

Quizz2: all questions are worth 2pt except #1): 1.5 pts

Budget your time carefully! You have 45min, so about 5min to skim through the text and about 10 minutes per each of the 4 questions.

Recently, economists from Chicago school of economics produced a widely cited study about preferences for redistribution (i.e., whether one thinks that the government should redistribute income from the rich to the poor. The dependent variable, preferences for redistribution is coded as:

“Some people think that the government in Washington should do everything to improve the standard of living of all poor Americans (they are at point 1 on this card). Other people think it is not the government’s responsibility, and that each person should take care of himself (they are at point 5). Where are you placing yourself in this scale?” Authors of the study recoded this question so that a higher number means one is more favorable to redistribution. Regression results are set in Table 1. (see footnotes below the table!)

Table 1.
Preferences for Redistribution and Individual Characteristics
General Social Survey 1972-2004

	Preferences for redistribution	Preferences for redistribution	Preferences for redistribution
Age	0.061 (0.029)**	0.069 (0.030)**	0.068 (0.030)**
Age squared	-0.014 (0.003)***	-0.013 (0.003)***	-0.013 (0.003)***
Female	0.156 (0.017)***	0.141 (0.017)***	0.134 (0.017)***
Black	0.588 (0.026)***	0.560 (0.027)***	0.565 (0.027)***
Married	-0.049 (0.018)***	-0.012 (0.018)	-0.004 (0.018)
Unemployed	0.111 (0.052)**	0.073 (0.054)	0.072 (0.054)
High school	-0.308 (0.025)***	-0.289 (0.026)***	-0.464 (0.079)***
College and more	-0.378 (0.028)***	-0.375 (0.029)***	-0.984 (0.081)***
Family income	-0.043 (0.004)***	-0.040 (0.004)***	-0.041 (0.004)***
Political ideology		0.152 (0.007)***	0.082 (0.017)***
Political ideology* high school			0.044 (0.019)**
Political ideology* college and more			0.155 (0.019)***
Observations	19512	18135	18135
R-squared	0.09	0.12	0.13

Notes:

[1] Robust standard errors in parentheses. *significant at 10%; **significant at 5%; *** significant at 1%; all regressions control for year and region fixed effects

[2] Political ideology is a general measure of ideological self-placement on a 1-7 scale, where 1 is extremely conservative and 7 is extremely liberal.

[3] Sample includes blacks, whites, Asians, and Hispanics.

[4] Column 3 includes interactions.

For each of the following sub-questions a), b), c), and d): do you agree or disagree and why (elaborate in a paragraph or so)?

- a) The results show that blacks are more likely than whites to prefer redistribution. [1.5pt]
- b) The results show that black females prefer more redistribution more than non-black males. [2pt]
- c) The results show that liberals are more likely to prefer more redistribution, especially liberals with fewer years of schooling. [2pt]
- d) The results show that the older the person, the more she prefers redistribution. [2pt]