Douglas E. Schoen, LLC
Manhattan Institute State Survey
August 29–September 5, 2011
Survey of 400 registered voters in North Carolina

Hello. I am conducting a survey on behalf of Douglas E. Schoen, LLC. I'm going to ask you some questions about the economy and the budgeting process, particularly with regard to state and local governments. I'm going to ask you some questions about people who work for state and local governments, who are called public sector employees, and some questions about various reforms or changes that have been raised for how to deal with some of the budgetary issues that state and local governments are facing.

MOOD OF THE COUNTRY

1. Generally speaking, do you think the economy in your state is headed in the right direction or on the wrong track?

Right direction	18%
Wrong track	70%
Not sure	12%

2. How efficient would you say your state government is?

TOTAL EFFICIENT	55%
TOTAL NOT EFFICIENT	39%
Very efficient	8%
Somewhat efficient	47%
Not very efficient	28%
Not at all efficient	11%
Not sure	6%

Public Sector Employees

Now I'd like to ask about public and private sector employees. Public sector employees work for city, state and federal agencies, while private sector employees work for private businesses.

3. Public sector employees receive salaries and two types of benefits: health care and defined benefit pensions, which guarantee workers a retirement income based on years worked and peak pay levels. Questions have been raised about whether salaries should be frozen and whether employees should be required to contribute more toward their benefits because state and local governments are having problems paying them due to budget deficits.

   Some say that public employees' salaries should be frozen and that they should be required to contribute more toward their benefits. Others disagree and say that their salaries should not be frozen and that they should not be required to contribute more toward their benefits. Which is closer to your view?

Public employees' salaries should be frozen, and they should be required to contribute more toward their benefits	42%
Public employees' salaries should not be frozen, and they should not be required to contribute more toward their benefits	46%
Not sure	12%

4. What about retired public employees? Should they have to contribute more toward their pension and health-care benefits because of state and local government budget problems, or should they not have to?

Public employee retirees should have to contribute more toward their health-care benefits because of state and local government budget problems	24%
Public employee retirees should not have to	66%
Not sure	10%

5. If your state and local governments did not have enough money to pay the salaries and benefits of current public employees, would you be willing to have taxes raised so that the salaries and benefits could be paid at current levels?

Yes	41%

No	53%
Not sure	7%

6. If they did not have enough money to pay the salaries and benefits of current public employees, would you be willing to have social-services programs provided by your state cut so that the salaries and benefits could be paid at current levels?

Yes	26%
No	66%
Not sure	8%

CRISIS WITH STATE BUDGETS AND PUBLIC EMPLOYEE BENEFITS

Now I'd like to ask a few questions about the crisis that many state and local governments faced this year over their finances.

7. From what you know, did your state face a budget crisis this year? And if so, how was the crisis resolved?

Yes, it was resolved with spending cuts	29%
Yes, it was resolved with tax increases	3%
Yes, it was resolved with a combination of spending cuts and tax increases	24%
Yes, it was resolved in another way [list]	14%
No, my state did not face a budget crisis this year	7%
Not sure	22%

8. As you may know, many U.S. state governments are facing large budget deficits this year, meaning that their spending has exceeded the amount of revenue that they have brought in from fees and taxes. This has caused many public employee pension plans and health-care plans to be greatly underfunded. What would you say is the main reason for these problems? [read choices]

State governments spent too much money	26%
State governments did not tax enough	8%
Public employees' benefits are too high and unsustainable	9%
Elected state officials made careless and self-serving decisions	49%
Not sure	8%

9. In your opinion, what is the best way to address the problem of states not being able to afford public employee benefits? [read choices]

Raise taxes	13%

Cut government spending	48%
Require current public employees to contribute more toward their benefits	23%
Require retired public employees to contribute more toward their benefits	2%
Not sure	14%

10. What would you say is the least desirable way to address the problem? [read choices]

Raise taxes	37%
Cut government spending	20%
Require current public employees to contribute more toward their benefits	13%
Require retired public employees to contribute more toward their benefits	25%
Not sure	4%

11. Generally speaking, do you favor or oppose reducing or eliminating certain state services to reduce budget deficits?

TOTAL FAVOR	48%
TOTAL OPPOSE	43%
Strongly favor	20%
Somewhat favor	28%
Strongly oppose	20%
Somewhat oppose	22%
Not sure	9%

12. Do you favor or oppose increasing state sales, income or other taxes to reduce budget deficits?

TOTAL FAVOR	43%

TOTAL OPPOSE	55%
Strongly favor	23%
Somewhat favor	20%
Strongly oppose	40%
Somewhat oppose	15%
Not sure	2%

COLLECTIVE BARGAINING

Now I'd like to ask some questions about the process by which state and local government employees bargain with those jurisdictions over wages and benefits.

13. How much have you heard or read about the recent efforts in many states to reduce state budget deficits by cutting the benefits of public employees—a lot, some, not much or nothing at all?

A lot	42%
Some	31%
Not much	16%
Nothing at all	7%
Not sure	3%

14. Collective bargaining is a process of negotiations between employers and labor union representatives aimed at reaching agreements that regulate working conditions and determine salary and benefits. Advocates of collective bargaining say that by negotiating as part of a union rather than individually, public employees can have more leverage in securing the higher pay and more generous benefits that they deserve. Opponents say that public employees should not bargain collectively and use the power of the group to potentially limit, delay or restrict the delivery of important government services. Which position is closer to your view?

By negotiating as part of a union rather than individually, public employees can have more leverage in securing the higher pay and more generous benefits that they deserve	43%
Public employees should not bargain collectively and use the power of the group to potentially limit, delay or restrict the delivery of important government services	44%
Not sure	13%

15. Some states are trying to restrict collective bargaining rules of public employee unions. Do you favor or oppose restricting some of the collective bargaining rules of these unions?

TOTAL FAVOR	43%
TOTAL OPPOSE	45%
Strongly favor	20%
Somewhat favor	23%
Strongly oppose	28%
Somewhat oppose	17%
Not sure	12%

16. Some say that people go to work for public entities because they want the security of being part of a public employee union and they want to have better pension and health-care benefits, and so it is unfair to require people to contribute more toward these benefits. Others say that these benefits should be provided if state governments can afford them; but if they can't afford them, everyone must accept the fiscal realities of these times, and the benefits should be reduced or employees should be required to contribute more toward them. Which is closer to your view?

People work for public entities because they want the security, better pension and health-care benefits, so it is unfair to require people to contribute more toward these benefits	34%
These benefits should be given if state governments can afford them; but if they can't afford them, everyone must accept the fiscal realities of these times, and the benefits should be reduced or employees should be required to contribute more toward them	60%
Not sure	6%

17. Some people say that collective bargaining is an essential right of public employees. Budget problems that states face are the result of mismanagement and overspending, and public sector workers have bargained for the pay and benefits that they have received and have earned them by receiving higher levels of training and education. Others say that collective bargaining gives public sector employees an effective monopoly control over the government's workforce, giving the unions too much power over government budgets, which they use to get too much public money spent for their salaries and benefits. Which position is closer to your view?

Collective bargaining is an essential right of public employees. Budget problems that states face are the result of mismanagement and overspending, and public sector workers have bargained for the pay and benefits that they have received	38%
Collective bargaining gives public sector employees an effective monopoly control over the government's workforce, allowing the unions to get too much public money spent for their salaries and benefits.	46%
Not sure	16%

18. Some people say that limiting collective bargaining will result in more reasonable benefits for public employees and thus help states close their budget gaps. Others say that it is unclear how much money will actually be saved by limiting these rights. Which is closer to your view?

Limiting collective bargaining will result in more reasonable benefits for public employees and thus help states close their budget gaps	33%
It is unclear how much money will actually be saved by limiting these rights	57%
Not sure	10%

19. Some people say that tenure for teachers should be phased out because tenure protects bad teachers from being fired while making it harder to bring in new and better teachers. Others say that teacher tenure is a long-standing right for public school teachers and that it would be unfair for it to be taken away from them. Which opinion is closer to your view?

Tenure for teachers should be phased out because tenure protects bad teachers from being fired while making it harder to bring in new and better teachers	50%
Teacher tenure is a long-standing right for public school teachers, and it would be unfair for it to be taken away from them	37%
Not sure	12%

Pension Plans

Now I'm going to ask a few questions about pension plans and how they may be offered to employees.

20. States are now moving away from defined benefit programs, in which employees are guaranteed a set payment upon retirement based on their salary and years of work, to defined contribution programs (which most private sector workers are enrolled in), in which both the employer and employee contribute toward the retirement plan and the actual payout is based on the investment return. This is because defined benefit programs are too expensive. Do you favor or oppose giving public employees a choice between participating in a defined benefit plan or a defined contribution plan?

TOTAL FAVOR	75%
TOTAL OPPOSE	17%
Strongly favor	43%
Somewhat favor	32%
Strongly oppose	9%
Somewhat oppose	9%
Not sure	8%

21. Some people say that public employees should be given the opportunity to participate in a defined contribution plan, which gives employees the power to make decisions and the ability to take the plan with them as they move from job to job because defined contribution plans offer investor choice and portability. Do you favor or oppose giving public employees a choice between participating in a defined benefit plan or a defined contribution plan to increase investor choice and portability?

TOTAL FAVOR	80%
TOTAL OPPOSE	12%
Strongly favor	42%
Somewhat favor	38%

Strongly oppose	5%
Somewhat oppose	6%
Not sure	8%

22. Do you favor or oppose moving all new public employees from a defined benefit plan to a defined contribution plan?

TOTAL FAVOR	56%
TOTAL OPPOSE	33%
Strongly favor	29%
Somewhat favor	26%
Strongly oppose	12%
Somewhat oppose	20%
Not sure	11%

LABOR UNIONS

23. In general, do you think the salaries and benefits of most public employees are too high for the work that they do? Too low for the work that they do? Or are their salaries and benefits about right for the work that they do?

Too high	23%
Too low	37%
About right	19%
Not sure	

24. Do you think police officers and firefighters should be able to retire after 25 years of service and begin collecting pension checks, even if they are in their forties or fifties, or should they have to be older than that to retire and collect pension checks, regardless of the number of years they have served?

They should be able to retire after 25 years and begin collecting pension checks, even if they are in their forties or fifties	51%
They should have to be older than that to retire and collect pension checks	44%
Not sure	5%

25. Do you think teachers should be able to retire after a set period of service and begin collecting pension checks, even if they are younger than 65, or should they not be able to do this?

They should be able to retire and collect pension checks even if they are younger than 65	63%
They should not be able to	33%
Not sure	4%

26. Public employee unions lobby and elect public officials with whom they later negotiate in the collective bargaining process. Do you think this gives them too much influence, or is this not really a concern?

This gives them too much influence	49%
This is not really a concern	44%
Not sure	7%

Outcomes of Reform

I'm going to read you a list of outcomes that people say will result from reforming the way public employees are compensated and the benefits they receive. For each, please tell me whether this is likely to happen as a result of reforming public employees' salaries and benefits.

27. Reforming public employees' salaries and benefits will equalize private and public sector salaries.

Much more likely to support reform	13%
Somewhat more likely	40%
Not more likely	39%
Not sure	9%

28. Reforming public employees' salaries and benefits will make government more efficient and effective.

Much more likely to support reform	8%
Somewhat more likely	35%
Not more likely	39%
Not sure	17%

29. Reforming public employees' salaries and benefits will help preserve key social programs by making government more efficient.

Much more likely to support reform	11%
Somewhat more likely	39%

Not more likely	35%
Not sure	15%

30. Reforming public employees' salaries and benefits will hold the line on taxes.

Much more likely to support reform	13%
Somewhat more likely	32%
Not more likely	40%
Not sure	14%

31. We have just asked about outcomes from reforming wages and salaries. Collective bargaining is the process by which these wages and salaries are negotiated. If there is collective bargaining reform, do you think it will make government more efficient and effective, or will it not make it more efficient and effective?

Government will become more efficient and effective	38%
It will not become more efficient and effective	51%
Not sure	11%

32. We have just asked about outcomes from reforming wages and salaries. Collective bargaining is the process by which these wages and salaries are negotiated. If there is collective bargaining reform, do you think it will equalize private and public sector salaries?

Yes	30%
No	51%
Not sure	19%

33. We have just asked about outcomes from reforming wages and salaries. Collective bargaining is the process by which these wages and salaries are negotiated. If there is collective bargaining

reform, do you think it will help preserve key social programs by making government more efficient?

Yes	49%
No	34%
Not sure	17%

34. Do you think collective bargaining reform will make state budgets more resilient?

Yes	38%
No	42%
Not sure	20%

35. Which is more important to improving the state's finances: reforming the collective bargaining process, or reforming the way public employees are compensated and the benefits they receive?

Reforming collective bargaining	27%
Reforming public employees' salaries and benefits	51%
Not sure	23%

QUESTIONS ABOUT NORTH CAROLINA

I'm going to read you some facts about laws in North Carolina regarding public employee unions, salaries and benefits. For each, please tell me if you think it is fair or unfair.

36. The average salary of North Carolina state government workers in 2009 was 12.2% higher than that of private sector workers—a gap that had doubled from the gap of 6% in 2000.

Fair	19%
Unfair	65%
Not sure	17%

37. The average wage growth of private sector workers from 2000 to 2009 was 27%, compared with the average wage growth of North Carolina state government workers of 34.5%.

Fair	20%
Unfair	64%
Not sure	16%

38. From 2001 to 2009, the North Carolina private sector lost 49,900 jobs (loss of 1.6% of private workforce), while the state added 34,824 employees (growth of 12.3%).

Fair	31%
Unfair	49%
Not sure	21%

39. North Carolina state government employees contribute 6% of their salary to their pension fund; the rest comes from taxpayers and earnings on the fund. North Carolina has a defined benefit pension plan with an average benefit for a 30-year employee that represents 54% of his or her salary. Do you think that this is fair or unfair?

Fair	45%

Unfair	44%
Not sure	11%

40. As of this year, North Carolina state government workers and retirees must pay part of the premiums for enrollment into the more generous of two options in the State Health Plan–paying $10–$21 per month. Do you think this is fair or unfair?

Fair	66%
Unfair	29%
Not sure	5%

41. The State Health Plan is facing an unfunded liability of $32.8 billion for state retiree health benefits, which has increased by $9 billion in just the last two years. How serious of a problem do you think this is?

TOTAL SERIOUS	96%
TOTAL NOT SERIOUS	3%
Very serious	68%
Somewhat serious	28%
Not very serious	3%
Not at all serious	0%
Not sure	1%

42. What do you think is the best way to address this problem?

Reduce health benefits for retirees	1%
Raise taxes	14%
Cut government service programs	17%

Require current public employees to contribute more toward their health benefits	35%
Other	23%
Not sure	10%

43. Given this information, do you think current public employee health benefits should be reduced, current public employees should be required to contribute more toward their health benefits, or should their health benefits be left as is?

Current public employee health benefits should be reduced	2%
Current public employees should be required to contribute more toward their health benefits	46%
Their health benefits should be left as is	44%
Not sure	8%

44. Do you favor or oppose the dues check-off option, which means the automatic withdrawal of union dues for members of a public employee union?

TOTAL FAVOR	41%
TOTAL OPPOSE	46%
Strongly favor	24%
Somewhat favor	17%
Strongly oppose	28%
Somewhat oppose	18%
Not sure	13%

45. Public employee unions lobby and elect public officials with whom they later negotiate in the collective bargaining process. Do you think this gives them too much influence, or is this not really a concern?

This gives them too much influence	49%

This is not really a concern	44%
Not sure	7%

DEMOGRAPHICS

46. Age

Under 18 [END]	0%
18–29	18%
30–39	19%
40–49	20%
50–64	26%
65 and older	16%
REFUSED	1%

47. Gender

Male	45%
Female	55%

48. Race/Ethnicity

White or Caucasian	72%
Black or African-American	22%
Hispanic	3%
Asian	1%
Some other racial or ethnic heritage	1%
REFUSED	1%

49. Party

Democrat	45%
Republican	29%
Independent	19%
Other	3%
REFUSED	3%

50. Religion

Protestant	71%
Evangelical	1%
Catholic	6%
Jewish	0%
Muslim	0%
Atheist or Agnostic	2%
Other	7%
None	7%
Not sure	4%

51. Do you consider yourself liberal, moderate or conservative?

Liberal	22%
Moderate	35%
Conservative	39%
REFUSED	4%

52. What is the highest level of education you have completed?

Some high school or less	3%
High school graduate	12%
Some college	21%
College graduate	30%
Some graduate school	4%
Graduate degree	24%
Technical school	4%
REFUSED	1%

53. Do you belong to a union?

Yes	6%
No	94%

54. [If yes] Is it a public or private union?

Public	64%
Private	33%
REFUSED	3%

55. Income

You and your family earn… less than $20,000 annually	7%
$20,000 to $40,000	16%
$40,000 to $60,000	17%
$60,000 to $75,000	11%
$75,000 to $100,000	14%
Over $100,000	16%
Not sure	18%

Methodology

Douglas E. Schoen, LLC conducted interviews with 400 randomly selected voters from August 29 – September 5, 2011 in each of the following states: FL, IL, IN, MI, MT, NC, NY, OH, PA, WI. The margin of error for each of these surveys is +/-4.9%. Each survey was conducted by telephone using random digit dialing, which gives every phone subscriber and cell phone user a theoretically equal chance of being selected.