

## Why Not Spend More on Health Care?

*Entertainment, clothes, automobiles and food are far lower priorities.*

Rich countries generally spend a higher percentage of gross domestic product (GDP) on health care than poor countries. And as countries have become richer over the long haul, the percentage of GDP that they have spent on health care has increased. New Harris Interactive data suggests that this pattern is entirely consistent with public preferences, at least in this country (and, we believe, also in other countries). **This is because the public sees health care as a “superior good” – as a better way of spending money than on bigger and better cars, more clothes, more food, more vacations, more jewelry, bigger houses or more entertainment.**

This Harris Interactive survey finds that as, and when, the economy grows, most people would like to see a disproportionate share of that growth going toward increased spending on health care, education and defense, in that order. Only a few people think that food, clothes, housing, automobiles and transportation, or leisure and entertainment should be high priorities for economic growth.

These are the results of a nationwide *Harris Poll*<sup>®</sup> of 3,462 adults surveyed online between May 19 and 27, 2003, with the same methodology used by Harris Interactive to predict the 2000 U.S. elections with great accuracy.

When asked which of eight major segments of the economy should be the highest priority for future growth, most people picked health care (34%), education (29%), or defense (27%). Very few people picked any of the other items – housing (4%), food (3%), automobiles and transportation (1%), clothes (less than 0.5%) or leisure and entertainment (less than .05%). When people were asked to give both their first and second choices, the same three areas of spending topped the list, but the gaps between them widened somewhat. Fully 67% pick health care as their first or second choice, 53% pick education and 46% choose defense.

### Differences by Age

There are substantial differences in attitudes and priorities among the different segments of the population. While health care is high on the list for all segments, it is higher among people aged 40 years and over than among people under 40. Among people aged 18 to 24 years, 39% pick education, 25% pick defense and only 23% pick health care. And among those aged 25 to 29 years, 36% pick education, 29% pick health care and 24% pick defense.

### Differences by Party and Political Philosophy

There are substantial differences among the priorities of Republicans, Democrats and independents as well as among conservatives, moderates and liberals. Health care tops the list of priorities among Democrats (42%) and independents (39%) as well as among liberals (48%) and moderates (35%). Only 22% of Republicans and 23% of conservatives choose health care as their number-one priority, whereas 45% of both groups pick defense as their number-one priority for future growth.

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MARKET RESEARCH

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**A paradox: the things paid for with tax money are more important than those we buy with our own money.**

Much of health care, most of education and all of defense are **paid for out of taxes**, whereas the other items on the list, which only a few people regard as equally high priorities for increased spending and growth – housing, food, automobiles, entertainment and clothes, are mostly paid for with after-tax dollars by individual consumers.

A visitor from outer space who looked at these numbers might conclude that most Americans would be strongly supportive of much higher taxation to spend on health care, education and defense – our top priorities. This visitor would be puzzled by the popularity of politicians who favor tax cuts and, by implication, less money for the segments of the economy which the public believes should grow the fastest.

In commenting on these numbers, **Ian Morrison**, Ph.D., the well-known futurist, observed, “This is striking evidence that the American public favors more spending on public goods like health, education and defense. Despite recent tax cuts, politicians will continue to feel pressure to expand these sectors. In particular, health care seems destined to increase substantially as a share of the economy, not only because of the often-cited driving forces of aging and technology, but because the public wants increased investment in health services. The official government forecast of health care taking 17% of GNP by 2011 may prove to be a severe underestimate of health care’s role in the future.”

And that would be consistent with the public’s priorities.

**TABLE 1**

**Highest Priority For Economic Growth**

“Different segments of the economy grow at different rates. This is a list of some of the biggest segments of the whole U.S. economy – how money is spent. As the economy grows, which of these do you think should be the **highest priority for future growth?**”

Base: All adults

	Total	Age					
		18-24	25-29	30-39	40-49	50-64	65 +
	%	%	%	%	%	%	%
Health care	34	23	29	32	36	40	36
Education	29	39	36	34	27	21	23
Defense	27	25	24	24	26	31	31
Housing	4	3	5	3	5	4	5
Food	3	5	3	2	3	1	3
Automobiles and transportation	1	1	*	1	1	*	-
Leisure and entertainment	*	*	*	*	*	1	1
Clothes	*	*	*	*	*	*	*
Other	1	1	1	2	1	1	1
Not sure	1	2	2	1	*	*	1

**TABLE 1** (cont.)

	Total	Party I.D.			Political Philosophy		
		Republican	Democrat	Independent	Conservative	Moderate	Liberal
	%	%	%	%	%	%	%
Health care	34	22	42	39	23	35	48
Education	29	22	34	29	19	32	35
Defense	27	45	16	22	45	24	10
Housing	4	3	4	5	3	5	3
Food	3	3	2	4	4	2	2
Automobiles and transportation	1	1	*	*	1	1	1
Leisure and entertainment	*	*	*	*	*	1	*
Clothes	*	*	*	*	*	*	*
Other	1	1	1	1	1	1	1
Not sure	1	2	*	*	2	*	*

\* Less than 0.5%.

Percentages may not add up to 100% due to rounding.

**TABLE 2**

**1st And 2nd Highest Priorities For Economic Growth (Combined)**

“Different segments of the economy grow at different rates. This is a list of some of the biggest segments of the whole U.S. economy – how money is spent. As the economy grows, which of these do you think should be the **highest/second priority for future growth?**”

Base: All adults

	Total	Party I.D.			Political Philosophy		
		Republican	Democrat	Independent	Conservative	Moderate	Liberal
	%	%	%	%	%	%	%
Health care	67	58	73	70	54	69	77
Education	53	45	60	52	44	54	65
Defense	46	65	34	43	66	45	26
Housing	13	9	15	15	10	14	14
Food	7	6	7	8	8	6	7
Automobiles and transportation	6	6	5	6	7	5	6
Leisure and entertainment	2	2	2	2	3	2	2
Clothes	1	*	1	*	1	*	1

NOTE: Percentages may add to more than 100% because respondents can select multiple responses.

\* Less than 0.5%.

**TABLE 3**

**Lowest Priority For Growth**

“Different segments of the economy grow at different rates. This is a list of some of the biggest segments of the whole U.S. economy – how money is spent. As the economy grows, which of these do you think should be the **lowest priority** for future growth”

Base: All adults

	Total	Age					
		18-24	25-29	30-39	40-49	50-64	65 +
	%	%	%	%	%	%	%
Leisure and entertainment	41	42	40	38	44	42	38
Defense	13	11	15	14	12	13	10
Clothes	9	9	9	10	9	9	11
Education	8	5	5	8	9	10	7
Housing	7	7	6	7	6	6	8
Health care	6	10	8	5	5	5	5
Automobiles and transportation	4	5	6	4	4	3	3
Food	3	3	5	4	2	1	3
Other	4	4	4	4	4	5	5
Not sure	5	4	3	5	5	6	9

	Total	Party I.D.			Political Philosophy		
		Republican	Democrat	Independent	Conservative	Moderate	Liberal
	%	%	%	%	%	%	%
Leisure and entertainment	41	45	39	41	44	41	36
Defense	13	5	17	15	5	12	24
Clothes	9	11	9	8	10	10	9
Education	8	9	7	7	10	8	5
Housing	7	5	6	8	6	7	7
Health care	6	9	5	4	9	5	5
Automobiles and transportation	4	4	4	5	5	4	4
Food	3	2	3	4	2	3	4
Other	4	5	3	3	6	4	3
Not sure	5	5	6	5	4	7	3

**Methodology**

This survey was conducted online within the United States between May 19 and 27, 2003 among a nationwide cross section of 3,462 adults. Figures for age, sex, race, education and number of adults in the household were weighted where necessary to bring them into line with their actual proportions in the population. “Propensity score” weighting was also used to adjust for respondents’ propensity to be online.

In theory, with probability samples of this size, one could say with 95 percent certainty that the results have a statistical precision of plus or minus two percentage points of what they would be if the entire adult population had been polled with complete accuracy.

Unfortunately, there are several other possible sources of error in all polls or surveys that are probably more serious than theoretical calculations of sampling error. They include refusals to be interviewed (non-response), question wording and question order, and weighting. It is

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impossible to quantify the errors that may result from these factors. This online survey is not a probability sample.

*These statements conform to the principles of disclosure of the National Council on Public Polls.*

## About Harris Interactive®

Harris Interactive ([www.harrisinteractive.com](http://www.harrisinteractive.com)) is a worldwide market research and consulting firm best known for *The Harris Poll*®, and for pioneering the Internet method to conduct scientifically accurate market research. Headquartered in Rochester, New York, U.S.A., Harris Interactive combines proprietary methodologies and technology with expertise in predictive, custom and strategic research. The Company conducts international research through wholly owned subsidiaries—London-based **HI Europe** ([www.hieurope.com](http://www.hieurope.com)) and Tokyo-based **Harris Interactive Japan**—as well as through the Harris Interactive Global Network of local market- and opinion-research firms, and various U.S. offices. EOE M/F/D/V

To become a member of the Harris Poll Online<sup>SM</sup> and be invited to participate in future online surveys, visit [www.harrispollonline.com](http://www.harrispollonline.com).

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