

The Star-Ledger/Eagleton-Rutgers Poll

EMBARGOED — NOT FOR RELEASE UNTIL: SUNDAY, NOVEMBER 26, 1995

RELEASE: SL/EP 55-4 (EP 105-4)

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RELEASE INFORMATION

A story based on the survey findings presented in this release and background memo will appear in Sunday's *Star-Ledger*. We ask users to properly attribute this copyrighted information to "*The Star-Ledger/Eagleton Poll*."

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FEWER JERSEYANS' REPORT BENEFITS FROM THE 30% STATE INCOME TAX REDUCTION

ATTITUDES TOWARD FEDERAL TAX CUTS AND MEDICARE

New Jerseyans' expectations to benefit from the 30% state income tax reduction have been on a decline since February 1994. Currently 31 percent feel they have benefited from the tax cut program which is a 17 percentage point decrease from the beginning of Governor Christie Todd Whitman's term in office when 48 percent of the state's residents thought they would gain from the 30% tax reduction. Even though residents say they have not benefitted from the tax reduction, a majority of New Jerseyans are satisfied with the program.

On a national level, the majority of New Jerseyans are not expecting to benefit from the proposed federal tax cuts. In addition, 45 percent think federal tax cuts will decrease the amount of federal funding that New Jersey receives.

When it comes to Medicare, 6-in-10 New Jerseyans disapprove of the Republican plan to make changes in the program. Also, close to half think these changes will result in a decrease of Medicare funds for New Jersey.

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The latest *Star-Ledger/Eagleton* Poll was conducted between October 27 and November 2, 1995 when 803 New Jersey adults were interviewed by telephone.

TRACKING NEW JERSEY'S 30 PERCENT STATE INCOME TAX REDUCTION

New Jerseyans' optimism about the benefits of the state's 30% percent state income tax reduction has been declining since February 1994. Initially, 48 percent of New Jerseyans said they would benefit from the tax reduction a great deal (7%) or some (41%). In February 1995 there was a 5 percentage point decline to 43 percent. Now, that percentage has dropped 12 percentage points with 31 percent of state residents saying they have benefited a great deal (5%) or some (26%) from the 30% state income tax reduction. In comparison, at this time, 66 percent currently say they have benefited not much (35%) or not at all (31%).

The 14 percentage point decline among independents from 44 to 30 percent who say they benefited from the 30% income tax reduction is larger than any other partisan group. In comparison, there was a 9 percentage point decline among Democrats from 35 to 26 percent and a similar 9 percentage point drop among Republicans from 48 to 39 percent saying they 30% state income tax reduction benefited them a great deal or some.

Across all income groups there was a decline in the percentage of state residents who think the tax reduction has provided them benefits. Among those in the income groups under \$50,000 the decrease was about 13 percentage points. The decline was 23 percentage points among New Jerseyans with household incomes of more than \$50,000.

While 57 percent of New Jerseyans did not have a specific amount of money in mind that they thought they would get as a result of the 30% state income tax reduction, 11 percent made a specific estimate and 16 percent had an amount they expected to receive. Among

those who either made a specific estimate or had an amount in mind, 23 percent thought they would save less than a \$100 as a result of the tax reduction, 17 percent estimated between \$100 - \$299, 11 percent thought they would receive from \$300 to \$999, and 9 percent expected \$1,000 or more, and 31 percent did not provide an amount they thought they had saved as a result of the 30% tax reduction.

SATISFACTION WITH 30% INCOME TAX REDUCTION

Overall, 55 percent of New Jerseyans say they are very (12%) or somewhat (43%) satisfied with the 30% income tax reduction compared to 37 percent who are not very (19%) or not at all (18%) satisfied. Republicans (68%) are more likely than independents (51%) or Democrats (47%) to say they are very or somewhat satisfied with the tax reduction program.

As would be expected, among the state residents who say the 30% income tax reduction benefited them a great deal, 94 percent are very or somewhat satisfied with the program. However, even New Jerseyans who say they benefited some (87%) or not much (55%) from the tax program report they are very or somewhat satisfied.

Among those who are very satisfied with the tax reduction, the main two reasons given for their assessment is "it's better for taxes to go down than to go up (29%)" and "every bit helps (27%)." Those who are somewhat satisfied say it is because "the tax cut did not make any difference" (19%) and "it's better for taxes to go down than to go up (14%)." Also among this group 1-in-10 noted the "reduction wasn't large enough" (11%) and "every bit helps" (11%). The key reasons for dissatisfaction among those who are not very satisfied with the tax reduction program are "the tax cut did not make any difference" (35%) and "property and other taxes have increased" (25%). These are also the main reasons for dissatisfaction

mentioned by those who are not at all satisfied — "the tax cut did not make any difference" (36%) and "property and other taxes have increased" (20%).

WHO HAS THE 30% STATE INCOME TAX REDUCTION HELPED OR HURT

New Jerseyans have different opinions about who has been helped or hurt by the 30% state income tax reduction. While 66 percent say the tax reduction has helped wealthy New Jerseyans, 49 percent report the tax reduction aided middle class residents, 46 percent feel the working poor has been helped, and 29 percent think the tax reduction helped New Jerseyans who are on welfare.

FEDERAL TAX CUTS

A majority of state residents are aware of the discussions about federal tax cuts, but they are not optimistic about receiving any benefits from the proposed program. Half (51%) of New Jersey residents have read or heard a great deal (17%) or some (34%) about the federal tax cuts that have been proposed in Congress compared to 48 percent who have not read or heard much (28%) or nothing at all (20%).

About 1-in-3 state residents say they will benefit a great deal (5%) or some (29%) from the proposed federal tax cuts, 55 percent feel that they will benefit not much (31%) or not at all (24%), and 11 percent say that they don't know.

Republicans (47%) are more likely than Democrats (28%) or independents (28%) to say they will benefit a great deal or some from federal tax cuts.

These percentages are similar to how New Jerseyans assess the benefits of the tax cut in their state with the exception that more are likely to say they don't know how much they will

benefit from the federal program.

New Jerseyans are generally pessimistic about the consequences of a federal tax cut on federal funding for New Jersey. Forty-five percent say federal tax cuts will decrease the amount of federal funding New Jersey receives compared to 31 percent who say New Jersey's federal funds will not change and 12 percent who feel they will increase. Generally there is partisan agreement on this issue with similar percentages of Democrats (47%), independents (48%), and Republicans (42%) saying federal funds for New Jersey will decrease if there are federal tax cuts.

Overall, more New Jerseyans are concerned that the Republicans will go too far in cutting taxes (46%) than are concerned that the Democrats will not go far enough (37%). As would be expected, Democrats (62%) are more likely than independents (45%), and Republicans (30%) to be concerned that the Republicans will go too far in cutting taxes.

New Jerseyans are more interested in lowering the federal deficit than reducing their own taxes. A majority (53%) say that if Congress cuts spending on some programs this year the savings should be used to reduce the deficit compared to 38 percent who say the savings should be used to lower taxes.

There are partisan differences on how savings from federal programs should be used. While a majority of Democrats (51%) would like to have these savings used to lower taxes, independents (54%) and Republicans (65%) are more likely to prefer reducing the deficit.

CHANGES IN MEDICARE

New Jerseyans are protective of the status quo when it comes to Medicare. Overall 6-in-10 strongly (46%) or mildly (16%) disapprove of the Republican plan to change Medicare compared to 23 percent who strongly (10%) or mildly (13%) approve. Democrats (83%) and independents (64%) are more likely to disapprove than Republicans (41%). Also, New Jerseyans who are 65 years old or older (70%) are more likely than residents in other age groups to disapprove of any changes in Medicare.

New Jerseyans want to preserve Medicare rather than balancing the federal budget or cutting taxes. Six-in-ten New Jerseyans prefer preventing Medicare from being significantly cut to balancing the federal budget (32%) or cutting federal taxes (33%). In the trade-off between balancing the federal budget and preventing Medicare from being cut, more Democrats (79%) than independents (56%) or Republicans (50%) want to preserve Medicare. These partisan differences are similar when the trade-off is between cutting federal taxes and preventing Medicare from being cut, more Democrats (74%) than independents (56%) or Republicans (51%) want to preserve Medicare.

Close to half (48%) of New Jersey residents think the Republican plan to change Medicare will decrease the amount of federal funds New Jersey receives for Medicare compared to 27 percent who say it will not change, 10 percent who feel it will increase, and 15 percent who do not know. Democrats (52%) and independents (49%) are more likely than Republicans (45%) to feel the Republican plan to change Medicare will decrease the amount of funds New Jersey receives for Medicare.

BACKGROUND MEMO — RELEASE SL/EP55-4 (EP105-4), SUNDAY, NOVEMBER 26, 1995

The latest *Star-Ledger/Eagleton* Poll was conducted between October 27 and November 2, 1995, when a random sample of 803 New Jerseyans, 18 years and older, was interviewed by telephone. Figures based on this sample size are subject to a sampling error of about ± 3.5 percent at a 95 percent confidence interval. Sampling error is the probable difference in results between interviewing everyone in the population versus a scientific sample taken from that population. Sampling error does not take into account other possible sources of error inherent in any study of public opinion. The questions and figures referred to in this release are presented below. The location of each question on the actual questionnaire is in brackets.

"Overall, how much do you think you have benefited from New Jersey's 30 percent state income tax reduction--a great deal, some, not much, or not at all?" [Q.16]

	A Great Deal	Some	Not Much	Not At All	Don't Know	Total	(n)
November, 1995	5%	26%	35%	31%	3%	100%	(803)
<u>Party ID</u>							
-- Democrat (237)		6	20	38	34	2	100
-- Independent	3	27	35	32	4	101	(284)
-- Republican	4	35	34	25	3	101	(244)
<u>Annual Household Income</u>							
--Less than \$20,000	6	20	31	40	3	100	(102)
--\$20,001 - \$30,000	3	27	30	33	7	100	(79)
--\$30,001 - \$50,000	5	28	35	29	3	100	(180)
--More than \$50,001	3	27	39	29	2	100	(348)
<u>Age</u>							
-- 18 to 29	4	22	36	34	4	100	(136)
-- 30 to 49	6	28	39	25	2	100	(380)
-- 50 to 64	3	35	28	29	6	101	(157)
-- 65 and over	4	22	32	40	2	100	(111)
<u>Past Surveys</u>							
--February, 1995	9	34	35	20	3	101	(801)
<u>Party ID</u>							
--Democrat	9	26	40	21	3	99	(220)
--Independent	7	37	34	21	2	101	(323)
--Republican	10	38	32	15	4	99	(231)
<u>Total Household Income</u>							
--\$30,000 or less	7	32	37	20	5	101	(190)
--\$30,001 - \$50,000	5	38	37	18	2	100	(210)
--\$50,001 - \$70,000	11	36	35	16	2	100	(127)
--Over \$70,000	18	35	34	12	1	100	(167)
--February, 1994 ¹	7	41	34	17	2	101	(801)

¹Note: Question wording in February, 1994 was as follows: "How much do you think you will benefit from the Governor's plan to reduce state income tax rates - a great deal, some, not much, or not at all?"

“Have you made an estimate of how much less your state income tax is because of the 30 percent state income tax reduction?” [Q.17]

	<u>Yes</u>	<u>No</u>	<u>Don't Know</u>	<u>Total</u>	<u>(n)</u>
November, 1995	11%	84%	5%	100%	(803)

“And, what is your best estimate of the actual amount of money you have saved because of the 30 percent state income tax reduction?” [Q.18a]

	<u>Less Than \$100</u>	<u>\$100-\$299</u>	<u>\$300-\$999</u>	<u>\$1000 Or More</u>	<u>Don't Know/ Refused</u>	<u>Total</u>	<u>(n)</u>
November, 1995	40%	20%	7%	9%	23%	99%	(114)
<i>Party ID</i>							
-- Democrat (33)		34	24	6	12	24	100
-- Independent	50	14	7	1	27	99	(39)
-- Republican	36	22	9	15	17	99	(17)

Combined Q.18a/18b: Among those who gave estimate of state income tax reduction

	<u>Less Than \$100</u>	<u>\$100-\$299</u>	<u>\$300-\$999</u>	<u>\$1000 Or More</u>	<u>Don't Know/ Refused</u>	<u>Total</u>	<u>(n)</u>
November, 1995	23%	17%	11%	18%	31%	100%	(244)
<i>Party ID</i>							
-- Democrat (72)		17	14	13	13	42	99
-- Independent	28	15	9	15	33	100	(86)
-- Republican	23	22	11	25	19	100	(77)

“Is there an amount that you think you should have saved? IF YES: What is it?” [Q.18b]

	<u>Yes</u>	<u>No</u>	<u>Don't Know</u>	<u>Total</u>	<u>(n)</u>
November, 1995	16%	64%	20%	100%	(689)

“Overall, how satisfied are you with the 30 percent state income tax reduction--very satisfied, somewhat satisfied, not very satisfied, or not at all satisfied?” [Q.19]

	<u>Very Satisfied</u>	<u>Somewhat Satisfied</u>	<u>Not Very Satisfied</u>	<u>Not At All Satisfied</u>	<u>Don't Know</u>	<u>Total</u>	<u>(n)</u>
November, 1995	12%	43%	19%	18%	8%	100%	(803)
<i>Party ID</i>							
-- Democrat (237)		8	39	18	25	10	100
-- Independent	8	43	26	17	6	100	(284)
-- Republican	18	50	15	11	5	99	(244)
<i>Annual Household Income</i>							
--Less than \$20,000	11	42	15	23	10	101	(102)
--\$20,001 - \$30,000	12	48	14	14	12	100	(79)
--\$30,001 - \$50,000	8	47	26	19	--	100	(180)
--More than \$50,001	12	42	21	18	8	101	(348)
<i>Extent of Benefit From 30% State Income Tax Reduction</i>							
--A great deal	43	51	--	6	--	100	(37)
--Some (211)		23	64	10	2	--	99
--Not much	9	46	27	12	--	94	(282)
--Not at all	2	21	23	41	--	87	(250)

“And, why do you feel that way?” [Q.20]

	<u>Total</u>	<u>Very Satisfied</u>	<u>Somewhat Satisfied</u>	<u>Not Very Satisfied</u>	<u>Not At All Satisfied</u>
The tax cut:					
Made no difference/not effective	23%	3%	19%	35%	36%
Property tax; other taxes increased	12	--	7	25	20
Better for taxes to go down than to go up	8	29	14	1	1
Reduction wasn't large enough	8	4	11	11	6
Every bit helps	8	27	11	1	--

“In general, do you think the 30 percent state income tax reduction has helped or hurt?” [Q.21]

	<u>Helped</u>	<u>Hurt</u>	<u>Neither</u>	<u>Don't Know</u>	<u>Total</u>	<u>(n)</u>
a. wealthy New Jerseyans	66%	11%	5%	17%	99%	(803)
b. middle class New Jerseyans	49	31	8	12	100	(803)
c. working poor New Jerseyans who earn incomes just above the poverty level	46	32	6	16	100	(803)
d. New Jerseyans who are on welfare	29	27	14	30	100	(803)

“How much have you read or heard about the federal tax cuts that have been proposed in Congress--a great deal, some, not much, or nothing at all?” [Q.22]

	<u>A Great Deal</u>	<u>Some</u>	<u>Not Much</u>	<u>Not At All</u>	<u>Don't Know</u>	<u>Total</u>	<u>(n)</u>
November, 1995	17%	34%	28%	20%	1%	100%	(803)

“How much do you think you will benefit from the proposed federal tax cuts -- a great deal, some, not much, or not at all?” [Q.23]

	<u>A Great Deal</u>	<u>Some</u>	<u>Not Much</u>	<u>Not At All</u>	<u>Don't Know</u>	<u>Total</u>	<u>(n)</u>
November, 1995	5%	29%	31%	24%	11%	100%	(803)

Party ID

-- Democrat (237)		3	25	36	25	10	99
-- Independent	3	25	31	29	12	100	(284)
-- Republican	8	39	28	15	10	100	(244)

Annual Household Income

--Less than \$20,000	6	16	26	39	13	100	(102)
--\$20,000 - \$30,000	2	30	37	19	12	100	(79)
--\$30,001 - \$50,000	2	39	31	20	8	100	(180)
--More than \$50,000	7	31	31	21	10	100	(348)

“Thinking about the federal funds that New Jersey receives for state programs, do you think federal tax cuts will increase, decrease, or not change the amount of federal funding that New Jersey receives?” [Q.24]

	<u>Increase</u>	<u>Decrease</u>	<u>Not Change</u>	<u>Don't Know</u>	<u>Total</u>	<u>(n)</u>
November, 1995	12%	45%	31%	13%	101%	(803)
<i>Party ID</i>						
-- Democrat (237)		14	47	29	10	100
-- Independent	10	48	31	11	100	(284)
-- Republican	11	42	33	14	100	(244)

“Which concerns you more about the two parties -- that:” [Q.25]

	Democrats Will Not Go Far Enough <u>In Cutting Taxes</u>	Republicans Will Go Too Far <u>In Cutting Taxes</u>	<i>VOLUNTEERED CHOICES</i>			Don't Know	Don't Total	<u>(n)</u>
			<u>Neither</u>	<u>Depends</u>	<u>Both</u>			
November, 1995	37%	46%	3%	1%	3%	10%	100%	(803)
<i>Party ID</i>								
-- Democrat (237)		27	62	1	1	2	8	101
-- Independent	33	45	4	1	4	12	99	(284)
-- Republican	57	30	6	1	2	6	102	(244)

“If Congress reduces spending on some programs this year, should these savings mainly be used: “ [Q.26]

	<u>To Reduce The Deficit</u>	<u>To Lower Taxes</u>	<i>VOLUNTEERED CHOICES</i>			Don't Know	Don't Total	<u>(n)</u>
			<u>Neither</u>	<u>Depends</u>	<u>Both</u>			
November, 1995	53%	38%	1%	--	4%	3%	99%	(803)
<i>Party ID</i>								
-- Democrat (237)		42	51	1	--	3	3	100
-- Independent	54	33	1	--	6	6	100	(284)
-- Republican	65	30	--	--	5	--	100	(244)

“From what you know of the Republican plan to change Medicare, do you approve or disapprove -- do you mildly or strongly approve/disapprove?” [Q.27]

	<u>Strongly Approve</u>	<u>Mildly Approve</u>	<u>Mildly Disapprove</u>	<u>Strongly Disapprove</u>	<u>Don't Know</u>	<u>Total</u>	<u>(n)</u>
November, 1995	10%	13%	16%	46%	15%	100%	(803)
<i>Party ID</i>							
-- Democrat (237)		6	4	14	69	7	100
-- Independent	9	10	18	46	18	101	(284)
-- Republican	19	24	15	26	17	101	(244)

Age

18 - 29	8	16	25	38	13	100	(136)
30 - 49	13	15	15	42	15	100	(380)
50 - 64	10	11	14	52	14	101	(157)
65 or older	8	4	9	61	19	101	(111)

"If you had to choose would you prefer:" [Q.28]

	Preventing Medicare		VOLUNTEERED CHOICES				Don't Total	(n)
	Balancing The Federal Budget	From Being Significantly Cut	Neither	Depends	Both	Know		
November, 1995	32%	62%	1%	--	2%	2%	99%	(803)
<u>Party ID</u>								
-- Democrat (237)		18	79	--	--	1	2	100
-- Independent	36	56	2	--	2	3	99	(284)
-- Republican	47	50	--	--	3	1	101	(244)
New York Times Poll October, 1995	27	67	--	--	--	--	94	(1,077)

"And, if you had to choose would you prefer:" [Q.29]

	Preventing Medicare		VOLUNTEERED CHOICES				Don't Total	(n)
	Cutting Federal Taxes	From Being Significantly Cut	Neither	Depends	Both	Know		
November, 1995	33%	60%	1%	--	1%	4%	99%	(803)
<u>Party ID</u>								
-- Democrat (237)		21	74	--	--	--	4	100
-- Independent	37	56	3	--	1	3	100	(284)
-- Republican	42	51	1	--	3	3	100	(244)

"Do you think the Republican plan to change Medicare will increase, decrease, or not change the amount of federal funds New Jersey receives for Medicare?" [Q.30]

	Increase	Decrease	Not Change	Don't Know	Total	(n)
<u>Party ID</u>						
-- Democrat (237)		15	52	21	12	100
-- Independent	9	49	26	16	100	(284)
-- Republican	8	45	31	15	99	(244)

