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Millennials React to Trump's Budget Proposals

A summary of key findings from the first-of-its-kind bimonthly
survey of racially and ethnically diverse young adults

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<http://www.genforwardsurvey.com/>

gen FORWARD



black youth project

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i. Black Youth Project and the GenForward Survey



For over 10 years, the Black Youth Project (BYP), housed at the Center for the Study of Race, Politics, and Culture at the University of Chicago, has dedicated its work to understanding the challenges and opportunities faced by young people of color in the contemporary United States. We are committed to disaggregating the larger category often labeled Millennials because our previous research has shown important differences in lived experiences and political attitudes among young adults of different racial and ethnic backgrounds.¹ We continue this mission with our GenForward surveys. The report reflects the Black Youth Project's sustained commitment to documenting and amplifying *knowledge, voice* and *action* among young people, particularly young people of color.

The GenForward Survey is the first of its kind—a nationally representative survey of over 1750 young adults ages 18-34 conducted bimonthly that pays special attention to how race and ethnicity influence how young adults or Millennials experience and think about the world. Given the importance of race and ethnicity for shaping the diverse perspectives and lived experiences of young people, we believe researchers make a mistake when they present data on young adults in a manner that assumes a monolithic Millennial generation and young adult vote.

Millennials now represent the largest generation of Americans, and they are by far the most racially and ethnically diverse generation in the country.² About 19 percent of millennials identify as Latino or Hispanic, 13 percent as Black or African American, and 6 percent as Asian American. Thus, to fully understand how young adults think about elections and politicians, issues such as terrorism or gun violence, as well as their economic futures and race relations, we apply an intersectional lens and pay attention to characteristics such as race, ethnicity, gender and sexuality.

In this report, we present GenForward survey data collected between April 14 and May 1, 2017. We provide an extensive analysis of young adults' views of Trump's budget proposals, their views about the trade-off between the economy and environment regulation, and their economic priorities.

¹ See, for example, our previous report, *Black Millennials in America* (available at http://blackyouthproject.com/wp-content/uploads/2015/11/BYP_ReportDesign04b_Dec03_HiRes.pdf).

² See: <http://www.pewresearch.org/fact-tank/2016/03/31/10-demographic-trends-that-are-shaping-the-u-s-and-the-world/>.

ii. Key Findings



- > Three sets of issues are generally the top economic priorities of young adults of all racial and ethnic groups: increasing wages, increasing job growth and reducing income inequality
- > Young people favor decreasing taxes on the middle class and the poor, and strongly favor increasing taxes on the wealthy. However, young people are more divided in their opinions about whether taxes on business should be raised or lowered.
- > By wide margins, young people say that President Trump's budget will do more to help the rich than the middle class or the poor.
- > Majorities of young people disapprove of increased military spending at the expense of funds to other non-defense governmental institutions.
- > Majorities of Asian American, Latino/a and white Millennials favor increased federal spending on infrastructure, while African Americans are more opposed than supportive of increased infrastructure spending.
- > Millennials generally support governmental protections for the environment. However, African American Millennials express the most hesitancy towards governmental regulations.

I. Millennials' Economic Priorities and Evaluations of Donald Trump's Budget

Yesterday, Donald Trump's administration put forward its budgetary proposals and provided further details about its tax plan. The Trump administration's proposals include extensive reductions in tax rates, greater spending on defense, and a boost to infrastructure spending, with cuts to governmental agencies like the Environment Protection Agency (EPA) to partly offset the losses from tax reductions and greater spending on defense and infrastructure.

If Congress undertakes anything besides the Russia investigation over the next few months, these issues are likely to be at the top of their agenda. But the views of young Americans, especially young people of color, have been missing from debates over the administration's economic proposals. What are the economic priorities of young Americans? Do young people support the Trump administration's goals of across-the-board tax cuts, increased spending on the military, greater infrastructure spending, and reductions in funding to the EPA? Our most recent survey provides insight into the economic priorities of America's largest and most racially and ethnically diverse generation, and their views about the proposals put forward by the Trump administration.

Millennials' Economic Priorities

Millennials now comprise the largest share of the workforce. They also experience some of the highest unemployment rates, especially African American Millennials. We asked our respondents about the most important economic issues for President Trump to address.

Table 1 displays the three most important economic issues that Millennials think the current president should address. While there is some variation across race and ethnicity in young people's economic priorities, we find that three sets of issues are generally at the top of young adults' of all racial and ethnic groups concerns: **increasing wages, job growth** and **reducing income inequality**.

Table 1. The Three Most Important Economic Issues for Donald Trump to Address, by Race and Ethnicity

	African American adults 18-34	Asian American adults 18-34	Latino/a adults 18-34	White adults 18-34
Most cited problem	Increasing wages to keep up with cost of living (41%)	Reducing the gap between rich and poor (40%)	Increasing the minimum wage (29%)	Increasing job growth (31%)
Second most cited problem	Reducing the gap between rich and poor	Reducing poverty (25%)	Reducing the gap between rich and poor (28%)	Increasing wages to keep up with the cost of living
	Increasing job growth (31% each)			Reducing the gap between rich and poor (29% each)
Third most cited problem	Reducing poverty (27%)	Increasing job growth (23%)	Increasing job growth (27%)	Reducing the federal budget deficit (26%)
N=	528	262	518	504

Question: Here is a list of economic issues that some people have mentioned as ones that will be important for Donald Trump to address as president of the United States. Which 3 do you think are the most important for President Trump to deal with? Respondents select three from a list of 16 issues (see the toplines). *N* = 1,853. The percentage of respondents listing each issue as one of the three most important problems is listed in parentheses.

These economic priorities are likely to inform Millennials' reactions to upcoming debates about the president's budgetary agenda. President Trump has argued that his proposals would increase job growth, an important priority for all Millennials. But many [analysts](#) have [argued](#) that his tax plans would increase, not reduce, the gap between rich and poor. Furthermore, the Trump administration and Republican Congress have suggested that some of their other economic priorities include reducing regulations and revising the tax code, neither of which generated widespread

recognition as a most-important economic issue in our survey. In sum, many of the items on the current president's economic agenda do not seem to address the core economic concerns of young people who make up an increasing proportion of the country's workforce.

Taxes

What do young people think about some of the specific economic proposals advanced by the Trump administration? We start by considering young peoples' opinions about taxation. The Trump administration's tax proposal would lower the tax rate on all income groups including the wealthy, the middle class, the poor, and businesses, but not to the same degree. Do young people favor decreasing, increasing, or leaving as they are taxes among these different groups?

As Figure 1 shows, overall Millennials generally support lowering taxes for the middle class and the poor, but not for wealthier individuals or businesses. We find the biggest differences across racial and ethnic groups when evaluating support for reducing taxes for the poor. African American and Latino/a Millennials are most supportive of reducing taxes for the poor, while smaller majorities of Asian Americans and whites see these groups as deserving of lower taxes. It is also notable that young people are much more supportive of reducing taxes on businesses than they are on millionaires.

Figure 1. Percent who Favor Decreasing Taxes

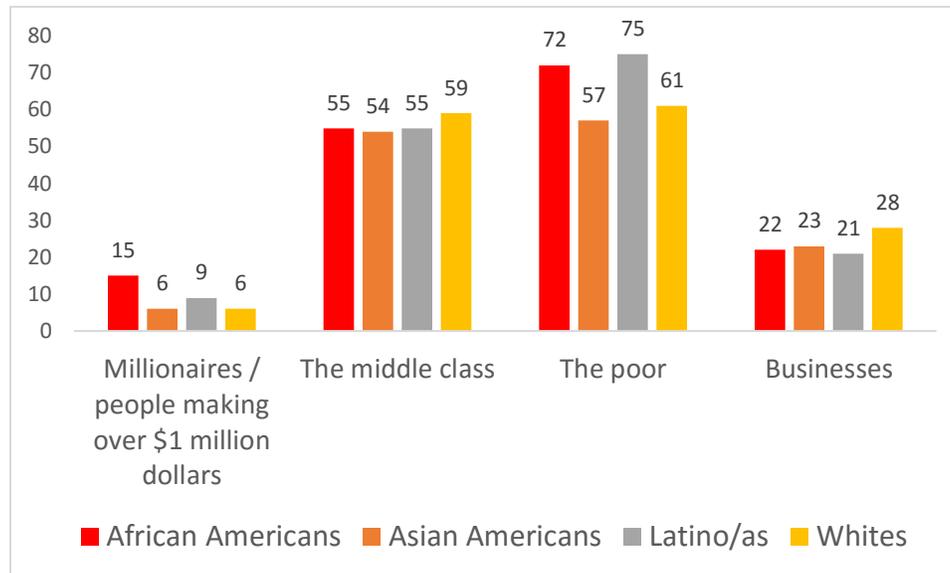
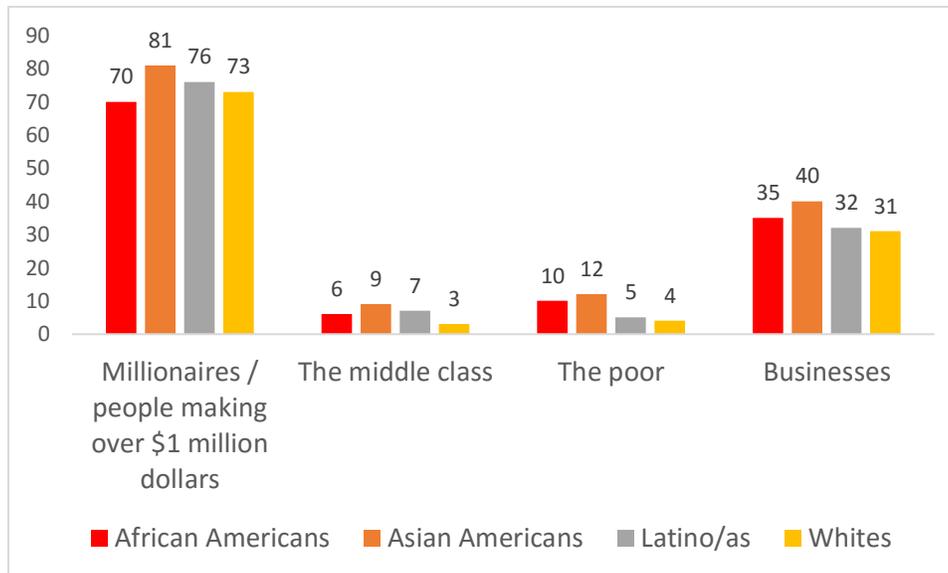


Figure 2 presents the percentage of respondents who favor *increasing* taxes on these groups. As Figure 2 shows, large majorities of young people in each racial or ethnic group say they favor increasing taxes on millionaires or individuals making over \$1 million dollars. Almost no one favors increasing taxes on the middle class or the poor. By comparison, young people are more divided in their views about taxation of businesses. Thus, while young people provide strong support for decreasing taxes on the middle class and poor and increasing taxes on the wealthy, there is no clear majority in either direction about the proper rate of taxation on businesses. The Trump administration’s plan to reduce the business tax rate appears as though it would be less uniformly disliked among Millennials than its proposal to reduce taxes on wealthy individuals.

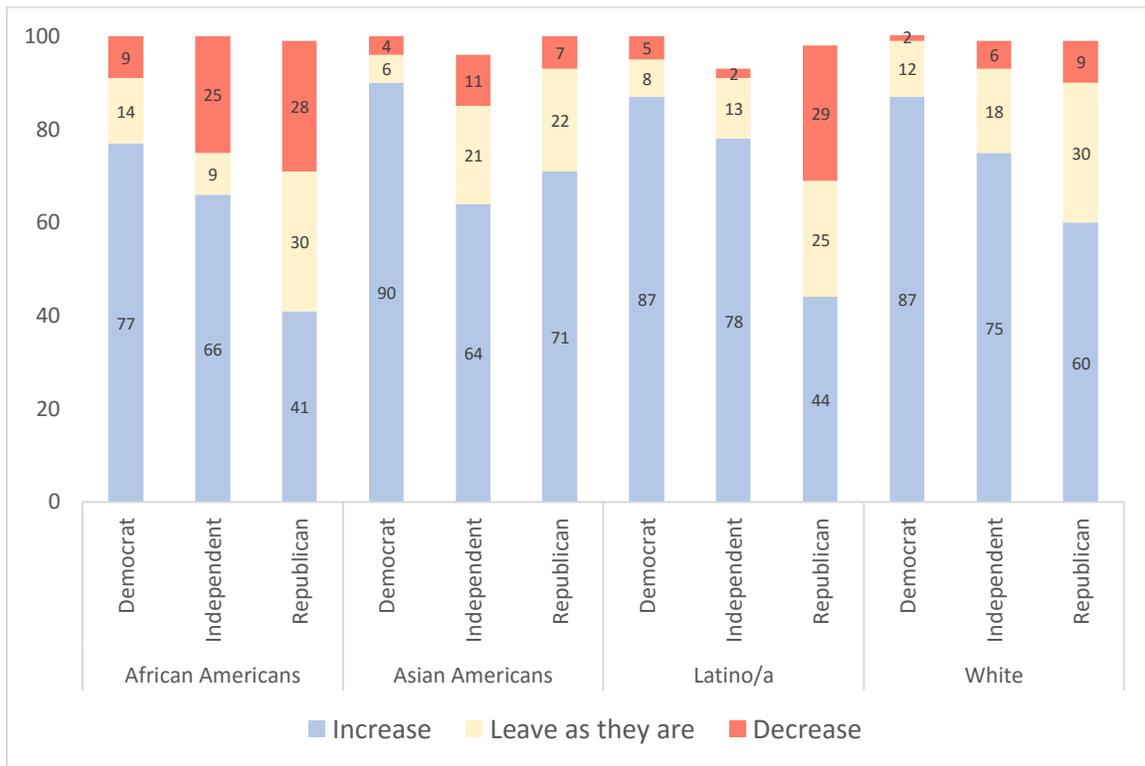
Figure 2. Percent who Favor Increasing Taxes



Views about taxation represent a classic partisan issue, with Republicans generally most in favor of across-the-board tax cuts and Democrats in favor of tax increases, especially on the wealthy. Do Millennials' views about taxes reflect this traditional partisan divide? Figure 3 presents differences between Democrats, Republicans and Independents, across racial and ethnic groups,³ in preferences for whether taxes on millionaires should be increased, decreased or kept the same.

³ Sample sizes of the above groups are as follows. African Americans: (Democrats, N = 380; Independents, N = 103; Republicans, N = 36). Asian Americans: (Democrats, N = 179; Independents, N = 36; Republicans, N = 41). Latino/as: (Democrats, N = 329; Independents, N = 94; Republicans, N = 89). Whites: (Democrats, N = 211; Independents, N = 79; Republicans, N = 209).

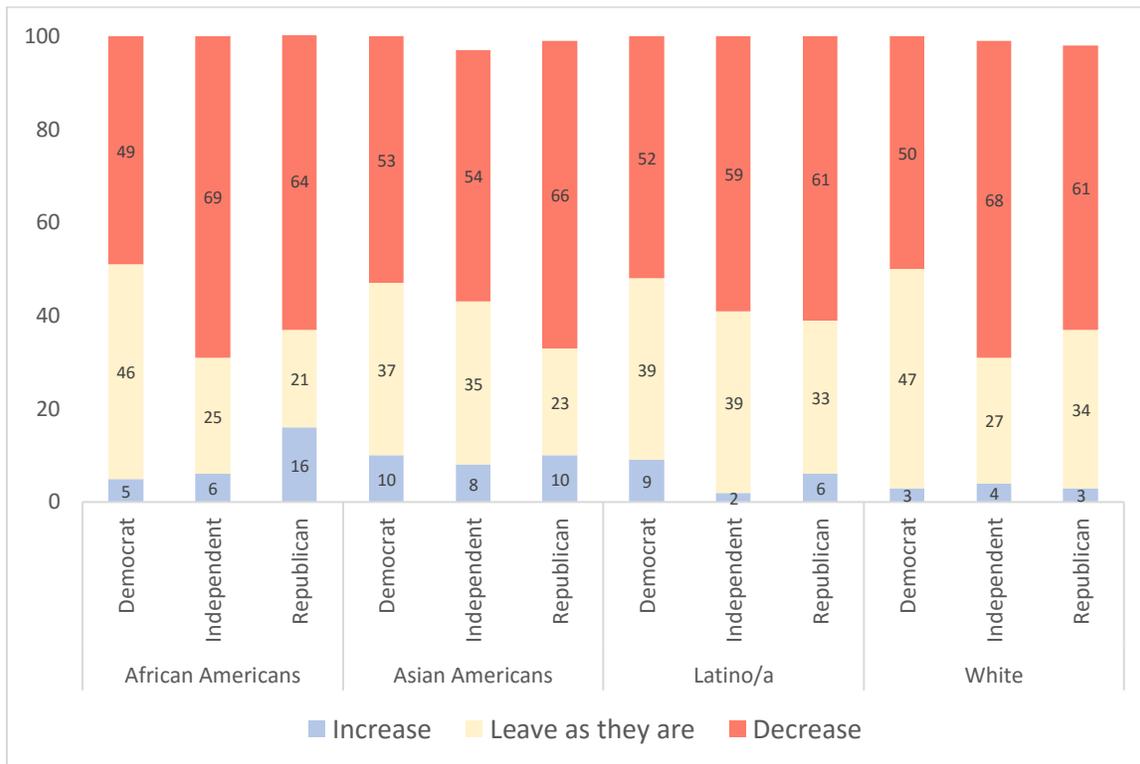
Figure 3. Partisan Differences in Taxation of Millionaires



Note: Some columns do not equal 100 percent due to rounding and don't know responses.

Figure 3 shows that there are generally big partisan differences in views of taxation on millionaires within and across racial and ethnic groups. For example, 77% of African American Democrats favor an increase on taxes of millionaires, compared to 66% of African American Independents and 41% of African American Republicans. Figure 4 presents the partisan breakdown in preferences of taxation on the middle class.

Figure 4. Partisan Differences in Taxation of the Middle Class



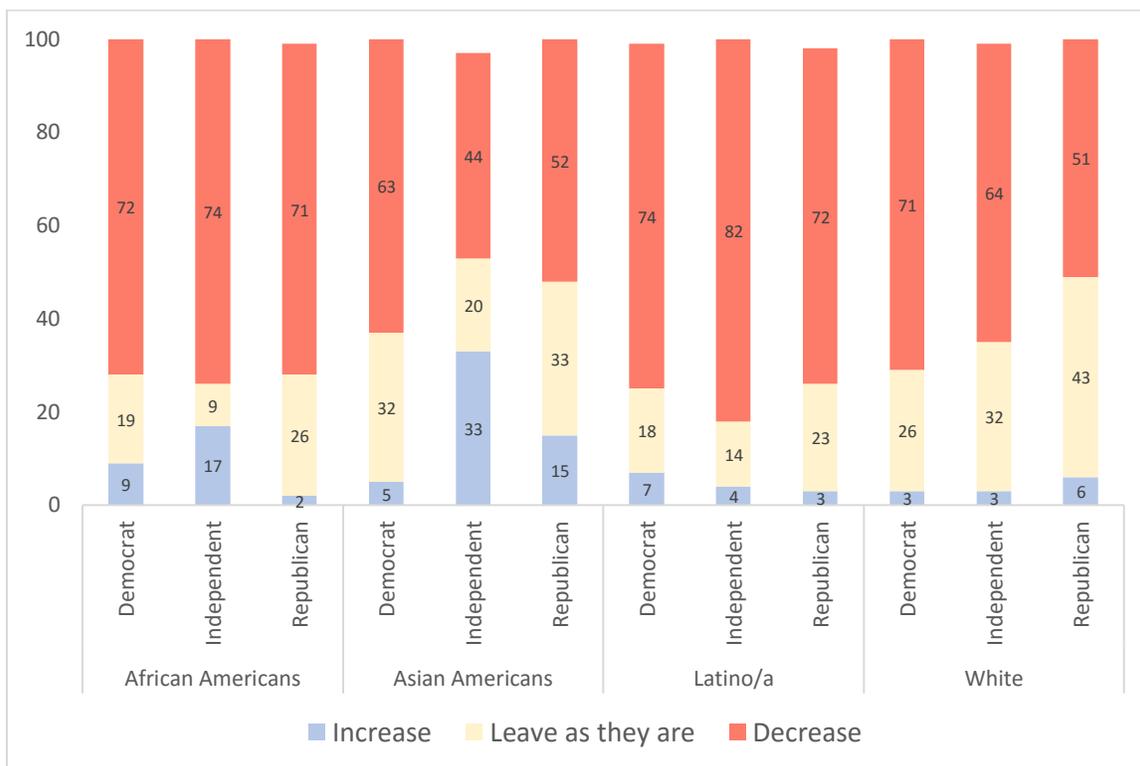
Note: Some columns do not equal 100 percent due to rounding and don't know responses.

Figure 4 shows that in general Democrats are less supportive of decreasing taxes on the middle class compared to Republicans who are generally the most supportive. For example, 53% of Asian American Democrats favor decreasing taxes on the middle class, compared to 54% of Asian American Independents and 66% of Asian American Republicans.

While Republicans are generally the most supportive of decreasing taxes on the middle class independent of race and ethnicity, it is Democrats who tend to be strongest advocates of decreased taxes on the poor, as presented in Figure 5. For example, 71% of white Democrats say they want to decrease taxes on the poor, compared to 64% of

Independents and 51% of Republicans. However, among African Americans and Latino/as there are fewer partisan differences in views about taxation of the poor, as large majorities (over 70%) of all partisan groups among African Americans and Latino/as favor decreased taxes on the poor.

Figure 5. Partisan Differences in Taxation of the Poor

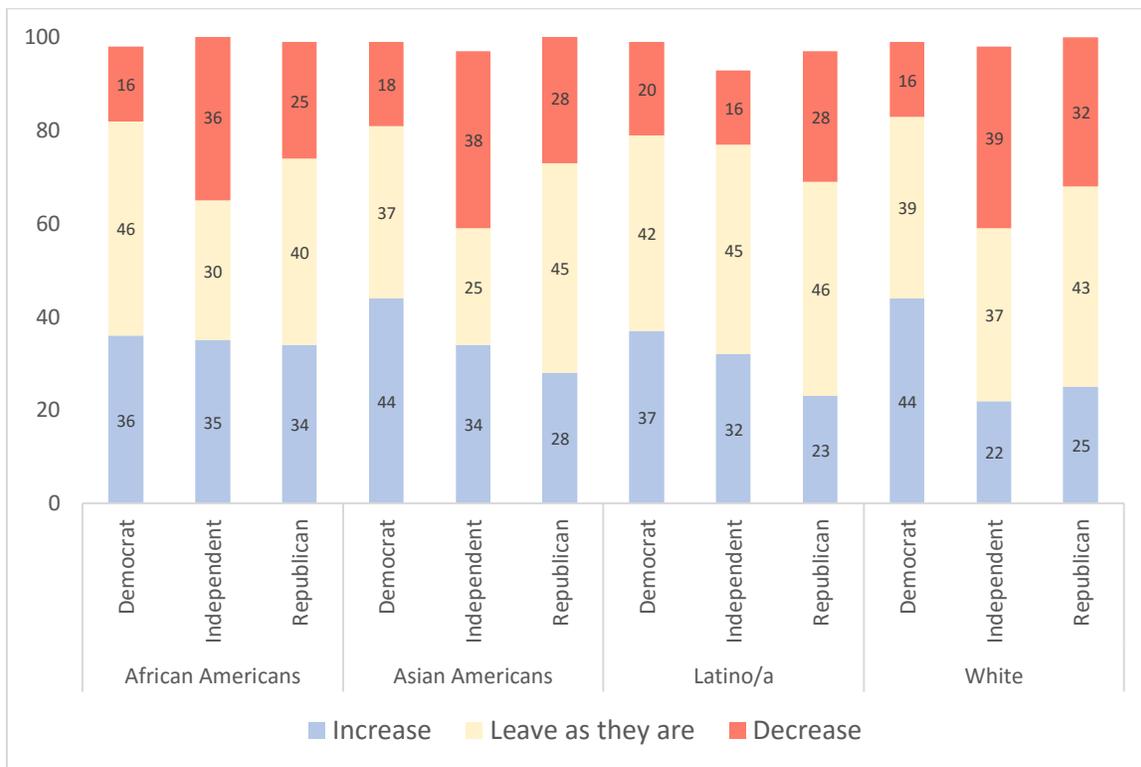


Note: Some columns do not equal 100 percent due to rounding and don't know responses.

Finally, Figure 6 looks at partisan differences in taxation of businesses. What we observe in this analysis is that Democrats are generally most supportive of increasing taxes on business, while Republicans are generally the least supportive of raising business taxes (though we again see fewer partisan differences among African Americans). However, even among Democrats there is no group for whom a majority say that business taxes should be increased. And among Republicans, there is no clear majority in favor of decreasing business taxes. These findings indicate that the

ambivalence we observed across racial and ethnic groups in views about business taxes extends as well when we look at partisanship

Figure 6. Partisan Differences in Taxation of Businesses



Note: Some columns do not equal 100 percent due to rounding and don't know responses.

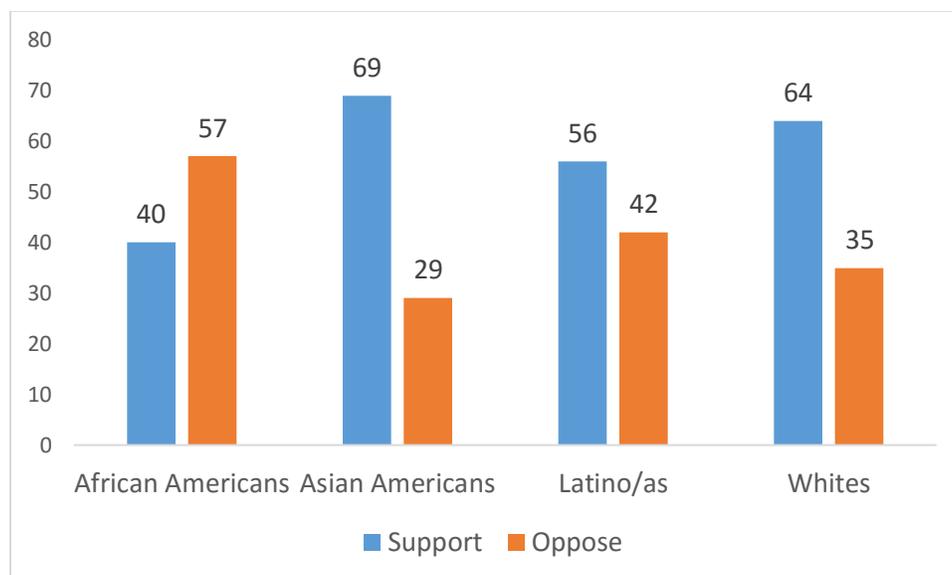
Infrastructure Spending

The Trump administration has also strongly argued for an increased commitment to infrastructure. President Obama too advocated for greater infrastructure spending to create new jobs and provide a needed update to America's bridges, roads and electrical grid.

As Figure 7 shows, majorities of Asian Americans, Latino/as, and whites support increased federal spending on infrastructure. However, African Americans are less supportive; in fact, a majority opposes greater infrastructure spending. African

Americans’ opposition to infrastructure spending may be rooted in distrust of President Trump or the federal government, or in a belief that such spending will not help them or their communities. Whatever the reasons for African American opposition, these findings suggest that while infrastructure spending may be broadly popular among young people, it is not supported by most African American Millennials and only by a smaller majority of Latino/a Millennials.

Figure 7. Support for Increased Federal Spending on Infrastructure

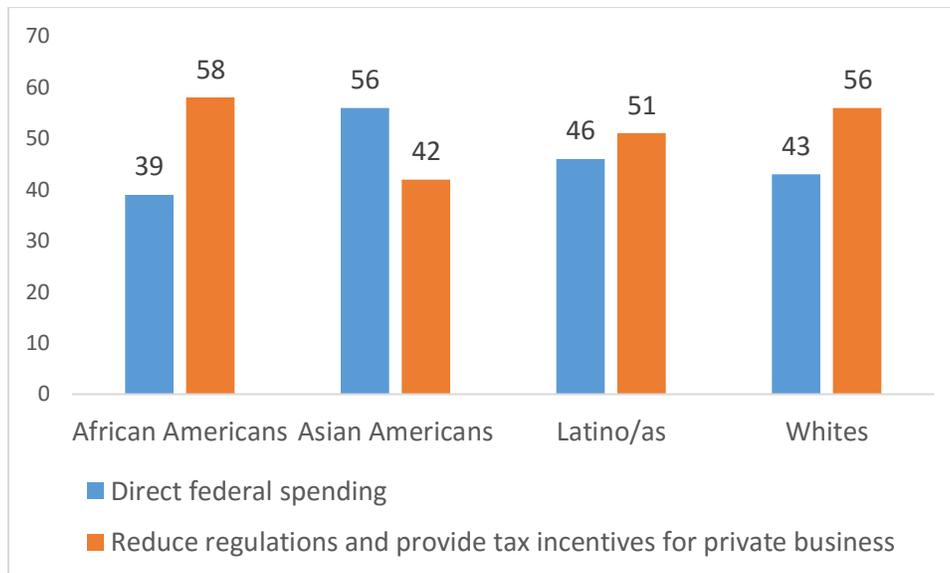


While President Trump and President Obama both advanced an infrastructure program, they differed in the ways they planned to pay for their programs. Specifically, President Obama’s plans prioritized (but did not wholly rely upon) direct federal spending, while President Trump’s proposal prioritizes other mechanisms such as decreasing regulations and providing tax incentives to spur infrastructure investment from private businesses. Which infrastructure plan do Millennials prefer?

Figure 8 indicates that reducing regulations and providing tax incentives to private business is the preferred method for generating infrastructure spending among majorities of African Americans, Latino/as, and whites. In contrast, a majority of Asian American Millennials support funding infrastructure by direct federal spending. These

findings suggest that the infrastructure plans put forward by the Trump administration may be well received by many young adults.

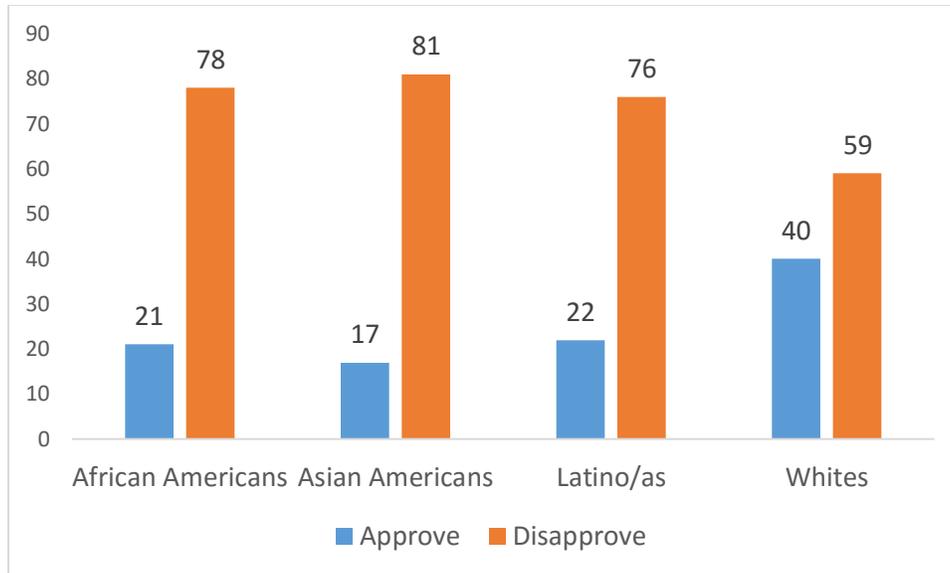
Figure 8. Agreement with Different Ways of Generating Infrastructure Spending



Defense Spending

The Trump administration also proposes significant increases in spending for the military and national defense, which they hope to pay for by cutting spending on other non-defense agencies. As Figure 9 shows, however, majorities of young people disapprove of increased military spending at the expense of funds to other non-defense governmental institutions. Young adults of color are most opposed to this proposal, while young whites disapprove by a narrower margin.

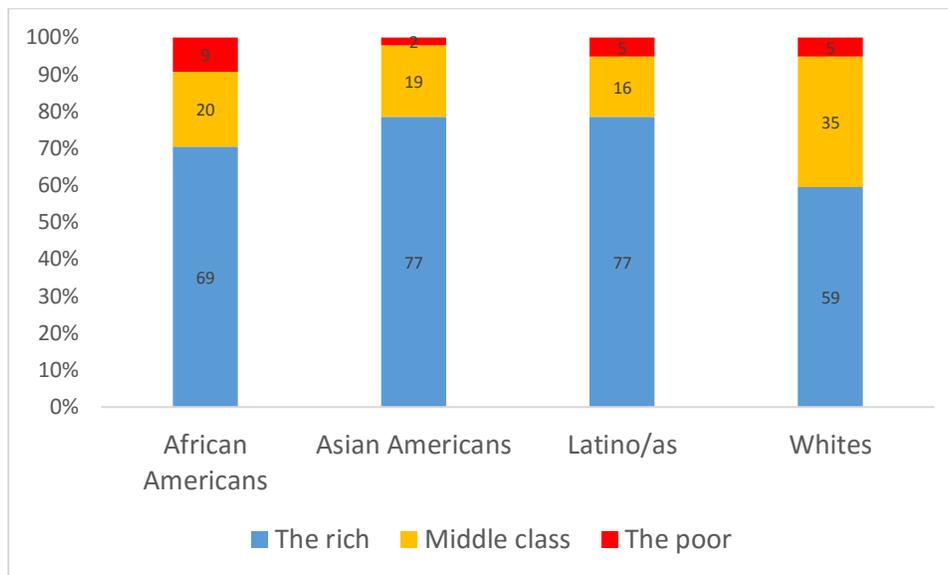
Figure 9. Approval and Disapproval of Increased Military Spending by Cutting Funding for the State Department, Environmental Protection Agency and other non-defense agencies



Who Benefits from Trump’s Budget Proposals?

Overall, the data indicate that young people perceive that Trump’s budget proposals would help the rich more than they would benefit the middle class or the poor. As Figure 10 shows, majorities of all young people believe that Trump’s budget will help the rich, and some believe it will help the middle class, but very few say that Trump’s budget will help the poor. This impression that Trump’s budget primarily helps the rich is likely to limit the appeal of his budgetary proposals among young people who, while possessing nuanced and divided views about business and regulations, overwhelmingly said they favor raising taxes on wealthier individuals and for whom reducing the gap between the rich and poor is an important economic priority.

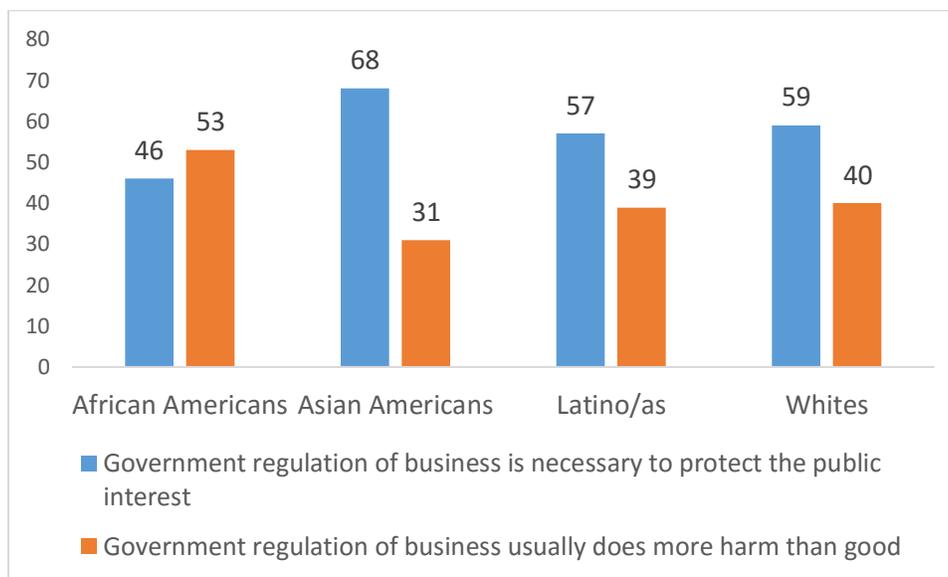
Figure 10. Does the Federal Budget Proposals Put Forth by Donald Trump Generally do more to Help the Rich, the Middle Class, or the Poor?



II. Business Regulations, the Economy, and the Environment

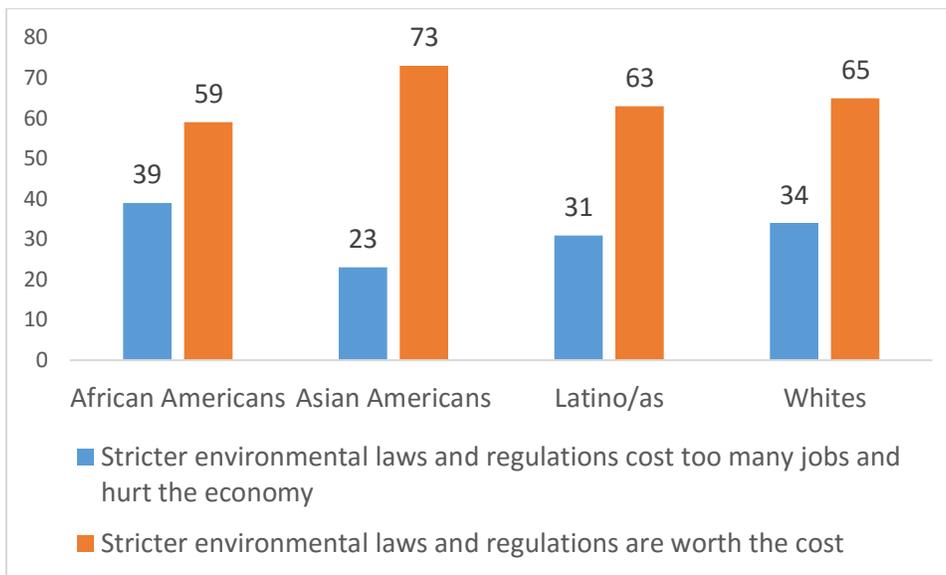
At the heart of the Trump administration’s economic agenda is a belief in free markets and reducing the reach of government. This is evident, for example, in the administration’s “two-for-one” rule, according to which federal agencies are directed to eliminate two regulations for each new one they create. This agenda is also clear in the Trump administration’s budget proposal which calls for large cuts in federal agencies including the Environmental Protection Agency (EPA). In this section we explore Millennials’ positions on business regulations and their relationship with the economy. As Figure 11 shows, young people’s views about government regulation of business vary by race and ethnicity. Asian Americans most commonly believe that government regulation of business is necessary to protect the public interest, a view shared by smaller majorities of whites and Latino/as. A majority of African Americans, however, says that government regulation usually does more harm than good.

Figure 11. Is Government Regulation of Business Necessary to Protect the Public Interest or Does It Do More Harm than Good?



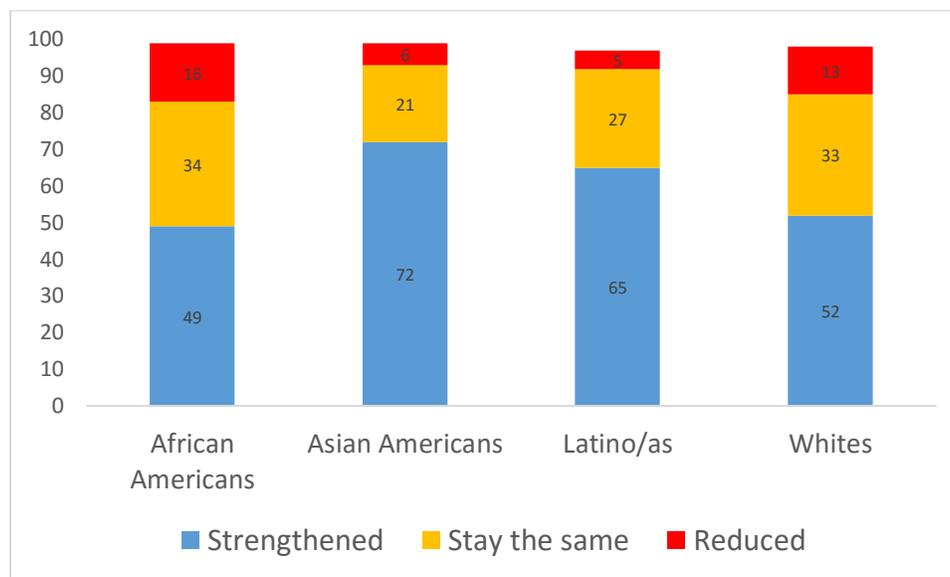
We find similar patterns to those in Figure 11 when studying young people’s views about the effects of environmental regulations on the economy. Figure 12 shows that majorities of all racial and ethnic groups say that environmental laws and regulations are worth the cost, though African Americans are the least likely to endorse this view. Notably, the majority position among African Americans shifts across Figure 11 and 12, such that majorities agree with the statement that regulations do more harm than good in Figure 11 but majorities also say in Figure 12 that stricter environmental laws and regulations are worth the cost. This seeming contradiction may stem from the fact that in Figure 12 respondents are asked about environmental regulations specifically, while in Figure 11 the question asks about the public interest in general. Thus, it appears that African Americans support regulations when aimed at the specific goal of protecting the environment, but otherwise are more skeptical about regulations that they may perceive as limiting their economic opportunities.

Figure 12. Do Stricter Environment Regulations Cost Too Many Jobs and Hurt the Economy or Are They Worth the Cost?



Finally, we asked Millennials for their opinions about whether environmental protections should be strengthened, left as they are, or reduced. As Figure 13 shows, majorities of Whites, Latino/as, and Asian Americans all say that environmental protections should be strengthened. This is also the most common response among African Americans, but falls just short of a majority. Interestingly, whites and African Americans are similar in being the most ambivalent about whether environmental protections should be strengthened, kept the same, or reduced. Asian Americans and Latino/as more uniformly agree that environmental protections should be strengthened.

Figure 13. Should Environmental Protections Be Strengthened, Stay the Same, or Reduced?



Collectively, the above findings suggest that young people have a complex set of values regarding the proper role of government as it relates to business regulations, the economy, and protecting the environment. Many Millennials favor government regulations because they care about the environment. But some young adults also need jobs and want a better economic future and may perceive government regulation as a hindrance to their economic goals. These trade-offs appear to be especially notable among African American Millennials who, perhaps because of the discrimination they face in the labor market and workplace, express the most hesitancy towards governmental regulations and environmental protections that they may perceive as further limiting their already restricted economic opportunities.

Conclusion

The economic landscape in America is at a crossroads. The unemployment rate in April 2017 was 4.4 percent, a ten-year low and the lowest rate since the Great Recession of 2007-2008 (though unemployment remains high in certain communities and for certain

groups like African American Millennials). These figures suggest that the American economy is healthy and strong. However, these numbers do not match young Americans' economic perceptions. As we reported in our [previous memo](#), most young Americans perceive the economy as somewhat or very poor. Do young people see the Trump administration as addressing their core economic concerns? Our findings suggest that the Trump administration's budgetary proposals largely *do not* meet the economic demands of young adults. The most pointed evidence is that young people largely perceive Trump's budget as aimed towards helping the rich, a group for whom young people overwhelmingly favor increasing taxes. To bring economic reality into alignment with economic perceptions and dreams, it is imperative that government officials address the economic concerns and values of young Americans. Our data suggests that this requires a greater emphasis on increasing wages, reducing income inequality, and protecting the environment, all while not restricting opportunities for economic advancement.

III. Study Methodology

The GenForward April/May survey is a project of the Black Youth Project at the University of Chicago. Interviews were conducted with a representative sample from GenForwardSM, a nationally representative survey panel of adults ages 18-34 recruited and administered by NORC at the University of Chicago and funded by grants to the Black Youth Project at the University of Chicago from the John D. and Catherine T. MacArthur Foundation and the Ford Foundation.

A total of 1,853 interviews were conducted between April 14 and May 1, 2017 with adults ages 18-34 representing the 50 states and the District of Columbia, including completed interviews with 528 African American young adults, 262 Asian American young adults, 518 Latino/a young adults, 504 white young adults, and 41 young adults with other racial and ethnic backgrounds. The survey was offered in English and Spanish and via telephone and web modes.

The GenForward survey was built from two sample sources: Fifty-nine percent of the completed interviews are sourced from NORC's AmeriSpeak® Panel. AmeriSpeak is a probability based panel that also uses address-based sample but sourced from the NORC National Frame with enhanced sample coverage. During the initial recruitment phase of the AmeriSpeak panel, randomly selected U.S. households were sampled with a known, non-zero probability of selection and then contacted by U.S. mail, email, telephone, and field interviewers (face-to-face).

Forty-one percent of the completed interviews are sourced from the Black Youth Project (BYP) panel of young adults recruited by NORC. The BYP sample is from a probability-based household panel that uses an address-based sample from a registered voter database of the entire U.S. Households were selected using stratified random sampling to support over-sampling of households with African Americans, Latino/as, and Asian Americans ages 18-34. NORC contacted sampled households by U.S. mail and by telephone, inviting them to register and participate in public opinion surveys twice a month.

Panelists on both the BYP and AmeriSpeak panels are invited to register for the panel via the web or by telephone to participate in public opinion surveys.

Of the 1,853 completed interviews in the GenForward April survey, 93 percent were completed by web and 7 percent by telephone. The survey completion rate is 32 percent. The weighted household panel recruitment rate is 22.4 percent and the weighted household panel retention rate is 94.2 percent, for a cumulative AAPOR Response Rate 3 of 6.8 percent. The overall margin of sampling error is +/- 3.46 percentage points at the 95 percent confidence level, including the design effect. Among subgroups, the margin of sampling error at the 95 percent confidence level is +/- 6.81 percentage points for African Americans, +/- 8.24 percentage points for Asian Americans, +/- 7.19 percentage points for Latino/as, and +/- 6.43 percentage points for whites.

To encourage cooperation, respondents were offered incentives for completing the survey that ranged from the cash-equivalent of \$3 to the cash-equivalent of \$10.

The interviews from the two probability-based sample sources were combined for statistical weighting and analysis. The combined panel samples provide sample coverage of approximately 97% of the U.S. household population. Those excluded from the sample include people with P.O. Box only addresses, some addresses not listed in the USPS Delivery Sequence File, and some newly constructed dwellings. The statistical weights incorporate the appropriate probability of selection for the BYP and AmeriSpeak samples, nonresponse adjustments, and also, raking ratio adjustments to population benchmarks for 18-34 year old adults. A poststratification process is used to adjust for any survey nonresponse as well as any non-coverage or under- and over-sampling resulting from the study-specific sample design. The poststratification process was done separately for each racial/ethnic group and involved the following variables: age, gender, education, and census region. The weighted data, which reflect the U.S. population of adults ages 18-34, and the 18-34 year-old populations for African Americans, Latino/as, Asian Americans, and non-Latino/a whites, were used for all analyses.