

Memorandum

Date: January 27, 2009
To: Interested Parties
From: Andrew Myers and Lauren Spangler
Myers Research | Strategic Services

***Voters Value Connecticut Public Service Workers and Services
No Appetite for Layoffs or Cuts***

With Connecticut - like most other states - facing a massive budget shortfall, the state's voters show little willingness to lay off public service workers or make cuts to state services according to the results of a recent statewide survey¹. Of most importance is that voters believe that state public service workers perform vital, necessary services that benefit all residents. Further, broad majorities of voters say that cutting services like health care, education, and road maintenance during a time of recession will further damage the economy and that job layoffs, whether in the public sector or the private sector, will do the same. In addition, these same voters believe that there should be few, if any, cuts to services the state provides.

Notably, Connecticut public service workers receive strong ratings across-the-board, earning a 66-degree mean personal feeling thermometer on a 0 to 100 scale,² based on a favorable-to-unfavorable ratio of 61 to 11 percent. Specific public service workers, such as corrections officers, janitors, public school teachers, and doctors and nurses in state health care facilities earn even stronger reviews individually. And, when it comes to the job that Connecticut public service workers are doing, a broad majority of voters (56 percent) give them excellent or good reviews, while just 33 percent rate their performance as just fair or poor.

More compelling, however, when voters are asked to choose between making large, across-the-board cuts to all public services, laying off a large portion of public service

¹ These findings are based on a survey of 600 likely November 2010 voters in Connecticut. Calling took place from November January 21-23, 2009, and interviews were conducted by professional interviewers supervised by Myers Research | Strategic Services staff. The data were stratified to reflect the projected geographical contribution to the total expected vote. The margin of error associated with these data at a 95 in 100 percent confidence level is +/- 4.0 percent. The margin of error for subgroups is greater.

² Myers Research | Strategic Services uses a mean thermometer scale of zero to one hundred to measure candidate personal standing. Zero represents a very cool, negative feeling, one hundred represents a very warm, favorable feeling, and 50 means neither warm nor cool. The mean thermometer score is derived among respondents who can rate individual or group.

workers, or increasing taxes on the wealthiest and big corporations, a strong majority (54 percent) choose to increase taxes in order to balance Connecticut's budget. Notably, raising taxes outpaces the other alternatives by very significant margins, with just 19 percent favoring cuts to services and just 15 percent choosing layoffs of public service workers. Clearly, there is little to no appetite for cuts or layoffs, and the Governor and legislature would be wise to begin by finding new revenue.

Importantly, this survey also provides a roadmap for how voters prefer to raise new revenue to fund critical services. Specifically, topping the list are plans to eliminate corporate tax loopholes, followed by strong majority support for raising taxes on the wealthiest - that is families earning more than \$150,000 a year, but particularly those earning a million dollars or more each year. Notably, even in Fairfield County we see majority level support for raising taxes on the wealthiest families. Further, though with somewhat less intensity than the latter two, there is broad support for raising cigarette and alcohol taxes, as well as for raising the sales tax by one penny and expanding the services it covers. In fact, the only tax increase that voters' feel should be off the table is raising the state's gas tax, which is met with strong majority disapproval.

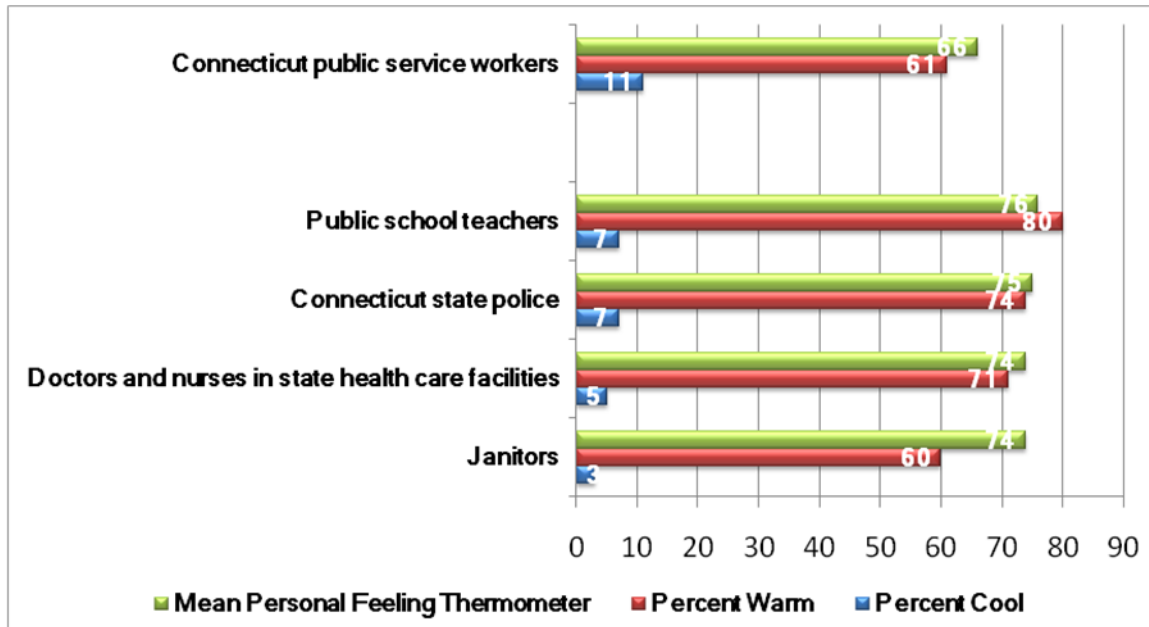
A more detailed analysis of the survey's central findings follows.

State Public Service Workers Earn Solid Ratings

Somewhat counter to trends often observed, Connecticut public service workers earn strong personal and professional ratings from the state's voters. On the whole, Connecticut public service workers receive a warm 66-degree mean personal feeling thermometer, with 61 percent of voters rating them favorably and 11 percent giving them unfavorable reviews, and as displayed below, reviews grow even stronger for specific workers, such as public school teachers, corrections officers, doctors and nurses in state health care facilities, and janitors.

State Public Service Workers Well Regarded Across the Board

Q9 Now, I'd like to rate your feelings toward some people and organizations, with one hundred meaning a VERY WARM, FAVORABLE feeling; zero meaning a VERY COLD, UNFAVORABLE feeling; and fifty meaning not particularly warm or cold. You can use any number from zero to one hundred; the higher the number the more favorable your feelings are toward that person or organization. If you have no opinion or never heard of that person or organization, please say so.



When it comes to the job Connecticut public service workers are doing, a broad majority of voters (56 percent) give them excellent or good ratings, while one third (33 percent) rate their job performance as just fair or poor. Beneath the surface, a majority of all partisan audiences give public service workers positive job reviews, with registered Democrats (62 percent excellent/good - 30 percent fair/poor) and registered Republicans (59 percent excellent/good - 29 percent fair/poor) giving them nearly equal job ratings. Among registered independents, public service workers earn slightly more mixed job reviews, with a bare majority (50 percent) rating the job they are doing as excellent or good and 38 percent giving them just fair or poor reviews.

Beyond the strong personal and professional ratings they receive, probing voters about state public service workers provides further evidence that they are valued and widely perceived as providing critical services. Agreement that state public service workers “perform vital and needed services that benefit us all” is nearly universal, with 87 percent of voters overall agreeing with this statement. Further, verbatim responses about public service workers reinforce the notion that they perform essential functions, while often receiving less recognition than they deserve.

“They keep everything working.”

“They’re here to help you in all kinds of weather.”

“They deserve much more than what people give them.”

“They are working for the people.”

Voters Broadly Open to Raising Taxes But Oppose Service Cuts and Layoffs

When voters are presented with a choice - between making large, across-the-board cuts to all public services, laying off a large portion of public service workers, or increasing taxes on the wealthiest and big corporations, a majority (54 percent) choose to increase taxes in order to balance Connecticut’s budget. In contrast, just 19 percent want services cut and only 15 percent choose to layoff public service workers.

Some gaps do emerge beneath the surface, although it is important to note that pluralities of all demographic audiences choose to increase taxes on the wealthiest and big corporations when forced to make the choice. Blue-collar audiences, those without a college degree, overwhelmingly choose raising taxes on big corporations and the wealthiest (60 percent), with 17 percent choosing cuts to services, and only 11 percent wanting to lay off public service workers. In contrast, more upscale college graduates are less willing to raise taxes on big corporations and the wealthy (49 percent) and slightly more willing to choose cuts to services (21 percent) and worker layoffs (20 percent) than their less-educated counterparts. This education gap is driven largely by college-educated men and older college graduates, those over age 50.

Additionally, as detailed in the table below, broad majorities of both Democrats and independents choose raising taxes on big corporations and the wealthiest individuals over other options. In comparison, more tax-sensitive Republicans are more willing than other partisans to see service cuts or worker layoffs, though even a plurality of them favor tax increases over other options.

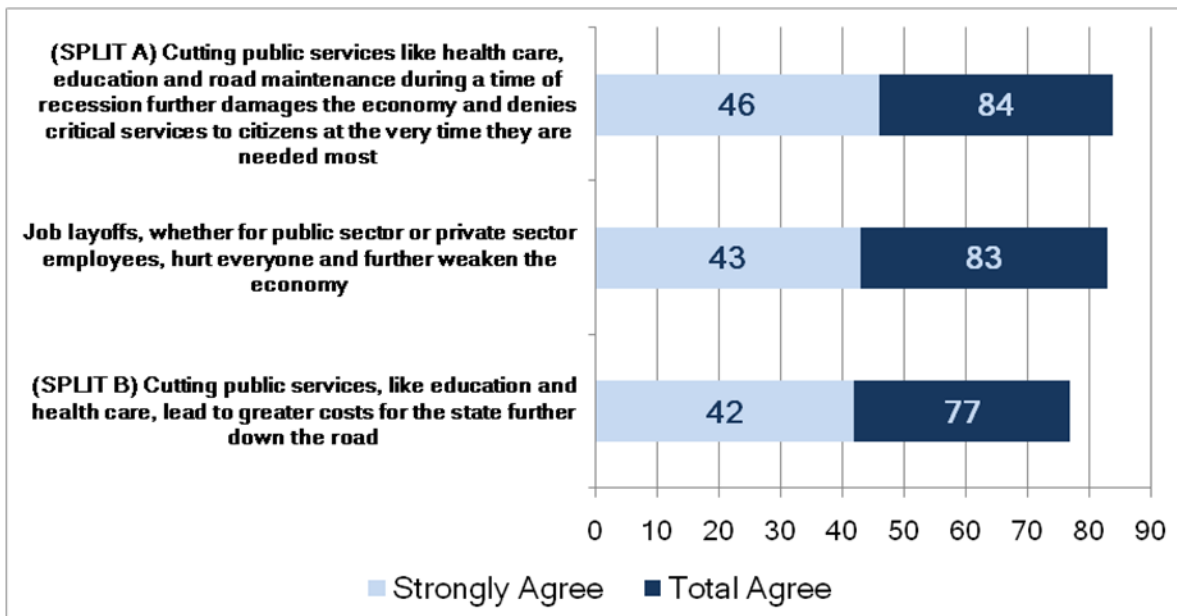
BEST APPROACH TO BALANCING THE BUDGET			
	Tax Increases	Service Cuts	Worker Layoffs
<i>Total</i>	54	19	15
Self-ID Democrats	63	16	12
Self-ID Independents	55	19	16
Self-ID Republicans	39	24	21
Registered Democrats	60	16	15
Registered Independents	55	18	14
Registered Republicans	43	25	18

When probing voters more deeply about service cuts and laying off public sector employees, broad majorities of voters say that cutting services like health care, education, and road maintenance during a time of recession will further damage the economy and that job layoffs, whether in the public sector or the private sector, will do the same. In fact, there is very little evidence that voters agree with the cuts and layoffs

proposed by the Governor, and she and other government leaders are likely to face significant backlash if they move forward with these proposals.

Public Has No Appetite for State Employee Layoffs or Deep Budget Cuts – High Premium on Maintaining Services

Q.32 Now, I am going to read you several statements and I want you to tell me whether you agree or disagree with each statement.



Further underscoring the notion that Connecticut voters are much more willing to raise taxes than to cut critical services is a split-sample message exercise, with one construct pitting the Governor’s proposal against a plan to make cuts to services and increase some taxes, and another construct with the Governor’s proposal pitted against a plan to close corporate tax loopholes and raise taxes on the wealthiest, without cutting critical services. The exact language of these three approaches to closing the budget deficit is displayed below.

Three Competing Approaches to Balancing the Budget

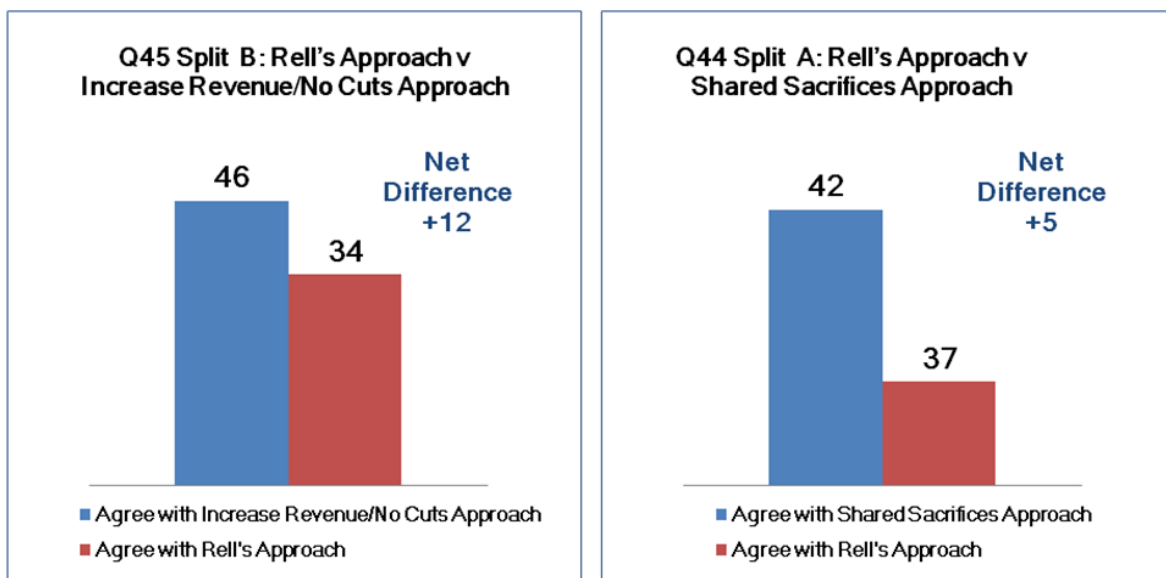
Rell's Approach: Some leaders, including Governor Rell, say Connecticut must not raise taxes in this economic climate, and instead we must make deep cuts to state spending and focus government on the core services it should provide in order to balance the budget and address this shortfall. They say Connecticut is facing the worst financial crisis since the Great Depression and raising taxes now would hurt businesses and cost us needed jobs, making our economy even worse. They say we have to solve this budget crisis with spending cuts alone.

(Split B) Increase Revenue/No Cuts Approach: Other leaders in the state legislature, relying on Nobel Prize winning economists, say our economy has fallen into recession and now is not the time to make drastic cuts to jobs and services which will only damage our economy further and put us deeper into recession. Rather, they say this is the time to bring about real structural change and reform to state government, while working to protect and improve public services like education, worker training and health care so we can create jobs and strengthen our economy. They propose balancing the budget by eliminating corporate tax loopholes that allow big corporations to pay less in taxes than middle-class families do, and increasing taxes on the wealthiest.

(Split A) Shared Sacrifices Approach: Other legislative leaders say that we cannot balance the budget with spending cuts alone as they will damage the economy further, and we have to consider a combination of spending cuts and some increases in state taxes. They say there needs to be shared sacrifices by everyone, and the state should make cuts to a variety of public services, increase income tax rates for the wealthiest, as well as close corporate tax loopholes so we can protect those state services that are most vital.

In this exercise, voters respond considerably more strongly to raising taxes on corporations and the wealthiest **while keeping critical services** than they do to making cuts to services and increasing some taxes.

Larger Plurality Prefer Increasing Revenue, with No Cuts to Services, to Governor's Spending Cuts

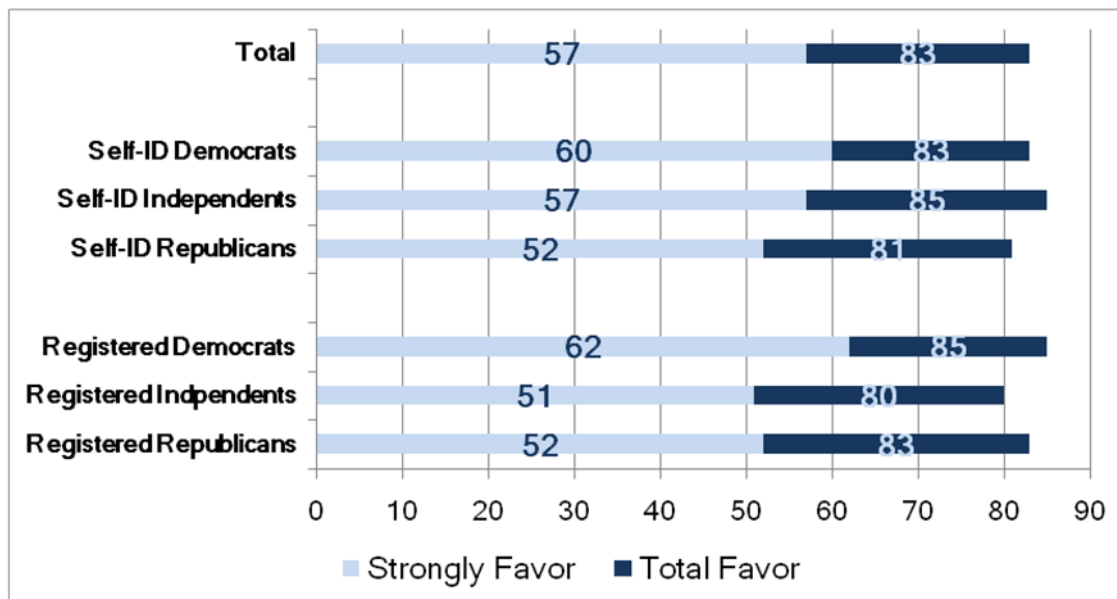


Closing Corporate Tax Loopholes, Raising Taxes for Wealthiest Seen As Solutions To Ensure Funding of Critical Services

Providing even further proof of Connecticut voters' willingness to tax big corporations, as we see in virtually every state in which we conduct research, broad support exists for eliminating corporate tax loopholes that allow corporations to pay less in taxes than they actually owe. Support for closing these loopholes is both broad and deep, and in fact, a large majority of nearly every bloc of voters in the state strongly favors this proposal. As highlighted below, support for eliminating corporate tax loopholes crosses partisan lines, though Democrats clearly fuel the intensity behind closing these loopholes.

Broad Majority Strongly Favor Eliminating Corporate Tax Loopholes

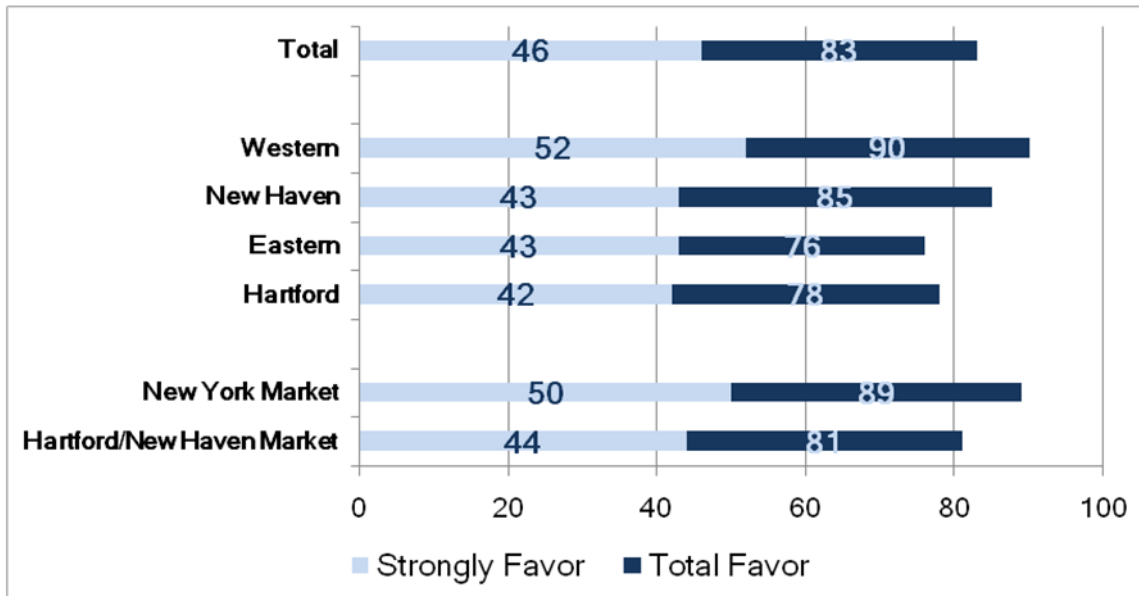
Q52 Eliminate corporate tax loopholes, such as the loophole that allows out-of-state corporations to underreport their Connecticut earnings, and thus pay less in state taxes to Connecticut than they actually owe.



Aside from eliminating corporate tax loopholes, raising taxes on the wealthiest - that is families earning more than \$150,000 a year, but particularly those earning a million dollars a year or more - is favored by a broad majority of voters across the state. Notably, even in Fairfield County, highlighted in the graph below as the New York Media Market, we see majority level support for raising taxes on the wealthiest families, with a bare majority there *strongly* favoring this tax increase on the wealthiest.

Near Majority Strongly Favor Raising Taxes on Wealthiest in Connecticut, Starting at \$150,000

Q46 (SPLIT A) Raise income taxes on the wealthiest in Connecticut, with the smallest increase for those earning \$150,000 a year, slightly more for those earning \$500,000 a year and the largest for those earning a million dollars a year or more.



Finally, broad support does exist for raising cigarette and alcohol taxes, though the intensity behind these increases is somewhat less than we see for eliminating corporate loopholes and raising taxes on the wealthiest. Voters are somewhat open to raising the sales tax by one penny and expanding the services and goods it covers, though again it lacks intensity among voters across the board. Importantly, it is only a gas tax increase that proves incredibly unpopular here, just as it does in virtually every other state, and in fact, two thirds of Connecticut voters (69 percent) actually oppose raising the gas tax. Clearly, any attempt to raise the state’s gas tax should be off the table.

Creating New Revenue with Tobacco and Alcohol Taxes Also an Option, As Is Sales Tax

Q46 And still thinking about the six billion dollar state budget deficit, I am going to read you a number of options that state legislators and the governor could use to address the budget shortfall, and for each please tell me whether you favor or oppose that proposal.

