

BLINDER & KRUEGER (2004)

Reasons for wanting to be Informed	
Reason	Percent saying yes
<i>Affects personal finances</i>	54%
<i>Affects business or profession</i>	7%
<i>Relevant to stock market, investments</i>	4%
<i>Economic issues are important politically; might affect my vote</i>	22%
<i>To be a responsible citizen; just like to keep informed</i>	55%

SOURCE: Alan S. Blinder, Alan B. Krueger, *What does the public know about economic policy and how does it know it?* (2004)

NOTE: Respondents could offer more than one answer.

Economic Knowledge: Actual versus Survey Estimates				
Question	Actual	Survey Mean	Survey Std. Dev.	Survey Median
<i>Tax share</i>	23.3%	31.3%	15.6%	30.0%
<i>Payroll or income tax is larger?</i>	payroll (83%)	income (52%)	--	income
<i>Size of budget deficit</i>	\$246-\$310b	\$334b	\$739b	\$90b
<i>Level of minimum wage</i>	\$5.15	\$5.86	\$1.27	\$5.65
<i>Size of Social Security check</i>	\$898	\$824	\$493	\$800
<i>Know Bush Social Security proposal?</i>	Yes	yes (56%)	--	yes
<i>Know Social Security deficits coming?</i>	Yes	yes (69%)	--	yes
<i>Medicare drug benefit?</i>	No	no (54%)	--	no
<i>Percent without health insurance</i>	15.0%	37.0%	16.7%	35.0%

SOURCE: Alan S. Blinder, Alan B. Krueger, *What does the public know about economic policy and how does it know it?* (2004)

OLS Regressions for Economic Knowledge Scores (K)

Variable	Coefficients		
<i>Intensity of Use</i>	[0.13]	[0.28]	[0.67]
Q_H	4.85	4.41	2.94
Q_L	-2.11	-1.2	-0.13
<i>Desire to be Informed</i>		[0.04]	[0.19]
<i>Extremely important</i>	--	10.05***	7.91**
<i>Very important</i>	--	8.44**	6.83*
<i>Somewhat important</i>	--	8.04**	6.39*
<i>Ideology/Political</i>			[0.05]
<i>Liberal</i>	--	--	-1.00
<i>Conservative</i>	--	--	-1.27
<i>No thought</i>	--	--	-3.06*
<i>Other Ideology</i>	--	--	2.33
<i>Voted</i>	--	--	2.65**
<i>Demographics</i>	[0.00]	[0.00]	[0.00]
<i>Log income</i>	1.96**	2.07**	2.01**
<i>Age</i>	0.00	0.00	-0.01
<i>Years of education</i>	1.25***	1.25***	1.01***
<i>Female</i>	-1.75	-1.86*	-1.24
<i>Black</i>	-2.33	-2.6	-2.87
<i>Other race</i>	-6.40***	-6.32***	-5.86***
<i>Hispanic</i>	0.38	0.30	0.40
<i>Unemployed</i>	4.14*	3.87	3.88
<i>Retired</i>	-1.12	-1.06	-1.22
<i>Homemaker</i>	-1.50	-1.43	-1.10
<i>Student/other</i>	-0.38	-0.18	0.06
<i>Married</i>	4.70***	4.15***	3.64**
<i>Number of observations</i>	881	879	867
<i>R-squared</i>	0.17	0.18	0.19

SOURCE: Alan S. Blinder, Alan B. Krueger, *What does the public know about economic policy and how does it know it?* (2004)

NOTE: *** Denotes significantly different from

zero at the 1 % level.

** Denotes significantly different from

zero at the 5 % level.

* Denotes significantly different from

zero at the 10 % level