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Personality and the Foundations of Economic Preferences

Following a series of highly contentious debates in Congress, the people's representatives returned home in the summer of 2009 to reconnect with voters in town-hall-style meetings. Traditionally, these interactions are a forum for constituents to provide input into the policy-making process and for lawmakers to explain and generate support for their decisions. While such democratic give-and-take sessions are typically cordial and low-key, in August 2009 they were anything but. Across the country, voter outrage was focused on the new health care reform bill then making its way through Congress, the Affordable Care Act (ACA) – or "Obamacare," as it became known. At one meeting in Lebanon, Pennsylvania, held by Democratic Senator Arlen Specter, a man denounced the bill by shouting: "One day, God's gonna stand before you, and he's gonna judge you and the rest of your damn cronies up on the Hill, and then you will get your just desserts."[1] At another meeting in Tampa, Florida, Representative Kathy Castor faced a crowd of hundreds "banging on the door and drowning out the congresswoman's remarks."[2] Across the nation, these forums descended into disruption, and occasionally even violence. The ensuing debate about the expansion of health insurance was marked by anger, with each side seeing malign intent on the part of the other. The Democrats wanted to put Grandma in front of "death panels," and the Republicans

[1] http://talkingpointsmemo.com/dc/town-hall-attendee-tells-specter-one-day-god-s-gonna-stand-before-you

[2] www.npr.org/sections/itsallpolitics/2013/08/07/209919206/5-memorable-moments-when-town-hall-meetings-turned-to-rage

wanted the poor to "die quickly," or so it seemed to their political adversaries.[3]

The heated debates over the Affordable Care Act are a microcosm of twenty-first-century American politics. What is the source of such vitriol? Political scientists have emphasized the role of polarization – both in terms of the growing ideological gap between Democrats and Republicans, and the growing economic gap between the rich on one hand and the middle class and the poor on the other (e.g., Abramowitz 2010; McCarty, Poole, and Rosenthal 2006). In this view, American politics has become more acrimonious over the past few decades because conflicts rooted in ideology and class have become more pronounced. In a society of deep – and growing – economic inequality, we should expect people to experience strong feelings because the policy stakes are high. However, the evidence suggests this cannot be the whole story. First, despite partisan polarization among *elites*, the average citizen remains relatively moderate (Hill and Tausanovitch 2015). Rhetoric notwithstanding, rank-and-file Republicans support major elements of the welfare state and their Democratic counterparts support a generally free market economy. Second, household income and other indicators of material interest turn out to have only a modest impact on economic policy preferences, especially on highly salient issues like health insurance reform. In a 2012 survey, for example, low- and high-income individuals supported the ACA at similar rates, as did those with and without health insurance.[4] These findings signal that public opinion on bread-and-butter issues may not always be rooted in instrumental motives related to self-interest.

In light of these considerations, recent work in political psychology proposes a very different explanation for the nature of the debate over the ACA (and other issues): the red and the blue of American politics increasingly reflect a gap between fundamentally different kinds of people (e.g., Hetherington and Weiler 2009; Hibbing, Smith, and Alford 2014a). In this view, citizens are divided by considerations that cut deeper than debates about the proper scope of government intervention in the economy. They are divided to the core by personality. With the rise of cultural and lifestyle politics, Democrats and Republicans are now sharply distinguished by a

[3] www.cbsnews.com/news/grassley-warns-of-government-pulling-plug-on-grandma/, http://www.cbsnews.com/news/alan-grayson-die-quickly-comment-prompts-uproar/

[4] Here we are referring to the 2012 American National Election Study, which is the premier survey of the American public during election years. The data are publicly accessible at www.electionstudies.org/studypages/anes_timeseries_2012/anes_timeseries_2012.htm.

set of basic psychological dispositions related to experiential *openness* – a general dimension of personality tapping tolerance for threat and uncertainty in one's environment. As a result of this psychological sorting process, political debates have come to seem more personal and less reconcilable, even when ideological polarization is actually quite minimal. From this perspective, the nature of contemporary American politics is one of *social* distance and *affective* polarization (Iyengar, Sood, and Lelkes 2012; Iyengar and Westwood 2014).

Yet, despite a large literature linking personality to political preferences (see Jost et al. 2003), there is also a problem with this account: dispositions related to openness reliably predict attitudes on the issues at the heart of the culture wars – like gay marriage, gender roles, and immigration – but not on bread-and-butter economic issues like the ACA. When it comes to preferences on taxes, spending, and the role of government in markets – which constitute the primary ideological dimension in American politics – most studies find that such traits possess little explanatory value (e.g., Feldman and Johnston 2014). We believe this to be an important gap in our understanding of the psychology of mass belief systems. As Harold Lasswell (1936) famously wrote, politics at its core is about "who gets what, when, and how." Despite the rise of cultural division over the past few decades, economic issues remain the focus of public concern and political debate in American politics (Smith 2007).[5] In an era of rising inequality, questions related to the nature, origins, and quality of mass opinion on these issues – where such preferences come from, what they represent, whether they are "rational," and how they are maintained and changed – are central to the study of American democracy. If the political impact of openness does not extend to opinion in the realm of who gets what, psychological perspectives on ideology may be of limited relevance in understanding the bulk of what contemporary American politics is really about.

Thus, we have a puzzle. People react strongly to debates about economic policy, but material interests account for only a modest portion of the variation in economic preferences, and the personality divide that political psychologists emphasize does not pick up the slack. Still, the level of affective intensity calls out for an explanation. This book is an attempt to resolve this puzzle. In short, we find that personality openness *is* a powerful determinant of the public's policy opinions on economic

[5] Economic issues also garner both more media coverage and more legislative activity than social issues (Hayes and Lawless 2016; Lee 2009).

issues. However, its impact is complex and conditional. It is bound up with the increasingly culture-laden nature of partisan competition at an institutional level, and with the way that citizens engage – or do not engage – with American party politics at an individual level. We argue that openness influences economic preferences through two distinct and *opposing* pathways, one for politically engaged citizens – those who know and care about politics – and one for the politically unengaged. Among the engaged, we claim that openness influences economic opinion indirectly by shaping how citizens sort into political groups and use information from elite actors. As partisan conflict has been extended to cultural and lifestyle issues, engaged citizens have organized themselves into parties by personality, a process we refer to as "dispositional sorting." In particular, those with "closed" personality traits have moved into the Republican column over the past few decades, and those with "open" traits have become Democrats. More generally, open citizens now take their economic policy cues from trusted elites on the cultural left, while closed citizens adopt the positions of those on the cultural right. In this way, personality has become politically meaningful because it shapes how engaged citizens seek out policy-related information from elites.

For unengaged citizens, the process is quite different. Among those who pay only sporadic attention to politics, there has been little dispositional sorting over the past two decades: personality and political identity remain largely independent. However, this does not mean that openness is irrelevant in this stratum of the electorate. Rather, we propose that among unengaged citizens, openness influences economic attitudes directly by shaping desired levels of social protection from the government against the inherent uncertainties of free market capitalism. Specifically, we expect those who are less comfortable with risk and uncertainty (closed citizens) to prefer higher levels of redistribution, social insurance, and market regulation than those who are tolerant of risk and uncertainty (open citizens). Thus, openness is likely to be a powerful determinant of mass preferences on matters of economic policy, but in precisely opposite ways for different groups of citizens: for the engaged, openness follows the ideological structure of elite politics and leads to *liberal* economic preferences; but for the unengaged, openness leads to *conservative* economic preferences. The sign reversal this heterogeneity produces has obscured the central role that commonly studied personality traits play in economic preference formation. Scholars who look only for "main" or unconditional effects will fail to find an important role for openness, because the two effects largely cancel out in the aggregate considered as

a whole. Political psychologists were right to look to this dimension of personality for insight into contemporary polarization, but extant theories are underspecified and fail to capture the conditional nature of its influence.

To account for this reversal effect, we propose that engaged and unengaged citizens think about economic policy in fundamentally different ways. Among the unengaged, policies related to taxes and spending are evaluated instrumentally in terms of their tangible consequences. In forming an opinion, the question for the unengaged citizen is: what will this policy *do for* me? Among the engaged, however, reactions to economic issues are better understood as expressively motivated signals of identity. The question for the engaged citizen is: what does support for this policy position *say about* me? In addition to clarifying the political impact of personality, this functional analysis can help us understand the dynamics of self-interest in the economic domain. The standard view in this regard is that informed individuals are more capable of weighing the costs and benefits of different courses of action and choosing the policy that best promotes their personal economic interests. If, however, engaged citizens hold their economic opinions for largely expressive reasons – as a reflection of cultural commitments rooted in personality – they may be largely indifferent to a policy's instrumental consequences (that is, what it actually does). Variables related to economic class may therefore have little bearing on how engaged citizens view economic issues.

According to our model, self-interest effects should be most evident among the *least* engaged. Politically unengaged individuals typically care less about the politics of identity and culture, leading them to focus on more concrete and "close to home" aspects of economic policies, including whether and how they may be personally affected (Converse 1964). As we will demonstrate in Chapter 7, this framework helps to explain why many working-class citizens – especially those who are politically well informed – take policy positions that seem to conflict with their economic interests. Simply put, they are motivated by other concerns altogether. Indeed, we find that typical indicators of self-interest matter much more for uninformed than informed citizens.

In sum, this is a book about how personality shapes mass opinion on issues related to social insurance, redistribution, and the regulation of markets. In particular, it is a book about how a broad dimension of personality related to experiential openness structures the public's preferences about who gets what, and what this tells us about the nature of contemporary American democracy. Our framework integrates two

seemingly contradictory but central features of contemporary mass politics: that the current partisan vitriol is rooted in deep-seated differences of personality, lifestyle, and culture (Hetherington and Weiler 2009), and that debate over economic redistribution, social insurance, and government regulation remains the dominant dimension of American political conflict (Ansolabehere, Rodden, and Snyder 2006; Bartels 2006; Gelman 2008). Our most important conclusion is that cultural and lifestyle politics have reshaped the bases of economic preferences among politically engaged citizens, such that they are best understood as expressively motivated signals of personality and identity, rather than instrumentally motivated beliefs about what policies will bring about optimal outcomes. In contemporary mass politics, economic debates – at least among the most aware and active citizens – are often not in the main about *where we stand* on society's economic ladder; they are about *who we are* as individuals.

Personality and Ideology

Political theorists and social scientists have long reflected on the link between personality and politics. In *The Protestant Ethic and the Spirit of Capitalism*, Max Weber provided a foundation for the psychological study of ideology with his concept of *elective affinities*, or "the forces of mutual attraction that exist between the structure and contents of belief systems and the underlying needs and motives of individuals and groups who subscribe to them" (Jost, Federico, and Napier 2009: 308). A half-century later the authors of *The Authoritarian Personality* provided the first systematic evidence that political convictions are rooted in deep-seated psychological dispositions (Adorno et al. 1950). Working in the immediate aftermath of World War II, Adorno and his colleagues focused on the traits of people who were susceptible to antidemocratic propaganda. They found such individuals to be submissive to idealized authorities, aggressive toward nonconformists, and rigid in their style of thinking. Over the succeeding decades, the connections between psychological dispositions and political preferences have been subject to persistent theoretical refinement and empirical scrutiny, and this field is now one of the most active areas of research in political psychology (Jost et al. 2003).[6]

Despite the diversity of work in this area, it appears that much of it is converging on a common idea, which is that liberalism and conservatism

[6] See, e.g., Alford, Funk, and Hibbing 2005; Ahn et al. 2014; Amodio et al. 2007; Block and Block 2006; Carney et al. 2008; Dodd et al. 2012; Eysenck 1954; Federico, Deason, and Fisher 2012; Gerber et al. 2010; Graham, Haidt, and Nosek 2009; Jost, Federico, and

are rooted in stable individual differences in the ways people perceive, interpret, and cope with *threat* and *uncertainty* (e.g., Hibbing et al. 2014b; Jost et al. 2003). Some people are highly sensitive to potential threats in the environment, and focus on preventing negative outcomes. These individuals tend to prioritize order, certainty, and security in their lives. As a result, they value tradition, self-discipline, group cohesion, and respect for authority, and they tend to have conventional cultural tastes in things like music, food, and art. We refer to people with such qualities as "low in openness" or "dispositionally closed." Other people are less sensitive to threat, and focus more on achieving positive outcomes. They are attracted by novelty and the unknown; they are skeptical of traditional sources of authority, prioritize self-direction and individualism, and pride themselves on having unique and unconventional tastes and preferences. We refer to people with these qualities as "high in openness" or "dispositionally open." One might think of an open or closed door as an analogy to understand these differences: a closed door is secure against threats but limiting in opportunities, while an open door is inviting of possibilities but vulnerable and exposed.

The omnibus concept of openness is a useful shorthand for thinking about people's general proclivities when dealing with an uncertain world, from the initial processing and evaluation of stimuli to the core values and moral inclinations that guide behavior in a consistent way across time.[7] In setting out this distinction, we acknowledge that people are complex, and no one is a perfect match for either description. Nevertheless, most people can be placed closer to one side than the other, and they will readily – and reliably – characterize themselves as such when given the opportunity. Thus, while we will often use the categorical terms "open" and "closed" for expository purposes, we think of openness as a continuum.

Instrumental Motives Linking Personality and Politics

How and why do personality traits influence political attitudes? To answer this question, we consider the different functions that political attitudes serve for citizens (Katz 1960). The most influential theoretical approach

Napier 2009; Lavine et al. 2002; McClosky 1958; Mondak 2010, Oxley et al. 2008; Rokeach 1960; Schreiber et al. 2013; Settle et al. 2010; Sniderman 1975; Weber and Federico 2013; Wilson 1973.

[7] See Carney and colleagues (2008) for a similar argument. We will review this literature extensively in Chapter 2.

suggests an *instrumental* motive linking personality and political preferences. It assumes that certain policies – because of the outcomes they bring about and the benefits they provide – are a natural fit to the psychological needs and goals that characterize people with different personalities (Adorno et al. 1950; Jost et al. 2003, 2009). For example, a common claim is that citizens with closed personalities prefer culturally conservative policies (e.g., less immigration) because they promote certainty, group cohesion, and stability in social norms and values (Kruglanski et al. 2006). Various indicators of openness are indeed strongly related to cultural values and policy preferences. For example, people who exhibit strong cognitive and physiological reactions to threatening stimuli – indicating low openness – tend to be more supportive of traditional norms and values, such as rigidly defined gender roles and the restriction of marriage to one man and one woman (Oxley et al. 2008; Smith et al. 2011a). Similarly, people who place a high priority on the open values of self-direction and stimulation tend to be more supportive of nontraditional lifestyles than those who place a higher priority on the closed values of security and social order (e.g., Malka et al. 2014).

But our primary concern in this book is with *economic* preferences – that is, those related to redistribution, social insurance, and market regulation. Here, we believe that instrumental theories predict the opposite relationship between openness and ideology. Economic liberalism – in the American sense of "liberal" – seeks a more active government role in the economy as a way to reduce the risks associated with free markets, while economic conservatism entails a reduction of government, and a transfer of responsibility for risk management to individuals and communities. The largest social welfare programs in the United States – Social Security, Medicare, Medicaid, unemployment insurance, food aid, and the like – all reduce the downside risks of capitalism by providing a social safety net. These policies set a limit on how far one can fall in difficult economic circumstances. Economic liberals also tend to support a strong government role in regulating markets, such as in occupational licensing requirements (e.g., for taxi drivers or hairdressers), regulation of the financial industry, and government oversight of new drugs, foods, and services. Thus, government intervention in markets is, on its face, about *social insurance and protection*: some individual freedom, diversity, and choice is sacrificed to provide a measure of economic order, certainty, and security. Given this reasoning, we would expect dispositionally closed citizens to be attracted to economic liberalism, since liberalism in the economic domain reduces uncertainty and risk. By contrast, we would

expect dispositionally open citizens to be attracted to economic conservatism, since conservatism in the economic domain allows for more individualism and self-direction. The problem is that – with a few exceptions that we will review in Chapters 2 and 3 – research has generally failed to find evidence for this hypothesis. Rather, studies indicate that openness strongly predicts cultural but *not* economic preferences.

Expressive Motives Linking Personality and Politics

An instrumental analysis provides one pathway by which personality and economic preferences may be connected. However, to account for the lack of empirical support for this theory, we consider a second approach, one that emphasizes the *expressive* dimension of people's policy preferences (Katz 1960). By expressive, we mean that political attitudes serve to reinforce and signal to others important aspects of one's self-concept. In this view, the influence of personality on economic opinion arises not because the expected outcomes of a policy match an individual's traits (as in the instrumental approach), but because those traits resonate with the social meaning a policy has acquired through party competition. In other words, citizens care less about the outcomes a policy *produces* and more about the groups and symbols with which a policy is *associated*.

A simple example may help to make this clear. Imagine that a person high in openness is exposed to a political advertisement in which the voiceover states: "Representative Smith has long been a staunch advocate for gay marriage. Representative Smith is also fighting against the Trans-Pacific Partnership (TPP) deal." On what basis might the individual form an opinion of the TPP? It is a complex issue; indeed, most people have probably given it little if any consideration. Therefore, it is unlikely that openness will have a *direct* influence on attitudes. But what about a *mediated* influence? We posit a two-step process whereby openness initially promotes positive feelings toward Representative Smith on the basis of cultural affinity, leading to an indirect link between openness and opposition to the TPP. This is a contrived example, but in similar ways political elites construct the broader social significance of economic policy positions by tying them to symbols to which citizens already have strong emotional reactions. In this way elites forge a link between openness and economic opinion. In this view, openness determines how citizens assimilate information from elites, thereby influencing what policies citizens believe reflect their self-concepts and social identities. In this sense,

economic preferences become a symbolic expression of one's identity; they are a way of signaling "who I am" through politics.

This expressive approach suggests that the relationship between personality and economic preferences is not one of simple elective affinity. Rather, it critically depends on how elite political actors – such as elected officials, candidates vying for office, and pundits – construct the social meaning of an issue. Consider, for example, that the "individual mandate" for purchasing health insurance was originally associated with conservatism in the early 1990s, proposed as part of a market-oriented Republican alternative to the health care reform plan developed by the Clinton administration. However, the same policy has taken on a liberal cast as part of the Affordable Care Act that President Obama eventually signed into law. When psychological dispositions influence economic preferences in a mediated fashion – that is, through elite construction – the instrumental implications of a policy may be less important than the appeal of the social, cultural, and political symbols grafted onto it.

Choosing Whom to Believe

To expand on these ideas, we turn to a fundamental point Lupia and McCubbins made in their study of mass political reasoning, namely, that "to understand how people learn from others, we must be able to explain *how people choose whom to believe*" (1998: 8).[8] In their discussion of the nature of learning, Lupia and McCubbins argue that individuals may acquire knowledge directly (i.e., through personal experience) or indirectly by learning from others. When it comes to politics, however, they contend that only the second option may be available, as "politics is often abstract and its consequences are remote" (p. 9). This should be especially true for economic issues, which are technical, means-oriented, and unlikely to invite the visceral responses associated with cultural issues like gay marriage and immigration (Carmines and Stimson 1980). For example, how can average citizens adjudicate a technical debate about whether tax cuts or deficit spending would better stimulate economic growth during a recession? Rather than attempting to sort out such things for themselves, people often seek out the advice of others whom they perceive as knowledgeable and trustworthy, including the media, experts, friends and family, and the crowd at the proverbial water cooler. In practice, however, it is the two parties that provide structure to American politics

[8] Emphasis original. See also Kahan and Braman (2006).