GREENBERG QUINLAN ROSNER RESEARCH

March 31, 2010

The budget deficit: reckoning?



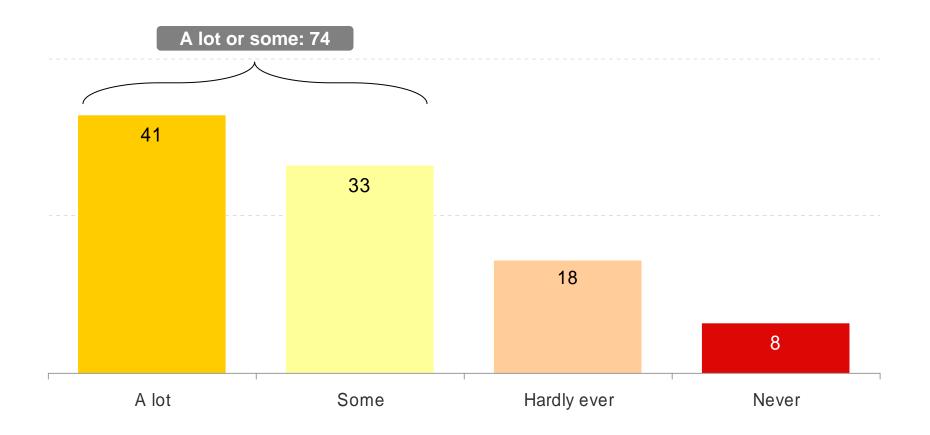
About the survey

This presentation is based primarily on a national survey conducted by Greenberg Quinlan Rosner Research for Democracy Corps and Tulane University. The survey was of 1,016 2008 voters (845 landline, 171 cell phone weighted; 881 landline, 135 cell phone unweighted) and conducted March 15-18, 2010. Margin of error: 3.1 percentage points.

All data shown reflects results from 850 likely 2010 voters (871 unweighted; margin of error of 3.4 percentage points) unless otherwise noted.

The deficit is a common topic to discuss with friends and family

How often does the subject of the federal deficit come up in conversations with friends or family -- a lot, some, hardly ever or never?



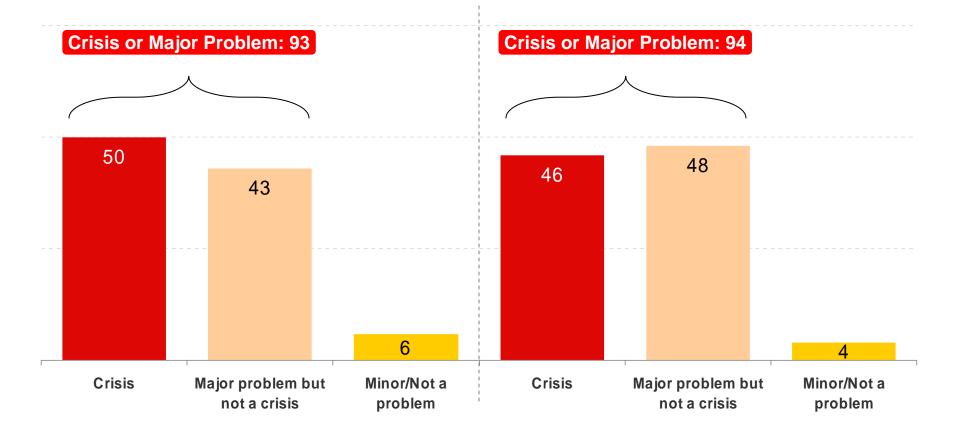
Negative and defining words dominate perception of the deficit

Now please tell me in your own words what comes to mind when you hear the phrase "The federal budget deficit?"



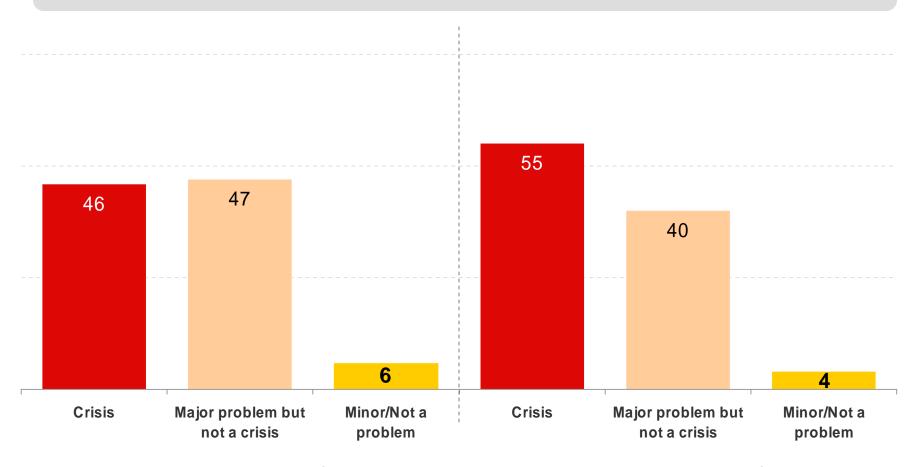
Both deficit, unemployment seen as a crisis or major problem

From what you have heard or seen about the current federal budget deficit, would you say it is a crisis, a major problem but not a crisis, is a minor problem, or not that much of a problem? From what you have heard or seen about the current employment situation, would you say it is a crisis, is a major problem but not a crisis, is a minor problem, or not that much of a problem?



Deficit seen as more of a crisis among those with higher income

From what you have heard or seen about the current federal budget deficit, would you say it is a crisis, a major problem but not a crisis, is a minor problem, or not that much of a problem?

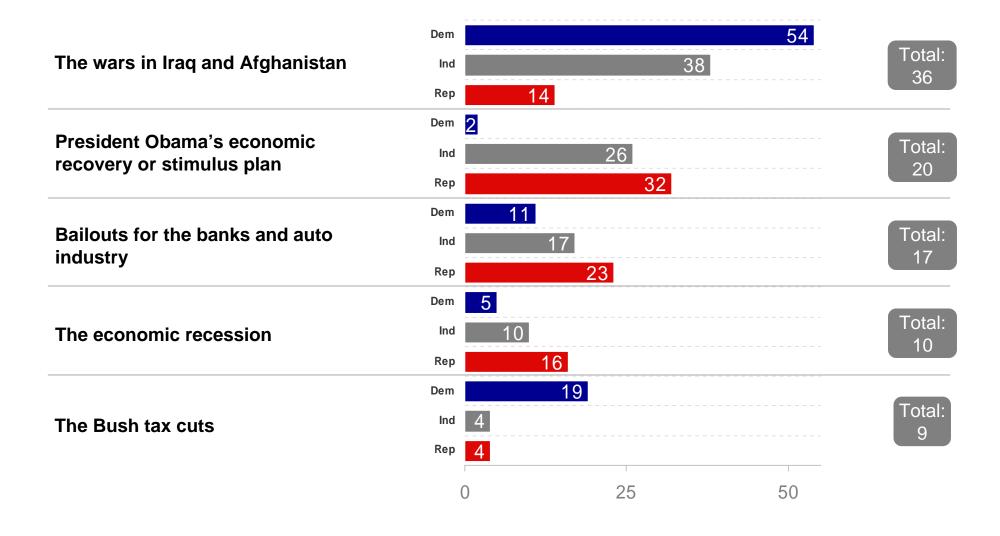


Income Less than \$50K

Income More than \$50K

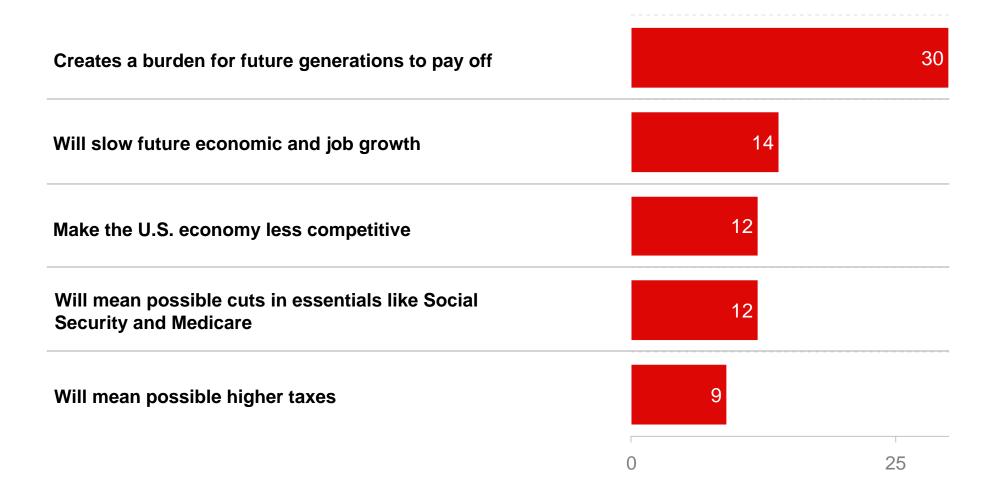
Most see wars, economic recovery largest reasons for deficit

Now I'd like to read you a list of things that some people say have caused the national deficit to grow over the past several years, now to a projected 1.56 trillion dollars for this year. After I read this list, please tell me which one, in your opinion, is most responsible for the federal deficit growing significantly over the past several years.



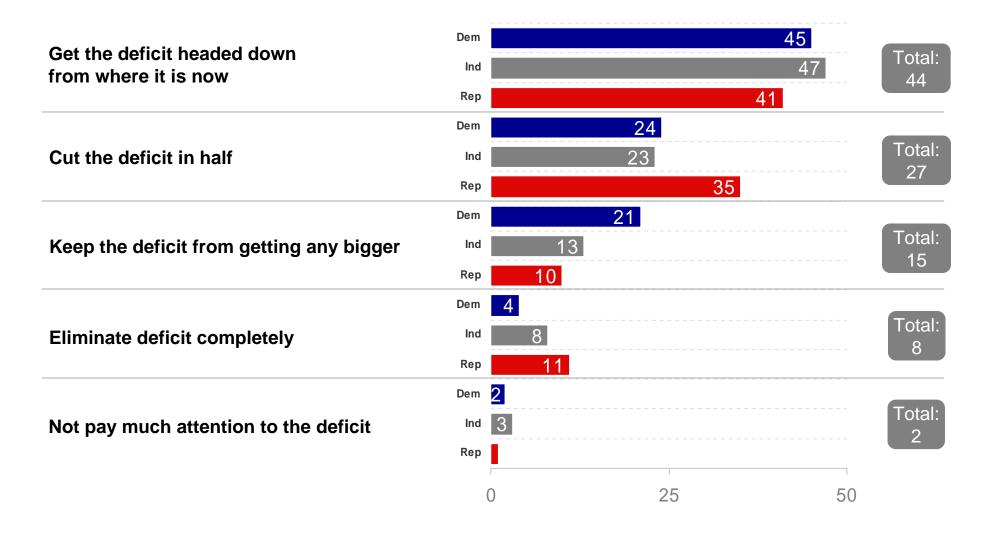
Biggest concerns with deficit: burden of debt on future, slowed growth

Which of the following would you say is the biggest problem about the federal deficit - it creates a burden for future generations to pay off, it makes the U.S. economy less competitive, it will slow future economic and job growth, it will mean possible higher taxes, or it will mean possible cuts in essentials like Social Security and Medicare?



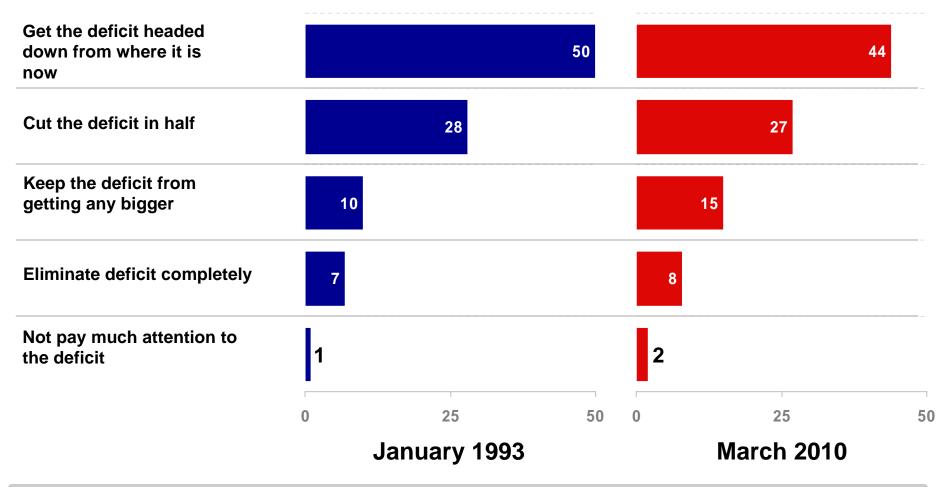
Most would like to see deficit declining or halved in next four years

Now thinking about the federal deficit. What should be the goal of the president and Congress in the next four years - to eliminate the deficit completely, cut the deficit in half, get the deficit headed down from where it is now, keep the deficit from getting any bigger or not pay much attention to the deficit?



Desire to reduce deficit similar to beginning of Clinton presidency

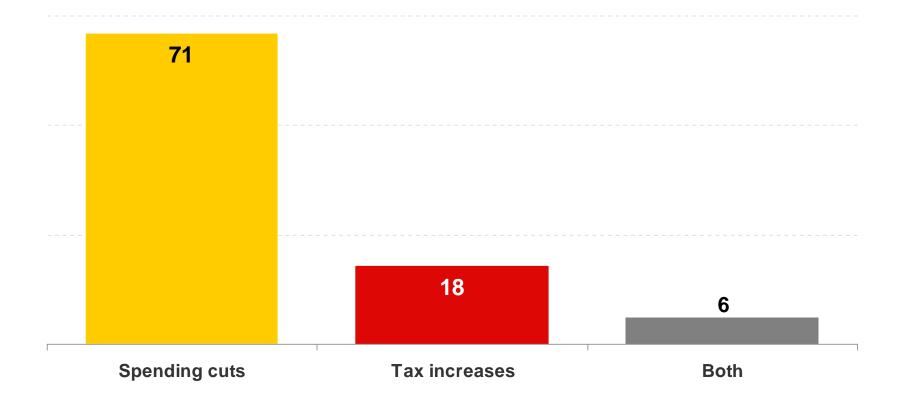
Now thinking about the federal deficit. What should be the goal of the president and Congress in the next four years - to eliminate the deficit completely, cut the deficit in half, get the deficit headed down from where it is now, keep the deficit from getting any bigger or not pay much attention to the deficit?



*Note: January 1993 data from survey conducted by Greenberg-Lake Partners January 14-17, 1993.

Four-to-one prefer cutting spending to tax increases to reduce deficit

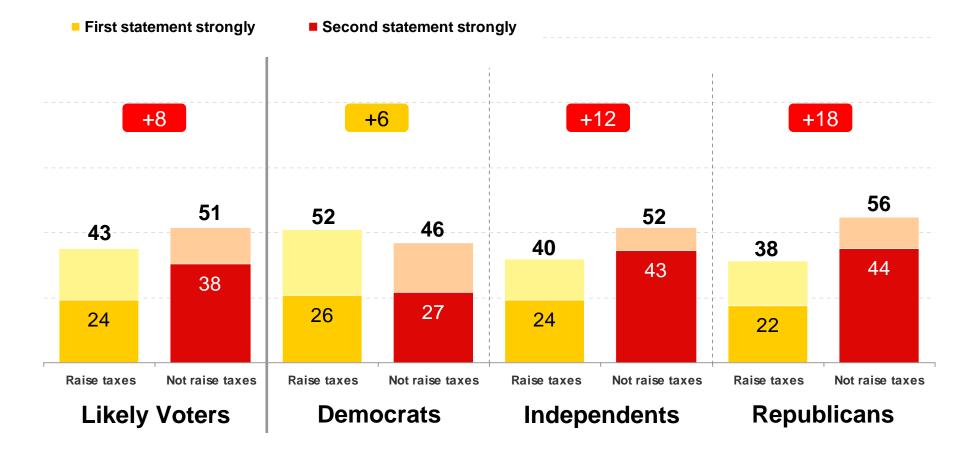
What do you think would be most effective in reducing future federal deficits - spending cuts or tax increases?



Strong split, even among all parties, about taxes to reduce deficit

First Statement: The federal deficit is such a national problem that we might have to raise taxes broadly in ways that will help to bring it down.

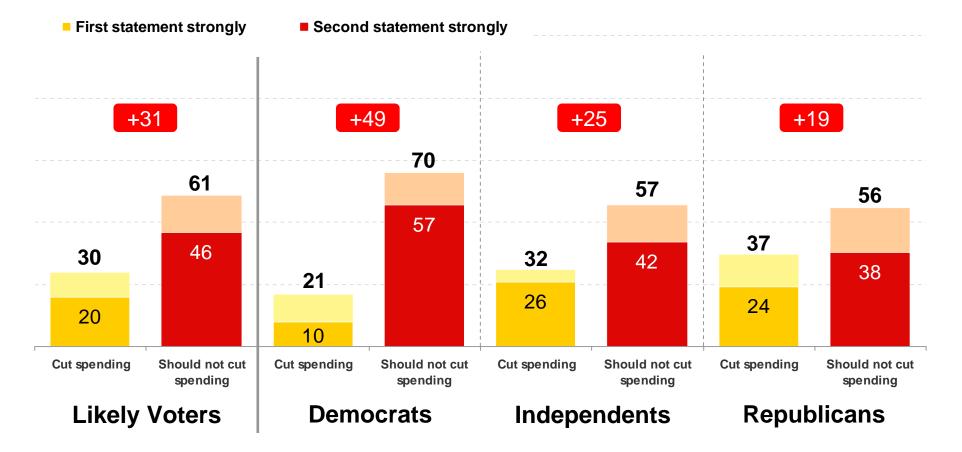
Second Statement: The federal deficit is a big national problem <u>but we should not raise taxes</u> broadly even to bring it down.



Cuts become less popular if including defense and social safety net

First Statement: The federal deficit is such a national problem that we might have to cut spending broadly, including future Social Security, Medicare and defense spending.

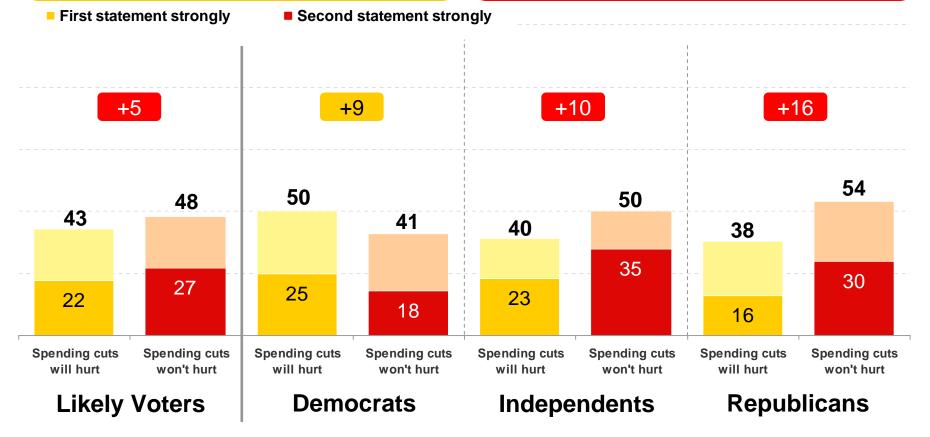
Second Statement: The federal deficit is a big national problem but we should not make major spending cuts in Social Security, Medicare, or defense spending.



Plurality believes spending cuts won't hurt important services

First Statement: Some people say the country's budget deficit for this year is so large that <u>spending</u> <u>cuts will hurt health care, Social Security,</u> <u>unemployment benefits and other services</u>.

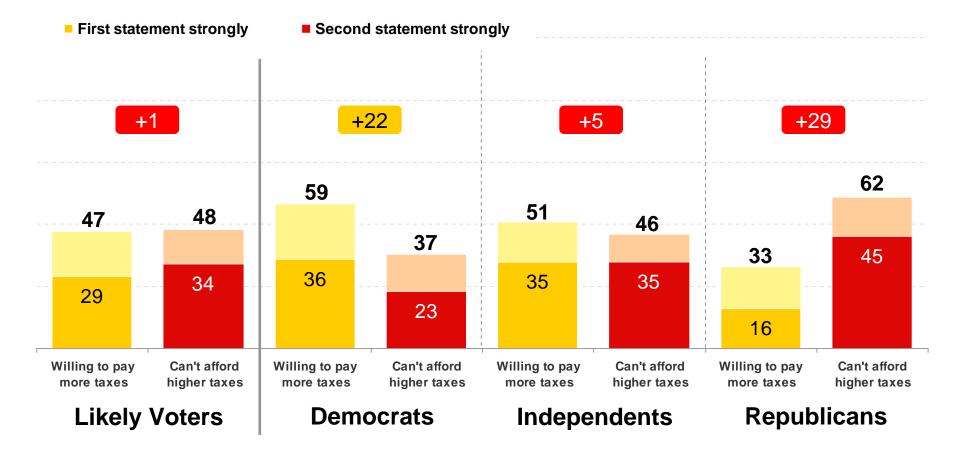
Second Statement: Other people say that there is enough waste and inefficiency in government spending that we can reduce the deficit through spending cuts so health care, Social Security, unemployment benefits and other services won't really be hurt.



Division over willingness to pay higher taxes to pay down deficit

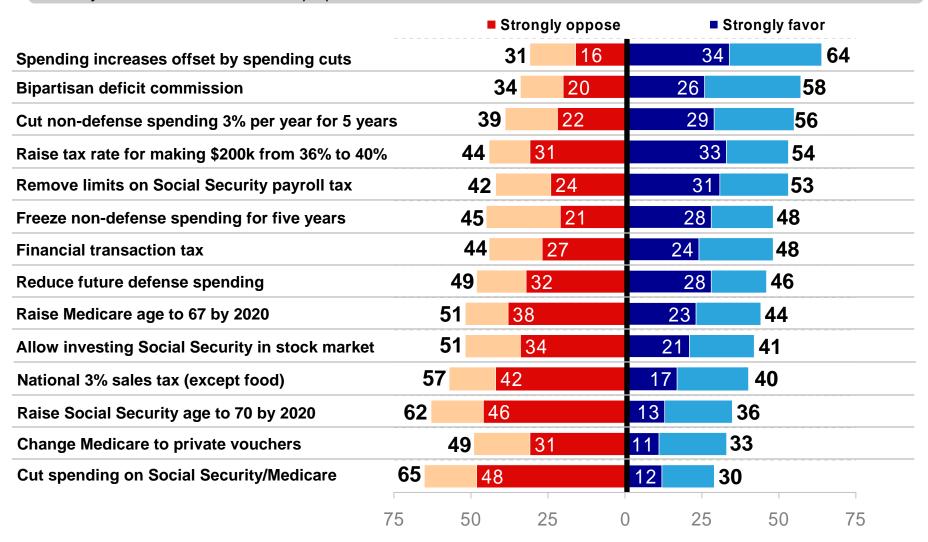
First Statement: I would be willing to pay more in taxes to reduce the federal deficit if I knew that everyone else, like big businesses, banks and the very wealthy were also paying their fair share of taxes.

Second Statement: Individuals bear too much of the tax burden and <u>cannot afford higher taxes</u> even to pay down the federal deficit.



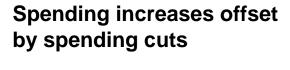
Feelings toward possible proposals to reduce the budget deficit

Now I'd like to read you a list of proposals to help close the federal budget deficit. After I read each item, please tell me whether you FAVOR or OPPOSE that proposal.



Strongest proposals to reduce the deficit

Now I'd like to read you a list of proposals to help close the federal budget deficit. After I read each item, please tell me whether you FAVOR or OPPOSE that proposal.

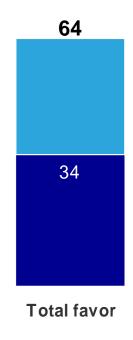




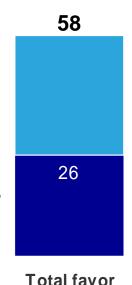
Bipartisan deficit commission

■ Strongly favor

Require any new government spending increases to be offset with other spending cuts or tax increases



Create a bipartisan deficit reduction commission that would provide recommendations of ways to cut the deficit which would have to be quickly passed or rejected with a three-fifths majority by the House and Senate as a package

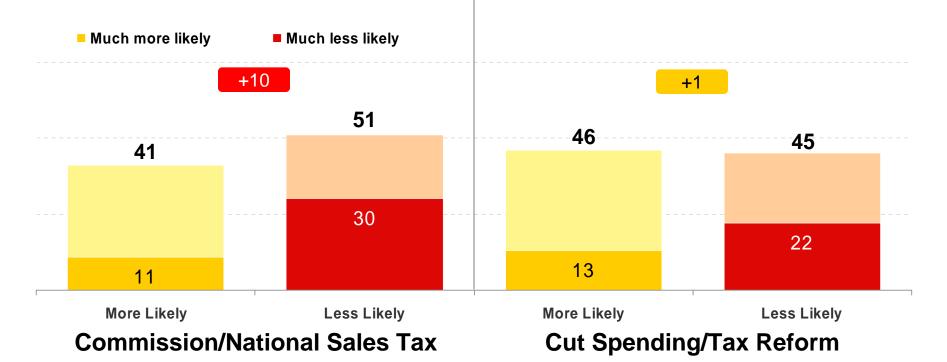


Possible messages from presidential candidates on cutting deficit

Now I am going to read you a statement that a candidate for president might make about our current federal budget deficit. After I read this statement, please tell me if that makes you more or less likely to vote for that candidate.

The federal budget deficit is so important that we have to get serious about it and create a commission for cutting spending and big tax reform. In order to raise revenue and close the deficit, we need a national sales tax. This is necessary for the economic health of the country.

The federal budget deficit is so important that we have to get serious about cutting spending in a big way, even on programs like defense, Social Security and Medicare. To lower the deficit, some tax reform will also be necessary, but we will not raise taxes.



GREENBERG QUINLAN ROSNER RESEARCH





www.greenbergresearch.com

Washington, DC 10 G Street NE,

Suite 500
Washington, DC 20002

Ph: +1 202 478 8300 Fax: +1 202 478 8301 London, UK 405 Carrington House,

6 Hertford Street
London, UK W1J 7SU

Ph: +44 (0) 207 499 5204 Fax: +44 (0) 207 499 5284