

divisions on education and age come into play. Those with less education and those who are getting older feel least secure. Those with incomes of \$60K and above are concerned. For example:

- 60% of those with a high school education or less report they are “not at all secure.”
- 51% of Hispanics report they are “not at all secure.”
- 46% of those 45-59 years of age report they are “not at all secure.”
- 47% of those in households with incomes of \$60K or more report they are “not at all secure.”

Another question from 2008 concerned confidence in being able to replace employment. We asked: “If you currently work for pay and lost your job tomorrow, how confident are you that you could find other employment at a comparable rate within a reasonable amount of time?” Among employed panel members, the percentage of workers who say they are “not at all confident” increased by 29%. White respondents with incomes of more than \$60,000 were most likely to be in the “not at all confident” group.

Quality of Life Ratings Remain High, but Perceptions Are Declining

Given the insecurity reported above, one might expect Arizonans to rate their quality of life lower than in the past. Most panelists continue to rate the quality of life where they live as “good” or “excellent,” but they report a significant decline “in the last few years.”

In 2008, we reported a net 3% gain in those saying they had an improved quality of life over those who said it had declined, whereas in 2009 we see a net 30% loss. This is the highest reported decrease since Morrison Institute started asking this question more than 10 years ago. Respondents most likely rate quality of life comparatively, so while it may be generally declining for everyone over time, individuals see themselves as continuing to do fairly well. They may judge that they are maintaining their positions compared with others in their community—even as the entire area’s quality of life declines. Among those reporting the highest decline in quality of life are those who represent minority groups, are ages 45-59, or make \$30k or less. Those who report themselves as political Independents were significantly more likely to say their area’s quality of life had declined (49%), compared to those who identified themselves as Republicans (25%) or Democrats (26%).

How secure do you feel about keeping your job or keeping your business open?		
Level of Security	June 2008	June 2009
Very secure	47%	16%
Somewhat secure	42%	55%
Not very secure	10%	17%
Not at all secure	1%	12%
Total	100% (368)	100% (419)

Source: Morrison Institute for Public Policy, Arizona State University, 2009.

... How confident are you that you could find other employment at a comparable rate within a reasonable amount of time?		
Level of Confidence	June 2008	June 2009
Very confident	16%	10%
Somewhat confident	41%	23%
Not very confident	32%	27%
Not at all confident	11%	40%
Total	100% (368)	100% (422)

Source: Morrison Institute for Public Policy, Arizona State University, 2009.

How would you rate the quality of life where you live?		
Level	June 2008	June 2009
Excellent	19%	15%
Good	53%	50%
Fair	26%	32%
Poor	2%	3%
Total	100% (642)	100% (701)

Source: Morrison Institute for Public Policy, Arizona State University, 2009.

Would you say the area’s quality of life has improved, declined, or stayed the same in the last few years?		
Level	2008	2009
Improved	27%	12%
Declined	24%	42%
Stayed about the same	46%	45%
Total	100% (642)	100% (701)

Source: Morrison Institute for Public Policy, Arizona State University, 2009.

As in 2008, panelists were asked to rate nine issues on their importance to quality of life in the area they lived (on a 1 to 10 scale, where 10 is most important). The 2009 items were ranked in the same priority order as in 2008. Public safety and crime is still the number one concern. Interestingly, Arizona general fund expenditures have increased from 6% of total expenditures in 1979 to 11% in 2009. In part, this increase has been necessary to keep up with a spike in the prison population. In 2000, there were 26,747 inmates compared to 39,502 inmates today. For additional information on criminal justice, visit www.arizonaindicator.org.

When asked last year “What one thing would you suggest to improve the quality of life for everyone in the area where you live?,” most wrote about specific actions having to do with the economy, transportation, public safety, immigration, education, etc. This year, in contrast, many more comments were about pulling together in a crisis.

For example:

“What one thing would you suggest ...”

- ▶ *A better sense of community, being part of an outreach program to keep all involved informed. To be aware of the real facts and facets of what is really happening. So much bad information, misinformation and misunderstood info.*
- ▶ *A legislature that understands and supports the responsibility of government to provide or at least support agencies that protect all of us, provide aid, for those who cannot for reasons beyond their control, meet basic needs and be a part of mainstream society.*
- ▶ *All elected officials must stop doing business as usual, must stop putting themselves and government first before the concerns of the community. They must engage the populace, which is struggling, and find ways to get them involved instead of excluding them.*
- ▶ *Be more self-reliant, and depend more on neighbors and churches and less on the government.*
- ▶ *Better politicians. Ones who think of people in the community first instead of the Developers and the “good old boys” still controlling the City Council.*
- ▶ *Elected officials should listen to the people who voted them into office.*
- ▶ *Everyone take more responsibility for their actions and not act like nobody exists but themselves.*

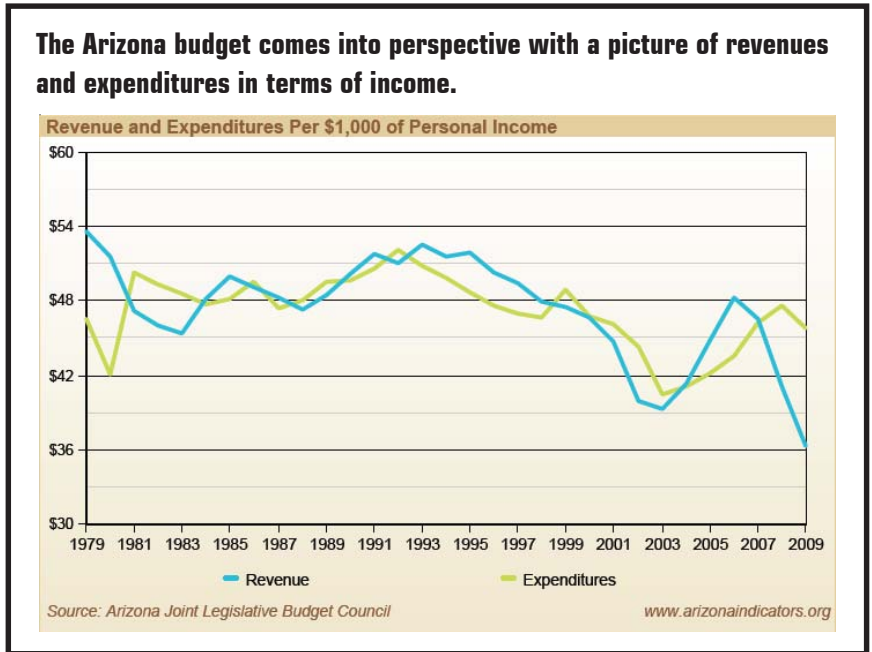
Rate the following on their importance to quality of life in the area where you live.		
Quality of Life Item	Average Score	
	June 2008	June 2009
Public safety & crime	8.4	8.3
Health care	8.4	7.8
The economy	8.2	7.6
Education	8.0	7.5
The status of families & youth	7.9	6.8
The environment	7.8	6.8
Transportation & mobility	7.8	6.5
Sense of community	7.6	6.0
Arts, culture, & recreation	6.4	5.6
Total	642	701

Source: Morrison Institute for Public Policy, Arizona State University, 2009.

How much do you trust each of the following to act in the best interests of your community?		
Groups	Percentage checking “A great deal”	
	June 2008	June 2009
Local police officers	44%	27%
Local hospitals	29%	21%
Local schools	25%	16%
Local religious organizations	24%	17%
Local nonprofit organizations	19%	13%
Local elected officials	7%	3%

Source: Morrison Institute for Public Policy, Arizona State University, 2009.

- Express discontent to recklessly conservative republicans in the state house and senate. They are severely out of touch with reality and are on the verge of ruining the state of Arizona.
- For people to really get involved in the decisions which affect the people as a whole. To turn time back 15 or 20 years, when people were truly there for each other.
- If everyone wouldn't think only about their own family's welfare, and realize their life will be better if everyone's is better. We're all floating on the same raft!
- Less government. We are independent people who if not interfered with can take care of ourselves. Be frugal.
- I think we need to rate quality of life based not on how much money we have or how secure we are financially, but on opportunities we have to get together with others for meaningful activities such as group efforts to improve the community, or performing together in a musical group.
- To work together to solve the local problems and then take that initiative to the state and show them how it is done!
- Voters need to become more educated about their elected officials so that when they go to the polls on Election Day they know whether the official has put the state and the voters' best interest ahead of their personal or political ideology.



The fallout from the recession has been hard on public officials. Panelists were asked “How much do you trust each of the following [public institutions or representatives of public institutions] to act in the best interests of your community?” on a scale from “A great deal” to “Not at all.” The 2009 results in comparison to 2008 show an across-the-board decline in the percentage checking “a great deal” of trust, with local police officers showing the biggest decline, 17%. Local elected officials showed an even lower percentage than in 2008, dropping to a mere 3% of panelists.

...How would you spend it?		
Area	Average Amount	% of Total Allocated
K-12 education	\$18.67	18%
Law enforcement	\$16.93	16%
Public Health care system	\$14.48	13%
Higher education	\$10.13	9%
Housing	\$9.29	8%
Environmental quality	\$9.25	8%
Transportation	\$9.03	8%
Prisons	\$8.15	7%
Parks and recreation	\$7.82	7%
Arts and culture	\$5.57	5%

Source: Morrison Institute for Public Policy, Arizona State University, 2009.

Of course, public officials are currently faced with difficult budget decisions that affect many. Making public spending decisions in an era of far less revenue is not easy. Panelists were asked how they would allocate Arizona's resources. "Imagine you are responsible for distributing the state of Arizona's funds for 10 areas (\$100 stands for the total amount the state has to allocate). How would you spend it?"

The majority of panelists allocated some funds to all areas, with K-12 education, law enforcement, the public health care system, and higher education receiving the greatest levels of support; these four areas totaling 56% of the total amount allocated (see page 4). These choices closely reflect the panelists' outlooks on the importance of various issues to quality of life.

Panelists were also asked if they were following what is happening in the state legislature and whether or not budget cuts would affect them. The results show widespread disapproval, particularly among those who said they were following the issue closely. Two-thirds of respondents (66%) said they disapproved of the way the Arizona Legislature is handling the issue of the state budget and taxes.

Women and white big-city residents were most likely to voice dismay. Disapproval increased with age and education and was more likely among those with household incomes between \$30-60K, rather than those that earned either more or less.

Yet surprisingly, only 5% of panelists said they were closely following news about the Arizona state budget. Overall, however, nearly half (48%) said they were following the news at some level (closely or fairly closely) and just over half (52%) said they weren't following the news (either not too closely or not at all closely). Those following the issue were much more likely to disapprove (80%) than approve (20%) of the way the Arizona Legislature is dealing with revenue and expenditures. Independents reported following the issue at a much lower rate (38%) than either Republicans (53%) or Democrats (55%).

Panelists were also asked, "What effect do you think proposed cuts in the Arizona state budget will have on you or your family directly?"

With over 80% of panelists disagreeing with the statement that "I don't think it will make a big difference to my life," one may assume that most thought it would. Indeed, more than half of respondents thought the proposed cuts (as of mid-June 2009) would raise their taxes, about a third thought it would

How closely are you following news about the Arizona state budget in the Arizona legislature?

	Frequency	Percent
Very closely	35	5%
Fairly closely	303	43%
Not too closely	245	35%
Not at all closely	118	17%
Total	701	100%

Source: Morrison Institute for Public Policy, Arizona State University, 2009.

Overall, do you approve or disapprove of the way the Arizona Legislature is handling the issue of the state budget and taxes?

	Frequency	Valid Percent
Approve	240	35%
Disapprove	456	66%
Total	696	100%

Source: Morrison Institute for Public Policy, Arizona State University, 2009.

Arizona Panelists' Outlooks	Direction
Job confidence	↓
Economic security	↓
Quality of life	↓
Desire for community	↑
Trust in public officials	↓
Issue priorities	↔
Priorities and spending	↔

Source: Morrison Institute for Public Policy, Arizona State University, 2009.

negatively affect their child's education and cut publicly provided services they need.

Different portions of the panelists felt the proposed cuts in the state budget would affect them, for instance:

- 50% of households with children thought reductions would negatively affect their children's education.
- 45% of Hispanics with children foresaw negative effects on their children's education.
- 46% of those in households with incomes of \$30K or less thought they would not receive services they needed.
- 46% of Hispanics, 46% of those aged 18-29, and 35% of those with a high school education or less thought state budget choices would make it more difficult to get a new job.
- 38% of those aged 45-59, and 31% of those aged 60+ thought it would negatively impact their chances of an affordable retirement.
- 40% of those living outside Maricopa and Pima counties thought budget reductions would make it more difficult to get a new job.
- Republicans were more likely to report it would lower their chances of keeping their jobs and be more difficult to get a new job, but less likely to report it would raise their taxes than those of other parties.

Those who said they were following news about the state budget were significantly more likely than non-followers to agree that there will be a negative effect on them or their family on every item.

Seventy-five respondents wrote a comment on how the proposed budget cuts would affect them and their families. The largest number of comments (15) was about education. For example:

- › *When you affect the budgets of programs especially our universities and education, it will affect all aspects of the entire community.*
- › *I don't have children attending AZ schools but the education cuts will make it more difficult to attract new*

What effect do you think proposed cuts in the Arizona state budget will have on you or your family directly?		
	No	Yes
It will raise my taxes	47%	53%
It will negatively affect my child's education	68%	32%
It will cut publicly provided services I need	69%	31%
It will make it more difficult to get a new job	73%	27%
It will negatively impact my chances of an affordable retirement	75%	25%
I don't think it will make a big difference to my life	80%	20%
It will lower my chance of keeping my job	87%	13%
It will negatively affect my education	92%	8%
It will hurt my business	93%	7%

Source: Morrison Institute for Public Policy, Arizona State University, 2009.

Need for Food Stamps Increased Greatly with Recession

In April 2009, Temporary Assistance for Needy Families (TANF) was provided to 84,393 recipients. This reflects a 7.2% increase from the prior year. Even more striking, 839,351 individuals received food stamps (SNAP) in April 2009, a 29.1% increase from the prior year. Clearly, demand for social safety net services rises during times of increased unemployment 8.2% in May 2009, up 3% from May 2008.

Source: www.arizonaindicators.org.

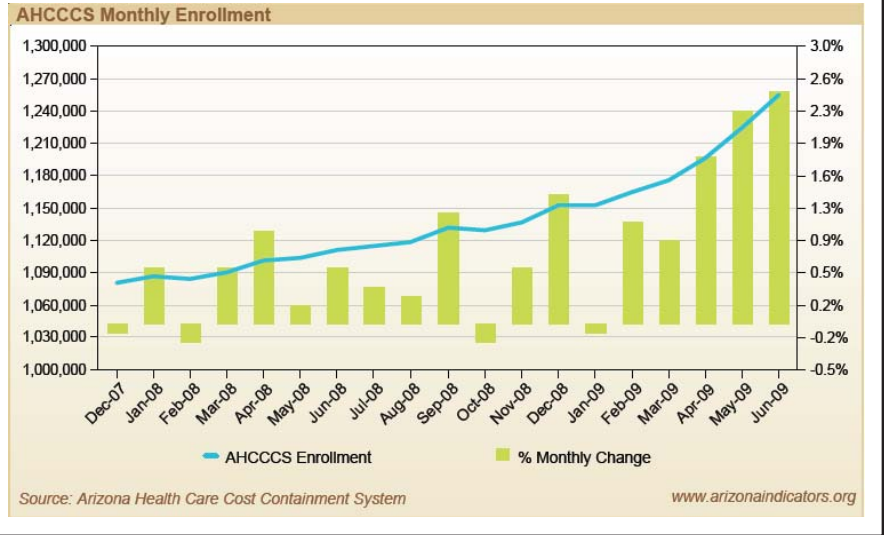
businesses who [sic] need an educated work force.

- ▶ By the effects of these cuts as proposed (especially in public education), this state will become a less desirable place to live.

Others wrote about the effect on income, house values, retirement, family members, and jobs. For example:

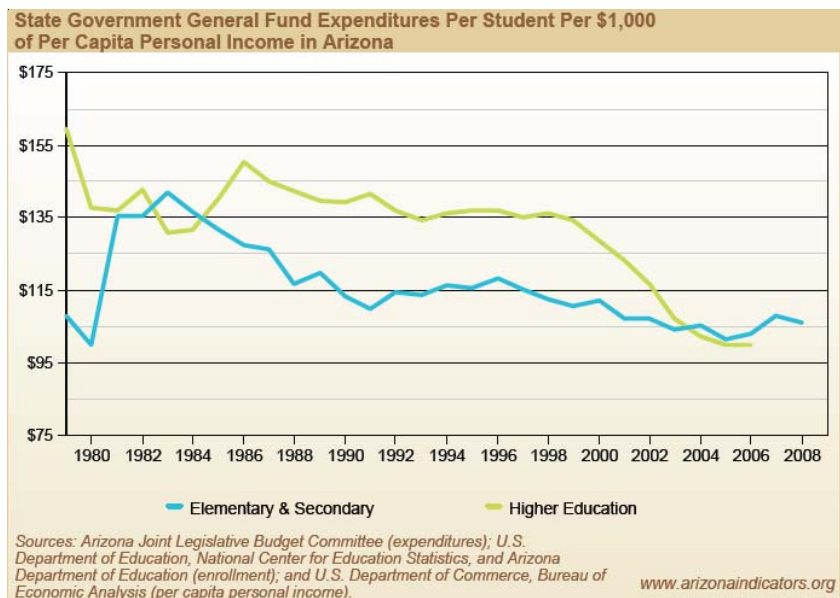
- ▶ I will not be getting a cost of living raise.
- ▶ It will cause my husband to lose his job.
- ▶ A negative impact on my house value.
- ▶ My state retirement won't increase as it hasn't for the past 5 years now.
- ▶ A big factor in my decision to retire. I am/was a public school teacher.
- ▶ My daughter-in-law will lose her job 6-30 over the cut in funding for abused women's shelter services. Education is taking a major hit.
- ▶ It has impacted Medicaid services, costing my household money we need for rising electricity, water, gas and maintenance costs.
- ▶ It will limit the services that my medically fragile foster babies and my own daughter need in terms of disability benefits and therapy.

Recession drives demand for health services.



Education Expenditures

Arizona general fund support for education has declined per student over time, especially since the mid-1990s. Higher education has experienced a substantial decrease since 1999. The state government general fund is just one of the sources of education funding, but is a major source for elementary and secondary education. Spending is measured per pupil. The “per \$1,000 of per capita income” measure automatically adjusts for inflation and per capita economic growth.



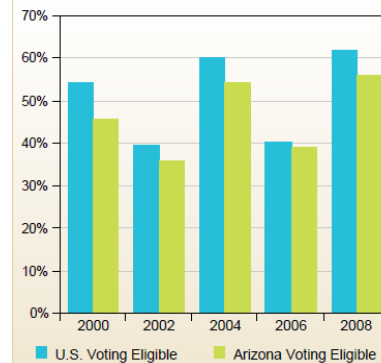
On Edge but Still Half Not Watching or Voting

Arizonans have been thrown for a loop. Take away economic security and reduce public services and residents' concern likely will go up, especially for those at the margins or who perceive problems with their situations. Revving up the economic engine will help of course, but that will likely mask again the reality of just half of Arizonans watching the legislative process. The proportion of those keeping tabs on current public policy processes is slightly less than but not that far from the portion of the voting-eligible population that is exercising the franchise. Arizonans are not of one mind of course, even though there is broad agreement on big quality of life priorities. But with only half of people voting and watching, the potential for special interests or one group always having the upper hand is greater.

In the next crisis, will there be more Arizonans watching? Some soul searching about the level of public involvement needed and how to ensure it should take its place on Arizona's civic agenda.

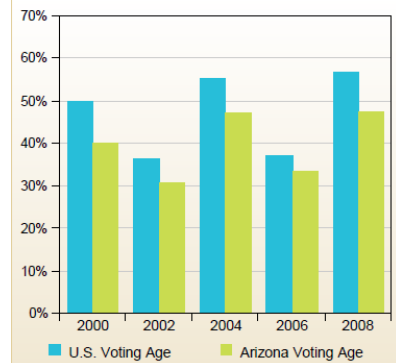
Voter turnout in Arizona is increasing but still lags the nation

Turnout of Voting Eligible Population, U.S. vs. AZ



Source: United States Election Project www.arizonaindicators.org

Turnout of Voting Age Population, U.S. vs. AZ



Source: United States Election Project www.arizonaindicators.org

“Voting-eligible” counts those truly eligible to register and vote, excluding those who are non-citizens, non-residents, felons (depending upon state law), and mentally incapacitated persons. “Voting age population” includes those 18 and over.

Panel Data Participant Demographic Variables ^a			
Demographic Characteristics		June 2009	
Gender	Male	341	49%
	Female	360	51%
Age	18-29	121	17%
	30-44	210	30%
	45-59	206	30%
	60+	164	23%
Education	High school diploma or less	269	38%
	Some college	246	35%
	College degree+	187	27%
Household Income	Up to \$30K	161	23%
	\$30-60K	221	32%
	\$60K+	318	45%
Race/ethnicity ^b	Majority	462	66%
	Minority	239	34%
Employment ^c	Working	423	61%
	Not-working	149	21%
	Retired	129	18%
Region ^d	Phoenix	158	23%
	Rest of Maricopa	289	41%
	Tucson	113	16%
	Rest of state	139	20%
Political Party ^e	Republican	231	35%
	Independent/other	254	39%
	Democrat	167	26%
Total		n=701	

^a These data are weighted to be representative of Arizona as a whole.

^b Majority comprises "White, non-Hispanic." Minority comprises, "Black non-Hispanic," "Other, non-Hispanic," "Hispanic," and "two races, non-Hispanic."

^c Working comprises "Working as a paid employee," and "Self-employed." Not Working comprises "Not working, looking for work," "Not working, disabled," and "Not working, other."

^d Regions were defined from a combination of zip code and county information. Phoenix was defined as all of the panelists living in Phoenix zip codes and Rest of Maricopa as all of the Maricopa County residents not in Phoenix. Tucson was defined as all of the panelists in Tucson's zip codes and Rest of State as any panelists not in the other three categories.

^e Three political party groupings were constructed: Republican comprised of "Strong Republican" and "Not Strong Republican," Independent comprised of "Leans Republican," "Undecided/Independent/Other," and "Leans Democrat," and Democrat comprised of "Strong Democrat" and "Not Strong Democrat."

Source: Morrison Institute for Public Policy, Arizona State University, 2009.



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