

RESEARCH BRIEF Q3 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 Q3 2013 *Wisconsin Economic Scorecard* was a random digit dial (RDD) landline/mobile telephone survey of 427 Wisconsin residents, conducted by the CUIR Survey Center at the University of Wisconsin—Milwaukee from September 23-26. The sampling margin of error was $\pm 4.7\%$ at the 95% confidence level.

MAJOR FINDINGS:

- 58% of Wisconsin residents feel the state is heading "in the right direction," but just 30% give the current state economy a positive evaluation.
- The proportion of Wisconsin residents describing their personal financial situation as "poor" has increased for the fifth consecutive quarter, rising to 18%.
- Regarding the pace of job creation in the state, 52% of residents express dissatisfaction, while 48% say they are satisfied. One in four say they are "very dissatisfied," compared to just one in twenty who say they are "very satisfied."
- More registered voters¹ approve of the open-pit iron ore mine in northern Wisconsin proposed by Gogebic Taconite (51%) than oppose it (35%). In February, residents were split over the bill designed to facilitate the mining project (43% in favor/41% opposed).
- Wisconsin voters are divided over whether or not the governor should approve (44%) or block (41%) a Menominee tribal casino in Kenosha. Voters in the 7-county metro Milwaukee area² support the casino 54%/37%.
- The majority of voters in the 7-county metro Milwaukee region (69%) oppose a sales tax increase intended to support renovation or replacement of the Bradley Center (the home arena for the Milwaukee Bucks).

¹ N=402, margin of error = $\pm 4.9\%$

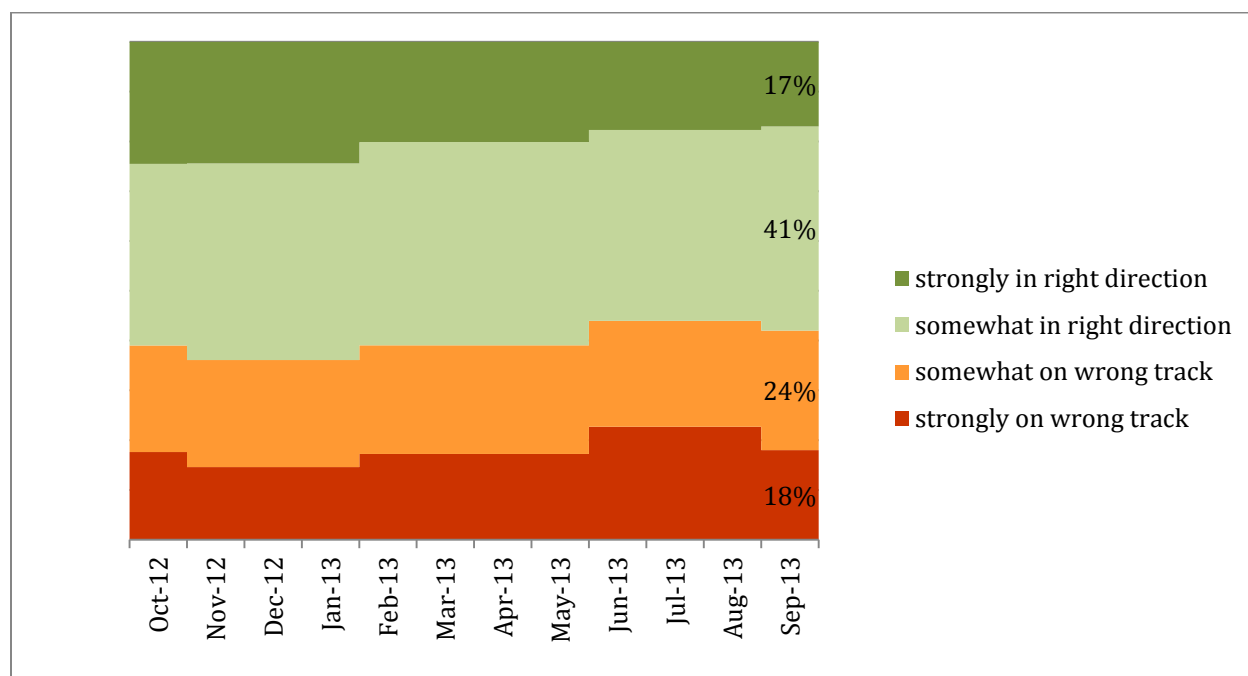
² N=156, margin of error = $\pm 7.9\%$

THE DIRECTION OF THE STATE

As 2012 came to an end, a clear majority of Wisconsin residents (64%) felt that the state was “headed in the right direction.” However, this optimism diminished over the course of the first two quarters of 2013; by June, the proportion of residents holding a positive opinion about the direction of the state had decreased to 56%. Meanwhile, the proportion of residents who felt the state was “strongly on the wrong track” increased from 15% to 23%.

Figure 1 shows that the proportion of residents who feel the state is “headed in the right direction” as Q3 draws to a close (58%) is not significantly different than it was at the end of Q2. While the overall balance of opinion regarding the direction of the state has changed little over the course of the third quarter, the intensity of pessimism has decreased significantly since the end of Q2; the proportion of residents holding the view that the state is “*strongly* on the wrong track” dropped from 23% to 18%.

Figure 1: Perceived Direction of the State of Wisconsin



The two strongest predictors of opinion regarding the direction of the state continue to be political affiliation and personal economic situations. Figure 2 shows that most Democrats (62%) say the state is “on the wrong track,” while the vast majority of Republicans (85%) say the state is “headed in the right direction”. Independents are evenly split on the question; 52% express a positive opinion regarding Wisconsin’s overall direction, while 48% hold a negative view. The only significant change since last quarter has occurred among Democrats; the proportion of Wisconsin Democrats saying the state is “on the wrong track” decreased from 69% to 62%.

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,” 65% say the state is “on the wrong track.” That proportion drops to 47% among those who describe their personal finances as “fair,” 33% among those who say their personal finances are “good,” and 24% among those who say their personal finances are “excellent.” Figure 3 shows that this relationship weakened slightly over the last quarter, mostly due to a significant decrease in pessimism among those reporting “poor” personal finances.

Both of these factors exercise a strong and 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, but at the same time those with worse personal financial situations are consistently less likely to express a positive view than their more financially sound co-partisans.

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

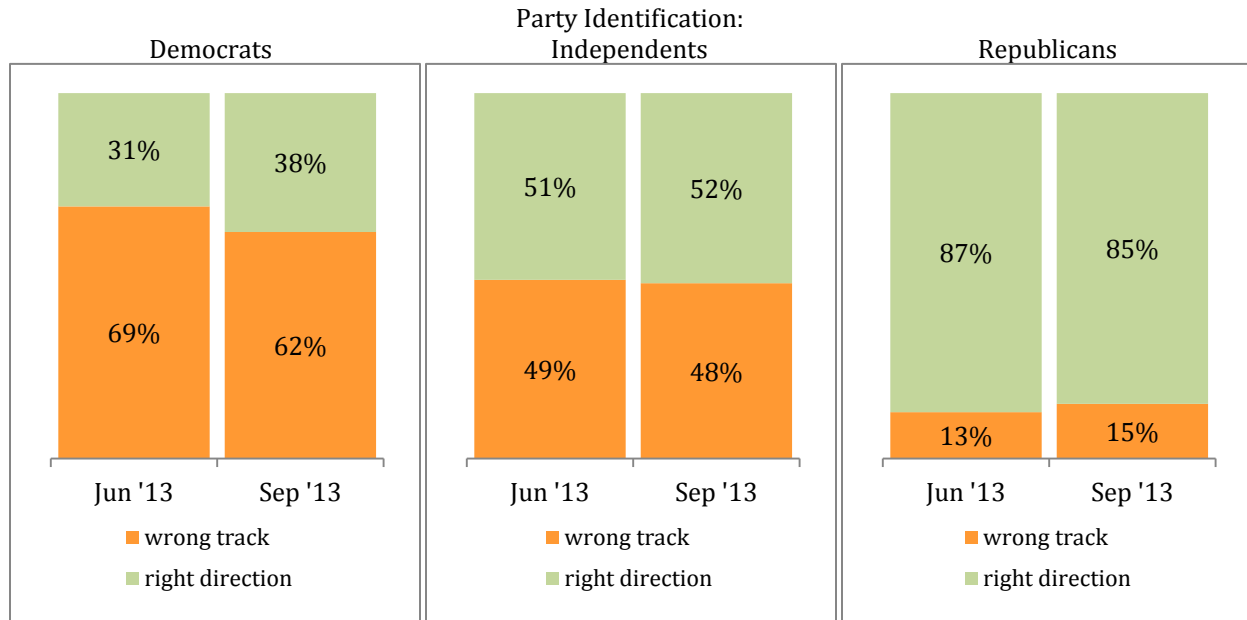
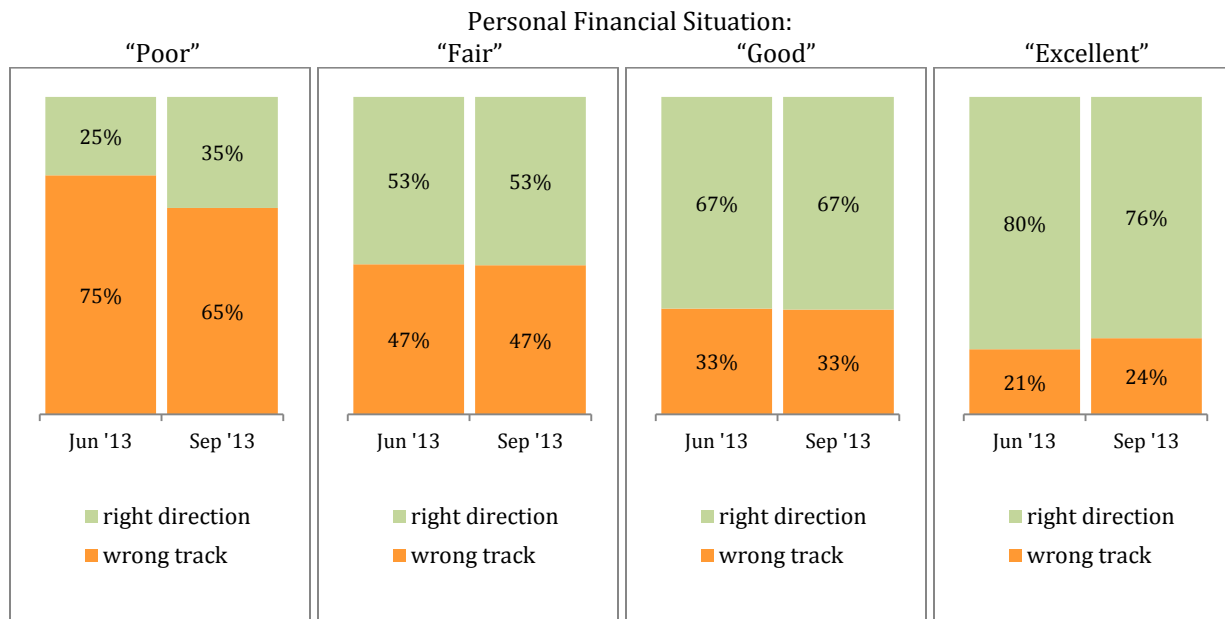


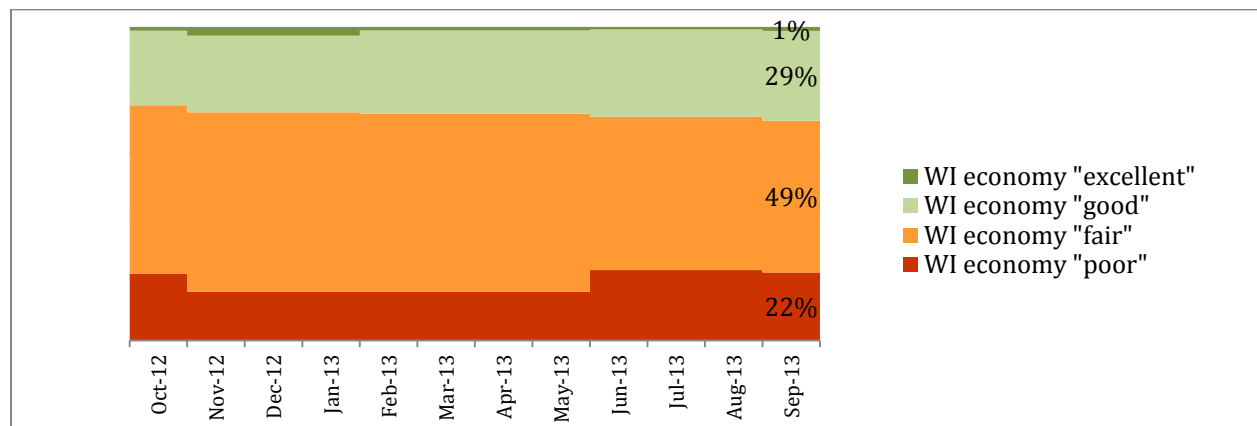
Figure 3: Direction of the State of Wisconsin, by Personal Financial Situation



THE CURRENT WISCONSIN ECONOMY

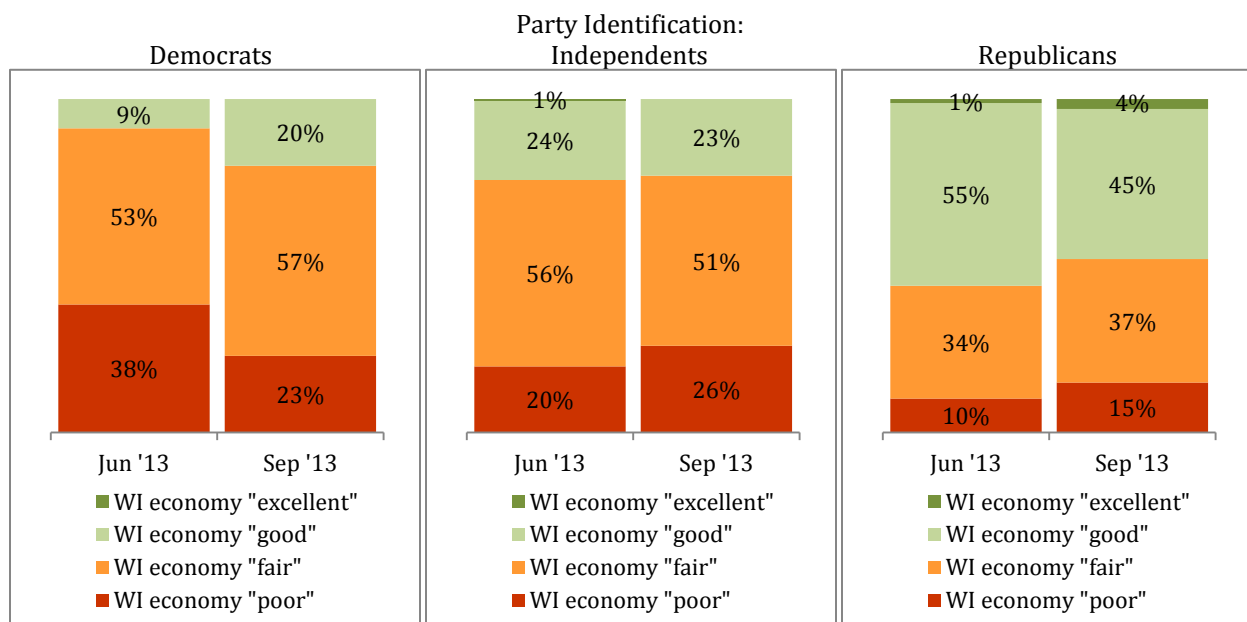
Wisconsin residents' optimism about the overall direction of the state is tempered by a net negative view of the state's recent economic performance. Only 30% view Wisconsin's economy in a positive light ("excellent" or "good"), while about 70% characterize the state's economy negatively ("fair" or "poor"). Figure 4 shows that the overall pattern of opinion regarding current economic performance has not changed substantially since last quarter.

Figure 4: Evaluations of Wisconsin's Current Economy



Partisanship continues to play a strong role in determining views of the Wisconsin economy. Republicans are much more likely than Democrats or political independents to take a positive view of the state's economic performance; while 49% of Republicans have a positive opinion of the Wisconsin economy, just 23% of independents and 20% of Democrats share that view. However, this polarization has actually decreased since last quarter. The aggregate stability highlighted in Figure 4 conceals offsetting changes among partisan groups visible in Figure 5. Since the end of Q2, economic pessimism has decreased significantly among Democrats, but has increased significantly among Republicans.

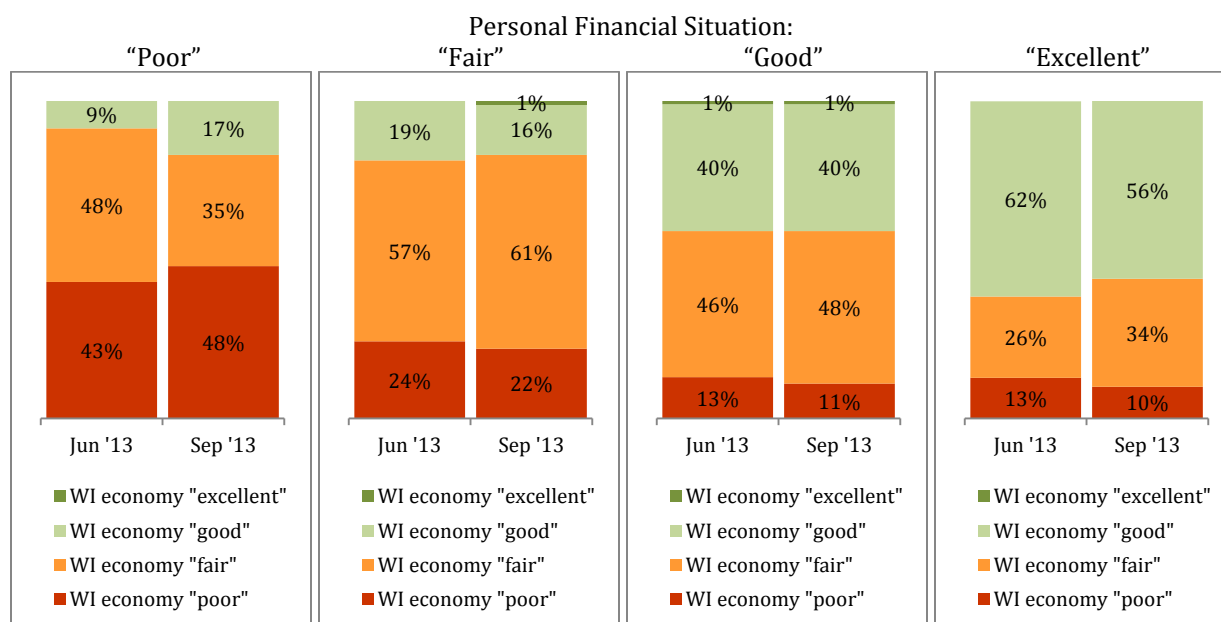
Figure 5: Evaluations of Wisconsin's Current Economy, by Party Identification



The strongest predictor of views on the overall state economy continues to be personal financial situation. Figure 6 shows that just 17% of those who view their own finances as “poor” give the state economy good marks, while a majority (56%) of those who rate their personal financial situations as “excellent” report positive views of Wisconsin’s recent economic performance.

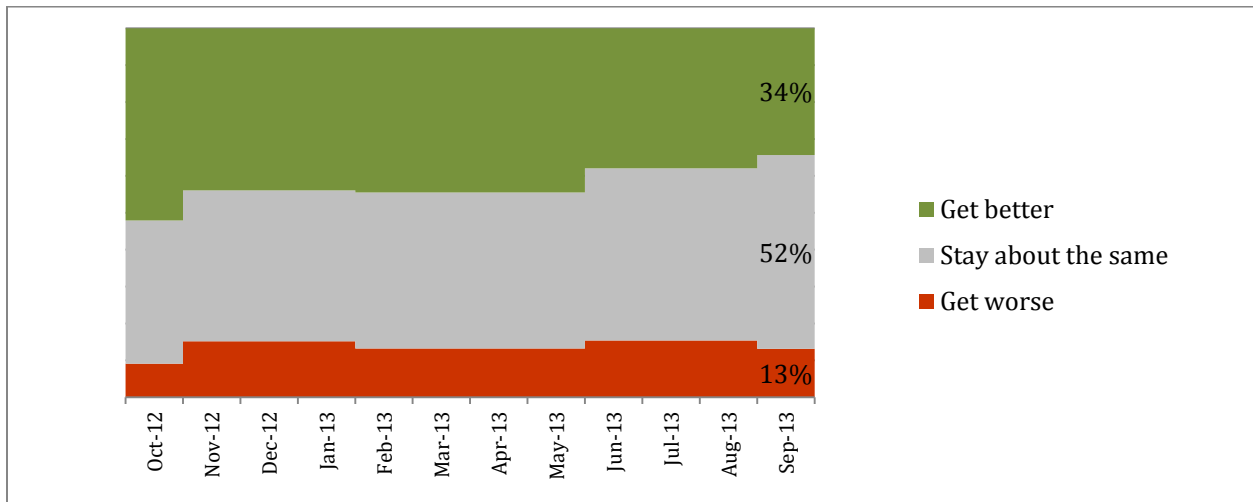
Interestingly, economic evaluations among those with “poor” finances have improved since last quarter, while economic judgments among those reporting “excellent” personal financial situations have worsened. This change is at least partially attributable to partisan de-polarization concerning economic evaluations; the “poor” finances category has the highest proportion of Democrats, while the “excellent” finances category sports a higher proportion of Republicans. With no high-profile elections in the near future or recent past, there is less incentive for partisans to engage in evaluative economic “cheerleading” in favor of (or against) the party in control of state government.

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



When it comes to expectations regarding Wisconsin’s future economic performance, those expecting improvement outnumber those expecting things to get worse, but the segment of the Wisconsin population that expects things to stay the same continues to expand. Figure 7 shows that 52% now expect that the future economy will neither improve nor worsen, while 13% foresee increased economic struggles. The proportion of residents expecting economic improvement continues to trend negatively; while a majority felt things were likely to improve at this time last year, now just 34% express optimism.

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

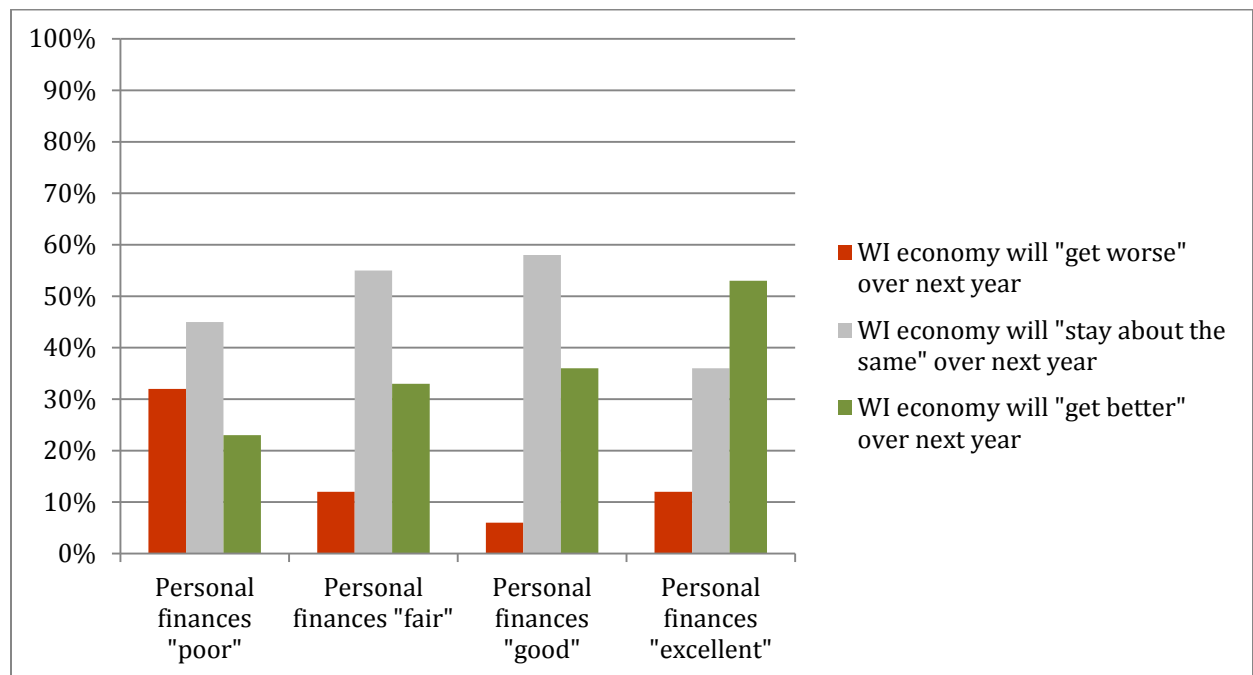
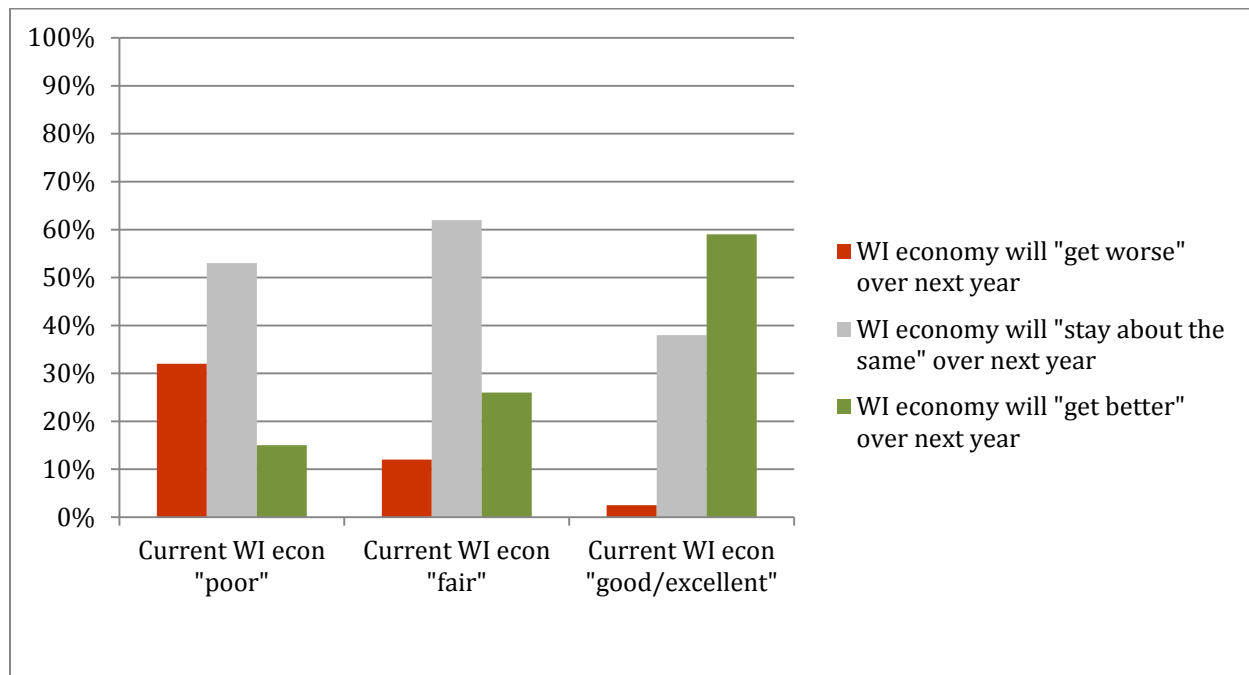
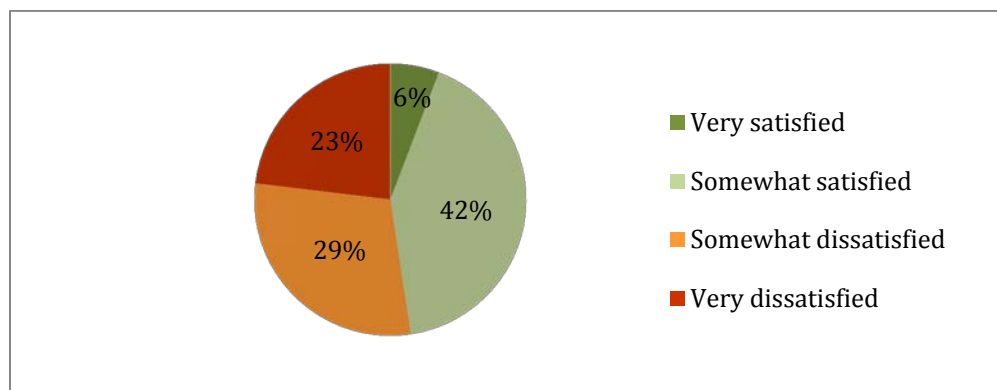


Figure 9: Expectations for WI Economy over Next Year, by Perceptions of Current WI Economy



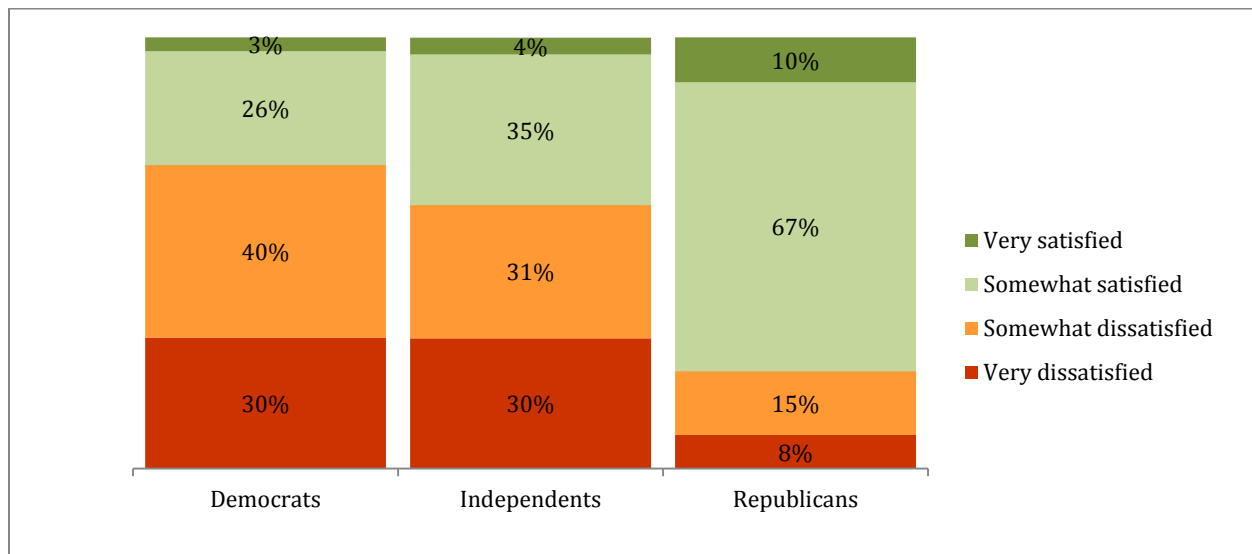
This quarter, residents were also asked about their level of satisfaction with the pace of job creation in Wisconsin. While opinion is closely divided (48% satisfied/52% dissatisfied), Figure 10 shows that intensely dissatisfied residents outnumber intensely satisfied residents 23% to 6%.

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



There is a fair amount of partisan polarization associated with views on job creation within the state. Figure 11 demonstrates that while Democrats and political independents display roughly comparable levels of pessimism regarding the rate of job growth in Wisconsin, Republicans in the state are dramatically more likely to provide positive appraisals of the evolution of the state's labor market.

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



PERSONAL FINANCIAL CIRCUMSTANCES

A slim majority of residents describe their financial situations in negative terms; either “fair” (35%) or “poor” (18%). Another 37% call their finances “good,” while 10% say their finances are “excellent.” Figure 12 shows that net evaluations of personal finances have improved slightly during the third quarter, reversing a negative trend spanning the first two quarters of 2013. Despite the increase in positive evaluations, it is important to note that the proportion of residents specifically describing their situations as “poor” has increased for the 5th consecutive quarter, reaching 18% in Q3.

Figure 12: Evaluation of Current Personal Financial Situation

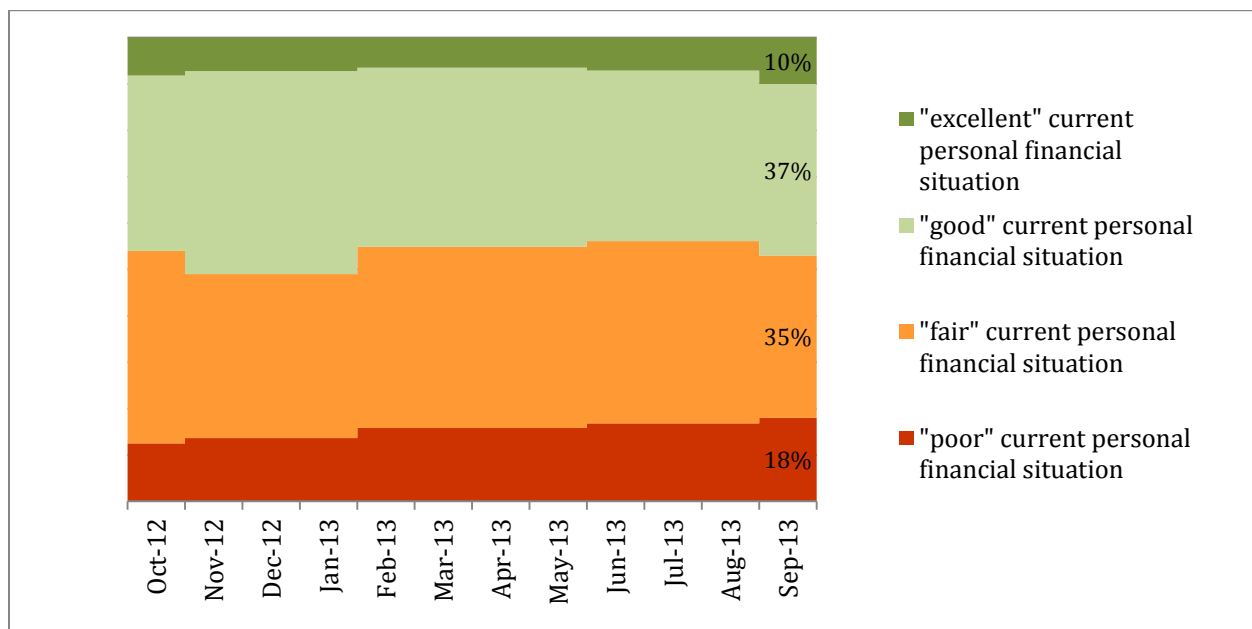
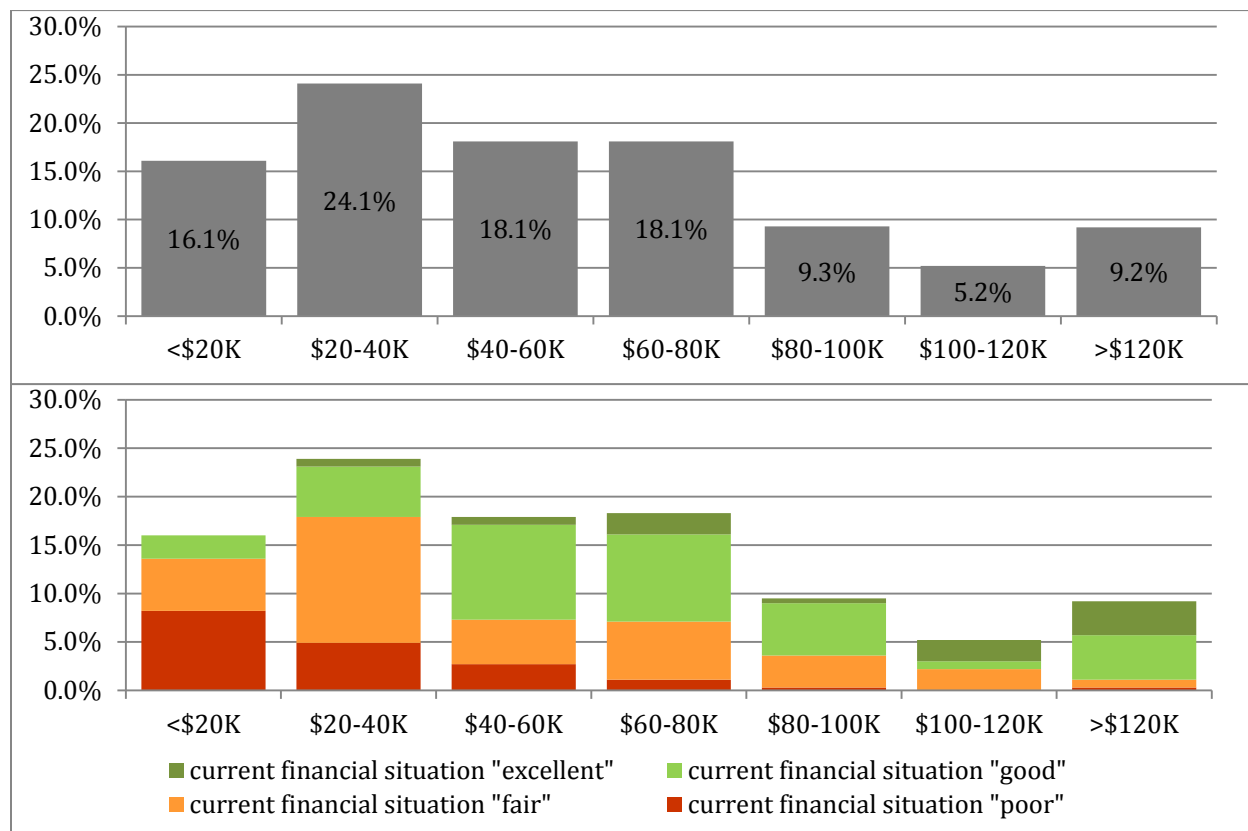


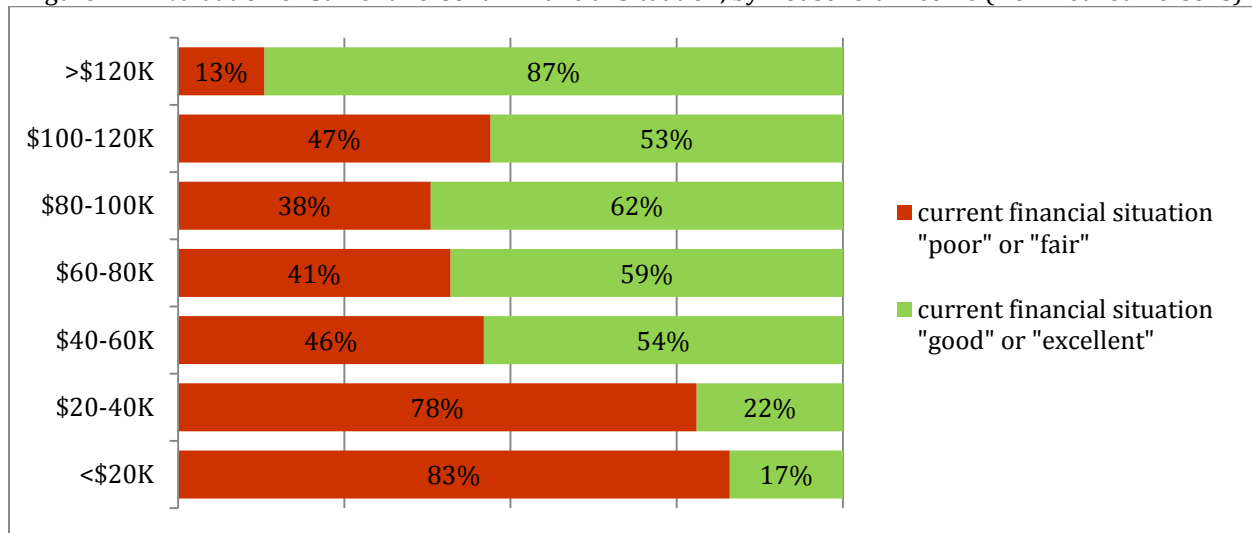
Figure 13 shows the distribution of household income across Wisconsin residents, as well as how residents in each income category are likely to feel about their respective financial situations. The median Wisconsin resident is likely to live in a household with an annual income between \$40,000 and \$60,000,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

Figure 13: Pre-tax Annual Household Income (2012) of Wisconsin Residents



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 working-age Wisconsin residents, those that live in households making less than \$40,000 in 2012 are overwhelmingly likely to describe their personal financial situations in negative terms. A slight majority of residents from households earning between \$40,000 and \$120,000 in 2012 describe their current financial situations positively, but more than four in ten within this range say their finances are just “fair” or “poor.” Only those from households making over \$120,000 in 2012 were very likely to report “good” or “excellent” personal finances.

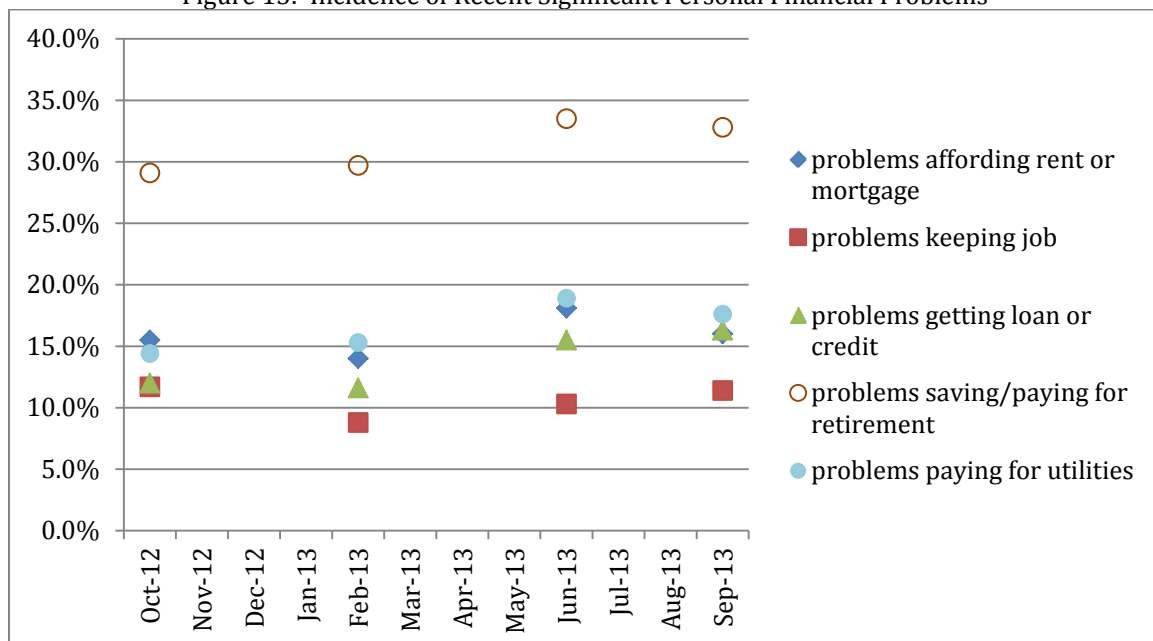
Figure 14: Evaluation of Current Personal Financial Situation, by Household Income (Non-Retired Persons)



The factor most closely associated with poor evaluations of personal financial situations is employment status. The vast majority of unemployed residents (77%) report “fair” or “poor” situations. While employed residents fare better, just over half (51%) still describe their situations in negative terms. Only retirees are more likely than not to describe their financial situations as “good” (41%) or “excellent” (13%). Another factor associated with financial satisfaction is education; only those with four-year degrees or higher are likely to express satisfaction with their financial situations.

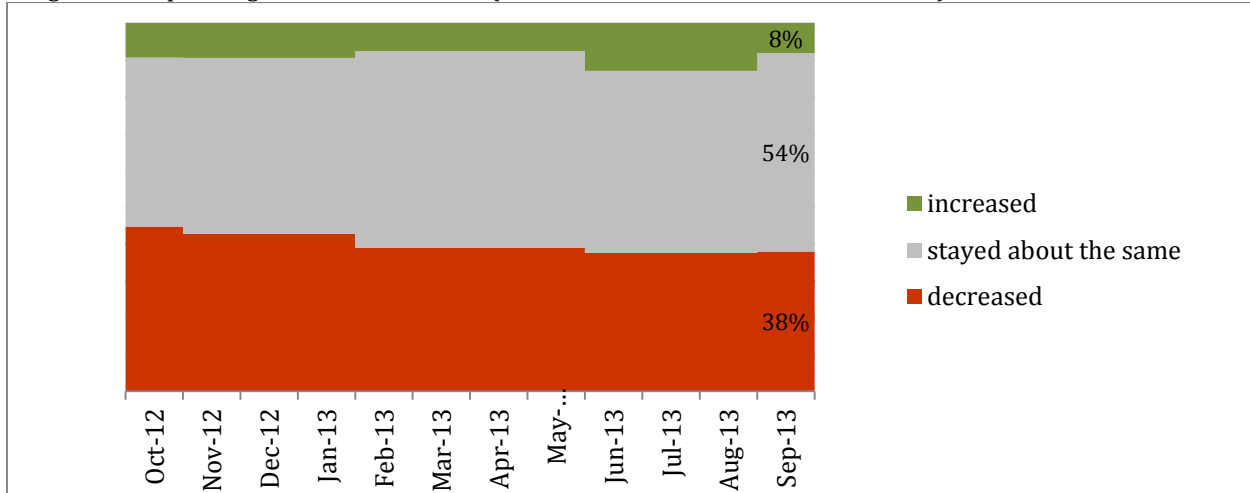
Consistent with only slight changes in personal economic evaluations, there were only small changes in the incidence rates of several specific serious personal financial problems during the third quarter of 2013. Figure 15 shows the relative frequencies of common significant financial problems over time. This quarter, residents were slightly less likely to report problems saving or paying for retirement, problems paying for utilities, and problems affording rent or mortgages, but were slightly more likely to report problems keeping a job and problems getting loans or credit.

Figure 15: Incidence of Recent Significant Personal Financial Problems



In terms of spending on non-necessities like entertainment, restaurants, and vacations, Wisconsin residents are most likely to report static levels of spending. Figure 16 shows that 54% of residents say spending on non-necessities has stayed about the same over the last six months. While 8% say they have recently increased spending on non-necessities (a significant drop since last quarter, when 13% reported higher levels of recent recreational spending), 38% of residents say they have recently decreased their spending on recreation and entertainment.

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



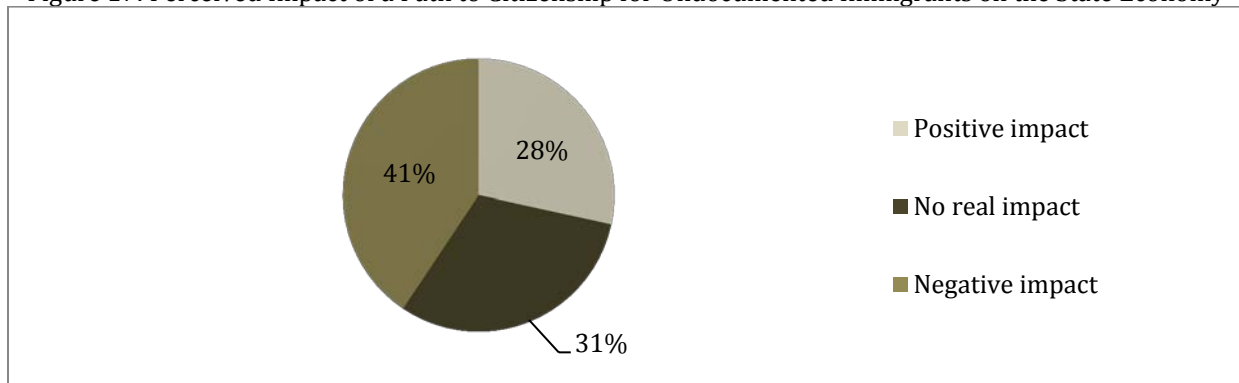
FEATURE: PERCEIVED ECONOMIC IMPACT OF IMMIGRATION REFORM

All respondents were asked the following question about the impact of a path to citizenship for undocumented immigrants and the Wisconsin economy:

“If the U.S. granted a path to citizenship for undocumented immigrants, what kind of impact do you think it would have on the state economy—a positive impact, a negative impact, or no real impact?”

Figure 17 shows that Wisconsin residents are most likely to say that such a reform would have a negative impact on the state economy (41%), while 28% feel that a path to citizenship would have a positive impact on Wisconsin’s economy and 31% say it would have no real impact.

Figure 17: Perceived Impact of a Path to Citizenship for Undocumented Immigrants on the State Economy



There is no visible relationship between views on this issue and views on the current or future performance of the state economy. There is also no relationship between satisfaction with the current pace of job creation in the state and the potential impact of a path to citizenship might have on the state economy. However, views on this question are strongly influenced by political affiliation. Republican residents are much more likely to say that a path to citizenship would have a negative effect on the state economy (17% positive/44% negative), while Democrats (33% positive/37% negative) and political independents (30% positive/33% negative) are more closely split on the issue.

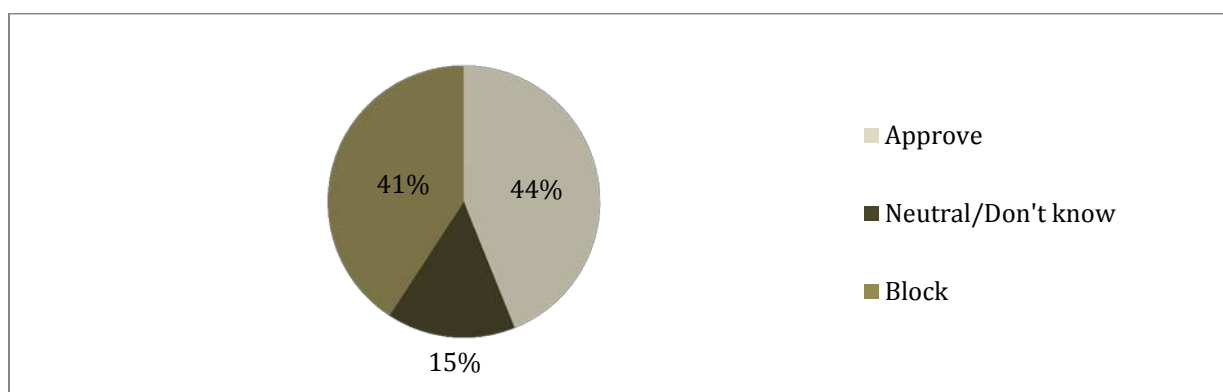
Both business owners (38% positive/33% negative) and members of labor union households (41% positive/26% negative) express net favorable views on the potential impact of a path to citizenship for undocumented immigrants on the Wisconsin economy. Age also plays a role in shaping opinion on this issue; those under thirty are likely to feel that a path to citizenship would bring economic benefits to the state (42% positive/25% negative), while those in older age categories express increasingly negative net opinions regarding the potential economic impact of such a reform. Finally, education influences opinions on this issue; those with relatively higher levels of education are more likely to feel a path to citizenship for undocumented immigrants would benefit the state economy.

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.

Registered voters¹ were asked if the governor should approve or block the casino project. Figure 18 shows that Wisconsin voters are split on the issue; while 44% say the governor should approve the new casino, 41% say the project should be blocked. About 15% said they did not have enough information or did not have a strong opinion.

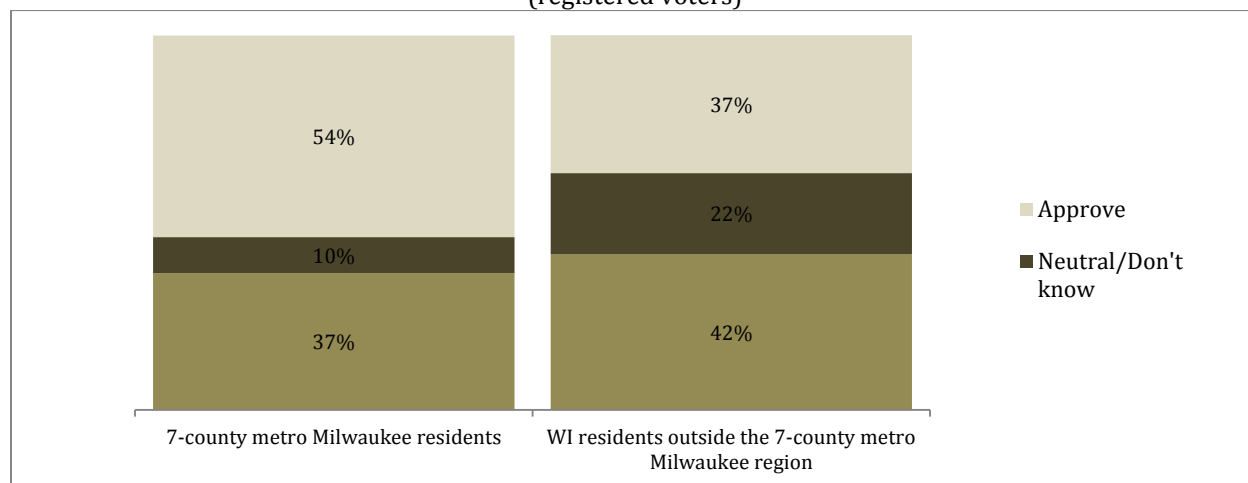
Figure 18: Should the Governor Approve or Block the Menominee Tribal Casino in Kenosha?
(registered voters)



¹ 402 registered voters were interviewed, yielding a margin of error of $\pm 4.9\%$.

Figure 19 suggests that support for the new casino project is higher among residents of the seven-county metro Milwaukee region; 54% of the 156 registered voters² in this region said the governor should approve the casino, while just 37% said it should be blocked. Among the 270 registered voters living outside the metro Milwaukee region, support was substantially lower; just 37% said the casino should be approved, while 42% said the governor should block the project.

Figure 19: Support for the Menominee Tribal Casino in Kenosha, by Region
(registered voters)



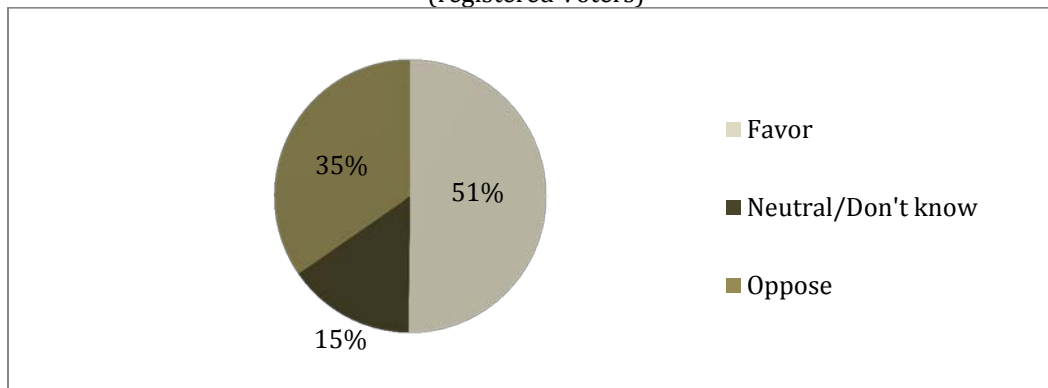
Among the 83 registered voters residing in Milwaukee County that were interviewed, 51% supported approval, while 40% want the casino blocked. Among the 13 Kenosha County voters interviewed, 54% supported approval, while 31% wanted the casino blocked. (These county-specific statistics are prone to high levels of sampling error due to very small sample size.)

FEATURE: SUPPORT FOR PROPOSED IRON ORE MINE IN NORTHERN WISCONSIN

Registered voters were asked a question about the proposed Gogebic Taconite (GTAC) open-pit iron ore mine along the Penokee Range in Ashland and Iron Counties:

“A new state law has opened the door for an extensive iron ore mining operation in northern Wisconsin. Supporters and critics disagree about the potential economic and environmental impact of the proposed mine. Do you favor or oppose the proposed iron ore mine in northern Wisconsin?”

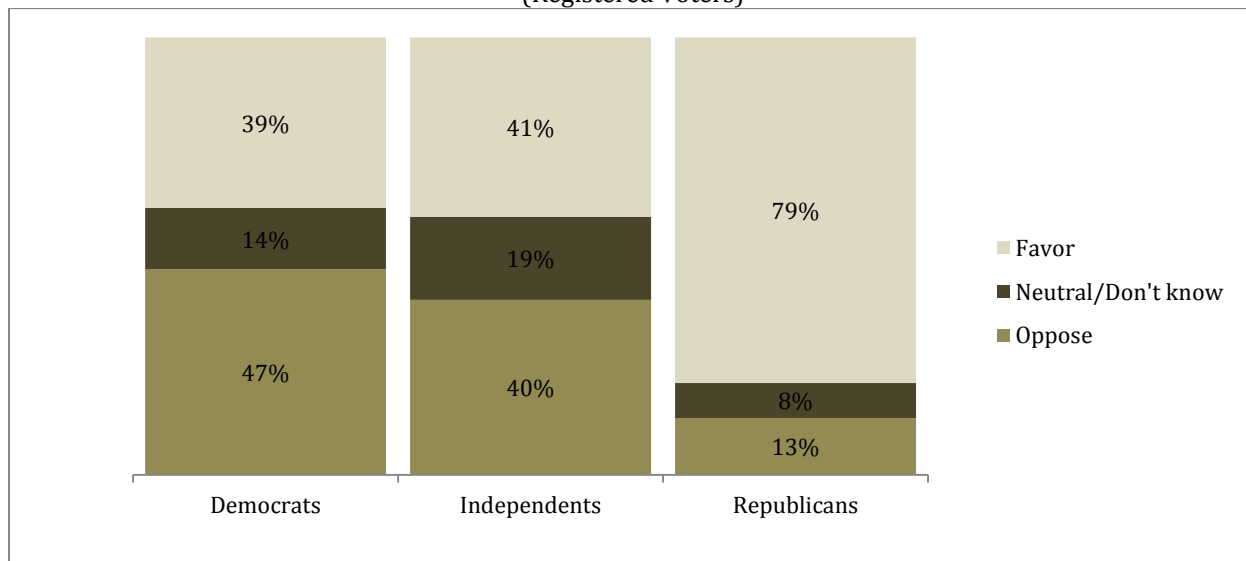
Figure 20: Support for Proposed Iron Ore Mine in Northern Wisconsin
(registered Voters)



² 156 7-county metro Milwaukee region registered voters were interviewed, yielding a margin of error of $\pm 7.9\%$.

Figure 20 shows that support for the proposed mine exceeds opposition; 51% of residents say they favor the proposed mine, while 35% oppose and 15% either do not have enough information or do not have strong opinions. Figure 21 shows that this issue is strongly related to political views for some residents; while comparable proportions of Democrats (39%) and political independents(41%) support the proposed mine, support among Republican residents has reached 79%.

Figure 20: Support for Proposed Iron Ore Mine in Northern Wisconsin, by Party Identification (Registered Voters)

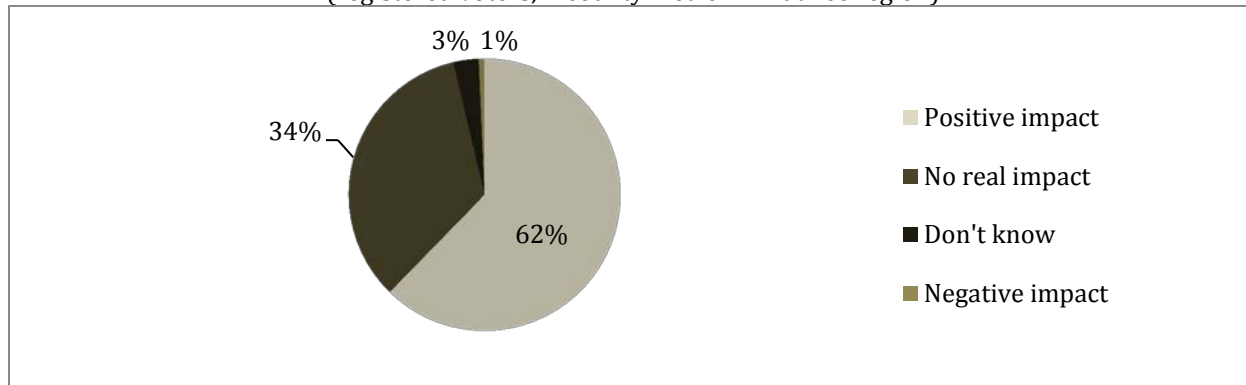


FEATURE: VIEWS ON BRADLEY CENTER REPLACEMENT/RENOVATION

State policymakers are considering renovation or replacement for the Bradley Center in order to ensure that the Milwaukee Bucks remain in Milwaukee. Registered voters within the 7-county metro Milwaukee region³ were asked a series of questions related to this project. First, voters were asked about their perception of the economic impact of having a National Basketball Association franchise in Milwaukee.

Figure 21 shows that a majority of metro Milwaukee voters (62%) think the Bucks bring an economic benefit to the area, while 34% feel they have no impact and just 1% feel they have a negative impact:

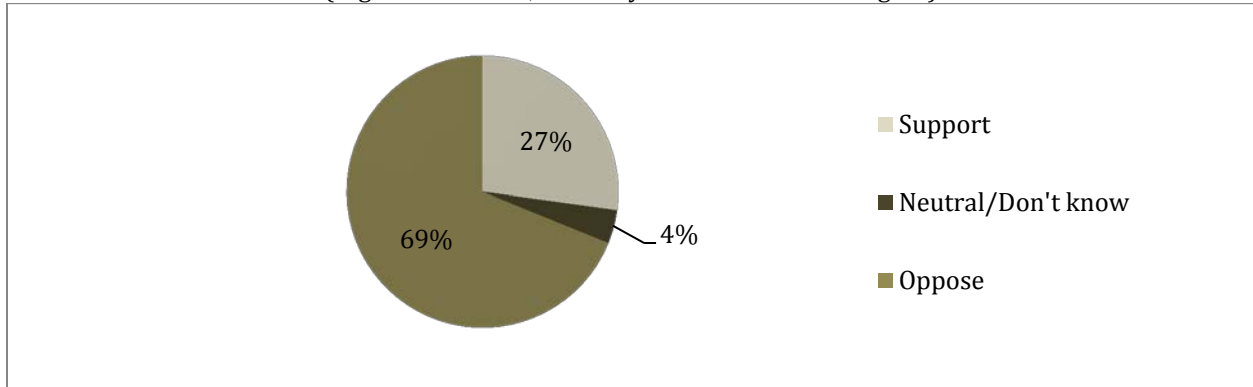
Figure 21: Perceived Economic Impact of a Professional Basketball Team on the Local Economy (registered voters, 7-county metro Milwaukee region)



³ 156 7-county metro Milwaukee region registered voters were interviewed, yielding a margin of error of $\pm 7.9\%$.

Metro Milwaukee voters were asked about support for a possible increase in the sales tax in their counties to generate public funds for revamping or replacing the Bradley Center. Figure 22 shows that the vast majority of area voters (69%) oppose such an increase, while just 27% in support. (Among the 82 Milwaukee County voters surveyed, 31% were in support of a sales tax increase, while 65% opposed.)

Figure 22: Support for a Sales Tax Increase to Help Fund Bradley Center Renovation/Replacment
(registered voters, 7-county metro Milwaukee region)



Opponents of a hypothetical tax increase and those without a strong opinion were asked a follow-up question:

Figure 23: Would a substantial funding commitment from private sources make you more likely to support an increase in the sales tax for Bradley Center renovation or replacement?
(registered voters, 7-county metro Milwaukee region, "neutral" or "oppose" regarding sales tax)

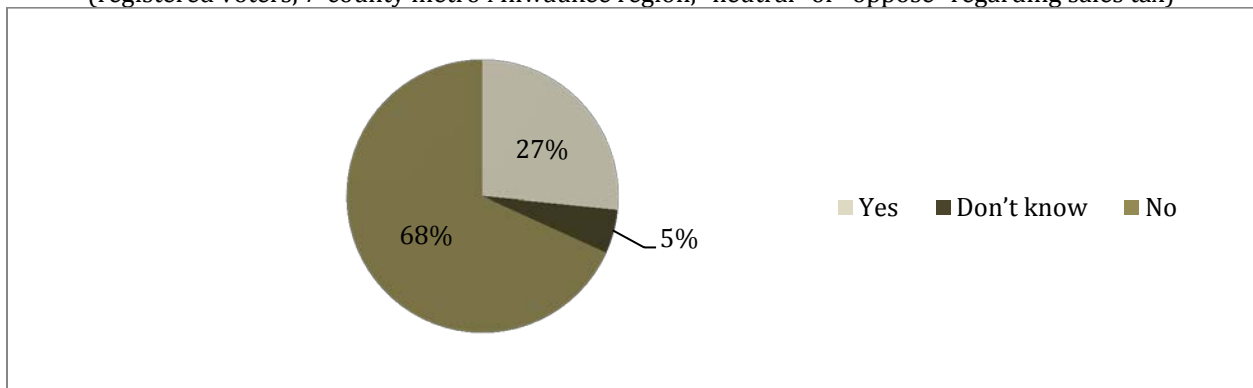


Figure 23 shows that 27% of those not initially in support of a sales tax increase would reconsider their positions were a substantial private funding commitment to be part of the deal. However, the vast majority of sales tax opponents (68%) would not change their opposition.