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PERCEPTIONS OF THE ECONOMY
by G. Donald Ferree, Jr.

Wisconsin residents' sense of how things are going economically depends on whether one focuses on the national, state, or local economy on the one hand, and whether one looks to what the short term future holds, or makes a comparison of how things are now, compared to four years ago. Views are especially positive for the national economy's prognosis, and especially downbeat for comparing that same national economy to where things were four years ago. These are some of the findings of the inaugural Badger Poll™, which was conducted by the University of Wisconsin (Madison) Survey Center, and was sponsored in part by Wisconsin Public Broadcasting and the Capital Times. Results are based on 597 telephone interviews with randomly selected residents between March 5 and 12, inclusive, and have a "margin of error" of around four percentage points.

There is substantial optimism in Wisconsin that the national economy will improve over the near term future. Asked how the United States economy will change over the next year or so, more than half (56%) said they felt it will get better. Some three in ten (31%) expect it to stay about the same, and only one in eight (12%) think it will get worse.

Partisanship seems to be related to one's national economic outlook. As one moves across the partisan spectrum from Democrat to Republican the proportion expecting an improvement nationally increases from just under half to seven in ten. The size of the pessimistic group declines from one in six to one in twenty. Perhaps less predictably, optimism seems also to rise a bit with age. With all the attention to the division between those relatively better off and those relatively less well off, it is worth noting both that increasing optimism relates to increasing income (for instance while 43% of those with a family income below \$30,000 expect an improvement, compared with 19% who expect a downturn, comparable figures among those with a family income of \$75,000 or more are 64% and 4%, respectively. Men are about ten points more likely to be optimists than are women. But in no group examined, do those who expect improvement fail to outnumber those who think the national economy will be worse by at least two to one.

The outlook for the STATE economy is markedly less rosy. The largest single group overall is the four in ten (41%) who expect no change. But among those who think there will be a shift, those who look to an improvement outnumber those who expect a worsening by only about three to two (33%, compared to 24%). Similar patterns obtain when one looks for differences on partisanship, moving from slight net pessimism among Democrats (among whom more expect a worsening than hope for improvement) to Independents (who are similarly split in the opposite direction) to Republicans almost half of whom see improvement coming.

Age presents a much more muddled pattern, with all groups showing a net mild optimism, which seems slightly higher among the youngest group. Nor is the state outlook as closely related to income. Oddly, the biggest difference may well be gender, with men most likely to see improvement, and women almost evenly split on balance, with a few more fearing worsening than hope for improvement.

The distinction between the two levels is brought out if one compares answers to the two questions. The largest group overall, almost six in ten (57%), sees the same outlook for the US economy as for the economy here in Wisconsin (e.g. both are expected to be the same, or both improve, or both worsen). But one in three (35%) think the national outlook is brighter (e.g., better for US, same or worse statewide, or same for US, worse for state). Only a handful (5%) take a brighter stance toward the state short term future than they do for the nation (e.g. US same and state better, or US worse and state same or better). In all groups examined, the largest number has the same outlook, but those who are more sanguine about the US economy clearly outnumber those whose prognostication for the state economy is more positive.

Narrowing the focus to "your town and the surrounding region" produces an outlook more tempered than either for the US economy or the state as a whole. Just over half (52%) expect the local economy not to change much over the next year. Among those looking to change, those who see improvement coming are in rough balance with those who think things will get worse (25%, compared with 20%).

As before, optimism tends to rise (or pessimism to decrease) as one moves from Democrat to Republican. The most common outlook for all age groups is that the local economy will stay about the same, but if change is expected, it is the youngest AND the oldest who are most positive. There is a modest increase in optimism as one moves up the income ladder, again though the most common view is that things will stay the same. IF they expect change, men look for improvement by about two to one, women narrowly expect a worsening.

One can make the same sort of comparison between the state and local outlook as was done for the national compared to state. As was earlier the case, the most common result is that the state and local outlook are the same (e.g. both will get better, both will get worse, both will show no change). But the number who expect things to have a more positive outlook statewide than locally (21%) only slightly outnumber those who differ in the opposite direction (16%). Among all groups examined, the most common sentiment is that the outlook will be similar (although the degree to which this is true differs). There is also no group among whom the proportion who think the Wisconsin outlook is rosier (or less dark) exceeds those who make the opposite distinction by more than a few percentage points. (Those with incomes above \$75,000 per year comprise the only group where the local outlook is less positive by a small margin).

When people look to the economy, of course, they can not only look forward but backward (recall Ronald Reagan's query, "are you better off now than you were four years ago?"). Two questions aimed to get at that aspect of Wisconsin residents' viewpoint. When it comes to "the US economy" and "compared to four years ago", assessments are less than stellar. Two thirds see things as either somewhat worse (48%) or much worse (16%). Another one in six (16%) calls the national economy about the same. On the more positive side of the ledger, only about one in five think things are now better (somewhat 16%, much 3%).

In each of the groups defined by gender, partisanship, age, or income, the most common opinion -- always a plurality, and sometimes an outright majority -- is that things are now somewhat worse than they were. On balance, in every

group those who think things are worse off (ranging from a low of just over half among Republicans to a high of about three in four among Independents and those with incomes above seventy-five thousand dollars) clearly outnumber those who see the economy now as much or somewhat better.

That said, the balance between those seeing a worsening and those who see an improvement is more one-sided among Independents than partisans of either stripe. The mood darkens as one moves up the age ladder until the oldest group somewhat reverses the trend. Oddly, the most well off are more critical than those with less income.

When respondents were asked to turn their attention to "people like you in Wisconsin", perceptions were much more balanced. Overall, the largest group (36%) was those who saw no real change. Those who felt the lot of people like them was worse (32% somewhat or 5% much worse), outnumbered those who thought it was better (22% somewhat, 4% much) but not so clearly as was the case on the previous question.

There are also some group to group distinctions. Thus, among men and women, the direction of balance is similar, but women are relatively a bit more likely to perceive a worsening of the lot of "people like you". The view is more negative among Democrats than Independents, and among self-described Republicans, more think of "people like you" being better off than see them as now worse off than they were four years ago. The youngest group is most likely to see an improvement on balance. The balance of sentiment reverses for the next older and drops more negative as one moves up the age scale (that is the ratio of those thinking their peers are now worse off to those who think they are better off increases as looks at older groups). As one moves up the income ladder, however, perceptions tend to brighten.

Finally, one can compare how well one's peers are doing relatively to how well the economy nationally is seen as faring over the past four years, analogously to what was done with previous questions. On the previous comparison, the national outlook was most commonly the same as for the state but those who felt the change nationally would be more positive than for the state outnumbered sharply the group who had the opposite position. Here, the largest group (just under half at 45%) thinks the national comparison to four years ago is less upbeat than when one compares "people like you" at the state level. (Examples would be someone who thinks the national economy is the same, but the state comparison is better, or who think the national economy is much worse, but the state situation is not worse off than "somewhat worse"). This group outnumbers its opposite (for instance those who think the national economy is somewhat better and the situation of people like you in the state is the same or either somewhat or much worse) by almost four to one. Four in ten (39%) use the same term to make the two comparisons. For those between thirty and forty-five years of age, the largest group sees the relative situation nationally and among their peers in the state as the same. For men, Independents, those under thirty and those from forty-five to fifty-nine, and those earning at least seventy-five thousand dollars, those who think the US national economy has slipped more or gained less than is the case in the state are clearly the largest group. For others, they are similar in size to those who see the national and state situation as having changed (if at all) similarly. Among all groups, the least common opinion is that the national economy is relatively in better position than the local situation. IF different changes are perceived, groups are more likely to see the US economy having done less well by ratios ranging from two to one to about five to one.

Overall, then how one views the state of the economy seems to depend on what benchmark is used. If one compares the present to the past, there is substantial sentiment that things are now worse, especially if one focuses on the national economy. If one looks to the future, there is tempered optimism, again especially if one focuses on the national level. Where things are closer to one's experience (the state or local economy, the situation of "people like you") there tends to be less clear optimism, and less of a conviction that things are now worse off than they were four years ago.

STATEWIDE MARGINALS AND PERCENTAGES FOR KEY GROUPS

What follows is the exact question wording for each of the items referred to in the release. The first column is the percentage of the entire sample giving each response. The second and third reports the percentages for men and women separately. The fourth, fifth, and sixth columns show self-described Democrats, Independents, and Republicans. Columns seven through ten group respondents by their age group (calculated from year of birth: 18-29; 30-44; 45-59; sixty and older.) The final three columns separately show those reporting a family income before taxes of no more than \$30,000, no more than \$75,000, and at least that figure respectively.

Q01: INTERVIEWER: (DO NOT ASK) Enter respondent's gender

	GENDER			PARTISANSHIP			AGE IN YEARS				INC IN \$K		
	TOT	M	F	DEM	IND	REP	<30	<45	<60	60+	<30	<75	75+
MALE	49%	100%	--%	43%	52%	53%	51%	51%	50%	43%	38%	53%	62%
FEMALE	51	--	100	57	48	47	49	49	50	58	62	48	38

ECON03A: Over the next year or so, do you think the United States economy will get better, get worse, or stay about the same?

	GENDER			PARTISANSHIP			AGE IN YEARS				INC IN \$K		
	TOT	M	F	DEM	IND	REP	<30	<45	<60	60+	<30	<75	75+
BETTER	56%	62%	50%	46%	58%	70%	48%	52%	60%	60%	43%	60%	64%
WORSE	12	11	14	16	11	5	9	20	7	9	19	12	4
SAME	31	27	34	37	30	24	41	27	32	28	35	27	32
DON'T KNOW	1	*	2	1	*	1	2	1	1	2	3	*	--
REFUSED	*	--	*	--	--	1	--	1	--	--	--	*	--

ECON04: Over the next year or so, do you think the WISCONSIN economy will get better, get worse, or stay about the same?

	GENDER			PARTISANSHIP			AGE IN YEARS				INC IN \$K		
	TOT	M	F	DEM	IND	REP	<30	<45	<60	60+	<30	<75	75+
GET BETTER	33%	41%	24%	26%	32%	45%	35%	32%	33%	33%	27%	38%	32%
GET WORSE	24	18	29	34	22	15	15	24	27	22	24	23	20
STAY ABOUT THE SAME	41	39	43	38	46	37	49	41	38	42	45	38	47
DON'T KNOW	2	2	3	2	*	3	2	3	1	4	4	2	1
REFUSED	*	--	*	--	--	1	--	1	--	--	--	*	--

ECON04X: (CONSTRUCTED ITEM, ECON03A, ECON04) Comparison of expected change in US economy to expected change in WI economy.

	TOT	GENDER		PARTISANSHIP			AGE IN YEARS				INC IN \$K		
		M	F	DEM	IND	REP	<30	<45	<60	60+	<30	<75	75+
US higher than WI	35%	32%	38%	37%	39%	33%	26%	29%	42%	38%	27%	34%	46%
US same as WI	57	60	55	57	55	62	62	60	52	56	61	60	50
US lower than WI	5	7	3	3	5	2	9	7	3	1	8	4	3
Either/both missing	3	2	4	3	1	3	2	3	3	4	5	2	1

ECON05: How about your town and the surrounding region, over the next year or so, do you think the local economy will get better, get worse, or stay about the same?

	TOT	GENDER		PARTISANSHIP			AGE IN YEARS				INC IN \$K		
		M	F	DEM	IND	REP	<30	<45	<60	60+	<30	<75	75+
GET BETTER	25%	32%	19%	20%	21%	38%	35%	24%	25%	23%	24%	25%	36%
GET WORSE	20	16	24	28	20	10	17	22	25	12	23	18	16
STAY ABOUT THE SAME	52	49	54	50	54	52	45	52	48	62	51	55	47
DON'T KNOW	2	3	2	2	5	--	4	2	2	2	3	2	2
REFUSED	*	--	*	--	--	1	--	1	--	--	--	*	--

ECON05X: (CONSTRUCTED ITEM, ECON04, ECON05) Comparison of expected change in state economy to expected change in local economy.

	TOT	GENDER		PARTISANSHIP			AGE IN YEARS				INC IN \$K		
		M	F	DEM	IND	REP	<30	<45	<60	60+	<30	<75	75+
WI higher than local	21%	20%	22%	19%	27%	19%	28%	20%	22%	17%	21%	21%	17%
WI same as local	59	63	54	61	51	61	44	62	61	62	57	61	60
WI lower than local	16	12	20	17	17	17	23	15	14	17	17	15	21
Either/both missing	4	4	4	3	5	3	5	4	4	5	5	3	3

ECON06: Compared to four years ago, do you think the US economy is much better, somewhat better, somewhat worse, much worse, or about the same as it was?

	TOT	GENDER		PARTISANSHIP			AGE IN YEARS				INC IN \$K		
		M	F	DEM	IND	REP	<30	<45	<60	60+	<30	<75	75+
MUCH BETTER	3%	2%	3%	3%	1%	1%	3%	3%	2%	2%	2%	4%	--%
SOMEWHAT BETTER	16	15	16	18	8	21	19	16	13	19	15	17	16
SOMEWHAT WORSE	48	50	46	46	59	49	51	47	51	43	40	48	59
MUCH WORSE	16	15	17	25	17	4	10	14	21	16	22	14	15
ABOUT THE SAME	16	17	14	8	15	23	15	18	12	18	19	17	10
DON'T KNOW	2	*	3	*	*	2	3	1	1	2	3	--	--
REFUSED	*	*	*	--	*	1	--	1	--	1	--	*	1

QD13: About how much was your TOTAL FAMILY INCOME last year before taxes, was it... (READ CATEGORIES AS NECESSARY)

	GENDER			PARTISANSHIP			AGE IN YEARS				INC IN \$K		
	TOT	M	F	DEM	IND	REP	<30	<45	<60	60+	<30	<75	75+
Less than \$10,000	3%	1%	4%	5%	3%	1%	5%	1%	1%	7%	11%	--%	--%
\$10,000-\$15,000	5	4	6	5	5	5	9	2	2	14	22	--	--
\$15,000-\$20,000	4	2	5	4	4	3	6	2	3	6	15	--	--
\$20,000-\$30,000	12	12	13	14	13	7	24	9	7	17	52	--	--
\$30,000-\$50,000	23	25	20	23	22	20	11	29	18	28	--	53	--
\$50,000-\$75,000	21	21	20	20	17	26	13	28	26	7	--	48	--
\$75,000-\$100,000	10	14	7	12	8	13	11	10	16	2	--	--	55
Over \$100,000	9	10	7	10	10	10	5	9	12	5	--	--	45
DON'T KNOW	4	3	6	3	6	5	13	--	4	6	--	--	--
REFUSED	10	7	12	5	12	9	2	9	11	9	--	--	--

* denotes less than .5%

-- denotes 0%

HOW THE POLL WAS DONE

This inaugural BADGER POLL™ was conducted by the University of Wisconsin Survey Center as part of its ongoing program of research designed to benefit the research community and the people of Wisconsin, under the direction of G. Donald Ferree, Jr., Associate Director for Public Opinion Research of the Center. The poll was sponsored in part by Wisconsin Public Broadcasting and the Capital Times newspaper of Madison. The BADGER POLL™ is intended to be a "poll of record" for the state, investigating matters of concern to Wisconsinites including politics, culture, and their daily lives, adhering to the highest standards of polling methodology and rigorous independence.

A total of 597 randomly selected adult residents of Wisconsin were interviewed over the telephone from March 5-17, inclusive. Telephone numbers were generated by computer in proportion to the number of adults living in each area of the state. Theoretically, results from this survey have a "margin of error" of about +/- 4%. This means that, had we asked every eligible adult in Wisconsin, exactly these questions at the time the survey was conducted, there is only a one in twenty chance that the answers would differ by more than that in either direction from what we report here. There could be differences because of changes in question wording, events occurring in the meantime, or any of the practical difficulties involved in taking a scientific survey. Results based on subgroups are subject to a larger "margin of error".