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Economic Experts vs. Average Americans

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ABSTRACT

Do economic experts' opinions differ from those of ordinary citizens on the most relevant economic policy questions? We compare the answers of the Chicago Economic Expert Panel with those of a representative sample of US population on 19 policy relevant questions. We find on average a large (37 percentage points) difference between the two. This gap is only partially explained by differences in ideological or personal characteristics of the two samples. Interestingly, the difference is the largest on the questions where economists agree the most and where there is the largest amount of literature. Informing people of the expert opinions does not seem to have much of an impact. Ordinary people seem to be skeptical of some of the implicit assumptions embedded into the economists' answer, and probably for good reasons.

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In 2012 the National Public Radio program *Planet Money* created a fake presidential platform based on the issues a small sample of economists, with different political views, agreed upon. In focus groups this platform found no support among the public at large. Is this just a feature of the particular selection made by NPR or is it a generalizable feature? If so, is this because ordinary people have not being trained in economics or because economists lack common sense or miss important political considerations?

In this article we try to address these questions. To do so we compare the answers to a common set of policy questions provided by the Economic Expert Panel at the University of Chicago Booth School of Business (EEP) with those provided by the Chicago Booth/Kellogg School Financial Trust Index (FTI) which quarterly interviews a representative sample of the U.S. population. We find that economists' opinions differ greatly from those of other ordinary Americans. On average, the percentage of agreement with a statement differs 37 percentage points between the two groups.

One reason for this gap is the different composition of the two samples. The EEP sample has higher trust in both the government and the market than the FTI sample. It is also more "liberal" in their attitudes towards incentives and government intervention. The subsample of the FTI that looks more similar to the EEP sample is made of Democrats who have high-trust in market. While the sample composition explains some of the difference between the two samples, it does not explain it all.

Beyond the average opinion gap, we find a large variation across questions. There is a 70 percentage point difference in the answers across the two panels to the statement to "A tax on gasoline would be a less expensive way to reduce CO2 emissions than mandatory standards for cars", while only a five percentage point difference in the answer to the statement "If the government money currently being spent on education was used for school vouchers most students would be better off." Intriguingly, we find that the topic on which economists agree the most are also the topics in which their opinions are more distant from the opinion of the US population. These are also the topic where there is more economic literature available.

One obvious possibility is that there are some topics where economists know more as a result of their training. To test this hypothesis we study whether the difference between economists and ordinary Americans shrinks if we consider more educated ordinary Americans. We do find some evidence that Americans with a graduate degree answer more similarly to expert economists that Americans who did not go to school past college. The effect, however, is small. The average absolute difference between economists and ordinary people drops from 37 percentage points (when laypeople have at most a high school degree) to 32 when the FTI sample is restricted to people with a graduate degree. For a subset of questions asked to the FTI sample, we also know whether the average American respondent has taken a class in economics. Restricting the sample to those respondents does not change the average difference in answers.

To study whether the problem arises from a gap of knowledge, we test the effect of informing the people interviewed in the FTI sample of the prevailing expert opinion on a small subset of questions. Providing the expert information changes the answers of average Americans very little. In fact in one case, it even makes them move in the opposite direction.

Finally, we singled out the two questions with the largest difference in responses to probe deeper into the causes of this difference. Laypeople seem to understand the assumptions embedded in the questions. For example in the fuel emission standards, 70% understands that those standards will increase car prices, but they still prefer them to a tax on gasoline. They also seem to understand that to work to their advantage a tax on gasoline requires a rebate. When this is offered explicitly 17% more prefer the tax. Of those who do not, 51% state that they do not trust the government to rebate them the money.

If the lack of trust in the willingness or ability of the government to rebate the extra revenue is a big factor in choosing mandatory standards instead of a carbon tax, when we regress the probability of supporting the carbon tax on the trust in government we should find a positive and statistically significant coefficient. This is indeed the case for the FTI sample but not for the EEP sample, suggesting that the economists treat the statements as an exam question, where you do not challenge the underlying assumptions, while average Americans do. Who does provide the better policy insights?

1. The Datasets

Since late 2010 the Initiative on Global Markets (IGM) at the University of Chicago Booth School of Business asks a panel of 41 expert economists—"senior faculty at the most elite research universities in the United States," two policy-related questions each week. We will refer to it as the Economic Expert Panel (EEP). As the Web site describes, the goal of the EEP is to "explore the extent to which economists agree or disagree on major public policy issues." The panelists are chosen "to be geographically diverse, and to include Democrats, Republicans and Independents as well as older and younger scholars." Since not all panelists answer all the questions, the observations depend upon the question. The list of all the questions and answers can be found at http://www.igmchicago.org/igm-economic-experts-panel.

To compare the opinions of the experts with those of average Americans we rely upon the *Chicago Booth Kellogg School Financial Trust Index* survey (FTI panel). Each wave of the survey, conducted by Social Science Research Solutions, collects information on a representative sample of roughly 1,000 American households. The main purpose of these surveys is to study how the level of trust that people have in the financial system changes over time. We added some questions for the purpose of

comparisons in the waves 13 to 17 from December 2011 to December 2012.[1] Details about the survey and its design are provided in Guiso, Sapienza and Zingales (forthcoming).

Up to the beginning of December 2012 the IGM had asked 78 questions. For cost considerations we limited the number of questions asked to the ordinary American panel to 19. We eliminated the questions that were too technical. We also slightly modified the phrasing of the questions to eliminate jargon or make them more comprehensible to an average citizen. In some cases the editing was minimal. For example, when the EEP was asked: "If public school students had the option of taking the government money (local, state, federal) currently being spent on their own education and turning that money into vouchers that they could use towards covering the costs of any private school or public school of their choice (e.g. charter schools), most would be better off," we asked the FTI sample: "If the government money currently being spent on education was used for school vouchers most students would be better off." In others, it had to be more substantial. For example, when the EEP was asked: "The 19 financial firms that just completed the Federal Reserve stress tests (i.e. the CCAR) are big primarily because of economies of scale and scope, rather than because of implicit government support," we asked the FTI sample: "Do you think big financial firms are big because…? 1) their large size allows them to be more efficient and obtain greater profits; 2) there are political benefits of being large." We were helped in this editing by the Social Science Research Solutions personnel, who has vast experience in asking questions over the phone so that they can be understood by the interviewed person.

2. The Questions

2.1 Policy questions

We selected 19 questions that were previously asked to the EEP panel. The questions are drawn from a variety of topics ranging from macroeconomic, labor, education, financial economics, and public economics. The detailed list, with the exact wording used in the two samples, is in Table A of the Appendix.

The questions can be grouped along various dimensions. Gordon and Dahl (2013) classify all the questions asked to the EEP panel on the basis of the volume of economic literature present on the topic. Some answers – in their views -- follow immediately from core price theory. We chose not to ask those questions to the FTI panel because they are too technical. Gordon and Dahl (2013) classify the rest according to the amount of economic literature present on the topic: whether it is "large", "at least a few

[1] The survey was conducted using ICR's weekly telephone omnibus service. ICR used a fully replicated, stratified, single-stage random-digit-dialing sample of landline and cellular phones.

papers" or virtually non-existent". For example, they classify as "large" the literature on the question on taxes ("All else equal, permanently raising the federal marginal tax rate on ordinary income by 1 percentage point for those in the top (i.e., currently 35%) tax bracket would increase federal tax revenue over the next 10 years."). By contrast, they classify as virtually non-existent the literature on the question "Changes in U.S. gasoline prices over the past 10 years have predominantly been due to market factors rather than U.S. federal economic or energy policies."

Another important distinction is along the degree of political partisanship embedded in some questions. We classify as highly partisan questions that are directly related to some policy initiative of President Obama, like the stimulus package. By contrast, we classify as neutral ideas that have not been embraced by any of the two main political parties, like the carbon tax idea. Finally, we put in the middle the questions that have some partisan element (like questions on Fannie and Freddie), but are not a clear proposal of any of the two parties. This classification is shown in Table IA in Appendix.

Finally, a number of questions have strong redistribution considerations. For example, the question "A tax on the carbon content of fuels would be a less expensive way to reduce carbon-dioxide emissions than would a collection of policies such as 'corporate average fuel economy' requirements for automobiles" has a very different implication if one answers it from the point of view of a social planner who thinks about the average consumer, rather from a perspective of somebody who is not planning to buy a new car soon, and travels more miles than the average person. Similarly, the question "On average, citizens of the U.S. have been better off with the North American Free Trade Agreement than they would have been if the trade rules for the U.S., Canada and Mexico prior to NAFTA had remained in place" while requires to think about the average citizen, has very different implications if the respondent is unwilling or unable to average the welfare of all the Americans and focuses, for example, on a subset of people whose employment has been affected by the trade agreement.

2.2 Other questions

To study whether the two samples differed along some important dimension, we asked both the FTI sample and the EEP sample two questions about their level of trust towards the government and the market. The exact question was "On a scale from 1 to 5 where 1 means "I do not trust them at all" and 5 means "I trust them completely", can you please tell me how much do you trust the government [the market]? 88% of the EEP sample responded.

Similarly, we asked both samples (albeit only in one wave of the FTI) their level of agreement (where 1 is disagree strongly and 5 is agree strongly) with three statements that tried to elicit the political attitudes (in the economic sphere) of the panelists. The three statements were "The government should focus more on equalizing opportunities available to the American people rather than redistributing

resources through taxation.", "Income differences in America today are necessary in order to motivate people to change their financial situation"; In most situations, government intervention cannot make the market system work better." The questions were framed so that a higher value tends to be more "conservative", while a lower value more "liberal".

3. Empirical Results

3.1 Average responses

Table I presents the average responses for each of the 19 questions for both the FTI and the EEP samples. We collapse "agree" and "strongly agree" into one single category and so for "disagree" and "strongly disagree". Economists' opinions differ greatly from those of ordinary Americans. On average, the percentage of agreement with a statement differs 37 percentage points between the two groups. This difference might be due to a different composition of the two samples, to a difference in knowledge between the two samples, or by a difference in the way questions are interpreted and thus answered. We analyze these possibilities in turn.

As far as the sample composition is concerned, the FTI sample is designed to be representative of adult Americans, the EEP not. While it is designed to be inclusive of different point of views, there is no guarantee that is representative of economists at large, let alone of Americans at large.

In Table II we compare these two samples along two dimensions. The first one is their level of trust towards two key institutions: government and markets. As columns 1 and 2 show, the EEP sample tends to trust both the government and the market much more than average American.

When we look at the policy preference questions, we find that the EEP sample appears to be much more "liberal" than American population at large. Is this just a feature of the economic training or of the higher level of education of the EEP sample? To investigate these possibilities we compute the average responses for some selected subsample of the FTI survey: those who took at least one economic course in their life and those with at least a master degree. The average of the responses in these two samples do not seem to match very well the average response rate of economists. We then try to divide the FTI sample between Republicans and Democrats. The average response rate for Democrats is very similar to that of the EEP sample, except for the trust in market. The trust in market of economists exceeds even that of Republicans, let alone that of Democrats. In fact, all the economists in the EEP responded three or four to the question of trust in markets.

To construct an FTI subsample that matches the composition of the EEP, we restrict the sample to individuals who respond at least with a 3 to the trust-in-market question and that declare themselves Democrats. The average responses on these five questions look very similar to the one of the EEP sample.

Having established that the ideological beliefs of the EEP sample resemble that of high-trust-in-markets Democrats in the FTI, we compare the responses between the EEP sample and the FTI subsample of high-trust-in-markets Democrats. The results are reported in Table III. While the results show a remarkable reduction in the disagreement between the EEP and the FTI panel from 37 percentage points to 29 percentage points, the difference is still high. Indeed, in Table IA in the Appendix, we have recalculated the differences between the FTI full sample and the FTI sample of high-trust-in-markets Democrats and the largest re-alignments vis-à-vis the EEP sample is mostly concentrated in questions which we have labeled as highly partisan. This evidence suggests that the EEP and the FTI sample of Democrats share similar views regarding questions that are related to the current policies. Nonetheless, the average difference of opinion in the two samples remains large.

3.2 Cross sectional Variation

Thus far, we have only looked at the average opinion gap between the EEP and the FTI sample. Yet, as Table I shows, there is a very large difference across questions. The statement "A tax on gasoline would be a less expensive way to reduce CO2 emissions than mandatory standards for cars" elicits answers that are 70 percentage point apart in the two panels. By contrast, the statement "If the government money currently being spent on education was used for school vouchers most students would be better off" elicits very similar answers (the difference is only five percentage points).

In table I the answers are ordered on the basis of the degree of uncertainty economists face in answering them. At the top of the list there are the questions where the percentage of economists who answered either "Uncertain" or "No opinion" to the question is very high. By contrast, at the bottom we have the questions where the percentage of economists who answered either "Uncertain" or "No opinion" is very low. As one can easily see, the difference in responses between the two samples is increasing as we move down the rows. Thus economists' opinions are more distant from the opinions of the US population on those topics where economists agree the most among themselves.

This idea is formally tested in Table IV where we regress the distance between the EEP and FTI's answers (in percentage points) on the percentage of economists who answered either "Uncertain" or "No opinion" to the question. The coefficient is negative and significant. The same is true if we substitute the Gordon and Dahl (2013)'s measure of uncertainty to our own (column 2). The results do not change if we insert a dummy for highly partisan questions (columns 3 and 4), which is highly significant.

An obvious explanation for this variation is that there are some topics where economists know more as a result of their training. If there is a unique solution to an equation, people trained in math will all agree on the answer and they are likely to be more distant from the average people who randomly

guess. By contrast, if there is no "right" solution, experts are likely to answer randomly as average people do, leading to very little difference.

To test this hypothesis we study whether the difference between economists and ordinary Americans shrinks if we consider more educated ordinary Americans. We do find some evidence that Americans with a graduate degree answer more similarly to expert economists that Americans who did not go to school past college. The effect, however, is small. The average absolute difference between economists and ordinary people drops from 37 percentage points (when ordinary people have at most a high school degree) to 32 when the ordinary American sample is composed of people with a graduate degree (Table 1A in Appendix). While the average gap shrinks, the cross sectional variation does not change much. So the gap in knowledge does not seem to be a compelling explanation. The same is true if we look at Americans who took at least a course in economics (Table ID in the Appendix). Even if we restrict the sample of ordinary Americans to the high-trust-in-markets Democrats, the cross sectional variation is not eliminated, as we can see from columns 5 and 6 of Table IV.

To test more directly the gap-of-knowledge hypothesis, we study the effect of informing people about the prevailing opinion among experts. We do so for three questions where experts' answers differ greatly from the FTI ones. In Table IV we compare the answers obtained in an FTI wave where we did not inform the respondents to the answers in an FTI wave where we did provide the information (the answers are comparable since the two samples are designed to be representative of the same population and hence are similar).

As we can see from Table V, providing to average Americans the experts' opinion changes their answers very little. The preference for a carbon tax instead of emission standards move from 23% to 26% when respondents are told "Nearly all economic experts agree that a carbon tax is better." The belief that NAFTA was good for America changes from 46% to 51%, when the experts' opinion is shared with them. Ironically, the belief that stock prices are hard to predict goes down from 55% to 42% when the experts' opinion is shared with them. Thus, there is not much support for the idea that average Americans answer differently because they do not know the "truth".

As an additional test of whether ordinary citizens suffer of an information gap, we ask them what they expect to happen to car prices when the mandatory standards for cars are introduced. 70% answer prices will increase. Thus, ordinary Americans are aware of the trade-off between higher gasoline prices and higher car prices, they just prefer the latter.

An alternative explanation for this opinion gap is that ordinary Americans do not interpret the questions as literally as economists, who are trained to be precise, do. For example, ordinary Americans reacts roughly in the same way to the statement "Because of the American Recovery and Reinvestment Act of 2009, the U.S. unemployment rate was lower at the end of 2010 than it would have been without

the stimulus bill" (45% agreement) and "the ARRA benefits exceeded the costs" (43% agreement). By contrast, economists reacted very differently (92% agreement to the first statement and only 53% to the second). Obviously, the two statements are different. Yet, there is a sense in which the first statement, interpreted literally, is trivial and irrelevant. Are we really interested in knowing whether $800 billion of stimulus package were able to create one single extra job? While, literally, this is what the question asks, it is clear that the goal of the question is to try to assess whether the stimulus package created benefits that justify its costs (more like the second question). Economists answer in a technical way (hence the difference in responses), average Americans answer in a substantive way (hence the lack of difference). At this stage this is just an hypothesis, but an hypothesis that needs to be considered especially in disseminating the results of the EEP survey. If the public at large interprets the two questions as the same, there is a great deal of manipulation one can do in presenting only the answer to the first question, letting people interpret it as an answer to the second one.

Similarly, ordinary Americans might not be trained in the notion of "ceteris paribus" as much as economists. In reacting to the statement "A tax on the carbon content of fuels would be a less expensive way to reduce carbon-dioxide emissions than would a collection of policies such as "corporate average fuel economy requirements for automobiles" an economist assumes that if carbon tax raises more revenues, they can be easily and fairly rebated to all the citizens. Such an assumption, however, is far from true. Rebating the extra tax to each driver is difficult. Most importantly, the average citizens might not believe this will occur.

To test this hypothesis we asked to FTI respondents who favor a mandatory standard whether they would change their minds if "the government promises that the additional burden imposed on you by a gasoline tax would be compensated by a reduction in other taxes you pay." Only 17% change their minds. Asked to explain why not, 51% says that they do not trust the government to actually rebate the extra tax and 14% that they do not trust experts. Thus, ordinary Americans are skeptical of carbon taxes not because they do not understand the economics underneath it, but because they do not trust all the assumptions underlying the economic reasoning.

To test the existence of a difference with which economists and laypeople interpret the same question we look at the importance of the 'trust in government" variable in the two samples. If the lack of trust in the government rebate is a big factor in choosing mandatory standards instead of a carbon tax, when we regress the probability of supporting the carbon tax on the trust in government we should find a positive and statistically significant coefficient. As Table VI shows, this is indeed the case for the FTI sample. Yet, it is not the case for the EEP sample. And it is not just an issue of statistical power. In the EEP sample the coefficient for trust in government is negative, not positive. The same is true for the question on NAFTA. A higher trust in government leads to a stronger conviction that free trade is

beneficial in the FTI sample, but not in the EEP sample. This is consistent with economists assuming that the ceteris paribus work, while ordinary Americans have to trust that to be the case. The more technical the question is, the more the ceteris paribus is needed, hence the difference in the response between the two samples.

4.Conclusions

When faced with policy questions, economic experts seem to provide answers very different than those of average Americans, the more so the more agreement among economists there is and the more technical the questions are. This difference does not seem to be justified by a superior knowledge of economists, but by a different way average Americans interpret the questions. Economists answer them literally and take for granted that all the embedded assumptions are true, average Americans do not.

Our analysis cautions against using these economic expert opinions as a policy tool. The questions are framed more as exam questions rather than as policy questions: eliciting in economists the desire to be right, rather than to be relevant. Hopefully, the same economists, when they do policy advice, would answer the same questions very differently. Otherwise, we would have to conclude with William F. Buckley, Jr. that "I'd rather entrust the government of the United States to the first 400 people listed in the Boston telephone directory than to the faculty of Harvard University."

References

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Table I: Comparison between IGM Panelists and FTI respondents

	FTI		IGM FORUM		
Short Summary	**Agreement**	**Uncertainty**	**Agreement**	**Uncertainty**	**Δ**
School vouchers to public school students	56.29	8.54	51.43	42.86	0.05
Benefits of automakers bailouts will exceed their cost	51.95	8.64	57.58	30.30	0.06
2009 Stimulus: benefits will exceed its costs	43.42	12.41	52.78	33.33	0.09
Healthcare sustainability	67.61	10.24	0.00	15.15	0.68
Risky students loans	38.95	19.81	57.58	36.36	0.19
Size large banks: efficiency vs government support	39.45	-	17.95	76.92	0.22
CEOs are overpaid	66.80	9.19	39.39	51.52	0.27
2010 unemployment rate was lower thanks to automakers bailouts	54.82	13.06	84.85	12.12	0.30
2008 bank bailouts: benefits outweighed costs	38.73	12.13	69.70	15.15	0.31
Raise in federal tax rate and tax revenues	66.39	7.91	97.44	2.56	0.31
Large banks: size and implicit government support	65.27	12.13	33.33	56.41	0.32
Fannie and Freddie do not rebate subsidies through lower interest rates	66.79	-	31.43	60.00	0.35
Changes in US gasoline prices mainly due to market factors	54.31	9.17	92.31	7.69	0.38
It is hard to predict stock prices	55.22	15.70	100.00	0.00	0.45
2009 ARRA lowered unemployment rate	45.63	13.00	91.67	2.78	0.46
NAFTA increased welfare	46.17	15.39	94.59	5.41	0.48
Eliminating tax deductions on mortgages improves efficiency in individual financial decisions	35.61	15.35	89.47	5.26	0.54
"Buy American" has a positive impact on manufacturing employment	75.65	9.27	11.43	31.43	0.64
Carbon tax vs car standards	22.51	13.81	92.50	5.00	0.70

Respondents are asked to what extent they agree or disagree with the following statements on a scale 1 to 5. The exact wording of the statements is reported below: "School Vouchers to public school students": FTI "If the government money currently being spent on education was used for school vouchers most students would be better off."; IGM "If public school students had the option of taking the government money (local, state, federal) currently being spent on their own education and turning that money into vouchers that they could use towards covering the costs of any private school or public school of their choice (e.g. charter schools), most would be better off.". "2009 Stimulus: benefits will exceed its costs": FTI "Taking into account all of the economic consequences of the stimulus package in 2009, its benefits will end up outweighing its costs."; IGM "Taking into account all of the ARRA's economic consequences — including the economic costs of raising taxes to pay for the spending, its effects on future spending, and any other likely future effects — the benefits of the stimulus will end up exceeding its costs." "Healthcare and sustainability": FTI "The US economy can be made sustainable without cutting Medicare and Medicaid benefits and without increasing taxes on households with incomes below $250,000"; IGM "Long run fiscal sustainability in the U.S. will not require cuts in currently promised Medicare and Medicaid benefits and/or tax increases that include higher taxes on households with incomes below $250,000.". "Risky student loans": FTI "Taxpayers would be better protected from losses on student loans if there were rules linking each college's eligibility for federal student loans to its students' graduation rates and employment outcomes."; IGM "Loans to students attending for-profit colleges are especially risky because students attending them have had default rates that greatly exceed those for comparable students attending public and non-profit private

institutions.". "Size large banks: efficiency vs government support": FTI "Do you think big financial firms are big because…? a) their large size allows them to be more efficient and obtain greater profits; b) there are political benefits of being large."; IGM "The 19 financial firms that just completed the Federal Reserve stress tests (i.e. the CCAR) are big primarily because of economies of scale and scope, rather than because of implicit government support.". "2008 banks bailouts: benefits outweighed its costs": FTI "Taking into account all of the economic consequences, the benefits of bailing out banks in 2008 outweighed costs."; IGM "Taking into account all of the economic consequences — including the incentives of banks to ensure their own liquidity and solvency in the future — the benefits of bailing out U.S. banks in 2008 will end up exceeding the costs.". "CEOs are overpaid": FTI "The typical chief executive officer of a corporation in the U. S. is paid more than the value they add to the firm."; IGM "The typical chief executive officer of a publicly traded corporation in the U.S. is paid more than his or her marginal contribution to the firm's value.". "Raise in federal tax rate and tax revenues": FTI "Permanently raising the federal tax rate by one percentage point for those in the top income tax bracket would increase federal tax revenue over the next 10 years."; IGM "All else equal, permanently raising the federal marginal tax rate on ordinary income by 1 percentage point for those in the top (i.e., currently 35%) tax bracket would increase federal tax revenue over the next 10 years.". "Large banks: size and implicit government support": FTI "The average size of large financial firms would be substantially smaller if they did not have implicit government support."; IGM "The average size of the 19 financial firms that just completed the Federal Reserve stress tests (i.e. the CCAR) would be substantially smaller if they did not have implicit government support.". "Fannie and Freddie do not rebate subsidies through lower interest rates": FTI "Do you think that most of the Government subsidies Fannie Mae and Freddie Mac receive are given back to homebuyers through reduced interest rates? a) Yes; b) No; c) Don't know"; IGM "Prior to the crisis, the benefits from the funding advantage that Fannie Mae and Freddie Mac had by virtue of perceived government support mostly went to their shareholders, rather than into substantially lower interest rates on residential mortgages.". "Changes in gasoline prices mainly due to market factors": FTI "Changes in U.S. gasoline prices over the past 10 years have predominantly been due to market factors rather than U.S. federal economic or energy policies."; IGM "The typical chief executive officer of a publicly traded corporation in the U.S. is paid more than his or her marginal contribution to the firm's value.". "It is hard to predict stock prices": FTI "Very few investors, if any, can consistently make accurate predictions about whether the price of an individual stock will rise or fall on a given day"; IGM "Unless they have inside information, very few investors, if any, can consistently make accurate predictions about whether the price of an individual stock will rise or fall on a given day.". "2009 ARRA lowered unemployment rate": FTI "Because of the 2009 (Obama) stimulus bill, the U.S. unemployment rate was lower at the end of 2010 than it would have been without the stimulus bill."; IGM "Because of the American Recovery and Reinvestment Act of 2009, the U.S. unemployment rate was lower at the end of 2010 than it would have been without the stimulus bill.". "NAFTA increased benefits": FTI "On average, citizens of the U.S. have been better off with the North American Free Trade Agreement than they would have been otherwise. "; IGM "On average, citizens of the U.S. have been better off with the North American Free Trade Agreement than they would have been if the trade rules for the U.S., Canada and Mexico prior to NAFTA had remained in place.". "Eliminating tax deductions on mortgages improves efficiency in individual firm financing": FTI "Eliminating tax deductions on mortgages would lead to better financing decisions by individuals"; IGM "Eliminating tax deductions for non-investment personal interest expenses (e.g., on mortgages), with reductions in personal tax rates that are both budget neutral and keep the burden of taxes by income group the same, would lead to more efficient financing decisions by individuals.". ""Buy American" has a positive impact on manufacturing employment": FTI "Mandates that Federal government purchases should be "Buy American" have a significant positive impact on U.S. manufacturing employment."; IGM "Federal mandates that government purchases should be "buy American" unless there are exceptional circumstances, such as in the American Recovery and Reinvestment Act of 2009, have a significant positive impact on U.S. manufacturing employment.". "Carbon tax vs car standards": FTI "A tax on gasoline would be a less expensive way to reduce CO2 emissions than mandatory standards for cars."; IGM "A tax on the carbon content of fuels would be a less expensive way to reduce carbon-dioxide emissions than would a collection of policies such as "corporate average fuel economy" requirements for automobiles." The distance (Δ) is defined as the absolute value of the difference of the two measures for each question.

Table II. Sample statistics – differences between the EEP and the FTI samples

This table reports the average answers of the EEP and FTI sample on five questions. Trust in Government and Trust in Market are the answer to the questions: "On a scale from 1 to 5 where 1 means "I do not trust them at all" and 5 means "I trust them completely", can you please tell me how much do you trust the government/ the market system?". "Some econ training" means that the respondents answered yes to the question "Have you ever taken a class in economics – either in high school, college, or through some other formal education program?" Master or more means that the respondent's highest educational attainment is a graduate school diploma or more. Republican and Democrat mean that the respondent declares himself as Republican or Democrat respectively.

		FTI							
	EEP	**Full Sample**	**Some Economic Training**	**Master or More**	**Rep**	**Dem**	**Dem and Master**	**High Trust in Market**	**High Trust in Market and Dem**
Trust in Government	3.028	2.394	2.39	2.611	2.030	2.878	3.215	2.622	3.147
	(0.810)	(1.237)	(1.162)	(1.173)	(1.121)	(1.214)	(1.018)	(1.231)	(1.135)
Trust in the Market	3.722	2.525	2.701	2.808	2.760	2.409	2.586	3.497	3.403
	(0.454)	(1.181)	(1.102)	(1.158)	(1.207)	(1.119)	(1.048)	(0.704)	(0.645)
Equal opportunities vs equal outcomes	3.389	3.730	3.682	3.516	4.060	3.461	3.053	3.792	3.487
	(0.994)	(1.563)	(1.438)	(1.467)	(1.400)	(1.422)	(1.432)	(1.392)	(1.378)
Income diff as incentives	2.917	3.213	3.153	2.788	3.696	2.908	2.254	3.325	3.010
	(1.052)	(1.429)	(1.602)	(1.577)	(1.457)	(1.595)	(1.425)	(1.499)	(1.546)
Little role Government	2.833	3.42	3.473	3.424	3.859	3.014	2.921	3.460	3.030
	(1.183)	(1.485)	(1.472)	(1.491)	(1.467)	(1.415)	(1.418)	(1.426)	(1.327)

Table III: Comparison between EEP and FTI democrats with a high trust in markets

Respondents are asked to what extent they agree or disagree with the following statements on a scale 1 to 5. The exact wording of the statements is the same as in Table I.

	FTI		IGM FORUM		
Short Summary	**Agreement**	**Uncertainty**	**Agreement**	**Uncertainty**	**Δ**
School vouchers to public school students	40.11	7.91	51.43	42.86	0.11
Benefits of automakers bailouts will exceed their cost	80.58	7.77	57.58	30.30	0.23
2009 Stimulus: benefits will exceed its costs	71.88	11.88	52.78	33.33	0.19
Healthcare sustainability	71.82	5.53	0.00	15.15	0.72
Risky students loans	63.53	16.47	57.58	36.36	0.06
Size large banks: efficiency vs government support	34.88		17.95	76.92	0.17
CEOs are overpaid	71.43	7.74	39.39	51.52	0.32
2010 unemployment rate was lower thanks to automakers bailouts	70.73	13.66	84.85	12.12	0.14
2008 bank bailouts: benefits outweighed costs	61.01	12.58	69.70	15.15	0.09
Raise in federal tax rate and tax revenues	84.94	5.42	97.44	2.56	0.13
Large banks: size and implicit government support	67.27	11.52	33.33	56.41	0.34
Fannie and Freddie do not rebate subsidies through lower interest rates	58.07		31.43	60.00	0.27
Changes in US gasoline prices mainly due to market factors	62.71	7.91	92.31	7.69	0.30
It is hard to predict stock prices	59.15	12.81	100.00	0.00	0.41
2009 ARRA lowered unemployment rate	74.07	6.17	91.67	2.78	0.18
NAFTA increased welfare	61.54	12.18	94.59	5.41	0.33
Eliminating tax deductions on mortgages improves efficiency in individual financial decisions	42.04	12.10	89.47	5.26	0.47
"Buy American" has a positive impact on manufacturing employment	76.22	9.15	11.43	31.43	0.65
Carbon tax vs car standards	30.68	14.11	92.50	5.00	0.62

Table IV: Opinion Gap and Uncertainty on the Topic

In this table we regress the distance between the percentages of respondents that agree with each statement in the two surveys on the level of uncertainty among economists on that question. The dependent variable in the first four columns is the difference of opinion between the IGM expert economist panel and the FTI sample, while the dependent variable in the last two columns is the difference between the IGM expert economist panel and the FTI sub-sample or respondents who declare themselves as democrats and have high trust in markets (respond to the question on trust with at least "3"). The IGM-measure of uncertainty is the percentage of economists that answered either "Uncertain" or "No opinion" in each question. The Gordon measure of uncertainty is from Gordon and Dahl (2013). The higher the value of this variable the smaller the size of the literature on a certain topic. Highly partisan question is a dummy variable equal to one if the question is classified as highly partisan, according to Table A1 in the Appendix. Standard errors in parentheses *** p<0.01, ** p<0.05, * p<0.10

	(1)	(2)	(3)	(4)	(5)	(6)
	Difference between EEP and FTI sample				Difference with FTI subsample of high trust democrats	
Uncertainty	-0.422**		-0.608***		-0.384**	
	(0.190)		(0.143)		(0.147)	
Uncertainty Gordon		-10.710*		-9.778*		-4.831
		(5.128)		(4.966)		(4.689)
Highlypart			-27.083***	-14.650	-29.077***	-21.661**
			(6.530)	(9.931)	(6.705)	(9.377)
Constant	45.864***	65.482***	62.061***	67.613***	52.315***	52.387***
	(6.507)	(14.275)	(6.077)	(13.787)	(6.240)	(13.018)
Observations	19	16	19	16	19	16
R-squared	0.225	0.238	0.626	0.347	0.562	0.354

Table V: Effect of Priming

The primed sample is a different wave of the FTI survey. The respondents were primed with the statement "Nearly all economic experts agree that … (statement asked)". Then they are asked whether they agree with the same statement. Carbon tax vs car standards question is: "Do you believe that a tax on gasoline would be a less expensive way for society to reduce carbon dioxide emissions than mandatory fuel economy standards for cars?"NAFTA increased welfare question is: "Do you believe that US citizens are better off with the North American Free Trade Agreement than they would have been without it?" It is hard to predict stock prices question is: "Do you believe very few investors, if any, consistently make accurate predictions about whether the prices of a stock will rise or fall on a given day?"

		FTI		EEP
Question Short Summary		**No Priming**	**Priming**	
Carbon tax vs car standards	% Agree and Strongly Agree	22.51	25.72	92.31
	% Uncertain/Do not know	13.81	7.92	7.69
NAFTA increased welfare	% Agree and Strongly Agree	46.17	51.43	94.59
	% Uncertain/Do not know	15.39	18.47	5.41
It is hard to predict stock prices	% Agree and Strongly Agree	55.22	42.71	100
	% Uncertain/Do not know	15.70	7.81	0.00

Table VI: Effect of Trust in Government

The dependent variable equals to 1 if the responded agree or strongly agree with the statement "A tax on gasoline would be a less expensive way to reduce CO2 emissions than mandatory standards for cars.";. Trust in government is the answer to the question: "On a scale from 1 to 5 where 1 means "I do not trust them at all" and 5 means "I trust them completely", can you please tell me how much do you trust the government". Column 1 is the FTI sample, column 2 the EEP.

	(1) FTI	(2) EEP
Trust in Government	0.177***	0.0252
	(0.0364)	(0.459)
Constant	-1.208***	1.517
	(0.103)	(1.421)
	966	36