MAJORITY NOW SERIOUSLY CONCERNED ABOUT STATE BUDGET

GOVERNOR’S JOB PERFORMANCE RATING TURNS NEGATIVE

Over the last year Governor James McGreevey has managed to convince New Jerseyans that the state’s budget problems are indeed serious, but that message has come with the price of a plummeting job approval rating. More in the state now disapprove than approve of the job McGreevey is doing.

As the Governor prepares to give his annual budget message today, a new Star-Ledger/Eagleton-Rutgers survey finds more state residents favoring the Governor’s approach of cutting services instead of raising taxes, although there is strong support for an income tax increase on wealthy New Jerseyans—those earning over $500,000.

A majority (55%) of state residents now describe New Jersey’s budget problems as “very serious,” up from 41 percent in September and from 37 percent last June. Another 36 percent believe the state’s budget problems are “somewhat serious.” The Governor’s office is projecting a deficit of about 5 billion dollars out of a 24 billion dollar budget. The state’s constitution mandates a balanced budget.

McGreevey, just starting his second year in office, has seen a general erosion of public support. Currently just one-third (33%) say they approve of the job he is doing as Governor, while 46 percent disapprove and the remaining one-in-five offers no opinion. Just four months ago positive impressions outnumbered negative ones by 43 to 32
percent. And, as recently as last June, favorable job assessments outnumbered unfavorable ones by a margin of two-to-one (50% to 24%).

Opposition to a general tax hike remains significant in the Garden State. The current survey shows more residents siding with the Governor in choosing to cut services (49%) over raising taxes (34%). However, public opinion on the matter is clearly shifting. In March of last year, far more residents favored a service cut (64%) over a tax increase (23%), by a margin of 41 percentage points. The margin declined to 26 points in June, and further again to the current 15 percentage point difference.

New Jerseyans have no reservations about increasing the tax on the state’s wealthiest residents. By a margin of three-to-one, more say they would support (74%) than oppose (23%) increasing the state income tax on families who earn over $500,000 annually.

The latest poll was conducted between January 30 and February 2 with a scientific sample of 401 New Jersey residents. The associated sampling error is ± 5 percentage points.

The latest Star-Ledger/Eagleton-Rutgers Poll was conducted by telephone from January 30 to February 2 with a scientifically selected random sample of 401 New Jersey adults. All surveys are subject to sampling error, which is the expected probable difference between interviewing everyone in a population versus a scientific sampling drawn from that population. The sampling error for 401 is ± 5 percent, at a 95 percent confidence interval. Thus if 50 percent of New Jersey residents were found to be less likely to agree with a statement, one would be 95 percent sure that the true figure would be between 45 and 55 percent (50 ± 5) had all New Jersey residents been interviewed, rather than just a sample. Sampling error increases as the sample size decreases, so statements based on various population subgroups, such as separate figures reported for residents of North, Central and South Jersey, are subject to more error than are statements based on the total sample. The following chart shows the relationship between sample size and sampling error.

Sampling error does not take into account other sources of variation inherent in public opinion studies, such as non-response, question wording or context effects. The verbatim wording of all questions asked is reproduced in this background memo. The sample has been stratified based on county and the data have been weighted on age and education to insure an accurate proportional representation of the state. The questions referred to in this release are as follows:

“Here in New Jersey, do you approve or disapprove of the way James McGreevey is handling his job as Governor?” [JM1]

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<td>33%</td>
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<td>101%</td>
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<tr>
<td>(n)</td>
<td>(401)</td>
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**PAST SURVEYS**

--September 2002 | 43 | 32 | 26 | 101 | (804)
--June 2002 | 50 | 24 | 26 | 100 | (801)
--March 2002 | 45 | 21 | 34 | 100 | (803)

“How serious do you think New Jersey’s budget problems are – very serious, somewhat serious, not very serious, or not at all serious?” [BT1]

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<th>Not at All Serious</th>
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<td>2%</td>
<td>1%</td>
<td>5%</td>
<td>99%</td>
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<td>(n)</td>
<td>(401)</td>
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<td></td>
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</tr>
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</table>

**PAST SURVEYS**

--September 2002 | 41 | 37 | 8 | 3 | 11 | 100 | (804)
--June 2002 | 37 | 48 | 7 | 2 | 7 | 101 | (801)
--March 2002 | 39 | 44 | 8 | 2 | 7 | 100 | (803)
“The state constitution requires that New Jersey have a balanced budget each year. To balance the state budget next year, if you had to choose, which would you prefer – raising taxes to keep state services at their current level, or cutting state services to keep taxes at their current level?” [BT2]

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<th>Cut State Services</th>
<th>Both/Some of each</th>
<th>DK/Refuse</th>
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<td>49%</td>
<td>5%</td>
<td>12%</td>
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**PAST SURVEYS**

-- June 2002  
30  56  6  8  100  (801)

-- March 2002  
23  64  5  8  100  (803)

-- January 1992 *  
22  70  3  5  100  (799)

-- March 1990 *  
27  65  2  5  100  (800)

*Question wording was:  “As you may know the state constitution requires that New Jersey have a balanced budget each year. To balance the state budget next year, if you had to choose between reducing spending for government services or increasing taxes to keep government services at current level, which would you prefer”

“As you may know New Jersey is looking for ways to close next year’s expected budget gap. Would you support or oppose increasing the state income tax rate on wealthy taxpayers – that is, families who earn more than $500,000?” [BT3]

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<th>Oppose</th>
<th>Depends</th>
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