



behavior research center's

Rocky Mountain Poll

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**ARIZONANS' PRIORITY FOR REDUCING FEDERAL DEFICIT –
STICK IT TO THE RICH
BUDGET FREEZE AT CURRENT SPENDING LEVEL IS DIVISIVE
TAX HIKES PLUS MORE SPENDING CUTS SEEN AS BEST
SOLUTION TO DEFICIT PROBLEM**

Phoenix, Arizona. May 12, 2011. Six of ten Arizona taxpayers believe that reducing the federal budget further should embrace strategies that both cut spending and raise taxes – especially if the tax hikes are on the rich and future spending cuts do not injure the poor and elderly.

Almost no one favors a budget-balancing strategy based on only raising taxes (3%) and less than a quarter believe that cutting spending alone is the right solution to reducing the federal deficit. Basically, this survey reveals that 64 percent of taxpayers believe that tax hikes must be a part of the deficit solution. Simultaneously, 88 percent want to keep pressure on the president and congress to cut spending further.

Belief that the current tax system inequitably favors the rich is reflected in the findings that by 56 to 38 percent, Arizonans favor phasing out tax cuts for families earning annual incomes of \$250,000 or more. By nearly the same ratio (54% to 37%) Arizonans favor reducing social security benefits for wealthier retirees.

The concept of freezing the federal budget at current spending levels for the next five years drew the most divided response from taxpayers with 43 percent in favor but 45 percent opposed and with little difference in opinion whether the taxpayer is Democrat, Independent, Republican or currently not registered to vote. And while political conservatives like the idea of freezing spending somewhat more than do liberals, the truth is that freezing spending divides Republicans more than it unites them – 54 percent favor the freeze while 42 percent oppose.

Although eight of ten taxpayers want more spending cuts, politicians may have a “third rail” experience if they espouse austerity based on reducing spending on K-12 education or cutting health care programs for the poor and elderly. Opposition to these strategies cuts across all political parties and is intense. For example, cutting spending on K-12 federal spending is opposed by 73 percent of Republicans, 83 percent of Independents and 95 percent of Democrats.

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Additionally, six of ten taxpayers disapprove of deficit reduction strategies based on cutting from the federal budget such things as college loans or energy assistance programs for the poor, raising the social security age to 69 or through spending cuts in programs for environmental protection. The disastrous oil spills in the Gulf of Mexico and the more recent nuclear disaster in Japan have obviously raised public concern about the long-term wisdom of relying on industry to properly balance environmental safety measures with its desire for profits.

It is also interesting that even though still a minority, roughly a third of taxpayers have moved to the point where they are now open to cutting military budgets, federal highway and bridge projects and even unemployment insurance.

“Overall, which do you think is the best way to reduce the federal deficit: by cutting federal spending, by increasing taxes or by a combination of both?”

	<u>TOTAL</u>	<u>DEMOCRAT</u>	<u>REPUBLICAN</u>	<u>INDEPENDENT</u>
Do both	61%	75%	53%	63%
Just cut spending	27	10	41	30
Just raise taxes	3	4	1	1
Not sure	9	11	5	6

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*“As you may be aware, the President and U.S. Congress have been discussing ways to further reduce the federal budget deficit. Do you favor or oppose each of the following ways which have been mentioned to reduce the federal deficit?”*

|                                                                               | <u>TAXPAYERS STATEWIDE</u> |               |               |
|-------------------------------------------------------------------------------|----------------------------|---------------|---------------|
|                                                                               | <u>FAVOR</u>               | <u>OPPOSE</u> | <u>UNSURE</u> |
| <u>STRATEGIES WITH MAJORITY SUPPORT</u>                                       |                            |               |               |
| Phase out tax cuts for families that earn \$250,000 or more per year          | 56%                        | 38%           | 6%            |
| Reduce social security benefits for wealthier retirees                        | 54                         | 37            | 9             |
| <u>STRATEGIES WITH MAJORITY OPPOSITION BUT SOME SUPPORT</u>                   |                            |               |               |
| Cut military spending                                                         | 36                         | 56            | 8             |
| Cut spending on federal highways and bridges                                  | 35                         | 58            | 7             |
| Cut federal spending on unemployment insurance                                | 34                         | 58            | 8             |
| Raise taxes                                                                   | 31                         | 58            | 11            |
| <u>STRATEGIES THAT SHARPLY DIVIDE</u>                                         |                            |               |               |
| Freezing all federal spending at its current levels for the next five years   | 43                         | 45            | 12            |
| <u>STRATEGIES OPPOSED BY 60 PERCENT OR MORE</u>                               |                            |               |               |
| Cut federal spending on environment protection                                | 30                         | 63            | 7             |
| Cut federal spending on energy home assistance to low income families         | 29                         | 67            | 4             |
| Raise the social security retirement age to 69                                | 27                         | 68            | 5             |
| Cut federal spending on college student loans                                 | 21                         | 71            | 8             |
| Cut spending on federal health programs for the poor                          | 21                         | 72            | 7             |
| Cut federal health care spending for seniors                                  | 19                         | 76            | 5             |
| Cut federal spending on kindergarten through 12 <sup>th</sup> grade education | 15                         | 80            | 5             |

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Within the ranks of Republican voters, five of the 14 strategies we explored reveal some interesting divisions of opinion. As may be seen in the next table, Republicans are closely divided on whether deficit cutting strategies should include reductions in unemployment insurance, phasing out tax cuts for families earning more than \$250,000 a year or freezing federal spending for five years at its current level. There is also considerable opposition to cutting the federal student loan program but a narrow majority of Republicans lean toward raising the social security retirement age to 69 and cutting spending on environmental protection.

At the same time, Republican voters display little appetite for cuts in health care programs for the poor and elderly, cuts in education, reduced military spending or cuts in national highway and bridge infrastructure spending. A strong 61 percent of Republicans looks with approval on cutting social security benefits of wealthier individuals.

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STRATEGIES THAT TEND TO DIVIDE REPUBLICANS

	<u>FAVOR</u>	<u>OPPOSE</u>
Cut unemployment insurance	48%	46%
Five year freeze on federal spending	45	48
Phase out tax cuts for those earning \$250,000 or more	45	53
Cut environment protection spending	54	41
Raise SSI retirement age to 69	57	42
Cut student loans	40	59

STRATEGIES THAT TEND TO UNITE REPUBLICANS

Cut health care for seniors	16	74
Cut kindergarten through 12 th grade spending	20	73
Cut military spending	24	75
Raise taxes	22	61
Cut highway/bridge spending	28	66
Reduce SSI benefits to wealthier retirees	61	30
Cut energy assistance to low income families	35	64
Cut health care programs to the poor	32	58

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Among Democrats, the idea of raising taxes to help reduce the deficit draws more support than was found among Republicans, but as many favor as oppose the idea. Similarly, Democrats are not sold on the idea of a federal spending freeze. Unlike Republicans, however, a small majority of Democrats favor making cuts in military spending. Democrats are divided 55 percent in favor to 37 percent opposed on whether SSI benefits to wealthier individuals should be reduced.

Democrats are very united on all the remaining strategies and generally display no interest in supporting strategies that cut federal spending on health care for the elderly or poor, reduce spending on education, environment protection, student loans or raising the age for social security benefits to 69. By a whopping 78 to 16 percent, they endorse the idea of phasing out tax cuts for higher income earners.

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**STRATEGIES THAT TEND TO DIVIDE DEMOCRATS**

|                                           | <u>FAVOR</u> | <u>OPPOSE</u> |
|-------------------------------------------|--------------|---------------|
| Raise taxes                               | 41%          | 40%           |
| Five year freeze on federal spending      | 42           | 48            |
| Cut military spending                     | 52           | 43            |
| Reduce SSI benefits to wealthier retirees | 55           | 37            |

**STRATEGIES THAT TEND TO UNITE DEMOCRATS**

|                                                          |    |    |
|----------------------------------------------------------|----|----|
| Cut health care for seniors                              | 4  | 96 |
| Cut kindergarten through 12 <sup>th</sup> grade spending | 5  | 95 |
| Cut health care programs to the poor                     | 7  | 91 |
| Cut energy assistance to low income families             | 15 | 83 |
| Cut unemployment insurance                               | 14 | 82 |
| Cut student loans                                        | 12 | 78 |
| Cut environment protection spending                      | 16 | 80 |
| Phase out tax cuts for those earning \$250,000 or more   | 78 | 16 |
| Raise SSI retirement age to 69                           | 14 | 78 |
| Cut highway/bridge spending                              | 29 | 67 |

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The growing number of voters who are registered as Independents are more like Democrats than Republicans when it comes to two issues: (a) military spending where 52 percent of Democrats and 40 percent of Independents favor military spending cuts, but only 23 percent of Republicans hold the same view; and (b) raising the Social Security retirement age to 69, where seven of ten among Democrats and Independents opposed while 57 percent of Republicans like the idea. On the other hand, while both Republicans and Independents are divided on the wisdom of phasing out tax cuts for those earning more than \$250,000 per annum, Democrats love the idea ... 78 percent in favor.

EDITOR'S NOTE: This Rocky Mountain Poll - Arizona (2011-II-04), is based on 700 interviews with adult heads of household statewide, conducted between April 15 and 30, 2011. Interviewing was conducted in both English and Spanish by professional interviewers of the Behavior Research Center on both landlines and cell phones. Where necessary, figures for age, sex, race and political party were weighted to bring them into line with their actual proportion in the population. In a sample of this size, one can say with a 95 percent certainty that the results have a statistical precision of plus or minus 3.8 percent of what they would have been had the entire adult population been surveyed. The Rocky Mountain Poll is conducted by the Behavior Research Center of Arizona and is an independent and non-partisan research program sponsored by the Center.

This statement conforms to the principles of disclosure of the National Council on Public Polls.