

The Political Economy of Beliefs: Why Do Fiscal and Social Conservatives/Liberals Come Hand-in-Hand?

Daniel L. Chen and Jo T. Lind*

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Abstract

Religious intensity as social insurance may explain why fiscal and social conservatives and fiscal and social liberals come hand-in-hand. We find evidence that religious groups with greater within-group charitable giving are more against the welfare state and more socially conservative. The alliance reverses (social conservatives become fiscal liberals) for members of a state church and this reversal is unlikely to be driven by omitted environmental variables: increases in church-state separation precede increases in the alliance between fiscal and social conservatism. The theory provides a novel explanation for religious history: as elites gain access to alternative social insurance, they legislate increasing church-state separation to create a constituency for lower taxes. This holds if religious voters exceed non-religious voters, otherwise, elites prefer less church-state separation in order to curb the secular left, generating multiple equilibria where some countries sustain high church-state separation, high religiosity, and low welfare state, and vice versa. We use this framework to explain the changing nature of religious movements, from Social Gospel to the religious right, and why church-state separation arose in the US but not in many European countries.

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*NICHD Postdoctoral Fellow, University of Chicago, 1155 East 60th Street, Chicago, IL 60637. Email: dlc@uchicago.edu. Department of Economics, University of Oslo, PB 1095 Blindern, 0317 Oslo, Norway. E-mail: j.t.lind@econ.uio.no. We thank colleagues and seminar participants at the University of Chicago, UCLA, and UCSD for comments.

From abolition to woman suffrage to civil rights, the leaders of America's most successful liberal crusades have turned to the Bible to justify their causes, but the history of the religious left seems to stop in 1968, the starting point of a decades-long trend by which Democrats have become the secular party and the Republicans the religious party (Lizza 2005).

1 Introduction

Why do fiscal and social conservatives and fiscal and social liberals come hand-in-hand in the times and places that they do? Today, some argue that depending on the welfare state is the same as worshipping the government as if it were God. In the US, welfare support decreases and self-identified fundamentalism increases with religious attendance.

[Figure 1 goes here]

In contrast to the Social Gospel movement of the early 1900s (Fogel 2000) or the Christian Democratic party in some European countries, contemporary religious groups tend to emphasize individual responsibility at the expense of the welfare state. No obvious theory explains why political alliances align along one diagonal in a matrix of fiscal and social attitudes. Religious intensity as social insurance provides a simple explanation. The religious right may be against welfare because it competes against their constituency.

This paper seeks to explain three puzzles. First, why fiscal and social conservatism align together in most countries is puzzling since the fiscal libertarianism espoused by the Republican party could be a good fit with an equally libertarian position on issues of personal choice such as abortion. Second, why fiscal and social conservatism did not align together in the past or in some countries today presents another puzzle. *Fiscal* separation between church and state is key: welfare is not competitive against the religious right when government funding can be targeted to state churches. Third, why some countries separated church and state but not others presents the final puzzle. Elites are incentivized to separate church and state when alternative social insurance become available and the relative weight of religious constituencies is large. Religious constituencies shift to fiscal conservatism, creating pressure for a smaller welfare state, which in turn increases religious constituencies and closes the model.

The hypothesis that the religious right may be against welfare because it competes against their constituency leads to several theoretical predictions. Religious groups with greater within-group charitable giving would be more against the welfare state and more socially

conservative. However, were the government to be fundamentalist or church-state separation not exist as is the case in many developing and some developed countries, the alliance would reverse: social conservatives would be fiscal liberals. This will be particularly true for members of the state church. Without fiscal separation between church and state, the welfare state can directly assist state churches. Increasing fiscal separation between church and state should be correlated with increasing strength between fiscal and social conservatism.

We use this theory to provide a novel explanation of religious history. As credit markets develop, elites gain access to alternative social insurance and prefer to opt out of religious and government insurance. They increase church-state separation to turn previously pro-welfare religious groups against welfare, creating a constituency for lower taxes. But this incentive to increase church-state separation exists only if religious voters exceed non-religious voters, whose tax preferences shift in the opposite direction. If non-religious constituencies are large enough, elites prefer less church-state separation in order to curb the secular left.

We close the model with a simple observation. Countries with high religious weight increase church-state separation and shrink the welfare state, which induces marginal members seeking insurance to become more religious, creating a positive feedback. Multiple equilibria arise where some countries sustain high religiosity, high church-state separation, and low welfare state, and vice versa. At the other equilibrium, elites in countries with low religious weight prefer to decrease church-state separation to curb the demand for welfare by non-religious groups, but a smaller welfare state would induce marginal members seeking insurance to become more religious, creating a negative feedback. The negative feedback reduces the initial incentive to decrease church-state separation and stabilizes countries with low initial religious weight at low church-state separation, low religiosity, and high welfare state.

Interestingly, temporary shifts in any of these factors, credit availability or religious intensity, can cause countries to permanently shift from one steady state to another, important for understanding the dynamics of credit market access, theocracy, and fundamentalism in developing and reconstructing war-torn countries. For example, economic sanctions may increase theocratic tendencies in religious countries if elites are restricted from international capital markets and lose alternative social insurance. In this case, the story reverses: elites decrease church-state separation if religious voters exceed non-religious ones to increase the constituency for a high degree of government-cum-religious insurance.

Data from the US and across the world confirm these propositions. The US General Social Survey and World Values Survey show that fiscal and social conservatism and fiscal and social liberalism do tend to come hand-in-hand. Church attendance is strongly correlated with social conservatism as well as fiscal conservatism. The fraction of charitable giving con-

tributed to religion is monotonically increasing in conservatism: Mormons (0.91), Evangelical Protestant (0.82), Mainline Protestant (0.62), Catholic (0.51), Other (0.50), Jewish (0.40), and None (0.40). Within-group giving is strongly correlated with fiscal conservatism as well as social conservatism. Across the world, church attendance strongly predicts decreasing support for government welfare as well as increasing social conservatism. The relationship between church attendance and fiscal conservatism is weaker in countries without church-state separation. Church attendance predicts increasing support for welfare if the individual is a member of the state church.

Data from Supreme Court decisions indicate increasing separation between church and state precede increases in the alliance between fiscal and social conservatism. Church attendance predicts Republican voting but the strength of this relationship was declining before 1980 and has sharply increased ever since. Changes in church-state separation are measured by the net number of Supreme Court decisions on prayer in public schools, religious meetings in public schools, and the like. (To the best of our knowledge, ours is the first data to quantify the degree of church-state separation within the US.) Monthly church attendance in the US was 57% in 1972 but has declined to 45% in 2000, dipping below 50% in 1992, consistent with the contemporaneous force to decrease church-state separation as measured by judicial decisions and contemporary debate. European countries that never separated church and state do in fact have lower church attendance and larger welfare state.

Why did the Social Gospel movement become the religious right? More precisely, why is it that religious groups that once led the welfare movement around the world (e.g. Social Gospel in the US and Christian Democrats in Europe) have become or been replaced by the religious right in the US, where religious groups prefer to dismantle the welfare state? In the absence of church-state separation, religious insurance groups are incentivized to expand the welfare state as it allows them to attain greater participation by others, which expands their budget set. However, as credit markets expand, elites desire less social insurance. In countries with high religiosity like the US, elites increase church-state separation, thereby creating the religious right, who want less welfare. This creates a self-sustaining cycle of high religiosity, high church-state separation, and low welfare provision. Why did church-state separation arise in the US but not in many European countries? In many European countries with low initial religiosity, elites never increased church-state separation, to curb the appetite of the secular left. This creates a stable equilibrium with low religiosity, low church-state separation, and high welfare provision.

The remainder of the paper is organized as follows. Section 2 discusses the related literature. Section 3 presents the theory. Section 4 discusses the data. Sections 5 through 9 present the empirical evidence and Section 10 concludes.

2 Literature Review

This research draws on several streams of literature. Converse (1964) and Poole and Rosenthal (1991, 1997) document a large political science literature on the uni-dimensionality of US congressional voting. If one diagrams fiscal conservatism-liberalism on an x-axis and social conservatism-liberalism on a y-axis, voting appears along a single diagonal in the 2-dimensional space. Gill and Lundsgaarde (2004) and Scheve and Stasavage (2005) document this pattern across countries as well. This uni-dimension commented upon by contemporary observers motivates the question, why do fiscal and social conservatives and fiscal and social liberals come hand-in-hand? Glaeser, Ponzetto, and Shapiro (2005) provide a theory for why religion is salient in politics but not why Republicans and Democrats divide along religious issues the way they do. Jost, Glaser, Kruglanski, and Sulloway (2003) provide a psychological theory of uncertainty aversion to explain why fiscal and social conservatism come together. Uncertainty aversion is consistent with a standard economic theory of risk-aversion to explain preferences for insurance.

Iannaccone (1992) and Berman (2000) build a theory of religion as providing a club good, the main component being social insurance. Ample case study evidence suggest religion provides social insurance.¹ Chen (2005a, 2005b) finds field evidence of religion providing social insurance. Chen (2005a) exploits relative price shocks induced by the Indonesian financial crisis to demonstrate a causal relationship between economic distress and religious intensity. Economic distress stimulates Koran study and Islamic school attendance but does not stimulate other social activities or secular school attendance. The results seem attributable to religious intensity as social insurance: credit availability reduces the effect of economic distress on religious intensity by roughly 80%, religious intensity alleviates needing alms or credit to meet basic needs at the peak of the crisis, and religious institutions facilitate consumption smoothing among villagers. Chen (2005b) finds that religious intensity is more strongly linked with social violence in regions that are more economically distressed. Again, credit availability mitigates this effect. These findings are explicated in a model where high marginal utilities during economic distress increase incentives for group conflict where group conflict increases the budget of insurance groups.

Gruber and Hungerman (2005), Hungerman (2005), Gill and Lundsgaarde (2004), and Cnaan, Boddie, Handy, and Schneider (2002) find evidence government welfare provision crowds out church participation and charitable provision. They do not highlight the political economy link that this would explain why religious groups are against government welfare because it would compete against their constituency. Scheve and Stasavage (2005)

¹See http://hrr.hartsem.edu/research/research_charitable_choice.html for a sample; and Kristof (2003)

contemporaneously make this argument, but do not expand the argument to explain the changing nature of religious movements or the rise of church-state separation. They do however discuss and rule out a number of alternative explanations for the link between religiosity and welfare preferences, such as theories involving denominational differences, altruism, differences in the making of inferences, issue-bundling, and spurious correlation. Chen (2005a) finds alternative social insurance in the form of credit reduces the effect of economic shocks on religious intensity. Glaeser and Scheinkman (1998) argue this may be a reason for religious usury restrictions.

This research also contributes to a growing literature on the political economy of beliefs², in particular "Why Did the West Extend the Franchise?" (Acemoglu and Robinson 2000) and "Why Have Women Become Left-Wing?" (Edlund and Pande 2002). We ask analogous questions, why did some countries separate church and state and why have religious people become right-wing. This research is also related to the theory literature (Demarzo, Vayanos, and Zwiebel 2003), which theorizes political positions generally and eventually map along a single axis. We are asking why particular positions (anti-abortion, anti-welfare) map to similar coordinates on that axis.

3 Theory

In this section, we develop the intuition for our model of the political economy of beliefs. Religious intensity represents the degree to which someone participates in mutual insurance, i.e. the higher the religious intensity, the greater fraction of income shock shared with the insurance group. Therefore, the more religious the group, the more compressed the distribution of shocks after religious redistribution (Chen 2005a finds evidence of this).

There are (at least) two formalizations for the link between social insurance and political economy. Since we are agnostic as to which model applies and this is not central to the paper, we refer the reader to footnotes. One intuition is that individuals have some desired level of insurance and can obtain that level of insurance through either religion or government.³

²This paper also contributes more generally to the immense literature on political economy (Becker 1958, Fiorina, Abrams and Pope 2004, Layman 2001), particularly the political economy of redistribution (Romer 1975, Meltzer and Richard 1981, Roemer 1998, Beito 2000, Kaufman 2003) and the political economy of social insurance (Moene and Wallerstein 2001, 2003). The paper also contributes to the economics of religion (Finke and Stark 1983, Iannaccone 1998) and church-state separation (Barro and McCleary 2005, Feldman 2005).

³Agents have average income y and receive random shocks ε with cdf $F(\cdot)$ where $E\varepsilon = 0$. Religious groups have the power to smooth shocks, so members of a religious group only receive a shock $a\varepsilon$ where $a < 1$. After this religious consumption smoothing, the government may give additional smoothing by a factor g but this comes at a cost $G(g)$ where G is an increasing and convex function. Then smoothed consumption is $c = y + ag\varepsilon - G(g)$.

The other intuition is that social insurance involves some inefficiency, the total loss by those who share their positive shocks is greater than the total gain by those who smooth their negative shocks, so the more religious insurance, the poorer the marginal voter who favors further government redistribution.⁴

Proposition 1 : *Fiscal and social conservatives and fiscal and social liberals tend to come hand-in-hand. Religious groups with greater within-group charitable giving are more against the welfare state.*

Proposition 2 : *If church-state separation does not exist or the government were to become fundamentalist, the alliance would reverse: social conservatives would be fiscal liberals.*

In the absence of church-state separation, additional taxes is like further religious redistribution. Religious individuals are more in favor of government redistribution, but

Agents then prefer a level of government smoothing g that maximizes their utility function

$$\int u [y + ga\varepsilon - G(g)] dF(\varepsilon).$$

From the first order condition it follows that

$$G'(g) = a \frac{\int u'(c) \varepsilon dF(\varepsilon)}{\int u'(c) dF(\varepsilon)}.$$

Under very general conditions (a sufficient but not necessary condition is that insurance is anormal good), the smaller a is, i.e. the more the religious group smoothes consumption, the lower is the demand for public smoothing g , i.e. the higher is the demanded g .

⁴This formulation draws on Chen (2005a, 2005b) and Benabou and Ok (2001) and, in its simplest form, applies best to the inverse correlation between welfare state and religiosity across countries.

Consider two groups, each with identical distribution of income shock, $F(\cdot)$. Suppose individuals receive a shock x . Each group j has a level of religious intensity $Q^j(\cdot)$, which denotes the income shock after smoothing by the group. If x is the individual's initial shock, $Q^j(x)$ is his shock after religious insurance. The more concave is the function $Q^j(\cdot)$, the more the shocks are smoothed between members of the religious group. Let increasing j correspond to increasingly concave functions.

Shocks are realized and then religious redistribution occurs. After religious redistribution, individuals vote on taxes. For simplicity assume government redistribution takes the form of a linear tax rate. This means we only need to consider where in the distribution is the individual indifferent between total redistribution or no redistribution. An individual prefers high taxes if and only if $Q^j(x) < \int Q^j(x) dF(x)$.

Concavity of the religious redistribution function $Q^j(\cdot)$ captures the idea that social insurance as a local public good may involve deadweight loss. Formally, we show that individuals who receive lower than average shocks from the initial distribution, $F(\cdot)$, may expect to have a higher than average income shock from $Q^j(F(\cdot))$, after religious redistribution:

The individual with current mean income shock, μ_F , prefers low taxes as long as $Q^j(\mu) = Q^j(\int x dF(x)) > \int Q(x) dF(x)$. By Jensen's inequality, this is true whenever Q^j is concave. As long as Q^j is strictly concave, the individual who is indifferent between high and low taxes is poorer than the mean individual.

Denote by x_{Q^j} this indifferent person for any function Q^j , so $Q^j(x_{Q^j}) = \int Q^j(x) dF(x)$. If Q^j is less concave than Q^k (i.e. $Q^k = g(Q^j)$ where g is concave), then $Q^k(x_{Q^k}) = \int Q^k(x) dF(x) = \int g(Q^j(x)) dF(x)$. Therefore, $Q^k(y_{Q^k}) < g(\int Q^j(x) dF(x)) = g(Q^j(x_{Q^j})) = Q^k(x_{Q^j})$. This implies $x_{Q^k} < x_{Q^j}$. Groups with greater within-group giving would thus be more against the welfare state.

non-religious individuals are less in favor of government redistribution because part of it can be targeted for religious groups.

Standard insurance theory suggests that those who are more involved in insurance groups prefer others to be more involved as well in order to smooth their shocks over a larger group. Without church-state separation, taxes allow the religious to co-opt the non-religious to participate more in their insurance group. This matches the US experience of a religiously-led welfare movement during the Social Gospel movement (described in Fogel 2000).

But why would the Social Gospel movement transform into an individualistic religious right that rejects the welfare state?

Proposition 3 : *As credit markets develop, elites gain access to alternative forms of social insurance and prefer less religious and government insurance. They legislate or judicate increasing church-state separation in order to create a constituency for lower taxes, if religious voters exceed non-religious voters. Otherwise, elites prefer a state church to curb the secular left.*

If the elites can smooth intertemporally by themselves, they will choose to opt out of social insurance provided by government and religious groups (Chen 2005a shows that credit availability reduces the causal impact of economic distress on religious intensity by roughly 80%). By legislating increasing church-state separation, social conservatives who previously were fiscal liberals now become fiscal conservatives, thus creating a constituency for lower taxes.

Political scientists and legal academics have found church-state separation is a relatively recently interpretation of the constitution (Hamburger 2002). Others have also argued that church-state separation is endogenous to economic forces (Barro and McCleary 2005, Gill 2005). This paper posits a specific hypothesis for the rise (and decline) of church-state separation to explain the changing nature of religious movements, from the Social Gospel movement during the third religious awakening to the contemporary emphasis on individualism in the fourth religious awakening (Fogel 2000).

However, this explanation still begs the question, what about Europe? Why do many countries in Europe still retain a state church?

Church-state separation expands the constituency for lower taxes among the religious but also expands the constituency for higher taxes among the secular. Depending on the exact parameters – if the number of religious individuals exceeds non-religious – then elites, who desire lower taxes, have the incentive to legislate increasing church-state separation. However, if the number of religious individuals is too low, then the elites prefer a state church to suppress the higher tax preferences of the non-religious.

We close the model with a simple observation. As the welfare state shrinks, marginal members seeking insurance become more religious.

Proposition 4 : *Multiple equilibria arise where some countries sustain high religiosity, high church-state separation, and low welfare state, and whereas other countries sustain low religiosity, low church-state separation, and high welfare state.*

Countries with high religious weight increase church-state separation as credit markets develop. Religious groups shift for less welfare, but this induces marginal members seeking insurance to become more religious, which increases the incentive for church-state separation, creating a positive feedback. Multiple equilibria arise where some countries sustain high religiosity, high church-state separation, and low welfare state, and vice versa.

Countries with low religious weight keep church-state separation low as credit markets develop to curb the demand for welfare by non-religious groups, but marginal members seeking insurance may increase religiosity, which increases the incentive for church-state separation, creating a negative feedback. This stabilizes this equilibria with a large welfare state, low church-state separation, and low religiosity.

As credit markets become sufficiently developed so that the number of non-religious individuals exceeds the number of religious individuals, then those that desire lower taxes now prefer to decrease church-state separation in order to curb the secular left who desire higher taxes. This could explain why certain factions in the US today are trying to decrease church-state separation. This could also explain why Europe never had the “correct” balance of people for which the elites would have desired increasing church-state separation: the number of religious individuals were too few for their change in tax preferences to matter.

4 Data

To test the theory, the study draws upon three existing data sets. The first is the General Social Survey (Davis, Smith and Marsden, 2003), an annual survey of randomly sampled US residents containing information on demographic characteristics like income, education, and race, as well as religious attendance and political support for welfare spending and the Republican party. The second is the World Values Survey (Inglehart et al., 2000), which consists of three major waves, 1981-84, 1990-93, 1995-97, and again demographic characteristics, religious attendance, and political support variables. (We do not use the fourth wave of the World Values Survey because it does not contain data on support for welfare state.) The third is the Barro and McCleary (2005) data set on church-state separation across the

world, which is based on Barrett (1982) and Barrett, Kurian, and Johnson (2001). They classify countries as having a state religion if the constitution designates an official state church and restricts or prohibits other forms of religion, or, if the government merely systematically favors a specified religion through subsidies and tax collection or through the teaching of religion in public school. For a list, see Appendix Table 6. Data on philanthropic giving is merged with the US data. The 2001 Center on Philanthropy Panel Study portion of the Current Population Surveys collects this data, though not yet publicly available, summary statistics by denomination are reported in Smith (2004). Denomination categories are also taken from Smith (2004).

All regressions include regional fixed effects to control for omitted environmental variables that may influence the way political support differs across space. All specifications also include dummies for year, race, gender, and controls for log of income⁵, age, age-squared, and years of completed schooling (dummies for categories of completed schooling in the World Values Survey). All estimates discussed below are marginal effects from probit models evaluated at sample means. Standard errors are adjusted for correlation within region of residence. Summary statistics are displayed in Appendix Table 1.

As a check that religious attendance/participation is correlated with the degree of involvement with the group's social insurance, we show in Appendix Table 2 that higher attendance is correlated with responding to, "If you were ill, how much would people in your congregation help you out?" with "a great deal" as opposed to "some", "a little", or "none". The coefficient of 0.0864 in Column (1) suggests moving eight categories of religious attendance from "never attend" to "several times a week" would increase the probability of receiving a great deal of help by 69 percentage points. About 46% of respondents report that the congregation would help them out a great deal if they were ill. Column (2) shows denomination fixed effects. Members of more conservative denominations, such as Evangelical Protestants, are significantly more likely to receive a great deal of help if ill (a positive 34 percentage point association), than are members of less conservative denominations, such as Jews (a negative 12 percentage point association).

The main measure of welfare support in the US is the response to the question, "We are faced with many problems in this country, none of which can be solved easily or inexpensively. Are we spending too much money, too little money, or about the right amount on welfare?". "Too little money" is coded as 1, as support welfare. The main measure of welfare support in the World Values Survey is the response to the question, "Do you think what the government is doing for poverty in this country is about right, too much, or too little?" Too little is coded as 1. The categories, "too much" and "about right", are distributed similarly with respect

⁵Alternative measures of income have virtually no impact on the estimated parameters on religion.

to religious attendance. Other variables of interest are also coded as 1-0 for consistency and ease of interpretation.

The data appendix discusses the remaining variable definitions.

5 Fiscal and Social Conservatism/Liberalism

Do fiscal and social conservatives and fiscal and social liberals come hand-in-hand, as suggested by Proposition 1?

Figure 1 plots welfare support as it varies with religious attendance. Welfare support declines as religious attendance increases. Roughly 22% of those who never attend religious services support more welfare while a little under 17% of weekly attenders support more welfare.

The inverse relationship between welfare support and religious attendance remains when controlling for demographic background characteristics, as shown in Table 1, which reports results from regressions of the form

$$WelfareSupport_i = \beta_0 Religion_i + \beta_1 SocialConservatism_i + \alpha' Controls_i + \varepsilon_i.$$

[Table 1 goes here]

Religion_i measures religious attendance and *SocialConservatism_i* measures views on social matters of topical concern, a 0-1 index summing values on the following topics: support for prayer in public schools, making abortion illegal, women should stay at home, premarital sex is always wrong, and considering oneself to be fundamentalist. Welfare support declines with both religious attendance and social conservatism. To get a sense of the magnitude, the coefficient of -0.0076 in Column (1c) of Table 1 suggests moving eight categories of religious attendance from "never attend" to "several times a week" would decrease welfare support by 6.1 percentage points, which is large considering only 20% of respondents support more welfare. The coefficient of -0.0183 in Column (1c) suggests moving from 0 to 1 in social conservatism would reduce welfare support by roughly the same amount as increasing two and a half categories of religious attendance.

Attenders are also more likely to identify as strong Republicans (Columns 2a-2c) and be politically conservative (Columns 4a-4c). The coefficient of 0.0055 in Column (2c) suggests increasing eight categories of religious attendance increases probability of identifying strongly as Republican by 4.4 percentage points. Only 9.4% of respondents identify strongly as Republicans. The coefficient of 0.0554 in Column (2c) suggests moving from 0 to 1 in

social conservatism would increase strong Republican identification by roughly the same amount as ten categories of religious attendance. The results on political conservatism can be interpreted similarly. Roughly 17% of respondents consider themselves conservative or extremely conservative politically. Eight categories of religious attendance is half that size. Moving from 0 to 1 in social conservatism is now equivalent to fifteen categories of religious attendance. Support for equality declines with religious attendance (Columns 3a-3c). About 29% of respondents are pro-equality. Eight categories of religious attendance reduces support for equality by 6.2 percentage points.

Figure 2 shows that welfare support declines with religious attendance in most countries for which we have data.

[Figure 2 goes here]

The bars indicate the coefficient between religious attendance and welfare support for each country in the World Values Survey. For comparison with the General Social Survey, the average coefficient is -0.0087, slightly larger than -0.0083 in Column (1a) of Table 1. For the US, the World Values Survey coefficient is -0.017. These coefficients are comparable. There are fewer categories of religious attendance in the World Values Survey, seven, instead of nine in the General Social Survey. Moreover, the question on welfare support is asked slightly differently, with the General Social Survey asking about government spending on welfare and the World Values Survey asking about government action on poverty. In the General Social Survey, 20% of respondents are pro-welfare whereas in the World Values Survey, 40% of US respondents are pro-welfare.

6 Within-Group Giving and Conservatism

Are religious groups with more within-group charitable giving more against welfare, as the second half of Proposition 1 suggests? Appendix Table 3 shows the degree of within-group giving for each denomination taken from (Smith 2004). Mormons give 91% of the charitable giving to religion, Evangelical Protestants 82%, Mainline Protestants 62%, Catholics 51%, Other Religions 51%, Jewish 40%, and None 40%. The percentage of overall income given to religion also roughly corresponds with the same ordering.

[Table 2 goes here]

Table 2 reports results from regressions where different opinions are regressed on the

fraction of charitable giving that goes to religion.⁶ Columns (1) to (5) indicate that members of denominations with a high fraction of giving to religion tend to be more socially conservative on prayer, abortion, women, premarital sex, and fundamentalism. These coefficients, such as 0.5854 in Column (1), suggest moving roughly 50 percentage points of within-group giving, from the lowest (40%) to the highest (91%), would increase support for prayer in public schools by 29% (61% of respondents support prayer in public school), increase support for making abortion illegal by 21% (60% of respondents support making abortion illegal), increase support for having women at home by 15% (42% believe women belong at home), increase belief in premarital sex as wrong by 26% (28% believe premarital sex is wrong), and increase self-identification as fundamentalist by 100% (32% identify themselves as fundamentalist).

Columns (6) to (9) indicate that members of denominations with a high degree of within-group giving are also less supportive of welfare and equality and are more likely to identify as Republican and be politically conservative. These coefficients, such as -0.1317 in Column (6), suggest moving 50 percentage points of within-group giving reduces support for welfare by 7% (20% support more welfare), increases strong Republican identification by 8% (9% identify strongly as Republican), and increases political conservativeness by 13% (17% identify as politically conservative or extremely conservative).

[Figure 3 goes here]

Figure 3 display the coefficients on denomination fixed effects in analogous regressions reported in Appendix Table 4.⁷ These results can be read in two ways. Appendix Table 4 can be read vertically, for each fiscal or social attitude, more conservative/liberal denominations indicate more extreme positions. Figure 3 groups the coefficients by denomination. Groups with greater within-group giving, such as Mormons and Evangelical Protestants, tend to be more socially conservative on prayer, abortion, women, and premarital sex. They are also more fiscally conservative, being less supportive of welfare and equality and being more likely to identify as Republican, politically conservative, and fundamentalist.

⁶Regressions are all of the form:

$$WelfareSupport_i = \beta WithinGroupGiving_i + \alpha' \mathbf{Controls}_i + \varepsilon_i$$

⁷Regressions are all of the form:

$$WelfareSupport_i = \beta Denomination_i + \alpha' \mathbf{Controls}_i + \varepsilon_i$$

7 Church-State Separation

Do social conservatives become fiscal liberals if there is a state church as suggested by Proposition 2? To test this, we regress stated welfare support on religious attendance and attendance interacted with a dummy if the respondent’s country has a state church, i.e. a regression of the form

$$\begin{aligned} WelfareSupport_{ij} = & \beta_0 Attendance_{ij} + \beta_1 Attendance_{ij} \times StateChurch_j \\ & + \beta_2 StateChurch_j + \alpha' \mathbf{Controls}_{ij} + \varepsilon_{ij} \end{aligned}$$

The key parameter of interest is whether a state church mitigates the negative correlation of religion and welfare support, i.e. $\beta_1 > 0$, which the theory predicts. Table 3 reports estimates from this specification.

[Table 3 goes here]

Column (1) indicates that across the world, religious attendance is strongly related to less welfare support, hence confirming that Proposition 1 holds across a wide range of countries. The coefficient of -0.0087 suggests that moving six categories of religious attendance, from ”never attend” to ”more than once a week”, would reduce support for welfare by 5.2 percentage points. Roughly 76% of the sample believe the government is doing too little about poverty.

To confirm that church attendance and social conservatism are related, Appendix Table 5 shows that church attendance predicts social conservatism around the world. These questions are of four categories: child obedience/ownership, women’s role, sexual activity, and moral absolutism. On most questions, church attendance and social conservatism on these values are statistically significantly related.

The coefficient on the interaction term, 0.0007 in Column (2), indicates that having a state church marginally reduces the strength of the relationship between religious attendance and welfare support by 7% and this reduction is not statistically significant. Appendix Table 6 list the countries in our data that have or do not have a state church.

The key test of Proposition 2 is obtained by interacting religious attendance with belonging to the state church, i.e. the specification:

$$\begin{aligned}
WelfareSupport_{ij} = & \beta_0 Attendance_{ij} + \beta_1 Attendance_{ij} \times BelongToStateChurch_{ij} \\
& + \beta_2 BelongToStateChurch_{ij} + \alpha' \mathbf{Controls}_{ijt} + \varepsilon_{ij}
\end{aligned}$$

where $BelongToStateChurch_{ij}$ is an indicator of individual i lives in a country j with a state church and belong to it. If Proposition 2 is true, we would expect $\beta_0 + \beta_1$ to be positive. The results in Column (3) indicate individuals who are members of the state church display a positive relationship between religious attendance and welfare support. $\beta_0 + \beta_1$ is statistically significant at the 15% level. The coefficient of -0.0108 indicates one category of religious attendance reduces welfare support by 1% for individuals who do not belong to a state church, the same result as for individuals within the US. Adding 0.0271 and -0.0108 in Column (3) suggests one category of religious attendance increases welfare support by 1.6% for individuals belonging to a state church.

These regressions restrict the marginal effect of going from one category of church attendance to another to be the same across all categories. To consider possible nonlinearities, Figure 4 displays the conditional correlations between welfare support and dummies for each level of religious attendance (the omitted category is no attendance).⁸ The squares and solid line indicate that welfare support increases with church attendance for members of the state church but the triangles and dashed line indicates that welfare support declines with church attendance for non-members. This replicates the results in Column (3) of Table 3 and confirms Proposition 2.

[Figure 4 goes here]

One alternative hypothesis for these results is that religious groups are against the welfare state because the welfare state assists people who are not members of their own group. Column (4) of Table 3 tests this hypothesis by also including as control, an interaction term between church attendance and percent of the country's population that is of the respondent's religion. The main results on belonging to a state church are very similar in magnitude and significance as in Column (3). It does not appear that the church-state separation results are being driven by individuals being more against the welfare state when they are of a minority religion. The coefficient of -0.065 is the opposite sign suggested by the hypothesis and is not statistically significant.

⁸These results are also robust to using a dummy variable for attending at least once a month.

8 Supreme Court Decisions on Church-State Separation and Fiscal-Social Conservatism

To mitigate concerns that the cross-country test of church-state separation is driven by other omitted country-level factors, we construct a time-series of church-state separation judicial decisions within the US and test Proposition 2 on these data. The previous section examines the relationship between church-state separation and fiscal and social conservatism across space. This section examines the relationship across time. In other words, do changes in church-state separation correspond with changes in the relationship between fiscal and social conservatism?

The association between church attendance and Republican voting has been increasing since 1980 (these results are reported in Glaeser, Shapiro, and Ponzetti 2005). In 1968, the association was roughly 0.07, dipping to 0.01 in 1976, and increasing to 0.17 in 1992.

[Figure 5 goes here]

The switch in the relationship between church attendance and Republican voting roughly coincides with judicial decisions on separation of church and state, which appears to reach its highest rate during the 1970s and early 1980s (Figure 6). Figure 6 and Appendix Table 7 document Supreme Court decisions on church-state separation in public schools. Figure 6 shows the number of decisions each year that increase or decrease separation of church and state.

[Figure 6 goes here]

These decisions include disallowing religious instruction in public schools (1948), disallowing prayer in public schools (1962), disallowing Bible recitation in public schools (1963), disallowing direct government assistance to religious schools (1971), disallowing tax deductions and reimbursements for children in religious schools (1973), disallowing the display of Ten Commandments (1980), ruling that the equal treatment of creation science and evolution is unconstitutional (1981), and disallowing graduation prayer (1992). The data in Appendix Table 7 are drawn from Hall (1999) and Alley (1988, 1998).

[Figure 7 goes here]

Figure 7 shows that increases in church-state separation precede increases in the strength of the relationship between church attendance and Republican voting. The x-axis marks the net number of Supreme Court decisions increasing or decreasing church-state separation

in the four years prior to an election year. The y-axis marks the change in the coefficient on the relationship between church attendance and Republican voting. An OLS regression of the form

$$\Delta ChurchAttendance_RepublicanVoting_t = \beta_o \Delta ChurchStateSeparation_t + \varepsilon_t$$

yields an estimate of β_0 of 0.033(0.014), a positive relationship that is statistically significant at the 6% level. This coefficient suggests 1 Supreme Court decision increasing church-state separation would increase how strongly church attendance predicts Republican voting by 0.033. To explain a shift in the coefficient between church attendance and Republican voting of 0.16 (0.01 in 1976 to 0.17 in 1992) would require roughly 4.8 Supreme Court decisions. The General Social Survey series ends in 1996, but given the number of Supreme Court decisions increasing church-state separation since then (8 increasing, 3 decreasing), it is not surprising the vociferousness of the contemporary debate on religion and politics.

9 Religious Attendance and Church-State Separation

Propositions 3 and 4 suggest that church-state separation will decrease when non-religious voters exceed religious voters. Monthly church attendance was 57% in 1972 but declined to 45% in 2000, dipping below 50% in 1994 (Figure 8).

[Figure 8 goes here]

This is consistent with the contemporaneous force to decrease church-state separation that is now the subject of much debate. The court has ruled it is constitutional to allow students to vote on whether to have a graduation prayer (1992), allow public school teachers to tutor private religious school students (1997), allow educational money and equipment for religious schools (2000), and allow public money to subsidize education at religious schools (2002). Faith-based programs and school vouchers are the latest examples in the movement decreasing the separation of church and state. Superimposing Figures 6 and 8 suggests that decisions that decrease church-state separation coincide with monthly church attendance dipping below 50%. This evidence is merely suggestive.

Table 4 more formally examines the multiple steady-states hypothesis where some countries sustain high religiosity, high church-state separation, and low welfare state, whereas others sustain low religiosity, low church-state separation, and high welfare state. As reported by many others (e.g. Barro and McCleary 2004), Table 4 documents that religious

attendance is indeed higher in countries without a state church. 26% of respondents in countries with a state church attend monthly while 38% of respondents in countries without a state church attend monthly.

[Table 4 goes here]

10 Conclusion

Religious intensity as social insurance may explain why fiscal and social conservatives and fiscal and social liberals come hand-in-hand.

We present empirical evidence consistent with this hypothesis. Religious groups with greater within-group giving are more against the welfare state and more socially conservative. The relationship between fiscal and social attitudes is reversed for members of the state church: religious intensity predicts welfare support when government spending can assist members of state churches.

These observations provide a novel explanation for religious history. The changing nature of religious movements from Social Gospel (social conservatives - fiscal liberals) to the religious right (social conservatives - fiscal conservatives) is coincident with increasing fiscal separation between church and state. We present empirical evidence that increases in fiscal separation precede increases in the political alliance between religiosity and Republican voting and the magnitudes of these increases are also correlated.

While the increase in church-state separation can be due to various factors, one explanation is parsimonious within a social insurance framework. Increasing credit availability allows elites access to alternative forms of social insurance, which raises their incentive to judiciously increase church-state separation. Increases in church-state separation create a constituency for a smaller welfare state as those who were previously religious left shift to the religious right. This explanation holds if religious voters exceed non-religious voters, whose preferences shift in the opposite direction, in the absence of a state church. Libertarians (social liberal - fiscal liberal) become secular left (social liberal - fiscal conservative) when government spending can no longer target religious groups. Elites would prefer to decrease church-state separation to curb the secular left if non-religious voters exceed religious voters, which may explain why church-state separation arose in the US but not in Europe, where religiosity has historically been lower than in the US. We present empirical evidence that declining religious intensity coincides with declining fiscal separation between church and state.

We close the model with a simple observation. In a case like the US, where increasing church-state separation creates a religious constituency for a smaller welfare state, mar-

ginal individuals seeking insurance will seek religious instead of government support. This increases the religious constituency, which further increases the incentive for church-state separation. Multiple equilibria arise where some countries sustain high church-state separation, high religiosity, and low welfare state and other countries sustain low church-state separation, low religiosity, and high welfare state. Countries like some in Europe retain a large welfare state even with the advent of credit availability. Elites attempting to shrink the welfare state are unable to: they prefer to decrease church-state separation to curb the secular left, but a smaller welfare state would lead marginal individuals to seek religious insurance, which reverses the incentive for elites to decrease church-state separation. We present empirical evidence that church-state separation and monthly religious attendance are highly correlated across countries.

Some argue that depending on the welfare state is the same as worshipping the government as if it were God. No obvious theory explains why political alliances align along this diagonal. This paper proposes an explanation based on the idea of religion as social insurance. Outside insurance would then be competitive against religious constituencies. Fundamentalism can persist because optimal insurance may be a substantial fraction of pre-unemployment wages (Chetty 2005). The increase in income volatility from 1972 to 1998 is consistent with the contemporaneous rise in religious intensity in US popular and public discourse.

A Data Appendix

The following variables are drawn from the US General Social Survey.

Prayer in Public School refers to the question, "The United States Supreme Court has ruled that no state or local government may require the reading of the Lord's Prayer or Bible verses in public schools. What are your views on this—do you approve or disapprove of the court ruling?" Disapprove is coded as 1, approve as 0.

Abortion should be Illegal refers to the question, "Please tell me whether or not you think it should be possible for a pregnant woman to obtain a legal abortion if she wants it for any reason" No is coded as 1, yes as 0.

Women Belong at Home refers to the question, "Is it much better for everyone involved if the man is the achiever outside the home and the woman takes care of the home and family." Strongly agree and agree are coded as 1, disagree and strongly disagree are coded as 0.

Premarital Sex is Wrong refers to the question, "There's been a lot of discussion about the way morals and attitudes about sex are changing in this country. If a man and woman have sex relations before marriage, do you think it is always wrong, almost always wrong,

wrong only sometimes, or not wrong at all?” Always wrong is coded as 1, the remainder as 0. 4.

Identify Republican refers to the question, “Generally speaking, do you usually think of yourself as a Republican, Democrat, Independent, or what?” Strong Republican is coded as 1, not very strong Republican, Independent close to Republican, Independent, Independent close to Democrat, Not very strong Democrat, Strong Democrat are coded as 0. 5.

Pro-Equality refers to the question, “Some people think that the government in Washington ought to reduce the income differences between the rich and the poor, perhaps by raising the taxes of wealthy families or by giving income assistance to the poor. Others think that the government should not concern itself with reducing this income difference between the rich and the poor. Here is a card with a scale from 1 to 7. Think of a score of 1 as meaning that the government ought to reduce the income differences between rich and poor, and a score of 7 meaning that the government should not concern itself with reducing income differences. What score between 1 and 7 comes closest to the way you feel?” 1 and 2 are coded as 1 and 3-7 coded as 0. 6.

Politically Conservative refers to the question, “We hear a lot of talk these days about liberals and conservatives. I’m going to show you a seven-point scale on which the political views that people might hold are arranged from extremely liberal—point 1—to extremely conservative— point 7. Where would you place yourself on this scale? Extremely conservative and conservative are coded as 1, slightly conservative, moderate, slightly liberal, liberal, and extremely liberal are coded as 0. 7.

Identify Fundamentalist refers to the question, “Do you consider yourself to be fundamentalist, moderate, or liberal?” Fundamentalist is coded as 1, Moderate and Liberal as 0.

Congregation Helps You refers to the question, “If you were ill, how much would the people in your congregation help you out?” A great deal is coded as 1, some, a little, or none are coded as 0.

The following variables are taken from the World Values Survey.

Child Obedience/Ownership Variables:

Respect Parents Always refers to “Regardless of what the qualities and faults of one’s parents are, one must always love and respect them” as opposed to “One does not have the duty to respect and love parents who have not earned it by their behavior and attitudes”

Parents Self-Sacrifice refers to “Parents’ duty is to do their best for their children even at the expense of their own well-being”

Kids Learn X refers to “Here is a list of qualities that children can be encouraged to learn at home. Which, if any, do you consider to be especially important? Please choose up

to five”, where X can be, Good Manners, Independence, Hard Work, Feeling of responsibility, Imagination, Tolerance and respect for other people, Thrift saving money and things, Determination and perseverance, Religious faith, Unselfishness, and Obedience

Women’s Role Variables:

Men Deserve Jobs More refers to “When jobs are scarce, men should have more right to a job than women”

Women Need Children refers to “Do you think that a woman has to have children in order to be fulfilled or is this not necessary”

Marriage Not Out-Dated refers to “Do you agree or disagree with the following statement? Marriage is an out-dated institution”

Sexual Activity Variables:

Complete Sexual Freedom refers to “If someone said that individuals should have the chance to enjoy complete sexual freedom without being restricted, would you tend to agree or disagree?”

Approve Out-of-Wedlock Birth refers to “If a woman wants to have a child as a single parent but she doesn’t want to have a stable relationship with a man, do you approve or disapprove?”

Moral Absolutism Variables:

Moral Absolutism refers to “Here are two statements which people sometimes make when discussing good and evil. Which one comes closest to your own point of view? A. There are absolutely clear guidelines about what is good and evil. These always apply to everyone, whatever the circumstances. B. There can never be absolutely clear guidelines about what is good and evil. What is good and evil depends entirely upon the circumstances at the time”

Homosexuality Never refers to “Please tell me for each of the following statements whether you think it can always be justified, never be justified, or something in between” Homosexuality never justifiable

Abortion Never refers to Abortion being never justifiable.

Divorce Never refers to Divorce being never justifiable.

Euthanasia Never refer to Euthanasia—ending the life of the incurably sick—being never justifiable.

Church-state separation data is drawn from Barro and McCleary (2005), which is based on Barrett (1982) and Barrett, Kurian, and Johnson (2001). They classify countries as having a state religion if the constitution designates an official state church and restricts or prohibits other forms of religion, or, if the government merely systematically favors a specified religion through subsidies and tax collection or through the teaching of religion in public school. Countries with no state religion include Australia, Belgium, Canada, France,

Mexico, and the United States. Countries with state religion include Iceland, Denmark, Norway, United Kingdom, Italy, Iran, Iraq, Libya, Nepal, and Greece, just to name a few. The entire list is in Table 1a-1g of Barro and McCleary (2005).

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Figure 1: Welfare attitudes in the US

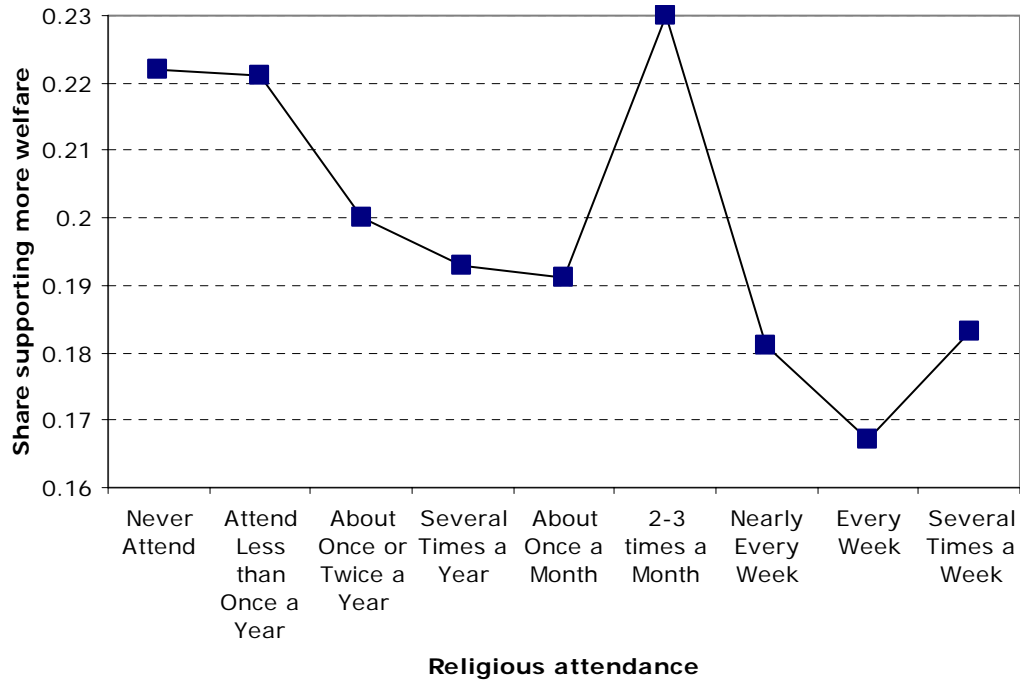
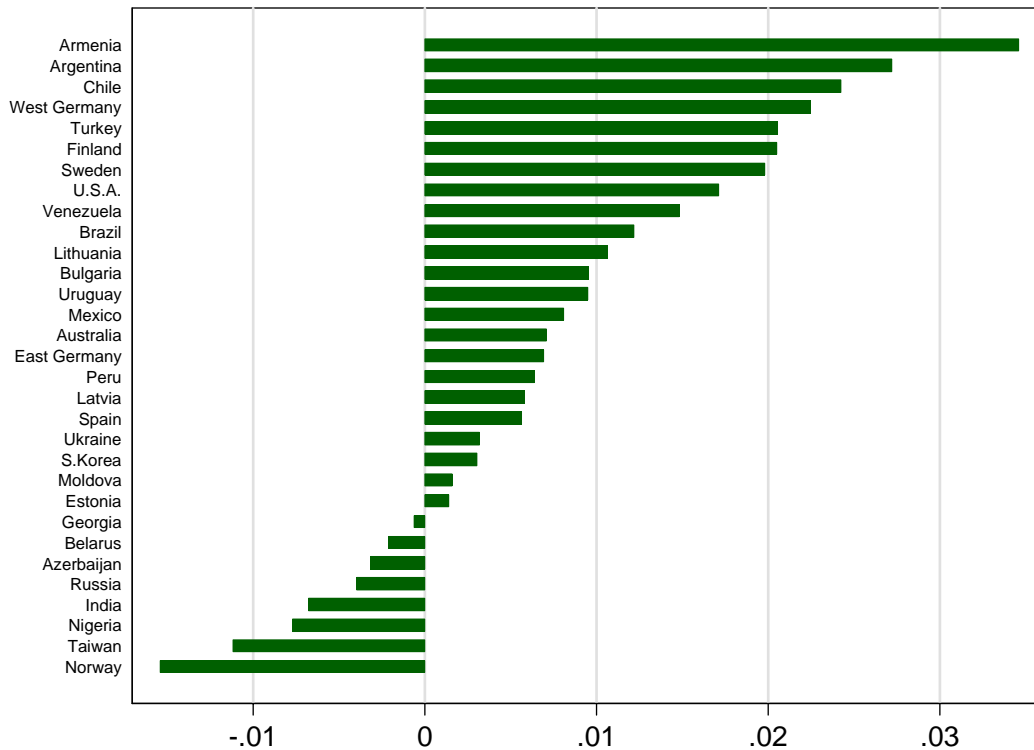
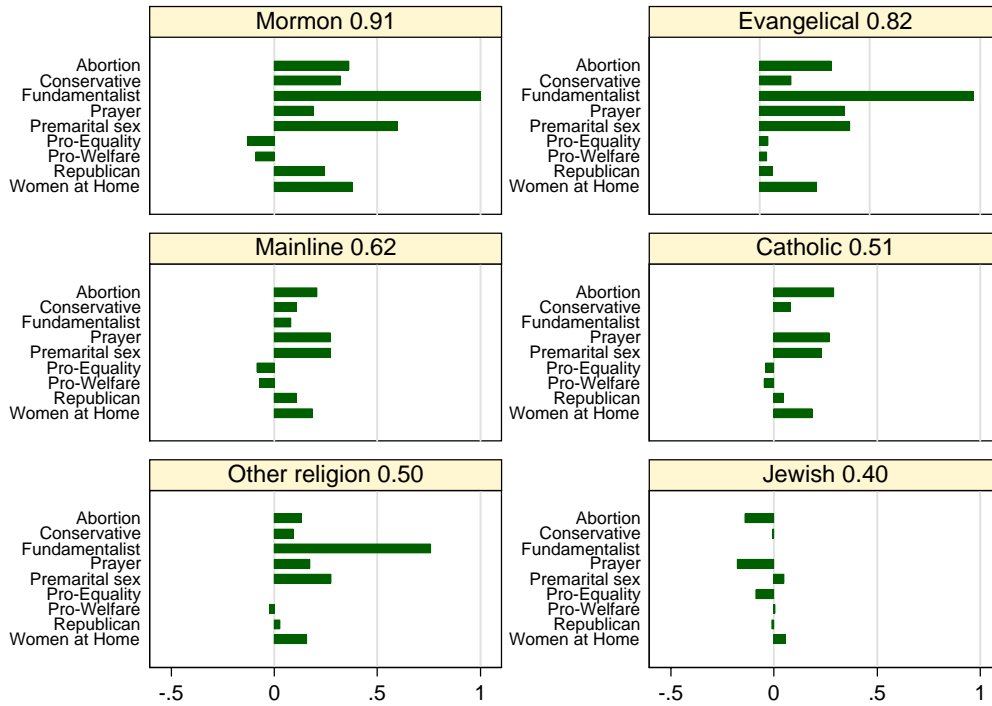


Figure 2: Welfare attitudes across the world



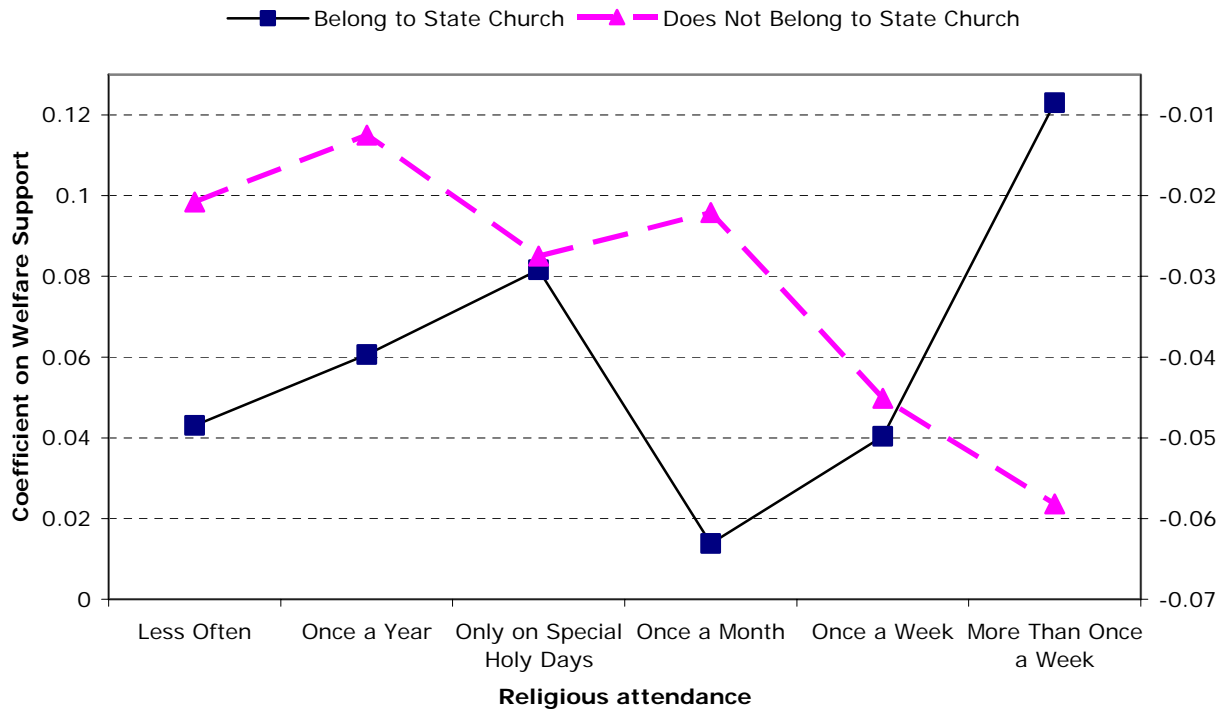
Bars show the magnitude of the association between church attendance and preferences for redistribution. The magnitude is measured as a regression coefficient as detailed in column (1) of Table 4.

Figure 3: Fiscal and social attitudes by denomination



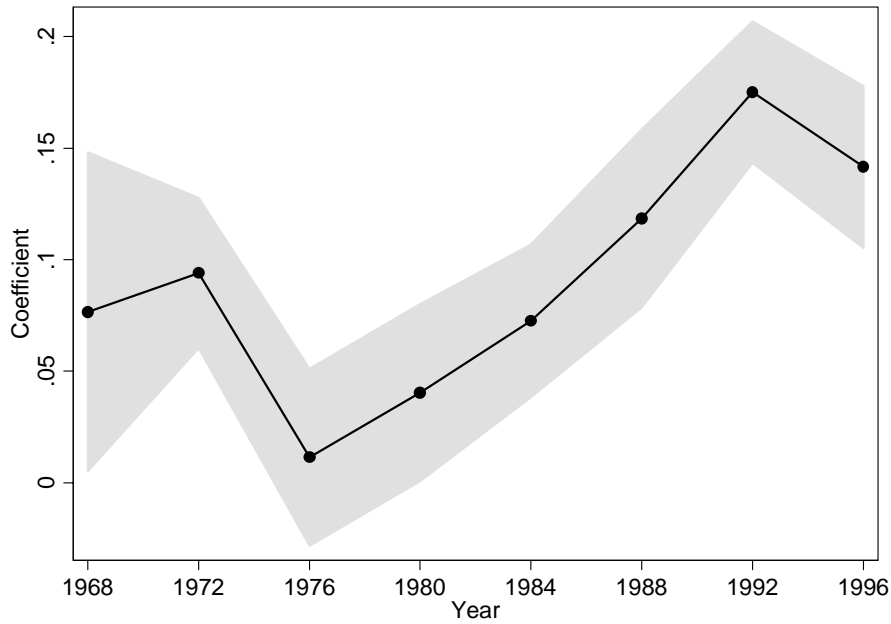
Bars show denomination specific regression coefficients for similar regressions as in Appendix Table 3.

Figure 4: Welfare attitudes and church/state separation



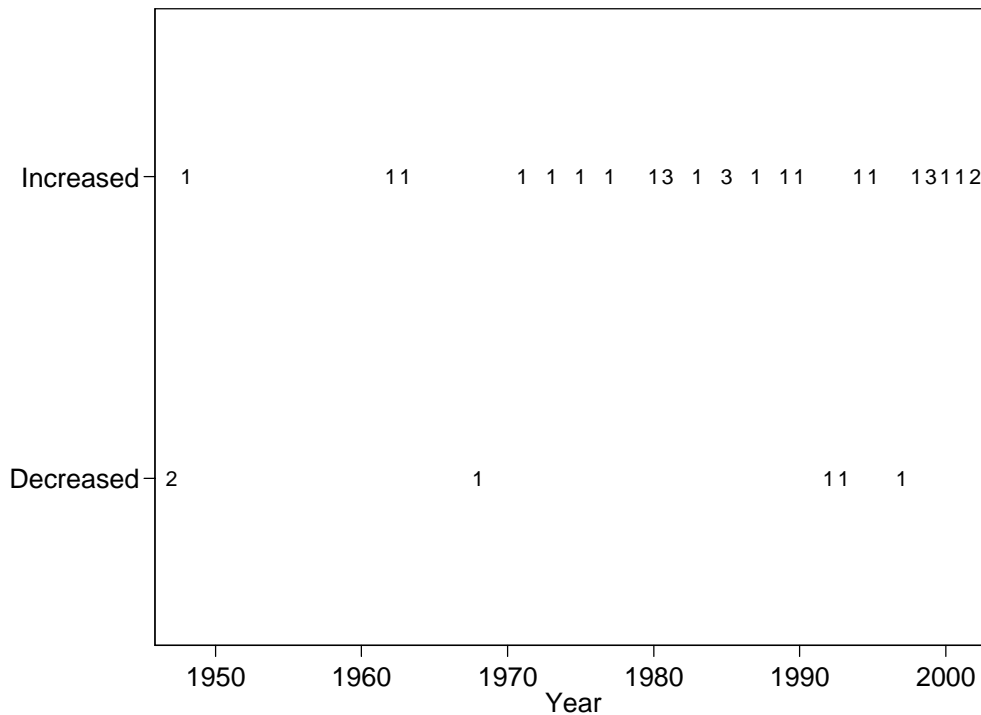
Coefficient on different frequencies of religious attendance. The solid line indicates the relationship for individuals who belong to the state church (left axis) and the dashed line indicates the relationship for individuals who do not belong to the state church (right axis). Control variables are as in Table 4.

Figure 5: Trends in the association between church attendance and republican voting



The graph shows the coefficient of church attendance on the probability of voting Republican by election year with 95% confidence intervals.

Figure 6: Church-state separation decisions



Numbers indicate number of Supreme Court decisions by year that increases and decreases church-state separation in public schools.

Figure 7: Church-state separation and right-wing voting

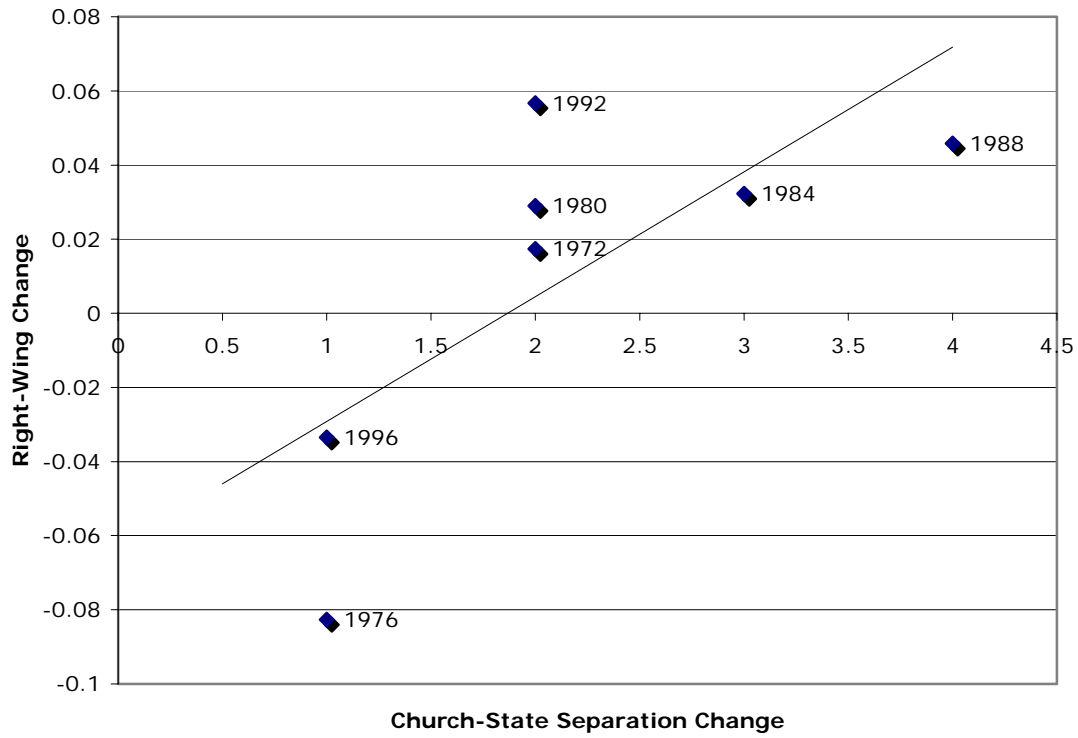
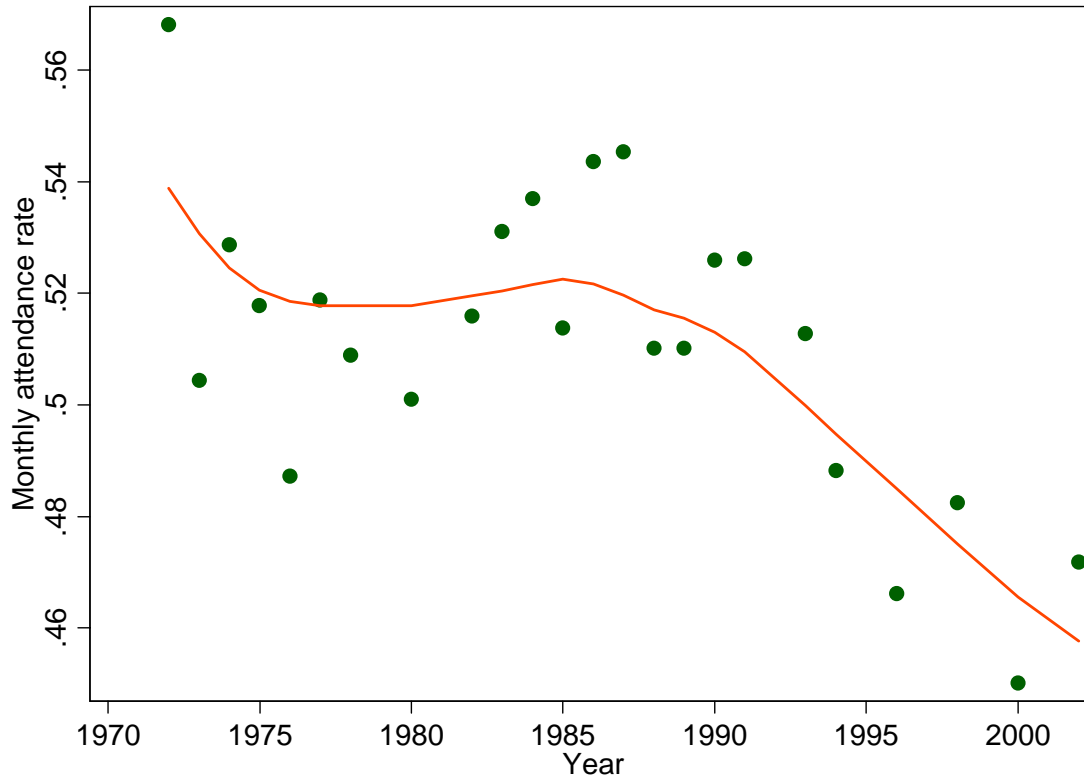


Figure 8: Trends in monthly church attendance



Average monthly attendance and smoothed averages using Fan regression.

Table 1
Fiscal and Social Conservatism/Liberalism in the US

	Pro-Welfare			Identify as Republican		
	(1a)	(1b)	(1c)	(2a)	(2b)	(2c)
Church Attendance	-0.0083*** (0.0008)		-0.0076*** (0.0010)	0.0078*** (0.0005)		0.0055*** (0.0004)
Social Conservatism		-0.0358*** (0.0078)	-0.0183** (0.0080)		0.0707*** (0.0068)	0.0554*** (0.0065)
N	22395	22489	22329	36489	36733	36404

	Pro-Equality			Politically Conservative		
	(3a)	(3b)	(3c)	(4a)	(4b)	(4c)
Church Attendance	-0.0070*** (0.0014)		-0.0078*** (0.0013)	0.0173*** (0.0012)		0.0106*** (0.0009)
Social Conservatism		0.0053 (0.0160)	0.0245* (0.0149)		0.1932*** (0.0125)	0.1628*** (0.0119)
N	18608	18800	18588	31672	31932	31637

Notes:

1. Data are from General Social Survey cumulative file, 1972-2000. All estimates are marginal effects from probit models evaluated at sample means. Standard errors in parentheses are adjusted for correlation within region of residence.
2. All specifications include dummies for region of residence, year, race, gender, and controls for the log of income, age, age², and years of completed schooling.
3. Social Conservatism is a 0-1 index summing up values on Prayer in Public School, Abortion should be Illegal, Women Belong at Home, Premarital Sex is Wrong, and Identify as Fundamentalist.

Table 2**Within-Group Giving and Fiscal/Social Conservatism in the US**

	Prayer in Public School (1)	Abortion should be Illegal (2)	Women Belong at Home (3)	Premarital sex is Wrong (4)	Identify Fundamentalist (5)	Pro-Welfare (6)	Identify as Republican (7)	Pro-Equality (8)	Politically Conservative (9)
Within-Group Giving	0.5854*** (0.0330)	0.4241*** (0.0525)	0.3067*** (0.0558)	0.5211*** (0.0623)	1.9928*** (0.0532)	-0.1317*** (0.0124)	0.1684*** (0.0203)	-0.0577 (0.0432)	0.2510*** (0.0225)
N	16118	18447	12931	19719	30052	18992	30916	15788	26847

Notes:

1. Data are from General Social Survey cumulative file, 1972-2000. All estimates are marginal effects from probit models evaluated at sample means. Standard errors in parentheses are adjusted for correlation within region of residence.

2. All specifications include dummies for region of residence, year, race, gender, and controls for the log of income, age, age², and years of completed schooling.

Table 3
Fiscal and Social Conservatism and Church-State Separation Across the World

	Pro-Welfare (1)	Pro-Welfare (2)	Pro-Welfare (3)	Pro-Welfare (4)
Church Attendance	-0.0087*** (0.0034)	-0.0091*** (0.0027)	-0.0108*** (0.0025)	-0.0081** (0.0037)
Attendance * Has State Church		0.0007 (0.0085)		
Has State Church		0.2359*** (0.0526)		
Attendance * Belongs to State Church			0.0271** (0.0121)	0.0296** (0.0120)
Belongs to State Church			-0.0540 (0.0505)	-0.0513 (0.0543)
Attendance * % Country is Own Religion				-0.0065 (0.0073)
% Country is Own Religion				-0.0178 (0.0376)
N	52989	52989	44664	44664

Notes:

1. Data are from World Values Survey cumulative file, waves 1-3. All estimates are marginal effects from probit models evaluated at sample means. Standard errors in parentheses are adjusted for correlation within country of residence.
2. All specifications include dummies for country of residence, survey wave, gender, and educational attainment category and controls for log of income, age, and age².
3. Data on church-state separation from Barro and McCleary (2004), which is based on Barrett (1982) and Barrett, Kurian and Johnson (2001). They classify countries as having a state religion if the constitution designates an official state church and restricts or prohibits other forms of religion, or, if the government merely systematically favors a specified religion through subsidies and tax collection or through the teaching of religion in public school. See Appendix Table 6 for a list.

Table 4
Church Attendance in Countries With and Without a State Church

	Fraction with at least monthly religious attendance (1)
Countries with state church	0.2628*** (0.0503)
Countries without state church	0.3782*** (0.0449)
Difference	-0.1154* (0.0674)
N	168482

Notes:

1. Data are from World Values Survey cumulative file, waves 1-3. Standard errors in parentheses are adjusted for correlation within country of residence.
2. Data on church-state separation from Barro and McCleary (2004), which is based on Barrett (1982) and Barrett, Kurian and Johnson (2001). They classify countries as having a state religion if the constitution designates an official state church and restricts or prohibits other forms of religion, or, if the government merely systematically favors a specified religion through subsidies and tax collection or through the teaching of religion in public school. See Appendix Table 6 for a list.

Appendix Table 1
Descriptive Statistics

US Summary Statistics (GSS)		World Summary Statistics (WVS)	
Welfare Support	0.197 (0.002)	Welfare Support	0.761 (0.002)
Religious Attendance (Categories 1-9)	3.897 (0.013)	Religious Attendance (Categories 1-7)	4.412 (0.005)
Monthly Religious Attendance	0.506 (0.002)	Monthly Religious Attendance	0.362 (0.001)
Social Conservatism (Index 0-1)	0.417 (0.002)	Have State Church	0.398 (0.001)
Politically Conservative	0.173 (0.002)	Belong to State Church	0.227 (0.001)
Identify Strongly as Republican	0.094 (0.001)	Fraction of Country is Your Religion	0.570 (0.001)
Support Equality	0.294 (0.003)	Income	1,502 (72)
Support Prayer in Public Schools	0.605 (0.003)	Age	40.8 (0.041)
Abortion Should Be Illegal	0.599 (0.003)	N	168482
Women Should Stay At Home	0.423 (0.004)		
Premarital Sex is Wrong	0.284 (0.003)		
Self-identified Fundamentalism	0.322 (0.002)		
Congregation Helps You "A Great Deal" if Ill	0.462 (0.176)		
Income	30567 (135)		
Age	45.220 (0.084)		
Education	12.537 (0.015)		
N	43698		
Denominations	%		
Mormons	0.98		
Evangelical Protestants	24.65		
Mainline Protestants	28.16		
Catholics	29.31		
Other Religion	3.81		
Jewish	2.50		
None	10.59		
Supreme Court Decisions Regarding Church-State Separation in Public Schools, 1940-2002	40		

Appendix Table 2
Social Insurance and Religion

	Congregation Helps You A Great Deal if Ill	
	(1)	(2)
Church Attendance	0.0864*** (0.0105)	
Evangelical Protestant		0.3385* (0.1996)
Mainline Protestant		0.2745 (0.1899)
Catholic		0.0565 (0.1726)
Other religion		0.4930*** (0.1262)
Jewish		-0.1165 (0.1648)
N	720	586

Notes:

1. Data are from General Social Survey cumulative file, 1972-2000. All estimates are marginal effects from probit models evaluated at sample means. Standard errors in parentheses are adjusted for correlation within region of residence.
2. All specifications include dummies for region of residence, race, gender, and controls for the log of income, age, age², and years of completed schooling.
3. Sample size is smaller than in other tables because this question is only asked in 1998. Column 2, the omitted category is no religion.

Appendix Table 3
Within-Group Giving by Denomination in the US

	\$ to Religious	\$ to All	%Charity to Relg	Income	%Inc to R	N
Mormons	4066	4467	0.91	77730	0.052	26
Evangelical Protestants	908	1139	0.82	49755	0.018	1271
Mainline Protestants	740	1193	0.62	72310	0.010	997
Catholics	491	962	0.51	71010	0.007	1451
Other	750	1504	0.50	49780	0.015	938
Jewish	1127	2791	0.40	125160	0.009	142
None	221	553	0.40	54360	0.004	663

Notes:

1. Data are from the 2001 Center on Philanthropy Panel Study portion of the Current Population Surveys. Summary statistics by denomination are reported in Smith (2004).

Appendix Table 4
Within-Group Giving and Fiscal/Social Conservatism in the US

	Prayer in Public School (1)	Abortion should be Illegal (2)	Women Belong at Home (3)	Premarital sex is Wrong (4)	Pro-Welfare (5)	Identify as Republican (6)	Pro-Equality (7)	Politically Conservative (8)	Identify as Fundamentalist (9)
Mormon	0.1893*** (0.0288)	0.3627*** (0.0270)	0.3791*** (0.0346)	0.5986*** (0.0370)	-0.0907*** (0.0296)	0.2437*** (0.0239)	-0.1314*** (0.0199)	0.3232*** (0.0376)	100%
Evangelical Protestant	0.3852*** (0.0215)	0.3252*** (0.0266)	0.2575*** (0.0239)	0.4094*** (0.0163)	0.0314*** (0.0099)	0.0581*** (0.0090)	0.0378*** (0.0076)	0.1420*** (0.0122)	96.70%
Mainline Protestant	0.2746*** (0.0183)	0.2080*** (0.0236)	0.1869*** (0.0208)	0.2722*** (0.0181)	-0.0713*** (0.0114)	0.1077*** (0.0083)	-0.0841*** (0.0054)	0.1086*** (0.0183)	8.08%
Catholic	0.2686*** (0.0257)	0.2916*** (0.0268)	0.1858*** (0.0290)	0.2320*** (0.0275)	-0.0473*** (0.0110)	0.0453*** (0.0082)	-0.0402*** (0.0110)	0.0785*** (0.0127)	0%
Other religion	0.1741*** (0.0097)	0.1342*** (0.0185)	0.1597*** (0.0315)	0.2764*** (0.0285)	-0.0212 (0.0162)	0.0275* (0.0145)	-0.0000 (0.0277)	0.0931*** (0.0171)	76.06%
Jewish	-0.1791*** (0.0577)	-0.1419*** (0.0363)	0.0535 (0.0481)	0.0482 (0.0468)	0.0039 (0.0298)	-0.0098 (0.0157)	-0.0876*** (0.0266)	-0.0078 (0.0129)	0%
N	18613	21092	15210	22549	21956	36504	18247	30652	

Notes:

1. Data are from General Social Survey cumulative file, 1972-2000. All estimates are marginal effects from probit models evaluated at sample means. Omitted category is No Religion. Standard errors in parentheses are adjusted for correlation within region of residence.
2. All specifications include dummies for region of residence, year, race, gender, and controls for the log of income, age, age², and years of completed schooling.
3. Column 9 contains sample means for each denominational category.

Appendix Table 5
Social Conservatism around the World

	Respect Parents Always (1)	Parents Sacrifice for Children (2)	Kids Learn Good Manners (3)	Kids Learn Religious Faith (4)	Kids Learn Obedience (5)	Kids Learn Independence (6)	Kids Learn Imagination (7)	Kids Learn Toleration (8)	Most Important Faith, Obedience (9)
Church Attendance	0.0095 (0.0063)	0.0226*** (0.0036)	0.0051** (0.0025)	0.0657*** (0.0081)	0.0101*** (0.0027)	-0.0223*** (0.0045)	-0.0021 (0.0045)	0.0035 (0.0062)	0.0428*** (0.0053)
N	72262	70782	71500	72192	72192	71840	72072	71299	55436

Men Deserve Jobs More (10)	Women Need Children (11)	Marriage Not Out-Dated (12)	Complete Sexual Freedom (13)	Approve Out-of Wedlock Birth (14)	Moral Absolutism (15)	Homosexuality Never (16)	Abortion Never (17)	Divorce Never (18)	Euthanasia Never (19)
0.0098*** (0.0036)	0.0092 (0.0071)	0.0126* (0.0066)	-0.0197*** (0.0048)	-0.0287*** (0.0075)	0.0412*** (0.0092)	0.0190** (0.0089)	0.0329*** (0.0040)	0.0158*** (0.0045)	0.0316*** (0.0055)
71738	71718	71144	68760	68879	68869	71818	70527	71435	68296

Notes:

1. Data are from World Values Survey cumulative file, waves 1-3. All estimates are marginal effects from probit models evaluated at sample means. Standard errors in parentheses are adjusted for correlation within country of residence.
2. All specifications include dummies for country of residence, survey wave, gender, and category of educational attainment and controls for the log of income, age, and age².

Appendix Table 6
Countries With and Without a State Church

Without State Church	With State Church
Australia	Argentina
Brazil	Armenia
Chile	Azerbaijan
East Germany	Belarus
Estonia	Bulgaria
India	Finland
Latvia	Georgia
Lithuania	Moldova
Mexico	Norway
Nigeria	Peru
Russia	Spain
Russia	Ukraine
S.Korea	Venezuela
Sweden	
Taiwan	
Turkey	
U.S.A.	
Uruguay	
West Germany	

Appendix Table 7: US Supreme Court Decisions on Church-State Separation

- 1940 *Minersville School District v. Gobitis* (1940)
none In an 8-1 Court Decision, the Court ruled that a school district's interest in creating national unity was sufficient to allow them to require students to salute the flag.
- 1943 *West Virginia State Board of Education v. Barnette* (1943)
none The Court ruled 8-1 that a school district violated the rights of students by forcing them to salute the American flag.
- 1947 *Everson v. Board of Education* (1947)
decrease Supreme Court decision finding that a New Jersey law providing for reimbursement to parents of parochial school students for transportation costs on public busses is constitutional.
- 1948 *McCullum v. Board of Education* (1948)
increase By a 6-1 vote the Supreme Court agreed with Mrs. McCollum, an atheist mother, and disallowed the practice of having religious education to take place in public school classrooms during the school day.
- 1962 *Engel v. Vitale* (1962)
increase The Court ruled 7 to 1 that it was unconstitutional for a government agency like a school or government agents like public school employees to require students to recite prayers.
- 1963 *Abington Township School District v. Schempp* (1963)
increase The Court ruled 8-1 against requiring the recitation of Bible verses and the Lord's Prayer.
- 1968 *Board of Education v. Allen* (1968)
decrease Supreme Court decision finding that a New York Law requiring public school districts to purchase text books for private schools, including parochial schools, is permissible and not a violation of the Establishment Clause.
- 1968 *Epperson v. Arkansas* (1968)
increase The Court found that an Arkansas law prohibiting the teaching of evolution is impermissible because it violates the Establishment Clause and prohibits the free exercise of religion.
- 1971 *Lemon v. Kurtzman* (1971)
increase On June 28th, 1971, the Court unanimously (7-0) determined that the direct government assistance to religious schools was unconstitutional.
- 1972 *Wisconsin v. Yoder* (1972)
none On May 15th 1972 the Court ruled 6 to 1 that the compulsory education law in Wisconsin did indeed violate the Free Exercise Clause for Amish parents.
- 1973 *Committee for Public Education v. Nyquist* (1973)
increase The Court found all three sections of a New York law providing, among other things, tax deductions and reimbursements for children in parochial schools, unconstitutional. Each of the three parts of the law had the primary effect of furthering religion.
- 1975 *Meek v. Pittenger* (1975)
increase Supreme Court decision invalidating most of two Pennsylvania laws providing for instructional materials and equipment to religious schools because most of that aid could be easily diverted to religious purposes.
- 1977 *Wolman v. Walter* (1977)
increase The Court allowed Ohio to provide standardized tests, therapeutic and diagnostic services to non-public school children. However, the state was not permitted to offer educational materials or subsidize class field trips.
- 1980 *Stone v. Graham* (1980)
increase The Court ruled that a Kentucky law requiring the posting of the Ten Commandments in each public school classroom in the state to be unconstitutional.
- 1981 *Segraves v. California* (1981)
increase A California judge ruled that teaching evolution in public school science classes does not infringe upon the rights of any students or parents to the free exercise of their religion, even if they sincerely believe that evolution is contrary to their religious beliefs.
- 1981 *McClellan v. Arkansas* (1981)
increase The Court found that Arkansas' "balanced treatment" law mandating equal treatment of creation science with evolution was unconstitutional.
- 1983 *Mueller v. Allen* (1983)
decrease The Supreme Court rules 5-4 that a Minnesota law allowing parents to make tax deductions for expenses incurred through things like

textbooks and other supplies at private schools is constitutional, even though most of the benefit goes to religious and not secular schools.

1985 Aguilar v. Felton (1985)

increase In a 5-4 Court Decision in 1985, the Court overturned New York City's program of paying the salaries of public employees who provided any remedial assistance to low-income students in parochial school environments.

1985 Grand Rapids School District v. Ball (1985)

increase Grand Rapids School District offered two programs conducted in leased private school classrooms: one taught during the regular school day by public school teachers and the other taught after regular school hours by part-time teachers. Both were found unconstitutional.

1985 Wallace v. Jaffree (1985)

increase The Court found that an Alabama law requiring that each school day begin with a one minute period of "silent meditation or voluntary prayer" was unconstitutional.

1987 Edwards v. Aguillard (1987)

increase In a 7-2 Court Decision, the Court invalidated Louisiana's "Creationism Act" because it violated the Establishment Clause.

1989 Board of Education of Kiryas Joel Village School v. Grumet (1989)

increase The Court found that a school district boundary was unconstitutionally drawn to deliberately aid a particular religious group.

1990 Webster v. New Lenox (1990)

increase Seventh Circuit Court of Appeals ruled that school boards have the right to prohibit teaching creationism because such lessons would constitute religious advocacy and, hence, such restrictions do not constitute an infringement on a teacher's free speech rights.

1992 Lee v. Weisman (1992)

increase On June 24th 1992, the Court ruled in a 5-4 Court Decision that the graduation prayer during school graduation violated the Establishment Clause.

1992 Jones v. Clear Creek (1992)

decrease The Fifth Circuit Court ruled that it was not unconstitutional for a school to allow graduating seniors to vote on whether or not there would be prayers during graduation ceremonies.

1993 Zobrest v. Catalina Foothills School District (1993)

decrease In 1993, the Court decided 5-4 to require a school district to offer a student in a private religious school the sign language interpreter he needed.

1994 Pelozo v. Capistrano (1994)

increase Ninth Circuit Court of Appeals decision that a teacher does not have a right to teach creationism in a biology class, that "evolutionism" is not a religion or world view, and that the government can restrict the speech of employees while they are on the job.

1994 Brown v. Woodland Joint Unified School District (1994)

none Ninth Circuit Court of Appeals decision holding that a school district's use of the "Impressions" teaching aid did not constitute a promotion of witchcraft and denigration of Christianity.

1995 ACLU v. Black Horse Regional Board of Ed. (1995)

increase Third Circuit Court opinion that a school could not allow students to vote on whether or not they would have a student-lead prayer during graduation because the degree of state involvement in the ceremonies meant that any aspect of it was state-approved, including the prayer and prayer content.

1997 Agostini v. Felton (1997)

decrease On June 23rd, 1997, in a 5-4 Court Decision, the Court allowed public school teachers to tutor private school students in their private schools, even if the schools were primarily religious in nature.

1998 Good News Club v. Milford Central School District (1998)

increase Second District Court decision which found that a school district in New York could prohibit a community religious group from meeting in the school building because they would use it for specifically religious purposes.

1999 DiLorenzo v. Downey USD (1999)

increase The Supreme Court let stand, without comment, a 9th Circuit Court of Appeals decision that a school district was within its rights to discontinue a program of paid advertising signs on school grounds rather than accept a sign promoting the Ten Commandments.

1999 Cole v. Oroville Union High School (1999)

increase Ninth Circuit Court ruling that extremely sectarian and proselytizing speeches at a graduation ceremony could be prohibited because of the reasonable impression that the religious message was supported by the school. The Supreme Court let this stand.

1999 Freiler v. Tangipahoa (1999)

increase Fifth Circuit Court of Appeals found that a disclaimer to be read before teaching about evolution ultimately had the effect of furthering

religious interests and was therefore unconstitutional.

2000 Santa Fe School District v. Doe (2000)

decrease The Supreme Court ruled that official, student-led prayers before a school football game violated the separation of church and state.

2000 Mitchell v. Helms (2000)

increase Supreme Court decision allowing for educational materials and equipment to be given to religious schools, even if such equipment could be and is diverted for religious purposes - so long as this aid is granted to any religious or private school in an even-handed manner.

2001 LeVake v. Independent School District (2001)

increase A federal district court finds that a school may remove a teacher from teaching a biology class when that teacher, a creationist, cannot adequately teach evolution.

2002 FFRF v. Rhea County Board of Education (2002)

increase A federal district court decides that a public school cannot have students from the local Bryan College come in to teach Bible classes.

2002 Zelman v. Simmons (2002)

decrease The Supreme Court rules 5-4 that a Cleveland, Ohio, program which spends large amounts of public money on subsidizing education at religious schools is constitutional.

2002 Newdow v. U.S. Congress (2002)

increase The Ninth Circuit Court of Appeals rules that the addition of the words "under God" to the Pledge of Allgiance back in 1954 was unconstitutional.