

The Invisible Hand

of

Government

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Preface

The classical economist Adam Smith is famous for his notion that the markets were guided by an “invisible hand.” In the material that follows, we will see that government has its own invisible hand—major social programs that are invisible to many Americans either because they are attached to universal entitlement or contributory systems; or, because the government acts indirectly, through private intermediaries or through indirect instruments such as the tax code. As the debates raging in the current Presidential primaries remind us, our perceptions of whether or not we benefit from support may shape our position in the continuing debate about the proper scope of government.

The Setting

Citizen satisfaction with, and trust in the Federal government has systematically declined since the 1960s.¹ Growing partisanship; increasing political polarization around volatile political issues; and paralysis of our legislative process are all too familiar to most Americans.² This archipelago of discontent has increasingly crystallized around a renewed debate over the proper scope of the federal government.

Contemporary events suggest that discontent is beginning to shape action: an armed occupation of the Malheur National Wildlife refuge in Oregon; the

¹ (Public Trust in Government: 1958-2014 2014)

² (Vavreck 2016)

turbulent Republican Presidential primary; and the unprecedented partisanship surrounding the policy implications of a new Supreme Court appointment. These are only the recent indications that the traditional fault lines in American politics may have been breached.

But, what if this increasingly strident debate about the size of government is based on over-simplified caricature of how government acts? What if we devalue the contributions of government to our lives because we fail to recognize the full extent we depend upon its supporting hand? What if the great debate between “big government” and “small government” is a chimera, or illusion?³

The image of the federal government that informs contemporary partisan discourse is largely shaped by the image of government bureaucracies that emerged in the New Deal of the 1930s, persisted in the herculean efforts to win a world war in the 1940s, and further expanded in the “Great Society” programs of the 1960s. Yet, a new body of literature suggests that some citizens fail to recognize the benefits they actually receive from the federal government—not out of ignorance, but because the government has often implemented policy indirectly or through private sector intermediaries.

A 2008 national survey of 1,400 Americans found that although *57% of the respondents denied that they had ever used “a government social program,” 94% of those who denied such benefits had in fact participated in one* [italics added],

³ (Balogh, *A Government Out of Sight: The Mystery of National Authority in Nineteenth Century America* 2009), p.2 raises a similar question.

including policies like Social Security, home mortgage-interest deduction and student loans.

The contemporary debate about the proper scope of government is not without its earlier antecedents: the debate over the National Bank, a civil war, the emergence of judicial review, trade and tariffs were part of an evolving political landscape. Numerous Constitutional amendments were all signposts that Americans struggled with how to make limited government work in a context where changing circumstances pressed ever greater demands for public action. Historian Brian Balogh draws a vivid picture of the emergence of a powerful national government that was made possible by *hiding it in plain sight*.⁴ He notes: “Although the United States has governed differently than its industrialized counterparts, it has not governed *less*. Rather, Americans govern *less visibly*.”⁵

I have purposefully chosen the phrase “invisible hand of government” to draw attention to the similarity between classical economic theory’s vision of the market and our vision of limited government. Make no mistake, we want society’s problems addressed. However, we prefer a government that is less visible; policies that are delivered indirectly, or through third parties; or, the absence of government altogether. Other scholars, depending on their focus,

⁴ (Balogh, *A Government Out of Sight: The Mystery of National Authority in Nineteenth Century America* 2009)

⁵ (Balogh, "Keep Your Government Hands Off My Medicare: A Prescription that Progressives Should Fill" 2009), p. 3

have referred to the invisible hand of government as the “submerged state,” as “government by proxy,” the “hollow state,” the “hidden welfare state,” “shadow of government,” “delegated governance,” or the “associational state.”⁶

What is the Invisible Hand of Government?

Limited government is good government. This refrain has long been a staple of American political thinking, and in recent times, the source of dramatic, partisan clashes that have nearly brought the government to a standstill. But does this mean that government has failed to address critical issues? No. It has simply moved by other means.

“American politics today is ensnared in the paradox of a submerged state. Our government is integrally intertwined with everyday life from health care to housing, but in forms that often elude our vision: governance often appears ‘stateless’ because it operates indirectly, through subsidizing private actors.”⁷

Lester Salamon elaborates on this theme from a practitioner’s perspective:

“A massive proliferation has occurred in the tools of public action, in the instruments or means used to address public problems. Where earlier government activity was largely restricted to the direct delivery of goods and services by government bureaucrats, it now embraces a dizzying array of loans, loan guarantees, contracts, social regulation, economic regulation, insurance, tax expenditures, vouchers, and much more.”⁸

Unlike familiar forms of government policy such as Social Security, Medicare, or Unemployment Benefits, the invisible hand of government consists of “. . . a conglomeration of federal policies that function by providing incentives,

⁶ (Mettler, *The Submerged State* 2011), p. 13. See also, (Balogh, *The Associational State: American Governance in the Twentieth Century* 2015).

⁷ (Mettler, *The Submerged State* 2011), p. 6

⁸ (L. M. Salamon 2000), p.1612

subsidies, or payments to private organizations or households to encourage or reimburse them for conducting activities deemed to serve a public purpose.”⁹

The Origins of the Invisible Hand of Government

Historian Brian Balogh cites early observations that mark the sentiments that underpin the invisible hand of government. Tocqueville, the most important of early European visitors notes, “in the United States, government authority seems anxiously bent on keeping out of sight.”¹⁰ Later, during America's debate about remaking its government, Alexander Hamilton writes in the *Federalist Papers*, No. 27:

“Man is very much a creature of habit. A thing that rarely strikes his senses will generally have but little influence upon his mind. A government continually at a distance and out of sight can hardly be expected to interest the sensations of the people.”¹¹

But, why this interest in government operating in the background? A common theme, of course, was the distrust of distant authority that emerged from the colonial experience. As Richard Stillman notes, there was no administrative state outlined in the Constitution.¹² But both Stillman and Balogh see the emergence of an effective national government in the 19th century, albeit one with limited responsibilities. Balogh notes,

“Americans consistently advocated energetic governance when it came to trade, security, and economic development. Where state and local government was up to the task, or where voluntary and private groups might fulfill public

⁹ (Mettler, *The Submerged State* 2011), p. 4.

¹⁰ (Balogh, *A Government Out of Sight: The Mystery of National Authority in Nineteenth Century America* 2009), p. 4. Balogh also uses the phrase “hidden in plain sight.”

¹¹ (Shapiro 2009), p.136.

¹² (Stillman II 1999), p. 21

purposes, Americans preferred that the national government enable rather than command.”¹³

This was republican government with a small “r,” that is government dependent upon civic virtue operating in small communities. As the historian Robert Wiebe describes:

“America during the nineteenth century was a society of island communities. Weak communication severely restricted the interaction among these islands and dispersed power to form opinion and enact public policy . . . The heart of American democracy was local autonomy. A century after France had developed a reasonably efficient, centralized public administration, Americans could not even conceive of a managerial government. Almost all of a community’s affairs were still arranged informally.”¹⁴

Yet in the 19th century, the federal government acted to expand its territory, enable internal improvements, establish communications and transportation networks, lay the foundation for national markets, and encouraged settlement. In spite of these vigorous initiatives, the American vision preferred to focus on themes of natural laws (e.g., manifest destiny), individual initiative and the free operation of markets. As Balogh suggests, “National governance remained hidden in plain sight because many of its activities were directed at the margins of the nation.”¹⁵

¹³ (Balogh, *A Government Out of Sight: The Mystery of National Authority in Nineteenth Century America* 2009), p. 3.

¹⁴ (Wiebe 1967), xiii.

¹⁵ (Balogh, *A Government Out of Sight: The Mystery of National Authority in Nineteenth Century America* 2009), p. 11.

The Significance of the Invisible Hand of Government

Our inability to see the real extent to which we rely on the federal government for not only social well-being, but also for its capacity to establish an institutional framework that has permitted the emergence of a global economic powerhouse, is that we devalue that we rely upon most. As Francis Fukuyama has pointed out:

“Political institutions are necessary and cannot be taken for granted. A market economy and high levels of wealth don’t magically appear when you ‘get government out of the way’; they rest on a hidden institutional foundation of property rights, rule of law, and basic political order.”¹⁶

Dr. Suzanne Mettler, in describing the “submerged state,” outlines the appeal of indirect policy making to conservatives even as they may attack more direct social policy legislation and “big” government:¹⁷

- The submerged state approach allows conservatives to deliver tangible benefits to constituents without appearing to expand government spending or the size of the federal bureaucracy.
- The submerged state approach appears to restrain government spending by reducing taxes.
- The submerged state approach creates benefits for some, thereby reducing the political pressure to establish more expensive, more visible programs that would benefit all citizens.
- The submerged state approach is like privatization which carries with it the conservative belief that the market will always be more efficient than government programs.

Indirect policy making also has support from liberals. Caught in a political reality increasingly defined by their inability to deliver on more traditional, “big

¹⁶ (Fukuyama 2011), p.13.

¹⁷ (Mettler, The Submerged State 2011), pp. 17-18.

box” social policy, they have increasingly acted indirectly, or not at all.¹⁸ It is no accident that Medicare and the Affordable Care Act often rely on private insurance providers.

The Invisible Hand of Government in New Jersey

Key Findings

- A survey of 812 New Jersey residents suggest they participate in a broad range of government programs. The highest rates of participation were in four areas: Social Security retirement, Unemployment Benefits, Student Loans and the Home Mortgage Interest Deduction. Particularly surprising is that approximately 40% of those surveyed had made use of Unemployment Benefits.
- Survey results suggest that respondents’ understanding that they are participating in a “government social program” varies widely by program characteristics and means of implementation.
- The government social programs examined in this study may be conveniently divided into three broad categories: traditional *Social Support* programs (e.g., Welfare, Food Stamps); *Entitlement/Contributory* programs that create a sense of deservingness through some type of contribution (e.g., Social Security, GI Bill); and, *Invisible Hand* programs that are delivered indirectly or through third parties (e.g., student loans, home mortgage interest deduction).
- 59.7% of New Jersey respondents denied they had ever used a “government social program.” 68% of those who denied using such benefits had in fact participated in one or more.
- This lack of awareness is particularly true for programs that are delivered through an “invisible hand,” i.e., through third party intermediaries or indirectly through the tax code. However, this lack of

¹⁸ (Mettler, *The Submerged State* 2011), pp. 18-20.

awareness extends to the major icons of the American safety net such as Social Security, Medicare and Unemployment Benefits.

Do New Jersey Residents Benefit from Government Social Programs?

The data in Table 1 document the fact that New Jersey residents benefit from a wide range of government programs. The broadest levels of participation fall in four areas: Social Security retirement, Unemployment Benefits, Student Loans and the Home Mortgage Interest Deduction. Particularly surprising is the fact that approximately 40% of those surveyed had utilized Unemployment Benefits, but this could represent New Jersey's sluggish economic recovery from the 2008 economic downturn.

[Table 1 on Next Page]

Table 1. Percentage of Respondents Who Indicated They Had Participated in Each Program by Region			
Program	South	Central	North
Social Security Payments of Any Type	42.4	30.3	32.3
Social Security Retirement/Survivors Benefits	76.1	85.0	72.1
Social Security Disability/SSI	32.7	25.4	25.2
Medicare	37.9	33.3	30.1
Medicaid	13.6	25.4	25.2
Affordable Care Act Marketplace Insurance	4.9	6.2	7.5
Unemployment Benefits	45.7	43.4	39.0
Welfare	10.6	3.1	6.6
Food Stamps	15.8	7.7	12.4
Government Subsidized Housing	6.4	5.6	3.2
Pell/Equal Opportunity Grants	22.7	17.3	21.4
Head Start	9.8	5.1	5.8
Student Loans	50.0	48.5	48.0
Federally Guaranteed Student Loans	39.4	34.6	34.4
GI Bill Education/Training*	29.4	34.6	34.4
Other Veteran's Benefits*	23.5	15.4	18.2
Home Mortgage Interest Deduction	56.8	61.7	44.5
Earned Income Tax Credit	25.8	19.9	18.5
Child and Dependent Tax Credit	29.1	32.1	19.9
HOPE Credit or Lifetime Learning Tax Credit	11.7	7.1	6.1
Qualified Tuition Program, Cloverdell Education Savings Account, or an Education IRA	13.6	16.8	15.6
*Percentage Based on Respondents Who Indicated Veterans Status			

Are Some Forms of Government Support More Visible than Others?

While New Jersey residents acknowledge participation in a broad range of government programs, the literature on indirect forms of policy making suggests that participants in various programs may not recognize their participation as benefitting from a “government social program.” In particular, our goal was to compare our results with a national study conducted by Dr. Suzanne Mettler in 2008.

Table 2 on the next page provides a basic comparison with the results of the Mettler study. The table reports the percentage of respondents who participated in specific government programs, yet denied they had “ever used the services of any sort of government social program.” The results do not document the truthfulness of the respondents. Rather, they *document the varied visibility of the specific programs as examples of government social programs.*

Visibility of benefits received is no small matter, especially in this era of contentious debate about the size of government, or about which programs should be cut to reduce the federal deficit. *We cannot value what we do not see.*¹⁹

¹⁹ (Mettler, *The Submerged State* 2011), p. 2. Here Mettler cites the case of South Carolina Representative Robert Inglis being told by one of his constituents to “Keep your government hands off my Medicare.” Similarly, the protesters at the Malheur Wildlife refuge did not see they benefitted from the role of the Federal government in securing the land where they had settled, surveying the land to secure their property rights, damming rivers to provide for water supply and rural electricity, or even the idea they could secure grazing rights on land that has been in the ‘public domain’ at least since the 19th century.

Table 2. Percentage of Beneficiaries of Specific Programs Who Report that They "Have Not Used a Government Social Program"		
Program	"Have Not Used a Government Social Program" (%)	2008 Study
<i>HOPE or Lifetime Learning Tax Credit</i>	71.2	59.6
<i>529 or Cloverdell Tax Deferred Savings</i>	70.5	64.3
Federal Guaranteed Student Loans	61.6	
GI Bill Benefits	61.3	40.3
<i>Child/Dependent Care Tax Credit</i>	59.3	51.7
<i>Home Mortgage Interest Deduction</i>	58.7	60.0
Student Loans	58.5	53.3
<i>Earned Income Tax Credit</i>	54.1	47.1
Pell Grants	52.1	43.1
Unemployment Benefits	49.3	43.0
Affordable Care Act Insurance	47.1	n/a
Social Security-retirement/survivors	45.2	44.1
Medicare	44.2	39.8
Social Security-Disability/Supplemental Security Income	41.5	28.7/28.2*
Veterans Benefits (other than GI Bill)	41.2	41.7
Head Start	41.1	37.2
Medicaid	34.2	27.8
Government Subsidized Housing	30.8	27.4
Welfare	28.6	27.4
Food Stamps	26.0	25.4
		* Low N's in this category

While the *specifics* of the New Jersey results vary from those of the larger national sample, in both cases it is clear that some government social programs are more visible (i.e., *have a smaller percentage of beneficiaries who deny having used the services of a government social program*) than others. Furthermore, the *pattern* of New Jersey results is similar to those in Mettler's 2008 national study.

As Mettler sought to interpret her original results, she commented upon the fact that the percentages were also relatively high for what can only be described as traditional social policy such as Social Security retirement benefits, unemployment benefits and veterans benefits. She concluded that that the visibility of programs depended not only on the mode of delivery (using indirect means or third party intermediaries vs. direct government provision), but also on the connotations of the term social policy:

“Social Security benefits arrive in the seemingly unambiguous form of checks from the government. Their submerged character for many recipients can likely be attributed to them thinking about the benefits as their own ‘earned right,’ . . .”²⁰

To explore this insight further, the New Jersey results were re-ordered in a different way as shown in Table 3 (see next page). Here we group the government programs into three categories:

- Entitlement/Contributory programs: Those programs that Mettler suggests people view as a “right” earned through contributions or service.
- Social Support programs: Those programs that largely provide support for those considered to have the greatest economic need. These are the traditional safety net programs.
- Invisible Hand programs: Those programs that reflect Mettler’s original “submerged state” conception and operate indirectly by supporting activities of third party providers or through provisions of the tax code.

²⁰ (Mettler, *The Submerged State* 2011), p. 39.

Table 3. Percentage of Beneficiaries of Specific Programs Who Report that They “Have Not Used a Government Social Program”	
Program	Percentage
Entitlement/Contributory	
Social Security Retirement/Survivors	45.2
Social Security Disability/SSI	41.5
Medicare	44.2
Pell Grants	52.1
Unemployment Benefits	49.3
GI Bill	61.3
Veterans Benefits Other Than GI Bill	41.2
Social Support	
Head Start	41.1
Medicaid	34.2
Affordable Care Act	47.2
Welfare	28.6
Government Subsidized Housing	30.8
Food Stamps	26.0
Invisible Hand	
Earned Income Tax Credit	54.1
Student Loans	58.5
Federal Guaranteed Student Loans	61.6
Home Mortgage Interest Deduction	58.7
Child Dependent Tax Credit	59.3
529 or Cloverdell Tax Deferred Savings	70.5
HOPE or Lifetime Learning Credit	71.2

This tripartite division of programs reveals interesting patterns. Beneficiaries of programs delivered indirectly through Invisible Hand mechanisms are the least likely to identify these benefits as participation in a government social program, followed by beneficiaries of Entitlement programs. These beneficiaries may view themselves as deserving because of contributions made, or services rendered to the country, rather than beneficiaries of government largesse.

Most visible of all, as icons of government expenditures, are the traditional social support programs.

When looking at the Entitlement programs, subsequent analysis will reveal that the sense of entitlement is strongest regarding Social Security, Medicare and Unemployment Benefits. In the case of Invisible Hand programs, beneficiaries are least likely to identify the Home Mortgage Interest Deduction and Student Loans as a “government social program.”

Interestingly, the Invisible Hand programs disproportionately benefit more well-to-do citizens while talk of government *reform* often focuses on the entitlement and social support programs.

Summary and Conclusions

Bound by our political culture to a vision of limited government, Americans have repeatedly debated the size of government while at the same time seeking protection, support, and even individual advantage from that same government. But we prefer not to see it.

The rapid transformation of the United States from a nation of “island communities” of 19th century small town life into a global economic and political power set in motion forces of dislocation that the government felt compelled to address. “Big” government for most Americans traces its heritage to Roosevelt’s programs to raise America out the depths of the depression. For some of those to work, he used the phrase the “deserving poor” to assuage reluctance, if not guilt about accepting government support. One of those programs, Social Security, became the “third rail” of American politics, the thorniest dilemma for those seeking to shrink government.

Beginning in the 19th century, American politics began to develop its capacity to deliver public policy indirectly, a practice that became more commonplace during the 20th century, and continues today. Faith-based initiatives, Medicare delivered through private physicians and hospitals, student loans subsidized by the government but provided by private financial institutions, and widespread use of tax incentives to stimulate everything from home ownership to energy conservation are just a few examples of indirect policy provision.

As Americans became accustomed to government-run social programs and as policy makers used non-government intermediaries or tax provisions to deliver desired outcomes, our *awareness of the extent to which we actually depended upon a broad array of social supports began to recede. As awareness receded the premise that government could indeed get smaller without impacting our lives became more widespread.* Those supports that many depended upon were being delivered by an invisible hand—made invisible by the indirect mode of delivery, or by a growing sense of entitlement. So in 2010, it must have come as a surprise to Social Security recipients that for the first time in 32 years they did not get an annual cost of living increase.

This study is based largely on the approach of Dr. Suzanne Mettler in her book, *The Submerged State: How Invisible Government Policies Undermine American Democracy*.²¹ The results of our survey suggest six broad points of significance.

1. New Jersey respondents often fail to recognize the myriad of government programs that underpin their well-being.

Like the respondents in the 2008 national study, New Jersey respondents often fail to recognize they benefit from government social programs. Nearly 60% of those surveyed denied ever having used the services of a government social program. 68% of those who denied receiving such benefits had participated in one or more programs.

²¹ (Mettler, *The Submerged State* 2011)

2. New Jersey respondents were less likely to recognize their dependency on government programs they consider entitlements, or programs that delivered their benefits indirectly through the tax code or third party intermediaries.

Our results consistently demonstrate that we are less likely to see Entitlement and Invisible Hand programs, despite the fact that these two categories contain some of the most widely utilized social policies in American political history. Forty-five percent of those respondents who reported receiving Social Security denied participating in a government social program, a figure that increases to nearly 84% those respondents who felt they paid “more than their fair share” of taxes. Approximately 60% of those respondents who benefitted from student loans or the home mortgage interest deduction denied participating in any government social program.

3. In stark contrast to these first two findings, beneficiaries of programs targeting the economically disadvantaged are clearly aware they benefit from a government social program.

Regardless of political orientation, regardless of current education and income, regardless of numerous demographic characteristics, beneficiaries of these programs consistently recognize these benefits as government social programs. In the vast majority of analyses, 10% or fewer of beneficiaries denied ever having used the services of a government social program.

4. Like trust in government, these perceptions are deeply rooted and cut across political and demographic characteristics.²²

Our survey did find some variability in the labeling of government programs. What is surprising is that we did not find more. These distinctions in the mental maps of respondents are remarkably consistent. Elaboration of our results across several political and demographic characteristics is reported in Appendix I.

5. Despite respondents' lesser willingness to label benefits received as participation in a government social program, all respondents were prepared to defend benefits received with their vote.

Although our question omitted certain government programs, when asked whether they would support a political candidate who favored cutting one of their benefits, respondents were uniformly less likely to support such a candidate.

6. Debates about the size and scope of government are likely to be skewed by our perception of what constitutes a government social program.

It is often noted that Americans lack confidence or trust Congress, but have confidence in their own representative.²³ By associating the term “government social program” primarily with programs serving the economically disadvantaged, demands to reign in government spending may disproportionately fall on those programs.

In other words, your government social program is my entitlement.

²² (Pew Research Center 2015)

²³ (Mendes 2013)

Appendix I: Elaboration of Basic Findings

Elaboration of Basic Findings

While our aggregate results seem to confirm the “invisible hand” or “submerged state” interpretation, awareness of policies and the respondent's perceptions may be shaped by factors other than the mode of policy implementation. To test the stability of the original findings we analyzed results relative to a number of respondent characteristics, both demographic and political.

I. Regional Differences

Key Finding

- The variation in the visibility of different types of government social programs remains relatively constant across different regions of the state. Regardless of region, Entitlement and Invisible Hand programs are much less visible as government social programs compared to Social Support programs.

To examine the pattern of program visibility within New Jersey, we looked at regional differences using county groupings used in other Hughes Center studies.

Examination of regional differences reveals no sustained regional differences. Rather, it suggests a broad similarity to the statewide results. That is, we see higher percentages of beneficiaries of Entitlement and Invisible Hand policies deny ever participating in a government social program. For traditional social support programs only one of the percentages is above 10% and the remainder are all below 7%.

Table 4. Percentage of Beneficiaries of Specific Programs Who Say They Have Never "Used the Services of Any Sort of Government Social Program" by Region			
Program	South	Central	North
Entitlement/Contributory			
Social Security	35.2	19.5	24.8
Medicare	30.6	21.1	23.4
Unemployment Benefits	33.3	38.2	34.4
GI Bill	28.6	23.1	33.3
Other Veterans Benefits	14.3	7.7	15.8
Pell Grants	20.1	13.0	19.6
Social Support			
Head Start	6.9	4.1	0.0
Medicaid	5.5	6.6	10.7
Affordable Care Act	4.8	4.9	5.1
Welfare	4.2	0.0	4.7
Government Subsidized Housing	1.4	4.9	2.3
Food Stamps	4.2	4.1	7.0
Invisible Hand			
Earned Income Tax Credit	21.5	19.5	17.8
Child and Dependent Tax Credit	29.2	36.6	17.3
Student Loans	53.8	43.9	46.5
Home Mortgage Interest Deduction	60.0	60.2	42.1
HOPE or Lifetime Learning Tax Credit	13.9	9.8	7.0
Qualified Educational Savings Plan	18.1	19.5	16.8

II. Impact of Political Variables

“Where you stand depends on where you sit.”²⁴ Given this classic political aphorism first formulated by Rufus E. Miles, Jr., while he was at the Bureau of the Budget, we might reasonably expect that political attitudes or attributes

²⁴ (Miles 1978)

shape respondents' views of various government programs. Here we examine the impact of several political attributes of respondents on the visibility of participation in government social programs.

Key Findings:

- Although there are occasional outliers, findings confirm a remarkable consistency in the overall perceptions of different policy categories: regardless of party identification, ideological orientation, perceived tax burden, level of attention paid to public affairs, voting in the last Presidential election, or record of contacting public officials, Invisible Hand programs and Entitlement programs remain less visible as “government social programs,” than the Social Support programs primarily directed at the economically disadvantaged.
- Self-interest is something different than the mental maps of different types of government policies. Even though beneficiaries of Entitlement and Invisible Hand programs are less likely to identify these benefits as participation in a government social program. Beneficiaries of all three types of government policies are likely to vote against candidates who they feel may cut their benefits.

A. Party Identification

Key Findings:

- The overall pattern of lower visibility of entitlement and Invisible Hand programs is sustained. Across all categories of party identification, beneficiaries of Student Loans and the Home Mortgage Interest deduction are least likely to see their participation as part of a government social program.
- Republican beneficiaries are less likely to see Social Security, Medicare, and the Home Mortgage Interest deduction as a government social programs.
- Democratic beneficiaries are less likely to see the GI Bill and Student Loans as government social programs.

- Those identifying as independents are least likely to see Unemployment Benefits as a government social program.
- Along with Independents, those in the residual category which includes response categories “something else,” “don't know/not sure,” or “refuse,” tend to be outliers, sometimes similar to other groups, sometimes more likely to identify their participation in a variety of programs as a government social program.

Program	Republican	Democrat	Independent	Other
Entitlement/Contributory				
Social Security	32.6	26.3	24.0	14.8
Medicare	28.6	25.7	19.2	21.3
Unemployment Benefits	34.1	34.2	40.8	31.1
GI Bill	31.8	41.7	33.3	28.6
Other Veterans Benefits	18.2	16.7	0.0	14.3
Pell Grants	15.9	23.0	15.2	19.4
Social Support				
Head Start	4.5	5.3	4.0	4.8
Medicaid	5.3	11.8	5.6	8.1
Affordable Care Act	1.5	7.9	4.8	6.5
Welfare	3.0	4.6	6.1	6.5
Government Subsidized Housing	2.3	2.6	1.6	3.3
Food Stamps	4.5	7.9	2.4	6.5
Invisible Hand				
Earned Income Tax Credit	21.2	19.7	18.4	18.0
Child and Dependent Tax Credit	25.6	26.3	26.4	22.6
Student Loans	45.5	51.3	48.0	44.3
Home Mortgage Interest Deduction	63.2	44.4	56.0	40.3
HOPE or Lifetime Learning Tax Credit	10.5	9.9	8.8	12.9
Qualified Educational Savings Plan	23.5	19.1	17.7	4.8

Given the increasing partisanship displayed in Washington and on the campaign trail, one might expect more partisan differences in the visibility of government social programs. Survey results reveal some differences, but they appear to be program specific, rather than tied to systematic patterns of party identification.

B. Ideological Orientation

Over the past several years, ideological splinter groups, particularly those on the right of the political spectrum have emerged as powerful political forces. Therefore, it is important to look at self-identified ideological positions and not just party identification.

Key Findings:

- When considering ideological orientation, the overall pattern of lower visibility of entitlement and Invisible Hand programs is sustained.
- Regardless of ideological orientation, all respondents are least likely to identify Home Mortgage Interest Deduction and Student Loans, two classic Invisible Hand programs, as government social programs.
- There are relatively few programs where clear, ideological differences occur. Self-identified liberals are less likely to see the GI Bill as a government social program. Self-identified conservatives were less likely to see the more prominent Entitlement programs as government social programs. Conservatives were least likely to see the Home Mortgage Interest deduction as a government social program.

Table 6. Percentage of Beneficiaries of Specific Programs Who Report that They Have Never “Used the Services of Any Sort of Government Social Program”			
Program	Liberal	Middle of the Road	Conservative
Entitlement/Contributory			
Social Security	25.2	23.0	33.3
Medicare	20.0	26.0	27.7
Unemployment Benefits	31.3	34.0	38.6
GI Bill	50.0	33.3	30.0
Other Veterans Benefits	14.3	7.4	21.1
Pell Grants	22.6	16.7	17.7
Social Support			
Head Start	7.0	5.4	3.5
Medicaid	9.6	5.9	9.2
Affordable Care Act	5.2	5.4	2.9
Welfare	3.5	1.5	6.4
Government Subsidized Housing	0.9	2.5	2.8
Food Stamps	7.8	2.5	7.1
Invisible Hand			
Earned Income Tax Credit	18.4	17.6	19.1
Child and Dependent Tax Credit	31.3	28.4	18.4
Student Loans	54.8	51.5	40.4
Home Mortgage Interest	51.7	51.0	58.9
HOPE or Lifetime Learning Credit	13.0	11.3	5.7
Qualified Educational Savings Plan	21.7	20.1	14.2

C. Perceived Tax Burden

As we study the attitudes of New Jersey residents, we would be remiss to not ask about taxes. We included a question in our survey which asked whether respondents thought they were paying more or less than their fair share of taxes. The results and their impact on visibility of government social programs are in Table 7.

Key Findings:

- The original pattern is visible even when we take into account perceived tax burden. That is, Social Support programs remain the most visible icons of government social programs.
- Even among those who believe they pay more than their fair share of taxes, Entitlement programs such as Social Security, Unemployment Benefits, and the GI Bill are not widely viewed as government social programs.
- Invisible Hand policies, especially Student Loans and the Home Mortgage Interest Deduction, are less likely to be viewed as government social programs.
- If you compare those who believe they pay “more than their fair share” of taxes with those who pay their “fair share,” you see that in most cases, those who think they are paying “more than their fair share” of taxes are slightly less likely to see that they benefit from a government social program. Of special note, 83.9% of Social Security beneficiaries who believe they pay more than their fair share of taxes do not even see Social Security as a government social program.

Table 7. Percentage of Beneficiaries of Specific Program Who Report that They Have Never “Used the Services of Any Sort of Government Social Program” by Perceived Tax Burden			
Program	% Who Say they Pay More than their Fair Share	% Who Say they Pay Their Fair Share	% Who Say they Pay Less Than Their Fair Share*
Entitlement/Contributory			
Social Security	83.9	71.2	50.0
Medicare	20.6	29.3	29.4
Unemployment Benefits	38.3	31.4	33.3
GI Bill	38.7	31.6	0.0
Veterans Benefits Other Than GI Bill	16.7	10.5	0.0
Pell Grants	18.5	19.8	5.9
Social Support			
Head Start	4.0	5.3	5.6
Medicaid	4.8	10.6	17.6
Affordable Care Act	3.6	6.3	5.9
Welfare	1.6	4.8	11.1
Government Subsidized Housing	3.6	1.9	0.0
Food Stamps	3.6	6.8	11.1
Invisible Hand			
Earned Income Tax Credit	19.0	19.3	22.2
Child Dependent Tax Credit	27.0	25.5	23.1
Student Loans	48.0	49.8	27.8
Home Mortgage Interest Deduction	57.7	49.5	22.2
529 or Cloverdell Tax Deferred Savings	20.2	16.4	5.6
HOPE or Lifetime Learning Credit	11.7	8.7	0.0
			*N's are low in this category

D. Level of Attention to Public Affairs

We might reasonably argue that the “visibility” of government social programs is related to attention to public affairs by respondents. Therefore, we asked the respondents to rate the extent to which they “... follow what's going on in government and public affairs.” The results are given in Table 8 on the next page.

Key Findings:

- While the pattern is not consistently linear, respondents who paid more attention to public affairs were *less* likely to see their benefits as participation in a government social program.
- As in our other findings, the invisibility of Student Loans and the Home Mortgage Interest deduction is the most stable.
- Not surprisingly, the greatest number of outliers occurs with those who say they do not pay any attention to public affairs.

Table 8. Percentage of Beneficiaries of Specific Programs Who Report that They Have Never “Used the Services of Any Sort of Government Social Program by the Extent to Which They Follow ‘What's Going On in Government and Public Affairs’”				
Program	Most of the Time	Some of the Time	Rarely	Not at All
Entitlement/Contributory				
Social Security	29.3	22.4	19.4	27.3
Medicare	23.9	26.9	29	28.6
Unemployment Benefits	36.0	35.3	26.7	28.7
GI Bill	26.3	46.2	100*	100*
Other Veterans Benefits*	15.8	7.7	0.0	0.0
Pell Grants	14.8	21.6	30.0	23.8
Social Support				
Head Start	5.1	3.7	6.7	4.8
Medicaid	5.1	12.7	12.9	13.6
Affordable Care Act*	6.1	3.7	3.3	0.0
Welfare	2.7	3.0	3.3	14.3
Government Subsidized Housing	1.7	5.2	0.0	0.0
Food Stamps	4.0	6.8	3.3	18.2
Invisible Hand				
Earned Income Tax Credit	18.9	20.9	9.7	28.6
Child and Dependent Tax Credit	27.9	19.4	22.6	33.3
Student Loans	50.8	41.8	43.3	47.6
Home Mortgage Interest Deduction	64.5	35.1	25.8	23.8
HOPE or Lifetime Learning Tax Credit	10.8	10.4	3.2	4.8
Qualified Educational Savings Plan	21.2	12.7	16.1	4.8
			*Low N's in these categories	

The overall pattern of traditional social support programs having the greatest visibility while both Entitlement and Invisible Hand programs are less likely to be identified as “government social programs” by respondents.

E. Voting Record in the 2012 Presidential Election

The issue of political engagement goes beyond attending to public affairs. We now turn our attention to behavioral indices of political engagement. The first of these is whether or not the respondent voted in the last Presidential election. Utilization of this measure is reasonable since turnout is usually higher in Presidential elections.

Key Findings:

- If we take voting as one measure of political engagement, we see that the relative invisibility of Entitlement or Invisible Hand programs as social programs exists even for those who participate in the most readily identifiable form of democratic political behavior.
- For Entitlement programs, the results are mixed, but for those programs reaching the largest number of voters (Social Security, Medicare and Unemployment Benefits), those who voted were less likely to identify these programs as government social programs compared to those who did not vote in the last Presidential election.
- The pattern was the similar and more consistent for Invisible Hand programs. With the exception of the Earned Income Tax Credit, those who voted in the 2012 Presidential election were less likely to identify Invisible Hand programs as government social programs.

Table 9. Percentage of Beneficiaries of Specific Programs Who Report that They “Have Not Used a Government Social Program” by Voting in the 2012 Presidential Election		
Program	Voted	Did Not Vote
Entitlement/Contributory		
Social Security	30.4	16.9
Medicare	27.1	18.4
Unemployment Benefits	36.3	33.8
GI Bill	32.0	66.7
Other Veterans Benefits	12.0	33.3
Pell Grants	16.8	23.7
Social Support		
Head Start	5.0	2.6
Medicaid	6.6	16.9
Affordable Care Act	4.5	9.2
Welfare	2.6	7.9
Government Subsidized Housing	2.4	2.6
Food Stamps	4.2	10.5
Invisible Hand		
Earned Income Tax Credit	18.4	26.3
Child and Dependent Tax Credit	27.1	14.3
Student Loans	49.7	42.9
Home Mortgage Interest Deduction	60.3	22.1
HOPE or Lifetime Learning Tax Credit	10.5	7.9
Qualified Educational Savings Plan	20.0	9.2

One might suggest that those who vote might be more informed. But in 9 of the 12 programs in the Entitlement and Invisible Hand groups a larger percentage of the respondents who voted failed to identify the specific programs as government social programs. In comparison, voting participants in 4 of the 6 social support programs were more likely to identify their programs as government social programs.

F. Contacting Public Officials About Problems or Issues of Concern

Table 10 looks at another form of political activity, one that traditionally is viewed as something which takes more engagement and knowledge—contacting your elected representative or their staff.

Key Findings:

- Even those who contact public officials about problems or issues are less likely to view Entitlement and Invisible Hand programs as government social programs.
- As was the case with attention to public affairs, when looking at voting behavior the results run counter to the intuitive notion that the more engaged would be more informed. For both Entitlement and Invisible Hand programs, those whose behavior suggested greater political engagement, were less likely to identify these programs as government social programs.
- Also, as with voting behavior we found a more consistent pattern in the case of Invisible Hand programs.

Table 10. Percentage of Beneficiaries of Specific Programs Who Report that They “Have Not Used a Government Social Program” by Record of Contacting Public Officials “About Problems or Issues With Which You Were Concerned”		
Program	Have Contacted	Have Not Contacted
Entitlement/Contributory		
Social Security	28.5	24.7
Medicare	22.6	27.2
Unemployment Benefits	39.0	31.2
GI Bill	37.9	30.4
Other Veterans Benefits	10.3	17.4
Pell Grants	17.4	19.0
Social Support		
Head Start	5.5	4.0
Medicaid	3.8	12.2
Affordable Care Act	4.2	5.7
Welfare	3.0	3.7
Government Subsidized Housing	2.1	2.8
Food Stamps	3.8	6.9
Invisible Hand		
Earned Income Tax Credit	22.1	16.6
Child and Dependent Tax Credit	33.9	17.8
Student Loans	57.6	38.2
Home Mortgage Interest Deduction	68.5	36.2
HOPE or Lifetime Learning Tax Credit	14.5	5.3
Qualified Educational Savings Plan	25.1	10.5

G. Support for Candidates Who Would Cut Your Benefits

Table 10 references contacting a public official in general. What about reactions to public officials who might threaten a beneficiary’s program?

Traditional wisdom suggests that voters will respond negatively to those who would curtail benefits they currently receive. Does the visibility of these programs as government social programs mean that this self-interest voting is curtailed?

Key Findings:

- Even though we have incomplete data on this question, the pattern in Table 11 clearly suggests that beneficiaries of all programs, regardless of whether they are perceived as government social programs, are less likely to support candidates who threaten programmatic benefits being received.
- Programs that disproportionately benefit relatively wealthy respondents are just as likely to be defended as those that benefit the economically disadvantaged, *even though they are less likely to be recognized as government social programs.*

Table 11. Percentage of Beneficiaries of Specific Programs Who Would Support a Candidate Who Favored Eliminating Their Program or Tax Benefit			
Program	Less Likely to Support	More Likely to Support	No Difference
Entitlement/Contributory			
Social Security	Not Available	Not Available	Not Available
Medicare	68.8	7.7	18.8
Unemployment Benefits	53.5	9.4	32.0
GI Bill	Not Available	Not Available	Not Available
Other Veterans Benefits	Not Available	Not Available	Not Available
Pell Grants	67.3	10.0	19.4
Social Support			
Head Start	Not Available	Not Available	Not Available
Medicaid	54.1	16.2	23.1
Affordable Care Act	53.9	10.2	25.0
Welfare	38.6	15.3	29.7
Government Subsidized Housing	38.4	15.2	26.9
Food Stamps	43.0	13.1	35.8
Invisible Hand			
Earned Income Tax Credit	48.4	10.5	33.0
Child and Dependent Tax Credit	57.6	7.4	29.2
Student Loans	Not Available	Not Available	Not Available
Home Mortgage Interest Deduction	58.1	8.5	23.1
HOPE or Lifetime Learning Tax Credit	52.2	3.0	40.2
Qualified Educational Savings Plan	63.1	5.1	20.8

H. Union Membership

Union membership has been significant focus of political conflict in recent years. Therefore, it remains a powerful touchstone of political identity.

Key Findings:

- Union members, like the general population, are less likely to identify Entitlement and Invisible Hand programs as government social programs.
- Not surprisingly, when looking at Entitlement programs, Union members are least likely to identify Unemployment Benefits as a government social program, and by implication, more likely to regard it as an entitlement.

Program	Union	Non-Union
Entitlement/Contributory		
Social Security	27.2	26.1
Medicare	25.7	24.5
Unemployment Benefits	44.4	30.5
GI Bill	31.6	35.3
Other Veterans Benefits	15.8	11.8
Pell Grants	22.5	16.1
Social Support		
Head Start	9.9	2.4
Medicaid	7.9	8.2
Affordable Care Act	6.0	4.5
Welfare	3.3	3.6
Government Subsidized Housing	2.0	2.7
Food Stamps	4.6	5.8
Invisible Hand		
Earned Income Tax Credit	22.5	17.6
Child and Dependent Tax Credit	32.5	22.7
Student Loans	57.9	43.2
Home Mortgage Interest Deduction	61.8	47.6
HOPE or Lifetime Learning Tax Credit	11.9	8.8
Qualified Educational Savings Plan	15.2	19.1

III. Impact of Demographic Variables

The original pattern which led to our tripartite clustering of social programs was further elaborated in light of several demographic variables, including gender, age, education, income, ethnicity (Hispanic/Non-Hispanic) and race.

The original pattern was sustained in this examination of demographic characteristics, but examination of individual variables reveals some interesting insights, as well as obvious realities, e.g., young people might have less experience with Home Mortgage Interest Deductions or Social Security.

In reviewing these demographic findings, it is important to remember that they are highly interrelated. Income is impacted by age, education, gender, etc.

Government social programs have qualifying criteria based on age, income, whether or not one has served in the military (gender), or other factors. Thus, eligibility and participation may influence responses given during the interview.

A. Gender, Ethnicity, Race, and Religion

These variables have surprisingly little systematic impact on the visibility of government social programs.

Key Findings:

- Across all the variables our original pattern was sustained: Entitlement and Invisible Hand programs are consistently less likely to be viewed as government social programs.
- Across all the variables, two Invisible Hand programs, Student Loans and Home Mortgage Interest Deduction, are least likely to be viewed as a government social program.

- There appears to be little difference in the perceptions of men and women.
- Non-Hispanic beneficiaries are, on the whole, less likely to view Entitlement and Invisible Hand programs as government social programs than Hispanics.
- Race appears to have relatively little impact on the visibility of Entitlement and Invisible Hand programs.
- Religiosity (how important religion is in your life) appears to have no systematic relationship to the visibility of Entitlement and Invisible Hand programs as government social programs.

Program	Hispanic	Non-Hispanic
Entitlement/Contributory		
Social Security	8.3	28.4
Medicare	22.9	24.9
Unemployment Benefits	25.0	35.8
GI Bill	75.0	32.7
Other Veterans Benefits	0.0	14.6
Pell Grants	27.1	17.2
Social Support		
Head Start	2.1	5.1
Medicaid	22.9	6.5
Affordable Care Act	12.5	4.2
Welfare	4.2	3.5
Government Subsidized Housing	0.0	2.8
Food Stamps	6.3	5.1
Invisible Hand		
Earned Income Tax Credit	22.9	19.1
Child and Dependent Tax Credit	16.7	26.7
Student Loans	43.8	48.3
Home Mortgage Interest Deduction	25.0	54.8
HOPE or Lifetime Learning Tax Credit	14.8	9.3
Qualified Educational Savings Plan	6.3	19.3

Table 14. Percentage of Beneficiaries of Specific Programs Who Report that They “Have Not Used a Government Social Program” by Gender		
Program	Male	Female
Entitlement/Contributory		
Social Security	22.0	30.7
Medicare	22.9	26.8
Unemployment Benefits	35.7	34.2
GI Bill	34.7	25.0
Other Veterans Benefits	12.2	20.0
Pell Grants	16.1	20.0
Social Support		
Head Start	3.1	6.2
Medicaid	7.2	8.8
Affordable Care Act	5.8	4.2
Welfare	4.0	2.7
Government Subsidized Housing	2.7	2.7
Food Stamps	4.9	5.8
Invisible Hand		
Earned Income Tax Credit	21.1	17.6
Child and Dependent Tax Credit	25.1	26.1
Student Loans	44.2	50.6
Home Mortgage Interest Deduction	55.6	49.0
HOPE or Lifetime Learning Tax Credit	13.3	6.9
Qualified Educational Savings Plan	18.4	17.3

Table 15. Percentage of Beneficiaries of Specific Programs Who Report that They "Have Not Used a Government Social Program" by Race					
Program	White	Black/African American	Asian/Pacific	Native American	More Than One
Entitlement/Contributory					
Social Security	30.7	17.9	6.5	28.6	18.4
Medicare	25.1	30.4	16.1	14.3	18.9
Unemployment Benefits	37.4	39.3	6.5	0.0	28.9
GI Bill	28.6	33.0	0.0	0.0	100.0
Other Veterans Benefits	14.3	33.0	0.0	0.0	0.0
Pell Grants	16.1	28.6	22.6	14.3	23.5
Social Support					
Head Start	3.3	12.5	0.0	28.6	10.5
Medicaid	6.3	10.7	3.3	14.3	13.2
Affordable Care Act	3.6	7.3	12.9	0.0	2.6
Welfare	2.1	7.3	0.0	0.0	13.2
Government Subsidized Housing	1.5	8.9	6.7	0.0	0.0
Food Stamps	3.3	16.1	3.3	0.0	10.5
Invisible Hand					
Earned Income Tax Credit	18.5	26.8	25.8	14.3	13.2
Child and Dependent Tax Credit	26.3	23.6	35.5	0.0	18.4
Student Loans	47.6	53.6	45.2	28.6	42.1
Home Mortgage Interest	59.9	25.0	48.4	0.0	39.5
HOPE or Lifetime Learning Credit	9.3	8.9	19.4	0.0	13.2
Qualified Education Savings Plan	19.7	12.5	28.1	0.0	10.5

Table 16. Percentage of Beneficiaries of Specific Programs Who Report that They “Have Not Used a Government Social Program” by the Importance of Religion in Their Lives				
Program	Very Important	Somewhat Important	Not Too Important	Not at All Important
Entitlement/Contributory				
Social Security	29.7	28.7	18.0	10.8
Medicare	27.4	23.2	26.2	16.2
Unemployment Benefits	33.8	31.7	45.9	36.1
GI Bill	36.8	26.3	33.3	66.7
Other Veterans Benefits	21.1	10.5	0.0	16.7
Pell Grants	21.0	14.0	12.9	27.0
Social Support				
Head Start	5.9	3.7	3.2	0.0
Medicaid	7.3	9.1	6.5	10.8
Affordable Care Act	4.1	6.7	3.3	5.4
Welfare	3.6	3.0	4.9	0.0
Government Subsidized Housing	2.3	3.0	4.9	0.0
Food Stamps	6.4	3.7	9.7	0.0
Invisible Hand				
Earned Income Tax Credit	20.1	17.1	24.6	13.5
Child and Dependent Tax Credit	25.5	19.5	42.6	24.3
Student Loans	48.4	46.3	45.9	54.1
Home Mortgage Interest Deduction	45.5	60.4	53.2	48.6
HOPE or Lifetime Learning Tax Credit	9.1	7.9	16.4	10.8
Qualified Educational Savings Plan	14.2	20	19.4	27

It is important to remember that these findings do not specifically address the importance of these demographic characteristics as influences on partisan political positions. All of these characteristics have played a role in the current primary campaigns. They are linked to many of the “hot button” primary

issues: immigration, attitudes towards women, abortion rights, income inequality, and relations between minorities and police.

As we saw in Table 11, beneficiaries of programs in all three broad categories are less likely to vote for candidates they perceive are in favor of reducing any program where they are a beneficiary. Thus, while New Jersey voters may reserve the term “government social program” for traditional programs that support the economically disadvantaged, they appear to be well aware of their self-interest in Entitlement and Invisible Hand programs.

B. Age

While our original pattern is largely sustained across different age groups. We should expect differences based on age to emerge.

Key Findings:

- The extent to which programs are invisible as “government social programs” changes with age.
- Participatory awareness of younger voters may be lower for programs like Social Security, Medicare, Unemployment Benefits, Government Subsidized Housing, Child and Dependent tax credits, Home Mortgage Interest Deduction, and various educational savings programs. They are more likely to understand the GI Bill, Pell Grants and Student Loans.
- We would expect those in their peak years for marriage and employment to be familiar with programs like Unemployment Benefits, varied tax credits and Student Loans.
- Those in the highest age bracket are more likely to be familiar with and participate in programs with age-related criteria like Social Security and Medicare. They are less likely to be familiar with Pell Grants. In particular, we can see how dramatically age affects perception of Social Security and Medicare as government social programs.

Table 17. Percentage of Beneficiaries of Specific Programs Who Report that They “Have Not Used a Government Social Program” by Age				
Program	18-29	30-49	50-64	65+
Entitlement/Contributory				
Social Security	1.4	2.9	16.4	87.5
Medicare	20.0	5.0	8.1	77.7
Unemployment Benefits	8.6	36.7	47.2	32.1
GI Bill	100.0	53.3	33.3	16.0
Other Veterans Benefits	0.0	28.6	0.0	12.0
Pell Grants	40.0	23.6	11.9	7.1
Social Support				
Head Start	4.3	3.6	6.9	3.6
Medicaid	18.3	2.9	6.3	10.7
Affordable Care Act	9.9	2.9	6.9	2.7
Welfare	5.7	2.9	2.5	3.6
Government Subsidized Housing	0.0	4.3	1.9	2.7
Food Stamps	7.0	5.7	6.9	2.7
Invisible Hand				
Earned Income Tax Credit	18.3	24.3	22.6	8.9
Child and Dependent Tax Credit	8.5	40.0	28.9	12.5
Student Loans	45.1	49.6	56.9	33.6
Home Mortgage Interest Deduction	7.1	51.1	67.3	59.8
HOPE or Lifetime Learning Tax Credit	9.9	12.1	13.8	1.8
Qualified Educational Savings Plan	10.0	27.9	20.0	7.1

Age-related differences may offer some insight into the dynamics of visibility in both Entitlement and Invisible Hand programs. Viewing certain programs as Entitlements rather than government social programs comes as a result of having accrued a “stake” in the program. Thus, we see the extent to which beneficiaries of programs like Social Security and Medicare characterize these programs as government social programs declines with age, whereas visibility

of Unemployment Benefits as a government social program is at its lowest in those working years, where becoming unemployed could have the most devastating effects. Thus, the sense of entitlement to Unemployment Benefits is highest in the peak years of vulnerability—as the recent recession reminds us. In contrast, for programs like the GI Bill and Pell Grants the pattern is the reverse: a decreased sense of entitlement as age increases.

The visibility of Social Support programs as government social programs shows fewer and less dramatic age-related variability. Invisible Hand programs are more mixed, although we still see a pattern similar to Entitlement programs for the Home Mortgage Interest Deduction and a pattern for the Child and Dependent Tax Credit that is similar to Unemployment Benefits.

C. Income

As with the other demographic variables discussed thus far, our original pattern is largely sustained. As with age, however, there are some interesting variations as well.

Key Findings:

- Our overall pattern in which Social Support programs have the greatest visibility as government social programs is maintained, but with some variation.
- The visibility of Entitlement programs as government social programs increases as income rises. Those in the lowest income brackets are least likely to characterize these programs as government social programs. The exception is the GI Bill.

- With Invisible Hand programs, we see the opposite pattern. The invisibility of these programs as government social programs decreases in the highest income groups. There is one exception: Student Loans.
- Among beneficiaries of Social Support programs there are some outliers, such as Medicaid and Food Stamps.

Program	<\$50,000	\$50,000-\$100,000	>\$100,000
Entitlement/Contributory			
Social Security	40.7	29.1	13.8
Medicare	45.8	25.0	8.3
Unemployment Benefits	42.0	34.0	32.0
GI Bill	40.0	20.0	40.7
Other Veterans Benefits	30.0	0.0	7.7
Pell Grants	23.5	19.7	17.7
Social Support			
Head Start	5.0	6.8	3.3
Medicaid	23.5	3.4	0.0
Affordable Care Act	10.1	6.0	1.7
Welfare	6.7	1.7	2.2
Government Subsidized Housing	5.0	3.4	1.6
Food Stamps	10.1	5.1	1.1
Invisible Hand			
Earned Income Tax Credit	16.0	24.8	19.3
Child and Dependent Tax Credit	10.9	25.9	36.5
Student Loans	33.6	49.6	28.6
Home Mortgage Interest	23.5	53.8	74.2
HOPE or Lifetime Learning Credit	4.2	14.7	13.3
Qualified Education Savings Plan	5.9	9.4	34.4

With the exception of the GI Bill, those respondents in the lowest income category were least likely to see Entitlement programs as government social

programs. This may be the result of their entitlement character as suggested by Mettler, but could also reflect the fact that these programs are much more important to the financial well-being of this group.

In contrast, higher income respondents are better able to take advantage of these tax advantaged policy approaches found in the Invisible Hand category, and are less likely to see their benefits as government social programs.

D. Level of Education

One might expect those with higher levels of education to better understand the nuances of direct versus indirect policy approaches or that even programs where the individual contributes may be social programs. Indeed, in the entitlement/contributory group are two of the most familiar social programs in America: Social Security and Medicare.

Key Findings:

- Social Support programs are yet again the most likely to be understood as government social programs.
- The visibility of Entitlement programs and Invisible Hand programs follows a pattern similar to the one for income.
- As with income, Medicaid and Food Stamps were slight outliers.

Table 19. Percentage of Beneficiaries of Specific Programs that Report that They “Have Not Use a Government Social Program” by Level of Education			
Program	High School or Less	Some College	College/Graduate or Professional
Entitlement/Contributory			
Social Security	50.0	28.0	17.6
Medicare	45.6	31.2	14.9
Unemployment Benefits	41.8	44.8	28.8
GI Bill	0.0	40.0	40.0
Other Veterans Benefits	25.2	12.5	10.0
Pell Grants	7.8	20.2	20.9
Social Support			
Head Start	2.2	9.6	3.4
Medicaid	22.2	9.6	2.6
Affordable Care Act	2.2	8.0	4.5
Welfare	10.0	4.0	1.1
Government Subsidized Housing	5.5	0.8	2.6
Food Stamps	15.4	4.8	2.2
Invisible Hand			
Earned Income Tax Credit	18.9	21.6	18.3
Child and Dependent Tax Credit	16.7	17.6	32.5
Student Loans	24.4	46.4	56.3
Home Mortgage Interest Deduction	32.2	39.5	64.9
HOPE or Lifetime Learning Tax Credit	4.4	5.6	13.5
Qualified Educational Savings Plan	2.2	7.2	28

We find a pattern here that is reminiscent of the pattern found when elaborating the results by income. This is not surprising since income is generally related to education.

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