

Promoting Economic Literacy and Self-Awareness Through An Understanding Of Economic Ideology

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ABSTRACT

Economic ideology is defined in the Oxford Dictionary as “a system of ideas and ideals, especially one which forms the basis of economic or political theory and policy.” Because it is the foundation for understanding disagreements about economic theories and policy we argue that students should have a sound understanding of economic ideology. With such an understanding, we hope, students will be more inclined to view disagreements among economic educators and practitioners as representing a variety of fundamental beliefs rather than a failure of the science. To help students better understand their own economic ideology as well as the nature of opposing viewpoints in the profession we develop a survey from which a summary statistic is produced, measuring economic ideology along a continuum from very conservative to very liberal. Analysis of survey responses by students in Principles classes demonstrates the survey’s validity and reliability. We provide examples for integrating the survey into the Principles course.

I. INTRODUCTION

Economists disagree on a wide-range of economic issues and assumptions underlying economic theory and often times their views are at odds with the public (Alston et al. 1992; Amdur 2012; Blendon et al. 1997; Fuller and Geide-Stevenson 2007). Such disagreement may confuse students when they hear conflicting views from economists (for example, from two professors, or from discussion in the news) and contribute to students’ skepticism concerning the validity of economic principles when their professor proposes a view that differs from their own. What students and the public think is of particular importance since, as Amdur (2012) notes in his analysis of public perception of the effectiveness of monetary and fiscal policy, “... voters' opinions help shape actual policy outcomes.”

A range of opinions among economists results from differences in views of fundamental aspects of economic theory and the assumptions upon which they are based. Consider as an example the labor market, as told by Blackhouse (2010, p. 169): “Some economists take the view that the only legitimate

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way to model labour supply is as the result of rational choice in a competitive market, which means that unemployment must be voluntary. Other economists take involuntary unemployment as a reality and consider it better to make a seemingly ad hoc assumption, such as that wages do not fall in response to unemployment, as a better way to describe how the labour market works.” Models often require mathematical rigor that compel unrealistic assumptions that some see as so unrealistic that the model is unacceptable even as others see those same assumptions as similarly unrealistic but worthy of acceptance because of the analytical gains available from the use of mathematics. These different views not only lead to alternative models but also, quite naturally, to different policy prescriptions.

At the core of these disagreements is *economic ideology* – “how one views the world” or, as Riddell et al. (2005, p. 11) define it, a set of “ideas and beliefs that tend to justify morally a society’s social and economic relationships.”¹ Disagreements among economists on models and policy prescriptions result from differences in the beliefs they hold about basic human nature, the appropriateness of certain assumptions, and the weight given to existing and contradictory empirical evidence. For example, reasonable people may disagree over whether poorly educated workers are primarily *unable* or *unwilling* to earn college degrees or about the decision-making capacity of individuals. Without a laboratory in which to perform controlled experiments these disagreements persist.² These differences often show up in the level of government involvement in market economies one deems optimal: someone with a conservative economic ideology tends to favor unfettered market forces while someone with a liberal ideology tends to favor government intervention.

With a better understanding of why economists disagree among themselves, with the general public, and with policy makers, students will be better equipped to critically evaluate conflicting arguments. A discussion of economic ideology in Principles of Economics will also promote respect for the profession and the varying perspectives presented by their professors, an understanding of the spectrum of opinions on current issues, and appreciation of the evolution of economic thought.

To help students better understand economic ideology, and to assist instructors in discussing the concept, we have developed a short survey. This survey generates a summary measure of economic ideology along a continuum from “very conservative” to “very liberal.” It may be used as a springboard to classroom discussion providing a hands-on introduction that will catch students’ attention, or as the basis for class exercises and assignments. Students will learn what differentiates economic conservatives and liberals, why economists disagree, and why economics is an evolving discipline.

Given that most college students do not go beyond the principles class, we maintain that the primary purpose of principles is to educate future citizens so they can make informed decisions in the public sphere. With an understanding of economic ideology, and the ability this understanding brings to sorting through economic arguments, student-citizens will be more likely to pay heed to debates within the economics profession. This increased attention may have the side-effect of encouraging students to pursue further study of economics. For those students who choose to continue with economics coursework, a greater understanding of economic ideology will add insight into their studies. As students

become aware of their own economic ideology (and how economic ideology differs from social or political ideology) they also become better learners.

In the next section, we explain why teaching economic ideology should be integrated into economic principles courses; the objective is for students to gain a deeper understanding of classroom instruction and real-world debates, by examining their own beliefs and connecting them with disagreements in the profession. The next section summarizes surveys developed to measure economic views. In sections IV and V, our primary purpose is to describe the development of our survey and report results of its administration to several hundred principles students across multiple classrooms. In section VI, we describe how the survey can be used to increase student understanding of economic principles and policy debates. The final section concludes.

II. A NEED FOR A GREATER DISCUSSION OF IDEOLOGY IN PRINCIPLES

Few Principles texts contain a detailed examination of economic ideology *per se*.³ Exceptions include Riddell et al. (2005), which contains an entire section on economic ideology, including a detailed description of the basic tenets of the conservative, liberal, and radical perspectives (pp. 9-16). Colander (2010) also discusses ideology in detail in a chapter on microeconomic policy. In this context, he cites both interpretation of often imprecise empirical evidence and choice of economic models as primary factors leading to differing ideologies or 'worldviews.' The economist's worldview "determines how and when the economic model will be applied" (p. 527). Others such as Baumol and Blinder (2011) discuss differences between conservative and liberal ideologies in the context of support for markets generally or specific policies. Mankiw (2012) also provides a detailed examination of conservative and liberal views on taxes and income inequality. Some texts discuss disagreements among economists. Krugman and Wells (2012) in a section titled "When and why economists disagree" note that economists disagree over the income tax versus the value-added tax. The two primary sources of disagreement identified by Krugman and Wells are values and modeling, in other words, normative and positive analysis.

Nearly all texts discuss the distinction between normative and positive analysis, sometimes in great detail. However, normative/positive analysis and economic ideology are distinct, albeit related, concepts. What, after all, explains the vastly different approaches to economic theorizing, model building, and policy recommendations of economists at the University of Chicago and the University of Massachusetts at Amherst?⁴ We see economic ideology as a view of the world that influences what one considers important topics for research and teaching, the way one models economic behavior, and the resultant policy views. Presenting a discussion of normative versus positive analysis while minimizing economic ideology may leave the impression that no economist can validly disagree on the fundamental economics of a particular issue – be it poverty, unemployment, budget deficits, central bank policy, or trade. Certainly, normative views (i.e., descriptions of the world as it should be) are informed by one's economic ideology. But economic ideology also informs positive views.

Our survey and associated exercises will supplement the discussion in Principles classes that use texts that already contain a discussion of economic ideology and add value to those that do not. Any student who pays attention to economic arguments outside the classroom – where economists sometimes disagree – will likely be unimpressed with economics instruction that leaves out a discussion of what amounts to the origins of views of professionals in the field. In short, such an ‘oversight’ (or, lack of insight) in Principles courses diminishes the actual and perceived value of economic education. Our goal is to remediate that deficit.

III. PRIOR SURVEYS

Several authors have developed survey tools to measure economic views, although none directly addresses economic ideology for students in college-level Principles courses. While each of these has its own strengths, our survey offers several advantages.

O'Brien and Ingels (1987) provide an “Economics Values Inventory.” Their focus is middle school students (grades 7 – 9). Rather than ideology, their survey assesses an understanding of basic principles about which conservatives and liberals are not likely to disagree. Consider true/false (or agree/disagree) statements with binary responses: “Resources are always limited, and we must make hard choices about the best way to use them” and “Groups of individuals with specialized skills, working together, can produce better products than individuals working alone.” An example of an ideology based statement that they do use is, “My freedom to choose my own occupation is very important to me.” But even this one may be too oblique to distinguish between conservative and liberal views of economic systems.

Cobb and Luker (1993) measure “market bias in microeconomics” with a “test of Interventionist/ Noninterventionist Attitudes, designed to measure and analyze changes in students' socioeconomic attitudes as a result of participation in a course” (p. 364). Their survey is good at capturing individual pro- or anti-government views on a range of issues. Nevertheless, it has several disadvantages for our purposes. First, some statements measure more than economic ideology by, for example, using statements concerning seat belt usage and inoculation of dogs and cats which may have little to do with fundamental economic views. (e.g. “Owners of dogs and cats should be required to have their animals inoculated regularly”) Second, they also use some inflammatory language; for example, “The only people who are hungry are lazy bums.” We attempt to avoid such language in our statements.

Whaples’ (1995) survey for college economics students measures attitudes about “fairness of the market.” An advantage of the survey is that it is short, only six statements. It also allows only yes-no responses, a shortcoming when the desire is to measure attitudes along a continuum. The statements measure behaviors such as an increase in the price of flowers or tables (“On a holiday, when there is a great demand for flowers, their prices usually go up. Is it fair for flower sellers to raise their prices like this?”; “A small factory produces kitchen tables and sells them at \$200 each. There is so much demand for the tables that it cannot meet it fully. The factory decides to raise the prices of its tables by \$20 when

there was no change in the costs of producing tables. Is this fair?"). Conservatives and liberals economists would likely respond similarly.

Fuller and Geide-Stevenson (2007) survey two distinct groups, politicians at political conventions and economists. Their survey poses statements that require more knowledge than students entering Principles would be expected to have (we envision our survey being used near the beginning of a Principles course). For example, "Tariffs and import quotas usually reduce the general welfare of society" and "A large federal budget deficit has an adverse effect on the economy." Most students just beginning Principles would not know how to respond to these – they might be more appropriate for end of semester. Even then, students' responses may be an attempt by students to supply the 'right' answer.

Our survey contributes to and builds upon the usefulness of related survey instruments by focusing on economic ideology and requiring no detailed knowledge of economic terms or concepts by respondents. Our final survey is also brief, containing 12 easily understood statements which allow for a range of agreement. The survey is appropriate for students with little or no prior background in economics and as such can be used in a wide range of settings (including high school economics courses and among the general public).

IV. SURVEY DEVELOPMENT

Our survey was developed in stages with an overarching goal of creating a single measure of economic ideology, a summary statistic, along a continuum from very conservative to very liberal. Such a measure will demonstrate to students that ideology is not black-and-white; i.e., ideology has no clear line of demarcation between conservative and liberal.

We also want to show that economic ideology and social/political ideology are not the same (as discussed in detail in Feldman and Johnston, 2009). Thus, we sought to rely on statements with a clear link to economic issues. Our experience is that often students conflate economic and social/political ideologies. Further, students typically have a clearer sense of the social/political conservative-liberal distinction than they do of the economic conservative-liberal distinction. Based on our interaction with students, it is common for students to associate anti-marijuana, pro-marriage, anti-abortion, anti-deficit, and low tax views with 'conservatives.' Of course, a pro-market, i.e. more ideologically conservative economist would favor legalization of marijuana (and a balanced budget and low taxes), *ceteris paribus*, while the views on marriage and abortion are not directly related to economic ideology. Students also describe conservatives as those who "preserve the status quo" which is at odds with expansion of markets into areas such as immigration (Becker, 2004) and kidneys distribution (Roth, 2007).

Another goal is that the survey be accessible – understandable by those without an economics background. As Blinder and Krueger (2004, p. 343) note, "Economists often want to see survey questions that make sense to them. Such questions may involve complicated concepts and numerous provisos that leave ordinary people confused. Good poll questions need to be understandable by ordinary people with limited attention spans and no training in economics." We also want the survey to be brief, so that the

burden of completion is small (in terms of student effort and time). Finally, we seek a valid and reliable survey. That is, a survey based upon sound economic views, one that differentiates between ideological conservatives and ideological liberals, and produces consistent results from similar samples.

In developing our statements, we identified underlying tenets of conservative and liberal economic ideology. Conservatives strongly emphasize the efficiency and freedom of markets. Specifically, unfettered markets:

- a. produce maximum social welfare;
- b. reward participants according to their contribution/value added;
- c. resolve shortages/surplus, and reflect consumer sovereignty;
- d. require individual self-reliance and personal responsibility in economic choices;
- e. reflect rational choice and self-interest;
- f. maximize opportunity and freedom in economic settings;
- g. require clear and well-defined property rights;
- h. encourage information production.

The conservative view that markets work best without government interference is aptly captured by Milton Friedman: “Pick any three letters from the alphabet, put them in any order, and you will have an acronym of a federal agency we can do without.” (As quoted in Will, 2008.) In short, strong conservatives contend that government intervention (even to correct market failure) leads to inferior outcomes compared to no intervention.⁵

Liberals, like conservatives, believe markets create value. Nevertheless, liberals assert that market failures are inevitable, and that markets by themselves do not necessarily create maximum social welfare. For example, liberals tend to emphasize factors other than worker productivity as important determinants of market wages; that market prices may adjust slowly to shocks; that consumers sometimes make irrational choices; that markets can be coercive rather than liberating for some; and that markets sometimes lack sufficient information for consumers to make optimal choices. Thus, liberals believe there is a role for government to correct market failures and thereby improve market outcomes through policies that tax, spend, redistribute, regulate, and provide information.

With this understanding, we developed the 12-statement survey shown in Appendix 1. Details concerning the development of the survey, from testing to final version, are contained in Appendix 2. Respondents are provided a seven-point Likert-type scale to indicate their level of agreement to each statement, ranging from “strongly disagree” (0 points) to “strongly agree” (6 points), with “neither disagree nor agree” in the middle (3). Statements 1 and 4 are reverse coded, 6 – response. All other statements are coded with the response. Summing the appropriately coded responses, possible economic ideology scores range from 0 to 72; the lower the score the more conservative the economic ideology, the higher the score the more liberal. A relatively very low score towards 0 is representative of a libertarian economic ideology, and a relatively high score, towards 72, is representative of a radical economic ideology. Most

respondents will score in the middle of the distribution and relatively fewer will have a score in the ends of the distribution.

V. SURVEY ADMINISTRATION

A. First administration

The survey was initially administered between May 3 and May 7, 2010, in eight Economics Principles classes taught by five faculty at a small, state-sponsored college in the Northeastern United States. The classes were either Microeconomics (3 sections), Macroeconomics (2), or combined principles (3). A total of 222 students completed a survey (215 are usable). Table 1 shows the academic and demographic characteristics reported by students. All students present on the day of the survey completed the survey.

Table 1: Respondent characteristics, Number of students (of those who responded to the question indicated)

Number of econ courses in high school			
	Courses	First Admin	Second Admin
	0	33	25
	1	151	138
	2	27	24
	3	3	5
Number of econ courses in college			
	Courses	First Admin	Second Admin
	0	113	138
	1	66	36
	2	26	13
	3	10	5
Class year			
		First Admin	Second Admin
	Freshman	95	74
	Sophomore	48	60
	Junior	55	38
	Senior	15	18
Major			
		First Admin	Second Admin
	Business	53	66
	Economics	4	2
	Accounting	21	20
	Other	137	102
Self-rated ideology			
		First Admin	Second Admin
	Very Liberal	12	9
	Liberal	41	35
	Moderate Liberal	45	45
	Neither	55	43
	Moderate Conservative	35	38
	Conservative	18	17
	Very Conservative	6	3
Gender			
		First Admin	Second Admin
	Male	111	110
	Female	93	70

Numbers may not add up to same for all categories as not all students answered all questions.

"First Admin" is first administration, May 2010. "Second Admin" is second administration, September 2010.

Cronbach's alpha measure of internal consistency is 0.800, well exceeding the minimum generally acceptable level (0.700).⁶ This high value indicates that the items on the survey are closely related as a group and that administration of the survey to a similar sample of respondents is likely to produce similar results (as we in fact show later).

Table 2 shows means, standard deviations, and item-to-total correlations for individual statements, and summary statistics for the scale total (sum of the twelve statements).⁷ We see that scores for the 12-statement-total ranged from 12 to 68. The maximum possible range is 0 (very conservative) to 72 (very liberal), given a 7-point scale of 0 to 6 for each statement, with a middle value (indifference) of 36. The observed mean was 45.7 points, and the median 47. After reverse coding two statements (see footnote

Table 2: Item Statistics (n=215 usable surveys); Scale ranges from 0 (Strongly Disagree) to 6 (Strongly Agree); 3 is neutral

Item	Statement	Mean	Standard Deviation	Item-total correlation
s1*	If people are poor it is mostly because of their own actions.	2.81	1.672	0.324
s2	The price of pharmaceuticals (drugs) should be regulated by the government so that the drugs are more affordable to the average person.	4.16	1.641	0.500
s3	Government is needed to help the less fortunate.	3.86 ^δ	1.475	0.557
s4*	At birth, everyone has an equal opportunity to become rich.	2.39	1.918	0.261
s5	The government should provide unemployment compensation and retraining to people who lose their jobs as a result of a weak economy.	4.00 ^δ	1.365	0.419
s6	People with very high incomes should be heavily taxed.	3.26	1.687	0.341
s7	Consumers need active government protection from unethical business practices.	4.32	1.320	0.521
s8	Women and minorities face significant discrimination in the labor market.	3.45 ^δ	1.619	0.329
s9	Sick persons should always be provided healthcare whether or not they have ability to pay.	4.13 ^δ	1.684	0.667
s10	The government should provide basic housing to those unable to pay market price rent.	3.25 ^δ	1.456	0.504
s11	The government should use tax money to subsidize the development of environmentally sustainable (green) technologies.	4.02	1.504	0.524
s12	Every employed person should be guaranteed a fair wage.	4.40	1.702	0.476
TOTAL*	Mean	45.65		
	Median	47		
	Maximum	68		
	Minimum	12		

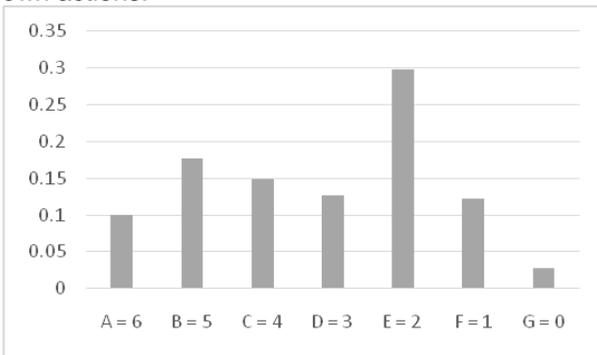
* Scores for items s1 and s4 are reverse coded – i.e., the higher the score the *more* conservative the response, contrary to the other statements. These were reverse scored (i.e., a response of 1 is changed to a 5) before summing to obtain the scale score and before calculating the item-to-total correlation.

^δ Denotes statistically significant differences ($p < 0.05$) between male and female respondents on this item.

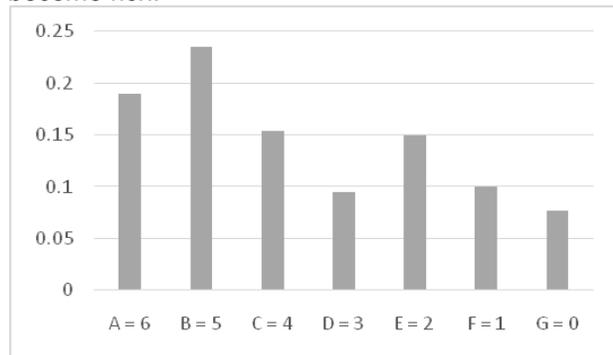
5), average responses on individual statements range from 3.19 to 4.40. The average for every statement exceeded the mid-point on the scale for every statement, although to varying degrees. These results (a generally liberal leaning ideology) are expected given the common view that New York is a liberal state. What is important to note, though, is that even in this sample of generally liberal students there is a range of scores (see Figure 1).

Figure 1: Distributions of responses (n = 215). Survey administration May 2010 (Percentages of all respondents on the vertical axis)

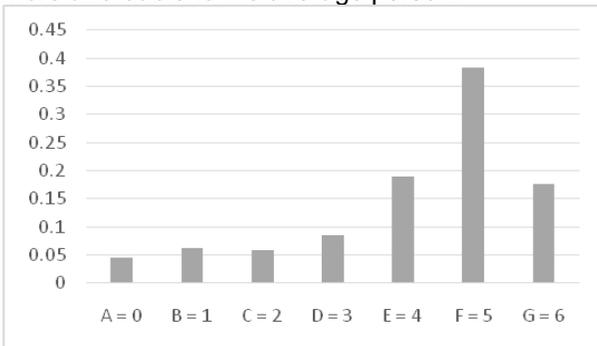
S1. If people are poor it is mostly because of their own actions.



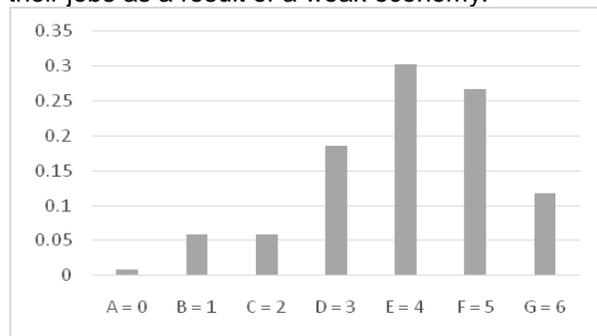
S4. At birth, everyone has an equal opportunity to become rich.



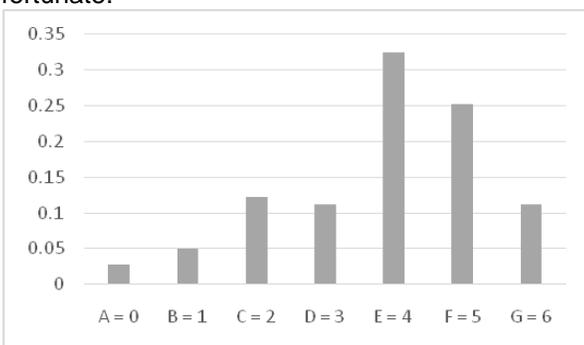
S2. The price of pharmaceuticals (drugs) should be regulated by the government so that the drugs are more affordable to the average person.



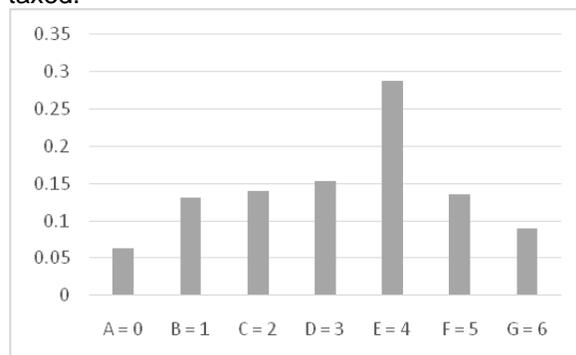
S5. The government should provide unemployment compensation and retraining to people who lose their jobs as a result of a weak economy.



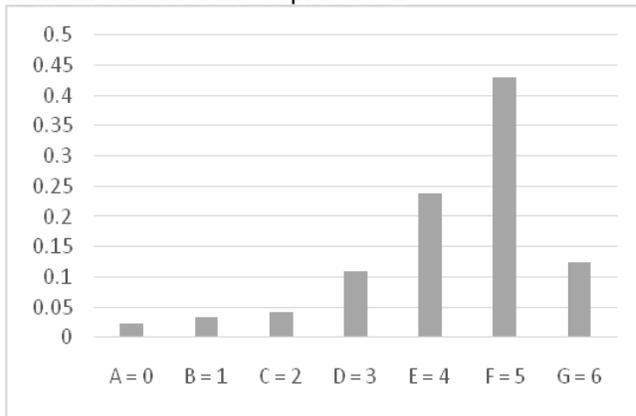
S3. Government is needed to help the less fortunate.



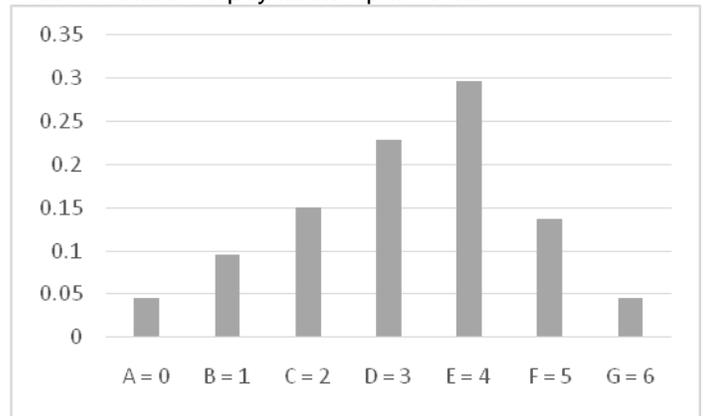
S6. People with very high incomes should be heavily taxed.



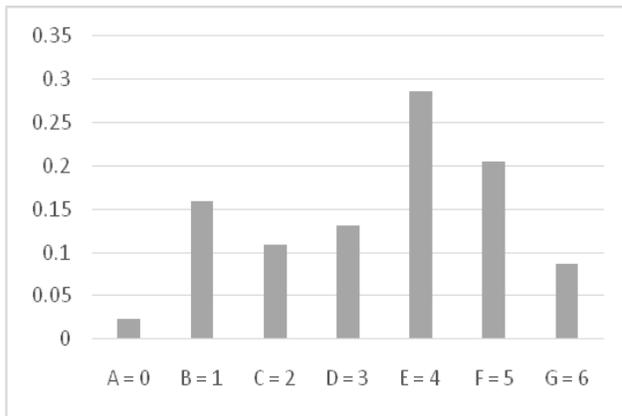
S7. Consumers need active government protection from unethical business practices.



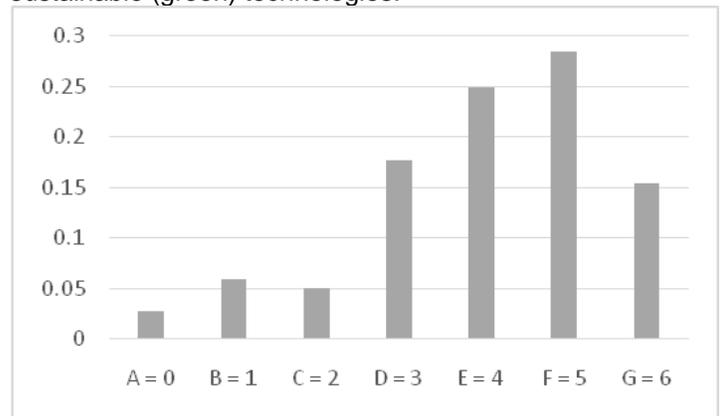
S10. The government should provide basic housing to those unable to pay market price rent.



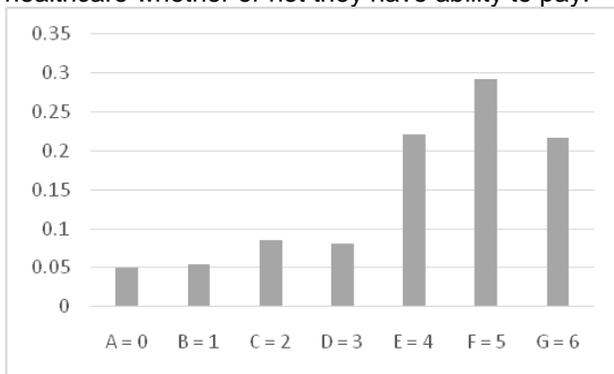
S8. Women and minorities face significant discrimination in the labor market.



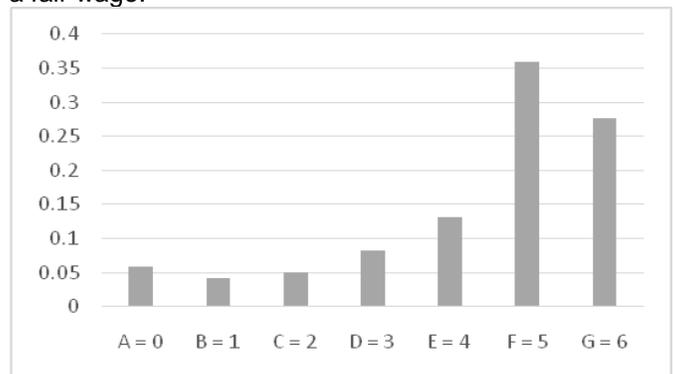
S11. The government should use tax money to subsidize the development of environmentally sustainable (green) technologies.



S9. Sick persons should always be provided healthcare whether or not they have ability to pay.



S12. Every employed person should be guaranteed a fair wage.



Students answered most conservatively to statements 1, 6, and 10. All three statements deal with income and poverty or wealth. Students were most liberal on statement 12 – concerning the need for a guaranteed fair wage (the key being *guaranteed*).

Table 3 shows responses by gender, major, and self-rated ideology. Females scored higher (were more liberal) over all, and on statements 3 ($p < 0.02$), 5 ($p < 0.02$), 8 ($p < 0.001$), 9 ($p < 0.01$), and 10 ($p < 0.04$). We also find that declared business majors are more conservative than non-business majors (41.6 vs. 47.5; $p < 0.002$), with the small number of accounting and economics majors scoring in-between. Figure 2 shows that on average, student respondents are more liberal, and self-describe as more liberal.

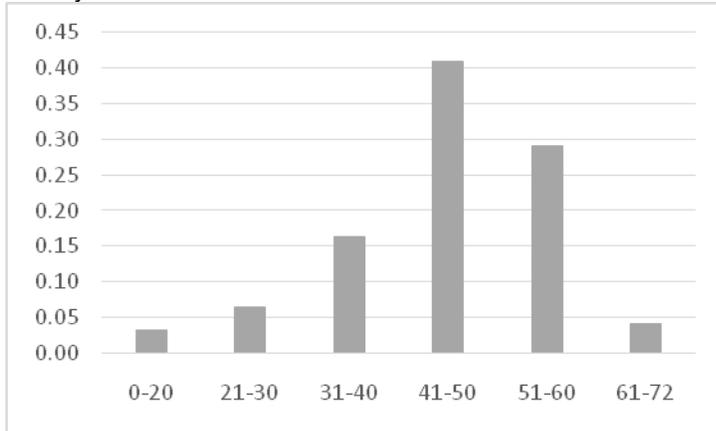
Table 3: First Administration. Values on Scale (sum of responses), by group (for those who responded to the grouping indicated)

<u>Grouping</u>	<u>Mean</u>	<u>N</u>	<u>Min</u>	<u>Max</u>
<u>GENDER</u>				
Male	43.5	111	12	68
Female	48.1	93	22	66
<u>MAJOR</u>				
Business	41.6	53	18	62
Economics	45.3	4	24	65
Accounting	44.7	21	18	66
Other	47.5	137	12	68
<u>SELF-RATED IDEOLOGY</u>				
Very Liberal	48.4	12	34	65
Liberal	50.8	41	28	65
Moderate Liberal	50.0	45	19	66
Neither	44.1	55	12	59
Moderate Conservative	41.7	35	27	68
Conservative	42.7	18	21	58
Very Conservative	25.5	6	13	50

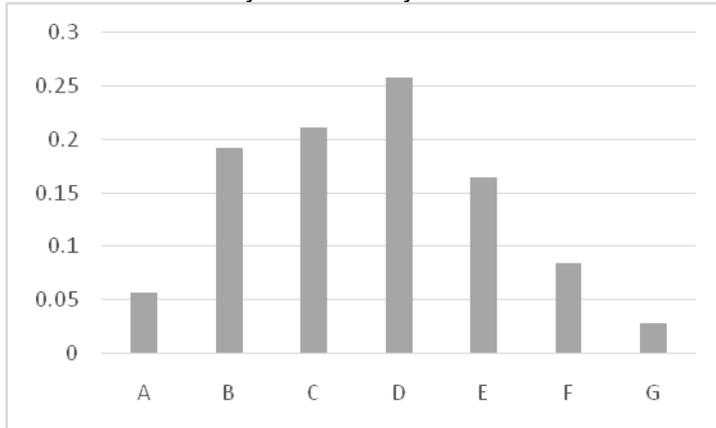
The survey scale is reflective of students' self-rated ideology (question 17 on the survey): the scale score was lower the more conservative the student rated themselves (see Figure 2 for the score histogram and figure 1 for the statements' histograms). The sample correlation coefficient between the economic ideology score and the self-rating is 0.40, so the score and self-rating are related.⁸ Students who identified themselves as "Very Liberal" scored almost twice as high on our survey as those who identified themselves as "Very Conservative" (48.4 vs. 25.5). This is important for two reasons. First, for the survey to be an effective teaching tool, the scale must reflect to some extent students'

Figure 2: Distributions of responses (n = 215). Survey administration May 2010 (Percentages of all respondents on the vertical axis)

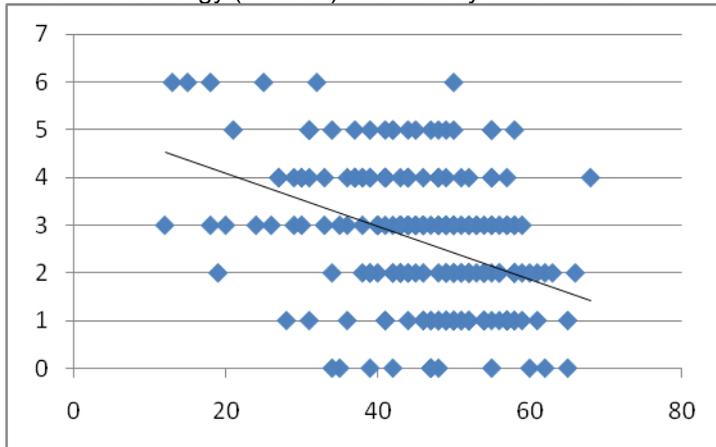
Survey Total score.



Item 17. How would you describe yourself on economic issues? (“Very Liberal” to “Very Conservative”).



Self-rated ideology (Item 17) and Survey Total Score.



perception of their own ideology. Yet, students' perceptions are often inaccurate. As Feldman and Johnston (2009, p. 23) note, "These measures are often good predictors of political outcomes. However, ... self identification may mean different things to different people. ... [W]hile people may have some understanding of a liberal-conservative dimension, the meaning of that dimension may vary." As noted earlier, students may be conflating economic ideology and social ideology. This survey and the subsequent discussion is meant to highlight the differences, differences which show in the (expected) imperfect correlation between self-rated ideology and the survey score. Second, correlation of our scale with an independent measure of ideology is another indication of reliability (Nunnally and Bernstein 1994). Note that the question asking for self-rating was reverse coded relative to the scale (higher score on this item indicated greater conservatism), adding to our belief that students did carefully complete the survey.

Additional findings of interest include: males and females are not different at the 5 percent level on self-rated ideology; and there are no differences in students' ideology scores across instructor, class year, or number of economics courses.

In Table 4, students' economic ideology scores are regressed on their respondent characteristics and the estimated coefficients are shown. Previously completed economics courses in high school or college do not significantly affect ideology, nor do year in school, gender, or declaring an accounting major. Of interest, all else equal, students declaring the business economics major have an economic ideology score 3.6 points lower than other majors. In addition, students' ideology self-rating is inversely related to their survey ideology score.

Table 4: Survey score on student characteristics

	Coefficients	Standard Error	t-Stat
Intercept	44.40**	1.96	22.70
High School Economics Course	-0.43	1.03	-0.42
College Economics Course	-0.26	0.77	-0.33
College Year	0.51	0.63	0.80
Business Economics Major	-3.60*	1.67	-2.16
Professional Accounting Major	-0.40	2.19	-0.18
Self-Rated Ideology	-1.82**	0.42	-4.34
Gender	0.70	1.02	0.69
Usable observations	215		
Adjusted R ²	0.106		
Standard error	8.940		
F-statistic	4.620**		

*Significant at 5 percent level; ** 1 percent.

B. Second administration

A majority of the initial survey statements are normative in nature – i.e., policy oriented. This may be suitable for the survey's intended audience, those with little or no formal economic training for whom policy questions are more salient; and we think it adequately captures respondents' economic view of the world, but economic ideology has roots in positive views so we revised seven of the statements to be less policy focused and more positive. These revised statements are shown in Table 5 (s13 through s19).

We administered the revised survey, with the original 12 statements and the seven revised statements, in September 2010 to 192 students. Table 1 shows academic and demographic characteristics reported by these students. Administering all 19 statements allowed us to replicate the original findings for statements 1 – 12, as well as test the new statements. Results are shown in table 5.

Table 5: Mean scores. Original administration (May 2010), Second administration (original 12 statements; administered September 2010), Second Administration, with revised questions (seven statements from the original survey plus five revised statements; administered September 2010).

Item	Statement	Original	Second Administration	Revised Group
s1*	If people are poor it is mostly because of their own actions.	2.81	3.21	3.21
s2	The price of pharmaceuticals (drugs) should be regulated by the government so that the drugs are more affordable to the average person.	4.16	4.48	
s3	Government is needed to help the less fortunate.	3.86	3.84	3.84
s4*	At birth, everyone has an equal opportunity to become rich.*	2.39	2.39	2.39
s5	The government should provide unemployment compensation and retraining to people who lose their jobs as a result of a weak economy.	4.00	4.10	
s6	People with very high incomes should be heavily taxed.	3.26	3.14	
s7	Consumers need active government protection from unethical business practices.	4.32	4.30	
s8	Women and minorities face significant discrimination in the labor market.	3.45	3.21	3.21
s9	Sick persons should always be provided healthcare whether or not they have ability to pay.	4.13	4.38	
s10	The government should provide basic housing to those unable to pay market price rent.	3.25	2.99	2.99
s11	The government should use tax money to subsidize the development of environmentally sustainable (green) technologies.	4.02	3.91	
s12	Every employed person should be guaranteed a fair wage.	4.40	4.81	
s13*	Regulating the price of pharmaceuticals so that everyone who needs the drugs can afford them will cause more harm than good. Replaces s2.			2.22

s14*	If left to itself, the economy will ensure that everyone who wants a job will find one at the market wage rate. Replaces s5.			2.21
s15*	People with very high incomes are deserving of their income and should not be forced to share it with those who have less. Replaces s6.			3.25
s16*	Unethical or unscrupulous businesses will eventually be driven from the market place. Replaces s7.			2.79
s17	Health care is a fundamental good whose provision should not be left to the market place where if you don't have money to pay for it you don't get it. Replaces s9.			3.49
s18*	Businesses will develop the correct amount of environmentally sustainable ("green") technology required by society. Replaces s11.			2.57
s19*	Competition ensures that workers are paid what they deserve. Replaces s12.			3.32
	Mean	45.65	45.56	39.61
	Median	47	47	40
	Max	68	68	67
	Min	12	11	2
	Cronbach's Alpha	0.800	0.738	0.717

* indicates the score is to be reversed before calculating survey total.

Table 6 shows that small gender differences remain for the original 12 statements but are not present on the revised version. Small differences remain between business and non-business majors, for both the original survey and the revision. A similar pattern with regard to self-rated ideology also persists.

Given the consistency of the measures, we are confident that the survey, both in original and revised forms, provides valuable information regarding respondents' economic ideology.

VI. CLASSROOM EXERCISES

The primary reason for developing the survey is for its pedagogical value. We made the case earlier for the importance of a discussion of economic ideology in Principles. Here we provide examples of how the survey can be used in class.

One of the authors asks students to line up from lowest score to highest (doing so is voluntary, although seldom does a student not participate). This allows students to see the range of views held by classmates. Volunteers near the ends are then asked to discuss their views, sometimes focusing on specific questions. It is an illuminating experience for some as they realize where they fit in compared to classmates.⁹ When asked about what they learned from the survey one student commented, "I learned that I am much more conservative than I originally thought. Whereas originally, I believed myself to be somewhere in the middle, the survey showed that I had significantly more conservative ideals." This is a common observation among students and occurs all along the continuum.

Table 6: Second Administration. Mean values on Scale (sum of responses), by group (for those who responded to the grouping indicated)

<u>Grouping</u>	<u>Original 12 Statements</u>	<u>Revised 12 Statements</u>
<u>GENDER</u>		
Male	44.3	39.1
Female	48.0	40.8
<u>MAJOR</u>		
Business	44.8	38.1
Economics	42.0	30.0
Accounting	43.7	38.7
Other	46.6	41.2
<u>SELF-RATED IDEOLOGY</u>		
Very Liberal	50.9	41.2
Liberal	48.0	43.3
Moderate Liberal	47.9	41.4
Neither	47.3	41.0
Moderate Conservative	44.1	38.0
Conservative	35.8	32.1
Very Conservative	19.3	12.0

Other possibilities for incorporating the survey into Principles classes include:

- Use the measure of ideology to group students into discussion groups, creating a mix of conservative and liberal students in the same group. Have them discuss some controversial issue, one on which conservatives and liberals typically disagree. Diversity of economic ideology will likely lead to richer discussion – but this remains to be determined by future research. Moore (2011) examines group composition and student performance, noting “there is very little empirical work that sheds light on how to choose the most effective teams (groups) for individual student learning, especially in economics” (p. 120).
- Pair a conservative with a liberal for an assignment in which students interview each other and write a report of those views. This will lead students to consider the views of others who differ from their own. A variant might be to randomly pair students and have them determine each other’s ideology based on discussion of a chosen topic rather than revelation of scores. Survey scores could then be used to assess the students’ assessment.
- Readings and assignments can be based on the results (perhaps asking students to examine a position that conflicts with their measured ideology).

VII. CONCLUSION

We have argued that understanding economic ideology is central to an understanding of economic debates and so should be a part of Principles classes. We have provided examples of how the results of the survey can be incorporated into class exercises.

We have shown our survey is internally consistent and reliable and that its measure of ideology resembles students' own self-rating. Accordingly, one can be confident that this survey provides a useful measure of economic ideology.

Our recommendation is that a discussion of economic ideology occur at the beginning of the Principles course, perhaps side-by-side with the discussion of normative and positive analysis and the role of markets generally (and then throughout as alternative models and policies are discussed). Our survey could be used as part of that discussion.

Major benefits for students of completing this survey include:

- Students will get a better sense of their own economic ideology and what it means to have one. The survey is an active learning tool and students become self-aware learners.
- One of the hallmarks of an educated person is the understanding that others can hold opposing views and still be honest, thinking persons; that disagreements can be based on intellectual points of view. Similarly, class discussion can emphasize that a society's dominant economic orientation is not something that simply "happens." Rather, members of society form a consensus, with disagreement always existing about where to be on the continuum from socialism to free-markets (e.g., the ongoing health care debate in the U.S.). Students will realize that others in their class have different views – different ideology. This will encourage respectful dialogue.
- If the instructor completes the survey, her/his ideology will also be known to students. Such an open, honest acknowledgment will "lay the cards on the table" and will, if the instructor is open to the opinions of others, enrich the classroom experience for students (and instructor). (Students typically want to know the instructor's score.) Klein and Stern (2007) have criticized economists, particularly professors, for being biased. This survey will make the instructor's ideology clear to students, and perhaps spur the faculty to recognize students' differing views. (After the survey is discussed, one of the authors tells students his score, but also stresses that he strives to present views consistent with "6 and 60" on the scale. In other words, an inclusive discussion.)

We hope that the present paper and related future research leads to an expanded discussion of economic ideology in the Principles classroom. Future research will administer the survey to a wider audience, to determine if, for instance, college students differ from the general public; or if regional differences exist. Future research could also use the survey to:

- Assess the impact of group composition on group discussion and consensus. Does the mix of ideologies (from homogeneous to a balance between conservatives and liberals) affect group dynamics and learning?

- Assess instructor influence on economic ideology (measure instructor and students' ideology at the beginning of the course and students' ideology again at the end). There are several papers that do this. For example, Riddle (1978) finds that students become more conservative as a result of taking an economics principles class. Jackstadt, Brennan, and Thompson (1985) find a similar result in some of the classes they surveyed. Magee (2009) finds the individual professor's opinions influence student opinions on a survey.
- Assess the influence of the level and extent of economics instruction on economic ideology.

ENDNOTES

1. Parvin (1992, p. 67) examines the formation of ideology, beginning with a definition: "ideology is an invisible guideline by which individuals understand society and participate in it."
2. Shiller and Shiller (2011, p. 8) recall Alfred Marshall on this topic: "economics cannot be compared with the exact physical sciences, for it deals with the ever-changing and subtle forces of human nature."
3. We reviewed thirty leading texts. A complete listing with findings is available upon request.
4. For example, Slonimczyk and Skotty (2010) develop a model that shows how an increase in the minimum wage can raise both total and low-skill employment, and produce a fall in inequality and over education. They conclude that "evidence from the US suggests that these theoretical results are empirically relevant" (p. 1; see also p. 22). Gorry (2008) provides a model in which a minimum wage has differential (negative) effects on market participants depending on participants' connections in the labor market.
5. With regard to the effects of government intervention, we quote Friedman's discussion of externalities: "As a result a government attempt to rectify the situation may very well end up making matters worse rather than better..." (1980, p. 23).
6. Cronbach's alpha is a widely used measure of reliability which measures whether the instrument generates the same results each time it is administered and whether all items in the survey instrument score the same thing on a scale of 0 to 1.00. A measure for alpha closer to 1.00 has greater internal consistency: a measurement for alpha exceeding 0.70 is acceptable while one below 0.50 is unacceptable (George and Mallery, 2001, pp. 208-209, 217).
7. Agreement to statements 1 and 4 indicates a conservative view whereas agreement to the other statements indicates a liberal view. Therefore, responses to statements 1 and 4 were reverse scored before adding to the summary. Thus, a raw score of 2.81 converts to 3.19 and 2.39 converts to 3.61. All numbers in the text refer to the reversed scores.
8. The fitted line in the third diagram to figure 2 is $5.2045 - 0.0557$ survey score. The coefficient of determination is 16.07%.
9. Students are told that although the survey has been tested and is a reliable measure of economic ideology, it is but one measure, based solely on the set of questions provided and so is not perfect. They are told its primary purpose is not to pigeonhole but to get students thinking.

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Appendix 1. Final survey instrument.

DIRECTIONS: Please read each statement carefully, and indicate how strongly you agree or disagree with each item using the following rating scale:

- A. Strongly disagree
- B. Disagree
- C. Somewhat (slightly) disagree
- D. Neither disagree nor agree
- E. Somewhat (slightly) agree
- F. Agree
- G. Strongly agree

1.	If people are poor it is mostly because of their own actions.
2.	The price of pharmaceuticals (drugs) should be regulated by the government so that the drugs are more affordable to the average person.
3.	Government is needed to help the less fortunate.
4.	At birth, everyone has an equal opportunity to become rich.
5.	The government should provide unemployment compensation and retraining to people who lose their jobs as a result of a weak economy.
6.	People with very high incomes should be heavily taxed.
7.	Consumers need active government protection from unethical business practices.
8.	Women and minorities face significant discrimination in the labor market.
9.	Sick persons should always be provided healthcare whether or not they have ability to pay.
10.	The government should provide basic housing to those unable to pay market price rent.
11.	The government should use tax money to subsidize the development of environmentally sustainable (green) technologies.
12.	Every employed person should be guaranteed a fair wage.

For the following use the response scale provided with each statement.

13.	How many economics courses did you complete in high school? A. 0 B. 1 C. 2 D. 3 E. 4 or more
14.	How many economics courses have you completed in college (not counting this semester)? A. 0 B. 1 C. 2 D. 3 E. 4 or more
15.	Class year (right now) A. Freshman B. Sophomore C. Junior D. Senior
16.	Major A. Business or Business Economics B. Economics C. Accounting D. Other
17.	How would you describe yourself on economic issues? A. Very Liberal B. Liberal C. Moderately Liberal D. Neither conservative nor liberal E. Moderately conservative F. Conservative G. Very Conservative
18.	What is your gender? A. Male B. Female C. Prefer not to answer

Appendix 2. Testing of the survey and selection of final statements.

We initially developed 39 statements that we thought would distinguish conservatives from liberals and pre-tested the statements on six students in April 2010. Respondents were provided a seven-point Likert-type scale to report their level of agreement to each statement, ranging from “strongly disagree” to “strongly agree” (with “neither disagree nor agree” in the middle). The purposes of this phase were to gauge the time necessary for completion and to determine if the statements were clear and unbiased. Based on the students’ feedback we deleted nine statements and made slight modifications to several others. The 30 statements selected for full testing are shown on the next page.

We then performed full testing of these 30 statements. Some statements were worded such that agreement indicated a conservative view, while for others agreement indicated a liberal view. In this phase, 168 students from four Intermediate Micro and Macro classes and two Principles classes completed the survey. We used Intermediate classes in the testing phase so as to preserve the Principles classes for the final phase. Sampling Intermediate students (and students at the end of Principles rather than the beginning) does not align with our proposed final use of the survey, but responses from the testing phase (shown in the appendix) and the final phase are comparable. We make two observations: responses did not differ by class level and responses are not correlated with students’ self-reported number of economics classes completed (in college and high school). In other words, the extent of prior course work in education seems immaterial. Students ranged in age from 18 to 26, were predominantly Business majors in the Intermediate classes and from a wide range of majors in the Principles classes. All students in the Intermediate classes had completed separate Micro and Macro Principles courses and were finishing their first or second Intermediate theory course. Most students in the Principles class were completing their second Principles class. Administration of the survey was consistent across classes. The same preface was read to students for each administration: Students were told that their assistance was voluntary and anonymous and if they chose to complete the survey it would take no more than 10 to 12 minutes. No inducements (points, money, and so on) were offered. Responses were similar across classes.

We chose 12 statements for our final survey based on conventional evaluation criteria for survey statement selection, including high item-to-total correlation (for most of the retained statements this was 0.4 or higher) and minimum increase in Cronbach’s alpha if deleted (Nunnally and Bernstein 1994).

Statements used in full testing phase.

1.	If people are poor it is mostly because of their own actions.
2.	It is acceptable for a grocery store that normally sells ice for \$2 per bag to raise its price to \$10 when a hurricane approaches.
3.	More regulation protecting the environment would impose too many costs on the economy.
4.	A person’s productivity is the only significant determinant of one’s income in a market economy.
5.	The price of pharmaceuticals (drugs) should be regulated by the government so that the drugs are more affordable to the average person.
6.	Government is needed to help the less fortunate.
7.	At birth, everyone has an equal opportunity to become rich.
8.	The government should provide unemployment compensation and retraining to people who lose their jobs as a result of a weak economy.
9.	Government should break apart companies that become too big and powerful.
10.	People with very high incomes should be heavily taxed.
11.	Consumers need active government protection from unethical business practices.
12.	Consumers require more information to make good purchasing decisions than businesses typically provide.
13.	Women and minorities face significant discrimination in the labor market.
14.	Workers who do not like their job are easily able to find new employment in a similar job.

15.	Children should be able to inherit their parents' estates of \$1 million or more without being required to pay tax on it.
16.	Sick persons should always be provided healthcare whether or not they have ability to pay.
17.	Society is harmed when government takes private property, even when it is for public purposes and it pays fair market value.
18.	Everyone, whether employed or not, should be guaranteed a fair income.
19.	Anyone who desires to attend college should be able to, without regard to ability to pay.
20.	The government should provide basic housing to those unable to pay market price rent.
21.	The government should use tax money to subsidize the development of environmentally sustainable (green) technologies.
22.	Free trade between countries, such as the U.S. and China, does more good than harm.
23.	When cheap foreign produced goods are imported, domestic firms should be protected and their employees' jobs saved.
24.	Where natural disasters, such as hurricanes and earthquakes, reduce the availability of necessities, businesses will increase the supply of food and water without any government assistance.
25.	A society that uses tax policy to promote a more equal distribution of income will have lower economic growth and economic opportunity for its citizens.
26.	I trust government to do the right thing most of the time.
27.	Handouts (charity) make the recipients lazy and dependent.
28.	Deficit spending by the government is unwise.
29.	Every employed person should be guaranteed a fair wage.
30.	At birth, everyone has an equal chance to become destitute.