Chapter 4

A critical threshold model of presidential popularity

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1. Introduction

During the past decade research into the relationship between economic fluctuations and public support for political officials has burgeoned into a small industry. Since those first tentative conclusions of Goodhart and Bhramali (1970), Mueller (1971), and Kramer (1971), election results and leadership support levels from virtually every major industrial democracy have been correlated with economic time series. A variety of specifications of both the independent variables has been tested, and increasingly elaborate models of economy-polity interaction proposed. Although the disparate conclusions resulting from the various models and data defy generalization, we may fairly conclude that the bulk of the evidence sustains the thesis that the economy has served as a significant source of postwar electoral change. Beyond this modest statement, little else can be concluded.

Micro decisions underlie these macro relationships, and a definitive understanding of the effects of the economy on political support awaits clarification of a number of issues about how electorates perceive and evaluate the economy. Is information about current economic conditions, for example, obtained primarily through experience (e.g. being laid off

* The chapter is a revised version of Kernell’s contribution to the Ross conference. Hibbs participated in revising the paper and supplied the section on the formalization of the threshold model. Although the authors agree that the logit specification best represents the threshold model, presently they are independently working with different specifications of the economy-popularity relationships. The authors are grateful to the National Science Foundation for research support (grants no. 76-781542 and no. 78-27022, respectively).

Presidential popularity

In this paper we shall analyze trends in the popularity ratings of United States presidents from 1953 through 1974 among partisan subgroups. Partisanship may be a valuable dimension for disaggregation for several reasons. First, a generation of scholarly research has found that party identification is the single most important cue governing "partisan" political behavior. Division of the citizenry into Republicans, Democrats, and Independents should provide as internally homogeneous groupings of political opinions as we shall be likely to obtain with a single variable in the American setting, thereby providing an opportunity to compare how differently placed citizens in the economy and politics vary in their responses to macroeconomic conditions. Secondly, because class and party are generally perceived to be integrally, if imperfectly linked since the Depression, it remains unclear whether differing relationships found for income groups, such as in Schneider's work, reflect underlying economic priorities or the partisan mixes of the income classes. At the same time partisan disaggregation allows us to examine the degree to which the differential class composition of the political parties produces different relationships for Democrats and Republicans. Thirdly, party identification is the most relevant cleavage for elites. Understanding how these groups differ in their economic concerns should provide insight into the stability of the strategic choices available to the government. A Republican president, for example, who identifies his core constituency as fellow Republicans might occasionally target policy to win support from Independents and Democrats.

At least three alternative hypotheses are available which predict how Democrats and Republicans will differ in judging presidential performance. From a political economy perspective the most interesting one follows Hibbs and Schneider in predicting that Republicans will be more attentive to inflation and Democrats to unemployment in judging the president's job performance. A strong version of this hypothesis argues that these economic biases are absolute and therefore that the relationships will be stronger for the priority variable. A weaker version requires only that inflation be relatively more important to Republicans and unemployment relatively more important to Democrats. We shall examine the implications of the "party qua class" hypothesis below.

The second hypothesis treats differences among party groups to be purely partisan. Repeatedly, party identification has been found to shape perceptions and evaluations of the economic health of the country, the
government's economic performance, and even one's own personal financial well-being (most recently, Kinder and Kiewiet, 1979, and Fiorina, 1978). The role of partisanship as a determinant of presidential performance evaluations is apparent from the distributions of the popularity ratings in figs. 4.1 and 4.2. That these ratings are not entirely independent of their respective means confirms partisanship's confounding effect on other, more transitory forces.

Partisanship may interact with economic conditions to shape popularity in a variety of ways. Not only should opposition party identifiers be more negative in their evaluation of the president than the president's party identifiers, they may also examine his performance more critically, more judgmentally. If so, the relationships between economic indices and popularity should be stronger among the opposition party identifiers.

The third hypothesis denies that party identification is a relevant cleavage. The argument here is more substantive than the normally perfunctory null hypothesis. The economy–popularity relationships for
Democrats and Republicans should be similar simply because both political parties are composed largely of middle-class constituents. The familiar tables that show different party leanings among the various income and occupational classes conceal the fact that with increasing affluence during the postwar years class differences in the composition of the political parties (rather than the party composition of the classes) have shrunk to the point where today the parties’ constituencies are much alike. As shown in table 4.1, even in the mid-1950s, presumably before the decomposition of party identification began, occupational differences in the parties’ composition were not great.2

The predictions of these hypotheses are summarized below:

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Predicted relationships with popularity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Party qua class</td>
<td>weak: ( I_R &gt; I_D, U_D &gt; U_R )</td>
</tr>
<tr>
<td></td>
<td>strong: add ( I_R &gt; U_D ) and ( U_D &gt; I_R )</td>
</tr>
<tr>
<td>Pure partisan</td>
<td></td>
</tr>
<tr>
<td>Homogenous mass</td>
<td></td>
</tr>
<tr>
<td>(null)</td>
<td>weak: ( I_R &gt; I_D, U_D &gt; U_R )</td>
</tr>
</tbody>
</table>

where I = rate of inflation; U = rate of unemployment; R = Republican identifiers; D = Democratic identifiers; P = President’s party identifiers; and O = opposition party identifiers.

2 The strategic implications of the economic versus partisanship hypotheses

According to the “party qua class” hypothesis Democratic and Republican identifiers are viewed as differing in their relative concern with inflation and unemployment. One might be tempted to further argue that a Republican president’s overall popularity will more heavily depend upon his ability to control inflation while for a Democratic president the unemployment rate is more important. If this were true, the president, by servicing his core constituency’s priorities, would also be maximizing his popularity. But such a conclusion rests on the faulty assumption that the economic priority of this core constituency is also the main source of the marginal change in overall popularity. Over time variations in approval will instead reflect the economic priorities of those citizens nearest the threshold of approval. Generally, we may suspect, political independents and the opposition party’s identifiers will be located nearer to the threshold, and therefore their economic concerns will more greatly determine overall popularity trends.

From the distributions in figs. 4.1 and 4.2 this latter view of marginal change appears more likely. For most observations a substantial share of the opposition party’s identifiers approve of the president’s performance, but presumably with less intensity than his own party’s identifiers. This may frequently place the president in the bind of having to deny his core constituency economic goods in order to improve his public standing, at least in the short run.

The strategic implication of the partisanship hypothesis is simpler, and under certain conditions probably more salutary, for presidential economic performance. The president’s core constituency is comparatively compliant and to the degree that the more attentive opposition identi-

2 Moreover, the larger standard deviations in the opposition party’s ratings indicate that they, as a group, are more volatile in their support of the president.
3. The threshold of support

A distribution of public opinion akin to the normal curve is a more reasonable representation of public opinion than the dichotomous distribution imposed by the Gallup Poll's presidential "approve or disapprove" question. Assume then that each group's evaluation of the president's performance are normally distributed along an approval-disapproval continuum. Assuming a particular distribution allows us to stipulate precisely the net popularity change following a given shift along this continuum. As evaluations adjust to changing economic conditions, some citizens' opinions will cross the threshold dividing approval and disapproval. For example, fig. 4.3 depicts 60 percent of the citizenry approving the president's performance. If some large, negatively valued event (such as President Ford's pardon of Nixon) were to shift this distribution to the left, the president's popularity would plummet 20 percentage points while a similar shift to the left would improve his popularity by 17 points.

For the purpose of comparing the dynamics of the economic versus partisanship hypothesis we shall examine four "typical" scenarios of presidential popularity displayed in fig. 4.4. Each offers a significantly different partisan distribution of support for testing the effects of changing economic conditions on popularity. Although hypothetical, these scenarios conform well with the familiar "life cycle" patterns of presidential approval (Mueller, 1970). Initial reductions in approval for a popular president should occur more heavily among opposition party members (from scenario I to II) while subsequent losses for an already unpopular president will be located disproportionately among his own party identifiers (from scenario III to IV).
4. Applying the threshold to the party qua class hypothesis

We shall stipulate the following differences between Democrats and Republicans in their response to economic change in evaluating presidential performance (change in support measured normal in standard intervals):

<table>
<thead>
<tr>
<th>Democratic partisans</th>
<th>Republican partisans</th>
</tr>
</thead>
<tbody>
<tr>
<td>% change in unemployment: 1%</td>
<td>0.5</td>
</tr>
<tr>
<td>% change in inflation: 0.5</td>
<td>1.0</td>
</tr>
</tbody>
</table>

Following the "party qua class" hypothesis this schema recognizes the different priorities of Democrats and Republicans while acknowledging that their responses to unemployment and inflation will be similarly directed.

Manipulating the scenarios in figure 4.4 according to these weights, we find in table 4.2 that the effects of a given change in the economy on presidential popularity vary according to both the party which occupies the White House and the partisan distribution of approval. A decrease in the unemployment rate of one percentage point, for example, will have a relatively minor effect on a popular Democratic president's standing (where the standard score equals 4 percentage points in row B) while it will greatly benefit an unpopular Democrat (where one standard score subsumes 12 percent of the sample). This pattern makes sense independent of any special contextual effects. A highly popular president simply has little room for improvement while an unpopular one has a lot of people to win over. But more than just "ceiling" and "floor" effects are present in these figures. Note in rows A and C that the greatest adverse impact of a worsening economy occurs not in scenario I where the president is most popular, but in scenario II and III. Similarly, in rows B and D the benign effects of improving conditions are at least as strong in scenario III, where 42 percent approve the president's performance as compared to scenario IV where only 26 percent approve. The large positive and negative popularity changes in the middle scenarios result because the fluctuations in popularity occur at the threshold, or margin of opinion. In a world of these assumptions, the closer the partisan distributions to the threshold of approval, the greater will be the effect of a given economic change on the president's popularity.

Perhaps the most interesting result of employing the threshold model in conjunction with the economic hypothesis is (as shown in table 4.2) that the economic priority of the president's party identifiers—either unemployment or inflation—may not be the variable which most affects his overall popularity. Again, this is because popularity is changing at the margin, and in two of the scenarios (I and II) his party identifiers are further from the threshold than are the opposition identifiers. For a highly popular president the index which is least important to his party's identifiers will in fact contribute more to both improving (A > B) and reducing (C > D) his public prestige. Perhaps this explains why President Johnson's popularity appears to have suffered more from rising prices than from his declining unemployment during the Vietnam war. (See Kernell, 1978, table 5.)

Thus far we have considered changes in inflation and unemployment

\* The entries in table 4.2 are derived by shifting the subgroup distributions identified for each scenario in figure 4.4 according to the weights of 1 and 0.5 standard normal scores as stipulated above. For this hypothetical exercise the "same" and "opposition" parties are each assumed to constitute half of the electorate.

\* If we were to find evidence for the presence of both the economic and partisan hypotheses—that is, differential economic priorities with stronger relationships for opposition identifiers—the payoff of pursuing a margin strategy would be enhanced for every scenario.
in isolation. Let us bring the model into closer conformity with reality by also assuming a short-run Phillips' curve tradeoff between these variables. Suppose that a given president is considering a change in fiscal (or monetary) policy to reduce unemployment from 5 to 4 percent. Would it be politically beneficial? Using the estimates of the MIT–FRB econometric model, the short-term effect would be to increase inflation from 3 to 3.8 percent (de Menil and Engler, 1972; Nordhaus, 1975). Calculating the net effects of his tradeoff for Republican and Democratic presidents in each of the scenarios, we find in fig. 4.5 that in seven out of the eight cases the opinion change would prove favorable for the incumbent president. Ironically, the one instance where the president would lose support is for an already popular Democrat in the White House. Given our assumptions, Republican presidents can, paradoxically, always afford to make this exchange. We find then that not only does a given change in the economy affect some presidents more than others, but the partisan context of approval will even determine the direction of opinion change.

5. Formalizing the threshold model

The previous discussion of the threshold of support and its implications for marginal changes in a president's approval rating in the polls is readily formalized in the following way. Imagine that each survey respondent rates the president’s performance on an *observed*, continuously valued approval/disapproval index \( Y^* \). As the previous discussion suggested, we shall assume here that \( Y^* \) exhibits systematic variation across partisan and/or class-defined subgroups (i) but that for individuals (ii) \( Y^* \) may be considered homogeneous. \( Y^* \) is determined by the linear equation

\[
Y^*_i = f(Z_i) + \eta_i, \tag{4.1}
\]

where \( f(Z_i) \) represents substantive terms and associated subgroup coefficients defined ahead; and \( \eta_i = \eta_f + \mu_f + \epsilon_i \), \( \eta_f \) being an independently distributed random disturbance.

Let the observed survey responses revealing approval or disapproval for the president be designated by the binary variable \( Y_i^* \):

\[
Y_i^* = \begin{cases} 
1 & \text{for respondents approving of the president's performance,} \\
0 & \text{for respondents disapproving.} 
\end{cases}
\]

Furthermore, assume that the measured binary choice variable \( Y \) reflects the index \( Y^* \) such that

\[
\begin{align*}
Y_i^* &= \begin{cases} 
1 & \text{if } Y_i^* > c, \\
0 & \text{if } Y_i^* \leq c,
\end{cases} \tag{4.2}
\end{align*}
\]

where \( c \) is a “critical threshold.”

It follows that the probability \( P \) of observing an “approval” response for individual \( i \) in group \( j \) at time \( t \) is

\[
P_{ij} = P(Y_i^* = 1) = P(f(Z_i) + \eta_f > c) = P(f(Z_i) + \eta_f > (c - \eta_f)) = P(f(Z_i) + \mu_f > c - \mu_f), \tag{4.3}
\]

where

\[
c = c - \eta_f.
\]

\((1 - P_{ij})\) gives the probability of a “disapproval” response. Notice that the disturbance specification amounts to permitting the threshold constant to vary across groups; in other words groups have different exogenously given inclinations to approve/disapprove of the president’s performance as well as having differential sensitivities to movements in the \( Z \) variables (for example, unemployment and inflation).

Since people approve of the president’s performance \( (Y = 1) \) when
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\[ P_h = \frac{\exp \left( \frac{c_3 - f(z_i)}{\epsilon} \right)}{1 + \exp \left( \frac{c_3 - f(z_i)}{\epsilon} \right)} \]

where \( L^{*} \) is the logistic operator, \( L^{*}(z) = \exp z(1 + \exp z) \).

It is obvious from (4.4) that the response probabilities monotonically approach 1 as \( f(z_i) \) gets large and monotonically approach 0 as \( f(z_i) \) gets small. The function is graphed in fig. 4.7.

Finally, notice that eq. (4.4) may be manipulated to yield

\[ L^{*}(z)_i \frac{P_{hi} - P_{hi}}{P_{hi} - P_{hi}} = [f(z_i) - c_3]\]

which expresses the log of the conditional probability odds ratio (the "logit") as a linear function of the logistic model parameters. The left-hand side of eq. (4.5) involves the true period probabilities \( P_{hi} \), but only sample proportions \( P_{hi} \) are revealed by the survey data. Rewriting (4.5) to conform to the situation confronted empirically gives

Figure 4.6. Observed binary responses and unobserved continuously valued appeal ratings.

\[ Y^* \] exceeds some critical threshold \( c_3 \), the probability of support hinges on the value of \( c_3 - f(z) \) and the distribution of the random variable \( z \). The point is illustrated by fig. 4.6 for a single \( z \) variable for a particular group.

The above means that \( P_{hi} \) may be regarded as a cumulative distribution function. Any appropriate distribution for \( z \) will yield a well behaved probability function. It is convenient, however, to assume a logistic (which differs trivially from the normal distribution) with mean zero and scale parameter \( \epsilon \), which implies the probability function:

\[ P_h = \frac{\exp \left( c_3 - f(z_i) \right)}{1 + \exp \left( c_3 - f(z_i) \right)} \]
\[
\ln(1 - \hat{p}_t) = \left[ g(Z_t) - c_t \right] u_t + \ln(\hat{p}_t(1 - \hat{p}_t)) - \ln(\hat{p}_t(1 - \hat{p}_t)) \\
= \left[ g(Z_t) - c_t \right] u_t + e_t. \tag{4.6}
\]

Assuming independent samples from a binomial population, the asymptotic distribution \( \hat{p}_t \) is normal with mean \( \mu \) and variance \( \sigma^2 \), where \( n \) is the number of observations used to form \( \hat{p}_t \).

It follows that \( e_t \) has mean zero and variance \( \sigma^2 = \sigma^2(1 - \hat{p}_t) \), which implies the weighted least-squares estimating equation:

\[
w_t^2 \cdot \ln(1 - \hat{p}_t) = w_t^2 \cdot \left[ g(Z_t) - c_t \right] u_t + e_t,
\]

where \( w_t^2 = \sqrt{\frac{n_t}{\hat{p}_t(1 - \hat{p}_t)}} \). \tag{4.7}

Equation (7) gives the form of the model used in regression experiments. The logit \( \ln(\hat{p}_t(1 - \hat{p}_t)) \) appears in place of the unobserved \( T \) for the reasons just reviewed. All parameters are identified up to the scale factor \( \frac{1}{\hat{p}_t(1 - \hat{p}_t)} \) and the thresholds \( c_t \) are necessarily embedded within the intercept constants.

The nonlinear marginal response of the President’s approval rating to movements in the macro economy, described and illustrated in the previous section, simply follows from the fact that the derivative of \( \hat{p}_t \) with respect to \( Z_t \) is nonlinear (see fig. 4.7). \tag{4.8}

\[
d\hat{p}_t/dz_t = \hat{p}_t(1 - \hat{p}_t)g(Z_t). \]

The next section describes variables in the performance vector \( Z \) and reports the empirical results.

6. Empirical results

Three sets of predictions of the importance of partisanship on the economy-popularity relationships presented earlier. If the public follows the purely economic calculus, the class composition of the parties dictates that inflation should be relatively more important to Republicans and unemployment to Democrats. A purely partisan calculus, on the other hand, predicts stronger relationships on both economic indices for the opposition party’s identifiers be they Republicans or Democrats. And finally, the null hypothesis argues that there should be no significant inter-group differences on either economic index. These predictions can be tested against each other by estimating the logistic representation of popularity with unemployment and inflation for each partisan group’s ratings. Although the economic predictions and the discussion of the threshold model ignored the relative placement of Independents we shall analyze their popularity relationships as well, by assuming that they occupy a middle position between Democrats and Republicans in all of the rankings.

Previous research has identified a number of significant determinants of presidential popularity trends in addition to the economy. Because these variables are often correlated with the economic indices, we shall examine the economic relationships within the context of a more encompassing model of presidential popularity:

\[
\log(P1 - P) = a + b_1 \cdot unemployment + b_2 \cdot change in unemployment + b_3 \cdot rally + b_4 \cdot early term + b_5 \cdot administration + b_6 \cdot Watergate + b_7 \cdot N.V. bombing + b_8 \cdot U.S. killed. \tag{4.9}
\]

where

- \( \text{unemployment} \)
- \( \text{rally} \)
- \( \text{early term} \)
- \( \text{administration} \)
- \( \text{Watergate} \)
- \( \text{N.V. bombings} \)
- \( \text{U.S. killed} \)

\( = \% \) change in consumer prices over preceding 6 months,
\( = \% \) change in rate over preceding 6 months,
\( = 6 \) month dummy variable representation of international rally events,
\( = \) dummy variable representing surge of popularity,
\( = \) dummy variable for Johnson and Nixon administrations,
\( = \) dummy variable during President Nixon’s Watergate period,
\( = \) number of U.S. bombing missions over North Vietnam during month (for Johnson years only), and
\( = \) number of U.S. soldiers killed in Vietnam during months (for Johnson years only).

- The specification of the right-hand side of the equation is based on an earlier analysis of the overall popularity time series reported in Kemel (1978). We remind readers that Hibbs designed with this specification and hence with the implications of the model for the public’s relative aversion to inflation and unemployment.
Table 4.3

<table>
<thead>
<tr>
<th>Variables</th>
<th>Domestic</th>
<th>Opposition</th>
<th>Cooperation</th>
<th>Personality</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unemployment (%)</td>
<td>1.22</td>
<td>-0.21</td>
<td>-0.02</td>
<td>-0.02</td>
</tr>
<tr>
<td>Early term</td>
<td>1.22</td>
<td>-0.21</td>
<td>-0.02</td>
<td>-0.02</td>
</tr>
<tr>
<td>Democratic party</td>
<td>1.22</td>
<td>-0.21</td>
<td>-0.02</td>
<td>-0.02</td>
</tr>
<tr>
<td>Republican party</td>
<td>1.22</td>
<td>-0.21</td>
<td>-0.02</td>
<td>-0.02</td>
</tr>
<tr>
<td>Non-party</td>
<td>1.22</td>
<td>-0.21</td>
<td>-0.02</td>
<td>-0.02</td>
</tr>
</tbody>
</table>

In the estimates provided in table 4.3, a couple of interesting general patterns to the relationship should be noted. First, there are no glaring anomalies present among the equations for either the economic or political significance. Second, the most striking pattern to be found among the economic (and political) relationships in table 4.3 is not in the differences among the partisan subgroups as suggested by the predictions, but in the overall stronger relationships for each subgroup during the Democratic administrations. For the Kennedy and Johnson presidencies both unemployment and inflation are substantially stronger correlates of popularity for each partisan subgroup, with inflation increasing almost tenfold. Whether this pattern reflects a structural shift in the economic environment of the 1960s or the public’s response to the greater willingness of Democratic administrations to intervene actively in the economy is unclear.

Of the several economic predictions, strongest support can be marshaled for the partisan calculus. In comparing the estimates of the president’s partisans with those of the opposition identifiers, we find that only for inflation during the Republican administrations were the opposition-party relationships weaker, and even then the difference appears to be minor. The unemployment coefficients are stronger among opposition identifiers for both administrations. Republicans not only paid closer attention to inflation during Democratic administrations, but they also appear to have examined the unemployment rate more critically in evaluating the presidential performance. Similarly, the relationships for the political variables — Watergate, N.Y. bombing, and U.S. killed — are consistently stronger for opposition party identifiers. In that each political condition worsened during the time period, they describe a pattern of opposition withdrawal from the president’s coalition of support. Note too, the stronger early term relationships for opposition identifiers project a similar image of initial support and subsequent withdrawal of approval.

Although in evaluating the relative effects of unemployment and inflation the regression coefficients are comparable given the similar operational definitions of these variables, the elasticities and beta coefficients given in table 4.4 are preferable for testing the relative importance of unemployment and inflation. Elasticity coefficients which standardize the means of the independent and dependent variables give the percentage change in the dependent variable attributable to a 1 percent change in the independent variable. The beta coefficient, on the other hand, adjusts the variances of dependent and independent variables allowing a direct comparison of the explanatory power of unemployment and inflation in altering popularity. From the elasticities we find popularity more sensitive to changes in inflation by a magnitude of 4 to 1 during the Republican years and by 10 to 1 during Democratic administrations.
Table 4.4

<table>
<thead>
<tr>
<th></th>
<th>Eisenhower – Nixon</th>
<th>Kennedy – Johnson</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>President’s Party</td>
<td>Independents</td>
</tr>
<tr>
<td>Elasticties*</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inflation</td>
<td>-0.04</td>
<td>-0.11</td>
</tr>
<tr>
<td>Unemployment</td>
<td>0.00001</td>
<td>-0.03</td>
</tr>
<tr>
<td>Betas</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inflation</td>
<td>-0.10</td>
<td>-0.09</td>
</tr>
<tr>
<td>Unemployment</td>
<td>0.00006</td>
<td>-0.11</td>
</tr>
</tbody>
</table>

* Elasticties are computed at the mean values of the dependent and independent variables.
Given this strategic dilemma a president can pursue any of several strategies, and President Carter's recent performance epitomizes all of them. He may pursue a mixed strategy toward both low unemployment and low inflation. As with President Carter's inspired inflation-fighting amendments to the Humphrey-Hawkins Bill, this will frequently take the form of watered-down "full" employment programs. A president may move sequentially and remediably from one goal to the next, when this strategy fails it is generally characterized as "vacillating" or "tempo-
rizing" which are precisely the terms which former Treasury Secretary Michael Blumenthal used to describe the Carter administration's econom-
ic policies. He attributed this behavior to the "Democratic dilemma". Although the administration recognized that it had to be committed to an anti-inflation effort "if for no other reason [than] that they know (in-
flation) is politically damaging", observed Blumenthal, "the liberals (in
the Administration) believe... that fighting inflation hurts poor people,
and that we have to be very careful how we fight inflation in order not
to hit the natural constituency of the Democratic Party". (Rowen, 30
October 1979). Finally, in desperation presidents may surrender the hard
choices, and hopefully displace responsibility, to other actors. Within
this perspective the appointment of Paul Volcker to head the Federal
Reserve Board makes perfect sense. We find then that by understanding
the economic priorities and opinion dynamics of the American electorate,
we can better understand even erratic macroeconomic policy.

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