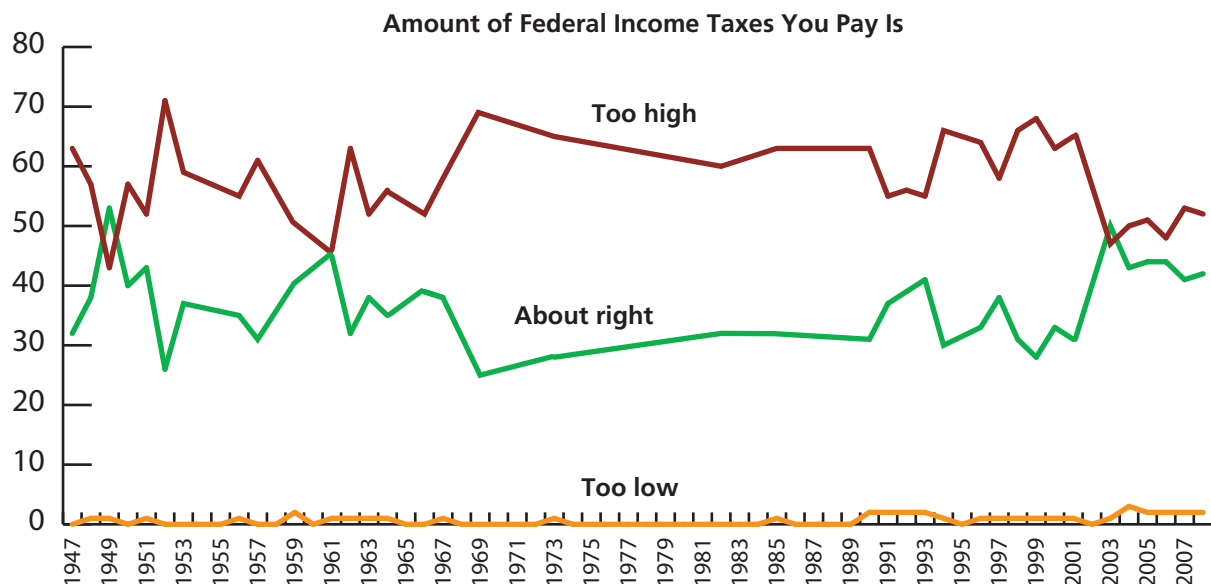


AEI Political Report

Tax Time

Americans seem comfortable with, or perhaps resigned to, the federal income taxes they pay. Although they say the amount they pay is too high, they also believe it is fair. The personal property tax is of greater concern these days than the income tax. As shown below, Americans' responses to questions about the highest percentage anyone should have to pay in all taxes are remarkably consistent. Americans don't trust politicians' promises on taxes, but most seem to feel at this early stage that Barack Obama will keep his promise not to raise taxes on the middle class. Taxes ranks low as a priority for President Obama and Congress.

Q: Do you consider . . . ?



Source: The Gallup Organization.

Q: Do you regard the income tax which you will have to pay this year as fair?

| | |
|---------------------------------------|-----|
| Yes, the amount I have to pay is fair | 60% |
| No, it is not | 35 |

Source: The Gallup Organization, April 2008.

Q: What is the maximum percentage of a person's income that should go to taxes—that is all taxes, state, federal, and local?

| | Highest percentage that should go to all taxes (Mean) |
|------|---|
| 2005 | 16% |
| 2006 | 15 |
| 2007 | 14.7 |
| 2009 | 15.6 |

Note: Sample is online.

Source: Harris Interactive/Tax Foundation, February 2009.



Q: Some taxes are paid to the federal government in Washington and some are paid to state and local governments. Using a scale of 1 to 5, where one means "very fair" and five means "not at all fair," please indicate what you think . . . ?

| | Very fair (pts 1 and 2) | Fair (pt 3) | Not at All Fair (pts 4 and 5) |
|---------------------------------|------------------------------------|------------------------|--|
| Cigarette, beer, and wine taxes | 39% | 27% | 35% |
| Corporate income taxes | 24 | 28 | 49 |
| Social Security payroll taxes | 19 | 43 | 38 |
| Federal income taxes | 14 | 39 | 47 |
| Gas taxes | 13 | 31 | 55 |
| Estate taxes | 9 | 26 | 65 |

Note: Sample is online.

Source: Harris Interactive/Tax Foundation, February 2009.

Q: Do you . . . ?

Voters' response

| | |
|--|-----|
| Think my taxes will go up only if Obama is elected | 22% |
| Only if McCain is elected | 12 |
| Go up no matter which candidate wins | 49 |
| Will stay the same or go down | 15 |

Note: Sample is an exit poll sample.

Source: NEP National Exit Poll, November 2008.

Q: President Obama promised not to raise taxes on anyone with an annual family income of less than \$250,000. Do you . . . ?

| | National response | Responses of | | |
|-----------------------------------|--------------------------|---------------------|-------------|-------------|
| | | Rep. | Dem. | Ind. |
| Believe he will keep this promise | 61% | 35% | 84% | 56% |
| Will not | 35 | 60 | 12 | 41 |

Source: Quinnipiac University, February–March 2009.

Q: I'd like to ask you some questions about priorities for President-elect Obama and Congress this year. As I read from a list, tell me if you think the item that I read should be a . . . ?

Reducing federal income taxes for the middle class should be a top priority for Obama and Congress

43%

Rank

15 of 20 issues

Q: For each issue I name, please tell me what kind of priority you think Obama and the Congress should give it . . . ?

Percentage saying Obama and Congress should give the highest priority to taxes

23%

Rank

9 of 11 issues

Source: ABC News/Washington Post, January 2009.

Source: PSRA/Pew Research Center, January 2009.

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Climate Change

More Americans than in the past believe global warming is real, serious, and has already started to happen. But their personal concern about it has not changed substantially in the past twenty years. In the ABC News/*Washington Post* poll from January, the issue ranked last in terms of being the “highest priority” issue for President Obama and Congress. In Pew’s question, it ranked sixteenth of twenty issues. One of the most striking changes in surveys on global warming is the extent of partisan polarization we now see on the issue. In 1997, there was a 1 percentage point difference in the responses of Democrats and Republicans on whether global warming had begun. In their 2008 poll, the gap was 35 points. Forty-one percent, up from 31 percent in 1997, say the seriousness of global warming in the news is exaggerated, and 53 percent in another question say they distrust the mainstream media as a source of information about it.

Q: I’m going to read you a list of environmental problems. As I read each one, please tell me if you . . . ?

| | Personally worry about global warming a great deal |
|------|--|
| 1989 | 35% |
| 2009 | 34 |

Source: The Gallup Organization, latest that of March 2009.

Q: Which of the following statements reflect your view of when the effects of global warming will begin to happen . . . ?

Already begun to happen

| | Responses of | | |
|------|--------------|-------------|-----------|
| | National | Republicans | Democrats |
| 1997 | 48% | 47% | 46% |
| 2008 | 61 | 41 | 76 |

Note: In 2009, 53 percent said it had already begun, 15 percent said it would happen within a few years or within their lifetimes, 15 percent not in their lifetimes but will affect future generations, and 16 percent never happen.

Source: The Gallup Organization, latest that of March 2009.

Q: Thinking about what is said in the news, in your view, is the seriousness of global warming . . . ?

Seriousness of global warming is generally exaggerated in the news

| | Responses of | | |
|------|--------------|-------------|-----------|
| | National | Republicans | Democrats |
| 1997 | 31% | 34% | 23% |
| 2009 | 41 | 66 | 22 |

Note: In 2009, 29 percent said news about its seriousness is generally correct, and 28 percent generally understated.

Source: The Gallup Organization, March 2009.

Q: How much do you . . . ?

As a source of information about global warming

| | Trust | Distrust |
|----------------------------------|-----------|-----------|
| Scientists | 82% | 18% |
| Environmental organizations | 66 | 34 |
| Al Gore | 58 | 44 |
| Family/friends | 77 | 23 |
| Television weather reporters | 66 | 35 |
| Religious leaders | 48 | 52 |
| The mainstream news media | 47 | 53 |
| Corporations | 19 | 82 |

Note: Responses about Barack Obama and John McCain not shown. Sample is online.

Source: Yale University/George Mason, September–October 2008.

Q: For each issue I name, please tell me what kind of priority you think Obama and the Congress should give it—the highest priority, a high priority but not the highest, or a lower priority than that?

Percentage saying global warming as the highest priority

17% Rank 11 of 11 issues

Source: ABC News/*Washington Post*, January 2009.

Q: I’d like to ask you some questions about priorities for President-elect Obama and Congress this year. As I read from a list, tell me if you think the item that I read should be . . . ?

Global warming should be a top priority for Obama and Congress

| | Percentage | Rank |
|---------------------|------------|-----------------|
| National response | 30% | 20 of 20 issues |
| Republican response | 16 | 20 of 20 issues |
| Democratic response | 45 | 16 of 20 issues |

Source: PSRA/Pew Research Center, January 2009.

Financial Figures

Americans see some improvement in the nation's economy, but they are still pessimistic. There is no evidence that Americans expect their own finances to improve anytime soon. President Obama is getting little blame for the economic problems the country faces. That makes the strong support for the free market in a recent Pew question all the more impressive.

Q: Do you think . . . ?

The nation's economy is



Note: Selected points shown.

Source: ABC News/Washington Post.

Q: Has the U.S. economy . . . ?

| | |
|---|----|
| Turned the corner on the current crisis | 3% |
| The worst is yet to come | 57 |
| Things have stabilized but yet begun to improve | 35 |

Source: Ipsos/McClatchy, March 2009.

Q: Are you familiar enough with each of the following to have an opinion regarding them?

Q: (If familiar) How would you rate the overall job each of the following is doing?

Q: How much blame do you think _____ deserves for the country's economic situation . . . ?

| | Great deal/ Good amount |
|---|----------------------------|
| Banks and other financial institutions for taking unnecessary risks | 80% |
| Large business corporations, for poor management | 80 |
| Consumers for taking on too much debt | 72 |
| The Bush administration for inadequate regulation of the financial industry | 70 |
| The Obama administration, for not doing enough to turn the economy around | 26 |

Source: ABC News/Washington Post, March 2009.

| | Familiar with | Doing an excellent/ pretty good job (asked of those familiar with each) |
|---------------------------------------|---------------|---|
| Federal Reserve | 59% | 30% |
| Federal Reserve Chairman Ben Bernanke | 42 | 34 |
| Treasury Secretary Timothy Geithner | 35 | 33 |

Note: Sample is online.

Source: Harris Interactive, March 2009.

Q: Do you think now is a . . . ?

| | |
|--------------------------------|-----|
| Good time to buy a home | 75% |
| Bad | 21 |
| Good time to buy stocks | 39% |
| Bad | 54 |

Source: Pew Research Center, March 2009.

Q: Generally, do you think . . . ?

People are better off in a free market economy even though there may be severe ups and downs from time to time
Disagree



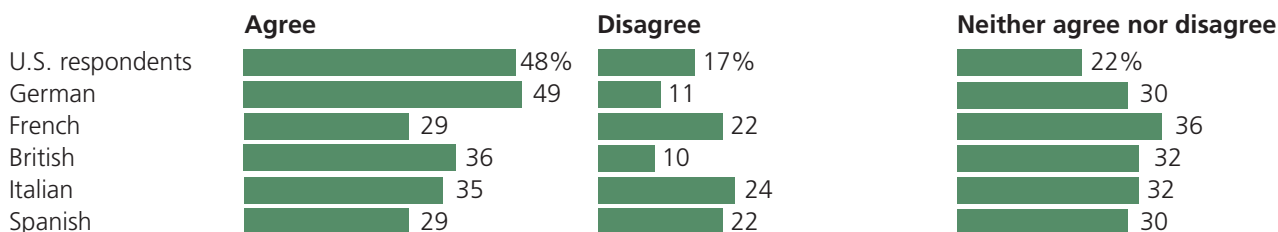
Source: Pew Research Center, March 2009.

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Q: Do you think . . . ?

Free trade can significantly contribute to my country coming out of the recession



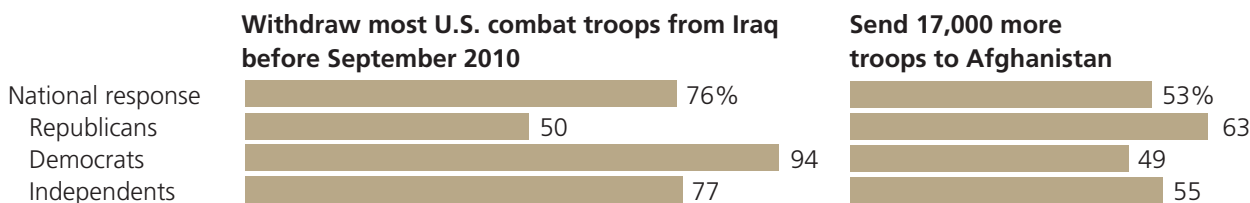
Source: Harris Interactive and the *Financial Times*, February–March 2009.

Iraq, Afghanistan, and Defense Spending

Democrats are much more skeptical than Republicans about Obama’s pledge to send additional troops to Afghanistan and much more supportive than Republicans of his plan to withdraw most U.S. combat troops from Iraq before September 2010. A plurality of Democrats, 43 percent, say we are spending too much on defense, and 40 percent say we are spending the right amount. For Republicans, those responses are 11 and 48 percent, respectively.

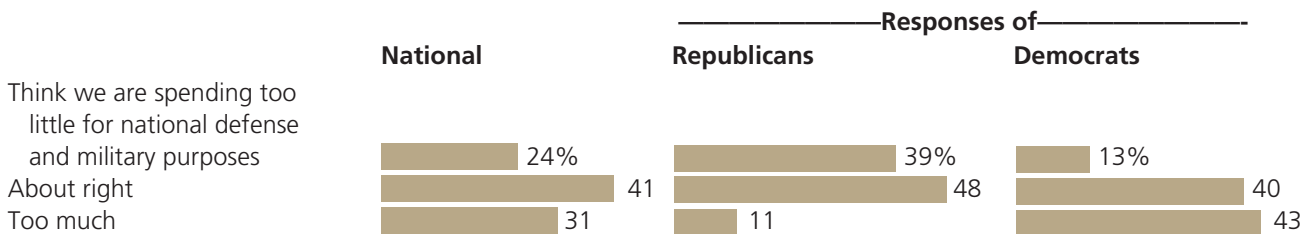
Q: Do you . . . ?

Approve of Obama’s plan to



Source: Pew Research Center, March 2009.

Q: There is much discussion as to the amount of money the government in Washington should spend for national defense and military purposes. How do you feel about this? Do you . . . ?



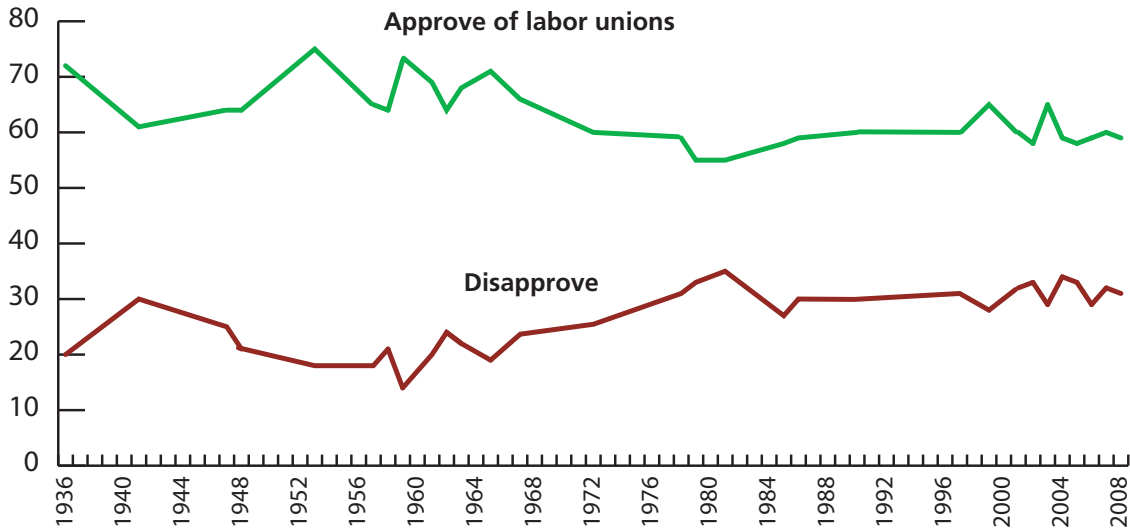
Source: The Gallup Organization, February 2009.



Labor Unions

The future of card check legislation, one of labor's top priorities, dimmed recently when Senator Arlen Specter (R-Pa.) announced that he would oppose it. Labor was hoping for Specter's support to avoid a Republican filibuster. Americans approve of labor unions in general, but they think organized labor has too much power and influence. Two recent questions on card check illustrate how wording can affect responses. In the Gallup question, people favor making it easier for unions to organization. In the CBS News question that raises the possibility of the elimination of the secret ballot, people are opposed.

Q: Do you . . . ?



Source: The Gallup Organization.

Q: And now a question about the power of different groups in influencing government policy, politicians, and policy-makers in Washington. Do you think . . . ?

| | National | Responses of | | |
|---|----------|--------------|------|------|
| | | Rep. | Dem. | Ind. |
| Big companies have too much power and influence in Washington | 85% | 84% | 88% | 86% |
| Labor unions | 54 | 77 | 36 | 57 |
| Small business | 5 | 4 | 5 | 4 |

Note: Sample is online. Source: Harris Interactive, February 2009.

Q: Generally speaking, would you . . . ?

| | |
|--|-----|
| Favor a new law that would make it easier for labor unions to organize workers | 53% |
| Oppose | 39 |

Source: The Gallup Organization, March 2009.



Q: Currently, employers can demand employees vote by secret ballot if they wish to form a labor union. Legislation has been proposed that would make it easier to form labor unions by allowing employees to publicly sign a card saying they want to form a union without having to vote by secret ballot. Do you . . . ?

| | |
|--|-----|
| Favor making it easier for people to form labor unions by allowing them to publicly sign a card, even if it might eliminate a secret ballot vote | 38% |
| Oppose | 45 |
| Don't know | 17 |

Source: CBS News, March 2009.

Oodles of Googlers

Q: Please tell me whether or not you have done any of the following:

| | Yes, have | No, have not |
|----------------------------------|------------------|---------------------|
| Googled yourself | 41% | 59% |
| Googled someone you used to date | 18 | 82 |
| Googled your neighbors | 11 | 89 |

Source: Fox News/Opinion Dynamics, March 2009.

United Nations' Nadir

Americans' attitudes toward the United Nations are at a historic nadir. Gallup has been asking about the job the UN is doing for over fifty-five years, and its latest approval rating is the world organization's lowest ever.

Q: Do you think . . . ?

| | |
|---|-----|
| United Nations is going a good job in trying to solve the problems it has to face | 26% |
| A poor job | 65 |

Source: The Gallup Organization, February 2009.

Governors' Races in Post-Presidential Election Years

An early electoral test for Barack Obama and the Democratic Party will be the governors' races in New Jersey and Virginia this fall. These are the only states that hold gubernatorial elections the year after a presidential election, and as the data below suggest, the recent trend has been for gubernatorial races to go against the party just elected to the White House. In 2001, George W. Bush's first year, Democrats took both of those governorships from Republicans. Bill Clinton also got bad news in his first year (1993) when Republicans Christie Todd Whitman (NJ) and George Allen (VA) took over governorships that had been held by Democrats. George H.W. Bush's first year saw the New Jersey governorship switch to Democratic hands.

This year, President Obama has come to office and both Virginia and New Jersey are in Democratic hands. And in both races, Republicans will be very competitive. In New Jersey, incumbent governor John Corzine is unpopular. Republicans are likely to run former Assistant U.S. Attorney Chris Christie, and recent matchup polls show Christie leading.

In Virginia, Democratic Governor Tim Kaine is term-limited. The race to replace him looks to be very competitive, both in the Democratic primary and in the general election. The Democratic primary features northern Virginia State Senator Brian Moran, the younger brother of Congressman Jim Moran and Creigh Deeds, a moderate Democrat from southwest Virginia. The wildcard is first-time candidate Terry McAuliffe, who was the chairman of the Democratic National Committee and fundraiser extraordinaire for Bill and Hillary Clinton and other Democrats. He is expected to raise record amounts. Polling shows a competitive three-way race at this early stage. The Republicans believe they have their strongest candidate in years, Bob McDonnell, the attorney general, who has broad-based support in the party. McDonnell beat Deeds by just a few hundred votes for attorney general in 2005. Polling for general election matchups is similarly competitive.

2009 Gubernatorial Elections

Barack Obama (D) elected president in 2008

| | Current Governor | Winner |
|-------------|-------------------------|---------------|
| NJ Governor | Jon Corzine (D) | TBD |
| VA Governor | Tim Kaine (D) | TBD |

2001 Gubernatorial Elections

George W. Bush (R) elected president in 2000

| | Winner | |
|-------------|---------------------|----------|
| NJ Governor | James McGreevey (D) | D pickup |
| VA Governor | Mark Warner (D) | D pickup |

1993 Gubernatorial Elections

Bill Clinton (D) elected president in 1992

| | Winner | |
|-------------|----------------------------|----------|
| NJ Governor | Christine Todd Whitman (R) | R pickup |
| VA Governor | George Allen (R) | R pickup |

1989 Gubernatorial Elections

George H.W. Bush (R) elected president in 1988

| | Winner | |
|-------------|--------------------|----------|
| NJ Governor | James Florio (D) | D pickup |
| VA Governor | Douglas Wilder (D) | D hold |