

RESEARCH BRIEF Q4 2014

Joseph Cera, PhD
CUIR Survey Center Director

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.



Center for
**Urban Initiatives
& Research**

Applied Research
Technical Assistance
Community Initiatives

Contact us:

Phone (414) 229-5916
Fax (414) 229-3884
Web <http://cuir.uwm.edu/>

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 2014 *Wisconsin Economic Scorecard* was a random digit dial (RDD) landline/mobile telephone survey of 429 Wisconsin residents, conducted by the CUIR Survey Center at the University of Wisconsin—Milwaukee from December 1-4. The sampling margin of error was $\pm 4.7\%$ at the 95% confidence level.

MAJOR FINDINGS:

- 61% of Wisconsin voters* oppose a plan under consideration, aimed at addressing the projected \$750 million shortfall in the state transportation fund, that includes an increase in the gasoline tax, a higher annual registration fee for hybrid and electric vehicles, a fee on the purchase of new vehicles, and a transfer of tax revenues from the state's general fund to the transportation fund. Just 31% support such a plan.
- Regarding a new proposed Menominee tribal casino in Kenosha, Wisconsin voters are now split on the issue; 48% say the governor should approve the plan, while 44% say he should block it. Opposition to the casino has increased significantly since December or 2013, when just 32% opposed the new casino.
- A plan to help finance a new arena for the Milwaukee Bucks with a \$150 million bond backed by diverting income tax revenues paid to the state by Bucks athletes and employees evenly divides Wisconsin voters, with 47% opposed and 47% in favor. Supporters outnumber opponents within the 7-county metro Milwaukee region.
- While a slight majority of Wisconsin residents (55%) now evaluate their personal financial circumstances in positive terms, net evaluations of the wider state economy remain negative; 63% say Wisconsin's overall recent economic performance is "fair" or "poor".
- Regarding the overall direction of the state, about 59% of residents say Wisconsin is "headed in the right direction" (back to pre-election levels after dropping to 53% during Q2), while just under 42% say the state is "on the wrong track".

*WI registered voters: N=397, MoE = $\pm 4.9\%$

TABLE OF CONTENTS

Personal Financial Circumstances	Page 2
Perceptions of Wisconsin's Economy	Page 5
The Direction of the State	Page 10

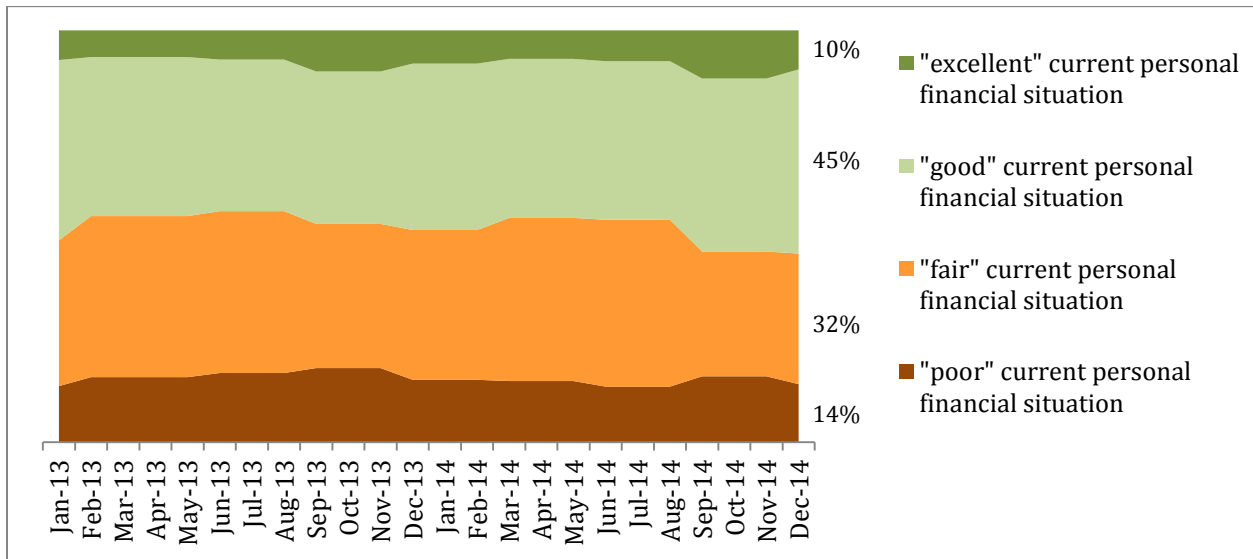
FEATURES

Support for New Tribal Casino in Kenosha	Page 12
Support for Plan to Address Transportation Fund Shortfall	Page 14
Support for "Jock Tax" Plan to Finance New Milwaukee Bucks Arena	Page 15

PERSONAL FINANCIAL CIRCUMSTANCES

The economic perceptions of Wisconsin residents continue to be grounded in their personal circumstances and experiences. Residents were asked to evaluate their current personal financial situations; Figure 1 shows that a slight majority of residents describe their financial situations in positive terms; either “good” (45%) or “excellent” (10%). Another 32% refer to their finances as “fair,” while 14% say their financial situations “poor.” This marks the second consecutive quarter that residents have expressed a net positive opinion of their personal financial circumstances after a 1.5-year span of residents expressing net negative views.

Figure 1: Evaluation of Current Personal Financial Situations



Working-age Wisconsin residents’ evaluations of personal financial situations and household income are strongly related. Figure 2 shows that a large majority of residents who come from households bringing in less than \$40,000 per year describe their finances in negative terms (“fair” or “poor”), while most residents from households bringing in over \$60,000 per year evaluate their financial circumstances positively (“good” or “excellent”). Those from households earning between \$40,000 and \$60,000 annually are more closely split, with 56% describing their situations in positive terms and 44% expressing negative evaluations.

Figure 2: Evaluation of Current Personal Financial Situation, by Household Income (Non-Retired Persons)

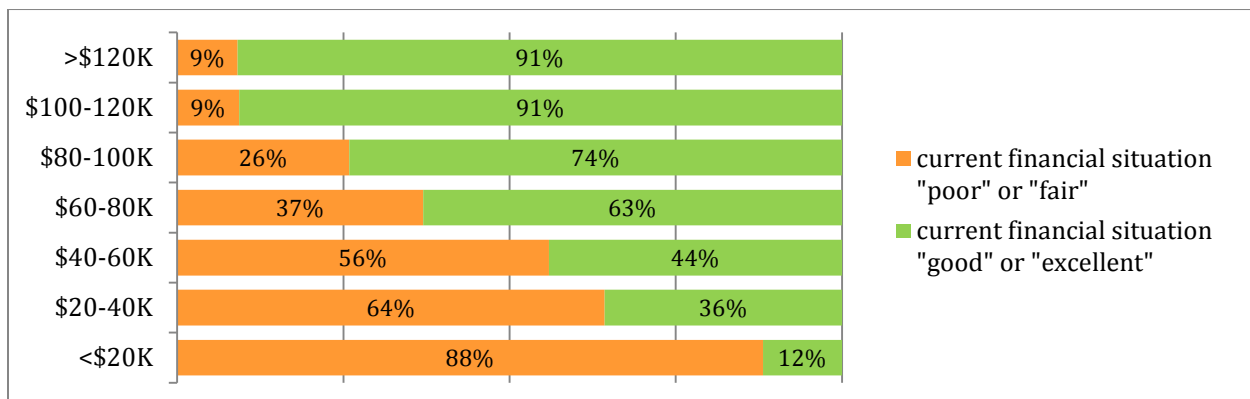
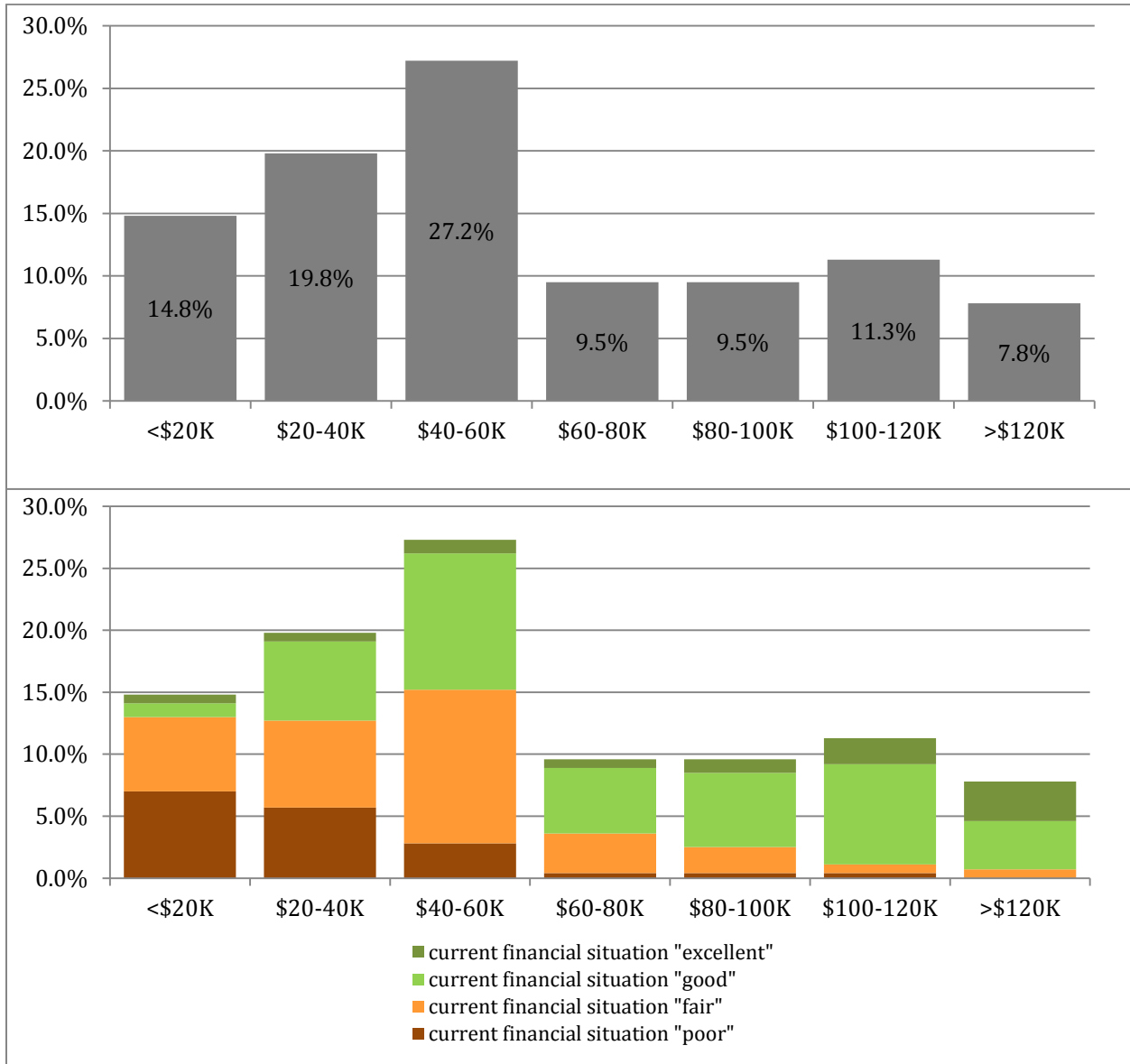


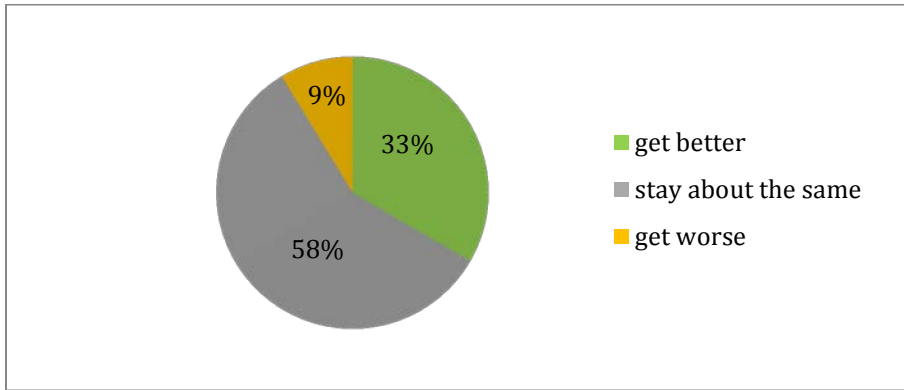
Figure 3 shows the distribution of household income among non-retired Wisconsin residents, as well as how residents in each income category are likely to feel about their respective financial situations. The median working-age Wisconsin resident is likely to live in a household with an annual income between \$40,000 and \$60,000, and is most likely to describe his or her current financial situation as “fair.”

Figure 3: Self-reported Pre-tax 2013 Household Income (Non-retired persons)



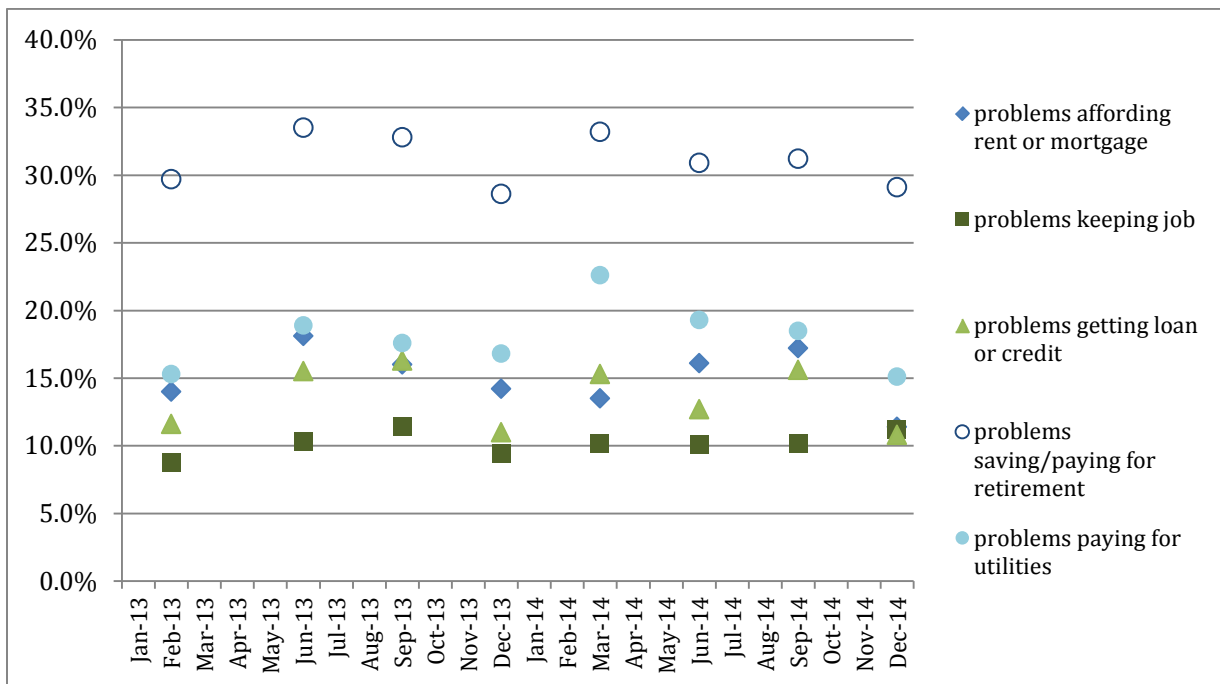
Residents were also asked about their expectations regarding their personal finances over the coming year. Figure 4 shows that a majority of residents (58%) expect their personal economic circumstances to “stay about the same”. About 33% expect their personal finances to “get better,” while just 9% think their circumstances will “get worse.”

Figure 4: Over the next year, do you expect your personal finances to...



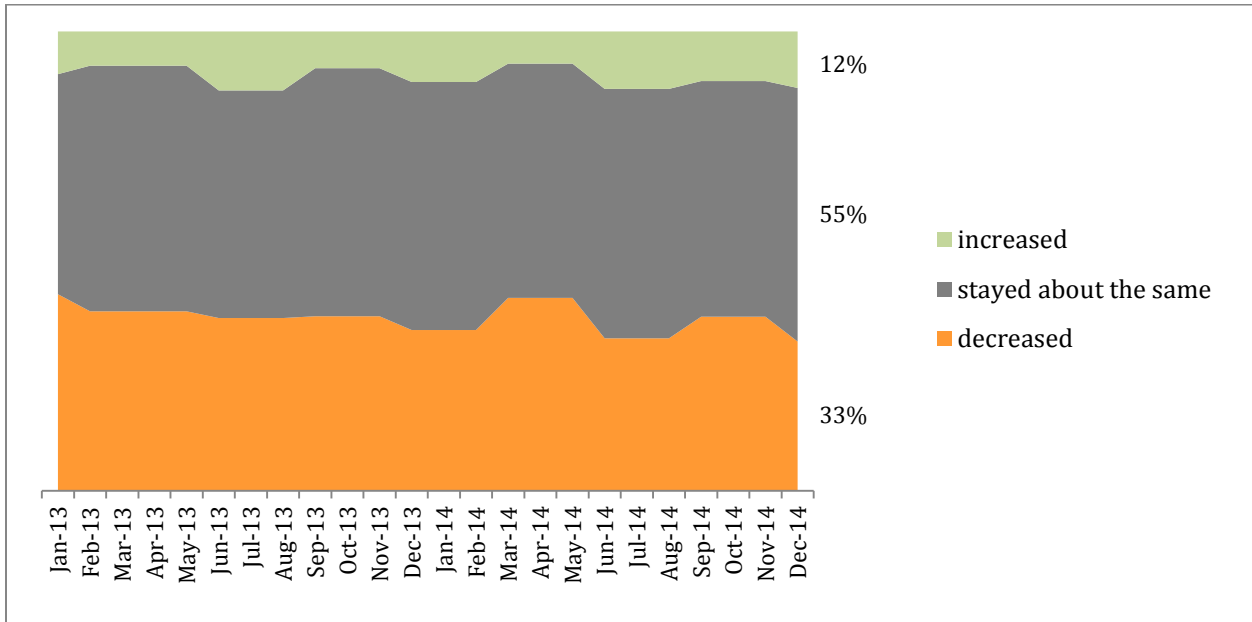
Regarding the incidence of a variety of common significant financial problems, figure 5 shows that aggregate reports of many such problems (getting loan or credit, affording housing and/or utilities, saving for retirement) are lower than measurements from last quarter, but consistent with measurements taken at this time last year.

Figure 5: Incidence of Recent Significant Personal Financial Problems



A small majority of Wisconsin residents (55%) report static levels of spending on non-necessities like entertainment, restaurants, and vacations over the last six months. About 12% say their recent recreational spending has increased, while 33% report a downturn in recent recreational spending. Figure 6 shows that the proportion of those who report decreased levels of recreational spending over that span continues to fluctuate slightly after steadily declining throughout 2013.

Figure 6: Spending on Non-Necessities (Entertainment, Restaurants, Vacations) Over the Past Six Months



PERCEPTIONS OF WISCONSIN'S ECONOMY

Despite the recent trend of net positive evaluations of personal financial circumstances among Wisconsin residents, aggregated perceptions of the state economy as a whole continue to be negative. Currently, 63% of Wisconsin residents evaluate the recent performance of the state economy negatively ("fair" or "poor"), while just 37% characterize Wisconsin's economy in positive terms ("good" or "excellent") (Figure 7).

Figure 7: Evaluations of Wisconsin's Current Economy

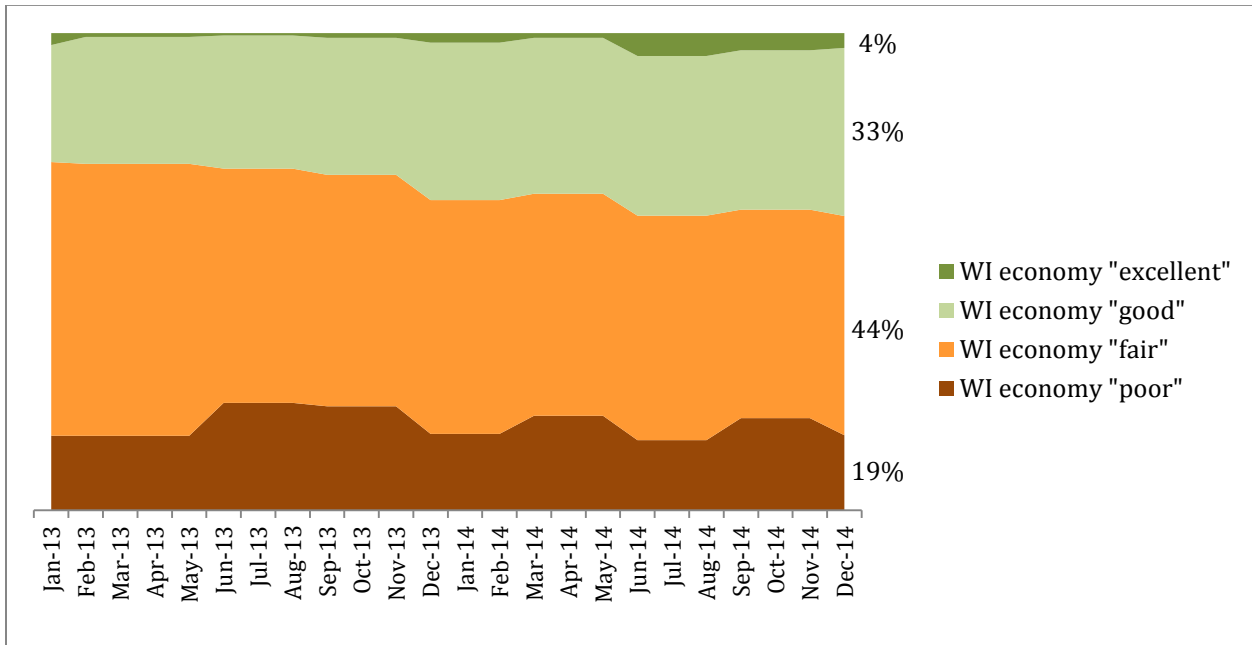


Figure 8 shows that personal financial circumstances remain a core driver of state economic evaluations. Those who characterize their personal situations negatively are overwhelmingly likely to say the state economy is “poor” or “fair”, while those who describe their personal economic circumstances in positive terms much more likely to say the state economy is “good” or “excellent.” This quarter sees a significant increase in the proportion of positive economic evaluations among those with “excellent” personal financial circumstances.

Figure 8: Evaluations of Wisconsin’s Current Economy, by Personal Financial Situation
Personal Financial Situation:

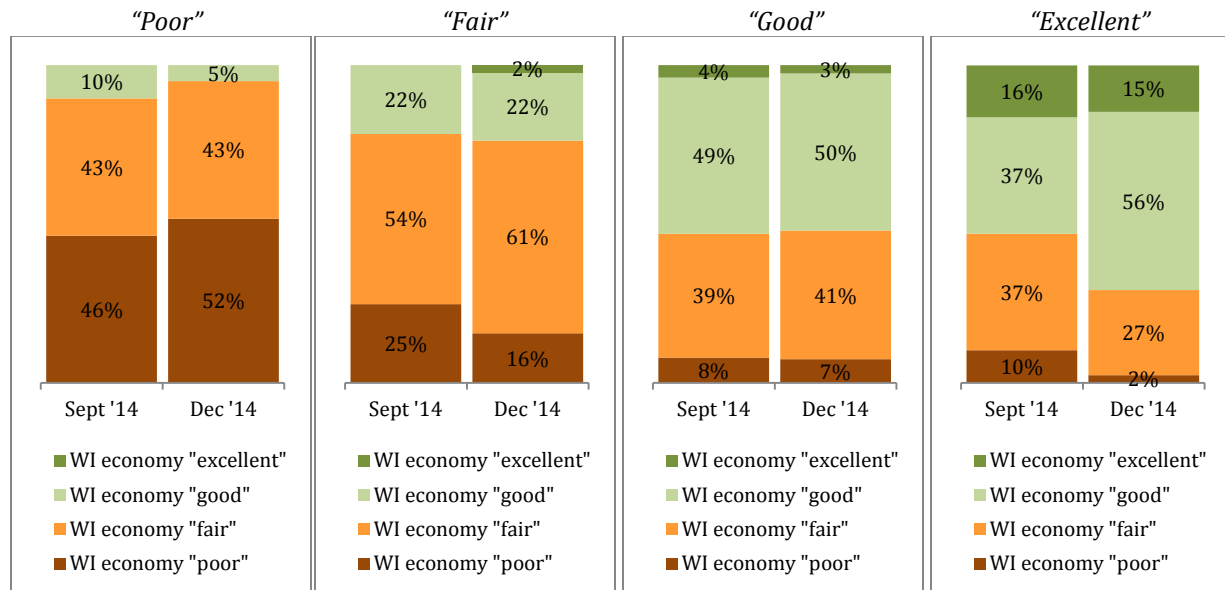
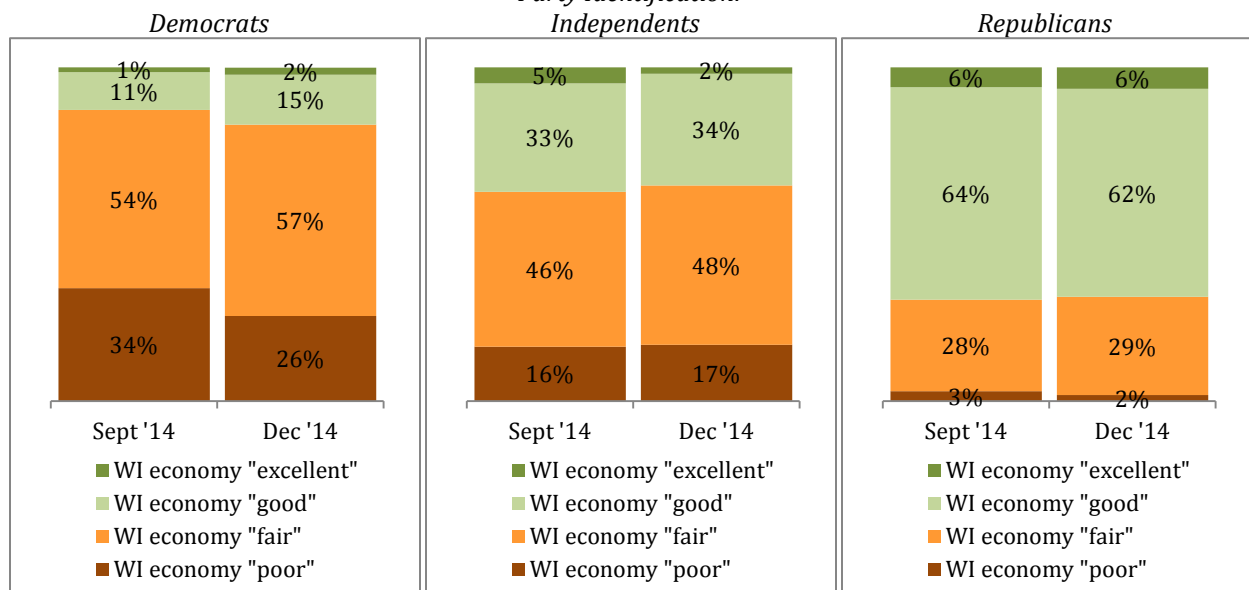


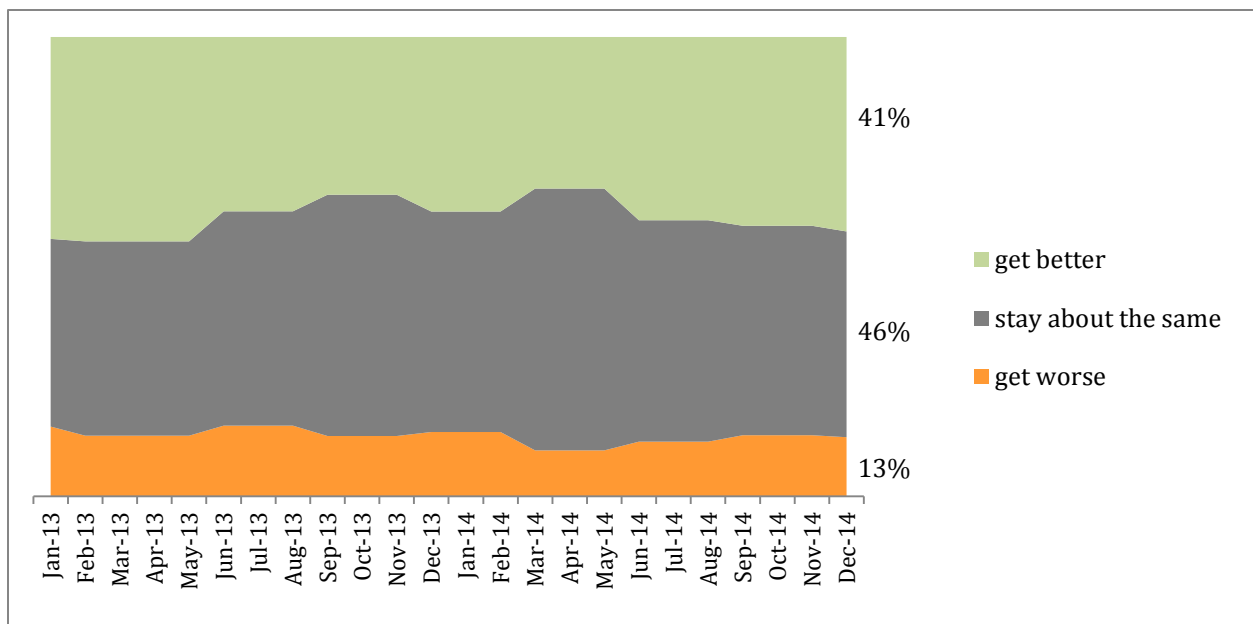
Figure 9: Evaluations of Wisconsin’s Current Economy, by Party Identification
Party Identification:



Last quarter, there was a substantial increase in political polarization regarding evaluations of the state economy in advance of the November midterm elections; Democrats became significantly more likely to describe the recent performance of the state economy as “poor,” while Republicans became more likely to evaluate Wisconsin’s economy positively. Although negative characterizations of the state economy have become slightly less common among Democrats this quarter, the increase in positive economic evaluations among Republican respondents persists. Meanwhile, economic evaluations have remained steady among political independents, suggesting that recent changes in economic evaluations of the state economy among partisans are at least partially attributable to partisan “cheerleading.”

In terms of expectations regarding the future performance of the state economy, the two-year trend had featured incremental increases in the proportion of residents expecting stability rather than positive or negative change; it seems as though Wisconsin residents are more and more likely to see the current state of the state economy as “normal.” However, the last three quarters have seen a break in that trend; Figure 10 shows a slight but sustained increase in the proportion of residents expecting things to improve since the end of Q1.

Figure 10: Expectations Regarding Wisconsin’s Economy over the Next Year



Figures 11 and 12 show that there is a continued strong association between what residents are currently experiencing or feeling and what they think will happen in the near future. Financially “poor” residents and those who think the current economy is performing poorly are much more likely to express pessimism about future economic performance in the state, while residents with “excellent” personal financial situations and those who think Wisconsin’s economy is strong are considerably more optimistic.

Figure 11: Expectations for WI Economy over Next Year, by Personal Financial Situation

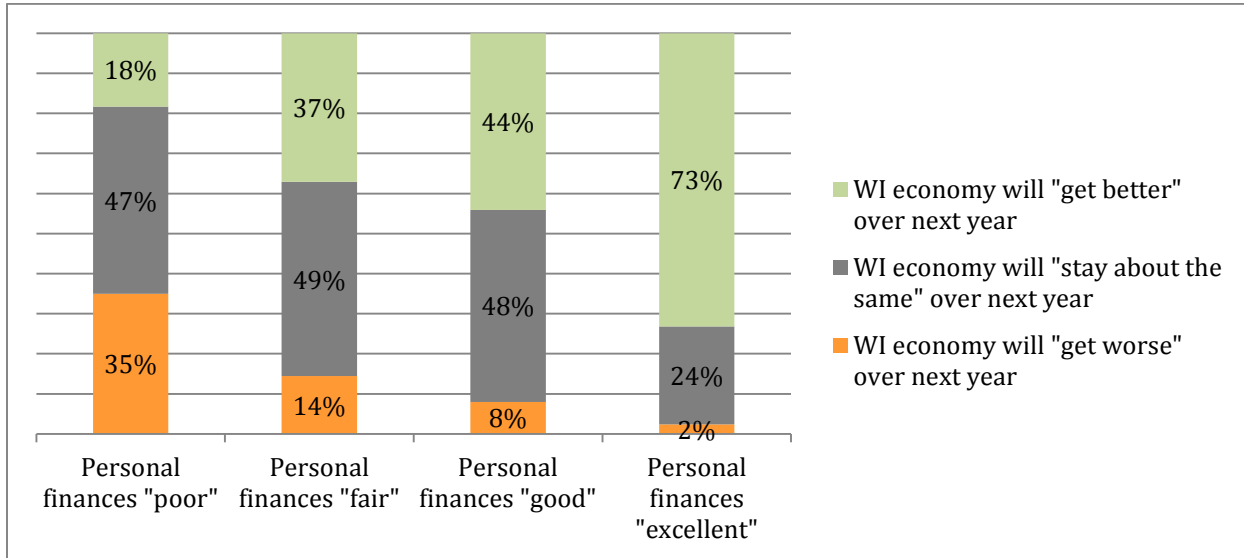
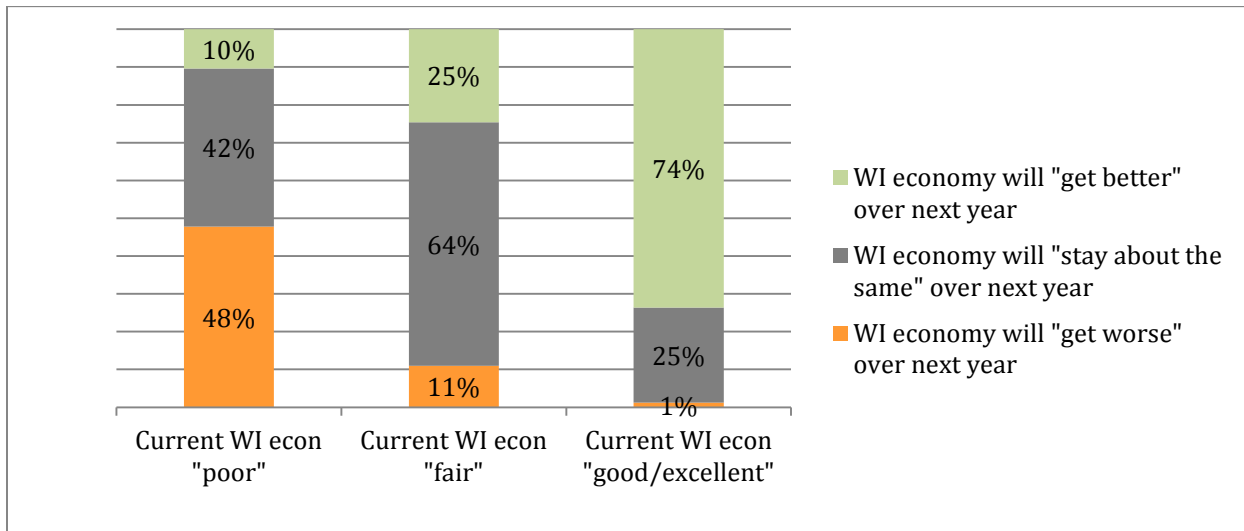


Figure 12: Expectations for WI Economy over Next Year, by Perceptions of Current WI Economy



Wisconsin residents were asked about their satisfaction levels concerning the pace of job creation in the state. Figure 13 shows that residents remain split on the issue; 51% express satisfaction, while about 48% are dissatisfied. However, those who are “very dissatisfied” outnumber those who are “very satisfied” 20% to 9%. This pattern of opinion has not changed substantially over the last three quarters.

Figure 13: Satisfaction with the Pace of Job Creation in Wisconsin

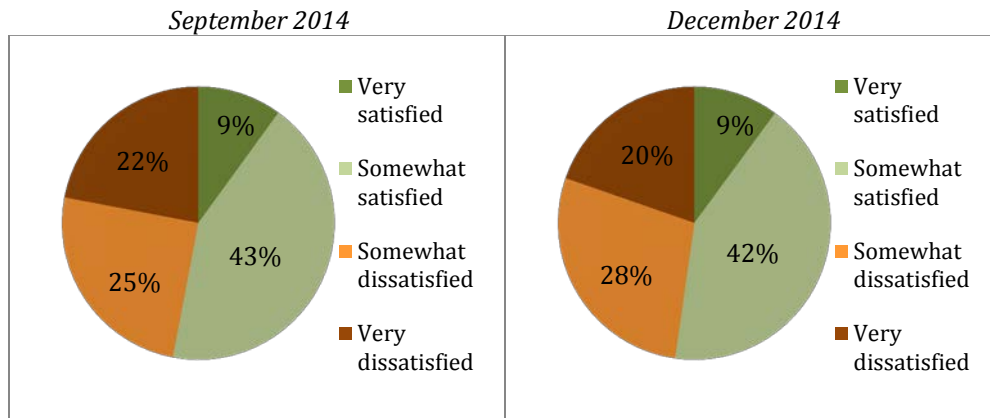
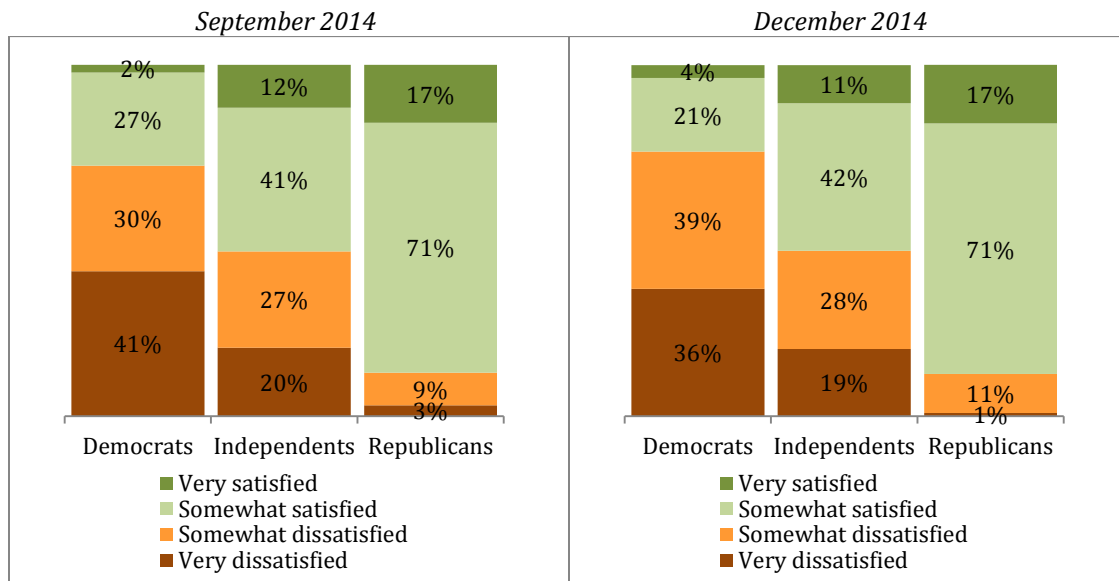


Figure 14 shows that opinion regarding the pace of job creation is strongly linked to party identification. Republicans are likely to approve, while democrats are likely to disapprove; political independents are split on the issue. The November elections had little effect on the distribution of opinion across party lines regarding satisfaction with the pace of job creation; views have remained remarkably stable since last quarter.

Figure 14: Satisfaction with the Pace of Job Creation in Wisconsin, by Party Identification



THE DIRECTION OF THE STATE

When asked about the overall direction of the state, just under 59% of residents say Wisconsin is “headed in the right direction,” while about 42% say the state is “on the wrong track.” Figure 15 shows a notable fluctuation in aggregate opinion over the last three quarters; negative opinion spiked during the second quarter, then returned then returned to Q1 levels this quarter.

Figure 16 shows that evaluations of the recent performance of the state economy are a core driver of opinions regarding the overall direction of the state. Virtually every resident who describes the state economy as “poor” thinks Wisconsin is “on the wrong track,” while all residents responding to this wave of the survey who said the state economy is “excellent” also said Wisconsin is “headed in the right direction” (for the second consecutive quarter). Partisanship, however, biases both economic evaluations and general impressions about the state’s overall direction; Figure 17 shows that this quarter’s positive shift in opinion is almost exclusively driven by negativity among Democrats moving back towards pre-election levels.

It is important to note that Democrats who express more positive views about the state economy are also relatively more positive about the direction of the state, and Republicans that are not satisfied with the current state economy are also relatively less optimistic about where the state is headed overall; such a pattern had been in evidence every quarter since the inception of this poll in Q2 of 2012. Partisanship colors, but does not override, the economic experiences which inform public opinion about the wider state of the state.

Figure 15: Perceived Direction of the State of Wisconsin

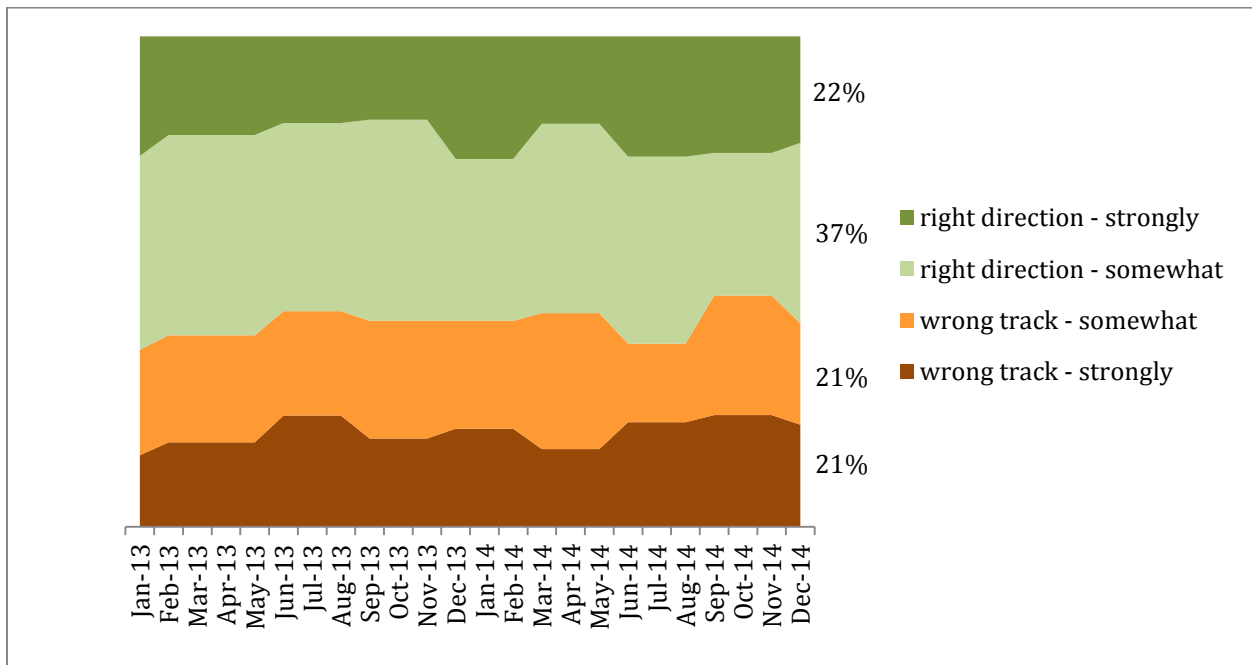


Figure 16: Wisconsin Right Direction/Wrong Track, by Evaluations of Current State Economy

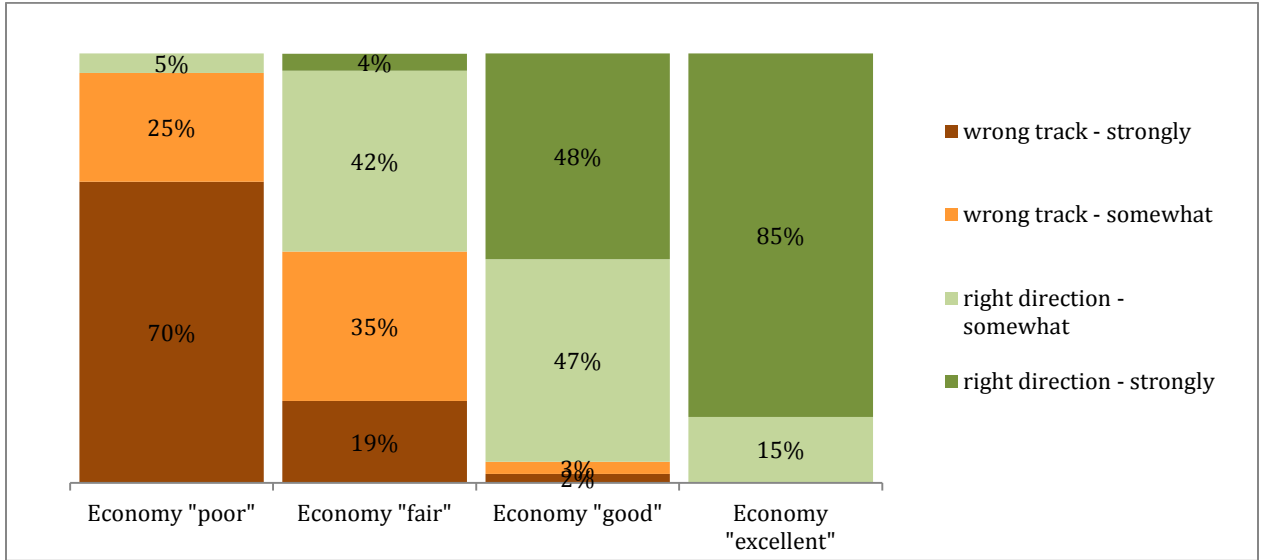
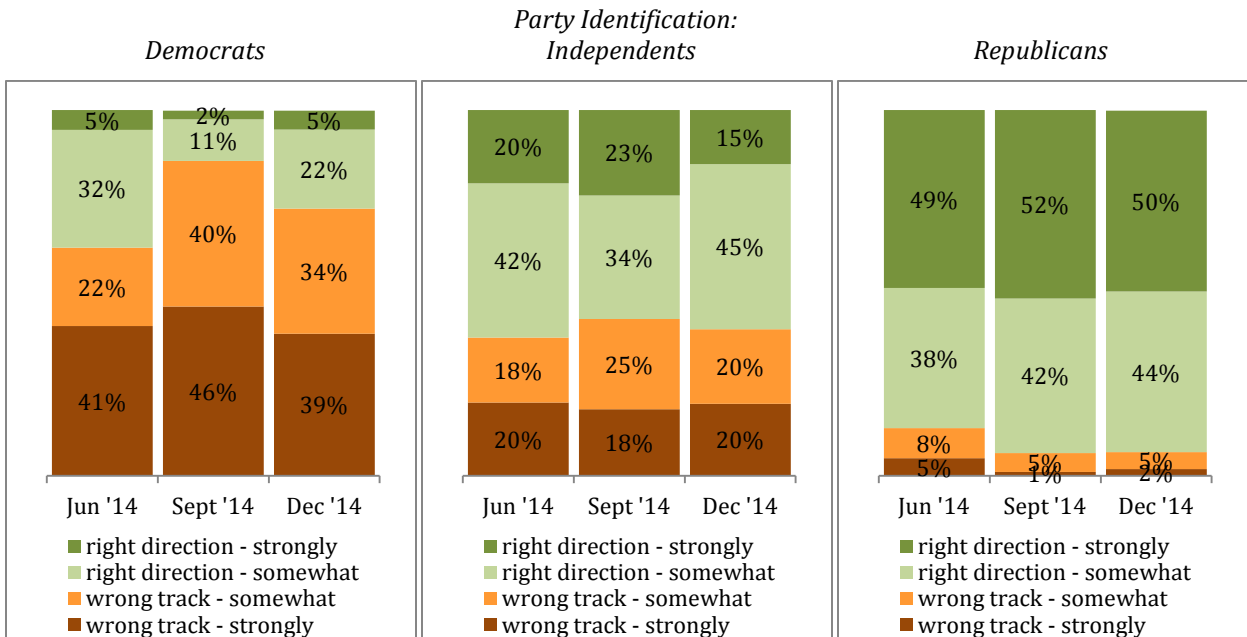


Figure 17: Perceived Direction of the State of Wisconsin, by Party Identification

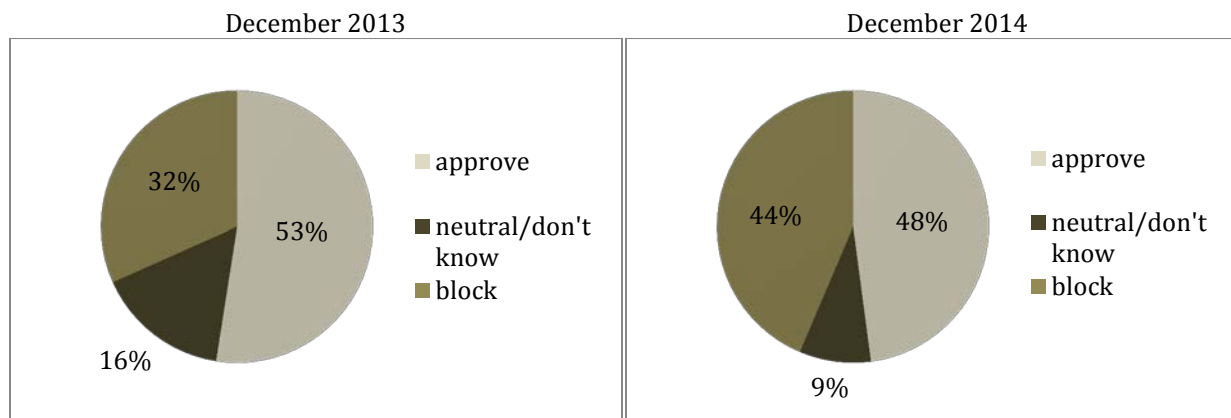


FEATURE: SUPPORT FOR NEW TRIBAL CASINO IN KENOSHA

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.

Registered voters¹ were asked if the governor should approve or block the casino project. Figure 18 shows that state residents are currently split on the issue; 48% now say the governor should approve the casino, while 44% think it should be blocked. About 9% don't know or express neutrality on the issue. While supporters have a slight edge in the poll results, their lead is within the poll's margin of error. This is a significant change from when Wisconsin residents were presented with this (identical) question in Q4 of 2013; at that time, supporters of the new casino significantly outnumbered opponents 53% to 32%. The decrease in the proportion of those without an opinion on the issue over this time span (from 16% in Q4 2013 down to 9% in Q4 2014) is also notable, indicating that the public has become more informed on the issue.

Figure 18: Support for Menominee tribal casino in Kenosha (registered voters)



Feelings regarding the proposed tribal casino are related to age and gender. Figure 19 shows that the most dramatic differences of opinion occur among women of different age groups; while 71% of women aged 18-29 and 57% of women aged 30-44 support the casino, just 31% of women aged 45-59 and 35% of women aged 60 and up feel the governor should approve the project. Among men, higher age is also related to lower support, but the relationship is much less pronounced.²

Interestingly, these demographics-driven patterns of opinion do not translate into political differences. Despite the fact that the Democratic Party currently finds higher levels of support among both younger voters and women, Figure 20 shows no meaningful relationship between political ideology and support for the casino. Somewhat counterintuitively, support for the casino is slightly (though not significantly) higher among conservatives than it is among liberals.

¹ Registered Wisconsin voters: N=397, margin of error = ±4.9%

² A similar pattern of support (highest among younger voters, especially women) was also observed in late 2013; refer to the Q3 2014 Wisconsin Economic Scorecard research brief (<https://www4.uwm.edu/cuir/research/wi-econ-scorecard.cfm>).

Figure 19: Support for Menominee tribal casino in Kenosha, by age and sex (registered voters)

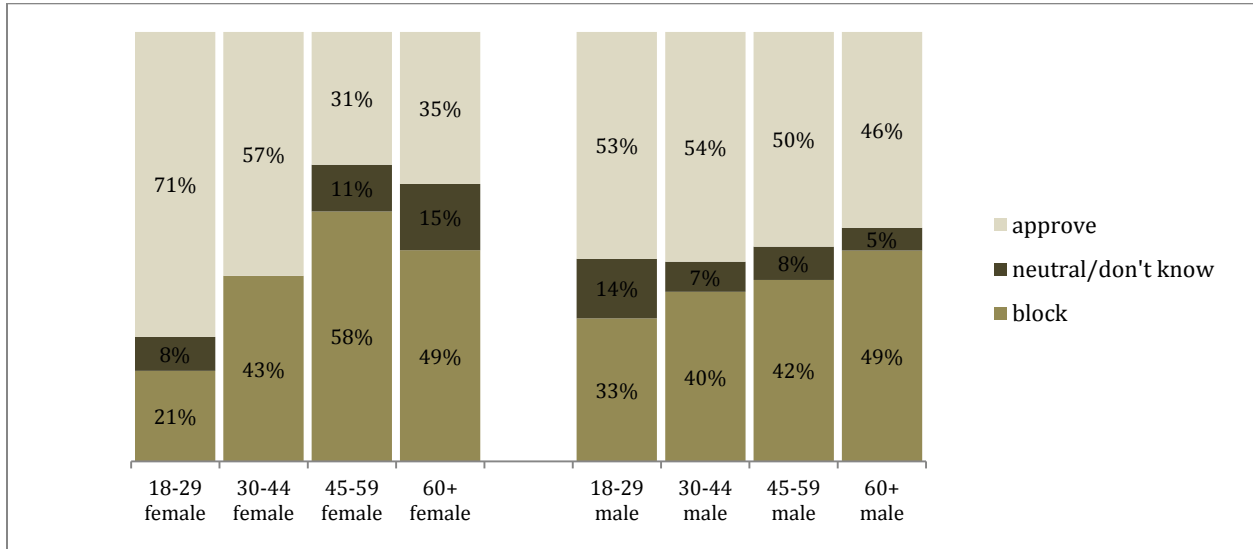
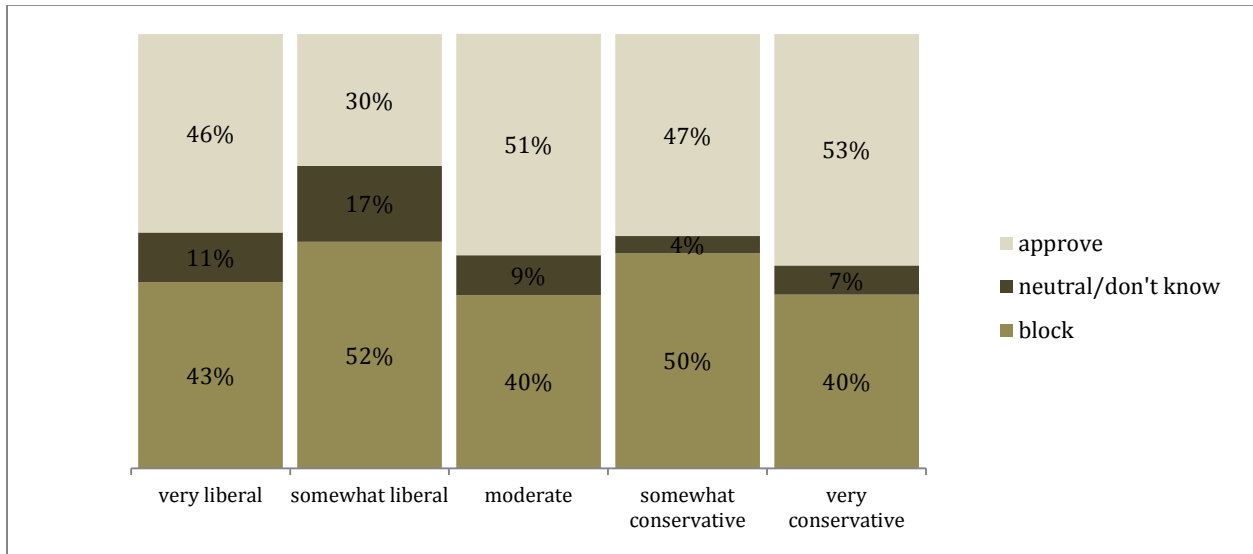


Figure 20: Support for Menominee tribal casino in Kenosha, by political ideology (registered voters)



FEATURE: SUPPORT FOR PLAN TO ADDRESS TRANSPORTATION FUND SHORTFALL

The governor and state lawmakers are considering a proposal that would raise about \$750 million to cover a large projected shortfall in the state transportation fund. The proposal includes an increase in the gasoline tax, a higher annual registration fee for hybrid and electric vehicles, a fee on the purchase of new vehicles, and a transfer of tax revenues from the state's general fund to the transportation fund. Registered voters in the state were asked whether they would support or oppose such a proposal. Figure 21 shows that a sizable majority (61%) of Wisconsin voters oppose the plan, while 31% express support. About 8% were not sure.

Figure 21: Support for proposal under consideration aimed at addressing transportation fund shortfall (registered voters)

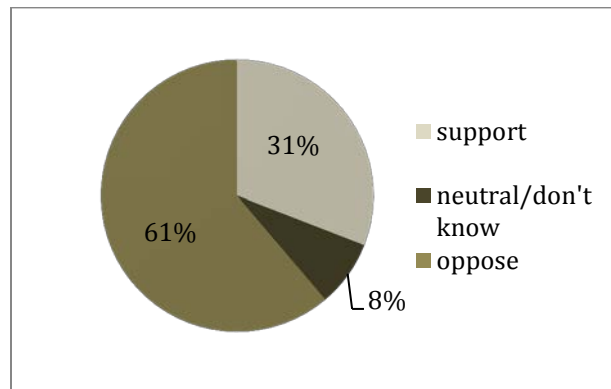
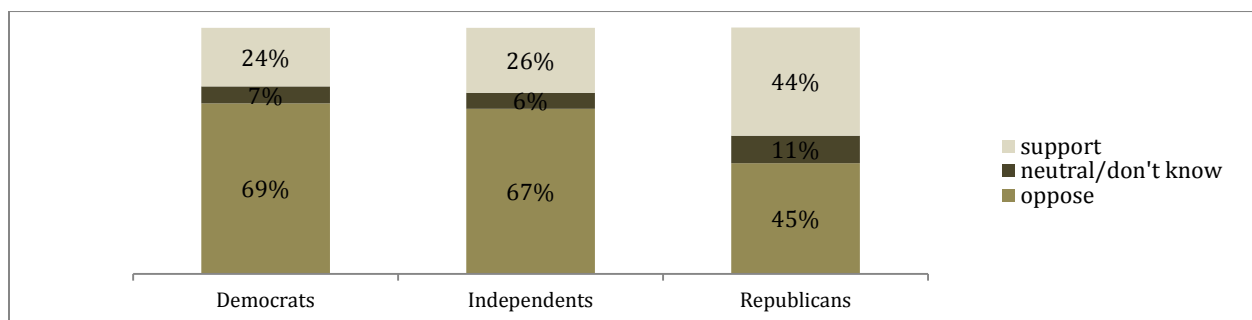


Figure 22 shows that opposition to the plan is at similar levels among Democrats (69.2%) and political independents (67.1%). Support among Republican voters in the state is substantially higher; however, as a group Republicans are evenly divided on the issue, with 45% in favor and 44% opposed.

Figure 22: Support for proposal under consideration aimed at addressing transportation fund shortfall, by party (registered voters)



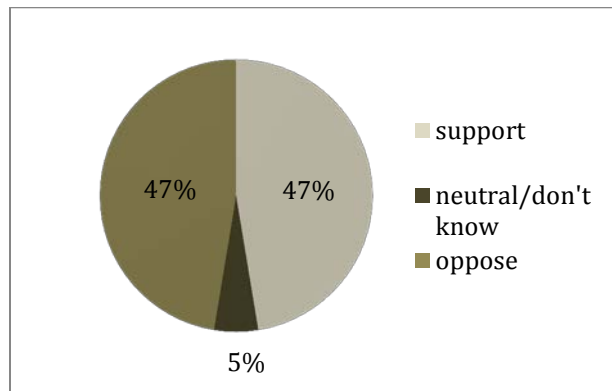
Policymakers face a serious challenge on this issue; previous polling indicates broad resistance to any kind of transportation-related tax increases.³ In addition, alternatives to the type of plan currently under consideration (such as introducing toll roads, delaying major road construction projects, or borrowing money) have all failed to achieve majority support among Wisconsin voters according to these recent surveys.

³ Refer to the Q2 2013, Q2 2014, and Q3 2014 Wisconsin Economic Scorecard research briefs: <https://www4.uwm.edu/cuir/research/wi-econ-scorecard.cfm>

FEATURE: SUPPORT FOR “JOCK TAX” PLAN TO FINANCE NEW MILWAUKEE BUCKS ARENA

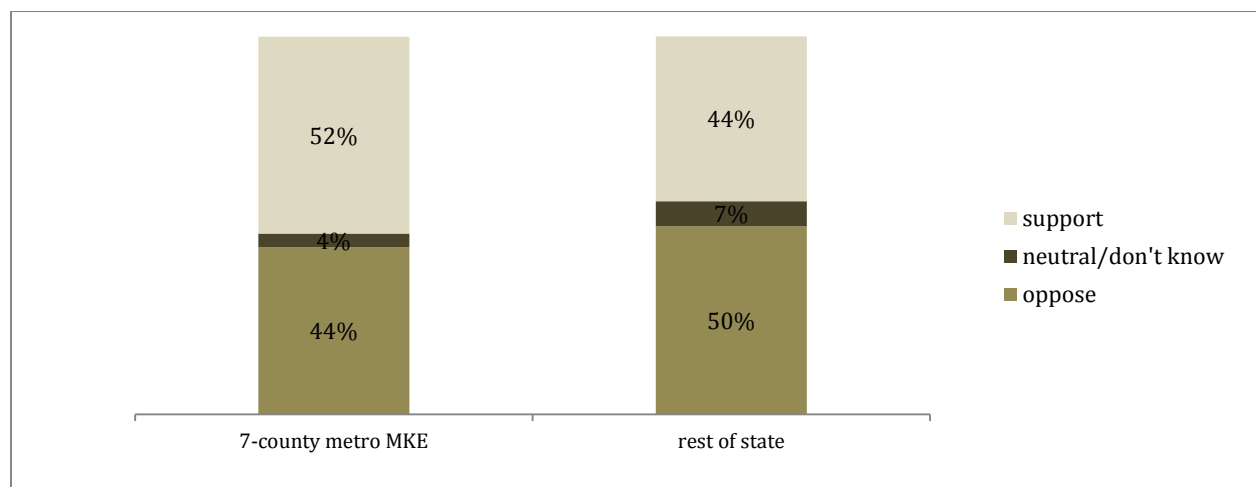
The NBA says that the Milwaukee Bucks must have a new arena by 2017 in order to guarantee that the franchise stays in Milwaukee. Policymakers are considering a plan where the state would help finance a new arena with a \$150 million bond, which would be repaid over time by diverting income tax revenues paid to the state by Bucks players and employees. Wisconsin voters were asked whether they would support or oppose such a plan. Figure 23 shows that state voters are about evenly split on the issue, with about 47% in favor and 47% opposed (just over 5% were not sure).

Figure 23: Support for “jock tax” plan to finance new Milwaukee Bucks arena (registered voters)



There are not significant political differences regarding the plan; it is supported by similar proportions of Democrats (49%) and Republicans (51%), while 46% of independents express support. However, there is some significant variation in support by region; Figure 24 shows that supporters outnumber opponents 52% to 44% within the 7-county metro Milwaukee region (Kenosha, Milwaukee, Ozaukee, Racine, Walworth, Washington, and Waukesha counties), and that this difference is outside the margin of error.⁴

Figure 23: Support for “jock tax” plan to finance new Milwaukee Bucks arena (registered voters)



⁴ Metro MKE registered voters: N=165, margin of error = ±7.6%