

THE FIELD POLL

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

Field Research Corporation
601 California Street, Suite 900
San Francisco, CA 94108-2814
(415) 392-5763 FAX: (415) 434-2541
EMAIL: fieldpoll@field.com
www.field.com/fieldpollonline

FOR ADVANCE PUBLICATION BY SUBSCRIBERS ONLY.

COPYRIGHT 2008 BY FIELD RESEARCH CORPORATION.

Release #2283

Release Date and Time: **6:00 a.m., Friday, July 25, 2008**

RECORD NUMBER OF CALIFORNIANS REPORT BEING FINANCIALLY WORSE OFF. MOST DO NOT EXPECT IMPROVEMENT NEXT YEAR.

IMPORTANT: Contract for this service is subject to revocation if publication or broadcast takes place before release date or if contents are divulged to persons outside of subscriber staff prior to release time. (ISSN 0195-4520)

By Mark DiCamillo and Mervin Field

A record number of Californians (63%) report being financially worse off than they were a year ago. In no previous *Field Poll* survey in nearly fifty years of polling – covering several previous economic recession periods – has more than 50% described their financial condition so negatively. In addition, most voters foresee no improvement in their personal finances next year.

There has also been a deterioration in Californians' appraisal of the state's economy. At present 86% of voters feel California is in bad economic times, while just 8% say the state is in good times. This represents a 34 percentage-point increase in the proportion of voters describing the state's economy negatively from December, and is their gloomiest assessment in fifteen years.

These are the main findings from the latest *Field Poll* updating Californians' economic well-being and views about the state's economy, a time series the poll began in 1961.

Record high proportion of Californians financially worse off than they were one year ago

In all previous *Field Poll* surveys conducted since 1961, the proportion of Californians reporting themselves to be worse off financially than they were a year ago never exceeded 50%, while the proportion saying they were better off was never less than 25%. However, in the current survey completed July 8-14, a record high 63% of Californians say they are now financially worse off than they were a year ago, while a record low 14% describe themselves as being better off.

Large majorities of both low income (72%) and middle income residents (66%) describe themselves as being financially worse off than last year. Even 49% of Californians with household incomes of more than \$100,000 say they are financially worse off this year than last.

Voters living in the state's inland counties are somewhat more likely than those living on the coast to say they are worse off.

Table 1			
Trend of Californians' personal financial well-being compared to one year ago (among registered voters)			
	Worse off	No change	Better off
2008 (July)	63%	23	14
2007 (December)	33%	30	37
2005	31%	28	41
2004	27%	32	41
2003	36%	26	38
2002	35%	30	35
2001	27%	26	47
2000	18%	28	54
1999	16%	35	49
1998	16%	30	54
1997	27%	31	42
1996	27%	35	38
1995	34%	32	34
1994	31%	32	37
1993	45%	26	29
1992	50%	24	26
1991	47%	28	25
1990	30%	28	42
1989	27%	27	46
1988	27%	23	50
1987	25%	26	49
1986	20%	28	52
1985	19%	27	54
1984	21%	24	55
1981	42%	25	33
1979	41%	28	30
1978	24%	35	41
1977	30%	36	34
1976	39%	33	28
1974	43%	29	28
1973	28%	33	39
1971	35%	36	29
1970	33%	33	34
1966	18%	45	37
1961	19%	41	40
Region (July 2008)			
Coastal counties	60%	24	16
Inland counties	70%	20	10
Household income (July 2008)			
Less than \$40,000	72%	17	11
\$40,000 - \$99,999	66%	21	13
\$100,000 or more	49%	28	23

Most foresee no improvement in their personal finances next year

The financial outlook of Californians for the next twelve months is largely pessimistic. Almost one-half (48%) anticipate no change in their present deteriorating financial condition, and another 22% expect things to get worse – a total of 70% seeing no improvement. Just one in five (22%) believe their financial situation will get better next year.

These assessments are less positive than they were six months ago when the proportion expecting to be better off (32%) was more than twice as great as the proportion who felt things would worsen in the coming year (14%).

The financial expectations of lower income Californians tend to be more negative than others, with 25% expecting to be worse off and just 17% expecting better times ahead. Among upper income households 48% foresee no change in their financial picture next year, and three times as many expect to be better off (36%) than worse off (12%).

Coastal voters are a little more optimistic in their economic outlook for next year than inland voters.

Table 2
Personal financial expectations for next year
(among registered voters)

	Will be worse off	No change	Will be better off
2008 (July)	22%	48	22
2007 (December)	14%	49	32
2005	12%	49	35
2004	7%	48	38
2003	10%	48	36
2002	8%	45	41
2001	13%	55	32
2000	3%	53	44
1999	5%	54	41
1998	5%	49	46
1997	10%	50	40
1996	8%	57	35
1995	10%	56	34
1994	12%	48	40
1993	14%	49	37
1992	18%	53	29
1991	17%	53	30
1990	15%	47	38
1989	15%	47	38
1988	9%	51	40
1987	8%	45	47
1986	6%	42	52
1985	8%	42	50
1984	7%	42	51
1981	19%	46	35
1979	31%	40	25
1978	17%	46	37
1977	18%	47	35
1976	18%	45	37
1974	28%	39	33
1973	13%	46	41
1971	19%	44	37
1970	22%	44	34
1966	8%	49	43
1961	6%	46	48
Region (July 2008)			
Coastal counties	19%	47	25
Inland counties	27%	52	15
Household income (July 2008)			
Less than \$40,000	25%	49	17
\$40,000 - \$99,999	24%	48	22
\$100,000 or more	12%	48	36

Big decline in Californians' views of the state's economy

In the past six months there has been a serious deterioration in Californians' views about the state's economy. At present 86% of voters feel California is in bad economic times, while just 8% say it is

in good times. This represents a 34 percentage-point increase in the proportion of voters describing the state's economy negatively from December, and is their gloomiest assessment in fifteen years.

Assessments of the state's economy are very negative across all income categories and regions of the state.

Table 3
Perceived state of California's economy
(among registered voters)

	Bad times	In-between/ mixed	Good times
2008 (July)	86%	8	6
2007 (December)	52%	26	20
2005	49%	21	24
2004	53%	22	24
2003	75%	12	11
2002	56%	21	20
2001	22%	7	69
2000	13%	10	71
1999	11%	14	72
1998	15%	16	65
1997	42%	23	33
1996	57%	20	19
1995	72%	16	11
1994	81%	14	5
1993	91%	6	3
1992	93%	4	2
1991	85%	8	5
1990	47%	20	30
1989	24%	18	55
1988	21%	19	59
1987	22%	24	51
1986	15%	22	59
1985	19%	16	62
1984	22%	25	50
1983	77%	11	10
1982	60%	23	16
1981	54%	19	24
1980	56%	21	21
1979	41%	17	40
1978	26%	26	42
Region (July 2008)			
Coastal counties	84%	10	6
Inland counties	90%	4	5
Household income (July 2008)			
Less than \$40,000	85%	5	8
\$40,000 - \$99,999	87%	7	6
\$100,000 or more	86%	11	3

(In this and in other succeeding tables, trend data prior to 1993 are based on all adults. Differences between 100% and the sum of each year's percentages equal the proportion with no opinion.)

Pessimism about the state’s economic outlook for the coming year

The survey finds that more than twice as many Californians expect the state’s economy to get worse (43%) than get better (19%) over the next twelve months. Another 34% feel things will stay about the same, while 4% have no opinion. This is a little more pessimistic than voters were six months ago, when 35% expected the state's economy to get worse and 25% felt it would improve.

Many more Californians across all income categories and regions expect the state's economy to be worse next year than better.

Table 4
Expectations for the California economy over the next 12 months
(among registered voters)

	Will get worse	Stay the same	Will get better
2008 (July)	43%	34	19
2007 (December)	35%	35	25
2005	30%	42	22
2004	14%	39	44
2003	30%	35	30
2002	18%	42	36
2001	40%	43	14
2000	16%	53	21
1999	14%	58	24
1998	10%	53	29
1997	14%	44	37
1996	12%	46	38
1995	21%	44	32
1994	20%	39	38
1993	22%	38	38
1992	36%	38	22
1991	35%	37	22
1990	48%	32	10
1989	30%	49	15
1988	24%	53	18
1987	19%	54	24
1986	12%	47	36
1985	12%	40	42
1984	6%	40	50
1983	10%	30	58
1982	22%	39	35
1981	29%	36	32
<u>Region (July 2008)</u>			
Coastal counties	41%	33	22
Inland counties	48%	35	12
<u>Household income (July 2008)</u>			
Less than \$40,000	44%	32	19
\$40,000 - \$99,999	48%	28	21
\$100,000 or more	38%	47	13

Less confidence that inflation will remain in check

Adding to their generally gloomy outlook is the fact that a majority of Californians (57%) now say they are not confident that inflation can be kept within reasonable bounds in the future, while just 39% think it will be. This represents a continuing deterioration in voter confidence that inflation will remain in check compared to what it was earlier in the decade. For example, in 2001 72% were confident that future inflation would be kept within reasonable bounds. This dropped to 67% in 2002, to 61% in 2004 to 49% in 2005 and now stands at 38%.

Majorities across all incomes and within each region are not confident that inflation will remain in check in the near future.

Table 5
Confidence that inflation can be kept within
reasonable bounds in the near future
(among registered voters)

	Not confident	Confident
2008 (July)	57%	39
2005	48%	49
2004	35%	61
2002	30%	67
2001	27%	72
2000	30%	67
1998	28%	69
1997	34%	61
1996	26%	71
1995	40%	58
1994	47%	59
1993	37%	61
1992	48%	49
1989	49%	49
1987	46%	50
1986	37%	60
1984	30%	66
1982	42%	57
1981	48%	50
1979	65%	33
1977	66%	32
1974	63%	35
<u>Region (July 2008)</u>		
Coastal counties	56%	40
Inland counties	59%	37
<u>Household income (July 2008)</u>		
Less than \$40,000	54%	44
\$40,000 - \$99,999	60%	37
\$100,000 or more	55%	41

Concerns about unemployment have not reached previous recessionary levels

An examination of past *Field Polls* shows that at two separate intervals in the past twenty-seven years, majorities described the unemployment situation in California as “very serious.” These were periods of economic recession in California in the early 1980’s and early 1990’s.

The current survey finds the proportion of Californians who feel unemployment is a very serious problem has not reached these previous levels. At present 39% view unemployment as very serious, while a somewhat larger proportion (42%) feels the situation is somewhat serious, and 15% say it is not serious.

Fifty-four percent of lower income voters describe the unemployment situation as very serious, two and one-half times the proportion of upper income voters who say this.

Table 6
Seriousness of unemployment in California
(among registered voters)

	Very serious	Somewhat serious	Not serious
2008 (July)	39%	42	15
2004	35%	43	19
2003	33%	52	12
2002	30%	48	18
1995	48%	44	7
1994	74%	22	3
1993	76%	22	2
1992	80%	18	2
1991	68%	27	4
1990	29%	40	28
1989	23%	35	39
1988	21%	40	36
1987	28%	45	25
1986	26%	50	22
1985	30%	43	24
1984	40%	45	14
1983	71%	24	5
1982	54%	36	9
1981	34%	45	18
<u>Region (July 2008)</u>			
Coastal counties	38%	43	15
Inland counties	41%	39	16
<u>Household income (July 2008)</u>			
Less than \$40,000	54%	39	6
\$40,000 - \$99,999	38%	41	18
\$100,000 or more	21%	53	19

Information About The Survey

Sample Details

The findings in this report are based on a random sample survey of 422 registered voters statewide. Interviewing was conducted by telephone in English and Spanish between the period July 8-14, 2008. Up to six attempts were made to reach and interview each randomly selected voter on different days and times of day during the interviewing period. In order to cover a broad range of issues and still minimize voter fatigue, the overall voter sample was divided into two random subsamples on some of the questions.

The sample was developed from telephone listings of individual voters selected at random from a statewide list of registered voters in California. Once a voter's name and telephone number has been selected, interviews are attempted only with the specified voter. Interviews can be conducted on either the voter's landline or cell phone, depending on the source of the telephone listing from the voter file. After the completion of interviewing, the results are weighted slightly to Field Poll estimates of the demographic and regional characteristics of the state's registered voter population.

Sampling error estimates applicable to any probability-based survey depends on the sample size. The maximum sampling error for results based on the overall sample of 422 registered voters is +/- 5.0 percentage points at the 95% confidence level. The maximum sampling error is based on percentages in the middle of the sampling distribution (percentages around 50%). Percentages at either end of the distribution (percentages around 10% or around 90%) have a smaller margin of error. While there are other potential sources of error in surveys besides sampling error, the overall design and execution of the survey minimized the potential for these other sources of error. The maximum sampling error will be larger for analyses based on subgroups of the overall sample.

Questions Asked

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?

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?

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 serious a problem do you think unemployment is in California at this time? Is it very serious, somewhat serious, not too serious, or not at all serious?