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Illinois Voters' Opposition to Some Budget Cuts and Taxes Softening Over Time

Illinois voters continue to believe that their state's multibillion-dollar budget deficit can be solved by cutting waste and inefficiency, according to the fourth annual statewide Simon Poll, conducted by the Paul Simon Public Policy Institute at Southern Illinois University Carbondale.

Most voters still tend to oppose cuts to specific areas of the budget, as well as to oppose most methods of raising revenues. However, there has been some movement toward accepting some budget cuts and approving of some ways to raise state funds.

"If you are a political leader struggling with the state budget in Illinois, the results of this poll have to vex you," said Paul Simon Institute Director David Yepsen. "On the one hand, if you want to raise more revenue, you've got some sales work to do convincing citizens of the need for it. If you want to make cuts, you'll have a hard time finding any that are popular."

This is the third year in a row that the Simon Institute has asked Illinois voters to choose one of three solutions to the budget deficit problem: to bring in more revenue, such as a tax increase, to balance the budget by cutting "waste and inefficiency in government," or to balance the budget with a combination of budget cuts and revenue increases.

"Over the last three years, despite frequent news coverage on the magnitude of the budget deficit, the percentage of Illinois voters who say the budget can be balanced by cutting waste and inefficiency hasn't budged," said Charles Leonard, the Simon Institute visiting professor who supervised the poll. (See Table 1)

Since 2008 the Simon Poll has asked Illinois voters whether they favored or opposed budget cuts in areas that make up the bulk of the state budget, including education, public safety, parks, human services, and retirement benefits. And, while the percentage who say "cut waste" hasn't moved, there has been movement in the electorate's willingness to cut in some areas, notably state workers' pensions. (See Table 2)

Similarly, Simon Institute polls over the last four years have asked respondents to indicate whether they favored or opposed a number of ways to increase revenue in order to balance the state budget. Majorities have tended to oppose most revenue-enhancing measures since 2008.

However, in 2011, for the first time, majorities approve of two of the revenue-raising measures in the poll: expanding legalized gambling (56.8%) and expanding the sales tax to cover services as well as goods (50.1%). (See Table 3)

“Being against taxes is a deeply ingrained American political sentiment,” said Leonard, “so it is remarkable to see opposition to some of these forms of taxation softening. It is possible that the constant drumbeat of stories on bad state finances is making people come around to some fiscal realities.”

The 2011 Simon Poll for the first time asked respondents how they wanted the state to take care of its enormous backlog of unpaid bills and the high interest rates it must by law pay to its vendors and suppliers. About four in ten (39.1%) said the state should borrow at the lower rate and pay its vendors, while half (50.3%) said the state should pay its bills as well as it can with current funds. (See Table 4)

"If every dime of that borrowing package were dedicated to paying past-due bills and making pension contributions on time, it might be something citizens would be willing to tolerate," Yepsen said. "Even that would be a tough sell, since many voters thought the last round of tax increases were supposed to pay bills on time and they don't feel that happened."

The 2011 Simon Poll is the fourth annual statewide survey the Institute has conducted. The Institute also conducts an annual Southern Illinois Poll in the Spring.

The mission of the non-partisan Paul Simon Public Policy Institute polling is to provide citizens, policy-makers and academic researchers with objective information about trends and issues facing society.

This survey of 1,000 registered voters was taken October 11 through October 16, 2011, and has a margin for error of plus or minus 3 percentage points at the 95 percent confidence level. This means that if we were to conduct the survey 100 times, in 95 of those instances the results would vary by no more than plus or minus 3 points from the results obtained here. The margin for error will be larger for demographic, geographic, and response subgroups.

Telephone Interviews were conducted by Issues + Answers Global Media Research of Virginia Beach, VA. Cell phone interviews were included as well as land-line interviews. Issues + Answers reports no Illinois political clients. The survey was paid for with non-tax dollars from the Institute's endowment fund.

Note: The “Paul Simon Public Policy Institute Poll,” the “Simon Poll” and the “Southern Illinois Poll” are the copyrighted trademarks of the Board of Trustees of Southern Illinois University. Use and publication of these polls is encouraged – but only with credit to the Paul Simon Public Policy Institute at SIUC.

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2011 Simon Poll

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Budget Survey Questions

Table 1: Solutions to Budget Problem

2009 – 11 Statements About The Budget

The state of Illinois has a budget deficit of over 3.7^{*} billion dollars. I'm going to read three statements that people have made about how to fix the deficit, and ask you which one comes closest to your views, OK? If you haven't thought much about the issue, just tell me that.

	<u>2009</u>	<u>2010</u>	<u>2011</u>
Illinois' public programs and services have already been reduced significantly. We can only fix the problem by taking in more revenue, such as a tax increase.	9.5%	9.3%	6.9%
The state takes in plenty of money to pay for public services but wastes it on unnecessary programs. We can fix the problem by cutting waste and inefficiency in government.	56.5%	57.0%	57.7%
Illinois' budget problem is so large it can only be solved by a combination of budget cuts and revenue increases.	27.3%	26.6%	28.5%
Haven't thought much about it.	3.4%	3.4%	3.0%
Other/Don't know	3.4%	3.7%	3.9%

** In 2009, "over 12 billion dollars"; in 2010, "over 13 billion dollars."*

Table 2: Budget Cut Proposals

Do you favor or oppose cuts in:	2008	2009	2010	2011
Spending on kindergarten through high school education?				
Favor	10.7%	13.0%	14.0%	16.5%
Oppose	85.6%	84.4%	82.1%	80.0%
Other/Don't know	3.6%	2.7%	3.9%	3.5%
Spending on state universities?				
Favor	20.9%	31.9%	34.0%	38.2%
Oppose	72.0%	61.4%	57.4%	54.1%
Other/Don't know	7.2%	6.8%	8.6%	7.7%
State spending on public safety, such as state police and prison operations?				
Favor	16.8%	16.3%	21.0%	20.6%
Oppose	77.3%	79.8%	74.5%	73.8%
Other/Don't know	5.9%	4.1%	4.5%	5.6%
Spending on natural resources, such as state parks or environmental regulation?				
Favor	21.2%	32.0%	40.0%	36.7%
Oppose	73.3%	63.0%	53.1%	55.6%
Other/Don't know	5.5%	5.0%	6.9%	7.7%
Spending on programs for poor people*?				
Favor	20.6%	20.4%	24.9%	25.2%
Oppose	73.0%	72.4%	66.3%	64.7%
Other/Don't know	6.4%	7.3%	8.8%	10.1%
Spending on programs for people with mental or physical disabilities?				
Favor	NA	11.8%	12.4%	12.3%
Oppose		85.3%	83.2%	83.5%
Other/Don't know		3.0%	4.4%	4.2%
Spending on pension benefits for state worker's retirement? **				
Favor	24.1%	39.5%	45.5%	45.5%
Oppose	65.7%	53.4%	47.3%	48.0%
Other/Don't know	10.2%	7.2%	7.2%	6.5%

* In 2008, "programs for the needy."

** In 2008, "state workers' retirement"

Table 3: Revenue Increases

Do you favor or oppose:	2008	2009	2010	2011
A proposal to add brackets to the state income tax structure so that higher-income residents pay higher taxes?				
Favor	65.9%	NA	NA	NA
Oppose	28.8%	NA	NA	NA
Other/Don't know	5.2%	NA	NA	NA
Raising the state income tax rate from 3 percent to 4 percent [*] ?				
Favor	NA	32.1%	40.9%	NA
Oppose	NA	65.5%	56.2%	NA
Other/Don't know	NA	2.4%	2.9%	NA
Raising the state sales tax rate?				
Favor	17.0%	21.4%	24.5%	22.0%
Oppose	78.1%	75.5%	72.9%	74.1%
Other/Don't know	4.9%	2.4%	2.6%	3.8%
Expanding the sales tax to cover services like dry cleaning or haircuts, which are not currently taxed?				
Favor	28.4%	44.1%	45.2%	50.1%
Oppose	67.6%	53.3%	51.4%	45.9%
Other/Don't know	4.0%	2.7%	3.4%	4.0%
A proposal expanding legalized gambling in the state?				
Favor	46.6%	44.5%	49.9%	56.8%
Oppose	46.9%	51.4%	46.3%	38.8%
Other/Don't know	6.5%	4.1%	3.8%	4.4%
Selling state assets, such as the lottery and the Illinois toll road system, to private investors?				
Favor	37.8%	25.9%	30.4%	NA
Oppose	52.2%	63.5%	60.1%	NA
Other/Don't know	9.9%	10.6%	9.5%	NA
A proposal to increase the tax on cigarettes by \$1 per pack?				
Favor	NA	NA	NA	69.2%
Oppose	NA	NA	NA	28.5%
Other/Don't know	NA	NA	NA	2.3%
A proposal to apply the state income tax to the retirement income of those earning more than \$50,000 a year? ^{**}				
Favor	NA	NA	NA	42.9%
Oppose	NA	NA	NA	48.9%
Other/Don't know	NA	NA	NA	8.2%

^{*} In 2009, "3 percent to 4.5 percent."

^{**} Collapsed data from a two-part question

Table 4: Borrowing to Pay Late State Bills

The State of Illinois is late paying its bills to organizations that perform services and provide goods to the State. By law, it has to pay those vendors a high rate of interest on those late bills. I'm going to read two statements some people are making about how the State should deal with this situation, then ask you which statement comes closer to your views. If you haven't thought much about the issue, just tell me that.

The State should borrow money at a lower interest rate to pay off those late bills, saving money on interest and getting money to businesses and organizations that need to be paid.	39.1%
The State should just pay its bills as well as it can with current funds and not borrow money to try to fix its problems.	50.3%
Haven't thought much about it	8.7%
Other/Don't know	1.9%