DATA FOR PROGRESS

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CENTER ON POVERTY and INEQUALITY

ECONOMIC SECURITY and OPPORTUNITY INITIATIVE

AUTOMATIC STABILIZERS ARE POPULAR WITH VOTERS

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EXECUTIVE SUMMARY

- By a two-to-one margin, voters support Congress implementing policies to automatically increase social spending when there is an increase in unemployment.
- Sixty-three percent of voters strongly prefer assisting those in need even if it increases government debt.
- Voters are supportive of the unemployment insurance system, supporting it by a 61-percentage-point margin.

Since the coronavirus pandemic arrived in the United States, the American economy has tumbled toward cataclysm. Initially, hoping to slow this fall, the Federal Reserve provided $500 billion to temporarily patch the repo funding markets. Additional action soon proved necessary, though, and it arrived in the form of the CARES Act, the roughly $2 trillion relief measure that, among other things, "supercharge[d] unemployment."

But things have only gotten worse. Just last month, the unemployment rate spiked to nearly 15 percent. More stimulus is urgently needed, but congressional Republicans, led by Senate Majority Leader Mitch McConnell, are reluctant to help. They've even begun to trot out the old incantations about the deficit, which their own 2017 tax bill exacerbated.

One way to package this stimulus is as an "automatic stabilizer." In *Vox*, Matthew Yglesias provides an excellent explainer about how such policies could function: "Instead of enacting measures that expire on a given date, what Democrats need to do is push for measures that expire if certain conditions are met, like when an unemployment rate is low and clearly falling." In other words, the spigot of increased spending—such as that for increased unemployment benefits—would be turned off only after certain preconditions are met, and if those (or other) preconditions were to be breached afterward, the spigot would automatically turn back on. Relief would need not wait for Congress.

As part of a May 2020 survey, Data for Progress polled registered voters about their opinions on automatic stabilizers. For every item we tested, we found support that was both robust and bipartisan.

We began by asking voters:

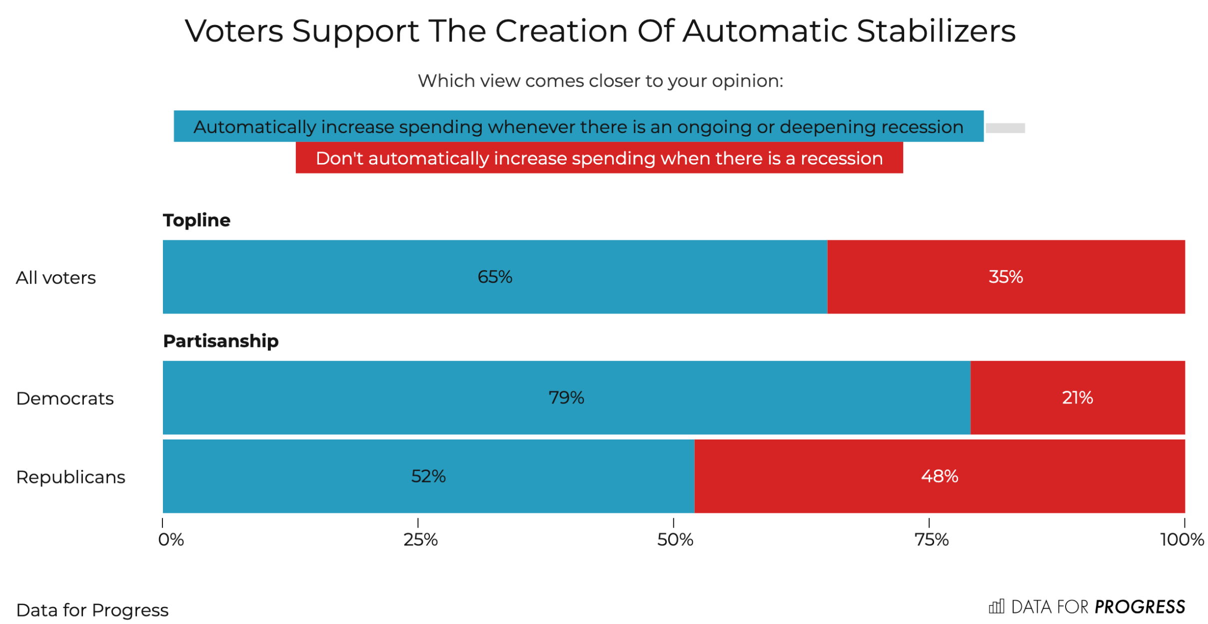
> *Which view comes closer to your opinion*

And then we provided two responses:

> *Congress should put into place policies that automatically increase spending on unemployment, healthcare, wage subsidies and other programs whenever there is an ongoing or deepening recession to ensure that the benefits are delivered quickly*

And:

> *Congress should not automatically increase spending on unemployment, healthcare, wage subsidies and other programs when there is a recession to ensure the policies don't increase the national debt too much*



Voters support Congress implementing automatic stabilizers, by almost a two-to-one margin (65 percent support, 35 percent oppose). Support for this proposal is also bipartisan: 79 percent of Democrats back it, as do 52 percent of Republicans.

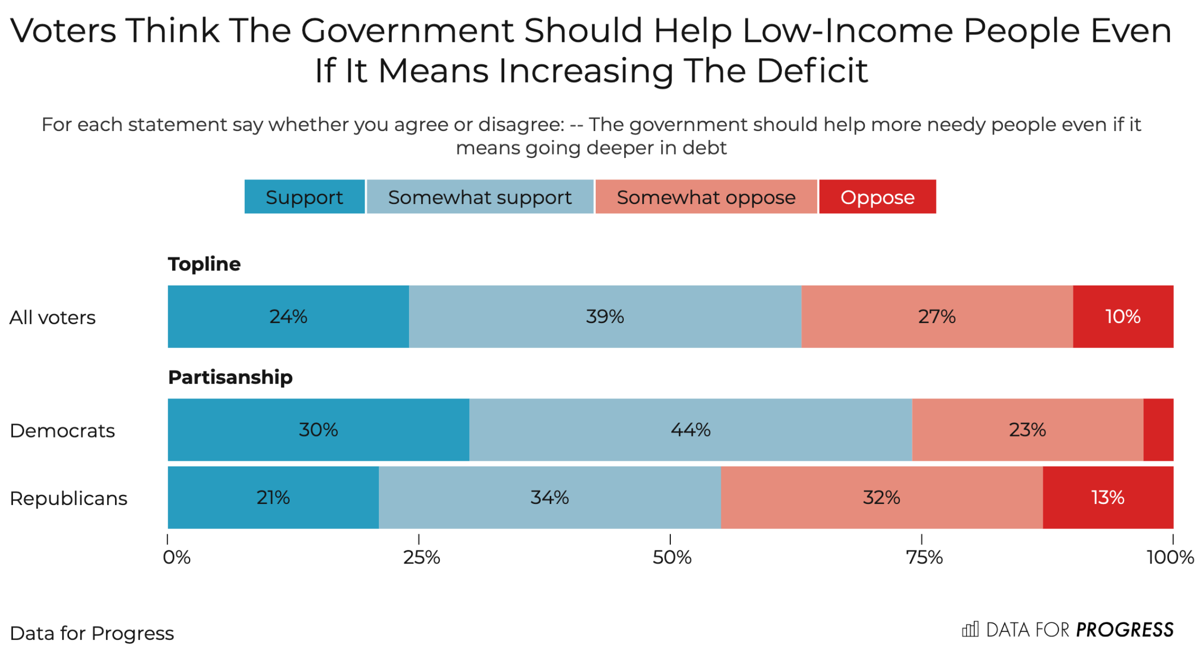
We also tested support for the safety net more broadly, including an explicit cut to the deficit. (This question has previously been asked by Pew.) Specifically, we asked voters:

> *For each statement say whether you agree or disagree: -- The government should help more needy people even if it means going deeper in debt*

Voters then answered using the following scale:

1. *Strongly agree*
2. *Somewhat agree*
3. *Somewhat disagree*
4. *Strongly disagree*

Among overall voters, 63 percent support the government spending more to help low-income people even if it increases the deficit, while 37 percent oppose such spending. Support for deficit-financed social spending is also bipartisan, with 74 percent of Democrats and 55 percent of Republicans supporting it.



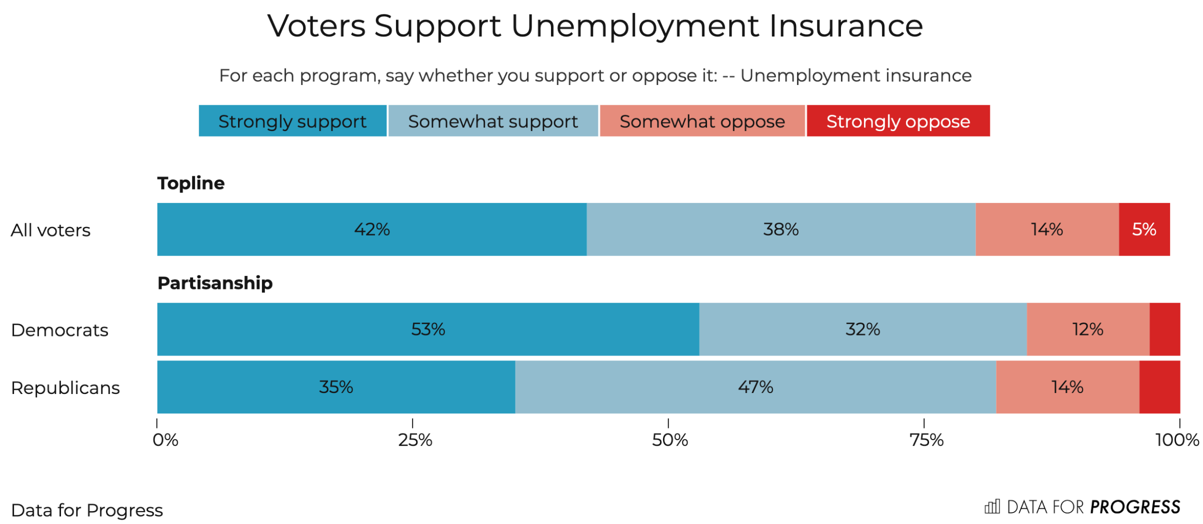
Since mid-March, roughly 30 million Americans have filed for unemployment. Though unemployment benefits vary from state to state, most last twenty-six weeks and replace about half of prior weekly earnings, up to a maximum. Due to the pandemic, Senate Democrats have successfully pushed to "supercharge" these benefits. As Senator Ron Wyden explains, one of the Democrats' major efforts was to ensure that "[w]orkers will receive up to 39 weeks of benefits instead of 26, as well as an additional $600 per week until the end of July." We sought to test attitudes around unemployment insurance. Specifically, we asked voters:

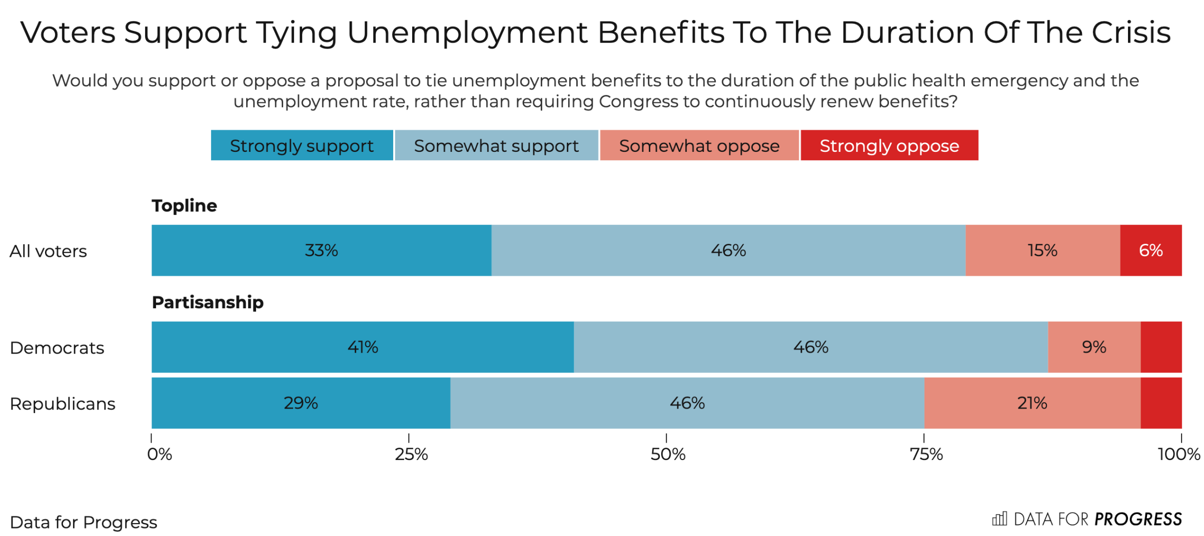
> *For each program, say whether you support or oppose it: -- Unemployment insurance*

Overall, voters overwhelmingly support unemployment insurance, backing it by a 61-point margin (80 percent support, 19 percent oppose). Support for unemployment insurance is also bipartisan: Democrats back it by a 70-point margin (85 percent support, 15 percent oppose), and Republicans back it by a 64-point margin (82 percent support, 18 percent oppose).

Eventually, these supercharged benefits, as well as traditional unemployment insurance, will both expire, even if the crisis is still ongoing. One alternative would be to extend unemployment so that it lasts the duration of the crisis. To test support for this, we asked voters:

> *Would you support or oppose a proposal to tie unemployment benefits to the duration of the public health emergency and the unemployment rate, rather than requiring Congress to continuously renew benefits?*





Overall, voters overwhelmingly back linking the duration of unemployment insurance to the unemployment rate and the duration of the public health emergency, supporting it by a 58-point margin (79 percent support, 21 percent oppose). Again, support is bipartisan, with Democrats backing it by a 74-point margin (87 percent support, 13 percent oppose), and Republicans backing it by a 50-point margin (75 percent support, 25 percent oppose).

Another way to ensure that unemployment benefits are truly adequate would be to increase unemployment insurance if the unemployment rate rises above 5 percent. Specifically, we asked voters:

> *Would you support or oppose a policy that would increase government spending on unemployment benefits whenever the average unemployment rate increases above 5%?*

Overall, voters support this proposal by a 46-point margin (73 percent support, 27 percent oppose). Voters in both parties support the proposal: among Democrats, it enjoys a 56-point (78 percent support, 22 percent oppose), and among Republicans, it enjoys a 37-point margin of support (69 percent support, 32 percent oppose).

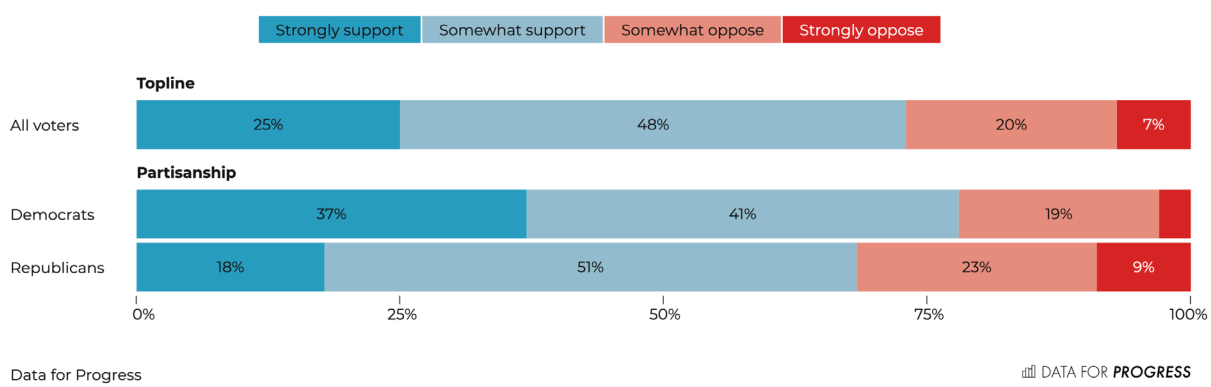
Unemployment benefits are time-limited. This deprives people of a source of income when they most need it. In Congress, the expiration date of unemployment benefits also allows the Republican Party—often loath to provide social benefits—to extract concessions. One way to avoid this would be to engineer unemployment benefits to remain in place for as long as the unemployment rate sits above 5 percent. To test support for this, we asked voters:

> *Would you support or oppose a policy that would increase government spending on unemployment benefits whenever the average unemployment rate increases above 5%?*

Overall, voters support this proposal by a 44-point margin (72 percent support, 28 percent oppose). Democrats support it by a 64-point margin (82 percent support, 18 percent oppose), while Republicans support it by a 28-point margin (64 percent support, 36 percent oppose).

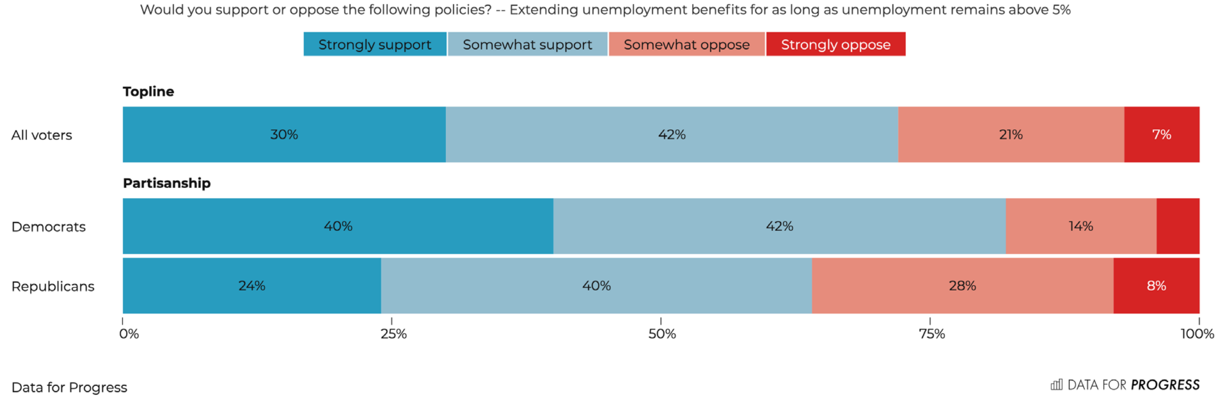
Voters Support Increased Unemployment Benefits When Unemployment Is Above 5%

Would you support or oppose a policy that would increase government spending on unemployment benefits whenever the average unemployment rate increases above 5%?



Voters Support Extending Unemployment Benefits As Long As Unemployment Remains Above 5%

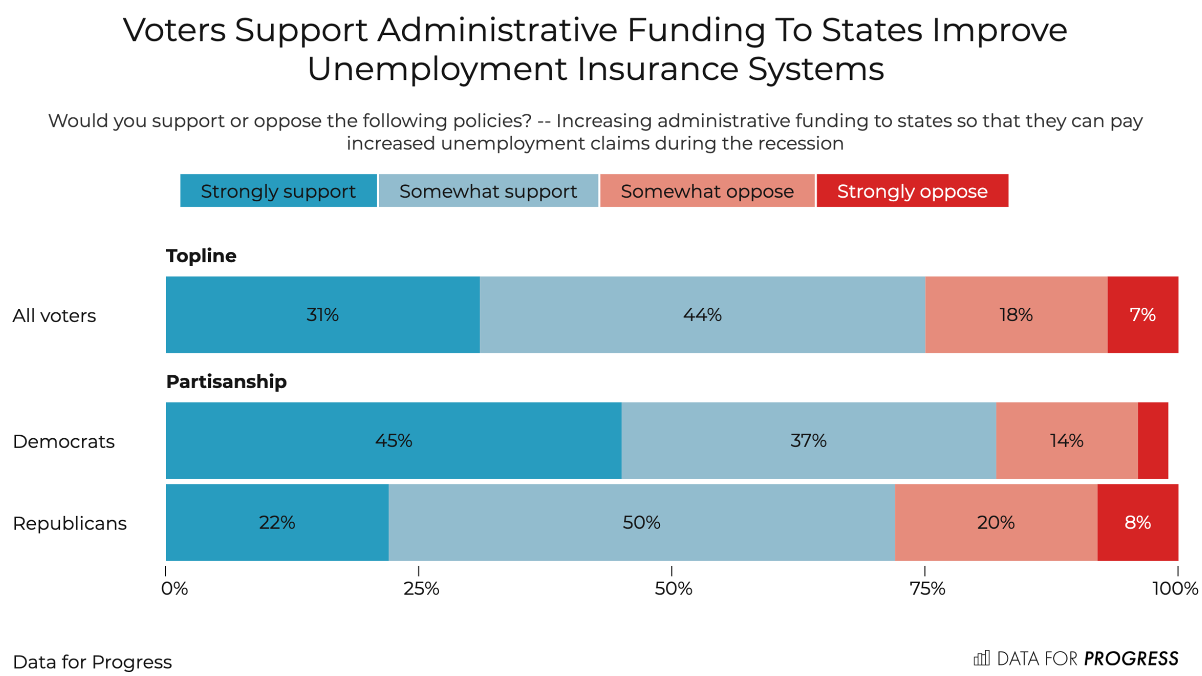
Would you support or oppose the following policies? -- Extending unemployment benefits for as long as unemployment remains above 5%



The administration of the unemployment insurance system has been hard pressed by the massive influx of people filing claims. Some of this is by design. For example, Florida's unemployment system is designed less to get people their unemployment benefits than it is to keep them off the rolls and to artificially lower the state's unemployment rate. One way to address this would increase federal funding for state systems, giving them the increased capacity so that they can address all claims promptly. To test support for this proposal, we asked voters:

Would you support or oppose the following policies? -- Increasing administrative funding to states so that they can pay increased unemployment claims during the recession

Overall, voters back this proposal by a 50-point margin (75 percent support, 25 percent oppose). Once more, support is bipartisan, with Democrats supporting it by a 66-point margin (83 percent support, 17 percent oppose), and Republicans supporting it by a 44 point margin (72 percent support, 28 percent oppose).



CONCLUSION

Automatic stabilizers, if implemented, would keep fiscal stimulus—such as increased social spending—flowing until economic conditions have improved. In the future, these policies could help meet the urgency of a crisis without waiting on Congress to pass new legislation. Importantly, automatic stabilizers are incredibly popular with voters. Their automaticity provides predictability to working families and people. When the economic situation begins to worsen, they know the government will be there swiftly to step in and offer assistance.

METHODOLOGY

Due to rounding, some values sum to 99 or 101 percent.

From May 8 through May 9, 2020, Data for Progress conducted a survey of 1,235 likely voters nationally, using web-panel respondents. The sample was weighted to be representative of likely voters by age, gender, education, urbanicity, race, and voting history. The survey was conducted in English. The margin of error is ± 2.7 percent.

EDITED BY
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Louis Velazquez/Unsplash