

Introduction

Who did you vote for? How much do you make in one year? These are generally not considered the politest questions to bring up in conversation with a peer or stranger. Politics and income are touchy subjects to bring up in conversation. The taboo nature of these subjects results in misunderstandings about how they are related. Cash is king in a capitalist society, and whether we know it or not our political views are often shaped by whether we are considered “well off” or “poor”. This research project is intended to compare and contrast the incomes of people who identify as liberals and people who identify as conservative. This study also aims to compare and contrast both political views and income between people who work for the government and people who work for the private sector. I was curious to see if our capitalist society gives greater monetary rewards to those who serve the public, or to those who keep the free-market spinning by innovating privately. Money plays a huge role in political views as the rich and poor have different goals in the political realm. The common stereotype is that conservatives tend to have more money while liberals tend to have less. I was also curious to see if more democrats held government positions than republicans due to the tendency of liberals to believe in a bigger government than conservatives. I will be running a statistical analysis of the 2014 general social survey to address these stereotypes of liberals and conservatives.

Literature Review

There are two separate but equally important areas of work in the modern American economy. There is the private sector and there is the government. The distinction between these two types of work are hard to draw due to the government being involved with an increasing number of activities. These sections of our economy work together but have different goals. The

private sector aims for profit while the government aims to serve the society it is governing. These different goals explain why both the government and the private sector are organized differently from one another (Baarspul 2011). The government gets funding from the public and is also owned by the public (Baarspul 2011). The government has rules in place that elected officials have made into laws to protect the public (Baarspul 2011). Private companies are managed by individuals and provide their own funding (Baarspul 2011). The “invisible hand” of the free market guides the success or failure of private companies (Baarspl 2011). Private firms and governments intersect when governments deem it necessary to put regulations on companies whose goals may cause negative side effects to the general public. It is often the position of conservative politicians that the free market should have as little government regulation as possible in order to allow the economy to flourish and sustain employment rates (Dettrey 2013). Allowing the market to regulate itself has created a fiercely innovative and competitive atmosphere in America. Businesses that are successful benefit society by putting money into the pockets of employees and therefore strengthen the economy (Cacioppe 1984). In the most extreme cases unregulated free-market economies tend to have some major flaws. If an economy is completely unregulated then there is nothing stopping industries from potentially putting the public in danger in pursuit of capital (Cacioppe 1984). This is where liberals come in. Liberals often wish to increase regulations on companies in order to protect the public and the environment. The upside to regulating businesses is that businesses can actually be held accountable for any damage done to the public or the environment (Anderson 2012). The downside to regulations on businesses is that they could stifle economic growth and deny Americans potential job opportunities (Anderson 2012).

The nature of these different goals and funding tends to draw in specific types of people to each sector. People working in the government often have different motivations for working than

people in the private sector (Cacioppe 1984). Government workers were found to be motivated by things such as service or self-fulfilling jobs (Cacioppe 1984). Private sector employees were found to be more motivated by money (Cacioppe 1984). The quality of work experience documented by employees was found to be higher in the private sector than the government sector (Cacioppe 1984). The particular study I read suggests that this is because many government workers are disappointed that their jobs don't make more of an impact on society. Different goals and satisfaction tends to draw in different types of political ideologies. Studies have shown that people who manage the public are more worried about social problems such as unemployment and welfare while people who manage private firms are more interested in capital gains (Cacioppe 1984). Research has also shown that a huge factor in political party involvement is the social network one finds his or herself in (Perrson 2012). Based on this research it is safe to assume that working with people who are more prone to worry about social programs over capital makes it more likely that a person's political views will gravitate towards the liberal side over conservatism (Perrson 2012). Education also plays a big role in whether or not a person will be involved politically. People with higher education tend to be much more active in politics opposed to people with less education (Perrson 2014).

As far as income is concerned research done on political action committees found that the political action committees that represented high earners tended to give more money to the republican party each year than the democratic party (Bernstein 2015). Individuals involved in political action committees were more likely to identify as Republicans than people less wealthy than themselves (Bernstein 2015). One example of a political action committee that identified with the republican party is a political action committee that represents healthcare industry professionals (Bernstein 2015). These professionals include doctors, nurses, physician assistants

and specialty physicians (Bernstein 2015). It is clear to see that people with more income have more resources to put into participating in political activities such as lobbying. This results in a lower class who is bigger than the upper class but has much less political power due to inequality.

Income inequality has been on the rise in America and across the globe for decades (Dettrey 2013). Income inequality is correlated with growing polarization in United States politics (Dettrey 2013). The growing gap between the rich and the poor has supposedly led to vastly different ideological differences among the two groups (Dettrey 2013). Lower income people stereotypically join the liberal democratic party and higher income people stereotypically are a part of the conservative republican party (Dettrey 2013). The relationship between inequality and the amount of people who turn up to vote is well documented (Anderson 2013). High earners were also much more likely to be involved in the voting process than those who earned a relatively low salary (Anderson 2012). This is counterintuitive since people in poverty are a majority that exists because of income inequality. A common theme in liberal politics is some form of wealth redistribution. For this reason, it is often a common goal of liberal politicians to get lower income voters involved with each election (Anderson 2012). Higher income inequality is often paired with higher levels of cynicism and frustration with the government and therefore less voter turnout by those on the wrong side of income inequality (Anderson 2013).

Another factor that comes into play when discussing voter turnout is satisfaction with the two party system currently at play in American politics. The two party system is a political system in which only the republican party or the democratic party is favored to win elections (Dettrey 2013). Many people get frustrated by the fact that there are only two opposite sides of the political spectrum to choose from when voting in most elections. Research shows that the growing division

in the country between people who are well off and people who aren't is linked to disenchantment from the two party system (Dettrey 2013).

Gaps in the Literature

There are many things implied by the research I have read that I would like to explore further. For example, the paper done on political action committees linked high earning healthcare PACs to the republican party (Bernstein 2015). This poses an external validity threat as healthcare workers are not a representative sample of the general population. This leaves the question of whether or not the average high earner is more likely to be republican or not.

Dettrey's (2013) research took on the topic of income inequality and class polarization. He used a convenience sampling design when he chose his sample from the U.S. Census Bureau. He took survey data from 1972-2008 because that is what was available to him as well as when he thought polarization increased. The survey was a mail survey with no stated sample size or response rate. He found that the increasing ideological polarization was due to party polarization instead of income inequality. Income inequality did have a positive relationship with polarization but Dettrey (2013) proved the relationship to be spurious. The study consistently measured the dependent variable (political ideology) throughout the whole experiment making this a reliable and repeatable experiment. This study made me curious to find out if there was a stark ideological polarization between people working in the private sector or people working for the government.

Baarspul (2011) studied the behavior of private sector employees and compared it to the behavior of government employees. He set out to test if the different organization styles of public-sector and private sector companies had any effect on individuals. One strength of this paper is that the author conceptualizes the terms "public-sector" and "private-sector" in the beginning of the literature review. Government agencies are publicly owned and funded while private-sector

companies are privately owned and exist for profit (Baarspul 2011). The methods used were a mix of searching through computers and journals. The authors avoided hybrid researching studies on government/private companies by only studying those who strictly stated that they were either for profit or for the public. Most of the employees in the public sector were found to be motivated by service while private sector employees were found to be motivated by money (Baarspul 2011). This study did not go into the specific income of either private or government employees.

The relationship between politics and money is a complicated one to say the least. Political views often are shaped by whether you have money or you don't. The study I read on the relationship between money and politics (see Bernstein 2015) did not have random sampling and therefore were not valid. Career choice and money are connected as well. As a college student about to graduate I wanted to study the data to see whether I would get paid more as a public servant or as a private firm employee. I also thought it may be interesting to find out what role the public servants and private employees think the government should play in our lives. To get more detailed information about politics, money, and job type, I tested these three hypothesis:

H₁: There is a statistically significant difference in income for liberals and conservatives.

H₂: There is a statistically significant difference in the income of government employees and private sector employees.

H₃: There is a statistically significant difference in political party affiliation for government employees and private sector employees.

Proposed Research Design

I took a quantitative research approach to test my hypothesis. I used SPSS to conduct an analysis of secondary data from the GSS 2014. The General Social Survey has been used since 1972 to track the attitudes and issues of the American public. The GSS is used by social scientists

to help understand certain trends and behaviors. The sample size is N=59,599 with an average 85% response rate annually. The nationally representative sample is taken by using a probability design that randomly selects respondents across the United States to take a survey. The survey is voluntary and given in-person. The biggest weakness associated with in-person surveys is social desirability bias. This is when a respondent answers survey questions in a way dishonestly in order to look good to others. This leads to exaggeration of good behaviors and underreporting of bad behaviors.

The three variables I used in this study were polviews, rincome, and wrkgovt. The statement for the variable "wrkgovt" in the GSS is "Respondent's Employer". The answer choices were listed as follows: Government, Private, Don't Know, No Answer, and Not Applicable (Never worked). The variable "rincome" was represented by "Did you earn any income from (OCC-INDUSTRY) in [the previous year]? Answer options were Yes..... (ASK INCOME) or NO..... (see REMARKS). If the respondent answered yes to the question, he or she was then asked "In which of these groups did your earnings from (OCCUPATION IN OCC) for last year-[the previous year]- fall? That is, before taxes or other deductions." The answer choices were: under \$1,000, \$1,000 to 2,999, \$3,000 to 3,999, \$4,000 to 4,999, \$5,000 to 5,999, \$6,000 to 6,999, \$7,000 to 7,999, \$8,000 to 9,999, \$10,000 to 14,999, \$15,000 to 19,999, \$20,000 to 24,999, \$25,000 or over, Refused, Don't Know, No answer, and Not applicable. The variable polviews was measured by this question: "We hear a lot of talk these days about liberals and conservatives. I'm going to show you a seven-point scale on which the political views that people might hold are arranged from extremely liberal- point 1- to extremely conservative- point 7. Where would you place yourself on this scale?" The answer options were extremely liberal, liberal, slightly liberal, moderate middle of the road, slightly conservative, conservative, extremely conservative, don't know, no answer, and not applicable.

Operationalizing my variables included a couple of recodes. I first recoded polviews in order to test for a significant difference in respondent income for liberals and conservatives. The recoded variable zzzpolviewsrecode has only two values instead of the possible seven in the original variable. The values represent liberal or conservative. If a respondent was slightly liberal, liberal, or extremely liberal, then that respondent's values were just recoded into liberal for this test as with the conservative side of the spectrum. I ran an independent samples t-test to compare the mean incomes of the liberal and conservative options.

My second hypothesis was that there was a significance difference between the incomes of government workers and private sector workers. This required me to recode the variable "wrkgovt" into "RECODE wrkgovt" so that I could run an independent samples t-test. The recoded variable only had two possible answer values, which were Gov't or Private Sector.

My last hypothesis was that there is a significant difference in political party affiliation for those who work in government versus those who work for private companies. All of the original variables were used to run an independent samples t-test to compare the average political views of the two groups.

Results:

Univariate Tables:

Variables	Mean	Frequencies
wrkgovt	1.82	18.3%= Government Workers 81.7%= Private Workers
rincome	9.15	3.6%= LT \$1,000 5.1%= \$1,000 to 2,999 3.4%=\$3,000 to 3,999

		2.9%=\$4,000 to 4,999 3.0%=\$5,000 to 5,999 2.7%=\$6,000 to 6,999 2.7%=\$7,000 to 7,999 4.8%=\$8,000 to 9,999 13.4%=\$10,000 to 14,999 10.5%=\$15,000 to 19,999 10.3%=\$20,000 to 24,999 37.6%=\$25,000 or over
polviews	4.10	2.8%= Extremely Liberal 11.7%= Liberal 12.8%= Slightly Liberal 38.7%= Moderate 15.9%= Slightly Conservative 14.8%= Conservative 3.2%=Extremely Conservative

The mean for the wrkgovt variable is 1.82 with 81.7% of the respondents working in the private sector and 18.3% of the respondents working in the government. The mean for the rincome variable is 9.15 which puts the average income right around \$10,000 to 14,999 for the

sample. The mean for the polviews variable is 4.10 meaning the average political views of the respondents are around moderate.

Bivariate Tables:

Table 1

Respondent's Income	Political Views Recode	N	Mean	Standard Deviation	Sig.
	Liberal	9278	9.04	3.443	.000
	Conservative	10548	9.46	3.262	

The independent t-test used to test hypothesis one (above) proved that there is a significant difference between income for liberals and conservatives. Conservatives on average make more money than liberals.

Table 2

Respondent's Income	Gov't vs Private Sector	N	Mean	Standard Deviation	Sig.
	Government	2642	10.56	2.698	.000
	Private Sector	12067	9.88	3.114	

The independent t-test used to test hypothesis two (table 2 above) showed that there is a significant substantive difference between income for government and private sector employees with government employees making more on average.

Table 3

Political Party Affiliation: Liberal/Conservative	Gov't vs Private Sector	N	Mean	Standard Deviation	Sig
	Government	3638	4.07	1.426	.755
	Private Sector	15,971	4.13	1.404	

The independent samples t-test used to analyze hypothesis 3 proved that there is not significant difference in political party affiliation between government employees and private workers.

Conclusions

This paper revealed a few exciting details about the relationships between political views, income, and sector of employment. The biggest surprise to me was the finding that there was no significant difference in political views between government workers and private sector workers. Caccioppe's (1984) study compared the behaviors of individuals in public sector jobs and private jobs to see if the different organization had any effect on individuals. His study did not include how the different organizations affected the various political leanings of individuals based on which part of the economy they worked for. However, it did find that the personal motivations for each type of employee were much different than the other type. With government employees valuing public service over monetary rewards I was expecting government employees to be more liberal since liberals did not make as much money as conservatives. Liberals generally like to have a government with more intervention through social services so it was another surprise that more liberals aren't involved in government work.

Another interesting finding is that conservatives tend to make more money than liberals. This is consistent with Anderson's (2012) research that stated that liberal politicians have a better advantage at winning elections when poor voters get to the poll booths. Bernstein's (2015) study stating that high earning political action committees are more likely to donate money to the republican party over the democratic party is given more support by the results of this study. As stated before in the proposed research design is the fact that the general social survey is an in-person in depth survey that asks relatively personal questions. A weakness of this study is the presence of social desirability bias. This survey was conducted on a nationally representative random sample with a huge sample size. This protects it from external validity threats by making it representative of the general population. This study also reliable due to the variables being measured consistently throughout the whole study.

References

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Appendix