

Pew Report: How Residents in Five States View Fiscal Priorities for State Government

Oct 2010

An analysis of public attitudes toward fiscal problems in five diverse states—Arizona, California, Florida, Illinois and New York—shows residents have strikingly similar priorities for state government, but their preferences clash with fiscal reality.

Facing Facts: Public Attitudes and Fiscal Realities in Five Stressed States, a new report by the Pew Center on the States and the Public Policy Institute of California (PPIC), provides an in-depth analysis on how residents view their state's budget problems during the nationwide economic downturn—and what they think lawmakers should or should not do to cope.

The five states surveyed comprise almost a third of the U.S. population and almost a third of the nation's economic output. Collectively, they accounted for 45 percent of states' total projected budget gaps for fiscal year 2011.

The findings uncover the public mindset that newly elected lawmakers in 2011 will face as states enter their fourth year of severe budget challenges. At least half the nation's governors and many state legislators are likely to be new, and they immediately will be asked to forge solutions to an array of vexing fiscal problems.

Facing Facts

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Key Findings About Public Attitudes

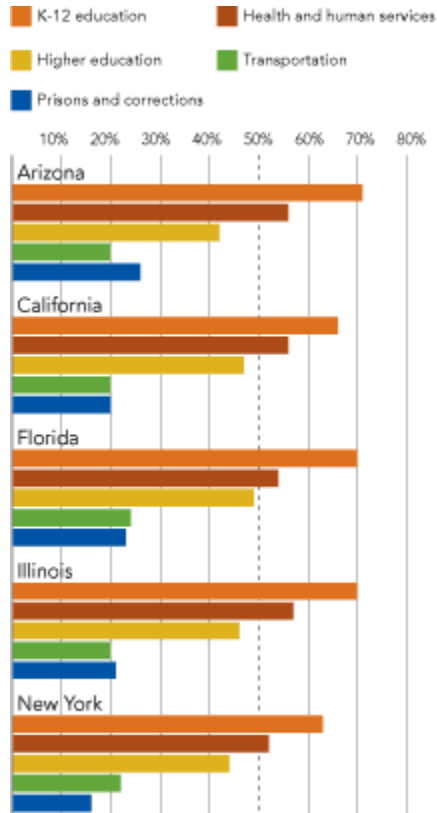
The five states surveyed are different in many ways but residents' reactions to fiscal problems are strikingly similar:



What people will pay higher taxes to support

More than six out of 10
respondents indicate they would

be willing to pay higher taxes to maintain current funding for K-12 education. Fewer than three in 10 respondents say they would be willing to raise taxes to maintain current funding for transportation or prisons and corrections.



SOURCE: Pew Center on the States and Public Policy Institute of California 2010.

1. Government Performance Matters: Residents are more likely to say their elected leaders are wasting their money and could deliver services more efficiently than to complain that state government is too big.

Reality Check: About two out of three residents say their state government could spend less and still provide the same level of services. Of those, most think cuts of 10 percent to 20 percent or even more are possible. But experts who work closely with state budgets say that may not be realistic, especially given the steep spending reductions many states already have made since the recession started.

2. Protect the Essentials: In all five states, by a range of 63 percent to 71 percent, majorities say they would be willing to pay higher taxes to keep K-12 public schools at current funding levels. Fifty-two percent to 57 percent say they would pay higher taxes to preserve funding for health and human services.

Reality Check: It will be extremely difficult, given the size of deficits in all five states, to fully protect K-12 education and health and human services, the biggest recipients of state dollars. Doing so would compel deeper cuts everywhere else, and even then may not be enough.

3. Tax the Other Guy: Residents would prefer to charge the other guy—particularly corporations, smokers, drinkers and gamblers.

Reality Check: The revenue raisers that residents are most widely willing to tolerate—hitting smokers, drinkers, gamblers and corporations—would tap marginal revenue streams and likely would not be sufficient to address their state’s budget shortfalls.

4. No More Borrowing: The public is tired of lawmakers borrowing and passing costs to future generations—they’d rather keep cutting and taxing than see states borrow. Given three choices to balance state budgets, more than two-thirds of residents in all five states pick spending cuts first; they prefer tax increases second and borrowing last.

Reality Check: State and local government borrowing is on the rise. In many cases, debt plays a productive role in providing funding for infrastructure, services and budget flexibility. Not all debt is bad debt, and borrowing is an important financial tool for state governments. But too much of any kind of debt is problematic.

5. Lack of Trust—and Desire for Reform: Across all five states, two-thirds or more of respondents report that they either never trust state government to do what is right, or trust it only some of the time. Residents overwhelmingly believe their state should pursue major reforms to their budget processes, and pursue them now.

Reality Check: Residents across the five states overwhelmingly believe their state should pursue major reforms to their budget processes, and pursue them now.

About Facing Facts

These five states were chosen because each has faced unusually severe fiscal stress in the economic downturn, including some of the highest unemployment rates, biggest home foreclosure rates or largest state budget gaps in the country. They are diverse geographically and politically. Some other states are experiencing economic or budget problems of similar magnitude, and even greater in some cases, so this selection in no way implies these are the five hardest-hit states. At least 1,000 residents were interviewed in June 2010 in each of the five states.

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To generate custom tables and charts using survey data from the five states, visit the [PPIC website](#). Please note: the source for all data is “Pew Center on the States and Public Policy Institute of California 2010.

Media Inquiries

If you are with the media and would like additional information, please view the [press release](#) or contact [Nicole Dueffert](#), communications manager, the Pew Center on the States, 202.552.2274.

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October 06, 2010 -

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