

Tax and spending: views of the British public

Neil O'Brien

1. The balance of tax and spending

A large majority would prefer to balance the government's books by cutting spending, rather than raising tax. We tested four options and also tested the sensitivity of the result to the exact question. We asked people to choose between dealing with the deficit only by raising tax, mostly by raising tax with some spending cuts, mostly cuts with some tax rises, and all cuts.

We split the 3,000 sample into three groups of 1,000 to check how much difference it made if we ask about "spending reductions" or "controlling spending" rather than the harsher sounding "cuts". The differences are significant, but all three formulations produced a large majority in favour of most of the effort falling on spending reductions rather than tax rises.

If the government needed to balance the books, and had to make a choice between raising taxes and cutting/ reducing/ controlling spending, where would you prefer the emphasis to be? (%)				
	Average	"Cuts"	"Reductions"	"Controlling"
Only raising taxes	4	6	4	4
Mostly raising taxes with some cutting of spending	22	23	26	15
Mostly cutting of spending with some raising taxes	43	40	41	47
Only cutting spending	24	24	21	29
Don't know	7	8	9	5
All "Raise"	26	29	30	18
All "Cut"	67	64	61	76
Net	-41	-35	-31	-58

2. Tax, spending and the recession

We also tested how people feel about the recession and public spending. As well as those who simply think we should increase or decrease spending, we gave people an option that spending should rise because of

the recession and then fall back (a sort of Keynesian position) or that spending should be cut back because of the recession but then carry on increasing again (a sort of traditional belt-tightening position).

There are 7% more people in favour of a short term reduction in spending than a long term reduction, although a majority support both. Interestingly, the gap between support for short term and long term reductions in spending is greatest among younger voters, women, and wavering voters on both left and right. For example a majority (54%) of *wavering* Labour voters support cuts in the short term, which is not true of *certain* Labour voters (45%). The same applies for public sector workers – 58% support cuts in the short term, but only 48% in the long term.

	Total	Con Certain	Con Wavering	Lab Certain	Lab Wavering	Lib Dem	Private Sector	Public Sector
Public spending needs to be reduced in the future – the government is simply spending too much	32	60	43	7	13	22	35	26
Public spending needs to be reduced for a while because of the recession, but should increase again afterwards	29	20	30	38	42	30	29	32
Public spending needs to be increased for a while because of the recession, but should be reduced again afterwards	21	13	16	35	30	30	19	22
Public spending needs to be increased in the future – the government is simply spending too little	7	2	3	14	8	9	6	9
Don't know	12	5	8	6	8	9	12	11
Support long term decrease	53	73	59	42	42	52	54	48
Support short term decrease	60	80	73	45	54	52	63	58
Difference (short - long)	8	8	14	2	12	0	9	10

3. The British social attitudes question

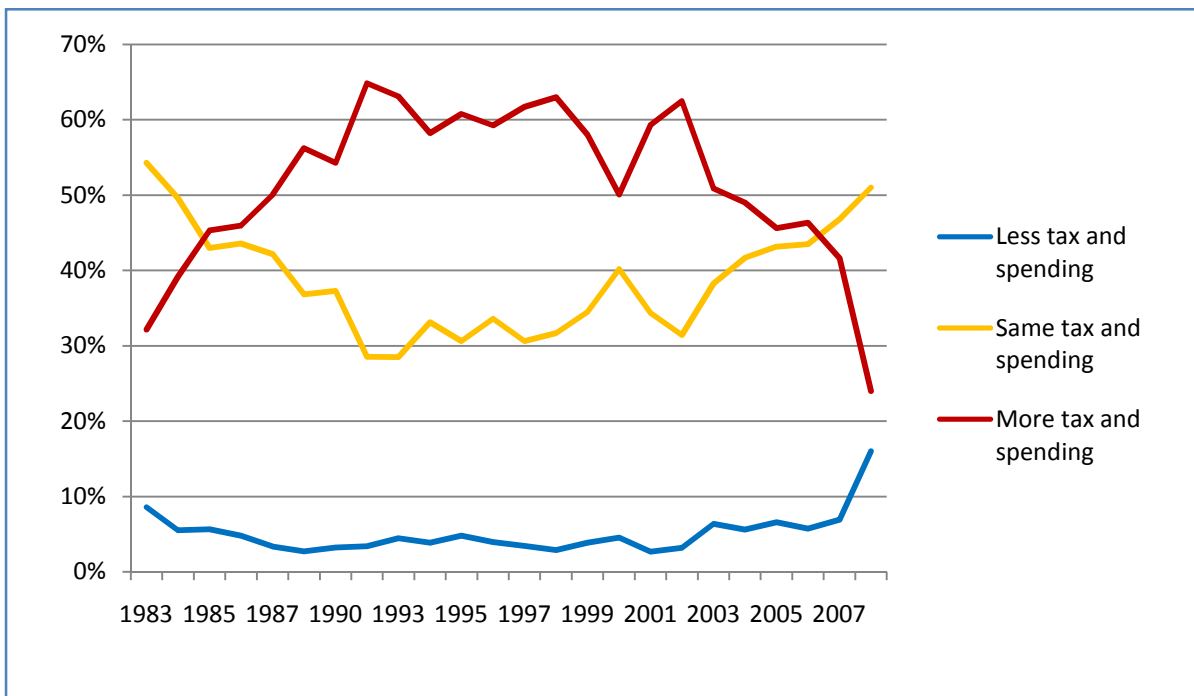
We asked the same question about tax and spending which is regularly asked by the British Social Attitudes

survey since 1983. The most recent run of the BSA was in 2007. Attitudes have shifted considerably since then, with less than a quarter now supporting higher tax and spend - down from nearly two thirds in 2002.

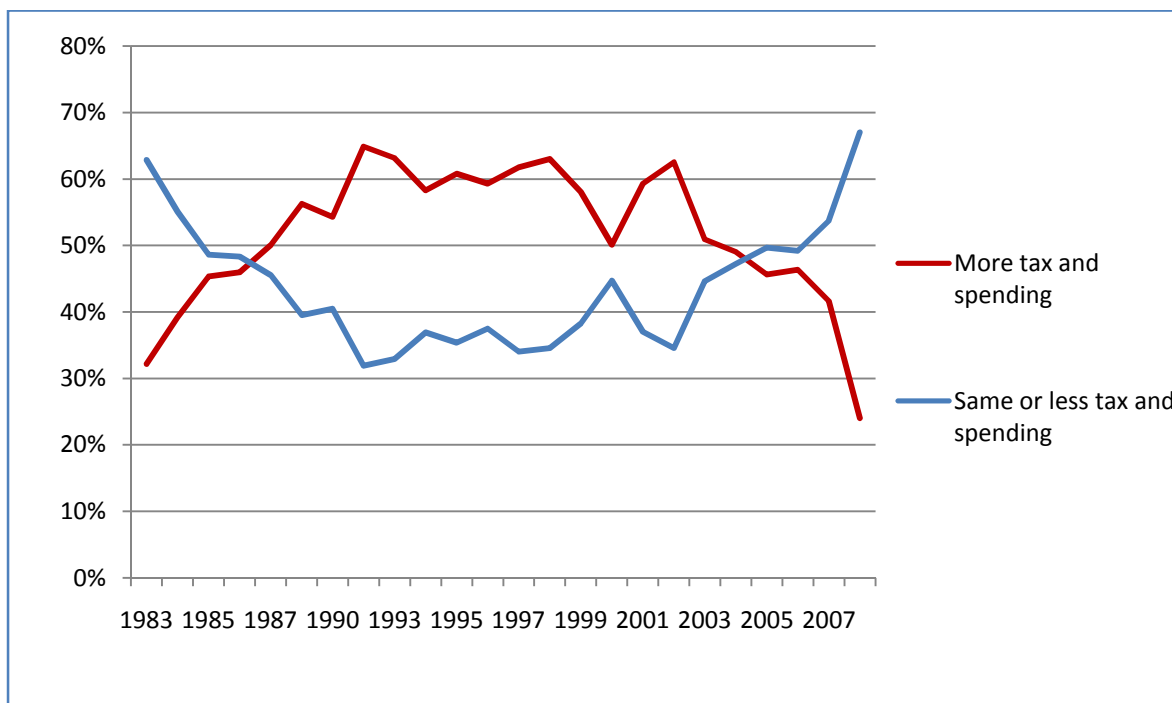
Nonetheless, the standard BSA question produces the result most favourable to increased tax of any of the various ways of framing the question we tried. This is presumably because it asks whether people support spending more only on some of the most popular areas of government spending.

Suppose the government had to choose between the three options below. Which do you think it should choose? (%)	BSA 2002	BSA 2007	YouGov 2009
Reduce taxes and spend less on health, education and social benefits	3	7	16
Keep taxes and spending on these services at the same level as now	31	47	51
Increase taxes and spend more on health, education and social benefits	63	42	24

Comparing our result to the BSA series over time we can see that support for less tax and less spending on health, education and social benefits is the highest since the series began. Our 2009 result shows a continuation and acceleration of the previous trend - support for more spending has fallen away and support for both of the other options has increased.



Aggregating the results for those who want the same level or less on these services shows that over two thirds support one of these options – the highest since the series started in 1983.



Tax, Spending and the Deficit

Little poll data is available which tests the public’s attitudes to the triangular relationship between taxation, spending and the deficit. There is data on tax and spend, and a little data on the debt and deficit, but nothing which explores the “trilemma” between the three choices.

In a randomised order, we asked people to make three forced choices: between reducing the national debt, versus increasing spending, reducing the national debt versus reducing taxes, and increasing spending versus reducing taxation. This allows us to look at the three way relationship between these competing priorities.

If you had to choose, would you rather reduce the national debt or increase government spending?	
Reduce national debt	66

Increase government spending	21
Don't know	12
If you had to choose would you rather reduce the national debt or reduce taxes?	
Reduce national debt	51
Reduce taxes	40
Don't know	9
If you had to choose, would you rather increase government spending or reduce taxes?	
Increase government spending	26
Reduce taxes	61
Don't know	13

We then aggregate the results across these questions to show the relative strength of support for each of these contradictory priorities. Excluding don't knows, 45% prioritised reducing the deficit, 38% indicated support for reducing tax and 18% supported increasing spending. Interestingly, support for debt reduction is fairly constant across all three main parties.

Relative support	Total	Conservative	Labour	Liberal Democrat
Support reducing the debt	45	47	42	43
Support reducing tax	38	43	28	34
Support increasing spending	18	9	29	22

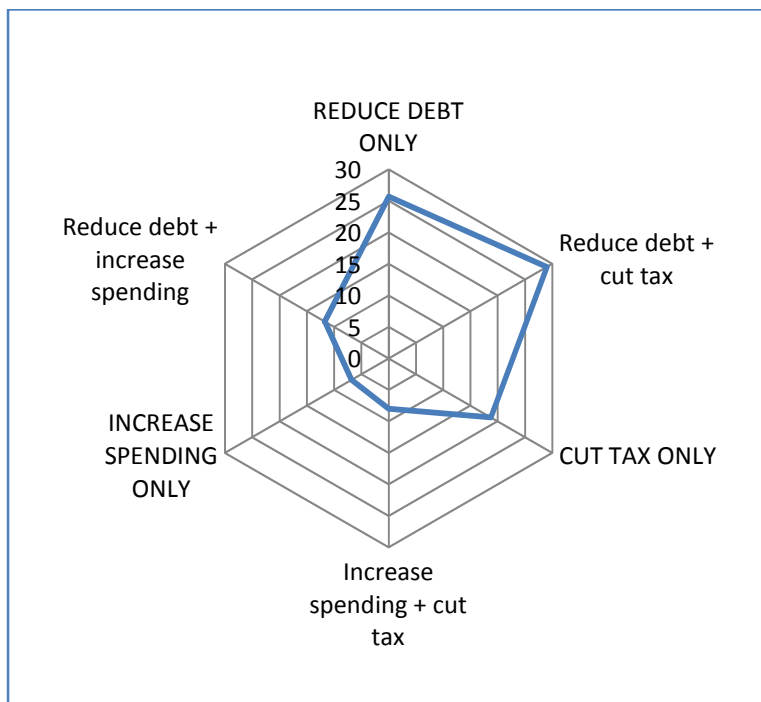
5. A six way choice

Obviously for each of the three priorities, some of those who support reducing the debt would also like to cut tax, while others would like to both reduce the debt and increase spending - and so on. If we break down the results further into six options we can see that the largest group were those who wanted to both cut taxes and reduce the debt.

	Excluding don't knows	Of the whole sample
Preferred debt repayment AND spending over tax cuts	12	10
Preferred debt repayment over tax cuts AND spending	26	21

Preferred debt repayment AND tax cuts over spending	29	24
Preferred tax cuts over spending AND debt repayment	19	16
Preferred tax cuts AND spending over debt repayment	8	7
Preferred spending over tax cuts AND debt repayment	7	6
Don't know	n/a	16

It is fairly clear from this that the “median voter” in this three way choice is somewhat in favour of reducing the deficit and reducing tax:



6. The option of inaction

We also asked an alternative question, explicitly giving people the option of doing nothing. This brings out more bigger differences between the supporters of the different parties, with more than a third of Labour voters choosing the status quo, and less than a fifth of conservative supporters. Overall, reducing the debt by reducing spending was the top option.

	Total	Conservative	Labour	Liberal Democrat
Reduce public spending to pay off the national debt we now have	31	46	18	21
Raise taxes to pay off the national debt we now have	10	5	17	16
Reduce public spending AND raise taxes to pay off the national debt we now have	21	23	23	26
Maintain current spending and tax levels and leave the national debt as it is	26	19	37	28
Don't know	13	8	6	9

7. Rules to control government borrowing

Looking at rules to prevent the emergence of large government debts, only about a fifth are in favour of making the government run a balanced budget every year. Balance over the cycle is overwhelmingly the most popular option, with just 7% supporting no constraint on borrowing.

Thinking more about government debt and borrowing, which of the following statements BEST represents your view?	Total	Conservative	Labour	Liberal Democrat
The Government should be allowed to save or borrow as much as it needs to manage the economy	7	4	17	5
The Government should on average have to run a balanced budget – but it should be allowed to save in good times and borrow in bad times	62	63	68	73
The Government should have to balance the budget every year and should NOT be allowed to borrow on our behalf – even in bad times	21	28	10	14
None of them	2	1	2	1

Don't know	7	4	3	7
------------	---	---	---	---

Public Services

8. Have public services improved?

People don't believe that public services have improved over the last ten years. To test the sensitivity of the answer to the wording of the question we split the sample into two groups of 1,500 people. Mentioning the Labour government rather than just "the last ten years" makes people more likely to say that services have not improved.

Total	Over the last ten years do you think public services have...?	Under the Labour government do you think public services have...?
Got a lot better	6	8
Got a little better	27	20
Stayed about the same	21	24
Got a little worse	24	20
Got a lot worse	17	24
Don't know	4	4
All better	33	28
All worse	42	44
Net better	-9	-16

9. Where did all the money go?

The public think that much of the money spent in recent years has been wasted or absorbed by pay increases, rather than being reflected in a better service. 62% think "a lot" of the money has been wasted, while only 5% think "a lot" of the money has been spent on increasing service quality. There is greater recognition that there are larger numbers of staff in the public services.

Spending on public services such as schools, hospitals and the police has risen sharply in the past ten years. Overall, how much of the money do you think has been...?	...spent on improving the quality of the service to the general public	...spent on increasing the number of teachers doctors police etc.	...spent on increasing the pay of teachers doctors police etc.	...wasted on such things as bureaucracy paperwork and pen-pushing
A lot	5	8	13	62
A fair amount	33	37	36	22
Not much	46	41	37	8

None at all	7	6	5	2
Don't know	9	8	9	7
Lots or a fair amount	38	44	49	84
Not much or none	53	48	43	9
Net	-15	-3	6	75

Strikingly, roughly the same view is held by public sector workers. The majority of people working in the public services think that “not much” or “none” of the extra spending has gone on improving the quality of service for the general public, whereas 84% think that “lots” or “a fair amount” has gone on bureaucracy.

Spending on public services such as schools, hospitals and the police has risen sharply in the past ten years. Overall, how much of the money do you think has been...? (PUBLIC SECTOR WORKERS ONLY)	...spent on improving the quality of the service to the general public	...spent on increasing the number of teachers doctors police etc.	...spent on increasing the pay of teachers doctors police etc.	...wasted on such things as bureaucracy paperwork and pen- pushing
A lot	5	8	13	59
A fair amount	38	40	35	25
Not much	42	39	39	8
None at all	7	6	6	2
Don't know	7	7	7	6
Lots or a fair amount	44	48	48	84
Not much or none	49	45	45	10
Net	-5	3	3	74

10. Reform versus spending- or both?

We split the sample into two groups of 1,500. The first group were given a forced choice between spending more or running public services more efficiently as the most important way to improve services. This produced a strikingly large majority for running better over spending more. The second group were given a three way choice – spend more, run more efficiently, or both. The two-way choice produced a very large majority for reform over spending more. Perhaps surprisingly, in the three way choice running services more efficiently *alone* was a more popular choice than both running services better and spending more. More people chose this option than the other two put together (40% supported more spending or more spending plus reform).

Which of these statements comes closer to your view?	SPLIT A		SPLIT B
--	---------	--	---------

		It is impossible to improve public services significantly without running them more efficiently	50
The most important thing to do now to improve public services is to run them more efficiently	87	It is impossible to improve public services significantly without BOTH spending more money on them and running them more efficiently	29
The most important thing to do now to improve public services is to spend more money on them	8	It is impossible to improve public services significantly without spending more money on them	11
Don't know	5	Don't know	9

Options for reducing spending

11. Support for cuts or spending more by department

For a range of different government departments, and sub-departments we asked whether voters whether they would like to spend more, the same or less.

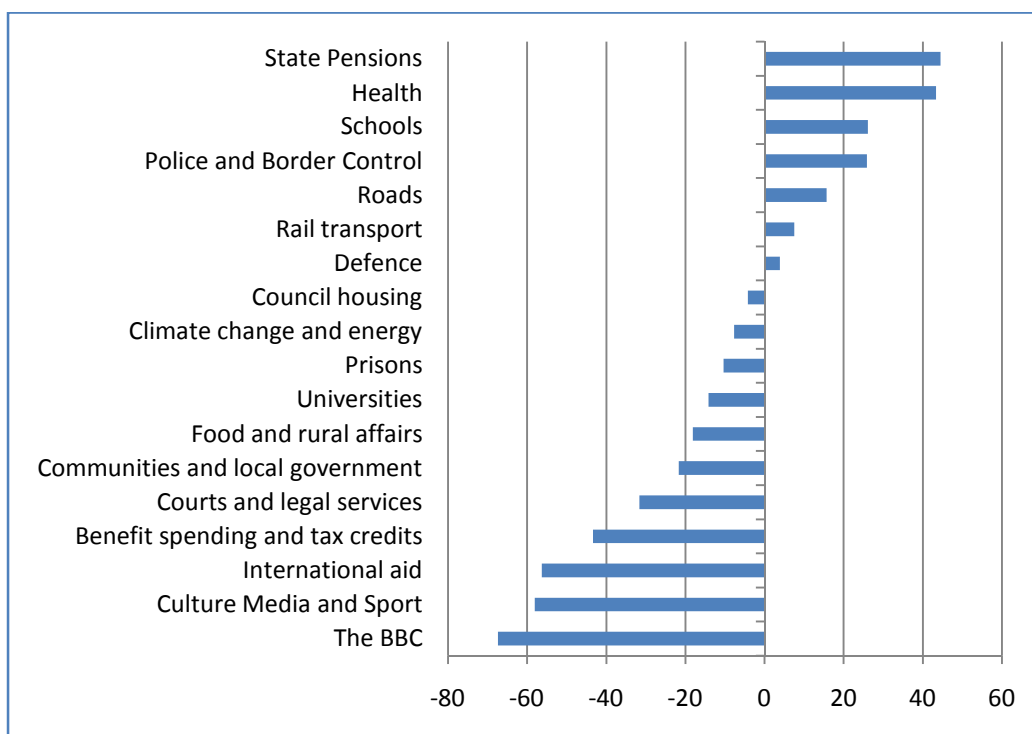
We split the sample into two. Half of the sample were also given how much was spent in this area in 2008. We used this to test whether being given this information made a difference to how people felt about the level of spending in that area.

The Government may have to make some difficult decisions about reducing public spending. Some commentators have suggested that it may have to reduce spending (or increase taxes) by as much as £50 billion.

For each of the following areas of spending, please say whether you think it should be a priority for MORE spending, LESS spending, or that it should stay about the same. *[Next to each of the areas is how much was spent in this area in 2008.]*

For each of the departments and sub departments we calculate a net figure for those saying they want to increase spending minus those who want to decrease spending. The two areas where people want to see spending increase the most are the state pension and health.

There were several areas where more people backed a reduction rather than an increase. Benefit spending is the largest item of spending which people suggested cutting. The BBC and DCMS were the areas where there was the largest net support for a decrease.



There were notable divergences of opinion between different demographic groups. Women are more likely to support spending more on health, and men are more strongly in favour of reducing benefit and tax credit spending. Spending on climate change is more popular among the young, and (for obvious reasons) the state pension is more popular among the over 55s.

Among the political parties, Labour supporters were more in favour of spending across the board, except in the case of defence, police, prisons and roads, where Conservative voters were more in favour than Labour voters.

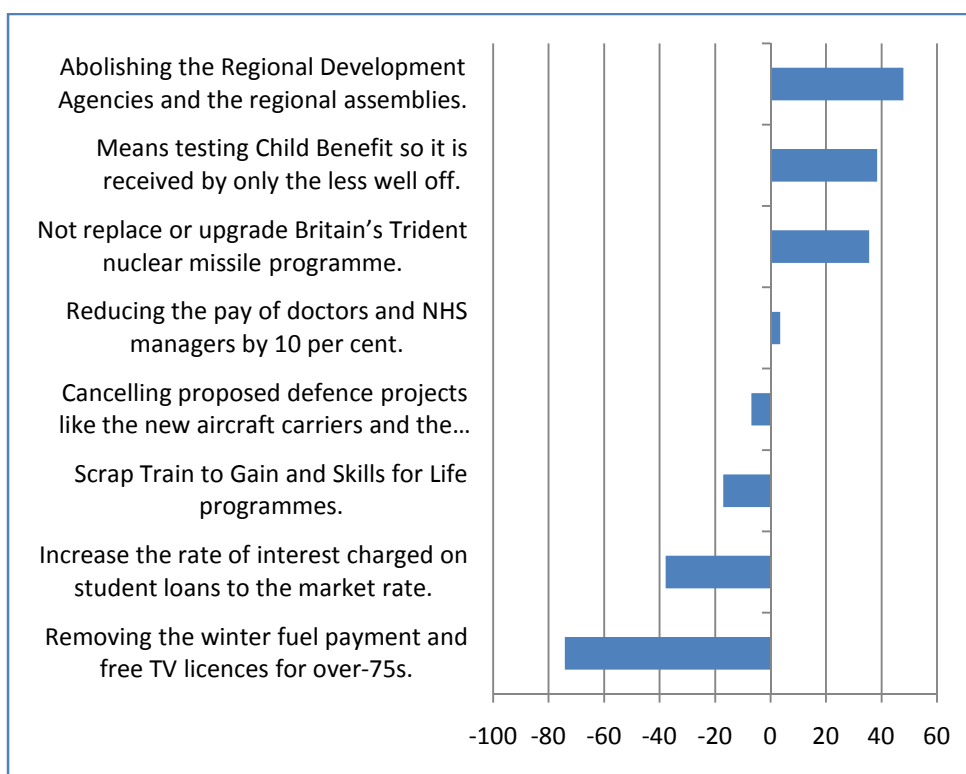
Lower socio-economic groups are show higher support for defence spending. Higher socio-economic groups were more likely to favour reducing spending on benefits than lower, although both favour reductions by a large margin. Interestingly there is even a small majority in favour of reducing benefit spending even amongst those who are themselves on out of work benefits!

Net support for higher spending – lower spending	Total	Con	Lab	Lib Dem	Male	Female	18 to 34	35 to 54	55 +	AB C1	C2 DE	Private Sector	Public sector
The BBC	-67	-73	-63	-60	-63	-71	-61	-68	-72	-66	-70	-69	-68
Culture, Media and Sport	-58	-62	-52	-58	-57	-59	-45	-58	-70	-60	-56	-58	-60
International aid	-56	-70	-45	-45	-59	-54	-34	-64	-68	-56	-57	-61	-52
Benefit spending and tax credits	-43	-63	-29	-34	-49	-38	-44	-42	-44	-51	-34	-46	-48
Courts and legal services	-32	-32	-33	-32	-30	-33	-24	-37	-33	-32	-31	-32	-33
Communities and local government	-22	-30	-13	-12	-27	-17	-14	-20	-31	-23	-20	-26	-17
Food and rural affairs	-18	-20	-22	-15	-21	-16	-13	-23	-18	-20	-17	-19	-21
Universities	-14	-20	-11	1	-18	-11	-4	-17	-20	-14	-14	-15	-15
Prisons	-10	-7	-12	-18	-2	-18	-14	-11	-6	-10	-10	-15	-5
Climate change and energy	-8	-25	6	15	-11	-5	16	-12	-24	-7	-9	-9	-9
Council housing	-4	-28	12	13	-10	2	-16	-3	5	-9	1	-10	-3
Defence	4	28	-13	-26	0	8	-3	2	11	-2	11	5	0
Rail transport	8	4	9	16	6	9	8	7	8	12	2	7	9
Roads	16	22	8	9	19	13	12	13	22	15	17	19	10
Police and Border Control	26	37	18	12	24	28	25	23	30	23	29	30	23
Schools	26	17	32	38	20	32	35	30	15	25	27	25	27
Health	43	29	52	48	34	52	46	44	41	39	48	42	45
State Pensions	44	44	40	52	37	51	25	43	62	43	46	44	45

Looking at the differences between the two splits in the sample, presenting people with information about current spending levels appeared to have little effect on their support for more or less spending. The biggest difference was for health spending, where the number supporting a rise in spending was 6% lower among those given the figure for current health spending, and the number in favour of less spending was 3% higher – a net decrease in support of 9 points.

12. Support for cuts by specific programme

Turning to specific ideas for reducing spending on a programme basis we repeated the same exercise, presenting people with a number of proposals and asking whether they approved or disapproved. From this we calculate net support for each proposal. The specific proposals which attracted greatest support were abolishing the Regional Development Agencies and means testing child benefit. The most unpopular was taking away the winter fuel payment and free TV licences for over-75s. There was narrow net support for cutting the pay of NHS doctors and managers by 10% and narrow net opposition to cancelling the aircraft carriers and Eurofighter.



Opposition to increasing the interest rate on student loans is higher among the higher socio-economic groups. Women and younger voters are less strongly in favour of means testing child benefit than the average. The groups most strongly in favour of not replacing trident are Liberal Democrat voters, the middle aged and middle class.

Net support for proposed cut – opposition to proposed cut	Total	Con	Lab	Lib Dem	Male	Female	18 to 34	35 to 54	55 +	ABC 1	C2DE
Abolishing the Regional Development Agencies and the regional assemblies.	48	68	33	38	52	45	29	52	60	50	46
Means testing Child Benefit so it is received by only the less well off.	38	40	41	33	48	29	21	43	49	36	41
Not replace or upgrade Britain's Trident nuclear missile programme.	36	23	48	62	30	41	27	42	36	41	29
Reducing the pay of doctors and NHS managers by 10 per cent.	4	17	-11	-5	7	0	-12	4	17	7	0
Cancelling proposed defence projects like the	-7	-27	2	23	-10	-4	-3	-5	-12	-2	-13

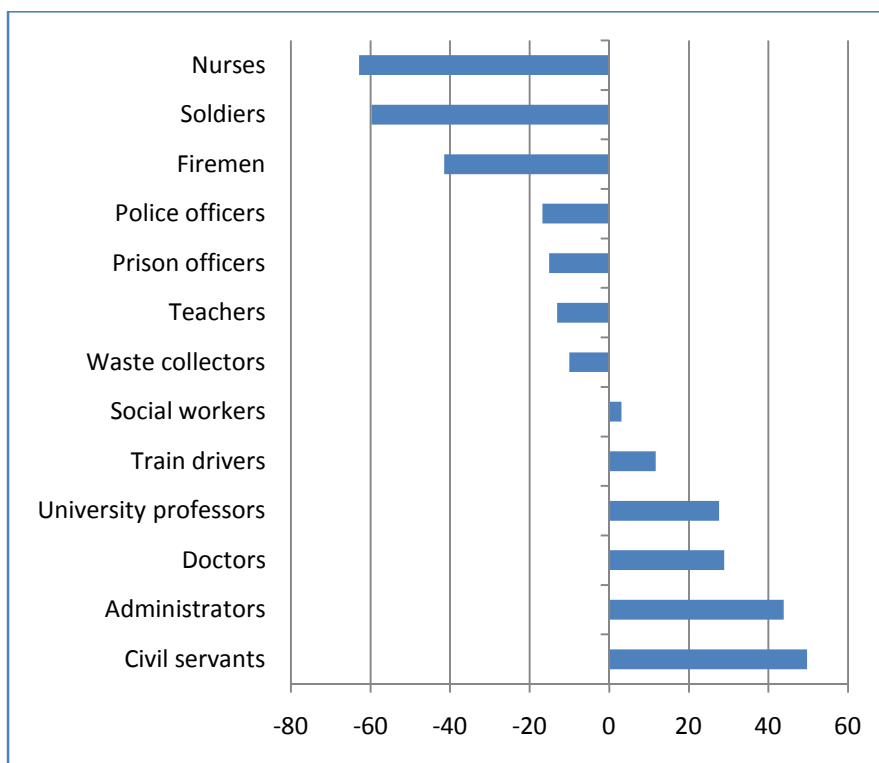
new aircraft carriers and the Eurofighter.												
Scrap Train to Gain and Skills for Life programmes.	-17	5	-41	-27	-13	-21	-30	-18	-6	-16	-19	
Increase the rate of interest charged on student loans to the market rate.	-38	-31	-41	-55	-27	-47	-37	-35	-42	-43	-32	
Removing the winter fuel payment and free TV licences for over-75s.	-74	-72	-77	-78	-70	-78	-58	-77	-84	-77	-71	

Again, we split the sample into two. Half of the sample were also given how much would be saved by making this change. We used this to test whether being given this information made a difference to how people felt about the level of spending in that area. In the case of means testing child benefit and abolishing the RDAs, those given the extra information were respectively 5% and 6% more likely to support the proposed cut. In other areas the difference was smaller.

13. Support for higher or lower pay in the public sector

Looking at different public sector workers, we asked whether people felt they were paid too much or too little. From this we calculate the net proportion who think each group is overpaid minus those who think they are underpaid. The most overpaid groups are civil servants, with nurses and soldiers seen as underpaid. Doctors were seen as substantially overpaid.

	Total	Con	Lab	Lib Dem	Male	Female	18 to 34	35 to 54	55 +	ABC1	C2DE
Civil servants	50	58	42	45	54	46	32	53	62	49	51
Administrators	44	52	37	45	50	38	20	41	67	40	49
Doctors	29	37	27	24	35	24	23	27	36	34	23
University professors	28	27	25	22	29	27	20	32	29	24	32
Train drivers	12	17	9	14	16	7	16	12	8	16	7
Social workers	3	11	-9	-18	7	-1	-13	7	13	-2	9
Waste collectors	-10	-3	-17	-17	-8	-12	-5	-14	-10	-9	-11
Teachers	-13	-10	-15	-24	-8	-18	-24	-11	-6	-15	-11
Prison officers	-15	-15	-15	-13	-12	-18	-12	-18	-15	-15	-16
Police officers	-17	-19	-13	-20	-9	-24	-19	-19	-13	-14	-20
Firemen	-42	-40	-40	-42	-35	-48	-41	-46	-38	-37	-47
Soldiers	-60	-69	-53	-52	-60	-60	-52	-62	-65	-57	-63
Nurses	-63	-60	-61	-71	-62	-63	-64	-65	-60	-62	-64



Tax and current tax rates

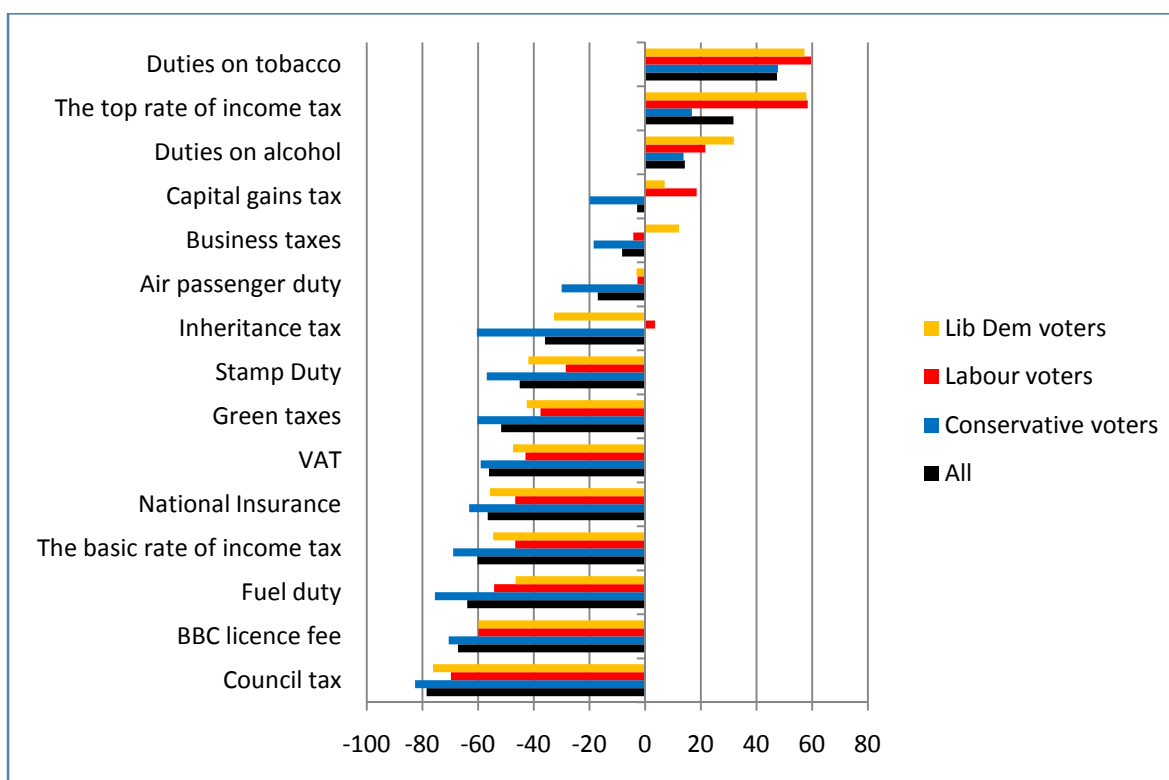
14. Attitudes to different tax rises

We asked people to tell us how they would feel about a range of taxes being increased. We asked how strongly they would support or oppose an increase in each tax.

Please look at the following list of taxes that could be increased, and rate each one on a scale of 0 to 10, where 0 means you would strongly oppose an increase, and 10 means you would strongly support an increase.

For each tax we calculate a net support by subtracting the number against increasing the tax from those in favour of increasing the tax (i.e. those rating it <5 minus those rating it >5).

The most popular taxes to raise would be taxes on tobacco, the top rate of income, and duties on alcohol. The most unpopular taxes to raise would be the council tax, BBC licence fee, and fuel duty. Of the three main personal taxes, raising VAT is less unpopular than raising the basic rate or fuel duty.



There are some striking differences between different demographic groups. Younger voters (“Thatcher’s Children?”) are strikingly less in favour of increasing the top rate of tax than other groups. They are also less sceptical about raising green taxes. Women are much more in favour of raising alcohol taxes than men. Supporters of the three main parties have strongly divergent views – particularly on the top rate of income tax, capital gains, business taxes, air passenger duty, inheritance tax, green taxes and fuel duty.

	All	Con	Lab	Lib Dem	Male	Female	18-34	35-54	55+
Duties on tobacco	47	48	60	57	54	41	41	53	47
The top rate of income tax	32	17	58	58	38	26	14	36	43
Duties on alcohol	14	14	22	32	7	21	7	19	16
Capital gains tax	-3	-20	19	7	6	-11	-10	4	-3
Business taxes	-8	-19	-4	12	-9	-8	0	-5	-19
Air passenger duty	-17	-30	-3	-3	-13	-21	-17	-13	-21
Inheritance tax	-36	-61	4	-33	-28	-43	-44	-27	-38
Stamp Duty	-45	-57	-29	-42	-40	-50	-44	-34	-58
Green taxes	-52	-60	-38	-43	-48	-55	-38	-52	-64
VAT	-56	-59	-43	-48	-53	-59	-44	-57	-66
National Insurance	-57	-63	-47	-56	-53	-60	-56	-59	-54
The basic rate of income tax	-60	-69	-47	-55	-60	-61	-61	-56	-63

Fuel duty	-64	-76	-54	-47	-64	-64	-50	-65	-77
BBC licence fee	-67	-71	-60	-60	-64	-70	-67	-66	-68
Council tax	-79	-83	-70	-76	-77	-79	-68	-80	-86

15. Attitudes to current tax levels

We also asked people to estimate what proportion of their income went in all taxes, and how much of their income it would be fair for the Government to take. Across all groups there is a fairly consistent gap between how much people feel it would be fair for them to pay and how much they feel they do pay.

Mean %	Total	Con	Lab	Lib Dem	Male	Female	18 to 34	35 to 54	55 +	ABC 1	C2DE
Adding up all the different taxes you pay (including income tax, national insurance, VAT, excise duties etc.) what total proportion of your income do you think you end up paying in tax?	34	35	31	33	35	32	32	35	33	35	32
And what proportion of your income do you think it would be FAIR to pay in tax (including income tax, national insurance, VAT, excise duties etc.)?	22	22	23	23	23	20	20	23	22	23	20
Difference	12	13	8	10	12	12	12	12	12	11	12

16. Perceived tax change after time

We also asked people whether the proportion they pay in tax had gone up. Again, fairly consistently, they feel the proportion they pay has gone up. The middle aged and males feel that tax has risen the most.

	Total	Con	Lab	Lib Dem	Male	Female	18 to 34	35 to 54	55 +	ABC 1	C2DE
Gone up a lot	38	49	23	32	41	36	32	40	42	38	39
Gone up a little	34	31	44	38	34	34	35	35	32	36	32
Stayed about the same	14	11	20	17	15	13	15	13	14	15	13

Gone down a little	4	4	5	3	4	3	3	3	5	4	3
Gone down a lot	1	1	0	2	1	1	1	2	2	1	1
Don't know	9	4	7	9	6	12	15	7	6	7	12
All up	72	80	67	69	75	70	66	76	74	74	71
All down	5	4	5	4	5	5	4	4	6	5	5
Net up	68	76	62	65	70	66	63	71	68	69	66

The Political Parties and Spending Reductions

17. The political parties and public services

We asked people in general which party they most trusted to deliver quality and value for money in public services. The Conservatives scored highest on both measures, although their lead was greater on the issue of value for money. The Conservatives were preferred by all age groups, and by women although not men. Most, but not all of those who said they planned to vote for a particular party also said they trusted that party most on this issue.

Which political party do you trust most to provide the best QUALITY of public services for you and your family?	Total	Con	Lab	Lib Dem	Male	Female	18 to 34	35 to 54	55 +	ABC1	C2DE
Conservatives	26	76	1	3	27	26	24	23	30	29	23
Labour	23	2	88	13	28	18	23	28	19	24	22
Liberal Democrats	11	2	1	59	11	11	12	11	10	12	10
Some other party	4	1	0	0	5	3	3	3	5	3	5
None of them	24	14	6	15	22	26	19	25	26	22	26
Don't know	13	5	4	10	7	17	19	10	9	11	15
Which political party do you trust most to spend money on public services to get the best VALUE FOR MONEY for you and your family?	Total	Con	Lab	Lib Dem	Male	Female	18 to 34	35 to 54	55 +	ABC1	C2DE
Conservatives	29	80	2	7	31	27	27	26	34	33	24
Labour	19	1	77	9	23	15	18	24	15	19	19
Liberal Democrats	11	2	4	57	12	11	13	11	11	13	10
Some other party	4	0	1	2	5	3	4	3	6	3	6
None of them	24	12	11	16	21	26	19	25	26	22	26
Don't know	13	5	6	10	8	17	19	10	10	11	15

18. The political parties and the management of spending reductions

We also asked voters which party they thought was more likely to protect the quality of public services while reducing spending by increasing efficiency. Given generally low levels of trust in politicians, for both the main parties we found more people who would not trust them than trust them.

Overall the Conservatives were more trusted to protect services by increasing efficiency. 28% of all voters trusted a Labour government to do this, and 40% trusted a Conservative government to do this.

Suppose Britain's economic condition forced the government to reduce spending on public services over the next few years...											
How much would you trust a LABOUR government to improve efficiency so that the quality of front-line services does not suffer?	Total	Con	Lab	Lib Dem	Male	Female	18 to 34	35 to 54	55 +	ABC 1	C2DE
Trust a lot	4	0	19	1	5	4	4	5	4	4	4
Trust to some extent	24	5	67	28	27	20	25	26	20	24	24
Would not trust much	23	24	10	35	22	24	23	24	21	24	22
Would not trust at all	40	68	1	33	42	39	31	37	51	42	39
Don't know	9	3	4	3	5	13	16	8	4	7	12
Net trust	-35	-87	74	-39	-31	-39	-25	-30	-50	-38	-33
And how much would you trust a CONSERVATIVE government to improve efficiency so that the quality of front-line services does not suffer?	Total	Con	Lab	Lib Dem	Male	Female	18 to 34	35 to 54	55 +	ABC 1	C2DE
Trust a lot	7	20	0	1	8	5	7	5	8	7	7
Trust to some extent	31	64	15	21	31	31	30	29	34	35	26
Would not trust much	25	10	35	34	25	24	24	25	25	25	25
Would not trust at all	28	3	46	39	30	26	22	33	28	26	30
Don't know	10	4	4	5	5	14	18	8	5	8	13
Net trust	-15	71	-66	-52	-17	-14	-9	-23	-12	-9	-22

Arguments

19. Arguments for reducing the debt

We asked respondents to rate (out of ten) a number of different arguments for reducing the deficit.

The most powerful argument was that Government is spending £4 for every £3 it raises in tax. Most demographic groups rating the arguments in a similar order. The argument that politicians have been irresponsible was rated higher by lower socioeconomic groups, and lower by Labour voters. Older voters liked the argument about pensioners best.

Now we'd like you to look at some arguments IN FAVOUR of reducing the national debt. For each argument please say whether you find it convincing or not. Please rate each argument on a scale of 0 to 10, where 0 means you think it is a very weak argument, and 10 means you think it is a very strong argument.	
Statement	Mean score (out of ten)
Government is spending £4 for every £3 it raises in tax – obviously we can't go on like that	7.0
Politicians have been irresponsible in running up such big debts and now we need to get our debts under control	6.9
There are going to be more pensioners in the future so we should be saving up for that – certainly not running up big debts	6.7
Everyone knows that borrowing has to be paid back with hefty interest on top	6.6
Britain is increasingly in debt to foreign countries: we shouldn't put ourselves in such a weak position.	6.6
A family of four will soon be paying £285 a month in tax just to service the government's debt: we are just flushing that money away with nothing to show for it	6.5
Our debts are spiralling out of control: in the next five years, each person's share of the national debt is likely to have gone up from £10,000 to £26,000	6.3
Britain has already been warned by international agencies that its credit rating will be downgraded if we don't bring our borrowing under control	6.1
Our Government now owes the equivalent of £104,000 for every family of four – they've effectively taken out a second mortgage for every family	6.0
The Government will soon be spending more on debt interest payments than it does on defence	6.0

Mean score (out of ten)	Total	Con	Lab	Lib Dem	Male	Female	18 to 34	35 to 54	55 +	ABC1	C2DE
Spending £4, raising £3	7.0	7.8	6.4	7.0	7.1	6.8	6.4	6.9	7.5	7.1	6.8
Politicians irresponsible	6.9	7.8	5.6	6.7	6.9	6.8	6.2	6.8	7.5	6.8	7.0
More pensioners - we should save	6.7	7.3	6.2	6.9	6.6	6.8	5.9	6.6	7.6	6.8	6.6

Paid back with interest	6.6	7.4	6.0	6.5	6.7	6.6	6.0	6.4	7.4	6.7	6.5
In debt to foreign countries	6.6	7.4	5.7	6.4	6.7	6.5	6.0	6.5	7.2	6.5	6.7
£285 a month on debt	6.5	7.4	5.2	6.5	6.6	6.4	6.2	6.4	6.8	6.4	6.6
£26,000 each	6.3	7.3	5.2	6.3	6.3	6.3	5.8	6.2	6.7	6.3	6.2
International agencies	6.1	6.9	5.5	6.1	6.3	6.0	5.6	6.0	6.7	6.2	6.1
Second mortgage	6.0	7.1	4.9	6.1	6.1	6.0	5.6	5.9	6.5	6.1	5.9
More on interest than defence	6.0	7.0	5.2	5.6	6.1	6.0	5.5	5.9	6.6	6.0	6.0

20. Arguments for reducing public spending

We asked respondents to rate (out of ten) a number of different arguments for reducing public spending.

The top argument was linked between record spending and waste. However, this polarised the sample along party lines. The statement about saving money while protecting services by reducing waste did better among Labour and Lib Dem voters. Anti-politician arguments and arguments about keeping money for themselves did better among lower socio-economic groups than higher.

And now please look at some arguments IN FAVOUR of cutting public spending. Again, please rate each argument on a scale of 0 to 10, where 0 means you think it is a very weak argument, and 10 means you think it is a very strong argument.	
Statement	Mean score (out of ten)
The Government has spent record amounts in recent years and there has been a lot of waste – it is time to rein in spending	6.9
We can save money without reducing public services by reducing waste and inefficiency in the public sector	6.8
Taxes in Britain are already too high – higher than the European average – and this is hampering our ability to compete in the world: we have to reduce spending	6.4
Politicians waste our money and lower spending and lower taxes would force them to spend more wisely	6.4
Reducing spending and taxes would allow us to pay off our debts and save more for our pensions	6.1
Reducing spending and taxes would allow us to spend more of our hard-earned money on our own priorities	6.0

The basic rate of tax would have to rise by 20p to 40p in the pound to fill the government's deficit - so obviously spending must be reduced	5.5
--	-----

Mean score (out of ten)	Total	Con	Lab	Lib Dem	Male	Female	18 to 34	35 to 54	55 +	ABC 1	C2DE
Govt's record level of spending = waste	6.9	8.0	5.6	6.7	6.9	6.9	6.2	6.9	7.6	6.9	6.9
Save money + services by cutting waste	6.8	7.5	6.3	6.8	6.7	6.9	6.1	6.8	7.4	6.9	6.7
Taxes too high for UK to compete	6.4	7.4	5.4	6.0	6.4	6.5	5.9	6.4	6.9	6.3	6.6
Politicians = wasteful: less money means better spending	6.4	7.3	5.4	6.0	6.4	6.4	5.7	6.5	7.0	6.3	6.5
Less tax means we can save up	6.1	6.9	5.3	5.8	6.0	6.1	5.6	6.0	6.4	6.0	6.1
Less tax means we can spend more on our own priorities	6.0	6.8	5.1	5.6	6.0	5.9	5.5	6.0	6.3	5.8	6.1
Tax can't realistically fill the deficit	5.5	6.6	4.8	5.3	5.6	5.4	5.3	5.4	5.8	5.6	5.4

research note
October 2009



The work of the Economics unit at Policy Exchange

Policy Exchange's Economics Unit is working on a range of other policy areas including public spending, financial markets reform, tax and welfare reform.

For more information on the work of the Economics unit, please contact Andrew Lilico, Chief Economist, at andrew.lilico@policyexchange.org.uk

About Policy Exchange

Policy Exchange, an independent educational charity, is Britain's largest centre-right think tank. Our mission is to develop and promote new policy ideas which will foster a free society based on strong communities, limited government, national self confidence and an enterprise culture. In contrast to many other think tanks Policy Exchange is committed to an evidence-based approach to policy development. Our impact speaks for itself: from housing to policing reform, education to the NHS, our proposals have been taken on board by the main political parties. Registered charity number 1096300.

Trustees

Charles Moore (Chairman of the Board), Richard Ehrman (Deputy Chair), Theodore Agnew, Richard Briance, Camilla Cavendish, Robin Edwards, Virginia Fraser, George Robinson, Andrew Sells, Tim Steel, Alice Thomson, Rachel Whetstone, Simon Wolfson.