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TOUGH ECONOMIC TIMES CONTINUE IN GARDEN STATE

Property tax pessimism grows

Despite the official end of the recession, times are still tough for most Americans. In New Jersey, that financial burden is made even worse by the state's highest-in-the-nation property taxes, according to the *Monmouth University/Gannett New Jersey Press Media Poll*. Not only do property taxes continue to be seen as the least fair of all tax levies, they also outstrip other recurring expenses, such as mortgage payments and college tuition, as being the most difficult to pay.

Most New Jersey residents say that current economic conditions are causing stress in their lives, including 37% who say it causes serious stress and another 33% who say it causes some stress. Despite the news that the recession officially ended in July 2009, the number of Garden State residents who say the economy is a cause of serious stress in their lives is up by 6 points in this poll, taken in September, compared to polls taken in both April 2010 and May 2009.

The poll asked residents to think about eleven different types of household expenses and to rate how easy or difficult it is to pay each. While few people said any of these expenses are "very easy" to pay, two categories clearly emerged as causing the most difficulty – saving for retirement and paying property taxes. About 2-in-3 residents say they have a difficult time meeting these particular expenses – 70% for retirement savings and 66% for property taxes – including more than 4-in-10 who find it "very difficult." Fewer than 1-in-5 New Jerseyans say they have an easy time meeting these expenses – 15% for retirement savings and 17% for property taxes.

Since some expenses included in the survey are not incurred by all New Jerseyans, pollsters calculated an index score for each expense by subtracting the percentage who say paying these expenses are easy from the percentage who say they are difficult. Retirement savings receives a financial difficulty index score of +55, followed closely by property taxes at +49.

“Saving for retirement is probably considered discretionary when trying to meet your household budget, so it’s not surprising this most New Jerseyans say this is difficult to keep up with. Among the bills which must be paid every month, though, nothing comes close to property taxes for inflicting financial hardship,” said Patrick Murray, director of the Monmouth University Polling Institute.

The next tier of household expenses that cause difficulty are college or school tuition (+31 index; 39% difficult – 8% easy) and paying out of pocket medical costs, such as deductibles and co-pays (+27 index; 60% difficult – 33% easy). The next grouping includes fuel and utility bills (+18 index; 57% difficult – 39% easy), health insurance premiums (+17 index; 52% difficult – 35% easy), and mortgage or rent payments (+17 index; 47% difficult – 30% easy).

Paying federal income taxes is considered a little more difficult than it is easy (+9 index; 50% difficult – 41% easy) and New Jerseyans are split on the difficulty of paying state income taxes (0 index; 46% difficult – 46% easy). Only grocery bills (-12 index; 42% difficult – 54% easy) and the state sales tax (-17 index; 39% difficult – 56% easy) tend to be seen as comparatively easy to pay for most residents.

Financial Difficulty Index *			
Index	Difficult	Easy	Expense
+55	70	15	Retirement savings
+49	66	17	Local property taxes
+31	39	8	Tuition
+27	60	33	Medical deductibles/co-pays
+18	57	39	Fuel, utilities
+17	52	35	Health insurance premiums
+17	47	30	Mortgage, rent
+9	50	41	Federal income taxes
0	46	46	State income taxes
-12	42	54	Groceries
-17	39	56	State sales tax

* Calculated as percent who say paying this expense is “difficult” minus percent “easy”

The poll results suggest that most taxes paid by New Jerseyans are relatively easier to meet than many other household expenses, with the glaring exception of property taxes. It’s not surprising, then, that when Garden State residents are asked to name which tax is the least fair, property taxes (62%) is the clear choice, as it has been in state polls over the last two decades. Only 14% of residents choose the federal income tax, 8% pick the state income tax, and 8% say the state sales tax is least fair.

Even though the state recently enacted a 2 percent cap on future property tax increases, residents have become more pessimistic about seeing significantly lower property tax bills. Only 22% say that lower property taxes are at least somewhat likely to happen in the next few years, compared to 22% who

say they are not too likely and a majority of 53% who say they are not at all likely. The current public outlook marks a significant negative turn since July of this year, just before the property tax cap was passed. At that time, 49% were optimistic about the prospect of lower property taxes. The current results mark a return to lower confidence levels about property tax reform measured during the first year of Jon Corzine's administration.

With regard to prior gubernatorial administrations, the poll asked residents to assess how much responsibility the state's prior governors carry when it comes to New Jersey's current tax and budget problems. Nearly half (49%) say that the actions of the Corzine administration bear a lot of responsibility for the state's fiscal woes today. Just over 1-in-3 place a lot of blame on both Christie Whitman (39%) and Jim McGreevey (34%). According to 26% of the public, Jim Florio also carries a lot of the responsibility.

Interestingly, the current governor, Chris Christie, is seen as largely responsible by 25%, but this is offset by the 32% who say he bears no responsibility for the state's current fiscal situation.

Just over one-in-ten residents say that other occupants of the governor's seat, including Tom Kean (14%), Brendan Byrne (12%), and Dick Codey (12%) bear a lot of responsibility. Similarly, only 11% place a lot of blame on Donald DiFrancesco, even though the current governor has pointed to the unilateral pension increase DiFrancesco signed as one of the major causes of the pension problems facing the state today. Of course, since DiFrancesco's eleven month tenure makes him the shortest serving chief executive on this list, it's not surprising that nearly half (48%) the public cannot offer an opinion one way or the other on his role in the state's current financial situation.

The *Monmouth University/Gannett New Jersey Press Media Poll* was conducted by telephone with 801 New Jersey adults from September 15 to 19, 2010. This sample has a margin of error of ± 3.5 percent. The poll was conducted by the Monmouth University Polling Institute and originally published by the New Jersey Press Media newspaper group (Asbury Park Press, Courier-Post, Courier News, Daily Journal, Daily Record, and Home News Tribune).

DATA TABLES

The questions referred to in this release are as follows:

(* Some columns may not add to 100% due to rounding.)

- How would you rate the overall quality of life in New Jersey – is it excellent, good, only fair, or poor?

	TOTAL	AGE			HOMEOWNER		INCOME			COMMUNITY TYPE		
		18-34	35-54	55+	Yes	No	< \$50K	\$50 to \$100K	> \$100K	Urban	Stable town	Expanding suburb
Excellent	8%	7%	9%	8%	9%	7%	7%	8%	11%	3%	9%	10%
Good	43%	39%	44%	45%	45%	37%	38%	43%	50%	41%	47%	42%
Only fair	34%	37%	31%	37%	34%	35%	36%	39%	27%	36%	36%	33%
Poor	14%	14%	16%	9%	11%	19%	19%	9%	12%	18%	9%	15%
(VOL) Don't know	1%	2%	0%	0%	0%	2%	0%	0%	0%	2%	0%	0%
Unwtd N	801	88	311	382	639	120	215	278	202	125	289	360

TREND:	September 2010	August 2009	October 2007
Excellent	8%	8%	11%
Good	43%	44%	52%
Only fair	34%	31%	29%
Poor	14%	15%	7%
(VOL) Don't know	1%	2%	0%
Unwtd N	801	900	801

- Is the current economic situation a cause of stress in your life, or not? [IF YES: Is it a cause of serious stress, or stress, but not serious?]

	TOTAL	AGE			HOMEOWNER		INCOME			COMMUNITY TYPE		
		18-34	35-54	55+	Yes	No	< \$50K	\$50 to \$100K	> \$100K	Urban	Stable town	Expanding suburb
Yes, serious	37%	43%	37%	33%	37%	37%	44%	37%	27%	32%	30%	45%
Yes, but not serious	33%	29%	33%	34%	34%	27%	29%	33%	39%	34%	35%	31%
No stress	30%	28%	29%	32%	29%	36%	26%	30%	34%	34%	34%	24%
(VOL) Don't know	0%	0%	0%	0%	0%	0%	1%	0%	0%	0%	1%	0%
Unwtd N	801	88	311	382	639	120	215	278	202	125	289	360

TREND:	September 2010	April 2010	May 2009
Yes, serious	37%	31%	31%
Yes, but not serious	33%	30%	36%
No stress	30%	39%	32%
(VOL) Don't know	0%	0%	1%
Unwtd N	801	804	803

- I'm going to read you some typical household expenses. For each, please tell me if it is very easy, somewhat easy, somewhat difficult, or very difficult for you to pay for it? If you do not have this expense, just let me know. [ITEMS WERE ROTATED]

	Very easy	Somewhat easy	Somewhat difficult	Very difficult	Do not have this expense	(VOL) Don't know	Unwtd N
Monthly mortgage or rent payment	8%	22%	28%	19%	22%	1%	801
Grocery bills	17%	37%	28%	14%	3%	1%	801
Health insurance premiums	9%	26%	23%	29%	14%	1%	801
Health care deductibles and out of pocket expenses	11%	22%	32%	28%	7%	1%	801
School or college tuition	2%	6%	11%	28%	52%	1%	801
Fuel and utility bills	10%	29%	33%	24%	3%	1%	801
Federal income taxes	9%	32%	31%	19%	7%	1%	801
State income taxes	10%	36%	29%	17%	7%	2%	801
State sales tax	15%	41%	27%	12%	4%	2%	801
Property taxes	4%	13%	25%	41%	16%	1%	801
Saving money for retirement	4%	11%	23%	47%	15%	1%	801

4. Thinking about the different taxes that people pay, which tax do you think is the LEAST fair – the federal income tax, state income tax, state sales tax, or local property tax?

	TOTAL	AGE			HOMEOWNER		INCOME			COMMUNITY TYPE		
		18-34	35-54	55+	Yes	No	< \$50K	\$50 to \$100K	> \$100K	Urban	Stable town	Expanding suburb
Federal income tax	14%	15%	15%	11%	13%	19%	15%	14%	15%	21%	15%	9%
State income tax	8%	12%	7%	6%	7%	10%	10%	6%	6%	11%	9%	5%
State sales tax	8%	12%	6%	8%	5%	15%	11%	7%	6%	9%	5%	10%
Local property tax	62%	49%	65%	67%	68%	45%	55%	65%	69%	50%	63%	67%
(VOL) None/all are equally unfair	5%	5%	4%	6%	5%	4%	7%	6%	2%	5%	3%	6%
(VOL) Don't know	3%	8%	2%	1%	2%	6%	3%	2%	3%	4%	3%	2%
Unwtd N	801	88	311	382	639	120	215	278	202	125	289	360

TREND:	September 2010	August 2009	September 2005	February 1994*	September 1991*
Federal income tax	14%	11%	15%	22%	18%
State income tax	8%	7%	6%	9%	11%
State sales tax	8%	12%	9%	10%	18%
Local property tax	62%	59%	61%	54%	47%
(VOL) None/all equally unfair	5%	9%	5%	n/a	n/a
(VOL) Don't know	3%	3%	4%	5%	6%
Unwtd N	801	900	801	801	800

* Source: Eagleton-Rutgers Poll

5. How likely is it that the state will enact reforms in the next few years to significantly lower property taxes – very, somewhat, not too, or not at all likely?

	TOTAL	AGE			HOMEOWNER		INCOME			COMMUNITY TYPE		
		18-34	35-54	55+	Yes	No	< \$50K	\$50 to \$100K	> \$100K	Urban	Stable town	Expanding suburb
Very likely	3%	3%	3%	4%	3%	4%	3%	4%	2%	4%	3%	3%
Somewhat likely	19%	16%	18%	23%	18%	19%	21%	19%	20%	15%	17%	24%
Not too likely	22%	19%	22%	24%	23%	19%	17%	23%	23%	18%	26%	19%
Not at all likely	53%	59%	56%	46%	54%	54%	55%	52%	55%	60%	51%	53%
(VOL) Don't know	2%	3%	1%	3%	2%	3%	4%	1%	0%	3%	2%	2%
Unwtd N	801	88	311	382	639	120	215	278	202	125	289	360

TREND:	September 2010	July 2010	February 2010	April 2006
Very likely	3%	10%	8%	6%
Somewhat likely	19%	39%	34%	20%
Not too likely	22%	18%	29%	17%
Not at all likely	53%	30%	27%	51%
(VOL) Don't know	2%	3%	2%	5%
Unwtd N	801	801	803	803

6. Looking back at past governors' administrations, how much is [READ NAME] responsible for New Jersey's current tax and budget problems – a lot, a little, or not at all? [ITEMS WERE ROTATED]

	A lot	A little	Not at all	(VOL) Don't know	Unwtd N
Chris Christie	25%	36%	32%	7%	801
Jon Corzine	49%	35%	8%	8%	801
Dick Codey	12%	37%	23%	27%	801
Jim McGreevey	34%	39%	12%	15%	801
Donald DiFrancesco	11%	28%	14%	48%	801
Christie Whitman	39%	35%	12%	13%	801
Jim Florio	26%	34%	12%	28%	801
Tom Kean	14%	41%	16%	29%	801
Brendan Byrne	12%	32%	17%	39%	801

The *Monmouth University/Gannett New Jersey Press Media Poll* was conducted by the Monmouth University Polling Institute on September 15-19, 2010 with a statewide random sample of 801 adult residents. Sampling and live telephone interviewing services were provided by Braun Research, Inc. For results based on the total sample, one can say with 95% confidence that the error attributable to sampling has a maximum margin of plus or minus 3.5 percentage points. Sampling error increases as the sample size decreases, so statements based on various population subgroups, such as separate figures reported by gender or party identification, are subject to more error than are statements based on the total sample. In addition to sampling error, one should bear in mind that question wording and practical difficulties in conducting surveys can introduce error or bias into the findings of opinion polls.

<i>POLL DEMOGRAPHICS (weighted)</i>			
<i>35% Dem</i>	<i>48% Male</i>	<i>27% 18-34</i>	<i>68% White</i>
<i>43% Ind</i>	<i>52% Female</i>	<i>40% 35-54</i>	<i>13% Black</i>
<i>22% Rep</i>		<i>33% 55+</i>	<i>12% Hispanic</i>
			<i>7 % Asian/Other</i>

It is the Monmouth University Polling Institute's policy to conduct surveys of all adult New Jersey residents, including voters and non-voters, on issues that affect the state. Specific voter surveys are conducted when appropriate during election cycles.

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