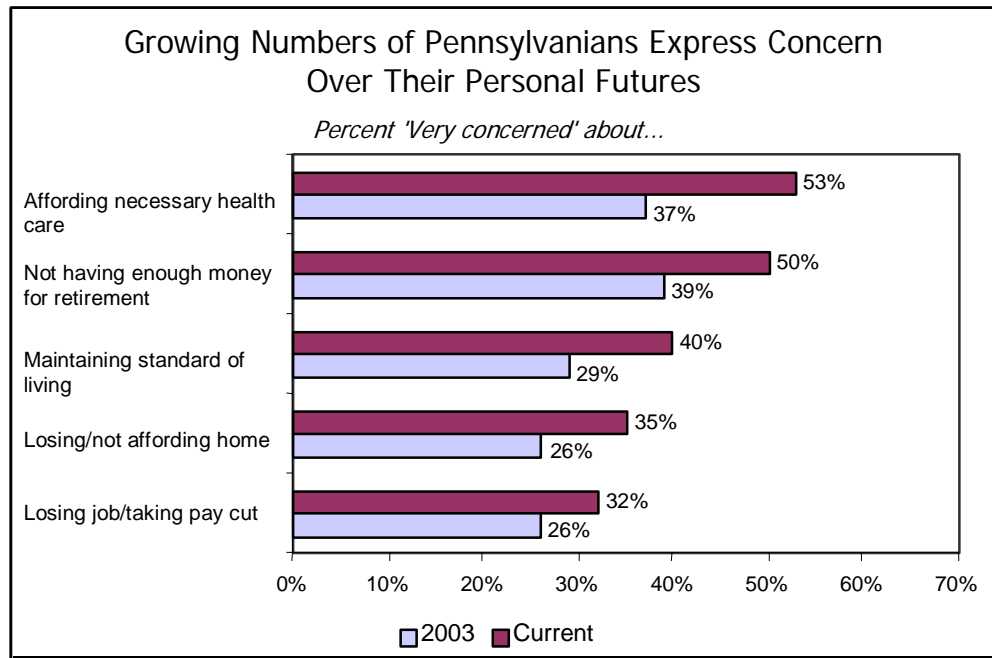


IssuesPA/Pew 2004 Benchmark Poll: 15 Major Findings

January 11, 2005

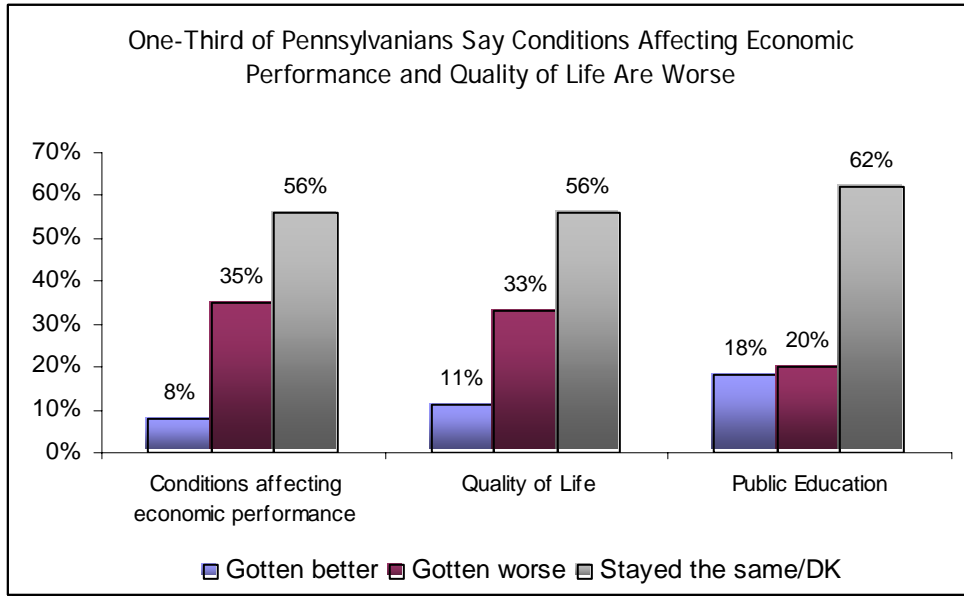
1. **Economic anxiety is clouding Pennsylvanians' outlook for their personal futures, as growing numbers express concern about the ability to afford necessary health care, save enough for retirement, and simply maintain current living standards.**



The new survey finds an across-the-board increase in Pennsylvanians' concern about their future economic prospects, reaching levels not seen nationally since the early 1990s. Fifty-three percent say they are very concerned about their ability to afford necessary health care in the future (up 16 points from September 2003); 50% are very worried about not having enough money for retirement (up 11 points); and 40% are very worried about not being able to maintain their current standard of living (up 11 points). Close to a third (32%) are very concerned about losing their job or taking a pay cut and more than a third (35%) are very concerned they will be unable to afford a home or keep the one they have. A majority (61%) of those with children or grandchildren are very concerned that there won't be adequate job opportunities in the Keystone state for future generations.

Regional Highlights: Across all five regions of the state, about half the population is very concerned that rising health care costs and inadequate retirement savings will adversely affect their future. Geographically, those who live in the city of Philadelphia display the highest levels of economic anxiety.

2. **Reports that the economy has improved don't resonate with most Pennsylvanians. In fact, Keystone state residents are more likely to think conditions affecting the economic performance and the quality of life where they live have gotten worse in recent years than they are to think conditions have improved.**



Thirty-five percent of Pennsylvanians say their region of state is worse off in terms of economic performance than it was two years ago, while just eight percent believe it is better off. Economic discontent is a key factor why more state residents now think the quality of life in their region has gotten worse than feel it has gotten better in recent years (33% vs. 11%). Impressions of the status of public education are not quite so negative, but neither are they positive. As many think public education in their region of Pennsylvania has gotten worse over the past two years as think it has improved (20% vs. 18%).

Regional Highlights: Almost half (46%) the residents of Southwest Pennsylvania complain that conditions affecting the economic performance of their region have gotten worse, a higher proportion than is seen for any other region of state. Displeasure with Philadelphia city schools makes Southeast Pennsylvania the region with the highest proportion saying public education has gotten worse recently (27% in Southeast Pennsylvania overall; 41% in Philadelphia city and 18% outside Philadelphia).

3. **There are three distinct Pennsylvanias when it comes to quality of life concerns. In two of the three Pennsylvanias, many people have a hard time just getting by economically. In the third Pennsylvania, where the economic environment is much more favorable, managing growth creates problems of its own.**

To better understand quality of life issues in Pennsylvania, survey analysis suggests dividing the state geographically into the following three subgroups: 1) Philadelphia city; 2) the entire South Central region plus the "outside Philadelphia" portion of Southeast Pennsylvania; 3) the other three regions of state (the Southwest, Northeast, and "Rest of State.")

Philadelphia city residents face the most threats to their quality of life. Majorities of these urbanites say that crime (65%), jobs/economic opportunities (61%), and traffic congestion (56%) are big problems. Half (51%) say keeping taxes down is a big problem and roughly a third say that basic services like police and fire (31%) and preparing for emergencies (31%) are big problems.

TOP QUALITY OF LIFE CONCERNS BY GEOGRAPHY	
	<u>% Big Problem</u>
<u>City of Philadelphia</u>	
Crime	65
Jobs/Economic opportunities	61
Traffic congestion	56
Taxes	51
<u>Outside Philadelphia/South Central Pa.</u>	
Traffic congestion	53
Taxes	47
Preserving open space/farmland	44
<u>SW/NE/"Rest of State"</u>	
Jobs/Economic opportunities	62
Taxes	52

In the second geography, dominated by suburbs and small towns, the three top concerns are traffic congestion (53% big problem), the level of taxes (47%), and difficulties preserving open space and farmland (44%).

In the third geography of aging cities, towns and rural areas, the economic concerns dominate. The largest number (62%) name jobs and economic opportunities as a big problem, following by the level of taxes (52%). No other quality of life issue is rated a big problem by more than 30% in this geography.

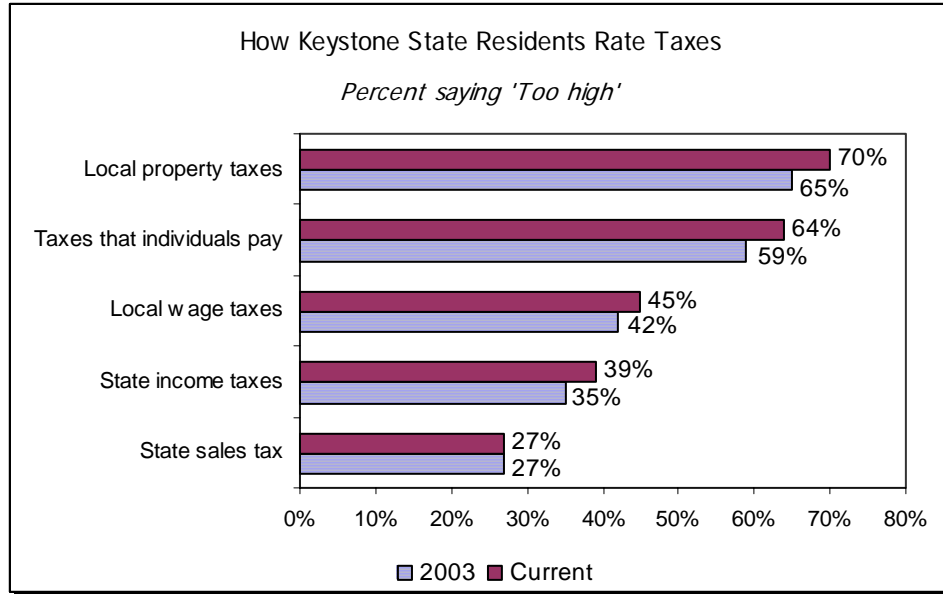
4. **Concerns about jobs, taxes, and crime are the main drivers of dissatisfaction with the quality of life in Pennsylvania.**

QUALITY OF LIFE CONCERNS LINKED TO OVERALL DISSATISFACTION		
	Total PA Adults	Feel Q of L Has Gotten Worse
<i>Percent saying issue is a "Big problem"</i>		
Creating jobs and economic opportunity	53	69
Keeping taxes as low as possible	50	59
Reducing crime	36	48

About seven in 10 (69%) of those who think the quality of life has been declining say that creating enough jobs and economic opportunity is a big problem in their region of state. About six in 10 (59%) of those who see the quality of life slipping say keeping taxes as low as possible is a big problem where they live, and about half (48%) of this same group feels reducing crime to an acceptable level is a major problem. When asked about priorities for state and local government to help improve the quality of life, those who see their region losing ground most often cite the need to do more to create jobs (41%), keep taxes down (21%) and reduce crime (18%).

Regional Highlights: Lack of jobs and economic opportunities are considered a big problem by majorities in all parts of the state except South Central Pennsylvania and the portion of Southeast Pennsylvania outside the Philadelphia city limits. Six in 10 residents in Southwest Pennsylvania (66%), Philadelphia city (61%), Northeast Pennsylvania (60%) and the "Rest of State" region (60%) say jobs are a big problem where they live. Majorities of Philadelphia city residents (65%) also say crime is a big problem.

5. **Pennsylvanians seem eager for the tax relief promised by the Governor and state legislature as a result of the recently passed gambling initiative.**



Almost two-thirds (64%) of state residents now complain that the taxes individuals pay in Pennsylvania are too high, up from 59% in the September 2003 poll. The most unpopular type of tax continues to be the local property taxes, which 70% of the statewide public now regards as too high (up from 65%). Next most unpopular are local wage taxes, now considered excessive by 45% of the statewide public. The new revenues generated by legalized gambling in the state will be used in part to lower property taxes and wage taxes in parts of the state that participate. Fewer residents complain that state income taxes (39%) and state sales taxes (27%) are too high.

Regional Highlights: Local property taxes attract the most public scorn across all parts of Pennsylvania, with the exception of the city of Philadelphia. Philadelphia residents are as likely to complain about local wage taxes being too high (65%) as they are to complain that local property taxes (62%) are excessive.

6. **The rising cost of a college education is a major concern for a majority of parents in Pennsylvania.**

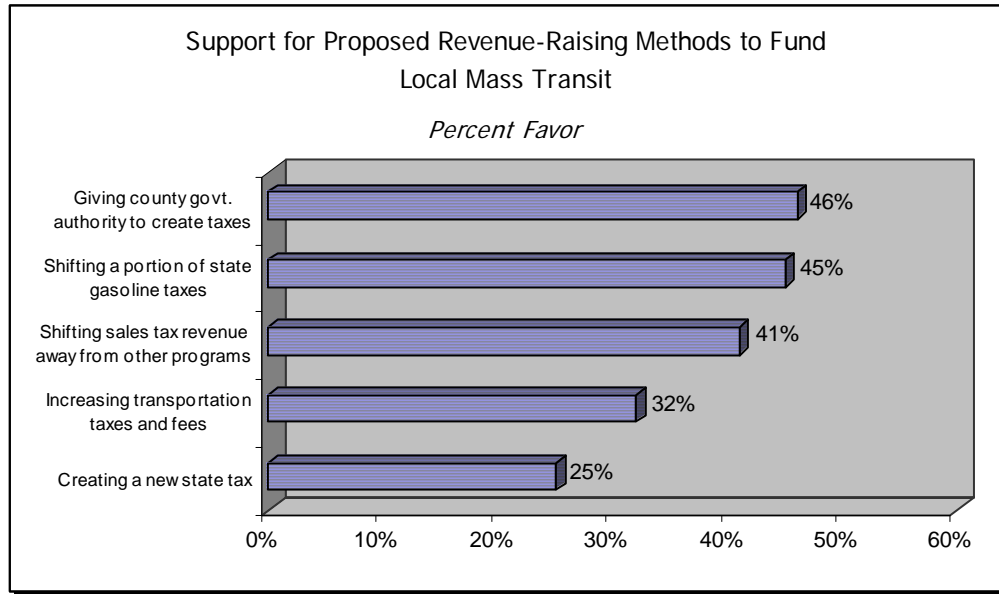
In today's post-industrial economy, a college education is more important than ever to future success, but Pennsylvania parents are increasingly worried that their family is being priced out of the market. Overall, 62% of parents with children under 18 now say they are very worried they won't be able to send a son

or daughter to the kind of college they would like. That figure is up from 50% one year ago. Forty-three percent of parents say lack of affordable college education is a big problem in their region of the state. Parents' ratings of state and local government's performance in addressing the issue of college affordability are mediocre at best: excellent/good (18%), only fair (47%), poor (32%).

CONCERN OVER THE AFFORDABILITY OF A COLLEGE EDUCATION		
<i>How concerned are you about being unable to send a son or daughter to the kind of college you'd like?</i> <i>(Based on parents of children under 18)</i>		
	<u>Current</u>	<u>2003</u>
	%	%
Very concerned	62	50
Somewhat concerned	23	29
Not concerned	14	19
Doesn't apply/DK	2	*

Regional Highlights: The percent of parents who are very concerned about the affordability of college ranges from 49% in the South Central region to 69% in Southeast Pennsylvania. Almost nine in 10 (87%) parents in the city of Philadelphia are very concerned.

7. **A solid majority of Pennsylvanians say they favor new dedicated state funding to help local mass transit systems, but none of the revenue sources that have been proposed attracts majority support.**



Over two-thirds (69%) of the Pennsylvania public favors action by the state legislature to provide new state funding for Pennsylvania's regional and rural mass transit systems. Support falls off dramatically, however, when people are presented with specific options to provide the funding. Least popular options are creating a new state tax (25% favor) and increasing current transportation taxes such as auto registration and licensing fees (32% favor). Slightly more acceptable is to shift some existing state sales tax revenue away from other programs (41% favor). A compromise solution may prove to be a combination of the two options that get the highest level of public support: giving county governments the authority to create new local taxes to help local mass transit (46%) and shifting some portion of state gasoline taxes to help local transit agencies (45%).

Regional Highlights: New funding for mass transit is supported by a majority in all regions of the state, but the level of strong support is highest in Southeast Pennsylvania (38%), reaching a high point (49%) among those living in the city of Philadelphia (49%). None of the proposed methods to pay wins majority support in any of the five regions. Within Southeast Pennsylvania, funding at the county level gets similar levels of support in Philadelphia city (49%) and outside the city (47%).

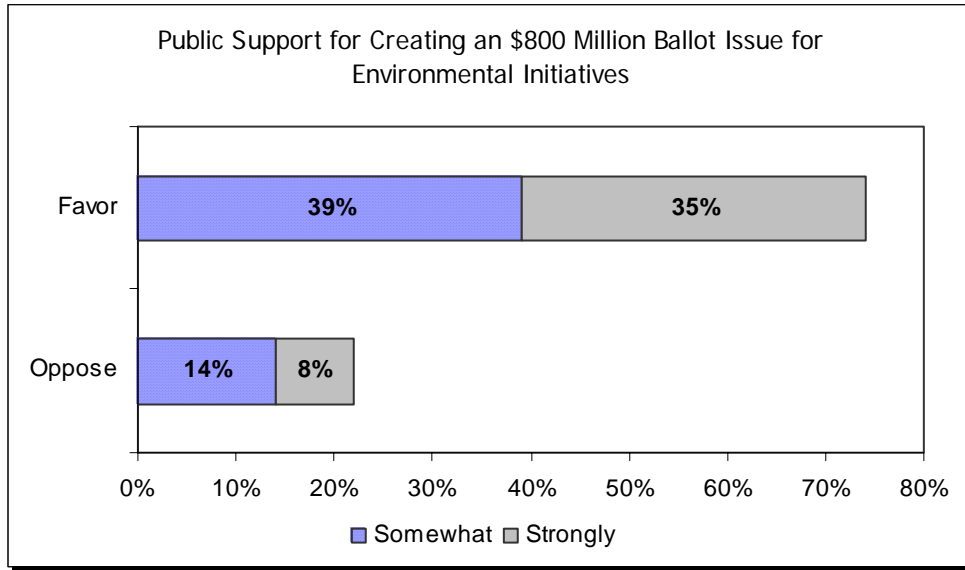
8. Difficulty attracting and retaining young people and problems attracting businesses are seen as major barriers to turning things around in parts of Pennsylvania that are struggling the most economically.

CONCERNS LINKED TO PERCEPTIONS OF ECONOMIC DECLINE		
	Total PA Adults	Feel Economic Performance Has Gotten Worse
<i>Percent saying issue is a "Big problem"</i>		
Attracting/retaining young people to live and work in area	52	67
Attracting new businesses/helping existing businesses expand	43	65

Two thirds (67%) of those who see their region of Pennsylvania in an economic decline think that attracting and retaining young people to live and work locally is a big problem; a similar proportion (65%) say that attracting new businesses and helping existing businesses to grow is a big problem. When asked what state and local government should do to address economic performance issues, however, relatively few who see their region in decline would make attracting and retaining young people the first priority. Instead, they would rather focus on "the basics" and create a better economic environment. They put attracting businesses and helping them to expand (39%), and producing a fair and efficient tax system (18%) at the top of their list.

Regional Highlights: In three of the five regions of Pennsylvania, a majority say attracting/retaining young people is a big problem – Southwest Pennsylvania (70%), Northeast Pennsylvania (67%), and "Rest of State" (58%). This compares with well under half in Southeast Pennsylvania (36%) and South Central Pennsylvania (38%) who worry about the so-called "brain drain."

9. **High levels of public support are found across Pennsylvania for Governor Rendell's Growing Greener II environmental initiatives.**



About three-quarters (74%) of the statewide public say they favor action by the state legislation to give voters the opportunity to approve borrowing \$800 million for initiatives that would preserve open space, reclaim abandoned mines and factory sites for new uses, clean up rivers and streams, and make other improvements to the state's environment. Over a third (35%) of Pennsylvanians *strongly* favor such legislative action. Support is high across party lines. Eight in 10 Democrats (78%) and Independents (79%) and seven in 10 Republicans (70%) favor passage of this legislation. The strongest supporters of Growing Greener II are those who say loss of open space and farmland is a big problem in their region of state. Fifty-one percent of those so affected are strong supporters of going forward with these initiatives, compared with 30% of those who say loss of open space is not a big problem.

Regional Highlights: Little variation is found in overall support for Growing Greener II across the five regions of state. Geographically, support is strongest in the "outside Philadelphia" portion of Southeast Pennsylvania where close to half (45%) the residents declare themselves to be strongly in favor of this legislation.

10. **Pennsylvania state government receives lower job performance ratings than it did a year ago for dealing with the issues the public considers to be most important.**

PENNSYLVANIANS RATE STATE GOVERNMENT SOMEWHAT LOWER THAN ONE YEAR AGO		
<i>What kind of job do you think Pennsylvania's state government is doing in dealing with the issues you consider most important?</i>	<u>Current</u>	<u>2003</u>
	%	%
Excellent/Good	23	28
Only fair	52	47
Poor	22	20

Currently, most Pennsylvanians think state government deserves only a fair grade (52%) for its performance in dealing with important issues, and about as many judge state government's performance to be poor (22%) as think it is excellent or good (23%). A year ago, state government's ratings were slightly better as the percent saying excellent or good (28%) was greater than the percent giving state government a poor grade (20%). Ratings of state government's performance do not differ much by party ID. Republicans are slightly more positive than Democrats in their evaluations (26% excellent/good, 53%, and 18% poor vs. 23% excellent/good, 52%, and 23% poor).

Regional Highlights: Although regional differences tend to be small, residents of Southwest Pennsylvania appear be most negative. In Southwest Pennsylvania, only 15% give state government a positive rating of excellent or good, while 26% give it a harshly negative rating of poor.

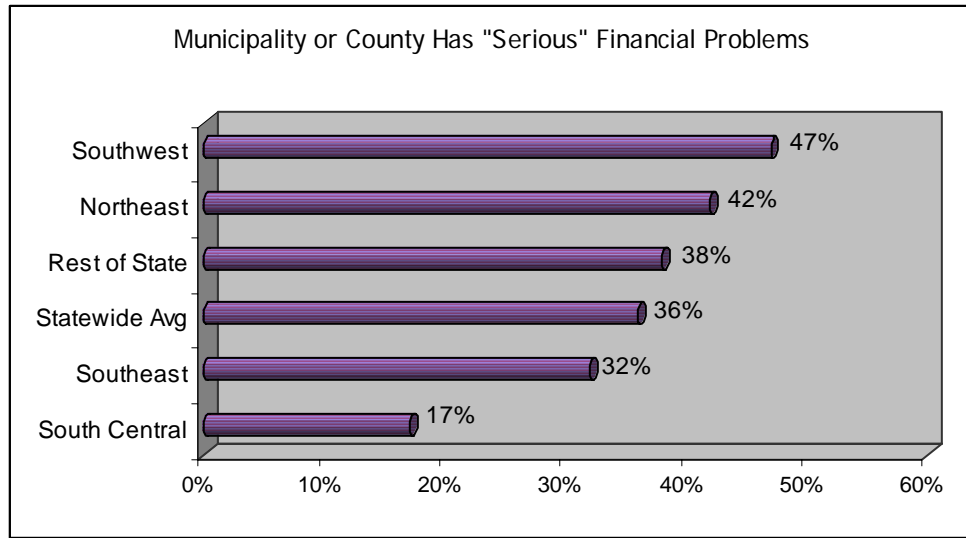
11. Pennsylvanians give more positive job performance ratings to their municipal and county government than they do to state government.

MUNICIPAL, COUNTY, AND STATE GOVERNMENT RATINGS			
	<u>Exc./Good</u>	<u>Only fair</u>	<u>Poor</u>
	%	%	%
Municipal government	42	37	19
County government	33	45	17
State government	23	52	22

The closer to home, the better Pennsylvanians feel about the performance of their elected officials. When asked to rate the job performance of various levels of government, state residents give the most positive ratings to their local city, borough, or township government (42% excellent/good, 37% only fair, and 19% poor). County government's ratings aren't quite as positive (33% excellent/good, 45% only fair, and 17% poor). As shown in the graphic above, performance ratings for the state government in Harrisburg are lower still.

Regional Highlights: Job performance ratings for municipal and county government do not differ significantly across the five regions of Pennsylvania. Within the Southeast region, however, there are huge differences in the local government performance ratings of Philadelphia city residents and those who live outside the city. While a solid majority (57%) of those outside Philadelphia give their municipal government an excellent or good rating, only a minority (16%) of Philadelphia residents are as pleased with their city government's performance.

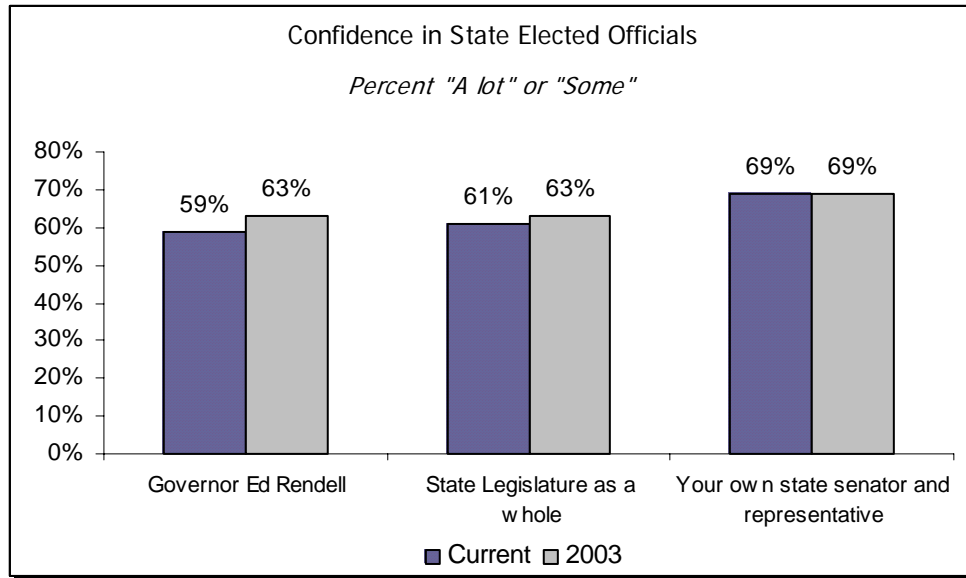
12. Many Pennsylvanians see trouble brewing close to home – more than a third of state residents say that their municipality or county is facing serious financial problems.



The fiscal problems facing local governments in Pennsylvania are on the radar screen of many Keystone state residents. Asked to rate the financial health of their city, borough, or township, one-quarter (25%) of state residents say their municipality has serious financial problems, and the same number (25%) say their county is in a similar situation. When responses are combined, more than a third (36%) of Pennsylvanians say that their municipality, county, or both are in serious financial trouble.

Regional Highlights: The geographic patterns in reports of financial distress fit with ratings of the local economy and quality of life. Parts of Pennsylvania with reports of serious financial problems at the local level are Philadelphia city (66%), followed by Southwest Pennsylvania (47%), Northeast Pennsylvania (42%), and "Rest of State" (38%). Least likely to see such problems where they live are residents of Southeast Pennsylvania who live outside Philadelphia (11%) and those in the South Central region (17%).

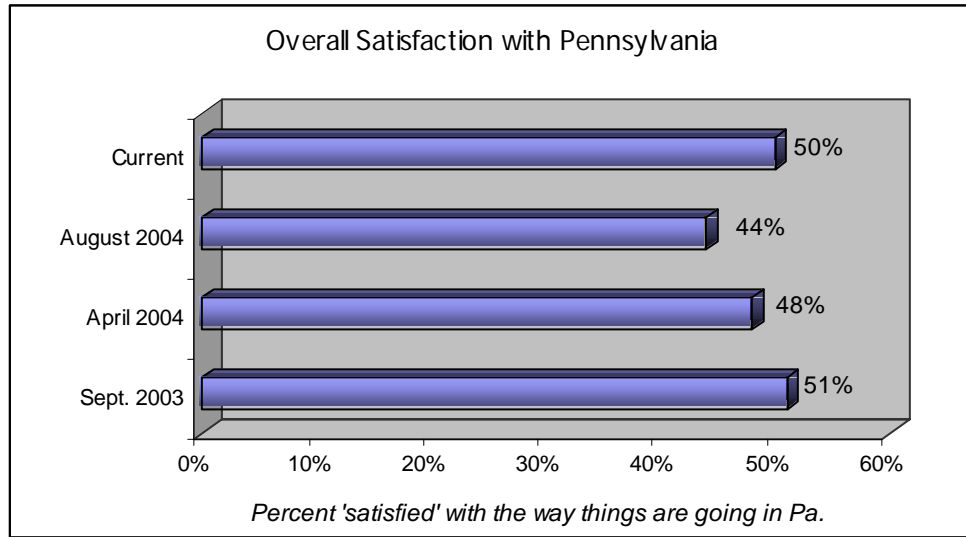
13. **The level of public confidence in Governor Rendell to deal with key issues is down somewhat from a year ago. Confidence in the state legislature remains about the same.**



Governor Ed Rendell now gets positive confidence ratings ("a lot" or "some" confidence in ability to deal with key issues) from 59% of Keystone state residents, down somewhat from a 63% rating one year ago. The state legislature as a whole continues to receive somewhat higher confidence ratings than the Governor (61% positive), and the legislature's ratings are statistically unchanged from one year ago (63%). Pennsylvanians remain most confident in their own state senator and representative to deal with key issues. Almost seven in 10 (69%) give their own members of the legislature positive confidence ratings, matching last year's results (69% positive).

Regional Highlights: Rendell continues to be most popular in Southeast Pennsylvania, where he served as Mayor (75% positive) and least popular in the GOP-leaning South Central region (47% positive) and in Southwest Pennsylvania (48% positive), where people are most unhappy with the status quo. The state legislature as a whole gets its best rating in the "Rest of State" region (69% positive) and its lowest rating in Southwest Pennsylvania (55%).

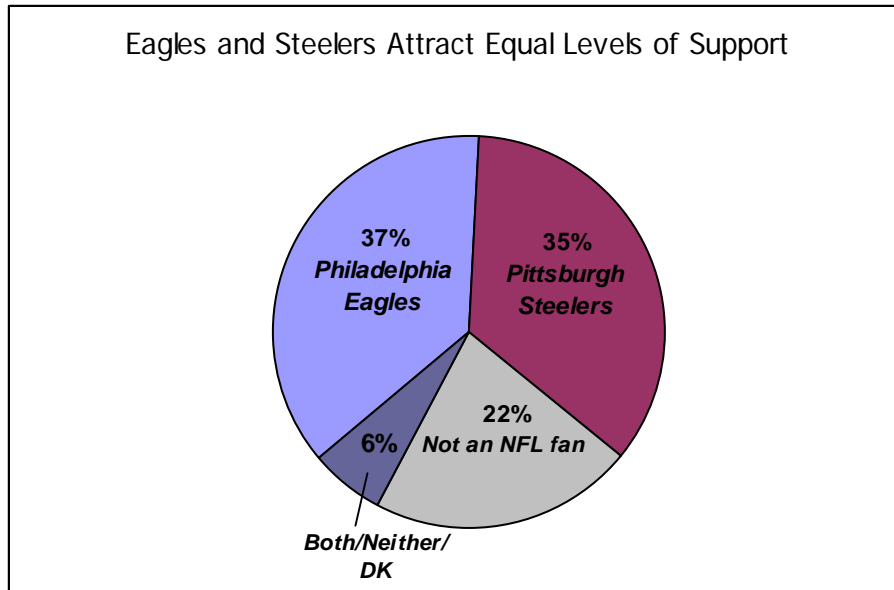
14. **Pennsylvanians give mixed ratings to the state of their state: 50% are satisfied with the way things are going in the Keystone state, 41% are dissatisfied, and 9% offer no opinion.**



Current results are almost identical to those of a year ago, in a survey taken before the 2004 presidential campaign got under way (51% satisfied/41% dissatisfied). The last IssuesPA/Pew poll, taken this past summer between the presidential nominating conventions showed the percent satisfied slipping to 44%. That lower satisfaction figure may reflect the greater relevance of national issues like the Iraq war in the context of a presidential campaign. The national polls have shown George W. Bush with the lowest post-election approval ratings on record for any president who won a second term.

Regional Highlights: Southwest Pennsylvania remains the region of state where people are most unhappy with the status quo. In fact, only 41% of Southwest Pennsylvania residents are satisfied, while 48% are dissatisfied with how things are going. When the Southeast Pennsylvania region is divided in two to isolate Philadelphia city residents from those in surrounding counties, Philadelphia residents are found to be about as unhappy as Southwest Pennsylvania residents (44% satisfied/47% dissatisfied), while Southeast Pennsylvania residents living in the mostly suburban and small town environment outside Philadelphia are quite positive (58% satisfied/33% dissatisfied), on a par with the South Central Pennsylvania region (56%/36%).

15. **The Philadelphia Eagles and the Pittsburgh Steelers, each the favorite to represent their conference in the Super Bowl at the time the poll was conducted, attract about equal levels of fan support statewide.**



Asked which Pennsylvania NFL team they root for, 37% of Pennsylvanians say the Eagles, 35% say the Steelers, and 22% say they are not NFL football fans. Very few volunteer that they back another NFL team (4%) or have no preference between the Eagles and Steelers (2%).

Each team is overwhelmingly the fan favorite in its home region, but the Steelers football seems more a part of the social fabric in Southwest Pennsylvania than the Eagles football is on the opposite side of the state. In total, 83% of Southwest Pennsylvania residents are Steelers fans, while 68% of Southeast Pennsylvania residents are Eagles fans. In neither region is much support found for the other Pennsylvania team or for a team outside the state. The difference is that nearly a quarter (23%) of Southeast Pennsylvania residents say they don't follow NFL football, compared with just 12% in football crazy Southwest Pennsylvania

Looking at the other regions of the state, loyalties in the South Central region are split right down the middle – 31% root for the Eagles, while 31% are Steelers fans. In Northeast Pennsylvania, the Eagles have more fans (36%), but the Steelers have quite a large following (26%) considering that the region is so much closer to Philadelphia than Pittsburgh. The Steelers edge out the Eagles in the "Rest of State" region by a close margin (39% vs. 32%).

ECONOMIC ANXIETY IN PENNSYLVANIA

The new survey finds an across-the-board increase in Pennsylvanian's level of concern about different aspects of their economic future. To further examine this increase in economic anxiety and its impact among key population subgroups, an index was created to measure the cumulative impact of five basic areas of economic concern: 1) the affordability of health care; 2) the adequacy of retirement savings; 3) the affordability of housing; 4) job security; and 5) ability to maintain one's standard of living. Based on response to five items in the current survey, the statewide population can be divided into three roughly equal groups – a third demonstrate a high level of economic anxiety, a third a medium level, and a third a low level of economic anxiety.¹

As shown below, the proportion of Pennsylvanians in the "high" economic anxiety category has increased significantly in the past year (from 22% to 34%), while the proportion in the "low" anxiety category has decreased significantly (from 43% to 33%).

TREND IN PENNSYLVANIAN'S ECONOMIC ANXIETY LEVEL		
	<u>Current</u>	<u>2003</u>
	%	%
High	34	22
Medium	33	35
Low	<u>33</u>	<u>43</u>
	100	100

Differences in Economic Anxiety by Geography

Looking at economic anxiety by geography, residents of the city of Philadelphia show themselves to be much more worried about their future than those Southeast Pennsylvania residents who live outside the city limits. In fact, about half (49%) of Philadelphia residents have a high level of economic anxiety, compared with roughly a quarter (27%) of those who live outside Philadelphia. Across the state, economic anxiety levels tend to be higher in cities and small towns than in suburban and rural communities.

Differences in Economic Anxiety by Demographics and Partisanship

Big differences in the level of economic anxiety are seen by race and socioeconomic status. About half (52%) of non-whites are in the high economic anxiety category, compared with about a third (31%) of whites. By education, those with no more than a high school education and those with a household income under \$30,000 are about three times as likely to be in the high anxiety category.

¹ A description of how the index was created can be found at http://www.issuespa.net/resources/pdf/econ_anxiety_explain.pdf

By age, seniors stand out as significantly less anxious about their economic future than those under 65. Only 15% of seniors are in the high anxiety category, compared with about four in 10 of those in the 50-64 (40%), 30-49 (38%), and 18-29 age categories (37%). However, the age differences can be easily explained - seniors are not subject to all the same sources of economic stress as younger people, since many are retired and don't have to worry about keeping a job, have paid off their home, and get government-provided health insurance through Medicare.

By party ID, those self-identifying as Democrats and Independents, are significantly more likely to feel a high level of economic anxiety than those who self-identify as Republican. This is consistent with the results of a recent national survey by ABC News and *The Washington Post*, which reports that Democrats and Independents are less positive than Republicans in their personal outlook for 2005.

In sum, this analysis shows two Pennsylvanias with contrasting views of the future – one better educated, more Republican, economically prosperous and based in the suburbs and certain rural communities, and another less educated, less Republican, economically struggling and based in cities and small towns across the state.

Changes in Economic Anxiety Levels Since 2003

When Pennsylvanians' economic anxiety levels today are compared with those of a year ago, every major subgroup shows an increase. Geographically, the biggest increases in the high anxiety category are seen among city of Philadelphia residents (+16), large city residents generally (+17), and residents of small cities and towns (+15). Demographically, the biggest increases in high economic anxiety are seen among those in the pre-retirement age group of 50-64 (+19), the lowest education and household income categories (high school grad. or less +15 and income under \$30,000 +14). By party ID, the increase has been highest among those who call themselves Independents (+18).

These patterns would indicate that nearly all Pennsylvanians feel at least somewhat more economically vulnerable than they did a year ago – with those who tend to struggle even in boom times being most affected. The sharp rise in economic anxiety now being felt by political Independents suggests that economic issues will be more important in future elections than they have been in the post-9/11 period with its focus on security issues and international terrorism.

ECONOMIC ANXIETY LEVELS BY KEY SUBGROUPS					
	<u>High</u>	<u>Medium</u>	<u>Low</u>	Change in % High <u>2003-2004</u>	<u>(n)</u>
	%	%	%		
STATEWIDE	34	33	33	+12	(1520)
<u>Region</u>					
Southeast	35	31	34	+11	(458)
Southwest	30	34	36	+6	(300)
South Central	30	35	36	+13	(263)
Northeast	37	30	33	+12	(251)
Rest of state	35	37	28	+14	(248)
<u>Southeast Region</u>					
Philadelphia	49	25	27	+16	(166)
Outside Philadelphia	27	35	38	+9	(292)
<u>Community Type</u>					
Large city	45	28	28	+17	(198)
Small city/town	38	34	28	+15	(512)
Suburb	26	36	39	+9	(414)
Rural area	30	33	37	+12	(389)
<u>Sex</u>					
Male	33	31	36	+12	(731)
Female	34	35	30	+11	(789)
<u>Race/Ethnicity</u>					
White, non-Hispanic	31	34	35	+11	(1306)
Non-white	52	31	18	+12	(191)
<u>Age</u>					
18-29	37	31	32	+14	(183)
30-49	38	32	30	+10	(545)
50-64	40	33	27	+19	(391)
65+	15	38	47	+5	(376)
<u>Education</u>					
College graduate	14	33	53	+2	(439)
Some college	33	33	34	+10	(278)
HS graduate or less	42	34	25	+15	(798)
<u>Household Income</u>					
\$75,000+	13	32	55	+5	(238)
\$50,000 - \$74,999	27	35	38	+11	(235)
\$30,000 - \$49,999	37	34	28	+8	(358)
Under \$30,000	44	33	23	+14	(505)
<u>Party ID</u>					
Republican	24	35	41	+9	(542)
Democrat	37	33	30	+7	(574)
Independent	40	32	28	+18	(317)

*for a description of how the Economic Anxiety Index was created,
visit http://www.issuespa.net/resources/pdf/econ_anxiety_explain.pdf

How the Economic Anxiety Index Was Created

The Economic Anxiety Index is an additive index summarizing response to the following items in the IssuesPA/Pew 2004 Benchmark surveys.²

Q: Now, as I read you some different things that might affect your personal future, please tell me how concerned you are about each one happening to you. (First,) how concerned are you about... (INSERT ITEM)? Are you very concerned, somewhat concerned, not too concerned, or not at all concerned?

- a. Being unable to afford necessary health care when a family member gets sick*
- b. Not having enough money for retirement*
- c. Losing your home because you can't afford to keep it/Being unable to afford your own home*
- d. Losing your job or taking a cut in pay*
- e. Being unable to maintain your current standard of living*

For each item, respondents were assigned a value of "2" if they say "very concerned" and a value of "1" if they said "somewhat concerned" (code 2). All other responses ("not too concerned," "not at all concerned" and "don't know/refused") we scored as a zero (0). The maximum score to this index is 10; the minimum score is zero.

Respondents were divided into the following three groups based on their response to the five items: High (8-10), Medium (4-7), and Low (0-3).

² The question included four additional items that were not incorporated into this Economic Anxiety Index.