



*Americans Deliberate Our Nation's Finances and Future:
It's not about taxes — It's about trust*

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VIEWPOINT LEARNING, INC.

Executive Summary

Nearly every credible budget expert – left, right and center – agrees the United States faces some fundamental choices in the coming years, about the future of the country and the role the federal government should play in realizing that future. As our population ages, baby boomers near retirement, and the national debt continues to rise, it is increasingly vital for Americans to have a serious conversation about national priorities, entitlements, what we expect from the Federal government and what we are willing to pay to get it. If we as a nation face up to these challenges now, we can solve them. But the longer we wait, the fewer options we will have, and the greater the risk to our fiscal stability, our way of life and our children’s future.

But engaging the public and building public support for and understanding of difficult choices is a challenge. Conventional wisdom tends to dismiss the public as polarized and apathetic, wanting it all but not willing to pay for it. Leaders are not sure whether or how they can reach the public on these issues, let alone what sorts of solutions the public would find acceptable if they did.

To help provide this insight, and begin a broader process of public engagement, Viewpoint Learning joined with three organizations – the Brookings Institution, the Heritage Foundation, and the Concord Coalition – to create *Facing Up to the Nation’s Finances*. This initiative, conducted under the leadership of the Public Agenda and with funding from the Ford Foundation, has three goals:

1. *Research:* Developing deeper insight into how Americans resolve difficult choices about national priorities and finances when given the chance to confront those choices.
2. *Engagement:* Building on that research to create a more informed and engaged public.
3. *Leadership:* Supporting – and even emboldening – a bipartisan group of leaders who will step forward to speak about this issue and call for broadly based solutions.

To gain better insight into citizen thinking, in the first phase of this project we conducted a series of intense 8-hour dialogues with average Americans in three different parts of the country. These *ChoiceDialogues*[™] focused on the kind of America participants want to see for themselves and their children, the role they want the Federal government to play in realizing that future, and the choices, tradeoffs and costs they are prepared to support to achieve those ends in four specific areas: Social Security and Medicare; defense; other Federal activities; taxes and debt. ChoiceDialogues provide insight that polls and focus groups cannot.¹ This report summarizes the findings of this initial series of ChoiceDialogues.

ChoiceDialogue Findings

The main obstacle to building public support for difficult choices on our nation’s finances and future is not public opposition to tax increases or to program cuts, nor is it public lack of interest; the main obstacle is a deeply felt and pervasive mistrust of government.

¹ A description of the ChoiceDialogue methodology can be found in Appendix A of the report.

On issue after issue – from taxes and debt, to entitlements, to defense and other Federal programs – participants in three different parts of the country concluded over the course of the day that there is a need for action and that they were willing to support changes that required sacrifice including benefit cuts and tax increases. At the same time, on issue after issue, they concluded that they would only support such action **if** they could be assured that their tax money was being well spent and for the purposes intended – an assurance they do not feel today.

- **The national debt:** In all three dialogues, participants agreed almost from the outset that the national debt should be stabilized, and reduced if possible. An overwhelming 94% of participants agreed that we must reduce the deficit to avoid burdening future generations. This became the bottom line against which all other choices and issues were judged.
- **Social Security and Medicare:** Participants quickly grasped that Medicare and Social Security were at the heart of the issue. As baby boomers retire and medical costs continue to rise, the amount spent on Medicare and Social Security threatens to crowd out everything else. Four out of five (81%) saw the problem as real and pressing. Most participants were willing to consider reforming or scaling back benefits. However, they were also committed to preserving Medicare and Social Security in some recognizable form, feeling that both programs are fundamental to the nation’s social contract with its citizens. Participants underscored the importance of every American receiving these benefits, and they strongly opposed turning them into welfare-type programs. In order to preserve these programs without increasing the debt, participants agreed that they would have to make some significant changes:

Medicare:

- Scale back heroic intervention at end of life and focus more on prevention, disease management, wellness, and palliative care (building on the example of recent reforms in the Veterans’ Affairs health care system).
- Allow Medicare to leverage its purchasing power to negotiate better prices for prescription drugs.

Social Security:

- Raise or eliminate caps on FICA taxes (but not necessarily on benefits).
- Provide incentives for later retirement.
- Two of the dialogues strongly favored making private accounts part of Social Security, but this was strongly opposed in the third dialogue. More research is planned in the next phase of this project to examine the reasons for these differences.

Increase accountability:

- Ensure FICA taxes are not used for purposes other than Medicare and Social Security.
- Enhance transparency and reporting so taxpayers can “follow the money.”
- Strengthen oversight through bipartisan commissions and watchdog groups.

The importance of greater accountability (“with teeth”), transparency and oversight were themes that recurred throughout the day on many different issues.

- **Defense:** In all three dialogues participants supported a strong defense, but they also expressed concern about how defense dollars are being spent and emphasized the need to “spend smarter.” Clear support for a strong defense did not mean strong support for everything we are now doing. Participants in all three dialogues translated “spend smarter” into three basic points about defense:
 - *Pick our battles:* Stay engaged in the world but be more selective about when and where we engage to avoid becoming over-extended.
 - *Fight the next war, not the last:* Move away from Cold War military models and weapons systems and toward those more relevant to the challenges we face today (e.g., special operations, intelligence, etc.) along with more emphasis on diplomacy and other measures to enhance our standing in the world.
 - *Cut waste and increase accountability:* Participants saw enormous waste in defense spending. They were especially frustrated by sweetheart deals and no-bid contracts, and they called repeatedly for much stronger oversight and accountability.

- **Other Federal Activities:** As they worked through a list of other federal activities, participants agreed on a number of basic points:
 - Generally, no program stood out as frivolous or unnecessary – most seemed to be legitimate services that government (at some level) should provide. At the same time participants realized how little they knew about many of these programs. While the program objectives might make sense, how effective were they in achieving those objectives and how efficiently were they being run? By the end of the day, while two thirds (67%) supported lowering domestic spending as way to reduce the deficit, participants also concluded they would need answers to these questions before they could suggest which specific programs should be cut.
 - Two areas of other federal activities were emphasized as top priorities for government: the environment and education.
 - Participants strongly supported the creation or strengthening of oversight and watchdog mechanisms to review spending, eliminate waste and mismanagement, and report on results. They also supported Congressional reforms to end last minute appropriations and limit earmarks, and they called for a line item veto.
 - In all three dialogues, the focus of the conversation on other federal activities shifted to the question of which level of government could best be trusted to provide these services. Each dialogue answered this question in a different way, and we plan to examine these differences in greater depth in the next phase of this research.

- **Taxes:** In all three dialogues participants concluded that they were prepared to pay increased taxes for the future they wanted, but on two conditions:
 - 1) Stronger measures must be implemented to curb waste, increase accountability and make better use of existing funds, and
 - 2) They must see that these measures, combined with the reforms they supported in areas like Medicare and Social Security, were not enough to close the budget gap and pay for the future they wanted.

Participants spent some time working through what sorts of tax increases they would be prepared to support under those conditions. Most agreed that:

- The 2001 tax cuts have not been worth it and should not be made permanent.
 - Any new taxes should be earmarked for particular purposes to make it easier to “follow the money.”
 - The tax system must be simplified. In that regard there was considerable interest in pursuing a national sales tax, which participants saw as simpler and more transparent, and as a way of ensuring that everyone, rich and poor, pays something into the system. A clear condition for pursuing this or other consumption taxes was that lower income people be protected in some way (for example by exempting necessities like food and medicine).
- **Trust and Accountability:** In all the dialogues participants established a single essential precondition for any of the changes they were willing to embrace: **they would accept no reform or tax unless they could trust that their money was being spent responsibly and in accordance with their priorities.** This precondition affected how participants responded to all subject areas under investigation, and the question of how to create that trust and accountability surfaced repeatedly throughout the dialogues. In all three dialogues participants suggested some basic mechanisms they thought would create a climate of greater trust and accountability between citizens and government:
 - *More attention to results.* Participants called for government to focus more on measuring and reporting outcomes, and to use this as the basis to fund or change programs.
 - *Stronger oversight mechanisms with real teeth.* Participants’ repeated calls for watchdogs and accountability mechanisms should be seen less as an attempt to provide a technical solution to the problem, and more as a symptom of how serious public mistrust of government has become.
 - *A critical role for citizens.* All three dialogues agreed that citizens must play their part in making government more accountable, whether through participation in new external watchdog mechanisms, or through more active participation in the political process.

Initial Implications for Action

In the next phase of this project, we plan to deepen and expand this research and to use it as a starting point to more actively engage the broader public and leaders around these issues region by region. While this research is still at an early stage, some implications for action are clear. This initial series of ChoiceDialogues identified a number of consistent patterns across the country on which leaders can build:

- Frame the issue as “the future we want.” Instead of focusing the issue too narrowly as a discussion of the debt and deficit, framing the issue and the background materials in terms of “the future we want” focuses attention on the balance between what people want and what they are willing to pay for. Such an approach sets the stage for a values-based conversation – something where the public has a great deal to contribute. It also made people more willing to face up to difficult choices.

- Make rebuilding public trust a primary objective. The ChoiceDialogues clearly demonstrated that rebuilding public trust is a fundamental precondition for public support on a wide range of issues. As such, it must be treated as an objective in its own right. One important part of rebuilding public trust is increasing accountability and transparency for how tax dollars are spent, and ChoiceDialogue participants repeatedly advocated this. Existing institutions that operate at arms-length from government – in particular the GAO and the Comptroller General – can play a critical role in this regard.
- Engage the public to overcome mistrust. Increasing accountability and transparency and providing better information to the public is a necessary part of rebuilding public trust, but it is unlikely to be sufficient. To resolve issues of trust you need to engage the public in a different way. One critical cause of mistrust between citizens and government is that government is often not fully attuned to the voice of ordinary citizens. Most participants in the ChoiceDialogues (73%) said that leaders and governments did not really care what they thought. As long as citizens continue to believe that their voice is not being heard (and often to have that belief confirmed), mistrust will grow. Government must develop more effective ways of hearing and responding to the voice of the unorganized public. Engaging the public directly in this way will be a main focus of the next phase of this project.
- Build on common ground. Far from seeing the issue in terms of “red vs. blue,” dialogue participants of all political stripes found a surprising amount of common ground. These ChoiceDialogues identified significant areas of common ground in all of the policy areas tested – Social Security and Medicare, defense, other federal activities, taxes and debt. It is on such areas of common ground that effective leaders can build broad-based public support for action. Building on common ground leads toward sustainable solutions, while building on wedge issues tends to reinforce gridlock.
- Focus on problem-solving; not ideology, spin or scare stories. The public are pragmatists, not ideologues. They readily mixed and matched elements from differing political approaches as long as the result was a solution they believed would work for them, their families and communities. They want to grapple with real choices, presented in a balanced fashion, that enable them to engage in practical problem solving to create the future they want. To build public support we need to focus more on creating a shared vision and on practical problem solving to achieve it, and less on scare stories that can quickly become counter-productive – discouraging action, increasing denial, and creating a sense of hopelessness. As one person explained it: “I have a nightmare” may get your attention, but “I have a dream” motivates action.
- The public is ready for this conversation. Most important, the public is ready to have this conversation. Far from being apathetic or unwilling to consider difficult decisions, the random sample of Americans involved in this study were thoughtful and serious, and it was clear that beneath their mistrust and dissatisfaction was a deep desire to address the problem. As Edmund Andrews of the *New York Times* said in an article about one of the ChoiceDialogue sessions, “if there was a message, it was not that people wanted to dodge tough choices. It was that they wanted good ideas from their leaders.”

Americans Deliberate Our Nation's Finances and Future: It's not about taxes — It's about trust

I. INTRODUCTION

Nearly every credible budget expert – left, right and center – agrees the United States faces some fundamental choices in the coming years, about the future of the country and the role the federal government should play in realizing that future. The last few decades have brought about dramatic changes: our population is aging as people live longer and have fewer children, while health care costs are skyrocketing. After years of unbalanced budgets, the government is \$8 trillion in debt and counting. And as the baby-boom generation nears retirement the federal government will soon need billions of dollars more every year just to cover boomers' Social Security and Medicare. These programs are a linchpin of the American social contract, but accelerating budget shortfalls are a warning signal that we must make some difficult choices – and soon.

It is increasingly vital for Americans to have a serious conversation about national priorities, entitlements, what we expect from the Federal government and what we are willing to pay to get it. If we as a nation face up to these challenges now, we can solve them. But the longer we wait, the fewer options we will have, and the greater the risk to our fiscal stability, our way of life and our children's future.

Attempts to address the question of where to go from here must engage the public in a meaningful way. Any way forward, no matter how well thought out from a technical standpoint, will fail if it does not gain public support – and this is doubly true if it requires significant change. Incremental fixes may be possible without significant public engagement, but fundamental changes are not, and incremental fixes are not likely to be sufficient in this case.

But engaging the public and building public support and understanding for difficult choices is a challenge. Conventional wisdom tends to dismiss the public as polarized and apathetic, wanting it all but not willing to pay for it. And undoubtedly the complexity of the problem, combined with the unpleasant tradeoffs required, breeds wishful thinking and denial. Leaders are not sure whether or how they can get reach the public on these issues, let alone what sorts of solutions the public would find acceptable if they did.

To help provide this insight to leaders and begin a broader process of public engagement, Viewpoint Learning joined with three organizations – the Brookings Institution, the Heritage Foundation, and the Concord Coalition – to create *Facing Up to the Nation's Finances*. This initiative, conducted under the leadership of the Public Agenda and with funding from the Ford Foundation, has three goals:

1. *Research*: Developing deeper insight into how Americans resolve difficult choices about national priorities and finances – what they expect from the Federal government and what they are willing to pay to get it – when given the chance to confront those choices.

2. *Engagement*: Building on that research to create a more informed and engaged public.
3. *Leadership*: Supporting – and even emboldening – a bipartisan group of leaders who will step forward to speak about this issue and call for broadly based solutions.

This report describes the initial research findings of this non-partisan research and public engagement project.

ChoiceDialogue™ Methodology

Understanding where the public is today, much less where it is likely to go given effective leadership, is extraordinarily difficult. Most Americans have not given a great deal of thought to the question of what they expect from the Federal Government and what they are willing to pay for that. Under these circumstances, people’s surface opinions are highly unstable and polls and focus groups (which take snapshots of opinions) provide little sense of how those opinions are likely to evolve as people learn, or of the kind of leadership initiatives that can help advance this learning process.

ChoiceDialogues™ were developed by Viewpoint Learning to engage representative samples of citizens in working through their views on complex, gridlock issues. Dialogue participants come to understand the pros and cons of various choices, struggle with the necessary trade-offs of each, and come to a considered judgment – all in the course of a single eight-hour day. When conducted with a representative sample, ChoiceDialogues provide both a basis for anticipating how the broader public will resolve issues once they have the opportunity to come to grips with them, and insight on how best to lead such a learning process on a larger scale. As a research tool, ChoiceDialogue represents an important means of hearing the thoughtful voice of the unorganized public, uncovering the public’s underlying values and assumptions and developing a deeper understanding of the solutions they would be willing to support and the conditions for that support.²

II. RESEARCH DESIGN

As a first step in the research component of the project, Public Agenda conducted focus groups with representative groups of Americans around the country to develop and pretest concepts and materials for the formal research. This baseline research provided useful insight into where the public is starting on these questions. It showed a public still caught up in wishful thinking and as yet not engaged in the hard choices required to resolve the issue. It also found a broad cynicism about government so strong that it often blocked efforts to work through the issues. At the same time, the focus groups strongly suggested that Americans need little prompting to recognize the importance of the issue and that they are open to – indeed hungry for – leadership they can trust and effective solutions.³

Viewpoint Learning then built on the snapshot provided by these focus groups with an initial or pilot series of ChoiceDialogues. Three ChoiceDialogues were conducted in

² Additional detail on the ChoiceDialogue methodology can be found in Appendix A.

³ A more extensive discussion of the focus group results is available from Public Agenda.

Summer 2006: one each in San Diego, Kansas City and Philadelphia. Each session brought together 35-40 randomly selected participants representing a cross section of the public in the area, and each group represented a wide range of socio-economic circumstances, ethnic backgrounds, and political leanings.

In all three sessions, citizens spent the morning crafting a vision for their priorities for America's future, while in the afternoon they worked to determine what sort of tradeoffs and costs they were and were not willing to accept to make that vision a reality.

Four scenarios

As a starting point, participants used a specially designed workbook, in a tested format, constructed around four values-based scenarios or choices developed through extensive consultation with project partners and experts from across the political and ideological spectrum. The four scenarios were:

1. Stay on our present course

In the first scenario we will continue on our present course and make no major changes that would require us to pay higher taxes or transform our habits and lifestyles.

We will deal with problems pragmatically as they arise and not rush to action.

In this scenario federal taxes will remain relatively low, combined with relatively high spending, large deficits and a rising national debt owed mostly to foreign countries.

2. Keep our promises to the elderly

In the second scenario we will give priority to keeping our promises to the elderly in return for their lifetime of contribution.

In this scenario we will spend more for Medicare and Social Security, and we will strengthen accountability for how these federal programs are conducted.

We will do this in ways that do not increase the national debt. To pay for this, federal taxes will increase and spending in other areas will be cut.

3. Increase personal responsibility and choice

In the third scenario we will give priority to strengthening personal responsibility and choice. We will enable individuals to take greater responsibility for their own retirement and other important aspects of their lives.

In this scenario Medicare and Social Security will be transformed over time to give people more control over their own retirement savings and reduce federal spending in these areas, while preserving a safety net for those in need. Most other federal programs will also be cut.

The national debt will spike upward as we pay to transform Social Security and Medicare but then will fall.

4. Invest in the future

In the fourth scenario we will give priority to investing in our future. We will spend more on federal programs that will build long-term economic opportunity and a better world for all Americans.

This will include programs that improve education, transportation, health care for children, and the environment; and we will strengthen accountability for how these programs are conducted.

To pay for this without increasing the national debt, federal taxes will rise and projected spending on Medicare and Social Security will be cut through significant reforms.

To make these scenarios as concrete as possible, each was described in terms of how it would affect four distinct areas of concern:

- Medicare and Social Security
- Defense
- Other federal activities
- Taxes and debt

The scenarios were used as a starting point only for the dialogues – participants were able to adapt, combine or change them and to add their own ideas.

III: CHOICE DIALOGUE FINDINGS

On issue after issue – from taxes and debt, to entitlements, to defense and other Federal programs – participants in three different parts of the country concluded over the course of the day that there is a need for action and that they were willing to support changes that required sacrifice including benefit cuts and tax increases. At the same time, on issue after issue, they concluded that they would only support such action **if** they could be assured that their tax money was being well spent and for the purposes intended – an assurance they do not feel today.

In other words, what we saw in each of these dialogues, and on all of these issues, is that the main obstacle to building public support for difficult choices on our nation's finances and future is not public opposition to tax increases or to program cuts; the main obstacle is a deeply felt and pervasive mistrust of government.

The findings reported below focus on the common ground identified across all three ChoiceDialogues in different parts of the country. The consistency of these patterns is striking. We also note a number of intriguing differences we saw in different parts of the country, but their real importance and implications will require further research with a larger sample. We plan to probe these differences in greater depth in the next phase of this research.

A. Responses to the scenarios

In all three dialogues, participants very quickly agreed that the national debt should be stabilized and reduced if possible. This became the bottom line against which all four scenarios were judged. By the end of the day, participants agreed almost unanimously (94%) that the U.S. must reduce the deficit and avoid burdening future generations with a huge national debt.

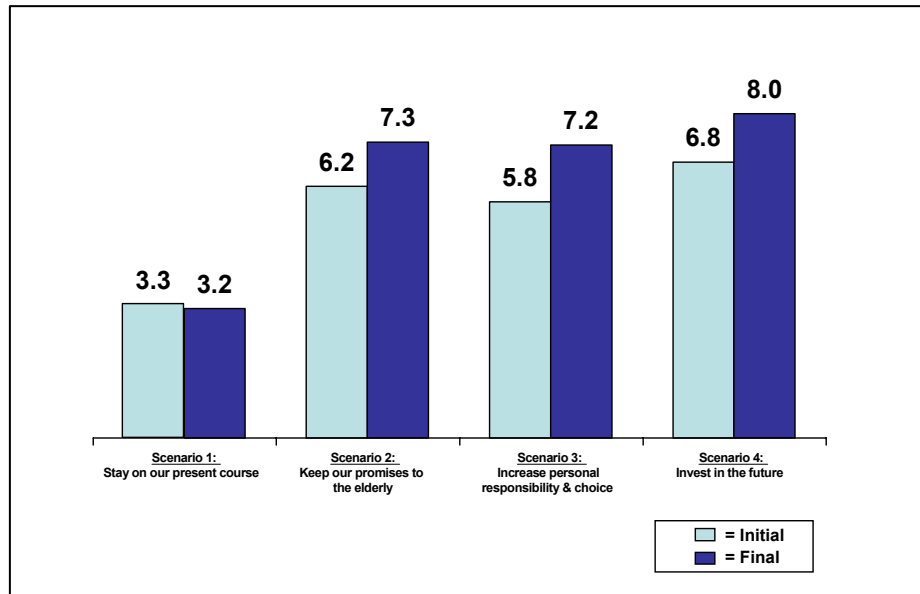
We would like to see a reduction in the debt and eventually ... paying off of the national debt. It's not good for us to have a huge debt.⁴

As a result, Scenario 1 – the only scenario in which the debt would be allowed to grow indefinitely – was rejected out of hand. In the morning questionnaire, participants' mean rating of this scenario was only 3.3 out of a possible 10, and this negative assessment persisted throughout the day.⁵ Participants' support for the other three scenarios was considerably higher at the outset, and support for each rose significantly over the course of the day. (See Figure 1.)

⁴ Participant comments illustrating key points are taken from all three dialogues.

⁵ In each ChoiceDialogue, participants were surveyed twice, once at the beginning of the day and again at the end. They were asked to rate their response to each scenario independently on a scale of 1 to 10, 10 being totally positive and 1 being totally negative. The initial mean for each scenario indicates participants' average rating of the choice in the morning; the final mean represents participants' average rating of the same scenario at the end of the dialogue. Participants also were asked a further series of questions at the end of the day concerning attitudes toward taxes, spending and the federal budget. Unless otherwise indicated, all figures represent combined results from all three ChoiceDialogue sessions. Complete quantitative results can be found in Appendix B.

Figure 1: Initial vs. Final Means



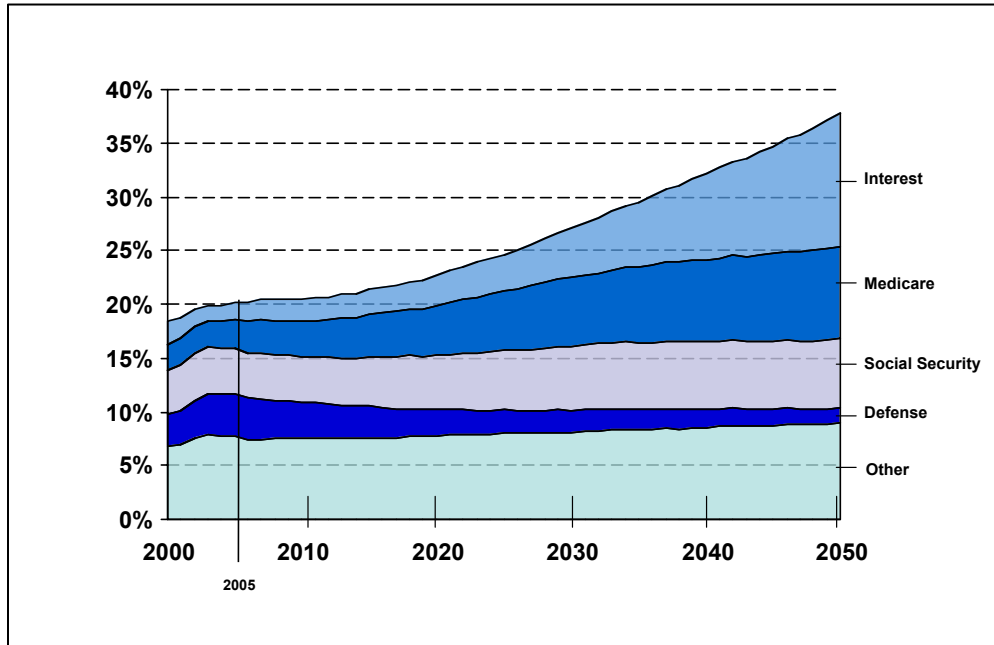
This increase in support for the other three scenarios reflected the fact that participants took elements from each and pragmatically combined them into an approach that they believed would best allow them to move toward the future they wanted. Americans generally are pragmatists, not ideologues. Far from testing the various scenarios against predetermined ideologies, participants focused on what they felt would *work*. In the following pages we outline how participants did this and the conclusions they reached on each policy area tested (Medicare and Social Security, defense, other federal activities, and taxes and debt).

B. How they got there: Working through the choices

1. Social Security/Medicare

As they began to work through the materials, participants were quick to grasp that Medicare and Social Security are at the heart of the issue. As baby boomers retire and medical costs continue to rise, the amount spent on Medicare and Social Security threatens to crowd out everything else. Participants came to see that these programs were devouring a greater and greater share of available resources. In particular, they were struck by projections like those outlined in Figure 2, showing how the government's spending is likely to change in the next 30 years:

Figure 2: Federal Spending as a Percentage of GDP 2000-2050



One simple fact seemed particularly effective in cutting through any denial or wishful thinking about the reality of the challenge facing Medicare and Social Security, namely the shrinking ratio of workers paying into the system to retirees receiving benefits (from 5:1 in 1960 to 3:1 today, to a projected 2:1 by 2030).

Participants in all dialogues decided early in the day that they were not willing to simply increase the national debt to shore up entitlements. At the same time they were committed to preserving Medicare and Social Security in some recognizable form, feeling that both programs are fundamental to the nation's social contract with its citizens. While most were willing to consider reforming or scaling back benefits, the fundamental principle remained: these benefits are part of what it means to be an American, earned over a lifetime of work and contribution to society. Participants also underscored the importance of every American, rich and poor, receiving these benefits: when asked whether they were willing to see the programs strictly means-tested or scaled back into welfare-type programs the answer was a resounding *No*.

Once agreed on these parameters – Social Security and Medicare must be maintained in some form for all Americans with no increase to the debt – participants in all three dialogues consistently agreed on the following reforms:

Medicare:

- Scale back heroic intervention at end-of-life. All three groups strongly supported reforming Medicare to emphasize preventive and palliative care over aggressive interventions and costly end-of-life treatments (as one participant put it, we should “use less heroics and more hospice”). In this they built on the example of

One of the big costs in health insurance is people having treatment for cancer, people getting transplants. Costs are unbelievably high for chemotherapy. Costs are extremely high for transplants. Health insurance is covering types of treatment that are just prohibitively expensive. I know this is going to be one of those things that we really have to bite the bullet on, because, when you get cancer, you want to get well. You don't want to die. But, at the same time, your costs of chemotherapy will be literally hundreds of thousands of dollars, if not even into the millions of dollars. We've got to cut off the treatment sometimes.

the recent reforms to the Veteran's Affairs health system, which were briefly described in their materials. A substantial percentage of all Medicare dollars are spent on end-of-life care, and most participants felt that it made more sense to work on keeping people healthier as long as possible through prevention, while focusing in their final months on comfort and quality of life rather than extreme life-extending measures. This discussion of how to manage end-of-life treatment led to the much more difficult issue of health care rationing. While participants considered these questions to some degree, their time was limited. In future dialogues we plan to probe more deeply how far Americans are prepared to go in rationing publicly funded health care for the elderly.

- More leverage in prescription drugs. Participants were also attracted to the VA model because of its greater efficiency and purchasing power when it came to prescription drugs. Most participants felt that this was a serious failing of the current Medicare system. They frequently described Medicare Part D as a disaster: an overly complex and bureaucratic system that fails to get people the drugs they need. Participants saw purchasing power as one of the signal advantages of a program as large as Medicare – and wanted the program to be able to negotiate better prices with drug companies.
- Emphasis on prevention and healthy living. Participants also liked the VA's emphasis on preventive care and disease management. They saw this as a far more cost-effective use of medical dollars, and one that leads to better quality of life.

As they discussed Medicare, participants in all three sessions expressed interest in more extensive reform of the nation's troubled health care system; but because of time constraints this question was just flagged and not pursued during these dialogues.⁶

⁶ Viewpoint Learning has conducted a number of ChoiceDialogue projects on reforming our health care system. See in particular: *Health Coverage for All Californians: Catching Up with the Public* (2006); *Health Coverage for All Arizonans: A Report on Citizen and Stakeholder Dialogues* (2006); and *Citizen Dialogues on Covering the Uninsured: A Report to the Robert Wood Johnson Foundation* (2004). All publications can be accessed at the Viewpoint Learning website: <http://www.viewpointlearning.com/publications>.

Social Security:

- *A backup – not a pension.* Participants agreed that it was not practical or realistic to consider Social Security as more than a bare bones “backup” plan or supplement to other savings. To have more than this bare minimum, participants agreed, Americans must take more responsibility as individuals to plan and invest for their retirement. Every dialogue concluded that people ought to be encouraged to invest more of their money in existing individual accounts such as IRAs and 401(k)’s and that rules should be changed to make it easier to do so. All dialogues also concluded that it is crucial to provide people with better education about managing their finances, the importance of saving for retirement and how to do so effectively.

It shouldn't be that Social Security is relied upon for existence. The safety net is more of a backup plan, is more of a supplement to whatever other forms of investment that you have for end of life. The safety net ... should be there for everybody and it should be mandated that everybody has at least something – but that should never be expected to be for them to live on.

I think Social Security's going to have to be the foundation, but [we need] education on these 401(k)s and IRAs. They've been around for a long time, but still not a lot of people know about them. But you have to have a foundation, and to add on to that foundation, or nothing's going to work.

- *Raise/eliminate FICA caps.* Across the board, participants supported eliminating or dramatically raising the cap on FICA taxes so that Americans pay Social Security taxes on more of their income. In some dialogues, participants also suggested that current caps on benefits should remain in place – in effect taxing the wealthy to provide benefits for people of more modest means. Those supporting this approach argued that Social Security benefits play a much smaller role in wealthy people's retirement.

[Social Security exists] to make sure everybody gets taken care of. People who make more money, they don't need as much Social Security benefits obviously.

- *Incentives for later retirement.* Many suggested that the retirement age should be increased to reflect the fact that people are living longer and healthier lives than they were when Social Security was first implemented. However, many others did not support a mandatory increase in the retirement age, pointing out for example that it was unfair to demand that people in physically demanding jobs keep working into their late 60s and 70s. All three dialogues arrived at similar common ground – keep the current retirement age, but incorporate stronger incentives to encourage people to stay on the job longer.

We should extend the delayed retirement incentives so that if you decided to retire after 70, you would continue to gain more benefits. That would be fair to people who wanted to retire early because of the nature of their work and that would also be fair to people who wanted to retire later to accrue more benefits.

I have pretty much given up – well not given up on Social Security – but I’m ... not expecting it to be there. I’m only 27, and for people of my generation and my kids ... I feel that you should take responsibility for yourself and plan on it not being there or not much of it being there. So just plan ahead.

My concern is Social Security because the way it’s going when I get there I don’t think there’s going to be anything left of all the money that me and my husband put in.

The numbers are shrinking now. There were five people paying into [Social Security] for every one person that was using it, but now it’s going to be three people paying into for every one person using it, and by the time I get there, it could be two people paying into for one person. I don’t want to bank on two people having to pay for me when I’m older. I’d rather put up money now, sacrifice now and make sure there’s money there for me that I know will be there.

My major concern is the seeming lack of the old self-independence that made America great.... Our whole family fought the battle and made it on our own. My granddaughter paid her way through college and made it. My whole family has been that way. I feel that that is so important to the whole structure of the United States.

I think that there needs to be some kind of individual responsibility. You have to start preparing for your future. You can’t just depend upon the government to be there.

- *Some openness to private accounts.* In addition to the above reforms, participants in two of the three dialogues strongly supported a significant role for private accounts within Social Security and (to some degree) Medicare. While they rejected the idea of completely phasing out traditional benefits, these participants identified several advantages to incorporating private accounts as an important part of the mix:

- *A hedge against an uncertain future.* Many participants, especially younger people, were doubtful that Medicare and Social Security would still be available when their turn came to retire. Many felt that they had better be prepared to save and fend for themselves. Investing Social Security money into private accounts would allow people to leverage that money and save more aggressively.

- *Forces people to be responsible and save.* Some participants were concerned by what they saw as an “entitlement ethic” among Americans. While they agreed that everyone deserved a basic benefit as a reward for a lifetime of contribution to society, these participants felt that it was equally important to require people to shoulder more of the responsibility for their own future.

- *Better returns on investment.* Participants also felt that on the whole private accounts would have better returns over a lifetime than traditional Social Security.

When you're talking about investing your money over a 30, 40 or 50 year period, there's no risk. The economy moves up. It's cyclical from day to day, from month to month, and year to year, but if you're investing in your 20s or even your 30s your money will have increased by the time you're looking at retiring in your 60s and 70s. [That money] is probably going to outperform ... whatever increases are made in Social Security over that time.

- *Key conditions for individual accounts:* Those dialogues that supported including a significant role for private accounts in Medicare and Social Security had several important conditions for that support:

- » *Traditional benefits still form a "floor."* Participants emphasized that some level of guaranteed traditional benefit must be retained, although it would be reduced from current levels.

I think there should be a minimum [benefit], so if something were to happen, if your bubble bursts or if there's nothing there, you're not dependent upon welfare.

- » *Limited risk.* Similarly, while they felt that people should be able to exercise choice over how their Social Security funds were invested, they did not want to put people's retirement entirely at the mercy of the free market. Instead, they felt that people should be able to choose from a small number of approved, relatively low-risk investments for their private accounts.

At Enron everybody's retirement accounts were based entirely on Enron stock and when Enron went down the toilet so did the retirement. The point is, yes, private retirement accounts are great, but make sure people can diversify and encourage them to do so.

- » *Long transition.* Participants wanted to make sure that any new plan to add a significant role for private accounts had a long transition period – up to 30 years – before full implementation to give people enough time to plan. No one wanted to pull the rug out from under people nearing retirement who had counted on receiving traditional benefits.

If there was more privatization then education would have to be a big part of it – teaching kids in school how to invest their money, how to invest in IRAs and 401(k)s at a very young age.

- » *Financial education.* Any plan to include private accounts in Social Security must include education in saving for retirement and personal financial management so people know what they need to do in order to invest wisely. Participants underlined that this was essential if any such approach was to have a chance of success.

As noted above, support for individual accounts prevailed in two out of the three dialogues. The exception was Philadelphia, where most people saw individual accounts for Medicare and Social Security as a slippery slope toward total privatization. This group expressed a greater degree of confidence overall in government's efficiency and responsiveness. They strongly supported encouraging people to plan and save more for their own retirement, but they did not want Medicare and Social Security dollars to be used in that way. More research is planned in the next phase of this project to determine whether this response reflects regional differences or whether other factors are at work.

- *Strengthen accountability.* Participants in all dialogues insisted on strengthened accountability as the key condition for any reform to Medicare and Social Security. Many participants were deeply concerned that FICA taxes not be used for other purposes: they wanted to ensure that these funds, so important to many Americans' well being, remained safely sequestered. They called for better accounting and greater transparency so they could more easily "follow the money." They also called for much better reporting on outcomes, as well as stronger oversight in the form of bipartisan commissions and watchdog groups. The importance of greater accountability ("with teeth"), transparency and oversight were themes that recurred throughout the day and on many different issues.

[We want] isolation of Social Security monies from the general fund, or from any other fund. We have to bar, in any way, that money going to anything besides Social Security payments.

It wasn't very good a few years ago when one of the presidents took \$800 billion or some extravagant number [from Social Security surpluses]. We think if that money is for people to live on that's what we ought to use it for. We've heard too many horror stories about people living on not enough money per month, so we want to make sure that it's used for the actual purpose, not just seen as money laying around for the [government] to use.

We would set up an independent bipartisan Medicare and Social Security accountability commission. Appoint or elect a person to advocate change and educate the public to take responsibility. We're thinking about some elder statesman that could go out there and facilitate change and get this thing moving.

2. Defense

In all three dialogues participants supported a strong defense, but also expressed concern about how defense dollars were being spent and emphasized the need to “spend smarter.” As they worked through the issue over the course of the day, participants in all three dialogues translated “spend smarter” into three basic points about defense:

- *Pick our battles.* Across the board, participants agreed that the United States must stay engaged internationally, continue to play a role of global leadership, and take action against threats to national security. At the same time they expressed strong concern that we were becoming over-extended internationally and emphasized that we need to be much more careful and selective in picking our battles.
- *Fight the next war, not the last one.* For participants in all three dialogues, “spending smarter” also meant moving away from a Cold-War oriented military model that emphasizes large-scale weapons systems and massive deployment of U.S. forces worldwide. Instead, participants wanted to see a more mobile and flexible military with stronger capabilities in intelligence and special operations and greater investment in weapons systems more appropriate to the security threats we face today. In addition, participants favored more emphasis on diplomacy, disaster relief and humanitarian efforts to enhance our standing in the world and increase our future security: while they recognized the importance of military strength, they also recognized its limitations.

Defense is very important. We need to pick our battles and not fight all the battles all the way around the world, but we have to identify the threats that the United States [faces] and we have to go after them.

I can't see a point where the United States can withdraw from world affairs. A lot of people say "You're not the police of the world." But the fact is that we are still the leading nation in the world, and we do have a responsibility.... There has to be a point where we do get involved, because we are the only ones who can.

The goal in Darfur is to separate two sides that are fighting and distribute food and medical supplies. That is something that could be done by using force. On the other hand, completely reshaping a government, completely rebuilding civil society, that can't be done by force. Force can aid in that effort but cannot accomplish it by itself.

When asked whether they felt that in general peace could best be achieved through military strength or through diplomacy, two thirds of participants (63%) said that diplomacy was the more effective approach.

My husband was in the Navy, and the amount of waste that I saw, just in his workplace, was staggering. Staggering. He would come home with the car loaded full of office supplies that he had fished out of the dumpster. Because they said "We have to spend our budget. If we don't spend our budget, we won't get that budget next year, so we have to get rid of this stuff." That's crazy.

- *Cut waste and increase accountability.* The third element of “spending smarter” identified in all three dialogues was the need to cut waste and mismanagement and increase accountability. Overall, participants saw enormous waste and inefficiency in defense spending. They were especially frustrated by sweetheart deals and no-bid contracts, and called repeatedly for much stronger oversight and accountability in defense spending.

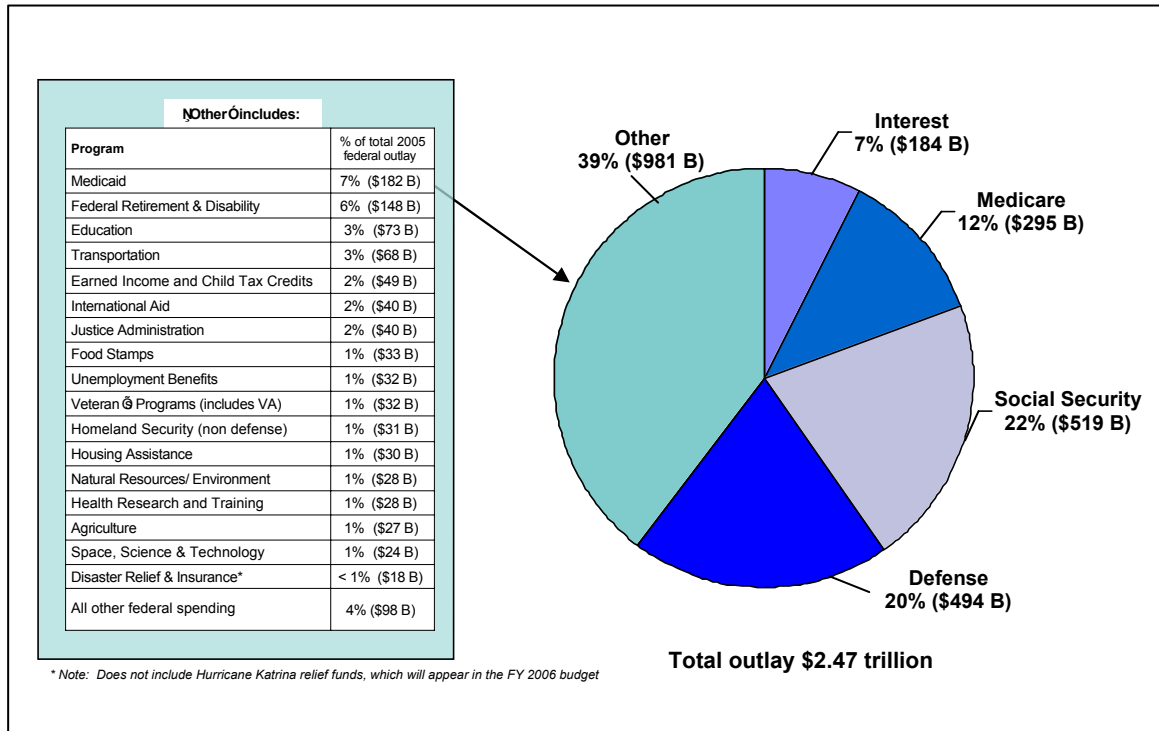
Participants felt that there was a great deal of money to be saved in defense in ways that would not in any way weaken our defense posture, and at the end of the day 60% supported making some reductions in military spending. One important message that should be taken from these dialogues is that while there is clear public support for a strong defense, this should not be interpreted as strong support for everything we are now doing in that area.

We want better spending for a smaller, more efficient armed forces.... In today's climate, we don't need an army or a navy or an air force that's capable of wiping out the world 50 times as much we need one that can battle terrorists. We need to spend the money efficiently, intelligently, without the waste.

3. Other Federal Activities

Next, participants turned their attention to the other federal activities summarized in Figure 3. Many participants were surprised to see that most other individual federal programs are relatively small pieces of the overall budget picture.

Figure 3: U.S. Federal Government Spending 2005



Congressional Budget Office 2006

Often these other federal programs (like international aid or the space program) become tempting targets for wishful thinking, with members of the public suggesting that cutting these programs will solve the budget issue. Providing basic information on the relative size of these programs early in the ChoiceDialogues blocked this easy way out and led to a more productive conversation about the choices that need to be made.

As participants worked through these other federal activities, no program stood out as frivolous or unnecessary – most seemed to be legitimate services that government (at some level) should provide. At the same time they realized how little they knew about many of these programs. While the program objectives might make sense, how effective were they in achieving those objectives and how efficiently were they being run? By the end of the day, while two-thirds (67%) supported lowering domestic spending as way to reduce the deficit, participants also concluded they would need answers to these questions before they could suggest which specific programs should be cut.

We were asking where the money is going. [Our materials] show what 'other' includes, and it has 15 things listed here and the percent of the total that it is. Looking at the list there's nothing that you would want to cut. The [smallest item], less than 1%, would be disaster relief and insurance. That's the lowest thing, but who wants to cut that? You can't pick any one thing off this list without making a terrible mistake.

Across all three dialogues two areas of “other federal activities” were emphasized as priorities for government:

One of my main concerns is the environment, because if we don't protect our earth, we won't have a place to live. We won't have to worry about anything like education, or anything, if we have no water, we have no food to eat.

- Environment. In all dialogues the environment was identified as a top priority. All three dialogues concluded that the federal government should play a leadership role in this area because so many environmental issues cut across state and national boundaries.

Money is a big issue with education but it's not really the problem. The problem is that the government has more of a role in the educational system as opposed to local [authorities]. We want to switch hands on that and not have [federal] hands so much in it.

[We want] local control of federal education money. Once the state gets the money and disburses it, each school or school district gets to decide how much they spend on any given necessity. So that there isn't an earmarked thing; you have to spend this much on books, and this much on computers. The school gets to allocate its money.

- Education. There were extremely lively discussions about the proper federal role in education in all three dialogues, and all three held up “No Child Left Behind” as an example of the kind of federal involvement in education that they *didn't* want. Most participants criticized NCLB for insufficient funding and poor implementation. Instead, they wanted to see a different balance with the federal government providing funding and setting broad national standards, but with more authority in state and local hands to determine how best to spend those funds and meet those standards.

But the strongest area of agreement across all three dialogues with respect to other federal activities was on the importance of much stronger oversight and accountability:

- Stronger oversight to prevent pork. Participants strongly supported creating or strengthening oversight and watchdog mechanisms that review spending, eliminate waste and mismanagement, and report on results. All three dialogues also supported Congressional reforms to prevent legislators from adding last-minute appropriations to bills, which were widely viewed as simply a vehicle for pork and political patronage. And there was clear support for giving the President a line item veto, which most governors have already.

- Keep money closer to home. Most participants also suggested that in many cases local and state governments are better stewards of the public good because they are more directly accountable to citizens. Keeping money closer to home, they said, would make it easier to track where funds come from and how they are spent.

It sounds like we're advocating giving local governments more power because ... we have connection with our governors – we could possibly run into them in our neighborhoods and stuff like that. It maybe makes sense to start giving local governments more power because that's who we're [more able] to trust. If it starts at home in the state, then maybe we could work up to a national level where we can get guys that we actually trust – where we feel like we had some say in their getting elected.

In all three dialogues, the focus of the conversation on other federal activities shifted to the question of who could be trusted to provide these services. Each dialogue answered this question in a different way:

- San Diego participants supported dramatically shifting responsibility from federal to state authorities and (to some extent) civil society and the private sector. They called for this in a wide range of areas, including transportation, agriculture, education and business subsidies. With more local control, they felt, citizens would find it easier to follow the money and hold their leaders to account.

I think we have more of an interest in efficiently spending funds in our own backyard, and it's much more real and palatable, so we're more likely to get involved than if you say, It's a federal fund for the accomplishment of this thing and we're going to do it all over the United States. [San Diego]

- Kansas City participants wanted to maintain a significant federal role, but with a more functional division of labor between levels of government. They stressed that such a federal role was conditional on developing much stronger third-party oversight of federal activities and suggested a range of new mechanisms to that end. In particular, they emphasized the importance of creating better ways for citizens to be more involved in such oversight, something they felt was lacking in the current system.

It has to be ... groups of people at state, local and government levels who are not lifetime politicians. Not [politicians who] got to where they are just because they've made promises for 20 years.... I don't know [exactly how it would work] and I don't know where they would come from, but that's the only thing I think we can begin to trust. The common man. [Kansas City]

The House of Representatives is supposed to be the people's house. If they are not doing their job then you have to find a way to fix that mechanism, rather than building up something [new] that's just going to ... make it more difficult to tell when a problem is occurring.

When you hear, for instance, about Halliburton's overcharges in Iraq – you may burn but most of us don't do anything. How many of us will call our Congressperson? The only way we can win is to call their office. They listen to those messages because every four years they have to come back into office, and if they don't listen, you vote them out. I really think that's the only way we can do it.

[Philadelphia]

- *Philadelphia* participants wanted to maintain the current level of federal involvement but to strengthen existing political accountability and oversight mechanisms to make them work better. They underlined that citizens must take a more active role in the political process to encourage that.

In the next phase of this research we plan to probe these responses in greater depth to determine whether they reflect regional differences or other factors.

4. Taxes and Debt:

In all three dialogues participants concluded that they were prepared to pay for the future they wanted, even if that meant increased taxes. Participants had two conditions for accepting increased taxes:

- 1) Stronger measures must be implemented to curb waste, increase accountability and make better use of existing funds, and
- 2) They must see that these measures, combined with the reforms they supported in areas like Medicare and Social Security, were not enough to close the budget gap and pay for the future they wanted.

By the end of the day, a 60% majority supported raising taxes as a way of reducing the deficit, and three-quarters of participants (73%) said that it was more important to provide programs that benefit the public than to keep taxes low.

We are going to have to have higher taxes to improve education, transportation and environment – because there's really no other way.

We were [originally] against higher taxes, but we know it's a necessary evil, that it does have to do with the quality of life.... [We don't want to] cut things that keep our country great. Research, scientific and medical research, and that whole list are necessary.

We were okay with a tax increase, almost across the board. Because we thought we were going to get something good out of it, [as long as] there's going to be some accountability with how that increased revenue was spent.

Participants spent some time working through what sorts of tax increases they would be prepared to support:

- Do not make the 2001 tax cuts permanent. At the end of the day, nearly two-thirds (64%) said they felt that the 2001 tax cuts “have not been worth it” because they have increased the deficit and led to cuts in important programs.

- Strict accountability for how tax monies are spent. Participants wanted new taxes to be earmarked for specific purposes so that they could “follow the money,” and also underlined the importance of having access to better information and reporting on how funds are being used and what outcomes are being achieved.

If we're going to raise our taxes that's fine, but let us know where those increases are going. Instead of just generally saying "Here's the money, go ahead and do what you will with it." If we're going to raise our taxes, I want the taxes to be going to either decreasing the debt or to increase [specific] programs.

- Simplified tax system. Participants felt strongly that any new taxes must be both fair and transparent. In that regard they expressed interest in exploring some kind of national sales tax. Not only did they like its simplicity and transparency, they felt that it would help ensure that everyone – from the very poor to the very rich – pays something into the system. Most felt that taxing consumption ensures that no one gets a free ride, while those who lead extravagant lifestyles pay their fair share.

The thing that I like about the national sales tax is that everyone – [including] those people that are getting by with not paying income tax, who are just not reporting it – everybody is having to pay something through the national sales tax.

If you go to a system like this, you don't have a problem with uncollected taxes – because if they're purchasing they're paying the tax.

Participants cited several important conditions for supporting a national sales tax. First, participants said, they must be satisfied that an additional tax is necessary and that their concerns about waste and mismanagement were being addressed. Second, the tax rate must be kept low (no one was willing to accept a tax of more than 7%, and most favored a lower rate phased in over time). Third, lower income people must be protected in some way, for example by exempting necessities like food and medicine.

A sales tax is much harder on the poor than it is on the wealthy, because they're paying the same percentage. I would put some sort of floor in there so that people under a certain income would either be exempt or have the taxes refunded.... That, and some exemptions on necessary items. It could be worked out.

You shouldn't have to be a CPA to file your taxes. It's way too complicated. If people had a simpler system they'd be able to do it a lot more effectively and it might not be as confusing or cumbersome for them.

Many participants built on this argument to suggest that the entire tax code needs to be simplified, and a few went so far as to suggest replacing the current income tax with a flat tax. Many suspected that the complexity of the current code allowed people – especially the wealthy – to exploit loopholes and avoid paying their fair share. They believed that a simpler tax code would reduce fraud, increase accountability and (just as important) restore public confidence in the equity of the tax system. Whether or not they favored a flat tax, virtually all agreed that the current income tax system must be simplified.

This willingness to consider increased taxes was striking. At the end of the dialogue, many participants said that they were surprised to hear such a realistic and clear-eyed discussion of taxes – this was not the kind of conversation they were used to hearing when politics were on the table.

I was most surprised at the fact that so many people are in our group were willing to pay more taxes to keep things going.

I was really surprised that so many of us are not afraid to see more taxes. We know we're going to have to pay more taxes to fix some of these problems, we just want the accountability for it.

The thing I found most surprising is that people here are willing to take tax increases. I thought I was one of the very few willing to stand up and say, "OK, take mine -- as long as you take everybody else's too!"

What held participants back from supporting new taxes was not that they were not willing to pay for what they want – it was that they did not trust that those funds would be used well and for the purposes intended. Participants were extremely skeptical that government could be trusted to spend their money wisely: a large majority (88%) felt that wasteful government spending was a major factor in the nation's budget troubles. Even more basically, three-quarters (73%) said that elected officials do not care what people think. It's hard to trust officials you believe don't care about you and what you think.

5. Trust and Accountability:

Over the course of the day's dialogue, participants identified several concrete measures that they were prepared to adopt to create the kind of America they wanted to see. Participants realized that these measures would have a significant effect on every person in the room: they included reforming cherished programs like Medicare, cutting important government services and raising taxes. Yet in almost every case these conversations about specific issues and programs centered around discussions of trust and accountability. In all the dialogues participants established a single essential precondition for any of the changes they were willing to embrace: **they would accept no reform or tax unless they could trust that their money was being spent responsibly and in accordance with their priorities.** With that assurance – if their conditions about accountability and trust were met – they were willing to take significant steps and make significant sacrifices.⁷ This precondition affected how participants responded to all subject areas under investigation, and the question of how to create that trust and accountability surfaced repeatedly throughout the dialogues. In all three dialogues this was consistently the most animated and emotional part of the conversation.

That's the whole reason we came over on the Mayflower, no taxation without representation, and we're not getting representation. [Not from] Congress. We can't trust them.... We've got to have somebody that we can trust that listens to the people.

The average American would not have a problem paying higher taxes if they were used correctly. What I have to say to the decision-makers is through decades and decades of corruption, fraud, waste and abuse, we as Americans no longer trust you – so now we want to watch everything you do.

I'm proud to be an American, but I think I've lost something over the years and that is trust in and belief in our political system and our elected leaders. I'd like to have that back.

I think the concern with increasing taxes is that we keep increasing taxes and then it never goes to anything that we think we're raising the taxes to pay for. So, accountability's definitely part of it, but we are willing to pay if we're going to get the results that we're looking for.

In all three dialogues participants suggested some basic mechanisms they thought would create a climate of greater trust and accountability between citizens and government:

⁷ Many participants did not believe that new taxes would be necessary once government waste was eliminated and monies were spent for the purposes intended. But at the same time they agreed to pay more in taxes to fund the future they wanted on condition that they were satisfied existing funds were being well spent and government was fairly accounting for its spending. This kind of connection is often missed when individual survey questions are analyzed. For example, in our questionnaire 60% said that they believed that “the government can reduce the budget deficit and cut taxes at the same time” (14% agreed strongly, 46% agreed somewhat). When this kind of result is found in polls it might be interpreted to show lack of public understanding. But in this case what became clear in the dialogues is that participants were really expressing a very strong mistrust of government, a mistrust that must be addressed before they are asked to make sacrifices.

Q: *What would take to satisfy you that in fact the money that you're already paying is being spent wisely enough that you're willing to think about paying more if you have to? What would it take?*

A: *It would take results. We're told a lot and force-fed and at the end of the day it doesn't turn out like it's supposed to. I think we're just tired of getting messed around and not seeing the results we want.*

If they give us a reason for why they were going to impose a new tax, I think they should also give us a timeline. For instance, if we're going to fix I-35, then they need to say, "We're going to fix it in five years and this is what's going to happen." And then it needs to happen. It can't just be they tax us and then 25 years later you still see [traffic] cones.

Accountability is what it all boils down to. In every aspect of what we discussed, people need to be held accountable. Getting bipartisan oversight committees together is the only way that we're going to be able to hold people accountable.

The Ethics Committee and Congress has to start actually doing its job again. They have to be willing ... at least to investigate when there are allegations of ethics issues.... The Ethics Committee has worked in the past. There's no reason to believe it wouldn't work now. It's just that there's a gentlemen's agreement between the two sides right now that has to end.

- *More attention to results.* Participants were willing to pay for what they wanted, provided that they could be assured that they were getting good value for their money. Many participants suggested that the government focus more on measuring and reporting outcomes and using this as the basis for decisions to fund or change programs.

- *Stronger oversight mechanisms.* All participants wanted to see stronger oversight of government spending and outcomes, and they wanted this oversight to have real teeth. Participants in two of the three dialogues envisioned this oversight coming from external sources: they wanted to see non-partisan external watchdogs that would review government spending, evaluate results and have the authority to hold government to account. Participants in the third dialogue (in Philadelphia) called for more internal oversight: strengthening existing internal mechanisms including Congressional oversight, the role of the Comptroller General, and the Inspectors General that government uses to police itself. The repeated call by participants for layers of watchdogs and accountability mechanisms should be seen less as an attempt to provide a technical solution to the problem, and more as a symptom of how serious public mistrust of government has become.

- *A critical role for citizens.* All three dialogues agreed that citizens must play their part in making government more accountable, whether through participation in new external watchdog mechanisms, or through more active participation in the political process. They acknowledged that they themselves had not done as much as they needed to, and that they and Americans in general were to some degree responsible for the sorry state of their government. To remedy the situation, participants said they would need improved ways of getting trustworthy information about how (and how well) the government is functioning. They felt that the media had a crucial role to play here, and they wanted news media to do a better job of presenting clear and objective reports on government activity. The message to leaders is that building public support for action in a wide range of policy areas will increasingly depend on rebuilding that public trust.

I think we have to get smarter at the voting box and hold our elected officials accountable. We all know that they go and pay \$2 for something that you can go to Home Depot and pay 59¢ for. We've been joking about it for the past 20, 30, 40 years. Well, it's no longer funny, we're running out of money.

I think the main thing is if you have valid concerns ... do something! Don't just sit around and talk to your neighbors and gripe and complain. Be proactive, do something, whether it's online, or [letters to] newspapers.... call your senator's office or your representatives.

You really have to dig for information.... You have to read two or three different newspapers. Wherever they agree on whatever they're arguing over, you can assume to be the truth, but there are very, very few sources of information that you can accept.

I think what we're seeing is that we don't trust [leaders], and so we either need to get them all out or just keep up with these watchdog groups. That's one of the main things that we're seeing [in this dialogue] – we just don't trust what they're doing or what they're telling us.

C. Building on common ground

Participants were astonished at how much common ground they had found, in spite of the wide diversity of backgrounds and beliefs. Many had expected to hear more of the kind of polarizing debate they had become accustomed to in the media, and were surprised not only at the substantial agreement they were able to reach but also at the civil and respectful nature of the conversation. In addition to the common ground they were able to define on the specific policy issues outlined above, at the end of each and every dialogue participants underlined three other important areas of common ground that gave them renewed hope for the future:

I was surprised that there was so much support for raising taxes, because, in campaigning, that seems like the worst thing you can say – that you want to raise taxes. So my message for decision-makers is that we're willing to support you as long as we feel that we're a part of the decision-making process and that the money that we're spending is being used wisely.

I was surprised to hear so many people were in favor of paying more taxes rather than not, which to me is a good thing. I'd just like to see the government really get together and try to get partisan stuff aside where the Democrats and Republicans are fighting more among themselves than they are concerned about what we really need and want.

- *Willingness to sacrifice.* Participants were struck by their groups' willingness to make sacrifices to bring about a better future. The willingness to pay taxes was extremely surprising to many people, given their perception that raising taxes was a political "third rail."

- Common ground across political lines. When participants looked around the room they saw an extremely diverse group in terms of age, ethnicity and socio-economic class. As they began the dialogue they quickly realized this diversity extended to political leanings as well. About one-quarter of participants described themselves as conservative, one-quarter described themselves as liberal, and the remaining 50% said they were moderates (results that are consistent with polls of the general public). Many assumed that this diversity would be a source of friction, yet they found that the common ground they shared far outweighed their differences. Political polarization, which has become a staple of media coverage in this country, was largely absent from these dialogues. If such diverse groups could find such broad common ground, participants said, why can't political leaders?

I expected this whole thing to be incredibly confrontational and enormously divisive, and it was a pleasant surprise to see how well and how smoothly it went.

We have a very diverse group of people here. We have Republicans, we have Democrats, we got liberals, we got independents, but we all were able to come to a decision. Now, what I have to say to the decision-makers is that if we can do it, with the diversity that we have here, why can't you?
- Public engagement. Overall, participants were deeply appreciative of the chance to be heard and taken seriously – something that they felt was all too rare in the current political climate. Many expressed their determination to become more engaged on these issues, and virtually all expressed the wish that other Americans have a greater opportunity to participate. As their experience of the dialogue demonstrated, developing public understanding and support for difficult choices, and building public trust, will depend on such broader public engagement.

Well, I've been hearing for several years now about what the American people think, through the media or what politicians say, and I've become very depressed about the whole thing and feeling like I'm not even part of this country. And today, I'm finding that that's not true and that actually people with different beliefs can get together and actually come to consensus without animosity. It's renewed my faith in the citizens of this country. And if the citizens of this country can do it, then why can't our politicians in Washington do it? I think we need to have people come to consensus decisions and move forward in our country instead of all the bickering that's been going on for years and years. I guess that's mainly what I want to say to our government: let's start solving some problems instead of being divisive.

IV. CONCLUSIONS

A. Next steps

In the next phase of this project, we plan to deepen and expand this research and to use it as a starting point to more actively engage the broader public and leaders around these issues region by region. In each region:

1. We will conduct a number of ChoiceDialogues to provide deeper insight into the views and values of the unorganized public and whether and how those views differ from other parts of the country.
2. These findings will be presented through a series of media and public events that will be coordinated with regional activities related to the Concord Coalition's "Fiscal Wake-Up Tour." The "Wake-Up Tour" – an ongoing effort spearheaded by the Concord Coalition that has been taking the message of America's looming fiscal challenge to local communities – includes public forums, presentations and discussions and actively involves local elected leaders and the media.⁸
3. We then plan to conduct a specially structured "stakeholder" dialogue in which some of the citizens who participated in the ChoiceDialogues in that region work with representatives from the Wake-Up Tour and elected and other leaders to find common ground and identify steps that would move their shared vision forward.
4. This will lead to a wide range of activities to directly engage the public in the region through both face-to-face meetings and on-line.

These regional efforts will be the basic building blocks of a large-scale national strategy involving direct outreach to leadership, a major web presence, and work with both traditional and non-traditional media.

These next steps begin with research, and in each region we plan to conduct additional ChoiceDialogues designed not only to test and extend these initial findings, but also to analyze regional and other differences in much greater detail. These sessions will further investigate a number of questions raised by the first round of ChoiceDialogues. For example:

- What practical steps or initiatives will be most effective in rebuilding public trust? In the first round of ChoiceDialogues participants called for a wide range of new accountability and watchdog mechanisms. However, such mechanisms by themselves are unlikely to be sufficient and can be counterproductive, creating layers of red tape. Since rebuilding public trust is the key precondition for public support of significant reforms, we want to determine more specifically what sorts of trust-building measures are likely to succeed.

⁸ The Fiscal Wake-Up Tour brings together the Concord Coalition, the Comptroller General's Office, the Heritage Foundation and the Brookings Institution. More information can be found at:

<http://www.concordcoalition.org/events/fiscal-wake-up/index.html>.

- If new taxes are necessary, how should they be structured and what do most people believe is fair? In particular, we want to explore public attitudes toward a national sales tax or other consumption taxes.
- Participants in the first round of ChoiceDialogues expressed strong support for reforming Medicare to scale back heroic intervention at the end of life, similar to recent changes at the VA. We want to learn how far Americans are willing to go when it comes to placing limits on care (for example, rationing health care for the elderly) and who do they believe should make those decisions?
- In addition to the wide areas of common ground identified in the initial series of ChoiceDialogues, we also saw some intriguing differences. For example, each dialogue gave a very different answer to the question of which level of government should be responsible for the services listed under “Other Federal Activities.” Likewise, two groups (those in Kansas City and San Diego) strongly supported incorporating individual accounts into the Social Security system, but participants in the Philadelphia dialogue were strongly opposed. Through additional dialogues in each region and a larger national sample, we plan to examine the reasons for these differences, how strong they are and their implications for crafting reforms the public will support.

B. Initial implications for action

While this research is still at an early stage, some implications for action are clear. This initial series of ChoiceDialogues identified a surprising amount of common ground and a number of consistent patterns across the country on which leaders can build:

- Frame the issue as “the future we want”. Focusing the issue too narrowly as a discussion of the debt and deficit does not effectively engage the public. Faced with an issue they see as essentially technical and not immediately relevant, most members of the public will instead devote their energy to venting about government waste. On the other hand, we saw in the ChoiceDialogues that framing the issue as “the future we want” and providing a minimum of necessary background information at the outset focuses attention on the balance between what people want and what they are willing to pay for. Such an approach sets the stage for a values-based conversation – something where the public has a great deal to contribute. It also made people more willing to face up to difficult choices. In the ChoiceDialogues, this framing quickly led to the conclusion that increasing the debt is unacceptable and encouraged people to look constructively for ways to avoid that – no one wanted a future of high debt for themselves and their children.
- Make rebuilding public trust an objective in its own right. The ChoiceDialogues clearly demonstrated that rebuilding public trust is a fundamental precondition for public support on a wide range of issues. As such, it must be treated as an objective in its own right. Without increased public trust and support it will be difficult – if not impossible – to make far-reaching, sustainable reforms that go beyond a patchwork of temporary fixes. One important part of rebuilding public trust is increasing accountability and transparency for how tax dollars are spent, and ChoiceDialogue

participants repeatedly advocated this. Existing institutions that operate at arms-length from government – in particular the GAO and the Comptroller General – can play a critical role in this regard and in rebuilding public trust.

- Engage the public to overcome mistrust. Increasing accountability and transparency and providing better information to the public is a necessary part of rebuilding public trust, but it is unlikely to be sufficient. You cannot resolve a trust issue simply by throwing data and information at it. Decades of research have shown that when faced with information that contradicts deeply held assumptions or beliefs, people tend to discount, deny or explain away that information. In the current climate of mistrust that tendency is amplified. Our work has borne this out in project after project: trust shapes citizens’ response to information, not the other way around.

To resolve issues of trust you need to engage the public in a different way. One critical cause of mistrust between citizens and government is that government is often not fully attuned to the voice of ordinary citizens. Most participants in the ChoiceDialogues said that leaders and governments did not really care what they thought. As long as citizens continue to believe that their voice is not being heard (and often to have that belief confirmed), mistrust will grow. Government must develop more effective ways of hearing and responding to the voice of the unorganized public. This improved listening capacity can only partially be created through today’s most prevalent techniques: Polls and focus groups can be misleading on issues where people have not made up their minds; interest groups by definition do not represent unorganized Americans (and do not even represent the full range of their members’ views); and more traditional types of town hall focus more on photo ops and venting than on listening to the unorganized public. Instead, what is needed are alternative, dialogue-based listening mechanisms that encourage two-way learning and thoughtful exchange of views. Methods like this have shown great promise as ways of rebuilding trust. Engaging the public directly in this way will be a main focus of the next phase of this project.

- Build on common ground. The ChoiceDialogues revealed a public that was far less polarized on these issues than conventional wisdom might indicate. Far from seeing the issue in terms of “red vs. blue,” dialogue participants of all political stripes found a surprising amount of common ground. And their comments make it clear that the polarization that characterizes the current political moment does more to exacerbate mistrust than to convince people that their leaders have their best interests at heart. What we have seen in this and other research is that building on common ground leads toward sustainable solutions, while building on wedge issues tends to reinforce gridlock. These ChoiceDialogues identified significant areas of common ground in all of the policy areas tested – Social Security and Medicare, defense, other federal activities, taxes and debt. It is on such areas of common ground that effective leaders can build broad-based public support for action.
- Focus on problem-solving; not ideology, spin or scare stories. As we saw in the ChoiceDialogues, the public are pragmatists, not ideologues. They readily mixed and matched elements from differing political approaches as long as the result was

a solution they believed would work for them, their families and communities. Their guiding question as the day evolved was not “Does this fit into my political framework?” but “Will this work?” Rather than focusing on the ideological divisions that preoccupy so many political elites, they want to grapple with real choices, presented in a balanced fashion, that enable them to engage in practical problem solving to create the future they want. They are increasingly suspicious of one-sided presentations or spin; for example, the credibility of the ChoiceDialogue materials was much enhanced by the bipartisan project partners involved in preparing them. More basically, to build public support we need to focus more on creating a shared vision and on practical problem solving to achieve it, and less on scare stories that can quickly become counter-productive – discouraging action, increasing denial, and creating a sense of hopelessness. As one person explained it: “I have a nightmare” may get your attention, but “I have a dream” motivates action.

- The public is ready for this conversation. Most important, the public is ready to have this conversation. Far from being apathetic or unwilling to consider difficult decisions, the random sample of Americans involved in this study were thoughtful and serious, and it was clear that beneath their mistrust and dissatisfaction was a deep desire to address the problem. As Edmund Andrews of the *New York Times* said in an article about one of the ChoiceDialogue sessions, “if there was a message, it was not that people wanted to dodge tough choices. It was that they wanted good ideas from their leaders.”

Appendix A

ChoiceDialogue™: The Methodology

ChoiceDialogue methodology differs from polls and focus groups in its *purpose, advance preparation, and depth of inquiry.*

- **Purpose.** ChoiceDialogues are designed to do what polls and focus groups cannot do and were never developed to do. While polls and focus groups provide an accurate snapshot of people's current thinking, ChoiceDialogues are designed to predict the future direction of people's views on important issues where they have not completely up their minds, or where changed circumstances create new challenges that need to be recognized and addressed. Under these conditions (which apply to most major issues), people's top-of-mind opinions are highly unstable, and polls and focus groups can be very misleading. ChoiceDialogues enable people to develop their own fully worked-through views on such issues (in dialogue with their peers) even if they previously have not given it much thought. By engaging representative samples of the population in this way, ChoiceDialogues provide unique insight into how people's views change as they learn, and can be used to identify areas of potential public support where leaders can successfully implement policies consonant with people's core values.
- **Advance Preparation.** ChoiceDialogues require highly trained facilitators and (above all) the preparation of special workbooks that brief people on the issues. These workbooks formulate a manageable number of research-based scenarios, which are presented as a series of values-based choices, and they lay out the pros and cons of each scenario in a manner that allows participants to work through how they really think and feel about each one. This tested workbook format enables people to absorb and apply complex information quickly.
- **Depth of Inquiry.** Polls and focus groups avoid changing people's minds, while ChoiceDialogues are designed to explore how and why people's minds change as they learn. While little or no learning on the part of the participants occurs in the course of conducting a poll or focus group, ChoiceDialogues are characterized by a huge amount of learning. ChoiceDialogues are day-long, highly structured dialogues – 24 times as long as the average poll and 4 times as long as the average focus group. Typically, participants spend the morning familiarizing themselves with the scenarios and their pros and cons and developing (in dialogue with each other) their vision of what they would like to have happen in the future. They spend the afternoons testing their preferences against the hard and often painful tradeoffs they would need to make to realize their values. To encourage learning, the ChoiceDialogue methodology is based on dialogue rather than debate – this is how public opinion really forms, by people talking with friends, neighbors and co-workers. These 8-hour sessions allow intense social learning, and both quantitative and qualitative measures are used to determine how and why people's views change as they learn.

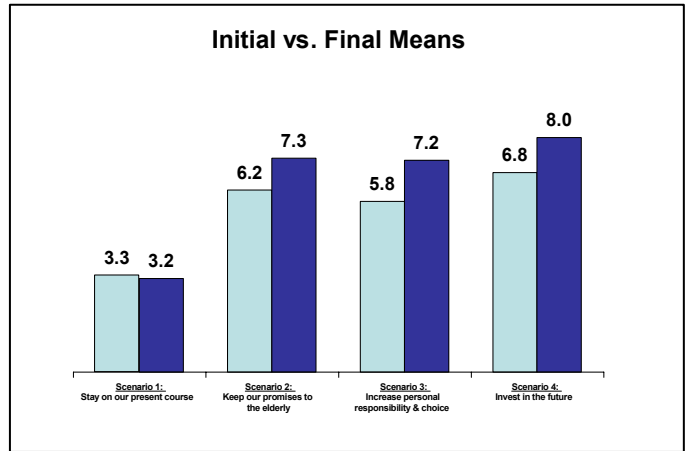
Steps in a ChoiceDialogue Project

- 1) Archival analysis of polls (or conducting a special one) and other research to provide a baseline reading on what stage of development public opinion has reached;
- 2) The identification of critical choices and choice scenarios on the issue and their most important pros and cons, and the preparation of a workbook built around those scenarios in a tested format for use in the dialogues;
- 3) A series of one-day dialogue sessions with representative cross-sections of the population. Each dialogue involves about 40 participants, lasts one full day and is videotaped. A typical one-day session includes the following:
 - Initial orientation (including the purpose of the dialogue and the use to be made of the results, the nature of dialogue and ground-rules for the session, introduction of the issue and some basic facts about it);
 - Introduction of the choice scenarios on the issue, and a questionnaire to measure participants' initial views;
 - Dialogue among participants (in smaller groups and in plenary) on the likely good and bad results that would occur as a consequence of each choice if it were adopted, and constructing a vision of the future they would prefer to see;
 - A second, more intensive round of dialogue among the participants (again both in smaller groups and in plenary) working through the concrete choices and tradeoffs they would make or support to realize their vision;
 - Concluding comments from each participant on how their views have changed in the course of the day (and why), and a questionnaire designed to measure those changes.
- 4) An analysis of how people's positions evolve during the dialogues. We take before and after readings on how and to what extent people's positions have shifted on each choice as a result of the dialogue. This analysis is both quantitative and qualitative.
- 5) A briefing to leaders to make sense of the results. The briefing summarizes what matters most to people on the issue, how positions are likely to evolve as surface opinion matures into more considered judgment, the underlying assumptions and values that shape that evolution, and the opportunities for leadership this creates.

Appendix B
Quantitative Findings

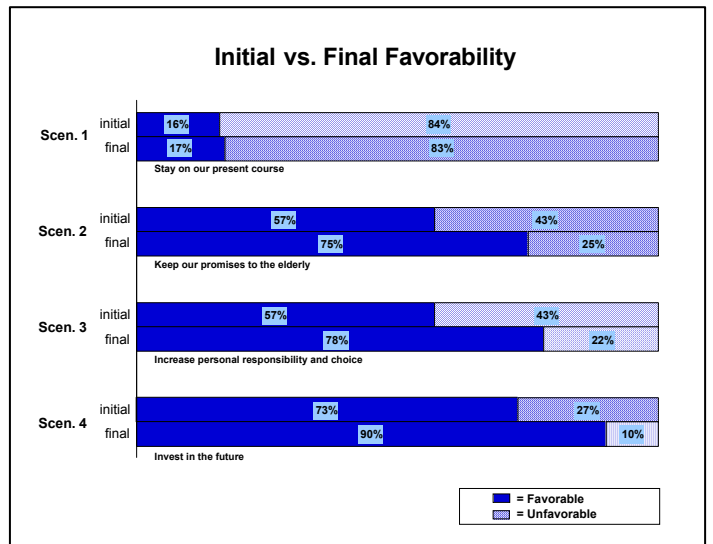
Initial vs. Final Means

	Initial Mean	Final Mean
N = 115		
1. Stay on our present course	3.3	3.2
2. Keep our promises to the elderly	6.2	7.3
3. Increase personal responsibility and choice	5.8	7.2
4. Invest in the future	6.8	8.0



Initial vs. Final Favorability

	Initial Pos : Neg* (%)	Final Pos : Neg* (%)
1. Stay on our present course	16 : 84	17 : 83
2. Keep our promises to the elderly	57 : 43	75 : 25
3. Increase personal responsibility and choice	57 : 43	78 : 22
4. Invest in the future	73 : 27	90 : 10



*"Negative" = rated the scenario from 1-5 (on a 10 point scale); "Positive" = rated the scenario 6-10.

Final Questionnaire

Q: There have been various proposals for reducing the deficit. Please indicate the extent to which you favor or oppose each of the following as a way to reduce the deficit

	Favor strongly	Favor somewhat	Oppose somewhat	Oppose strongly
Lowering domestic spending	17	50	24	8
Lowering defense and military spending	30	30	23	17
Raising taxes	10	50	28	10

Q: Which of the following statements do you think best describes...

	It will be in a state of crisis	It will have major problems	It will have minor problems	It will not have any problems
... the Social Security system 10-15 years from now?	30	45	23	2
... Medicare 10-15 years from now?	32	46	20	2

Q: For each pair of statements, please choose the one that comes *closer* to your point of view, even if neither is exactly right. Please also indicate whether you hold this view strongly or not so strongly.

Which comes *closer* to your point of view?

		(%)
The government should take more responsibility to make sure that everyone is provided for.	Agree strongly	20
	Agree	23
<u>OR</u>		
People should take more responsibility to provide for themselves.	Agree	33
	Agree strongly	21
Federal tax cuts have been worth it – they have helped strengthen the economy by allowing Americans to keep more of their money.	Agree strongly	11
	Agree	22
<u>OR</u>		
Federal tax cuts have NOT been worth it – they have increased the deficit and caused cuts in government programs.	Agree	39
	Agree strongly	25
We should keep taxes low even if it means we have to reduce spending for most federal programs.	Agree strongly	10
	Agree	14
<u>OR</u>		
Even if it means higher taxes, we should invest in federal programs like education and transportation that will benefit everyone in the long run.	Agree	38
	Agree strongly	35
The best way to insure peace is through military strength.	Agree strongly	13
	Agree	21
<u>OR</u>		
Good diplomacy is the best way to insure peace.	Agree	33
	Agree strongly	30
Social Security and Medicare really do face a crisis.	Agree strongly	36
	Agree	45
<u>OR</u>		
We are just being told that Social Security and Medicare are in crisis so that political leaders can change them.	Agree	14
	Agree strongly	3

Q: Please indicate the extent to which you agree or disagree with each of the following statements

	Agree strongly	Agree somewhat	Disagree somewhat	Disagree strongly
It is our responsibility to reduce the deficit so that future generations will not be burdened with the cost of our heavy debts.	48	46	5	1
It is dangerous to our future that foreigners hold more and more of our debt.	58	33	7	2
Much of the national debt is the result of Congress spending money on unnecessary or wasteful projects.	60	28	11	1
Government is almost always wasteful and inefficient.	33	45	19	3
The size of the debt always goes up and down and will probably go down as the economy grows and the war in Iraq ends.	10	51	27	12
The government can reduce the federal budget deficit and cut taxes at the same time.	14	46	23	17
Taking care of future generations should be a higher priority than caring for the elderly.	12	33	40	14
Most elected officials care about what people think.	2	25	42	31
	Very satisfied	Somewhat satisfied	Somewhat dissatisfied	Very dissatisfied
How satisfied are you with your family's financial situation?	10	45	23	21
	Excellent	Good	Fair	Poor
How would you rate economic conditions in America today?	7	32	46	14
	Right direction	Wrong track		
All in all, would you say that things in the U.S. are headed in the right direction or on the wrong track?	24	74		

Demographic Information

Gender	%	Age	%
Male	43	18-24	9
Female	57	25-34	17
		35-44	17
		45-54	15
		55-64	24
		65 +	18

Do you have children under 18 living at home?	%	In general would you describe your political views as	%
Yes	37	Very conservative	6
No	63	Conservative	22
		Moderate	47
		Liberal	20
		Very liberal	5

Annual household income from all sources before taxes	%	Highest level of schooling you have completed	%
Under \$25,000	12	HS grad	19
\$25,000 - \$34,999	17	Some college	35
\$35,000 - \$49,999	16	College degree	27
\$50,000 - \$74,999	26	Grad study/degree	19
\$75,000 - \$99,999	17		
\$100,000 or more	10		

Segmentation Analysis

To further analyze the quantitative data, we also conducted a preliminary segmentation analysis on the initial sample of ChoiceDialogue participants. In this analysis, participants' answers to a series of attitude and values questions in the final questionnaire were used to statistically identify homogenous groups of people who share similar values. These groups were then compared demographically and in their responses to the scenarios. This enabled us to pinpoint where participants' values differ and how this affects their overall conclusions. We found that while participants generally reached consensus about the four scenarios, they often reached those conclusions by different routes, for different reasons and with differing levels of conviction.

While the small size of the initial sample means that the findings of the segmentation analysis must be treated with extreme caution, these findings are suggestive and interesting. We plan to conduct a more detailed segmentation analysis with a larger sample in the next phase of the project.

Three clusters of participants were identified:

1. Apprehensives (47% of participants)
2. Take Charge for Ourselves (34% of participants)
3. Trust Government Hopefuls (19% of participants)

Apprehensives (47% of all participants)

This group (the largest segment) is cynical about government and doubtful of its competence, and they take a generally pessimistic view of the direction the country is taking. They were far more critical than others of current economic conditions in the U.S. (even though they are as satisfied as others with their own personal financial situation). In addition, they were more likely to be wary of threats from abroad: this group agreed unanimously that it is dangerous that foreigners hold so much of the U.S. debt – and they were more likely to reject cuts in military spending and to believe that peace is best achieved through military strength. Politically, this group tends toward the more conservative end of the scale.

This segment is an older group – 52% are 55 or over and most do not have children under 18. One of their most striking differences is the extent to which they give caring for the elderly a higher priority than taking care of future generations: when faced with this choice, nine out of ten favor the elderly. Not surprisingly, they were also strongly positive toward Scenario 2 (Keep our promises to the elderly) from the outset and that support rose over the course of the day.

What's interesting is the extent to which this group changed in their support for other scenarios over the course of the dialogue. This segment was divided on the questions of personal versus government responsibility for people's welfare and initially only about half supported Scenario 3 (Increase personal responsibility). But their support for this scenario increased in the course of the dialogue; by the end of the day about 3 out of 4 members of this segment viewed Scenario 3 favorably. Similarly, while their initial support for Scenario 4 (Invest in the future), was much lower than other segments, by the end of the day their support had grown markedly, ending at levels comparable to the other two groups. This shift in attitudes may represent people overcoming their initial self-protective, defensive stance and becoming more open to solutions they had not considered viable at the start, once they have the opportunity to consider alternatives.

Apprehensives	Initial evaluation	Final evaluation	Final favorability
Scenario 1 (Status quo)	3.4	3.5	17%
Scenario 2 (Keep promises to elderly)	6.5	8.1	87%
Scenario 3 (Personal resp. & choice)	5.5	7.3	74%
Scenario 4 (Invest in future)	6.2	7.9	87%

Take Charge for Ourselves (34% of all participants)

The "take charge for ourselves" segment is even more critical of government than the Apprehensives. They are even more convinced that government is wasteful and inefficient and strongly believe that unnecessary and wasteful Congressional spending has contributed to the national debt. A scant 3% feel that elected officials care what people think. This segment is the most concerned about the future of Medicare and Social Security. They also are less likely to believe that the nation's fiscal problems will take care of themselves—giving less support to the idea that the debt will probably go down as the economy grows and the war ends.

This segment also gives a strong priority to taking care of future generations: 90% of this segment says this should take priority over caring for the elderly.

This group is much more likely to support increased personal responsibility: when asked whether government or individuals should take more responsibility for making sure people are provided for, two thirds (64%) say that individuals should take on the responsibility themselves. It may be that this group, lacking trust in government's ability to provide for the future, looks instead to personal resources. They may also have more optimism and confidence in their ability to do so: this segment tends to be younger and more educated (56% are college graduates or better). This group tends to the more liberal end of the scale, suggesting this emphasis on personal responsibility is more a matter of values and a response to circumstances than a political stance.

This segment has the least favorable attitude toward Scenario 2 (Keep our promises to the elderly). In their initial judgment they rejected this scenario by more than two to one; while this position moderated somewhat over the course of the day, participants were divided in their final judgment (about 50% viewing it favorably).

By contrast, their support for the personal responsibility choice (Scenario 3) was much stronger than the other two segments: they were the only segment to favor it initially, and their support increased over the course of the day. They also showed very strong initial support for Scenario 4 (Invest in the Future) and increased their support for this choice in their final judgments.

Take Charge for Ourselves	Initial evaluation	Final evaluation	Final favorability
Scenario 1 (Status quo)	2.9	2.8	18%
Scenario 2 (Keep promises to elderly)	5.4	6.4	51%
Scenario 3 (Personal resp. & choice)	6.8	7.9	90%
Scenario 4 (Invest in future)	7.0	8.1	90%

Trust Government Hopefuls (19% of all participants)

This is the smallest segment and differs radically from the other two groups in showing much higher levels of trust in government. They agree almost unanimously that elected officials do care what people think, they are much less likely to believe that government is wasteful and inefficient and they are less critical than others of Congressional spending.

This is the only segment where more than half (55%) agree that government, rather than individuals, should take more responsibility to make sure that people are provided for. They are the most willing to pay higher taxes for federal programs that provide long-term benefits, though they somewhat reluctantly accept the possibility of lowering domestic spending to reduce the deficit.

On the issue of the balance between caring for elderly and taking care of future generations, they are divided, with half favoring priority to the latter.

In general, this group is optimistic that things will work out for the best: they are most likely to feel that the debt will go down by itself as the economy grows and the Iraq war ends and are much less convinced than the other segments that the nation is on the wrong track – while 55% agree, 45% do not. This may signal an underlying belief that the government is doing a reasonably good job and can work things out. For the most part they seemed to feel that the current balance of government and individual responsibility works well, and they did not want to change it.

Politically, they are neither particularly liberal nor conservative. This group was most present in the Philadelphia dialogue – 54% came from that locale.

Unsurprisingly given their pro-government orientation, their initial response to Scenario 3 (Increase personal responsibility) was negative (only 32% gave it a positive rating). However, in the course of the dialogue, some began to see merit in this approach. In their final judgments this segment is divided in its support of this scenario, with about half in favor and half against. They showed strong initial support for Scenario 2 (Keep our promises to the elderly) and Scenario 4 (Invest in the Future), and maintained similar high levels in their final judgments.

Trust Government Hopefuls	Initial evaluation	Final evaluation	Final favorability
Scenario 1 (Status quo)	3.5	3.1	14%
Scenario 2 (Keep promises to elderly)	6.9	7.2	73%
Scenario 3 (Personal resp. & choice)	4.4	5.6	50%
Scenario 4 (Invest in future)	7.9	7.9	82%