

Public Opinion and the Metro Economy:

*A Survey of American Attitudes on Community Issues,
Local Government and a New National Direction*

Submitted by:
Zogby International
John Zogby, President and CEO

January, 2008

© 2008 Zogby International



I. Methodology and Sample Characteristics

Methodology

Zogby International was commissioned by the U.S. Conference of Mayors to conduct an online survey of 32085 adults. That survey was conducted between November 21st and December 12th, 2007.

A sampling of Zogby International's online panel, which is representative of the adult population of the US, was invited to participate. Slight weights were added region, party, education, age, race, religion and gender to more accurately reflect the population. The margin of error is +/- 0.6 percentage points. Margins of error are higher in sub-groups.

| Sample Characteristics | Frequency | Valid Percent* |
|-------------------------------|------------------|-----------------------|
| Sample size | 32085 | 100 |
| East | 7369 | 23 |
| South | 8260 | 26 |
| Central/Great Lakes | 9930 | 31 |
| West | 6356 | 20 |
| Did not answer region | 170 | -- |
| Democratic | 11864 | 37 |
| Republican | 11357 | 35 |
| Independent/Minor party | 8162 | 25 |
| Did not answer party | 702 | -- |
| 18-29 | 4904 | 15 |
| 30-49 | 12806 | 40 |
| 50-64 | 8756 | 27 |
| 65+ | 553 | 17 |
| 18-24 | 2484 | 8 |
| 25-34 | 4295 | 13 |
| 35-54 | 13875 | 43 |
| 55-69 | 8485 | 27 |
| 70+ | 2863 | 9 |
| Did not answer age | 83 | -- |
| Less than high school | 3987 | 13 |
| High school graduate | 7954 | 25 |
| Some college | 9199 | 29 |
| College graduate+ | 10865 | 34 |
| Did not answer education | 79 | -- |
| White | 24071 | 78 |
| Hispanic | 2713 | 9 |
| African American | 2991 | 10 |
| Asian/Pacific | 622 | 2 |
| Other/mixed | 625 | 2 |
| Did not answer race | 1063 | -- |
| Progressive/very liberal | 2824 | 10 |
| Liberal | 4330 | 15 |
| Moderate | 7315 | 26 |
| Conservative | 8890 | 31 |
| Very conservative | 3384 | 12 |
| Libertarian | 1873 | 7 |

| | | |
|----------------------------------|-------|----|
| Did not answer ideology | 3470 | -- |
| Roman Catholic | 7743 | 25 |
| Protestant | 14751 | 47 |
| Jewish | 946 | 3 |
| Other/None (religion) | 7734 | 25 |
| Did not answer religion | 911 | -- |
| Protestant – Born-again | 7461 | 23 |
| Protestant – not Born-again | 7070 | 22 |
| Member of union | 5825 | 18 |
| Not member of union | 26134 | 82 |
| Parent of child under 17 | 9844 | 31 |
| Not parent of child under 17 | 22123 | 69 |
| Married | 19625 | 61 |
| Single, never married | 6116 | 19 |
| Divorced/widowed/separated | 4656 | 15 |
| Civil union/domestic partnership | 1497 | 5 |
| Did not answer marital status | 191 | -- |
| Less than \$25,000 | 4196 | 15 |
| \$25,000-\$34,999 | 3769 | 13 |
| \$35,000-\$49,999 | 4600 | 10 |
| \$50,000-\$74,999 | 647 | 22 |
| \$75,000-\$99,999 | 4131 | 15 |
| \$100,000 or more | 5626 | 20 |
| Did not answer income | 3514 | -- |
| Male | 15651 | 49 |
| Female | 16434 | 51 |
| Did not answer gender | -- | -- |
| Women - works outside home | 7769 | 48 |
| Women - not work outside home | 8479 | 52 |
| Live in Large City | 6603 | 21 |
| Live in Medium City | 4442 | 14 |
| Live in Small City | 5673 | 18 |
| Live in Large City Suburb | 2503 | 8 |
| Live in Medium City Suburb | 2846 | 9 |
| Live in Small City Suburb | 2955 | 9 |
| Live in Large City Exurb | 353 | 1 |
| Rural | 6131 | 20 |
| Did not respond location | 578 | -- |

* Numbers have been rounded to the nearest percent and might not total 100.

II. Executive Summary

With the national economy on the verge of a recession, the sub-prime housing crisis impacting cities nationwide and consumer confidence and inflationary pressures exacting a toll on families across the country, the economy now ranks as the number one issue facing Americans. As evidence, when respondents were asked to cite the top issues facing their communities today, five of the top ten concerns were directly related to the economy.

This interactive survey of over 32,000 adult Americans conducted in partnership with the U.S. Conference of Mayors examines those economic issues as well as several other issues of critical importance to American communities

Key Findings

- Americans believe the economy is in decline. The spending power of their paycheck is down, and they perceive a rise in unemployment. Americans agree that economic stimulus can be achieved by environmentally friendly development at the local level—as a means to attract business, improve community life and create a new class of ‘green-collar’ jobs.
- With the job performance of the Congress and the President approaching all-time lows, Americans want government action. A majority support Congressional action on six of eight environmental and gun-control issues.
- Americans feel safe, but they still rank public safety as the second most important issue and spending on safety would be their top priority. They fear local crime (48%) more than terrorism (31%).
- Education ranks as the second most important spending priority and the number five issue overall. Americans feel their schools are safe, but are concerned about the quality of the education. At the same time, they rank local taxes and property taxes as the third most important issue.
- Americans believe they get the best rate of return on tax dollar from local government, as compared to state or Federal government, yet they believe that rate of return to be low. There is, however, a willingness to pay increased taxes so long as tax payers can be guaranteed that revenue generated is directed into clearly defined programs.

The Economy

Of the top ten issues facing American communities, five relate to the economy: local taxes and property taxes (38%), access to quality healthcare (27%), local job development and business development (22%), affordable housing (19%), housing prices and the housing market (18%). A sixth economic issue--poverty, homelessness and unemployment (14%) ranks eleventh.

Top Issues Facing Your Community*

| | Percentage | Rank |
|--|------------|------|
| Local Taxes/Property Taxes | 38 | 1 |
| Access to Quality Healthcare | 27 | 4 |
| Local Job Development/Business Development | 22 | 6 |
| Affordable Housing | 19 | 7 |
| Housing Prices/Housing Market/Sub-prime Market | 18 | 9 |

*Responses do not add to 100% as respondents were asked to name the top 3 issues.

To gain a better perspective of the local impact of current economic conditions, respondents were asked about local unemployment and changes in the spending power of their paychecks. More than one-fourth of respondents (28%) report that unemployment in their cities has increased within the past 5 years. Thirty-eight percent believe it has remained the same. One-in-five believe it has fallen.

While the community-wide impact of unemployment may not be overwhelming, Americans are personally feeling the impact of stagnant wages and inflationary pressures in their paychecks. More than two-thirds (69%) of respondents say they get less spending power from their paycheck than they did five years ago, particularly among respondents with incomes between \$35,000 and \$75,000 (73%) and 50-64 year olds (74%). Less than one-in-ten respondents (8%) feel they get more from their paycheck now than they did 5 years ago.

Approximately three-in-ten respondents (28%) believe unemployment is on the rise. That sentiment is shared in cities (30%) and suburbs (27%) as well as respondents living in rural areas (27%). Much attention has focused on economic difficulties in the Midwest and Great Lakes region where approximately four-fifths of Cleveland residents (80%) and Detroit residents (79%) feel the spending power of their paychecks has declined.

Cleveland and Detroit, however, are not the only areas to feel this effect. Loss of spending power in Boston (78%) and San Francisco (74%) demonstrates the impact of economic pressures on both sides of the country.¹ Inflationary pressures have also exacted their toll on urban (69%), suburban (69%) and rural communities (72%) alike.

¹ A note about cities as represented in this survey. Cities are presented here as Demographic Marketing Areas or DMAs and represent the larger metropolitan areas of those cities.

Another central component to the current economic situation is the issue of affordable housing. An even division exists between those who believe there is enough affordable housing (45%) and those who do not (46%). Respondents living in Florida, New York City, Boston and the West Coast are far more likely to believe there is an inadequate supply of affordable housing. Urban respondents (49%) are more likely than suburban (43%) and rural residents (43%) to believe there is a shortage of affordable housing.

One-in-three respondents (33%) believe that providing affordable housing is not a responsibility of the government. The remaining respondents are evenly split over whether the state government (24%), local government (18%) or Federal government (14%) should be responsible for providing affordable housing.

While discussions about possible economic stimulus plans are ongoing in Washington, this survey finds Americans in agreement on one possible remedy—local, environmentally-friendly development. A majority of respondents agree that by ‘going green’ and adopting more environmentally friendly policies there will be a positive impact on the economy (59%), the local community will be more attractive for business (56%) resulting in the creation of new jobs (56%) including some ‘green collar jobs’ (60%).

Effect of ‘Going Green’ on Local Economy and Community

| Going Green Will . . . | Have Positive Impact | Create Green-Collar Jobs | Create Jobs | Attract Business | Make Your Community A Better Place to Live |
|------------------------|----------------------|--------------------------|-------------|------------------|--|
| Strongly Agree | 28 | 28 | 27 | 23 | 35 |
| Somewhat Agree | 31 | 32 | 29 | 33 | 31 |
| AGREE | 59 | 60 | 56 | 56 | 66 |
| Somewhat Disagree | 14 | 15 | 15 | 17 | 13 |
| Strongly Disagree | 18 | 15 | 18 | 15 | 13 |
| DISAGREE | 32 | 30 | 33 | 32 | 26 |
| Not Sure | 10 | 10 | 11 | 12 | 9 |

Two-in-three respondents (66%) believe the net result from such green programs and development will be a local community that is a better place to live. Over half (56%) agree local government should make the change, even if that change results in significant changes to their lifestyle. One-in-five (20%) believe that such change would have a great impact on the local community.

Respondents in cities across the country agree their local government should ‘go green,’ including larger cities like New York (66%), Los Angeles (61%), Chicago (67%) and Philadelphia (60%), as well as smaller cities like Phoenix (60%), Detroit (54%), Baltimore (55%) and Pittsburgh (55%).

One area in particular highlights the desire for local environmentally based economic change—daily commuting. Three out of every four commuters (75%) report that they normally travel to work in their car--alone. One-fourth of all commuters (25%) say their commute averages more than 30 minutes each way.

A majority of respondents (53%) would use mass transit if it were easily available where they live and work. Forty-seven percent (47%) of those who travel alone by car to work hold the same opinion. Nearly two-in-three respondents (65%) say that rising gas prices make it more likely they would consider using mass transit, including majorities of every form of commuter.

Taxes and Revenues

Not surprisingly, when respondents rank their top spending priorities for local government, these spending areas largely align with the top issues affecting their local communities.

Top 10 Spending Priorities for Local Government*

| | Overall |
|--|---------|
| Public Safety (Police) | 59 |
| Education | 55 |
| Emergency Services (Fire, Medical) | 49 |
| Infrastructure (bridges, roads) | 38 |
| Affordable Housing | 20 |
| Business Development | 18 |
| Security/Terrorism Prevention | 16 |
| Community Services (after-school programs, parks and recreation) | 14 |
| Environmental Programs/Environmental Protection | 13 |
| Promoting Tourism | 3 |

**Responses do not add to 100% as respondents were asked to name the top 3 issues.*

With regard to spending and taxation among the three levels of government, local government emerges as the most well received. When asked to evaluate the rate-of-return on their tax dollar, more than one-in-four (27%) give their local government a positive rating—compared with state government (20%) and the Federal government (13%). In a direct comparison, a plurality of respondents (39%) believe local government gives them the best rate of return, twice the response for either state (16%) or Federal government (13%).

Public Safety

One-third of respondents (33%) rate public safety and crime as one of the most important issues in their community—placing it second overall. Despite its high ranking, – a majority of Americans report feeling safe in several public places tested—including shopping malls (82%), on local public transportation (73%), on local roads and highways (84%) and in local schools (77%).²

School safety is still a concern for many. Thirty percent of respondents say they are concerned that an attack involving a gun may occur in their local school. Just over half of respondents (52%) believe that their community provides enough opportunities for children after school hours. A majority also view drugs (75%), high school dropout rates (56%), violent crime (54%) and gangs (51%) as serious issues facing their communities.

| Crime vs. Terrorism | | |
|----------------------------|-----------|---|
| Which do you . . . | Fear More | Think You Are More Likely to Experience |
| Local Crime | 48 | 71 |
| Terrorism | 31 | 10 |
| Neither | 17 | 12 |
| Not Sure | 4 | 8 |

Only 9% feel safer than they did 5 years ago, while two-fifths of respondents (42%) say they feel less safe. Furthermore, respondents are more likely to fear local crime than they are terrorism and more than two-thirds (71%) believe they are more likely to experience local crime than fall victim to a terrorist attack.

Tourism, the Arts and Community Life

One issue that typically ranks low in both importance and as a spending priority for most Americans is funding for tourism, artistic events and general community development. This survey, however, uncovered several trends that dispel the long-held opinion that the general public cares little about such programs.

There is no denying that in this survey the issue of community development ranks at or near the bottom of both spending and overall importance. Indeed, most respondents appear to have little involvement in their local communities—two-thirds (66%) utilize local parks and community centers only a few times a year, if ever. Just over a third (35%) spend their leisure time in their own community.

² NOTE-At the midway point of field work (12/5), a shooting occurred in Omaha, Nebraska. A review of data before and after the shooting finds a slight increase in those responding that their malls are ‘not very safe’ or ‘not at all safe’ from 12% prior to the shooting and 15% after the shooting.

Asked their level of activity in local organizations, a majority say they are very or somewhat active in the local community life (52%), yet when asked their activity in local religious groups (45%), civic organizations (30%) and local sports (28%) that rate drops.

Respondents report that they most often venture into the downtown of their community for basic commercial reasons, primarily eating (59%), shopping (56%) and banking (36%). Yet, theatre and other art performances ranks fourth (34%). A majority of respondents (54%) say they have seen an art performance or exhibit within the past year—sixty-two percent of whom (62%) have done so in their own community or downtown.

And while respondents do not list tourism or entertainment as a high spending priority, there is a clear interest in having such alternatives available. When respondents were asked the likelihood that they would visit their city (assuming they did not live there already), nearly half (47%) said they would not do so, including a majority of 18 to 29 year olds (51%). Only two-in-five (42%) said they would be likely and still fewer, one-in-five (20%), would be very likely.

When asked why they would be unlikely to visit their own city, the two most frequent responses were a lack of entertainment (55%) and that there was “nothing to do” (51%). Thus a disconnect exists as respondents have shown that they do not regularly participate in local community life, while at the same time noting a lack of entertainment options.

Other Issues

Immigration remains an issue of high importance (third overall), especially in the regions of the country experiencing the greatest influx of immigrants (both legal and illegal). A majority of respondents (53%) believe stricter immigration laws will have a positive impact on the local economy. Nearly half (49%) believe that illegal immigrants have had a negative impact on their local economy, while two-fifths (41%) feel that immigration in general (both legal and illegal) has had a negative impact on the economy. These opinions, however, show considerable variation when viewed by party and region/city.

While the issue of poverty and homelessness ranked eleventh in terms of most important issues, it is inexorably linked to the overall economic findings listed above. The current economic situation has clearly had an impact on those living in poverty. Asked about the rate of homelessness, one-in-four respondents (25%) believe the rate of homelessness in their city has increased over the past 5 years, nearly half (46%) believe that rate has not changed. In some areas like Detroit (35%), Orlando (37%), Tampa (38%), and Sacramento (40%) more than one-third of respondents report that the homeless population in their city has increased.

Public opinion is split on one antipoverty program currently being debated in Congress. A near majority of respondents (48%) support the proposed expansion of SCHIP (the State Children's Health Insurance Program) while 44% oppose expanding the program. Eight percent remain undecided on the matter. Another key issue facing working Americans is access to reliable child-care. Less than half of all respondents (46%) say they would have access to reliable child-care if they had younger children including only thirty-seven percent of respondents who earn less than \$35,000.

Despite its rank as the fifth most important issues, K-12 education ranks second as the most important spending priority for local government. Regarding the quality of education received, the picture is mixed. Forty-three percent of those with children under the age of 17 (43%) are concerned with the quality of their child's current school, including nearly half (49%) of those with children in a public school. Thirty percent say they are *very* concerned about the quality of their child's current school.

At the same time, a majority of all respondents (55%) believe their local schools provide children with the education and skills necessary to be competitive later in life. Nearly two-thirds of those with school-aged children (64%) hold the same positive opinion of their local schools.

Federal Action

As job performance ratings for both Congress and the President reach all-time lows, Americans are looking for action from their Federal government. Six of eight possible Federal actions on the environment and gun-control issues tested received the support of a majority of Americans.

When asked how votes in favor of four specific issues would impact their likelihood of voting to re-elect their Member of Congress, a majority of respondents say they would be more likely to elect their member if they voted for higher air quality standards for factories and power plants (50%), to close gun show loopholes (57%) and ban the sale of semi-automatic and military-grade weapons (52%). The one issue that falls short of a majority, higher emissions standards for domestic auto makers receives nearly two-to-one support.

Likelihood of Voting To Re-Elect Your Member of Congress If They Voted to

| | Higher Air Quality Standards For Factories | Higher Auto Emissions For Domestic Auto Makers | Close ‘Gun Show’ Loopholes | Ban Semi-Automatic Weapons |
|----------------------|---|---|-----------------------------------|-----------------------------------|
| Much More Likely | 26 | 24 | 32 | 34 |
| Somewhat More Likely | 24 | 21 | 25 | 18 |
| MORE LIKELY | 50 | 45 | 57 | 52 |
| Somewhat Less Likely | 9 | 10 | 6 | 8 |
| Much Less Likely | 10 | 14 | 14 | 22 |
| LESS LIKELY | 19 | 24 | 20 | 30 |
| No Difference | 25 | 23 | 19 | 14 |
| Not Sure | 2 | 7 | 4 | 5 |

In terms of support for Congressional action of environmental issues, Americans support three of the four possible policies tested. Nearly all Americans (90%) would like Congress to pass legislation to put American on a path toward energy independence. Three-quarters of respondents (77%) would like to see tougher penalties for corporations that generate high levels of localized pollution. And while respondents are divided over ratifying the Kyoto Protocol, a majority (52%) are in favor of Congress adopting international greenhouse gas standards and goals.

Support for Congressional Action on Environmental Issues

| | Energy Independence | Tougher Penalties for Corporate Polluters | Int’l Greenhouse Gas Standards and Goals | Ratify Kyoto Protocol |
|-------------------|----------------------------|--|---|------------------------------|
| Strongly Agree | 68 | 48 | 32 | 25 |
| Somewhat Agree | 22 | 29 | 20 | 17 |
| AGREE | 90 | 77 | 52 | 42 |
| Somewhat Disagree | 3 | 10 | 9 | 8 |
| Strongly Disagree | 2 | 7 | 28 | 35 |
| DISAGREE | 5 | 17 | 37 | 43 |
| Not Sure | 5 | 7 | 11 | 15 |

Thus, the support for Congressional action exists, even on the environment and gun-control--issues generally perceived as being politically divisive. Even where there is a lack of majority support, opposition is equally low.

Conclusions

A comprehensive review of the survey yields one fundamental conclusion about people and their local communities. There is a disconnect between the community that people desire and the community that people see. Respondents have shown us that they believe their communities lack entertainment options, yet they are not willing to pay more taxes for investment in the arts or recreation.

The connection between local property taxes and education is even more disparate. While local taxes and property taxes rank as the number one issue for respondents, education spending ranks as the second highest priority, despite the fact that most local education funding is derived from property taxes. This is a clear example of respondents holding opposing views about the provision of services and the taxation required to provide them.

Here, one key finding emerges that helps to unravel the mystery. Despite the negative opinions about taxes and the low opinion on the rate-of-return, respondents display a willingness to pay higher taxes if those taxes are directly linked to specific programs. Of the ten programs listed, respondents were willing to pay more taxes in support of six programs (see below). A seventh issue, environmentally friendly improvements (48%) nearly receives a majority of support.

Willingness to Pay Higher Taxes For . . .

| | Fighting Crime | Infra-structure | Local Schools | Local Hospitals | Services For the Poor | Job Creation |
|--------------------|----------------|-----------------|---------------|-----------------|-----------------------|--------------|
| Very Willing | 26 | 22 | 25 | 22 | 22 | 19 |
| Somewhat Willing | 41 | 39 | 31 | 34 | 31 | 33 |
| WILLING | 67 | 61 | 56 | 56 | 53 | 52 |
| Not Very Willing | 16 | 19 | 17 | 19 | 21 | 23 |
| Not At All Willing | 14 | 16 | 24 | 21 | 23 | 22 |
| NOT WILLING | 30 | 35 | 41 | 40 | 44 | 45 |
| Not Sure | 3 | 3 | 4 | 3 | 4 | 4 |

Even more striking is the direct correlation between specific local issues and a willingness to pay higher taxes in exchange for specific services. In the Minneapolis/St. Paul area, for example, nearly three-in-four residents (72%) say they are willing to pay higher taxes for improvements in infrastructure—a direct result of the recent bridge collapse. Such findings are evidence that when a direct correlation between tax dollars and specific public projects can be made, there is support for both the program and the necessary taxation required to fund that program.