PETER J. MAY*

A TECHNIQUE FOR MEASURING PREFERENCES FOR SPENDING REDUCTIONS

(Received 26 February, 1981)

ABSTRACT. A question format for assessing people's preferences for spending reductions which can be used as part of telephone-administered surveys is discussed. Experiences with two field tests of the format are promising in that the response rates to question series as well as the validities of measures obtained from using the format compare favorably with similar assessments of rank-order formats. While cautionary use of the cutback technique is recommended, the findings reported here are encouraging enough to warrant further experimentation with it.

Although sample surveys have been used for many years to probe people's attitudes toward governmental taxing and spending policies, surprisingly little methodological work has been undertaken to improve survey feedback concerning citizens' budgetary preferences. Standard question formats for assessing budget preferences -- asking whether respondents prefer more, less, or the same amount of spending as current levels for various programs -- are known to elicit feedback which highlights the inconsistencies in people's fiscal attitudes (see Mueller, 1963). Question formats which force respondents to link preferences for expanded spending with the 'costs' of program expansion, increased taxes or reductions in other programs, are conceptually more appealing in that they eliminate the opportunity for the disjunctive response that one prefers expanded services but less taxes. One approach that forces respondents to incorporate the taxing-spending nexus into their response calculi is the 'budget pie' procedure with which respondents are asked to allocate total spending or reductions among various programs, as if slicing up a budget (Clark, 1974). A limited number of applications of various forms of the procedure as part of in-person and mail-out surveys (Beardsley et al., 1974; McLver and Ostrom, 1976; Scott, 1976; Strauss and Hughes, 1976) indicate that the budget pie is a workable format with all but lower-educated respondents. However the quality of the preference measures which
are obtained with the budget pie or its variants has yet to be assessed in comparison to existing methods of obtaining preference orderings.

A variant of the budget pie which can be used as part of telephone surveys to assess citizen preferences for spending cutbacks is discussed in this article. Although many design issues are unresolved, sufficient field experience with the cutback format exists in order to assess it and to suggest future revisions. The criteria used herein for evaluating the format are measures of respondent willingness to respond to the cutback series as well as assessments of the validity and reliability of preference measures that are obtained when using the technique. Similar assessments of a rank-order procedure for gauging cutback priorities provide a comparative basis for evaluating the performance of the new technique. The rank-order format is a particularly appropriate comparison since in evaluating the new technique it is desirable to know what its advantages are over formats which are at present commonly used to gauge spending priorities. Moreover, because it is important for decision-making purposes to know whether the new technique provides results which differ from those which are obtained when using rank-order methods, the differing policy implications of both types of preference assessments are also discussed in this article.

I. A PROCEDURE FOR ASSESSING CUTBACK PREFERENCES

Imagine a very real situation in which a governmental entity must reduce spending by a given amount in order to balance its budget. Policy makers would undoubtedly like to know the levels of citizen support for various programs if only to avoid making politically disastrous program reductions. And, because of the possibility that a variety of programs are well-received by many citizens, policy makers undoubtedly would also like to know which program cuts would be the least unpleasant ones to make.

Given this situation, several features are desirable for any survey approach to assessing cutback preferences. First, the reductions which respondents acquiesce to must equal the required spending cut in order for the gap between services and taxes to be bridged. Second, respondents must be aware of the tradeoffs among various program reductions in order to choose cutback priorities. This does not mean that respondents must know the costs of a given program or its social benefits only that respondents have a sense of the relative net benefits they receive from a given program as compared with