2016

ative for both questions: the broad public on average lacks confidence in those running the federal bureaucracy and prefers less regulation to more.

Each figure has a breakdown by region and place. The regions are the nine census regions listed in a roughly east-west order.[22] Place refers to the population size of the respondent's type of location at the time of interview. The place variable (srcbelt) has six categories: (*a*) the 12 largest standard metropolitan areas (SMAs), (*b*) the SMAs ranked 13–100, (*c*) everything else, that is, SMAs ranked below 100 and non-SMAs, with *a* and *b* subdivided into cities and suburbs and *c* subdivided into urban and rural populations. The places are listed in rough order of density, from cities in large SMAs to nonmetro rural areas.[23]

Figures B1 and B2 show similar patterns, broadly consistent with stereotypical priors about US political geography. In no region or place is the average resident confident about bureaucrats or in favor of more regulation. But the East and West Coasts and the large cities are least negative, and the interior regions and rural areas are most negative.[24]

Appendix C

Regression Results

Table C1 shows the results of the regressions used to construct Figures 10–12. The *y*-variable in all 14 regressions is a scaled answer to a question in Table 1. The *x*-variables are dummies whose coefficients give deviations from an indicated baseline; for example the −1.58 at the top of the first column means that liberals were, on average, 1.58 points less confident than moderates in the federal bureaucracy over the period (in this case 1973–2018) covered by the survey question. Statistical significance is indicated with footnotes. Figures 10–12 show the coefficients in the bottom sections of Table C1.

The last column summarizes patterns in the coefficients across the regressions. It shows the number of positive coefficients for each group and a test against the

[22] New England consists of Maine, New Hampshire, Vermont, Massachusetts, Connecticut, and Rhode Island. The Mid-Atlantic consists of New York, New Jersey, and Pennsylvania. The East North Central region consists of Ohio, Indiana, Illinois, Michigan, and Wisconsin. The West North Central region consists of Minnesota, Iowa, Missouri, Kansas, Nebraska, South Dakota, and North Dakota. The South Atlantic region consists of Delaware, Maryland, the District of Columbia, West Virginia, Virginia, North Carolina, South Carolina, Georgia, and Florida. The East South Central region consists of Kentucky, Tennessee, Alabama, and Mississippi. The West South Central region consists of Arkansas, Louisiana, Oklahoma, and Texas. The Mountain region consists of Montana, Wyoming, Colorado, New Mexico, Arizona, Utah, Idaho, and Nevada. The Pacific region consists of California, Oregon, Washington, Alaska, and Hawaii.

[23] In Figure B1, the nonmetro category includes smaller standard metropolitan areas (SMAs). For context, the 12th largest SMA in 2020 was San Francisco–Oakland-Berkeley, California (population 4.75 million), and the 100th was Scranton–Wilkes Barre, Pennsylvania (.57 million). For 1994–2018, about half the population was in the nonmetro category, and three-fourths of residents were in urban areas. The top 100 SMAs are about 60 percent suburban.

[24] The one apparent exception is the very negative view of regulation in New England in Figure B2. However, there is a small-sample issue. By the usual criteria, the null hypothesis cannot be rejected for any regional pairing with New England. (This would require a difference exceeding around 20 points.)

Table C1

Regressions of Regulation Questions on Ideological and Demographic Categories

	General			Environmental Regulation			Regulate Prices								
								Banks and Financial		Government Operation					
Variable and Base Category	Confidence in Government	Bureaucrats Do Best for Us	More/Less Regulation	Government Must Regulate	Let Business Decide	Let People Decide	Electric	Services	Steel	Electricity	Banks	Set Wages	Set Prices	Cut Hours	Coefficients > 0[a]
Ideology (base moderate):															
Liberal	−1.58	1.71	16.93[a]	6.10[a]	6.77[a]	19.25[a]	3.80	13.88[a]	15.55[a]	11.81	9.94	5.78	−6.32	9.42	12
Conservative	1.97[a]	−1.18	−15.11[a]	−16.78[a]	−7.56[a]	−10.62[a]	−10.69	−10.35	−14.83[a]	−5.27	−.76	−14.37[a]	−22.41[a]	−10.56[a]	1[a]
Age (base 45+):															
<45	.05	.93	−4.78[a]	1.60	−.91	−1.28	−.76	6.22	11.00[a]	−9.83	−24.15[a]	−6.64[a]	−11.09[a]	6.94[a]	6
Sex (base male):															
Female	1.38	4.24	9.74[a]	2.68	−.62	4.33	−12.16[a]	−6.29	13.36[a]	−3.28	4.54	5.68	18.71[a]	8.67[a]	10
Race (base white):															
Black	.50	7.74	12.83[a]	6.18[a]	−5.01	1.80	3.03	12.51	2.82	56.94[a]	60.29[a]	26.39[a]	30.75[a]	18.05[a]	13[a]
Other[b]	16.62[a]	20.63[a]	1.83	−1.57	8.62[a]	18.26[a]	7.30	−7.53	.37	63.82[a]	.57	28.93[a]	26.70[a]	10.86[a]	12[a]
Education (base high school graduate):															
Less than high school graduate	1.53	7.03	3.93	5.68	−7.69[a]	−3.74	8.14	12.80	29.04[a]	6.84	3.17	15.31[a]	19.67[a]	10.84[a]	12[a]
Some college	.32	−6.03	.75	3.95	3.40	4.65	11.70	−1.53	7.21	6.61	−4.48	.73	2.98	2.62	11[a]
College graduate+	8.65[a]	6.04	4.93	1.05	3.01	17.69[a]	3.45	−27.70[a]	−20.88[a]	1.68	−21.68[a]	−10.58[a]	−16.34[a]	−6.35	8
Income percentile (base 20th–80th):															
<20th	−.58	5.50	−3.36	.34	−10.07[a]	−12.38[a]	−2.72	−10.11	4.21	1.02	10.37	19.56[a]	3.39	10.66[a]	8
>80th	1.28	3.61	−2.55	−1.17	−1.76	4.43	−3.57	−7.05	−17.33[a]	−14.45[a]	−5.24	−21.34[a]	−21.89[a]	−1.22	3
Summary statistics:															
Adjusted R^2	.04	.02	.04	.04	.02	.05	.00	.03	.07	.09	.11	.08	.09	.03	
Standard error of estimate	66.45	81.32	75.77	55.14	59.60	86.94	93.01	97.92	93.98	74.86	73.28	80.26	83.93	82.80	
N	32,055	3,728	4,737	3,212	3,816	3,418	1,381	1,337	1,329	905	895	2,475	2,467	4,765	

Note. All regressions include year fixed effects. Independent variables are dummies that equal one for the indicated (nonbase) category.

[a] $|t| > 2$. For the last column, the null is seven positive coefficients of 14. This is rejected with fewer than four or more than 10 positive coefficients.

[b] Includes respondents who self-identify as other than black or white. It is typically less than 10 percent of the sample but has been growing recently.

expected value (seven) from a random process. This nonparametric test is meant to show if a group tends to lean consistently in one direction or another (putting aside the magnitude and statistical significance of particular leanings). So, unsurprisingly, liberals lean in favor (12 positive coefficients) while conservatives lean against (13 negative coefficients) regulation or regulators. The other notable patterns are mainly complementary with ideology, in the sense that markers for ideology tend to enhance the ideological effect. For example, holding ideology and everything else constant, blacks lean more favorably than whites toward regulation. Similarly, non-high-school graduates—with the conspicuous exception of college graduates—lean more favorably than high school graduates (the most conservative of the four education categories); higher-income groups lean negatively compared with the middle quintiles. Females, who tend to be more liberal than males, also tend to be more in favor of regulation, but here the null hypothesis cannot be conventionally rejected.

References

Clark, April K. 2015. Rethinking the Decline in Social Capital. *American Politics Research* 43:569–601.

McLaughlin, Patrick A., and Oliver Sherouse. 2019. RegData 2.2: A Panel Dataset on US Federal Regulations. *Public Choice* 180:43–55.