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# PUBLIC OPINION MONITOR

## Michigan: A Public Divided

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### BACKGROUND

Between April 11 and 15 Public Sector Consultants (PSC) surveyed Michigan residents about their political attitudes. This was the first of three surveys to be underwritten each year by the Michigan Hospital Association. The surveys and publication measure and evaluate the political, social, and economic environments affecting Michigan's policy process. Results will be made available to Michigan public opinion leaders.

Observers of the policy process are interested in public opinion surveys for two reasons: prediction and feedback.

First, public opinion is a good predictor of issues that policy makers will be discussing in the future; it is an "input" into the system. Other inputs include votes, political contributions, ideas, lobbying, the media, and other resources that are used by the system. Policy outputs include laws, redistribution of resources, constituent services, and leadership. Public opinion is one component of the political environment, and in a democracy, the political system responds to the concerns of the political environment. For example, if the public is concerned about education, the system is likely to respond with proposals for education reform. Understanding public opinion as part of the political environment is critical to planning future actions.

The second reason for the interest in public opinion surveys is their role in evaluating the political system. A democracy can be seen as a "free market" in which parties and individuals compete for the allegiance of voters (Anthony Downs, *Economic Theory of Democracy*). Because elections are held only periodically, surrogate evaluation measures must be used in the interim to provide feedback on how well political institutions are meeting the demands of the public. Polls can test the marketplace's reaction to different proposed outputs in order to determine how they will sell at the next market day (election) and what changes are needed.

PSC's *Public Opinion Monitor* measures how the political environment is affecting state institutions and politics. For example, during a recession the political environment focuses on economic issues, and formerly important social considerations may become secondary. The method of selection of a political institution affects its sensitivity to the political environment. For example, the state House is elected every two years and is quite sensitive to changes in the political environment throughout each term; state senators and the governor are elected every four years, and they can afford to be somewhat less sensitive to the political environment early in their terms. Thus, the current budget conflict, with the governor and Senate on one side and the House on the other, can be viewed as *institutional* as well as *partisan*; House members must answer to the political environment in 1992, well before the 1994 election date for the governor and the senators. (The conventional wisdom is that the average voter has a one-year memory span and is unlikely to remember the negative events occurring early in a four-year term.)

The *Public Opinion Monitor* surveys will analyze what the public wants from the political system and provide some feedback on reaction to policy alternatives. The surveys are designed to accomplish three goals.

1. Raise the level of debate among public policy makers so that, rather than private interests, the public interest is served by the political system. To achieve this, PSC staff meets with key decision makers and provides them with summaries of the data.
2. Provide a common set of data for decision makers to use in their deliberations. To meet this goal, PSC provides the press and other interested parties with all survey questions and the cross-tabulations of the results. All data are available for public scrutiny.
3. Develop a future-oriented framework for the discussion of public policy. It is our hope that the data will be used to improve Michigan and provide a better future for its residents.

## METHODOLOGY

PSC's April 11-15 survey sampled 800 Michigan residents over the age of eighteen, yielding a margin of error of + or - 3.5 percent in 95 out of 100 samples. Survey participants were not required to be registered voters. The sample was stratified with respect to geography and gender and was designed to represent the population accurately. The surveys were conducted through the Florence Morris Interviewing Agency in Oak Park, Michigan, a professional telephoning firm that conducts market research for a variety of organizations (most notably the Gallup Polling Company).

## RESULTS

### Budget and Taxes

Much of the antitax fervor of the 1980s appears to have subsided; Michigan residents seem willing to continue to pay the same amount for their state government and perhaps a little more. Thirty percent of respondents favored reducing state services significantly without raising taxes, while 54 percent preferred the more moderate approach of reducing some state services and increasing taxes slightly. Only 9 percent concurred with raising taxes to avoid any reductions in state services. Predictably, support for reducing state services correlated with the respondent's approval of Governor Engler and with his or her ideology; it did not vary with income, gender, or education. Geographically, support for significant reductions in services was strongest in northern Michigan (47 percent) and weakest in Detroit (13 percent).

Similarly, only 7 percent thought "state services should be reduced drastically"; 35 percent favored reducing them somewhat, and 39 percent supported keeping them the same. Thirteen percent favored some increase in state services.

Michigan does not appear to be fertile ground for a tax revolt; 30 percent of respondents considered state taxes "much too high," certainly a significant number, but 51 percent is needed to win on a statewide referendum. Respondents who believed taxes are too high tended to have lower incomes (44 percent were in households making less than \$10,000), be less well educated (37 percent were high school graduates or had fewer than twelve years of formal education), and be unlikely to vote (44 percent said they seldom voted in elections). Of the remaining respondents, 26 percent thought state taxes were "a little too high," and 41 percent considered them about right or a little too low! This does not mean that respondents believed state government is the best place for their money; almost half (47 percent) believe that more than 20 percent of their state tax dollars are wasted, an indication of weak regard for Michigan government.

Judging by this survey, Michigan residents varied in their responses to different budget reduction proposals. The responses to questions about reductions in specific programs appear in Exhibit 1. (The percentages do not add to 100 because other replies were possible, such as "support if necessary," "no opinion," and "don't know.")

#### EXHIBIT 1

	Strongly Support	Oppose Any Reduction	Percentage Difference
a. Eliminate welfare for able-bodied men and women	61%	15%	+46%
b. Eliminate grants to cultural organizations and artists	30	36	-6
c. Reduce free health care insurance for the poor	10	68	-58
d. Reduce grants to cities, townships, and counties	20	32	-12
e. Eliminate grants to businesses wanting to expand or move to Michigan	22	44	-22
f. Reduce the number of state employees	38	26	+12
g. Reduce grants to foster parents taking care of needy children	8	69	-61
h. Allow local governments to run state parks	33	33	0
i. Reduce welfare payments to poor women with children	12	62	-50
j. Close mental health hospitals	10	75	-65
k. Reject a 4 percent pay raise for state employees	48	23	+25
l. Sell or allow private businesses to provide state services	36	23	+13

Based on this poll, Michigan residents seem quite willing to continue supporting such programs as AFDC, mental health, foster care, and even grants to cultural organizations. Privatization and reducing the number of state employees were narrowly supported as budget-cutting measures; rather, the majority preferred to reject state employee pay raises and cut welfare for able-bodied men and women. Support for property tax relief was evenly split between two proposals: 45 percent subscribed to reducing property taxes by 20 percent, while 41 percent concurred with exempting the first \$30,000 of property value from taxation. Northern and southeastern Michiganians favored the first option quite strongly (61 percent and 62 percent, respectively). Other than this variation, support for the two proposals tended to cut evenly across all geographic and demographic groups.

Finally, respondents generally were wary of closing tax loopholes; tax credits for contributions to universities and for expanding businesses were supported 58 percent to 26 percent and 61 percent to 24 percent, respectively; support for taxing in-state insurance company premiums at a lower rate was narrower: 43 percent to 29 percent. Opposition to a state sales tax exemption for catalog purchases from out-of-state businesses was 51 percent to 25 percent.

#### Issues: Jobs, Jobs, Jobs

Since our survey last October, concern about the economy has increased significantly. In the April survey, 38 percent cited "improving the economy and creating more jobs" as the top priority of state government; this is exactly twice the percentage in October. The growing worry about jobs crowds out nearly every other

issue. Those listing crime and drugs as their major concern dropped from 30 percent to 18 percent; those most concerned about improving education dropped from 20 percent to 13 percent; and those worried most about taxes dropped from 13 percent to 10 percent. While jobs superceded other concerns in every region of the state, crime and drugs were more worrisome around Detroit; in the tri-county area including Detroit, 34 percent rated improving the economy as most important and 25 percent rated crime and drugs as most important. Concern about the economy was considered more important by those in out-state areas, where 41 percent rated it as the top issue and only 13 percent cited crime and drugs.

An interesting note is that several well-publicized issues were ranked quite low, most notably preserving a clean environment (cited as most important by only 7 percent), balancing the state budget (7 percent), resolving the abortion issue (2 percent), improving the ethics of elected officials (2 percent), and providing quality health care (3 percent). While this is not to say that the public considers these issues unimportant, survey participants clearly have other major concerns at present.

Expectations about future finances appear to have taken a turn for the worse compared to last October. At that time, 32 percent of respondents thought they would be "better off at this time next year," and 19 percent thought they would be worse off. The recent poll indicates that the percentage of optimists is the same (32 percent), but the percentage of pessimists has increased substantially, to 30 percent; this is a bad sign for future sales of expensive items (notably automobiles and homes), which tend to depend on consumer confidence.

Finally, and perhaps related to the concern about joblessness, helping the needy and K-12 education are tied for first place in public support as a funding priority: 30 percent stated that "helping the needy" should be the state's top priority in funding, and 29 percent cited "funding kindergarten through high school." (In last place were colleges and universities, with only 3 percent.)

#### The Future: Pessimism Prevails

To track expectations, we asked respondents whether they thought conditions in Michigan on several fronts would be better or worse a year from now. The responses appear in Exhibit 2. (Again, totals do not add to 100 because other responses were possible.)

**EXHIBIT 2**

	Better	Worse	Percentage Difference	Difference from October 1990
a. Will job opportunities be better, worse, or about the same as they are today?	27%	34%	-7%	-35%
b. Will our elementary and secondary schools be better, worse, or about the same as they are today?	21	28	-7	-8
c. Will our environment be better, worse, or about the same as it is today?	26	30	-4	+5
d. Will the quality of our neighborhoods be better, worse, or about the same as it is today?	14	31	-17	-19
e. Will race relations be better, worse, or about the same as it is today?	15	29	-14	-8
f. Will Michigan's property tax system be better, worse, or about the same as it is today?	16	33	-17	N/A

A positive sign is that respondents were considerably less pessimistic about job opportunities than they were last October. Coupled with the seemingly contradictory concern about jobs as a top state priority, it appears that people are more optimistic about their own employment situation than the state as a whole.

### **APPROVAL OF THE GOVERNOR**

Forty-one percent of the respondents approved of John Engler's performance; 38 percent disapproved. While not spectacular, this nearly even split is a positive sign for the governor, considering the well-publicized criticism he receives.

Engler's determination to make good on campaign promises to cut spending and taxes is winning him few converts, however. When respondents were asked for which gubernatorial candidate they voted last fall, 42 percent named Engler and 41 percent Blanchard, a nearly perfect replication of the election result. (The remaining 17 percent polled either did not vote or voted for another candidate.) Among Engler voters, 66 percent approved of the governor's actions, and 17 percent disapproved; 61 percent of the Blanchard voters disapproved of Engler, and 21 percent approved. If a rematch were held tomorrow, it appears that Engler would win again, but barely.

In terms of the political affiliation and philosophy stated by the respondent, strong approval ratings for Engler came from Republicans (68 percent approved, 16 percent disapproved) and conservatives (53 to 27 percent). Approval also was high among persons extremely optimistic about their personal finances (55 to 24 percent), those in households making more than \$50,000 (52 to 30 percent), college graduates (52 to 29 percent), men (48 to 30 percent), persons who think balancing the state budget is important (71 to 15 percent), and those who think resolving the abortion issue is important (73 to 13 percent). Strongest disapproval came from Democrats (23 percent approved, 56 percent disapproved), liberals (23 to 61 percent), those extremely pessimistic about their personal finances (27 to 59 percent), persons in households making less than \$10,000 (26 to 57 percent), blacks (16 to 67 percent), and Detroit residents (28 to 59 percent).

The governor's score dropped quite sharply when respondents were asked to rate him on specific responsibilities. (See Exhibit 3.)

A majority declined to rate Engler highly in any area; he was rated best for his concern about the state's future and efforts to reduce wasteful spending. The majority were convinced that the governor does not care

### **EXHIBIT 3**

	<b>Excellent/Good</b>	<b>Fair/Poor</b>	<b>Percentage Difference</b>
a. Providing leadership on controversial issues	36%	54%	-18%
b. Caring about the needs of all the people	26	67	-41
c. Handling the state's budget problem	34	57	-23
d. Keeping his campaign promises	36	50	-14
e. Being concerned about Michigan's future	45	45	0
f. Reducing wasteful spending	43	45	-2
g. Making state government smaller	36	44	-8
h. Making the right decisions about what government programs to cut	36	54	-18

about the needs of all the people. Since respondents were evenly split about his concern for Michigan's future, voters may be willing to give Engler a chance to implement his programs.

It is noteworthy that since last October the public apparently has become less cynical about politicians in general. Forty-six percent of the April participants believed elected officials usually forget their promises, and 44 percent believed they try to keep them. While not spectacular at first glance, these figures are an improvement over last fall, when the respective figures were 60 percent and 35 percent.

Opposition leaders in the legislature can take little comfort from Engler's approval ratings, considering that the legislature's rating was lower; 38 percent of respondents disapproved and only 33 percent approved. (Last October the figures were 44 percent and 36 percent, respectively.) Dissatisfaction with the legislature was spread across all groups in April, although it was strongest among persons extremely pessimistic about their financial situation (60 percent disapproved). As this group also was strongly dissatisfied with the governor, it is likely that extreme economic pessimists are fed up with government in general. Of the 33 percent approving the job the legislature is doing, 58 percent rated Engler positively and 29 percent rated him negatively. Among the 38 percent who disapproved of the legislature's job, 52 percent disapproved of Engler, and 36 percent approved.

Early ratings in a term are not reliable predictors. Only 17 percent of voters approved of James Blanchard in June 1983 (according to Market Resource Group), and he went on to win an overwhelming victory in 1986.

## CONCLUSION

Despite the economic downturn, Michigan residents seem willing to support the status quo on state spending for most programs. They apparently have accepted the current price for state services, a remarkable shift from the antitax sentiment of 1980s. It is ironic that at a time when Michiganders are becoming more moderate in their outlook on social spending and taxes, they are governed by the state's most conservative chief executive in nearly forty years. The current budget cuts have forced the public to evaluate the kind of state government they want, and they appear to want about what they have. The debate over budget priorities will continue to dominate Michigan politics during the next year, and we believe it will be affected by the changes occurring in the political environment.