

RESEARCH BRIEF Q4 2013

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The Wisconsin Economic Scorecard is a quarterly poll of Wisconsin residents conducted by the UWM Center for Urban Initiatives and Research, in cooperation with WUWM and WisBusiness.com.



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WISCONSIN ECONOMIC SCORECARD

The *Wisconsin Economic Scorecard* is a quarterly poll of Wisconsin residents conducted by the **UWM Center for Urban Initiatives and Research (CUIR)**, in cooperation with **WisBusiness.com** and **Milwaukee Public Radio (WUWM 89.7)**.

This tracking poll measures perceptions of the health of Wisconsin's economy, personal economic circumstances of Wisconsin residents, and public opinion regarding important state economic issues.

The Q4 2013 *Wisconsin Economic Scorecard* was a random digit dial (RDD) landline/mobile telephone survey of 498 Wisconsin residents, conducted by the CUIR Survey Center at the University of Wisconsin—Milwaukee from December 2-5. The sampling margin of error was $\pm 4.4\%$ at the 95% confidence level.

MAJOR FINDINGS:

- Most Wisconsin voters₁ (56%) feel it is too soon to tell whether the Affordable Care Act is a failure or not, and those who think current problems with the law will be fixed (53%) outnumber those who do not (43%).
- Over three quarters (76%) of registered voters support an increase in Wisconsin's minimum wage. A state minimum wage hike enjoys support from bipartisan majorities as well as 61% of business owners.
- The proposed Menominee tribal casino in Kenosha now enjoys support from 53% of registered voters in the state (up from 44% last quarter), while 32% oppose. Support is lowest among relatively older residents.
- While 58% of Wisconsin residents say the state is "headed in the right direction," just 35% describe Wisconsin's recent economic performance in positive terms.
- Regarding the pace of job creation in the state, 7% say they are "very satisfied," 43% are "somewhat satisfied," 26% say they are "somewhat dissatisfied," and 24% report being "very dissatisfied."
- Among working-age Wisconsin residents, only those from households with a total annual income of \$80,000 or more are likely to describe their personal financial situations in positive terms.
- When compared with last year, those planning to spend less this holiday season outnumber those who say they will spend more 36% to 12% (51% plan to spend about the same).

₁ N=470, margin of error = $\pm 4.5\%$

TABLE OF CONTENTS

The Direction of the State	Page 2
The Current Wisconsin Economy	Page 4
Personal Financial Circumstances	Page 8

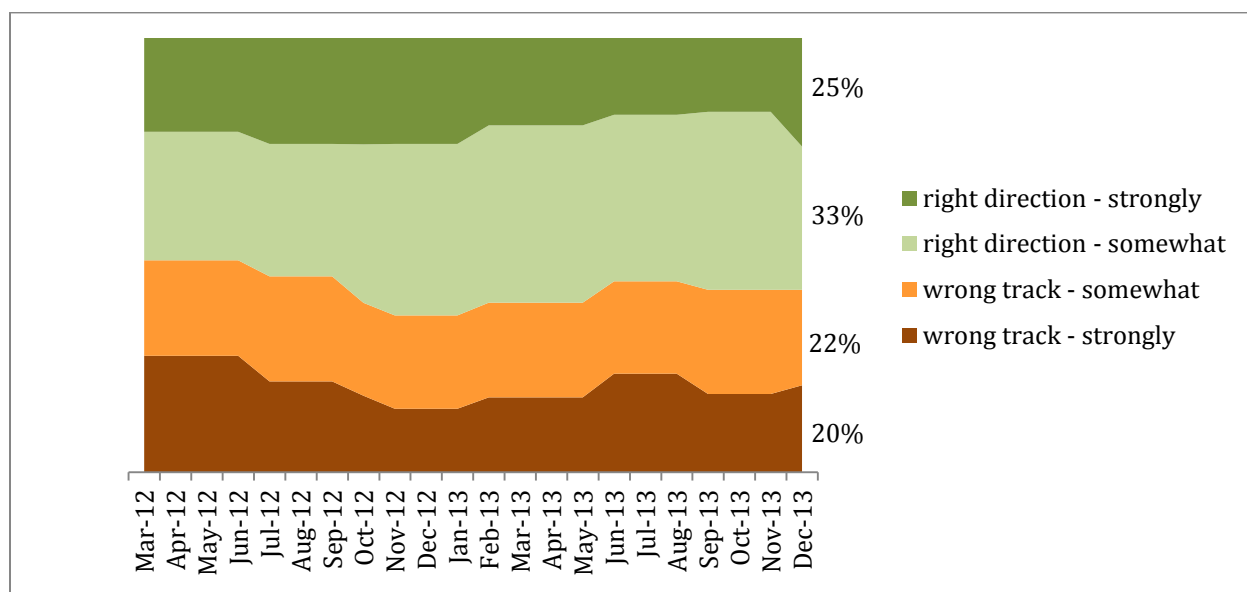
FEATURES

Support for an Increase in the Minimum Wage in Wisconsin	Page 12
Support for New Menominee Tribal Casino in Kenosha	Page 13
The \$100 Million Property Tax Cut and the Structural Deficit	Page 16
Opinion Regarding the Affordable Care Act Rollout	Page 18

THE DIRECTION OF THE STATE

Although optimism about the overall direction of the state has faded somewhat after surging in the wake of the 2012 elections, the outlook continues to remain positive for a majority of Wisconsin residents. As Q4 comes to an end, 58% express the view that the state is “headed in the right direction,” while 42% feel the state is “on the wrong track.” The overall balance between those who are optimistic and those who are pessimistic about Wisconsin’s direction is unchanged since last quarter; however, Figure 1 illustrates that among those who feel the state is “headed in the right direction,” there has been a sizable increase in the proportion of residents who feel “strongly” optimistic (25% in Q4 versus 17% in Q3).

Figure 1: Perceived Direction of the State of Wisconsin



The two strongest predictors of opinion regarding the direction of the state are once again political affiliation and personal economic situations. Figure 2 shows that most Democrats (65%) say the state is “on the wrong track,” while the vast majority of Republicans (82%) say the state is “headed in the right direction”. A slight majority of Independents (59%) express a positive opinion, while 41% hold a negative view. This represents a significant change since the end of Q3, when Independents were evenly split on the question (52% “headed in the right direction” versus 47% “on the wrong track”). An increase in the degree of optimism about the direction of the state among Independents is main driver of the overall increase in the proportion of respondents who feel the state is “headed in the right direction”.

Perceptions about the overall direction of the state remain strongly associated with evaluations of personal financial situations. Among those who describe their personal finances as “poor,” 68% say the state is “on the wrong track.” That proportion drops to 45% among those who describe their personal finances as “fair,” 31% among those who say their personal finances are “good,” and 35% among those who say their personal finances are “excellent.” Figure 3 shows that this relationship is largely unchanged since last quarter, with the exception of a notable increase in pessimism about the direction of the state among those who describe their personal financial situations as “excellent” (24% “on the wrong track” in Q3 versus 35% in Q4). Each of these factors exercises a strong yet independent influence on opinion about Wisconsin’s overall direction. Republicans are more likely than Democrats to express optimism regarding where the state is headed given equal personal financial situations. At the same time, those with worse personal financial situations are consistently more pessimistic about the direction of the state than are their more-financially-sound co-partisans.

Figure 2: Perceived Direction of the State of Wisconsin, by Party Identification

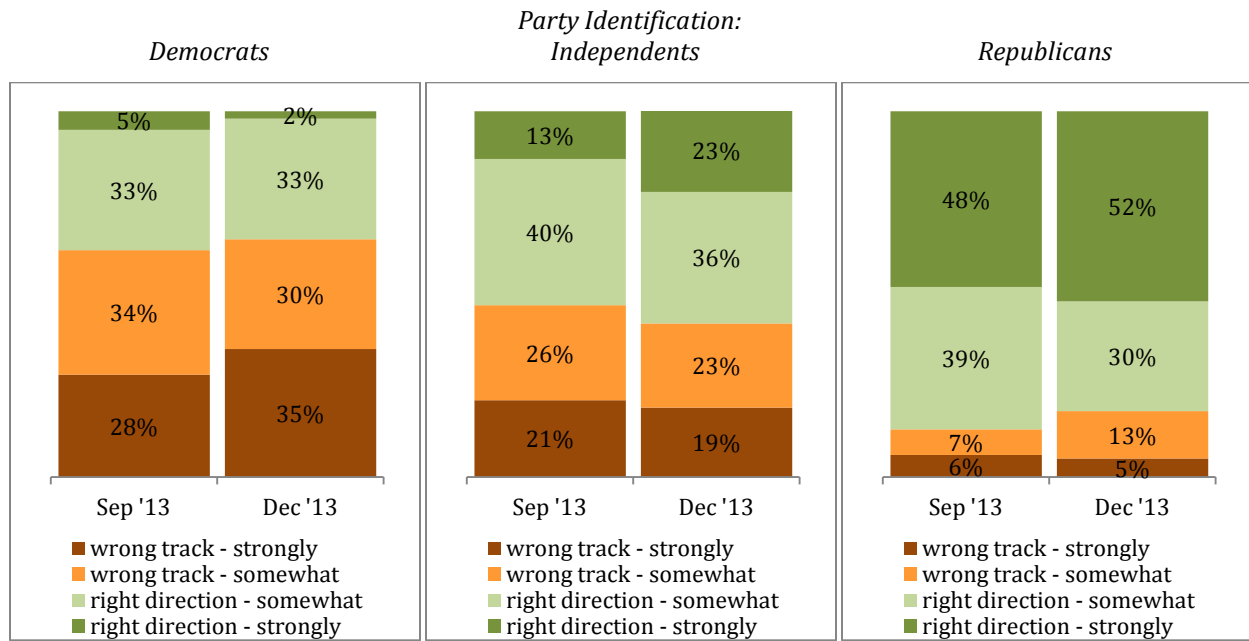
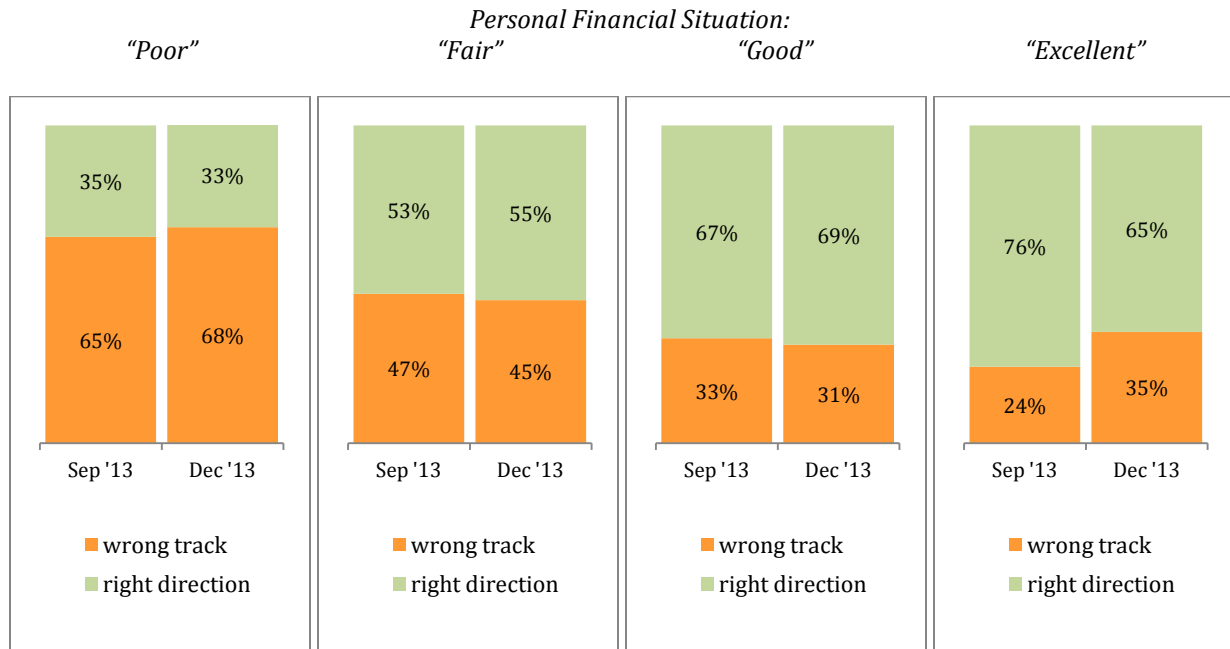


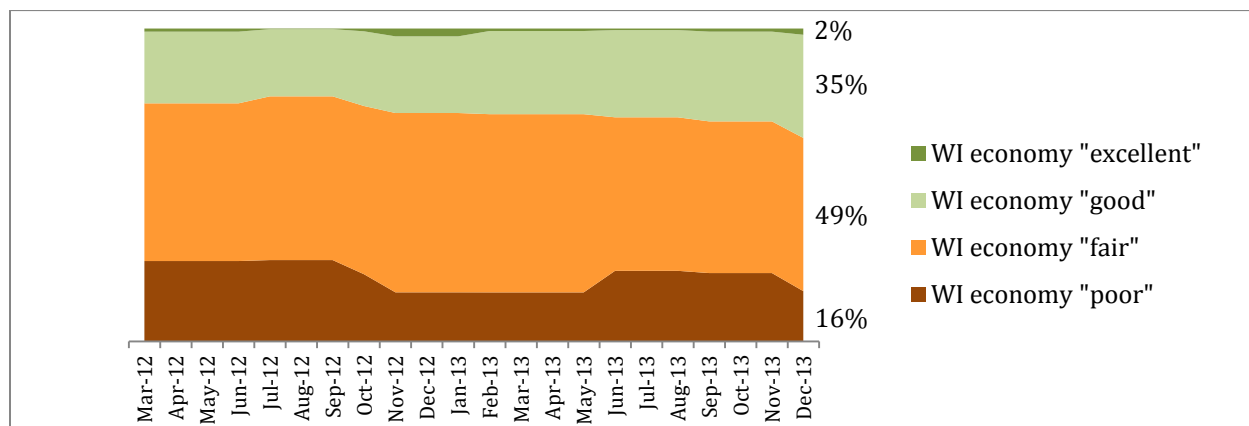
Figure 3: Perceived Direction of the State of Wisconsin, by Personal Financial Situation



THE CURRENT WISCONSIN ECONOMY

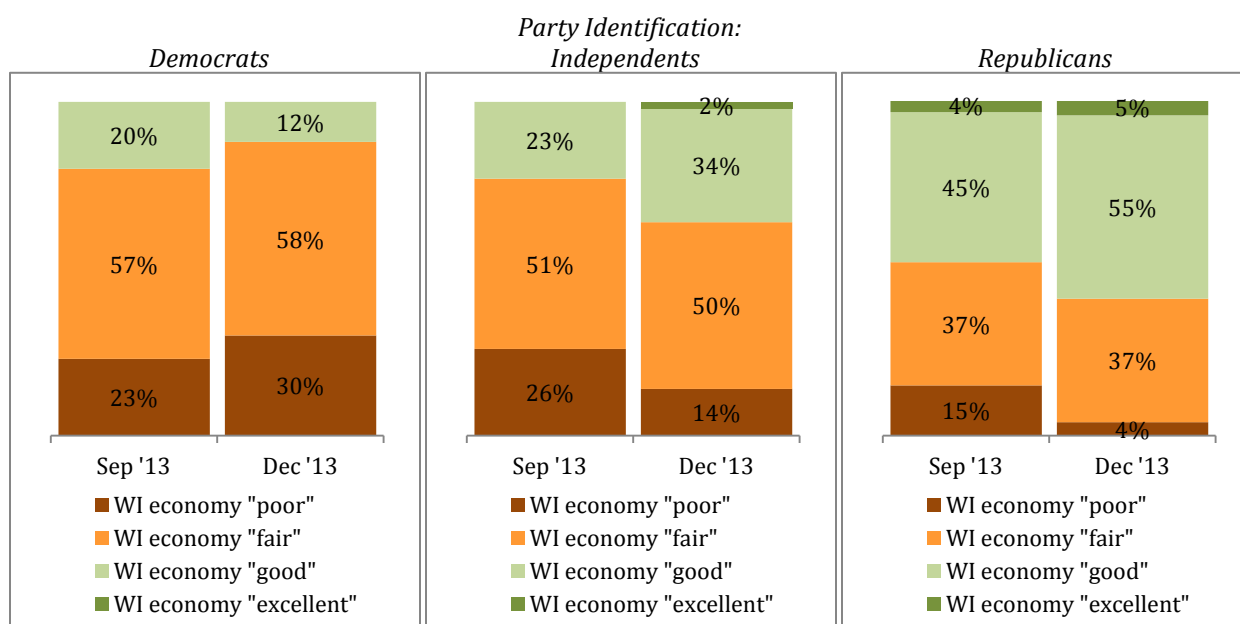
Wisconsin residents' optimism about the overall direction of the state is tempered by a net negative view of the state's recent economic performance. However, a yearlong trend of incrementally increasing economic optimism continued in Q4. Figure 4 shows that 65% now characterize the state's economy negatively ("fair" or "poor"), but this proportion is down from 70% in Q3.

Figure 4: Evaluations of Wisconsin's Current Economy



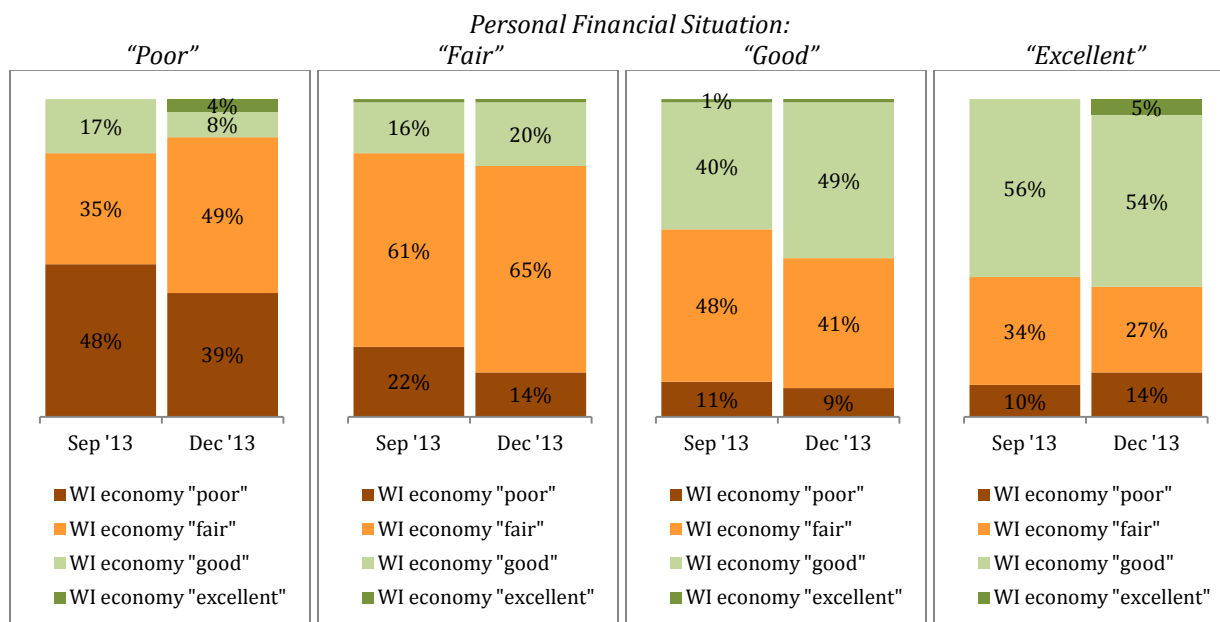
Partisan affiliation continues to play a central role in determining views of the Wisconsin economy. Figure 5 illustrates how Republicans are much more likely than Democrats or political independents to express optimism regarding the state's economic performance; while 60% of Republicans have a positive opinion of the Wisconsin economy, just 12% of Democrats share that view. These figures indicate a clear increase in partisan polarization since the end of Q3, with Democrats souring further on the state's economic performance and Republicans becoming considerably more optimistic. While not as optimistic as Republicans, independents now express a much higher level of optimism regarding recent economic performance (36% "good" or "excellent") than they did last quarter (23% "good" or "excellent").

Figure 5: Evaluations of Wisconsin's Current Economy, by Party Identification



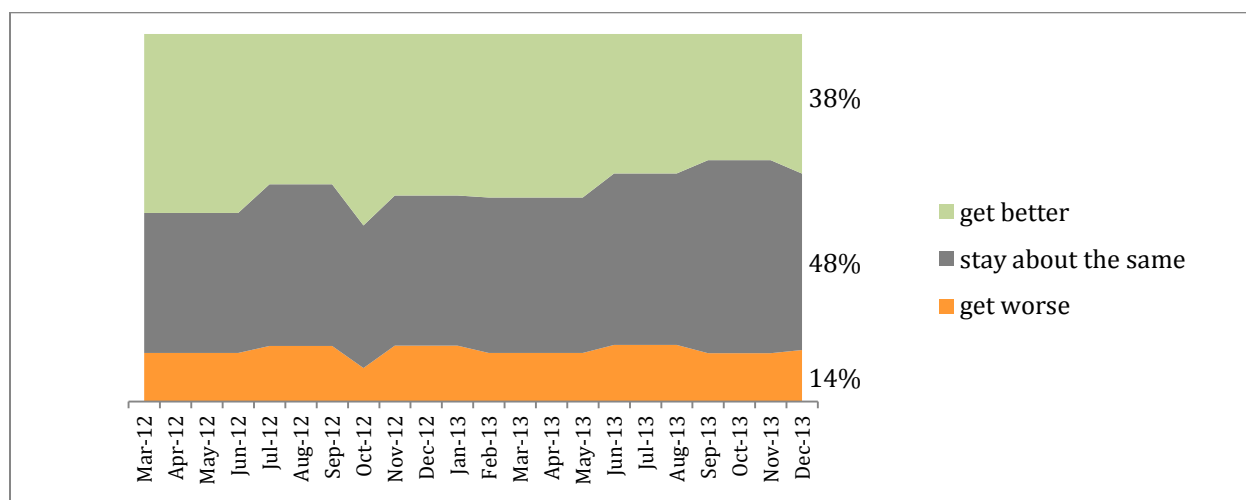
The strongest predictor of views on the overall state economy is once again personal financial situation. Figure 6 shows that just 12% of those who view their own finances as “poor” give the state economy good marks, while a majority (59%) of those who rate their personal financial situations as “excellent” report positive views of Wisconsin’s recent economic performance. Those reporting “fair” or “good” personal financial situations are slightly more optimistic about the current state economy than they were at the end of Q3.

Figure 6: Evaluations of Wisconsin’s Current Economy, by Personal Financial Situation



When it comes to Wisconsin’s future economic performance, those who expect the economy to “get better” over the next year (38%) continue to outnumber those who feel the economy will “get worse” over the same timeframe (14%). Figure 7 shows that the largest proportion of state residents (48%) continue to expect relative economic stability over the next year. This pattern of opinion has not changed significantly since last quarter.

Figure 7: Expectations Regarding Wisconsin’s Economy over the Next Year



The strong association between what Wisconsin residents think about the future economic performance of the state and the economy they are currently experiencing continues this quarter. Figures 8 and 9 show that those who have strong personal financial situations and those who feel the current state economy is strong are most likely to think things will continue to improve, while those who are struggling and those who feel that Wisconsin's economy is in trouble are most likely to feel that the economy will stagnate or worsen.

Figure 8: Expectations for WI Economy over Next Year, by Personal Financial Situation

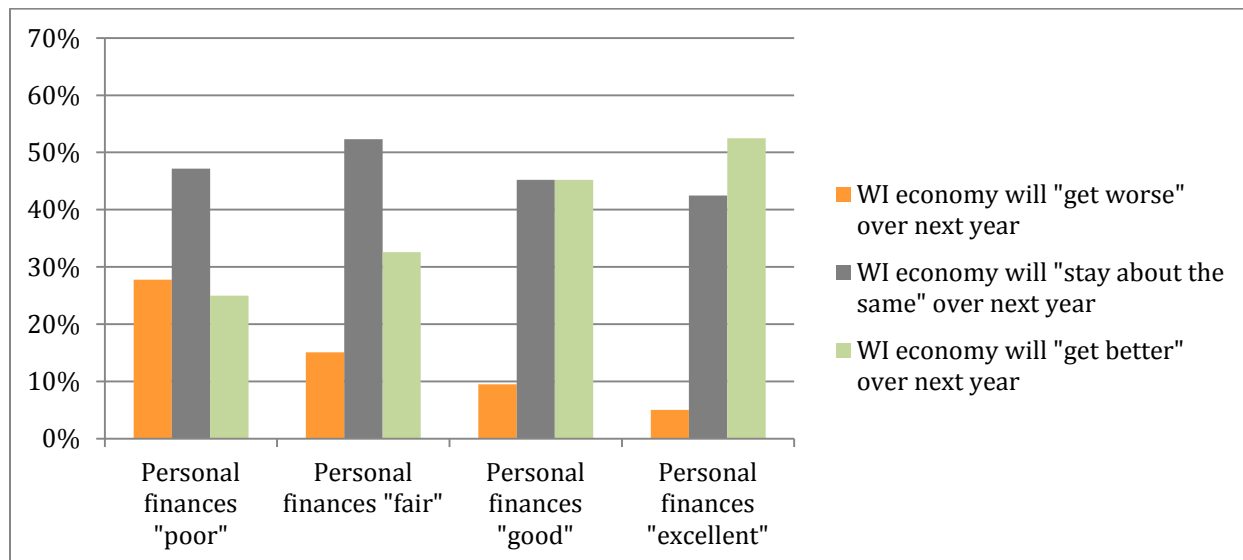
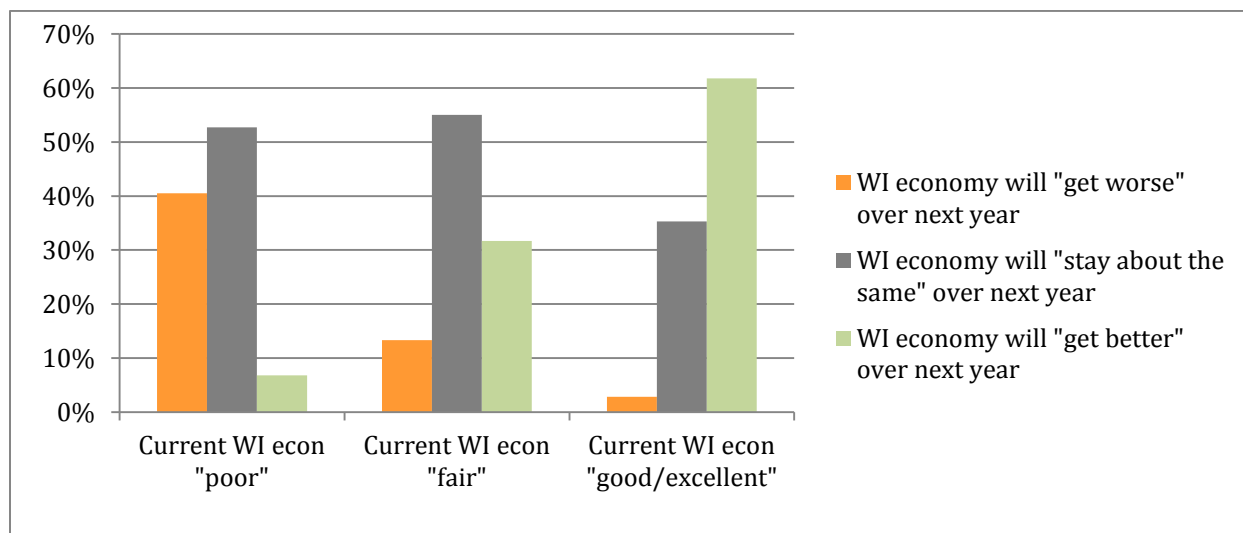


Figure 9: Expectations for WI Economy over Next Year, by Perceptions of Current WI Economy



For the second consecutive quarter, residents were asked about their level of satisfaction with the pace of job creation in Wisconsin. Figure 10 shows that opinion remains closely divided (50% satisfied/50% unsatisfied). However, intensely dissatisfied residents continue to outnumber intensely satisfied residents by a fairly wide margin (24% to 7%).

Figure 10: Satisfaction with the Pace of Job Creation in Wisconsin

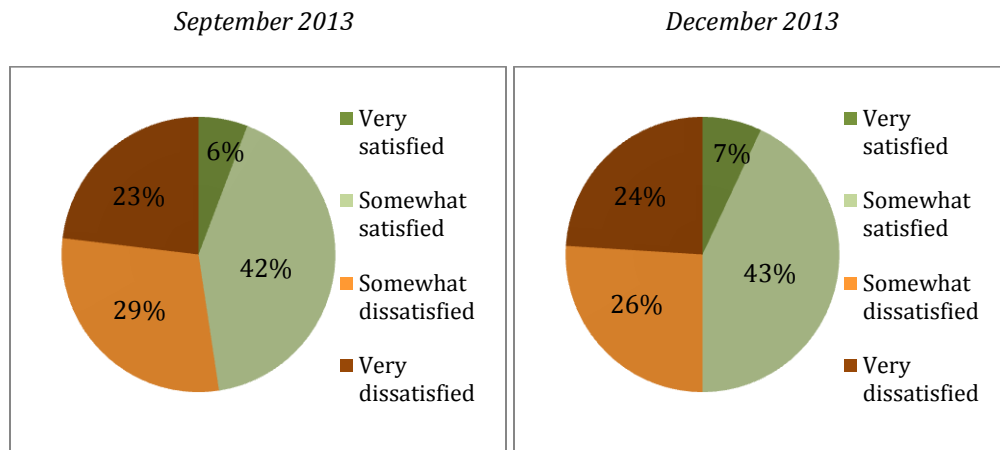
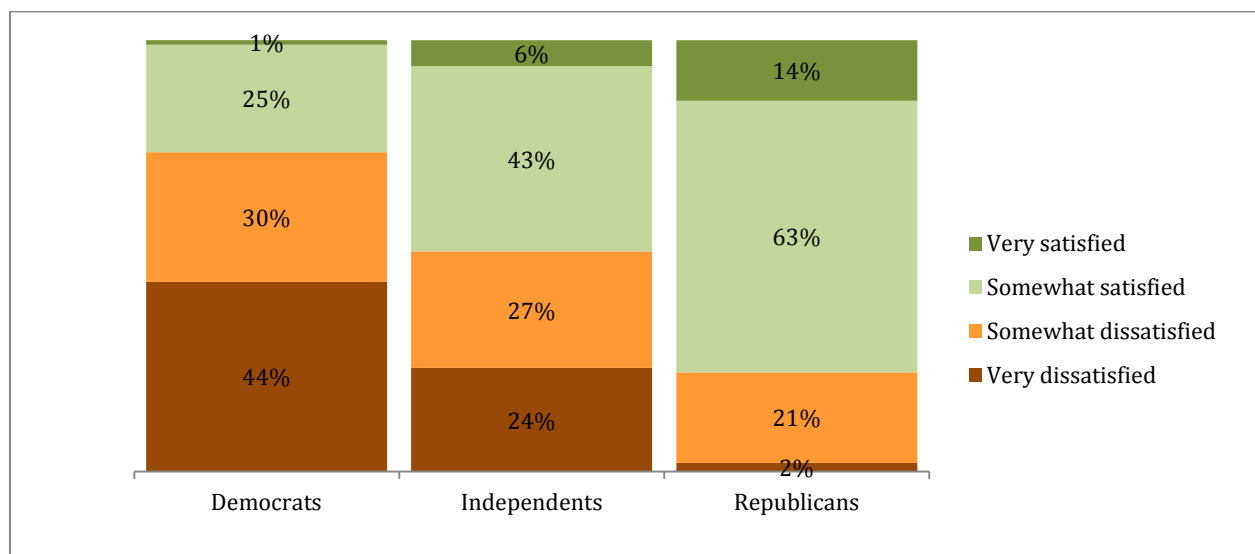


Figure 11 shows that the division in opinion regarding the pace of job creation in the state falls largely along partisan lines; just 26% of Democrats express satisfaction, while the vast majority of Republicans (77%) have a positive view. Partisans seem to be engaged in a degree of “cheerleading” for or against economic improvement in the state. A slight correlation between party identification and personal experience with the state’s labor market is not sufficient to explain the wide discrepancy between Democrats and Republicans. Meanwhile, those without partisan affiliation are split on the question; 49% express satisfaction with the pace of job creation, while 51% say they are dissatisfied. However, among independents, those who are “very” dissatisfied outnumber those who say they are “very” satisfied 24% to 6%.

Figure 11: Satisfaction with the Pace of Job Creation in Wisconsin, by Party Identification



PERSONAL FINANCIAL CIRCUMSTANCES

A slim majority of residents continue to describe their financial situations in negative terms; either “fair” (36%) or “poor” (15%). Another 40% call their finances “good,” while just 8% refer to their finances as “excellent.” Figure 12 shows that net evaluations of personal finances have improved slightly during the fourth quarter, continuing a minor positive trend. In addition to the small increase in positive evaluations, it is important to note that the proportion of residents specifically describing their situations as “poor” (15%) dropped in Q4 after five consecutive quarters of incremental increases.

Figure 12: Evaluation of Current Personal Financial Situation

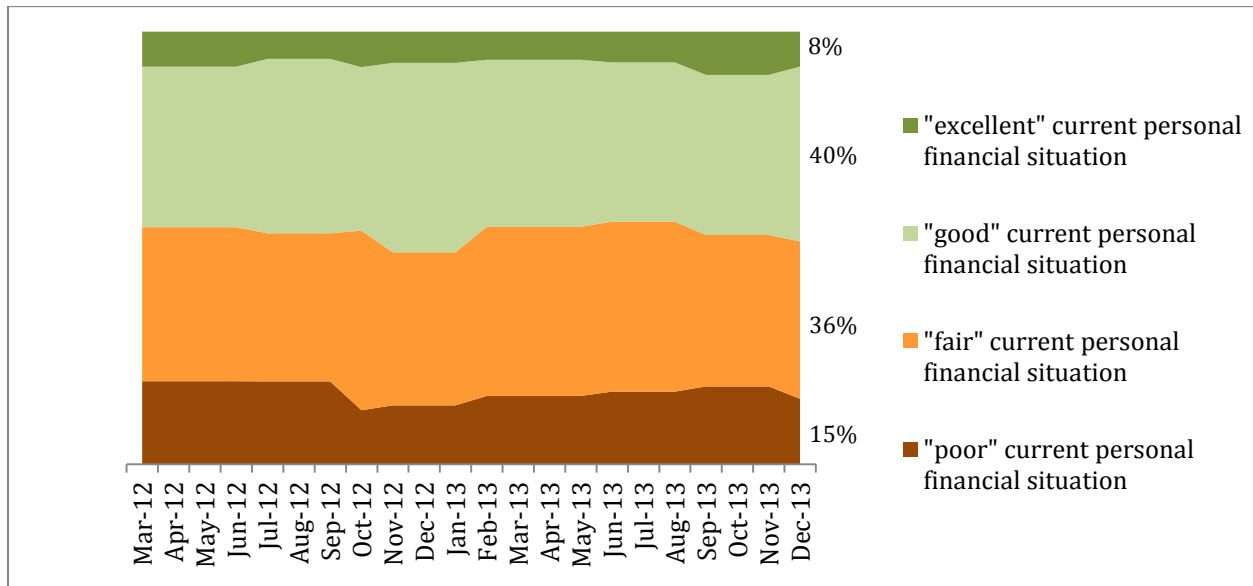
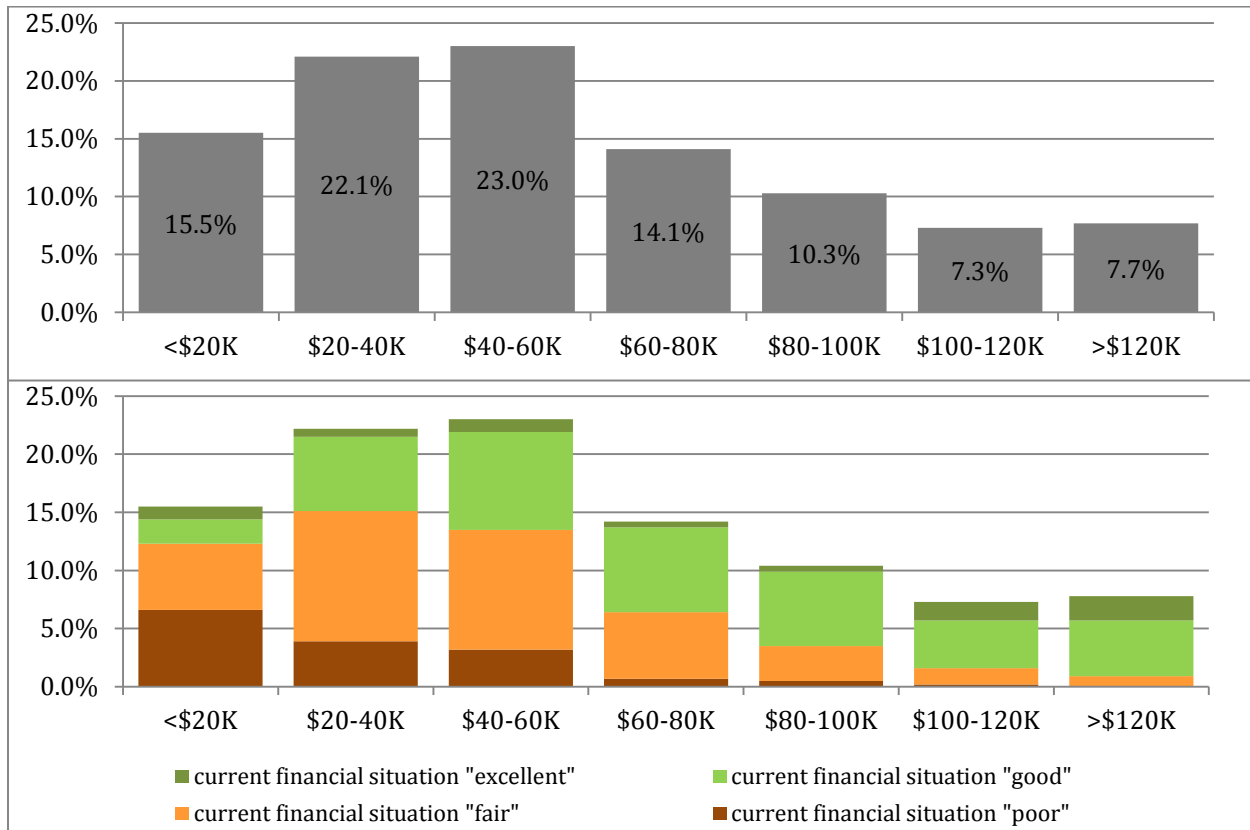


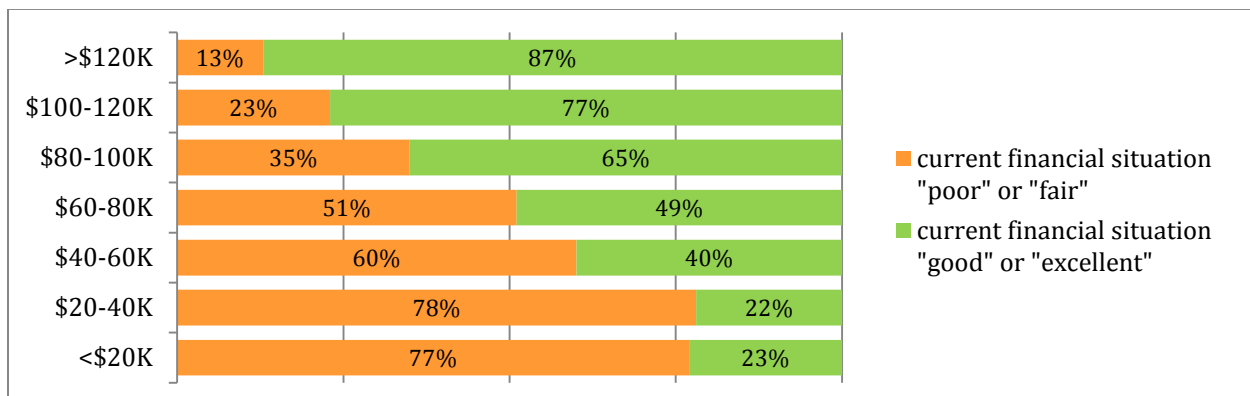
Figure 13 shows the distribution of household income across Wisconsin residents, as well as how residents in each income category are likely to feel about their respective financial situations. The median Wisconsin resident is likely to live in a household with an annual income between \$40,000 and \$60,000, and is most likely to self-place on the bottom half of the satisfaction scale (personal financial situation is “fair”).

Figure 13: Self-reported Pre-tax Annual Household Income (2012)



While there is an unsurprisingly strong relationship between financial self-evaluations and household income, notable proportions of residents in relatively high-income households describe their situations in negative terms. While greater household incomes generally yield higher levels of satisfaction, this rule is not absolute and no group is immune from dissatisfaction. Despite the wide distribution of opinion within each category, there are still clear divides in overall levels of satisfaction that correspond with income categories. Figure 14 shows that among non-retired Wisconsin residents, those that live in households making less than \$60,000 in 2012 are very likely to describe their personal financial situations in negative terms. Only those making over \$80,000 have a better-than-even chance of reporting "good" or "excellent" personal financial situations.

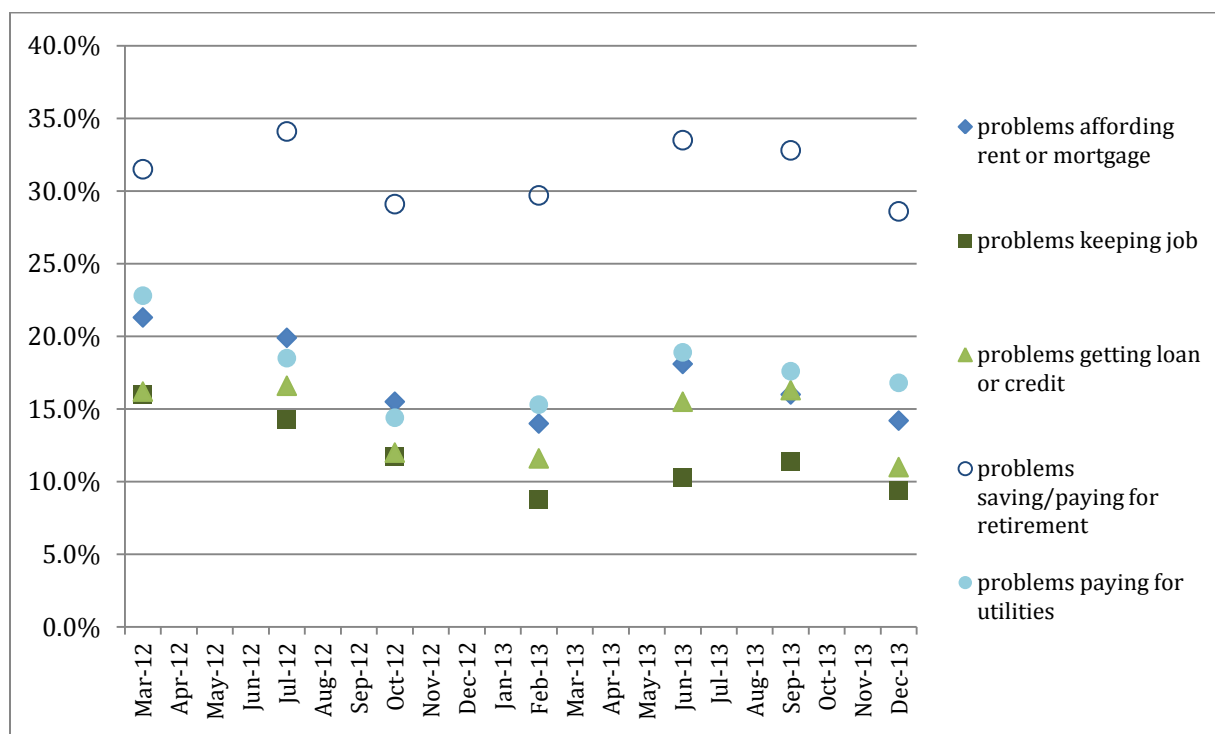
Figure 14: Evaluation of Current Personal Financial Situation, by Household Income (Non-Retired Persons)



Poor evaluations of personal financial situations are most strongly related to unemployed status. A large majority of unemployed residents (76%) report “fair” or “poor” situations. While employed residents fare better, scarcely more than half (52%) still describe their situations in positive terms. Only retirees are more significantly likely than not to describe their financial situations as “good” or “excellent” (57%). Another factor associated with financial satisfaction is education; only those with four-year degrees or higher are significantly likely to express satisfaction with their financial situations.

While residents reported only slight changes in overall personal economic evaluations, there was an across-the-board reduction in the reported incidence rates of several serious personal financial problems during Q4. Figure 15 shows the relative frequencies of common significant financial problems over time. This quarter, residents were slightly less likely to report problems affording rent or a mortgage, paying for utilities, keeping a job, and substantially less likely to report problems getting a loan or credit or saving/paying for retirement. These decreases are similar to lowering problem incidence rates during the fourth quarter of 2012.

Figure 15: Incidence of Recent Significant Personal Financial Problems



In terms of spending on non-necessities like entertainment, restaurants, and vacations, Wisconsin residents continue to be most likely to report static levels of recent spending. Figure 16 shows that 54% of residents say spending on non-necessities has stayed about the same over the last six months. While 11% say they have recently increased spending on non-necessities, 35% of residents say they have recently decreased their spending on recreation and entertainment. These proportions were relatively stable throughout 2013.

This quarter, residents were also asked about their planned 2013 holiday-season spending compared to last year. Figure 17 shows that 51% of residents say they plan to spend about the same amount during the holidays as they did in 2012. Those who say they plan on spending less than last year outnumber those who report a plan to spend more 35% to 11%.

Figure 16: Spending on Non-Necessities (Entertainment, Restaurants, Vacations) Over the Past Six Months

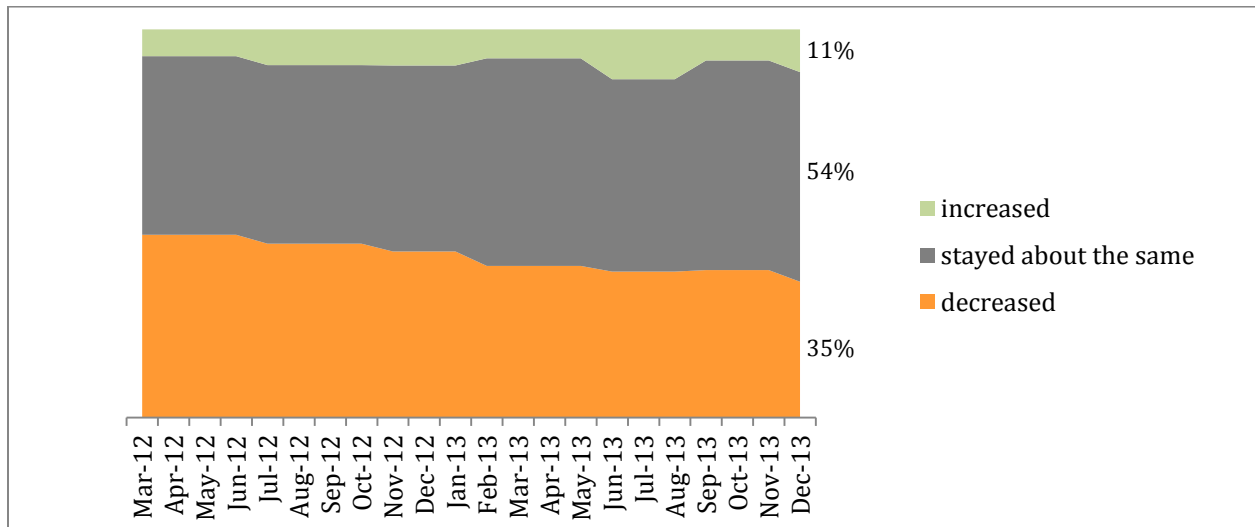
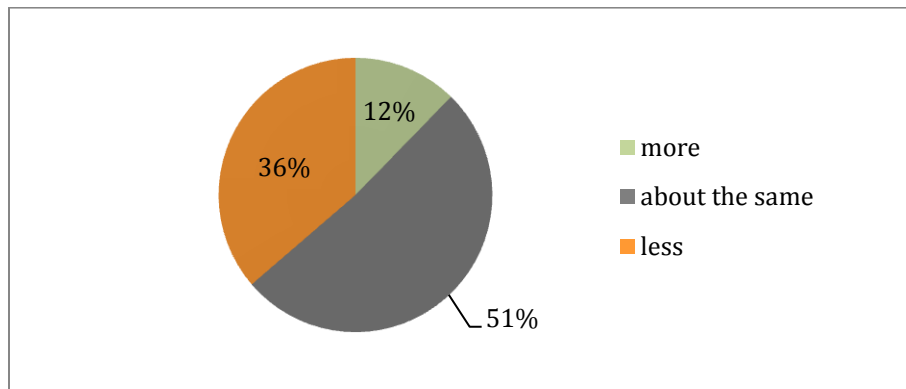


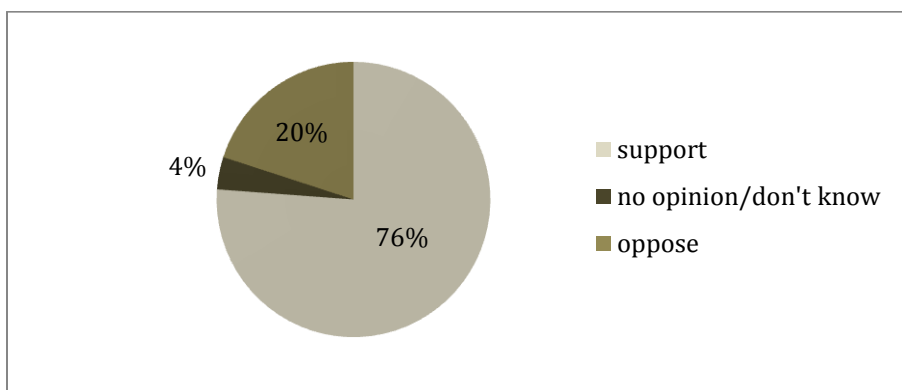
Figure 17: Planned Holiday Spending Compared to Last Year



FEATURE: SUPPORT FOR AN INCREASE IN THE MINIMUM WAGE IN WISCONSIN

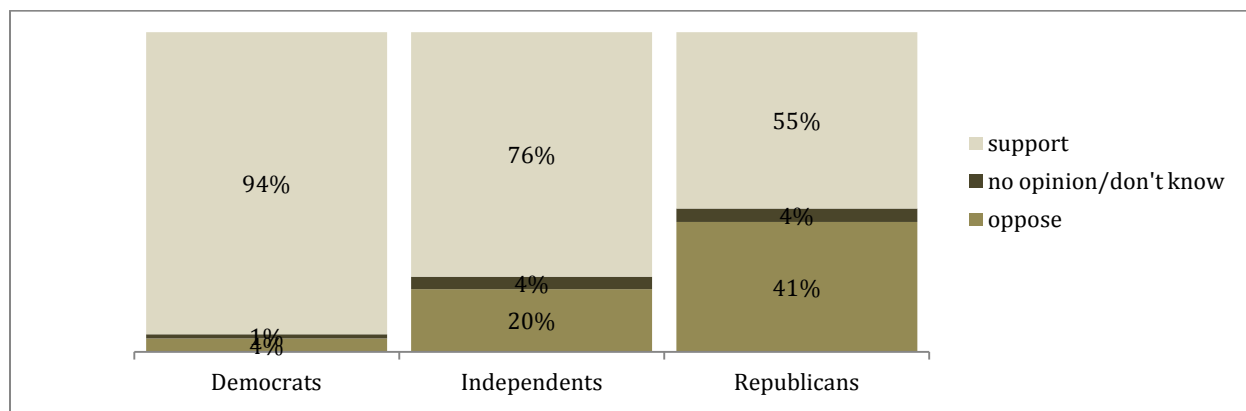
Wisconsin is one of twenty-two states where the minimum wage is set at the lowest possible level allowed by federal law, \$7.25 per hour.¹ Registered voters² were asked whether they would support or oppose an increase in the minimum wage in Wisconsin. Figure 18 shows that over three-fourths of registered voters in the state would support a minimum wage hike, while just one in five would oppose such a change.

Figure 18: Support for an Increase in the Minimum Wage in Wisconsin (registered voters)



While support for an increase in the minimum wage is slightly lower across selected demographic groups, it never drops below majority support for any given category. Support is highest among women (85%), those in the lowest category of reported household income (91%) and non-business owners (80%). However, a minimum wage hike still enjoys majority support among men (67%), those in the highest reported income category (67%), and business owners (61%). Figure 19 shows that raising the minimum wage in Wisconsin also enjoys broad bipartisan support, with majorities of Democrats, Republicans, and independents all in favor. Figure 20 shows that relatively higher resistance to a minimum wage hike among Republicans is driven by those describing themselves as “very conservative.”

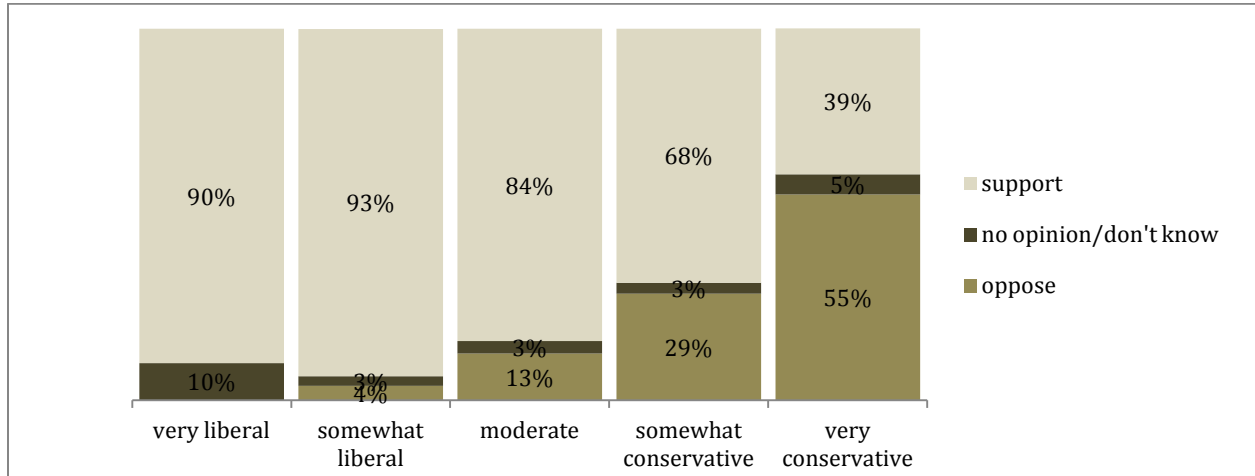
Figure 19: Support for an Increase in the Minimum Wage in Wisconsin, by Party Identification (registered voters)



¹ An additional 9 states have no minimum wage laws on the books, or laws that set the minimum wage at a lower rate but have been superseded by federal law.

² 470 registered voters were interviewed, yielding a margin of error of $\pm 4.5\%$ at the 95% confidence level.

Figure 20: Support for an Increase in the Minimum Wage in Wisconsin, by Political Ideology (registered voters)



FEATURE: SUPPORT FOR NEW MENOMINEE TRIBAL CASINO IN KENOSHA

The Federal government has approved a new Menominee tribal casino in Kenosha. The Menominee tribe says the project would bring jobs and economic development to southeastern Wisconsin. The Potawatomi tribe, which currently operates a casino in Milwaukee, opposes the project and says it would merely shift jobs and economic development from one place to another. It is now up to the governor to decide if the project goes forward.

For the second consecutive quarter, registered voters were asked if the governor should approve or block the casino project. Figure 21 shows that while state residents were split on the issue in September, those who think the governor should approve the new casino (53%) now significantly outnumber those who think the project should be blocked (32%). The proportion of residents who are neutral or do not have a strong opinion on the issue stands at 16%.

Figure 21: Should the Governor Approve or Block the Menominee Tribal Casino in Kenosha? (registered voters)

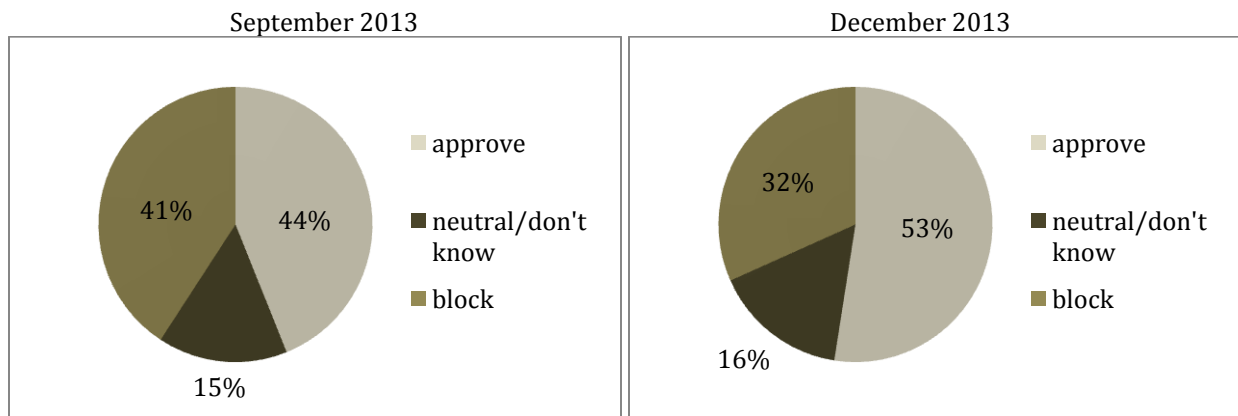
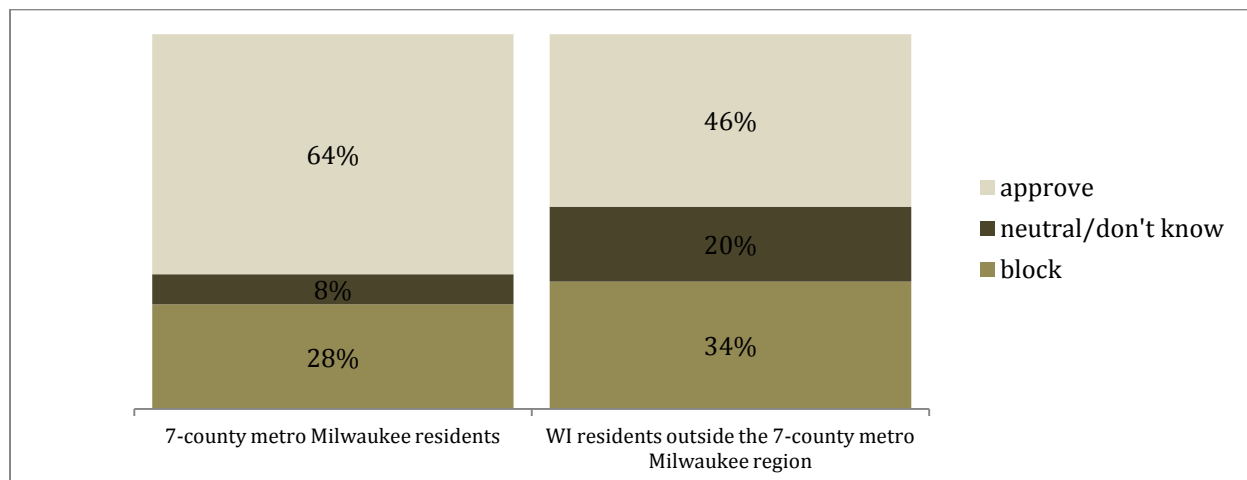


Figure 22 suggests that support for the new casino project is higher among residents of the seven-county metro Milwaukee region; 64% of registered voters³ in this region said the governor should approve the casino, while just 28% said it should be blocked. Among registered voters living outside the metro Milwaukee region, support is substantially lower, but supporters (46%) outnumber opponents (34%).

Figure 22: Support for the Menominee Tribal Casino in Kenosha, by Region (registered voters)



Among interviewed registered voters residing in Milwaukee County, 63% support approval, while 30% want the casino blocked. Among the 13 Kenosha County voters interviewed, 67% support approval, while 33% want the casino blocked. (These county-specific statistics are prone to high levels of sampling error due to very small sample size.)

Figure 23 shows that opposition to the new casino is somewhat higher among Republican voters. However, Figure 24 suggests that higher opposition among Republicans is not driven political ideology; the proposed casino is actually slightly more popular among conservatives than it is among moderates or liberals. Instead, resistance to the casino among Republicans is driven by differences in opinion related to age and sex, characteristics that are distributed unequally across the parties. Figure 25 shows that men over 60 and women over 45 (groups with relatively higher proportions of Republican identifiers) are much less likely to support the new casino than younger men and women (who are more often Democrats or political independents).

In an effort to better understand opposition to the proposed casino, we asked registered voters who said they preferred that the governor block the project about the basis of their opinions. Figure 26 shows that most of those who oppose the casino (52%) do so because they are generally opposed to more gambling in the state. Just 22% oppose the casino on economic grounds, while 26% oppose the casino for some other reason. The determinants of opposition to the Kenosha casino do not differ significantly among Milwaukee County voters (who opponents claim would bear the brunt of economic pain from new close competition to the Potawatomi casino) when compared to voters in the rest of the state. Among surveyed Milwaukee County voters, 44% oppose the casino based on a general opposition to more gambling, while 28% oppose it on economic grounds and 28% oppose it for some other reason.

³ 160 7-county metro Milwaukee region registered voters were interviewed, yielding a margin of error of $\pm 7.8\%$.

Figure 23: Support for the Menominee Tribal Casino in Kenosha, by Party Identification (registered voters)

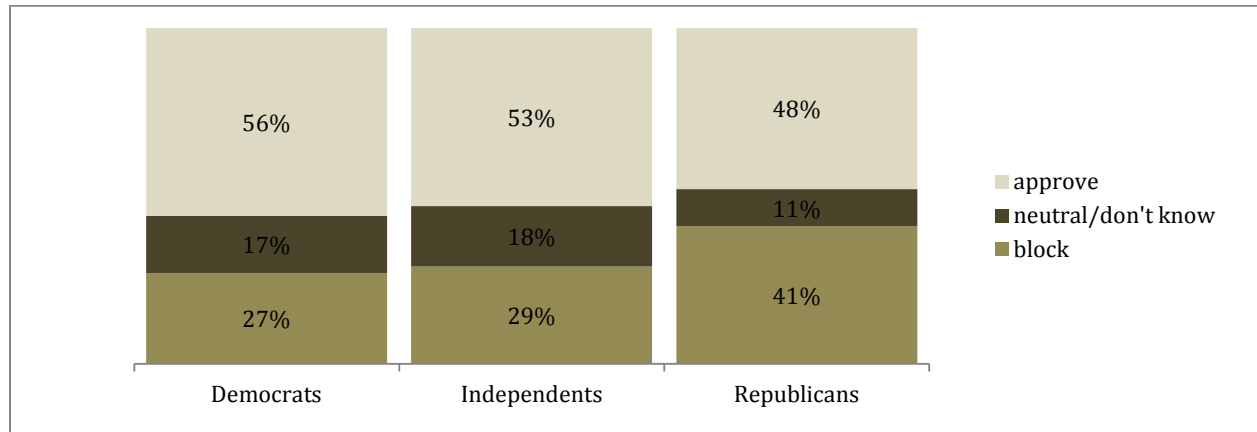


Figure 24: Support for the Menominee Tribal Casino in Kenosha, by Political Ideology (registered voters)

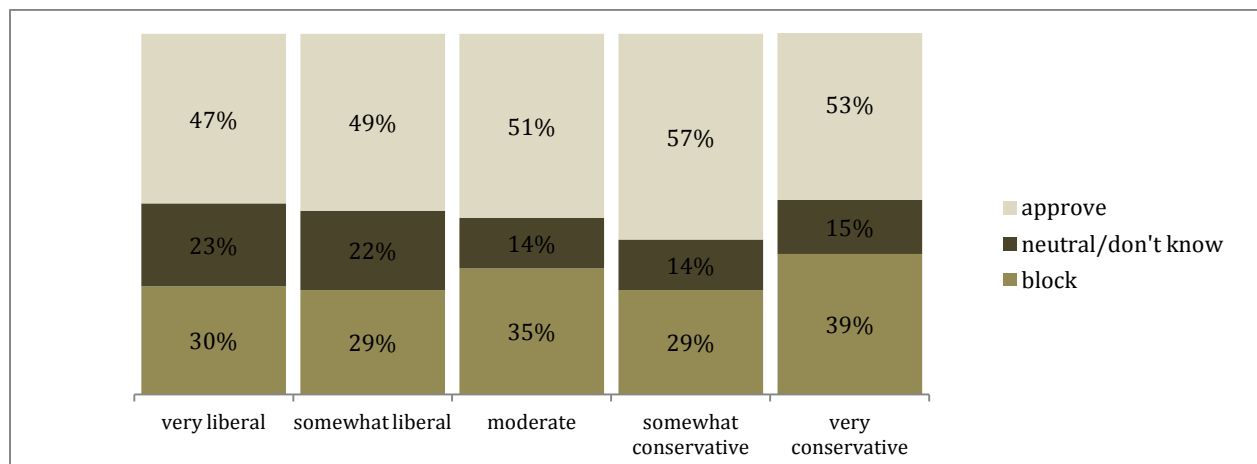
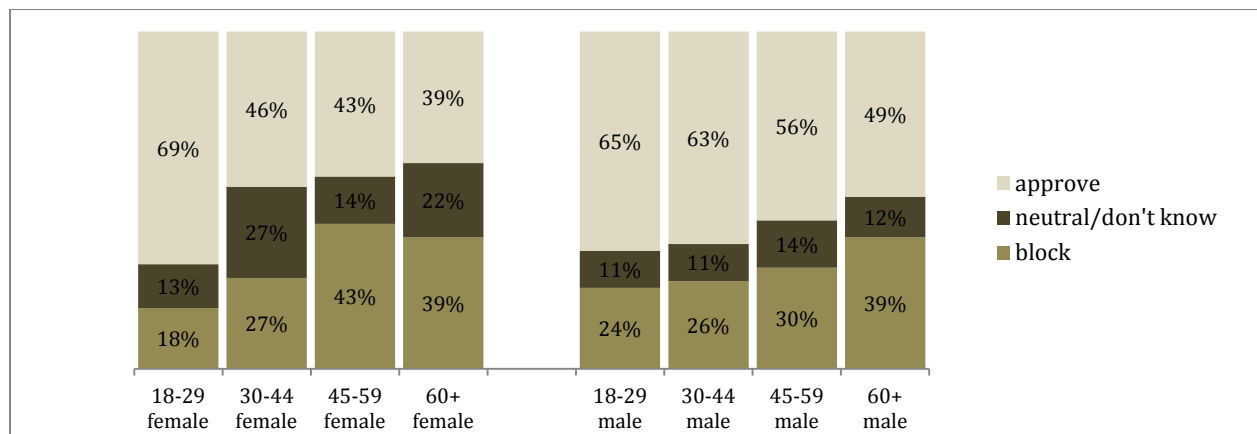
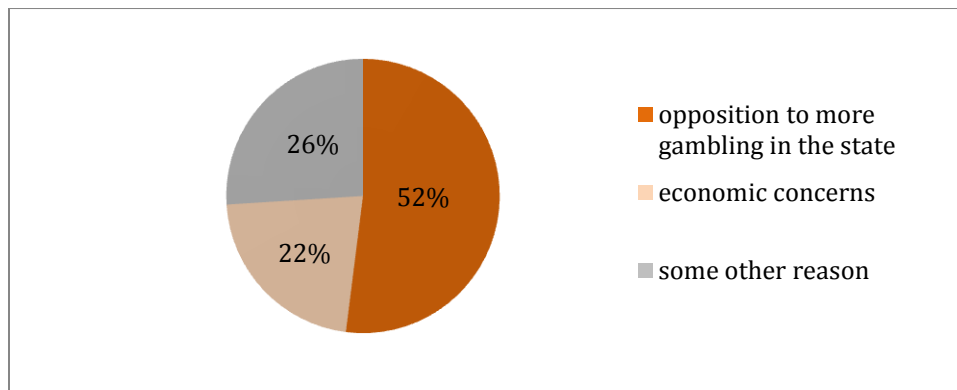


Figure 25: Support for the Menominee Tribal Casino in Kenosha, by Age and Sex (registered voters)



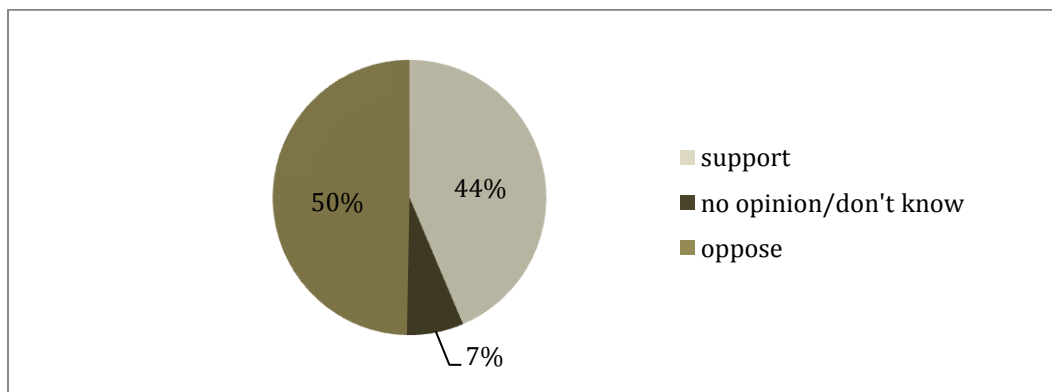
*Figure 26: Motivations for Opposition to the Menominee Tribal Casino
(registered voters)*



FEATURE: THE \$100 MILLION PROPERTY TAX CUT AND THE STRUCTURAL DEFICIT

The governor and legislature recently approved a \$100 million property tax cut. The cut should decrease the typical property tax bill by \$10 to \$20 for the typical Wisconsin homeowner, but will increase the state's structural deficit.⁴ Registered voters were asked whether or not they support the tax cut. Figure 27 shows that opponents outnumber supporters by a slim margin (50% oppose/44% support).

*Figure 27: Support for the \$100 Million Property Tax Cut
(registered voters)*



There is not a significant difference between the opinions of homeowners (the prime beneficiaries of the tax cut) and the opinions of those who rent on this issue. Figure 28 shows that 43% of homeowners support the cut, while 45% oppose it; meanwhile, 44% of renters oppose the cut, while 52% oppose it. Partisan differences on this issue are more clear. Figure 29 shows that a clear majority of Republicans (58%) support the property tax cut, while 63% of Democrats oppose the cut. Independents are split (44% support/49% oppose).

⁴ Figures according to analysis by Wisconsin Taxpayer's Alliance (non-profit), as reported by WUWM Radio on October 15, 2013.

Figure 28: Support for the \$100 Million Property Tax Cut, by Home Ownership
(registered voters)

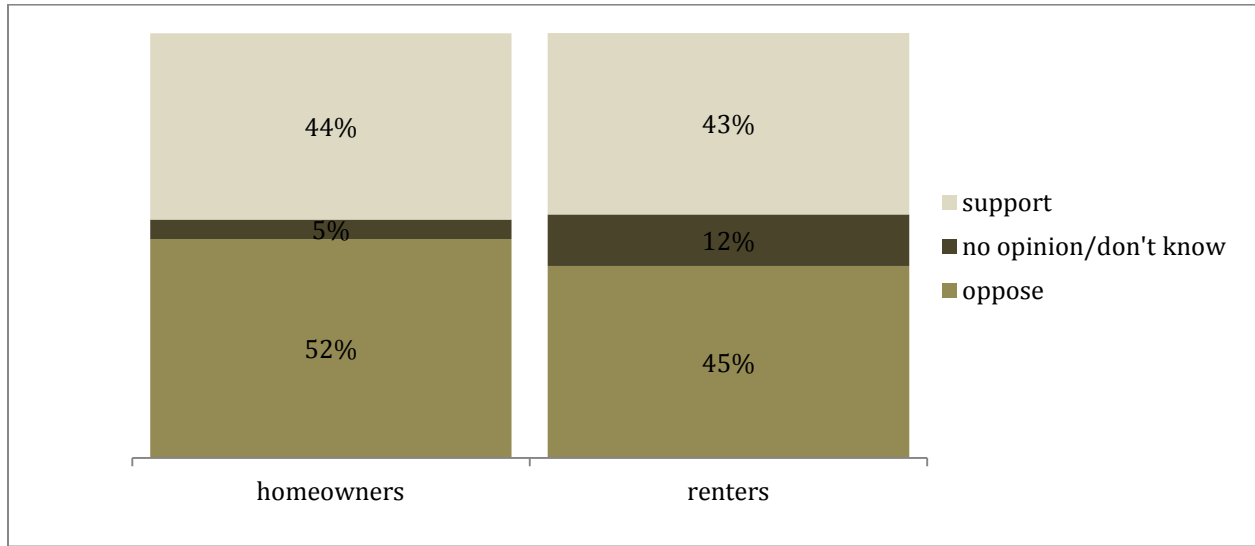
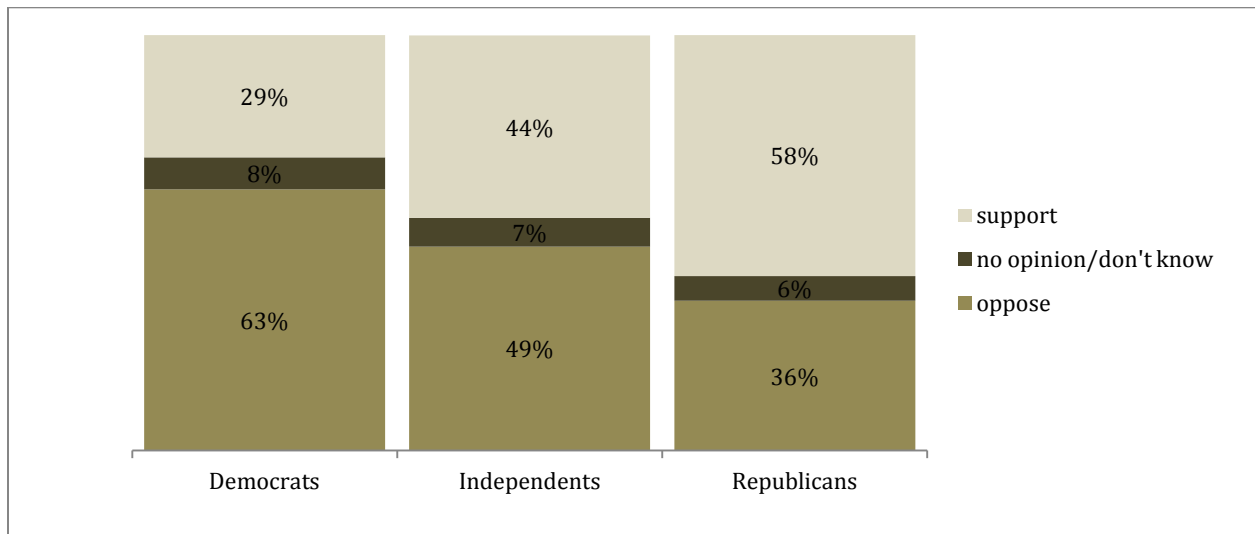


Figure 29: Support for the \$100 Million Property Tax Cut, by Party Identification
(registered voters)



FEATURE: OPINION REGARDING THE AFFORDABLE CARE ACT ROLLOUT

In late November, a CNN/ORC International poll⁵ asked a national sample of Americans a series of questions designed to measure whether or not flaws associated with the rollout of the Affordable Care Act are seen as fixable. In this wave of the Wisconsin Economic Scorecard, we posed a similar battery of questions to registered voters in Wisconsin.

First, registered voters were asked the following question:

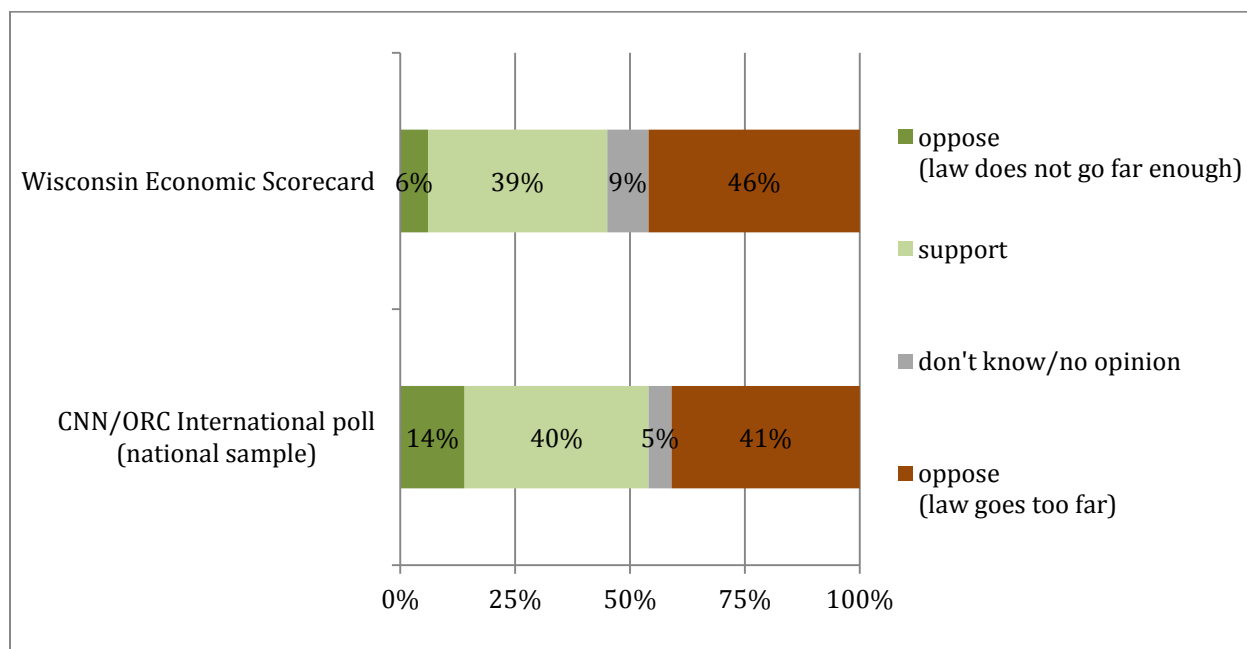
“As you may know, a bill that makes major changes to the country’s health care system became law in 2010. Based on what you have read or heard about the law, do you generally favor or oppose it?”

Those who answered “oppose” were asked a follow-up question:

*“Generally speaking, do you oppose the law because you think it goes too far, or because you think it does not go far enough?”*⁶

About 52% of registered voters in Wisconsin oppose the health care law, while 39% support it (9% said they “don’t know” or have no opinion). However, Figure 30 shows that a meaningful proportion of those who oppose the health care reform law do so because they feel it does not go far enough; while these voters are not happy with the formulation of the new law, many undoubtedly prefer it to the pre-reform status quo. Figure 30 also compares opinion in Wisconsin to national opinion. Similar proportions of national and Wisconsin voters support the health care law. However, a slightly greater proportion of Wisconsin voters oppose the law because it goes too far, and relatively fewer Wisconsin residents are disappointed by the extent of the health care reforms, when compared to the national sample.

Figure 30: Support for the Affordable Care Act (registered voters)



⁵ CNN/ORC International poll interviewed 843 adult Americans by telephone (mixed landline/mobile) between Nov. 18-20. (MoE $\pm 3.5\%$)

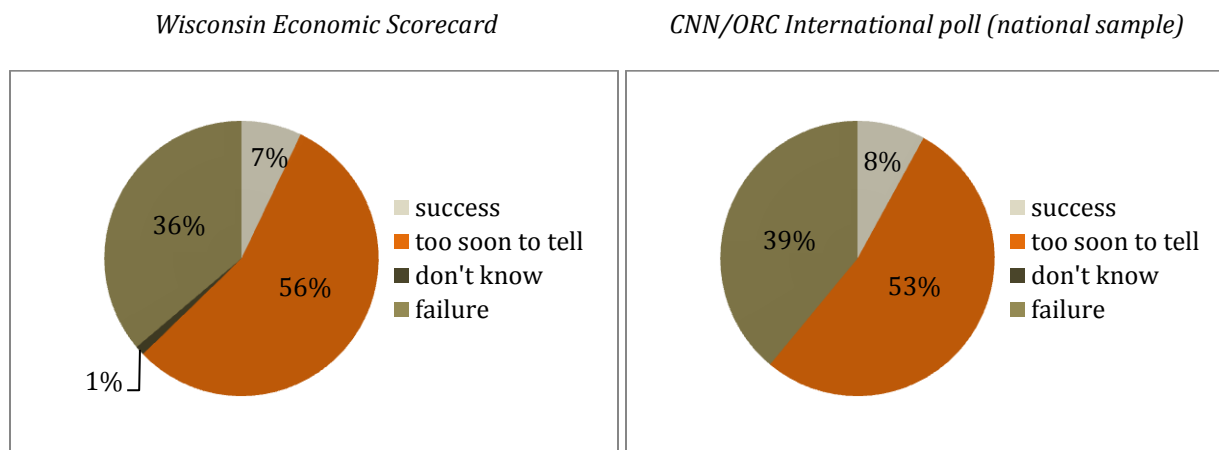
⁶ CNN/ORC International poll respondents were asked a slightly different follow-up question: “Generally speaking, do you oppose the law because you think it is too liberal, or because you think it is not liberal enough?”

Next, respondents were asked the following question:

"Would you describe the new health care law as a success or as a failure, or would you say it is too soon to tell?"

Figure 31 shows that for a majority of registered voters in Wisconsin, the jury is still out on whether the health care law is a success or a failure; 56% say it is "too soon to tell." However, among those who have made up their minds, those who see the law as a failure outnumber those who call it a success 36% to 7%. These proportions are nearly identical to opinions expressed by Americans as a whole.

Figure 31: Health Care Law a Success, a Failure, or Too Soon to Tell? (registered voters)



Finally, interviewees were posed the following question:

"Do you think the current problems facing the new health care law will eventually be solved?"

As seen in Figure 32, a majority of Wisconsin voters (53%) feel that the issues with the Affordable Care Act rollout will be fixed, while 43% feel the problems will persist. The opinions of Wisconsin voters on this issue are quite similar to the national electorate.

Figure 32: Will Current Problems Facing the New Health Care Law be Solved? (registered voters)

