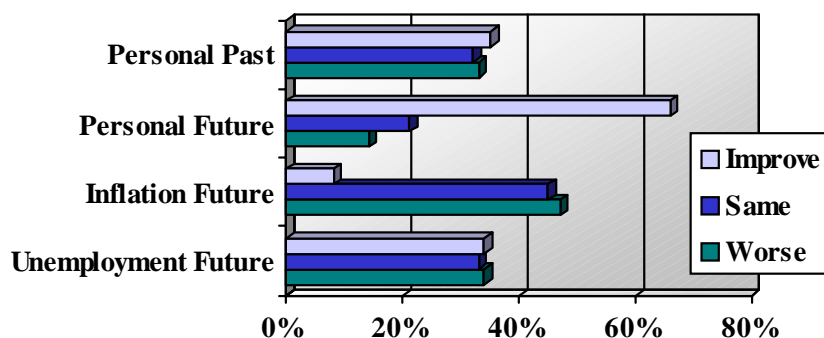




Survey Reveals that Economic Outlook is Positive in Michigan

Forecasts by Michigan Residents on Past and Future Personal Financial Situation, Future US Inflation, and Future US Unemployment



Perceptions on Terrorist and Bioterrorist Attacks, Government Response

In light of the September 11, 2001 terrorist attack on America, the twenty-fourth round of the Institute for Public Policy and Social Research State of the State Survey contained questions about the level of Michiganians' concern about future attacks and rating of the government's response. Some 44% of residents are very concerned and 39% are somewhat concerned about a future attack.

The level of concern does not differ greatly across the state; the percent of very concerned or somewhat concerned respondents ranges from 79% (in Southeast Michigan) to 92% (in Detroit), but also is 86% in the Southwest and 91% in the Northern Lower Peninsula.

The level of concern about a bioterrorist attack—such as anthrax or smallpox—is somewhat lower. Overall, 57% are very concerned or somewhat concerned about such an attack.

Michigan citizens express some reservations about how good a job the US government is doing in defending against another terrorist attack. Although 51% think the US government is doing a good job, only 26% say it is doing an excellent job.

Support for Michigan government efforts is lower. Some 49% think that Michigan government is doing a good job, and 14% an excellent one. Interestingly, more than 10% of the respondents say they "don't know" how good a job the state government is doing – which may indicate a confusion about state versus federal role in this area.

Personal Financial Outlook

In every round of SOSS respondents are asked a series of economic related questions. In the twenty-fourth State of the State Survey, just over one-third reported that their financial situation improved over the *last* twelve months. However, two-thirds said they expect it to improve in the *next* twelve months.

In terms of inflation and unemployment, only 8% believe that inflation will go down over

IPPSR-SOSS Bulletin 02-02 About the Study

The Institute for Public Policy and Social Research conducted the twenty-fourth round of the State of the State Survey (SOSS-24) by phone with 1,012 Michigan adult residents during January 12-February 19, 2002. The margin of sampling error was $\pm 3.1\%$.

This edition of SOSS includes questions on citizens' concern about terrorist and bioterrorist attacks, trust in government, economic issues, most important problem for the legislature and governor, business attraction, and Internet issues.

IPPSR's State of the State Survey is the only survey conducted in Michigan that provides a regular systematic monitoring of the public mood on important issues in major regions of the state. More information on SOSS is online at: www.ippsr.msu.edu/SOSS.

SOSS-24 was funded in part by the following groups: Michigan State University Departments of Political Science, Natural Resources, Resource Development, MSU Extension, and the Gerald R. Ford Institute for Public Policy at the University of Michigan.

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the next year, while 34% believe that unemployment will be reduced.

Some 61% responded that their current overall financial situation is good or excellent which is consistent with findings from previous surveys. Another consistent finding is a gap in responses between white and black respondents. In SOSS-24, only 49% of blacks and some 62% of whites report good or excellent. Regionally, Detroit (52%) and the Upper Peninsula (53%) have the lowest numbers, and the West Central region at 67% has the highest number responding good or excellent.

Quality of Life Overall 2001 Versus 2002

Over the last year, quality of life for Michigan residents has stayed about the same. In 2002 29% reported excellent and 50% good, in 2001, 21% reported excellent and 59% good. Quality of life is not consistent for all citizens, however. Those living in suburban areas are most satisfied. Approximately 36% say they have an excellent quality of life. Meanwhile, only 20% of those living in urban areas say their quality of life is excellent. Also, less than 50% of Detroit residents report their overall quality of life is excellent or good, while most other regions more closely mirror the overall average for the state.

Expected Trends in Business Conditions by Region

Respondents were asked whether they expect business conditions in their community to have good times or bad times financially over the next twelve months. All regions with the exception of the UP expect conditions to improve at least by some margin. In the UP, some 63% believe that the business conditions will worsen. The most optimistic region was Southeast

Michigan: 61% indicated an expectation for business conditions to improve. Overall 53% of residents expect an improvement, 34% expect things to worsen, and 14% expect no change.

Trust in Government

A majority of Michigan residents indicate that they trust the US government. Some 38% trust the federal government to do what is right nearly always or most of the time, and 46% some of the time. Only 12% seldom trust and 4% almost never trust it.

This survey also revealed that Republicans are more likely than Democrats to trust the US government nearly all the time (46% to 36%). Whites are more likely than blacks to trust the federal government nearly all the time (39% to 21%).

The level of trust in the federal government has risen over time. In 1995 only 16% trusted the federal government nearly all or most of the time. In 2001 only 25% reported this level of trust. The job performance rating of President George W. Bush has also increased. In 2001, 54% reported that he was doing a good or excellent job. In this survey, the figure has jumped to 78%. In 2001 some 20% said he was doing a poor job, in 2002, only 5% report this rating.

State government also enjoys a higher level of trust, in 2002 37% of respondents say that they trust the state government to do the right thing nearly always, or most of the time, and 47% some of the time.

Most Important Issue for Governor, Legislature

An interesting finding was uncovered in this round of the State of the State Survey in the area of most important issue for the governor and legislature. For the first time since the inception of the survey, education

and schools (23%) are a competing interest with the economy and jobs (22%) as the top issue. For example, in 2001 the difference between education and schools was some 31%

Business Attraction

When asked how much effort Michigan's state government should devote to encouraging other manufacturers to set up production in Michigan there is some discrepancy between encouraging US manufacturers versus foreign ones. People are overwhelmingly more supportive of encouraging US manufacturers than foreign manufacturers (72% to 30%). Male respondents were more likely to support a lot of effort for the State encouraging foreign manufacturers than were female (36% to 25%).

State University Role in Improving the Economy

Michigan residents report that the role of state universities in improving the economy is important. Some 41% said it was very important and 47% said it was somewhat important. There was a significant regional variation with this question. While 54% of Detroit respondents say the university has a very important role, only 28% of respondents in the UP feel this way. Blacks are also more likely than whites to say that the state's public colleges and universities have an important role (49% to 38%). In terms of party affiliation, Democrats are more likely to report a high level of importance than are Republicans (44% to 29%).

Internet Usage and Online Sales Taxation

Surprisingly, nearly one in three Michiganians report never using the Internet. The largest numbers of those never using the Internet are in Northern Michigan (45%) and Detroit (41%). The percentage of residents using the Internet daily ranges from 26% in Northern Michigan to 54% in Southwest Michigan.

When asked where they access the web, respondents are more likely to say at home (70%) than work (25%).

When asked whether businesses should be required to automatically include Michigan sales tax in online purchases there was a mixed response. Some 28% of Detroit respondents strongly favor this concept, while only 56% of those in Northern Michigan do. In the southeast, the support is modest—27%. Urban residents (20%) are least likely to support and rural are the most likely to support it. Wealthier and white respondents were also more likely to support this requirement (34% and 24%).

2002 Policy Forum Series

March 28, 2002 - 11:30-1:30 p.m.
-Michigan's Changing Demography:
Effects on State Expenditures

April 10, 2002 - 11:30-1:30 p.m.
-Critical Health Policy Questions in MI

May 8, 2002 - 11:30-1:30 p.m.
-Stakeholder Attitudes: Managing
Michigan's Watersheds, Wetlands

Program Registration Information
-RSVP: (517) 355-6672
-Location: Library of Michigan, Lake
Ontario Room, Downtown Lansing
-Updates: www.ippsr.msu.edu