WISCONSIN ECONOMIC SCORECARD

The Wisconsin Economic Scorecard is a quarterly poll of Wisconsin residents conducted by the UWM Center for Urban Initiatives and Research (CUIR), in cooperation with WisBusiness.com and Milwaukee Public Radio (WUWM 89.7).

This tracking poll measures perceptions of the health of Wisconsin’s economy, personal economic circumstances of Wisconsin residents, and public opinion regarding important state economic issues.

The Q2 2013 Wisconsin Economic Scorecard was a random digit dial (RDD) landline/mobile telephone survey of 560 Wisconsin residents, conducted by the CUIR Survey Center at the University of Wisconsin—Milwaukee from June 3-6. The sampling margin of error was ±4.1% at the 95% confidence level.

MAJOR FINDINGS:

- Delaying work on major road construction projects is the most-preferred option for covering the shortfall in the state’s transportation fund; specifically, delaying an expansion of I-94 between Milwaukee and Illinois is supported by a majority (51.6%) of registered voters.

- Gasoline tax and passenger vehicle user-fee increases and the introduction of toll roads on some Wisconsin highways are the least-preferred options for covering the transportation fund shortfall.

- Public confidence in the ability of the Wisconsin Economic Development Corporation to fulfill its mission of bringing jobs to the state has decreased from 52% in November to 40% in June.

- While a majority of residents (56%) say Wisconsin is “headed in the right direction,” only 28% view the economy as “good” and just 1% say it is “excellent.” The proportion of Wisconsin residents who characterize the state economy as “poor” increased to 23%, up from 18% last quarter.

- Views on the state economy are increasingly polarized along partisan lines, with the largest differences emerging among relatively well-off Democrats and Republicans; the views of less-well-off partisans have not diverged as much.

- While spending on non-necessities such as restaurants and entertainment has increased slightly, so has the incidence of serious personal financial problems, such as affording home payments and paying for retirement.
THE DIRECTION OF THE STATE

During the second half of 2012, opinion regarding the overall direction of the state underwent a positive shift. Just after the November elections, a clear majority of Wisconsin residents (64%) said that Wisconsin was headed “in the right direction,” while just 36% said the state was “on the wrong track.”

Since then, opinion has shifted in a negative direction. While a majority (56%) still says Wisconsin is “headed in the right direction,” Figure 1 shows steady increases in the proportion of Wisconsin residents expressing the opinion that the state is “on the wrong track” over the last two quarters. More residents now say the state is “strongly on the wrong track” (23%) than at any other point over the last twelve months.

![Figure 1: Perceived Direction of the State of Wisconsin](image)

The two strongest predictors of opinion regarding the direction of the state continue to be political affiliation and personal economic situations. Figure 2 shows that most Democrats (69%) say the state is “on the wrong track,” while the vast majority of Republicans (87%) say the state is “headed in the right direction”. Opinion about Wisconsin’s general direction among partisans has not changed substantially since last quarter. Independents are evenly split on the question; 51% express a positive opinion regarding Wisconsin’s overall direction, while 49% hold a negative view. Opinion among political independents has changed significantly since last quarter, when 65% said the state was headed “in the right direction.”

Figure 3 shows a strong relationship between the perceived direction of the state and evaluations of personal financial situations. Among those who describe their personal finances as “poor,” 75% say the state is “on the wrong track.” That proportion drops to 47% among those who describe their personal finances as “fair,” 33% among those who say their personal finances are “good,” and 21% among those who say their personal finances are “excellent.” Pessimism about the direction of the state increased among each of these subgroups since Q1 2013 (although the increases in pessimism are more pronounced among those with “poor” or “fair” personal financial situations).

Both these factors exercise a strong independent influence on opinion about Wisconsin’s direction. Republicans are more likely than Democrats to express optimism regarding where the state is headed regardless of personal financial situation, but those with worse personal financial situations are consistently less likely to express a positive view than their better-off co-partisans.
Figure 2: Perceived Direction of the State of Wisconsin, by Party Identification

Democrats

- Feb '13: 65%
- Jun '13: 69%

Party Identification: Independents

- Feb '13: 35%
- Jun '13: 49%

Republicans

- Feb '13: 84%
- Jun '13: 87%

Figure 3: Direction of the State of Wisconsin, by Personal Financial Situation

“Poor”

- Feb '13: 32%
- Jun '13: 25%

“Fair”

- Feb '13: 42%
- Jun '13: 47%

“Good”

- Feb '13: 30%
- Jun '13: 33%

“Excellent”

- Feb '13: 18%
- Jun '13: 21%
THE CURRENT WISCONSIN ECONOMY

While Wisconsin residents are, on balance, optimistic about the overall direction of the state, they continue to retain a negative view of the state’s economic performance; Figure 4 shows that just 29% view Wisconsin’s current economy as “excellent” or “good,” while 71% characterize the state’s economy as “fair” or “poor.” The proportion of Wisconsin residents describing the state economy as “poor” has increased to 23% (up from 18% in Q1 2013). At the same time, the proportions of residents describing the economy as “excellent” or “good” have remained stable (1% and 28%, respectively).

This pattern of change is driven by increasingly polarized views among partisans. Last quarter, views among partisans regarding the state economy were relatively similar. Figure 5 shows that while economic evaluations among political independents have remained stable since last quarter, Democrats are increasingly likely to express a negative view of the state’s economic performance, while Republicans have become increasingly likely to give a more positive response.

Figure 4: Evaluations of Wisconsin’s Current Economy

![Figure 4: Evaluations of Wisconsin’s Current Economy](image)

Figure 5: Evaluations of Wisconsin's Current Economy, by Party Identification

![Figure 5: Evaluations of Wisconsin's Current Economy, by Party Identification](image)
The strongest predictor of views on the overall state economy continues to be personal financial situation. Figure 6 shows that just 9% of those who view their own finances as “poor” give the state economy good marks, while a majority (62%) of those who rate their personal financial situations as “excellent” report positive views of Wisconsin’s recent economic performance.

Recent partisan polarization regarding views of Wisconsin’s economic performance is most visible among those with “excellent” personal finances, as this category has the lowest proportion of political independents. Interestingly, views of economic performance have not changed among those with “poor” personal finances, indicating that recent change in economic evaluations is being driven primarily by relatively well-off partisans.

![Figure 6: Evaluations of Wisconsin's Current Economy, by Personal Financial Situation](image)

When it comes to expectations regarding Wisconsin’s future economic performance, opinion among residents has undergone a slight negative shift since Q1, but remains positive overall. Figure 7 shows that just 15% of residents think the economy will worsen over the next year, compared to 46% who think it will stay about the same and 38% who think it will improve.

![Figure 7: Expectations Regarding Wisconsin's Economy over the Next Year](image)
This quarter, there are strong associations between what Wisconsin residents think about the future economic performance of the state and the economy they are currently experiencing. Figures 8 and 9 show that those who have strong personal financial situations and those who feel the current state economy is strong are most likely to think things will continue to improve, while those who are struggling and those who feel that Wisconsin’s economy is in trouble are most likely to feel that the economy will stagnate or worsen.
PERSONAL FINANCIAL CIRCUMSTANCES

Most residents describe their financial situations in negative terms; either “fair” (39%) or “poor” (17%). Another 37% call their finances “good,” but just 7% say their finances are “excellent.” While evaluations of personal financial situations are not significantly different than last quarter, Figure 10 shows that the trend since Q3 2012 has been slightly negative overall.

![Figure 10: Evaluation of Current Personal Financial Situation](chart1.png)

![Figure 11: Pre-tax Annual Household Income (2012) of Wisconsin Residents](chart2.png)
Figure 11 shows the distribution of household income across Wisconsin residents, as well as how residents in each income category are likely to feel about their respective financial situations. The median Wisconsin resident is likely to live in a household with an annual income between $40,000 and $60,000, and is likely to describe his/her personal financial situation in negative terms.

While there is an unsurprisingly strong relationship between financial self-evaluations and household income, notable proportions of residents in relatively high-income households describe their situations in negative terms. While greater household incomes generally yield higher levels of satisfaction, this rule is not absolute and no group is immune from dissatisfaction. Despite the wide distribution of opinion within each category, there is still a clearly visible income level that divides the satisfied from the unsatisfied. Figure 12 shows that among working-age Wisconsin residents, only those living in households that earned over $80,000 in 2012 are more likely than not to describe their personal financial situations in positive terms.

The factor most closely associated with poor evaluations of personal financial situations is employment status. The vast majority of unemployed residents (74%) report “fair” or “poor” situations. While employed residents fare better, just over half (52%) still describe their situations in negative terms. Only retirees are more likely than not to describe their financial situations as “good” (42%) or “excellent” (10%). Another factor associated with financial satisfaction is education. Only those with two- or four-year degrees are more likely than not to express satisfaction with their financial situations.

Consistent with slight increases in dissatisfaction with personal financial situations and increased pessimism regarding the overall state economy, rates of several specific serious personal financial problems have increased since last quarter. Figure 13 shows the relative frequencies of the incidence of some of the most common significant financial problems over time. This quarter, more respondents reported problems affording rent or mortgage payments, problems keeping jobs, problems getting loans or credit, problems saving or paying for retirement, and problems paying for utilities.
In terms of spending on non-necessities like entertainment, restaurants, and vacations, Wisconsin residents are most likely to report static levels of spending. Figure 14 shows that 49% of residents say spending on non-necessities has stayed about the same over the last six months. While 13% say they have recently increased spending on non-necessities (an significant increase since last quarter, when just 7% reported recent higher levels of recreational spending), 38% of residents say they have recently decreased their spending on recreation and entertainment.
FEATURE: CONFIDENCE IN THE WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

In 2011, the Governor’s office transferred responsibility for economic development in Wisconsin from the state’s Department of Commerce to a new public/private partnership, the Wisconsin Economic Development Corporation (WEDC). In 2012, the WEDC made headlines after it lost track of almost $9 million in loans, and remains controversial in the wake of a critical nonpartisan legislative audit (the results of which were made public in early May).

Respondents were asked about their level of confidence in the ability of the WEDC to carry out its mission of bringing jobs to Wisconsin. (This question was also asked in November 2012.) Table 19 shows a dramatic decrease in the public’s confidence in the WEDC since November.

![Figure 19: Confidence in WEDC to Bring Jobs to Wisconsin](image)

Figure 19: Confidence in WEDC to Bring Jobs to Wisconsin
November 2012
November 2012
June 2013
June 2013

![Figure 20: Confidence in WEDC to Bring Jobs to Wisconsin, by Party Identification](image)

Figure 20 shows that opinion has polarized further around what was already a partisan issue in November 2012. Large majorities of Democrats and independents continue to say they have “a little” or “no” confidence in the WEDC, and those majorities have grown over the last two quarters. Meanwhile, the proportion of Republicans who say they have “a lot” or “some” confidence in the WEDC’s ability to bring jobs to Wisconsin stands at 84% (up from 74% in November).

![Figure 20: Confidence in WEDC to Bring Jobs to Wisconsin, by Party Identification](image)
FEATURE: OPINION OF TRANSPORTATION FUNDING ISSUES AMONG REGISTERED VOTERS

State lawmakers are debating how to cover a large shortfall in the state transportation fund. Options being discussed include delays to major road and rail projects, introduction of toll roads, and tax and user fee increases. Respondents who said they were registered to vote\(^1\) were presented with a series of specific proposals/options and asked to express support or opposition. (The order of proposals/options was randomized for each respondent.) For each question, opinion for all registered voters is reported, along with metro Milwaukee\(^2\)/non-metro Milwaukee and Democrat/independent/Republican breakdowns.

Figure 21 shows that 52% of Wisconsin voters support delaying an expansion of I-94 between Milwaukee and Illinois, while 44% oppose such a delay. Support for a proposed delay is slightly higher among those living outside metropolitan Milwaukee. Among metro Milwaukee voters, opinion is split 48% support/49% opposed. There is not significant variation among partisans.

Figure 21: Would you SUPPORT or OPPOSE delaying an expansion of I-94 between Milwaukee and Illinois?

Wisconsin voters are not in favor of delaying completion of Milwaukee’s Zoo Interchange; Figure 22 shows that 50% oppose this option, compared with 38% in support. Opposition to a Zoo Interchange delay is especially pronounced among voters in metropolitan Milwaukee (32% in favor/65% opposed), but opponents also outnumber supporters outside of the metro Milwaukee area (40% in favor/45% opposed). Opposition to delaying completion of the Zoo Interchange is comparable across partisan lines.

Figure 22: Would you SUPPORT or OPPOSE delaying completion of Milwaukee’s Zoo Interchange?

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\(^1\) N (registered voters) = 537; margin of error = ±4.2%.

\(^2\) “Metro Milwaukee” is defined as Milwaukee, Waukesha, Ozaukee, and Washington Counties.
A clear majority of Wisconsin voters (63%) opposes delaying aid for road construction to local governments. Figure 23 shows that while Republicans express the highest level of support for this proposal, opponents are in the majority across all partisan categories.

**Figure 23: Would you SUPPORT or OPPOSE delaying aid for road construction to local governments?**

![Figure 23](image)

Regarding possible cuts for funding for the Milwaukee to Amtrak passenger rail line, opponents of such a plan outnumber supporters (42% support/52% oppose). Interestingly, Figure 24 shows that support for such a plan is slightly higher among voters in metropolitan Milwaukee; 46% of metro Milwaukee voters would support this option, compared to 40% of non-metro Milwaukee voters. There is considerable partisan variation among partisans regarding this proposal; just 26% of Democrats support cutting funding for the Amtrak passenger rail line, compared to 59% in support among Republicans. This finding is not surprising, given the partisan battles over rail development in Wisconsin over the last two decades.

**Figure 24: Would you SUPPORT or OPPOSE cutting funding for the Milwaukee to Chicago Amtrak passenger rail line?**

![Figure 24](image)
Figure 25 shows that there is clear opposition to introducing tolls on some Wisconsin highways (36% support/63% oppose). Although voters outside of the metro Milwaukee area are slightly more likely to support toll roads, opponents still outnumber supporters among this group (39% support/60% oppose). There is not notable variation in opinion on this issue among partisans.

A proposed five-cent increase in the gasoline tax provokes strong opposition from Wisconsin voters; figure 26 shows that just 16% would support such a plan, while 83% stand in opposition. While there is some variation across partisan groups on the issue (democrats are more likely to support such a measure, while Republicans are more likely to oppose), large majorities of all groups oppose an increase in the gasoline tax.
Figure 27 shows that the option of increasing user fees for passenger vehicles provokes a similar negative response from Wisconsin voters; just 21% would support such a move, while 76% would oppose. There is no meaningful variation across groups; opposition to user fee increases for passenger vehicles is generally uniform.

Figure 27: Would you SUPPORT or OPPOSE increasing user fees for passenger vehicles?

Registered voters were asked about the possibility of the state government engaging additional borrowing through a bond issue in order to help cover the transportation fund shortfall. Figure 28 shows that most Wisconsin voters (63%) oppose such a plan. Although opposition is strong across all partisan categories, support for additional borrowing is highest among political independents (39% in favor/56% opposed). Wisconsin Republicans are most strongly opposed to additional borrowing (19% in favor/77% opposed).

Figure 28: Should the state government borrow more money by issuing bonds to help pay for transportation costs?
Registered voters were also asked about the possibility of shifting public transit costs from the transportation fund to the state’s general fund. Figure 29 shows that opposition to such a move is unambiguously high, and support is quite low (65% in favor/19% opposed). Opposition is consistent across partisan groups.

Figure 29: Should the state government shift public transit costs from the transportation fund to the state’s general fund?

![Figure 29: Opposition to shifting public transit costs from transportation fund to general fund](chart.png)

With the exception of a delay in construction of an I-94 expansion between Milwaukee and Illinois, there is relatively clear opposition among registered voters to every proposed option for addressing the transportation fund shortfall, leaving policymakers without clear direction. In anticipation of this possibility, voters were presented with a group of options and asked to identify which they preferred most and which they were most opposed to.

Figure 30: Would you prefer that the shortfall in the transportation fund be covered by:

![Figure 30:Preference for transportation fund shortfall](chart.png)
Among registered voters, delaying major road construction projects is both the most acceptable and least unacceptable option. Figures 30 and 31 show that delaying road projects is the most common preferred option among 34% of Wisconsin voters, and is the least-preferred option among just 12%. Construction delays are preferred by (and opposed by) similar proportions of metro Milwaukee voters and those residing in the rest of the state. This finding challenges the conventional wisdom of a divide in preferences among these two groups when it comes to major highway construction projects traditionally centered in southeastern Wisconsin. Delaying major construction projects is the most common preferred option among 48% of Republican voters, and is the second-most-common preferred option among independent (31%) Democratic voters (26%). In addition, delaying road construction projects is the least objectionable option across all groups.

Introduction of toll roads is the second-most-common preferred option among all Wisconsin voters, with 30% making it their first choice; however, it is also tied for first place among the least-preferred options, with 32% saying it is their last choice. Preference for toll roads as an option is slightly higher among non-metro Milwaukee voters and political independents, but provokes a high degree of opposition across all groups.

Tax and user fee increases are the third-most-common preferred option among registered voters in Wisconsin, with 23% making it their top choice. However, it is tied for first place among the least-preferred options, with 32% saying it is the worst option. Tax and user fee increases provoke the highest degree of opposition among both Democratic and Republican voters.

Borrowing money is the preferred option of the lowest proportion of Wisconsin voters, with just 13% marking it as their top choice. However, borrowing provokes less overall opposition than tax/user fee increases and the introduction of toll roads; just 25% named it as their least-preferred choice. Borrowing is slightly more popular among metro Milwaukee voters and Democratic voters, and has the lowest amount of support among Republican voters.