

# THE FIELD POLL

THE INDEPENDENT AND NON-PARTISAN SURVEY  
OF PUBLIC OPINION ESTABLISHED IN 1947 AS  
**THE CALIFORNIA POLL BY MERVIN FIELD**

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**CALIFORNIANS BECOMING MORE  
PESSIMISTIC OF THE STATE'S  
ECONOMY AND ARE LESS CONFIDENT  
INFLATION WILL BE KEPT IN CHECK.**

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by Mark DiCamillo and Mervin Field

Twice as many Californians describe economic conditions in the state in negative terms (49%) as rate it positively (24%). In addition, more residents now expect the state's economy will worsen (30%) over the next twelve months than feel things will improve (22%), the first time Californians have had a more pessimistic than optimistic economic outlook since 2001.

Contributing to this more pessimistic assessment is the fact that fewer Californians now express confidence that inflation will be kept within reasonable bounds in the future. While 49% remain confident that inflation will be kept in check, 48% are not confident. This represents a significant decline in confidence that inflation will remain under control from past measures, and is the most pessimistic appraisal of inflation in thirteen years.

In addition, the proportion of Californians under age 65 who are not confident that they will have enough income and assets to last the rest of their lives increased to 40% from 32% three years ago, the last time this question was posed.

These are the main findings from *The Field Poll's* annual assessment of Californians' economic well-being conducted in late August among a random sample of registered voters. Some of the more specific findings from the survey include the following:

- Public perceptions of the California economy remain more negative than positive, with 49% of voters describing the state as being in economic bad times and 24% feeling the state is in economic good times. While all major subgroups of the voting population give a more negative than positive appraisal of the state's economy, women and lower income residents are more inclined than men and middle and upper income residents to feel this way.

- More Californians now expect the state's economy to get worse over the next twelve months (30%) than expect things to improve (22%). Another 42% anticipate no change. These findings represent a significant decline in optimism about the state's economic future compared to last year, when 44% expected things to improve and just 14% expected a worsening economy.
- When Californians are asked about their level of confidence that inflation can be kept within reasonable bounds in the near future, 49% express confidence, while 48% are not confident. This contrasts with the views of Californians in each of the past twelve years, when large majorities were confident that inflation would be kept in check in the near term.
- The proportion of California voters under age 65 who say they are not confident that they will have enough income and assets to last for the rest of their lives increased to 40% in the current survey. This compares to 32% who reported this three years ago, the last time the question was asked.
- Similar to what was observed last year, a somewhat larger proportion of California voters describe themselves as being financially better off than they were a year ago (41%) than say they are worse off (31%). Another 28% report no change.
- When Californians are asked to assess whether they expect to be financially better off or worse off next year, 35% anticipate being better off, 49% foresee no change and 12% believe they will be financially worse off. These results are similar to those observed in each of the past two years.
- Nearly half of California homeowners (48%) report that they refinanced or took out a new mortgage on their home over the past few years. Nearly three in four (73%) say they don't expect interest rates to be attractive enough to refinance again in the near future.
- Slightly more than one in three voters who are (38%) said they considered buying a home in the past year or so, although 61% say they feel buying a home would present a very difficult financial situation for them.

*Note to Editor: See attached California Opinion Index report for the detailed statistical data referred to in this release.*

## **Information About The Survey**

### **Sample Details**

The findings in this report are based on interviews with a random sample of 615 California adults contacted by telephone August 19-29, 2005 in English and Spanish, including 465 registered voters.

Households were sampled using a random digit dial methodology, which randomly selects operating telephone exchanges within all area codes serving California households in proportion to population. Within each exchange, telephone numbers are created by adding random digits to the selected telephone exchange. This method permits access to all landline telephone numbers statewide, both listed and unlisted, and gives each residential phone listing an equal chance of being selected.

According to statistical theory, 95% of the time results from the overall registered voter sample have a sampling error of +/- 4.8 percentage points.

### **Questions Asked**

Would you say that you and your family are financially better off or worse off today than you were a year ago?

Looking ahead, do you think that a year from now you will be better off financially, worse off or just about the same as now?

How would you generally describe economic conditions in California now? Would you say that economically, California is in good times or bad times right now?

What about the next 12 months or so? Do you expect economic conditions in California to get better, get worse or stay the same?

Do you own or rent your home there?

(IF OWN:) Have you refinanced or taken out a new mortgage on your home in the past few years or not?

(IF YES:) Do your monthly mortgage payments pay down both the principal and interest of the loan or are you making interest-only payments?

Do you think present mortgage interest rates or those in the near future will be attractive enough for you to refinance your mortgage (again) or not?

(IF RENTER:) During the past year or so, have you seriously considered buying a home of your own?

If you wanted to buy a house in the near future, how difficult would it be for you financially – very difficult, somewhat difficult, or not too difficult?

How confident are you that inflation can be kept within reasonable bounds in the future – are you very confident, somewhat confident, not too confident or not at all confident?

How confident are you that you will have enough income and assets during your retirement to last you for the rest of your life – very confident, somewhat confident, not too confident or not at all confident?