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The Associated Press-NORC
Center for Public Affairs Research

TAXES AND THE BUDGET

Few Americans believe across the board tax cuts will help the economy or that President Donald Trump's proposed budget will reduce the federal deficit. In the latest poll conducted by The Associated Press-NORC Center for Public Affairs Research, there is bipartisan agreement that middle class households have too high a tax burden and that the wealthy do not pay their fair share in taxes.

About three-quarters of Americans say tax cuts for low and middle income people would benefit the economy and more than half agree that a corporate tax cut would be helpful. But less than a quarter of the public think tax cuts for affluent households would be a boon for the economy.

With the exception of additional spending for Veterans Affairs and reductions in funds for scientific and medical research, there is substantial partisan disagreement over Trump's proposed budget. For example, Republicans support and Democrats oppose decreased spending on public broadcasting and the arts. Similarly, Republicans support and Democrats oppose increases in the military and defense budget.

The nationwide poll was conducted March 23-27, 2017, using the AmeriSpeak® Panel, the probability-based panel of NORC at the University of Chicago. Online and telephone interviews using landlines and cell phones were conducted with 1,110 adults. The margin of sampling error is +/- 4.0 percentage points.



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Three Things You Should Know

About The AP-NORC Poll
on Taxes and the Budget
Among all Americans:

- 1) Seventy-six percent say tax cuts for middle and low income households would help the economy. Fewer than a quarter think tax cuts for affluent households would be a boon for the economy.
- 2) Forty percent say Trump's proposed budget would increase the federal budget deficit and 38 percent say it would have little effect. Only 19 percent think it would decrease the deficit.
- 3) Republicans and Democrats agree that the Veterans Affairs budget should be increased and that funding for scientific and medical research should not be decreased.

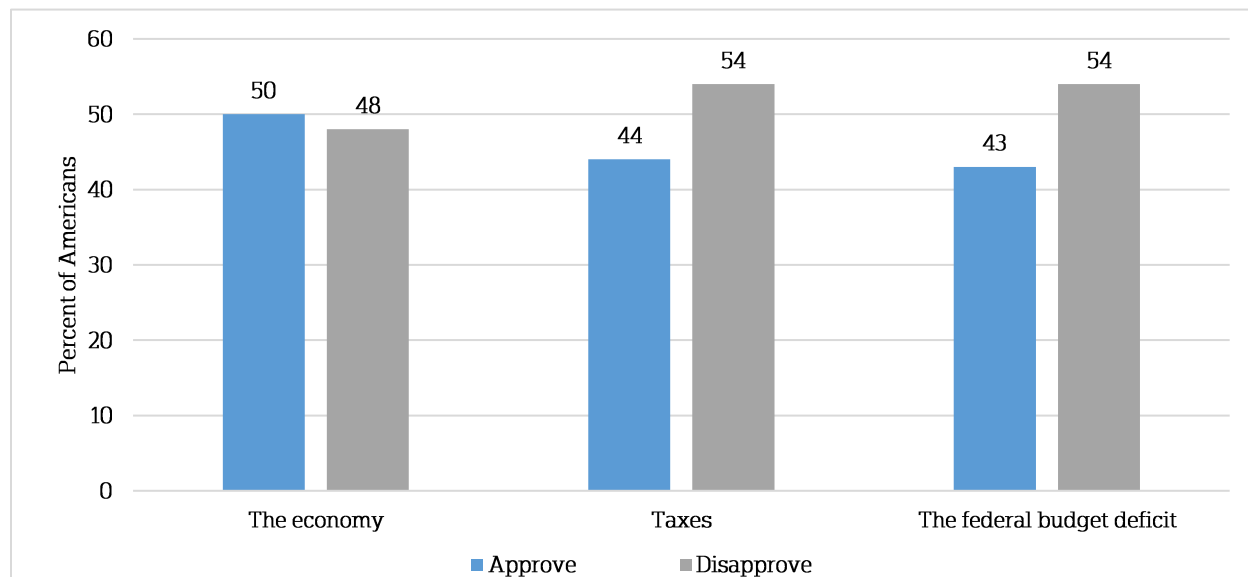
Key findings from the poll include:

- Only 14 percent of Americans say tax cuts for all income groups and businesses would help the national economy.
- Forty percent of Americans think Trump's proposed budget would increase the federal budget deficit and 38 percent say it would have little effect. Only 19 percent think the proposed budget would decrease the deficit. Fifty-six percent of Democrats say it would increase the deficit, while 42 percent of Republicans think it would not have much impact.
- Nearly 6 in 10 Americans say the middle class contributes more than their fair share in taxes and about half say the same about low income people. However, asked about their personal tax burden, 51 percent of Americans say they pay more than their fair share.
- Only 10 percent say wealthy households give more than their fair share in taxes, and 72 percent consider their tax burden too low. Most agree that affluent people do not pay enough, regardless of their own household income or party.
- About three-quarters of Americans, regardless of party identification, agree that relief for middle and low income taxpayers would make a positive difference to the economy.
- Only 22 percent think reductions in the taxes owed by the wealthy would help the economy, including 32 percent of Republicans and 12 percent of Democrats.
- However, there are strong partisan differences regarding tax breaks for businesses. Overall, 54 percent say cuts in business taxes would be economically beneficial for the country. Among Republicans, 72 percent say tax breaks for businesses help the economy, while only 42 percent of Democrats agree.
- While some of Trump's budget proposals get bipartisan support, Republicans and Democrats are far apart in their view of others. More than 70 percent of both Democrats and Republicans support Trump's proposed boost to the Veterans Affairs budget. But while 75 percent of Republicans favor the increases to military and defense spending, only 26 percent of Democrats agree.
- Less than 30 percent of both Democrats and Republicans favor cutting government financial support for scientific and medical research. But, 49 percent of Republicans support cuts to the environment and climate change, along with only 11 percent of Democrats.

A MAJORITY OF AMERICANS SAY THE FEDERAL BUDGET DEFICIT AND TAXES ARE IMPORTANT, BUT MOST DISAPPROVE OF TRUMP'S HANDLING OF THESE ISSUES.

Seventy percent of Americans consider the issue of taxes to be extremely or very important to them personally, and 57 percent say the same about the federal budget deficit. However, just 43 percent approve of Trump's management of the budget deficit while 54 percent disapprove. Forty-four percent approve of his handling of taxes and 54 percent disapprove.

When it comes to the economy in general, an issue nearly 9 in 10 say is extremely or very important, Americans have a slightly more positive outlook on Trump's stewardship. Fifty percent of Americans say they approve of the way Trump is handling the economy and 48 percent say they disapprove.

Half of Americans say they approve of the way Trump is handling the economy.

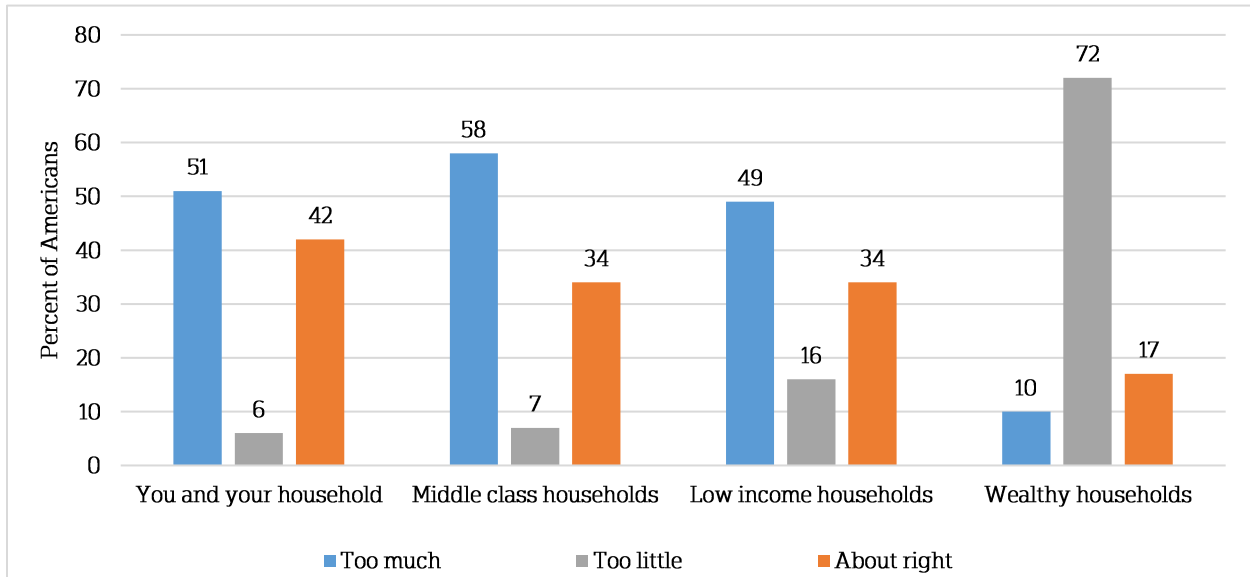
Questions: Overall, do you approve or disapprove of the way Donald Trump is handling...? If you had to choose, do you lean more toward approving or disapproving of the way Donald Trump is handling...?

MOST AMERICANS SAY THE MIDDLE CLASS CONTRIBUTES MORE THAN THEIR FAIR SHARE IN TAXES, WHILE FEW SAY THE SAME ABOUT WEALTHY HOUSEHOLDS. REPUBLICANS AND DEMOCRATS SHARE SIMILAR OUTLOOKS WHEN IT COMES TO THE TAX BURDENS ON THE MIDDLE CLASS AND THE WEALTHY, THOUGH THEY DIFFER ON TAX CUTS FOR BUSINESSES.

More than half of Americans say middle class households have too high a tax burden, and three-quarters say tax cuts for low and middle income individuals and families would be helpful for the economy. Although there is much partisan disagreement when it comes to fiscal issues facing the country, Democrats and Republicans do not differ significantly in their views of the middle class tax burden.

Just 1 in 10 Americans say wealthy households pay too much in taxes, and nearly 6 in 10 say tax cuts for more affluent individuals and families would hurt the economy. Republicans and Democrats also agree to a certain extent about the tax burdens of the wealthy: nearly 90 percent of Democrats say the affluent pay too little and more than half of Republicans agree. However, while three-quarters of Democrats say tax cuts for wealthy people would be detrimental for the economy, only 4 in 10 Republicans agree.

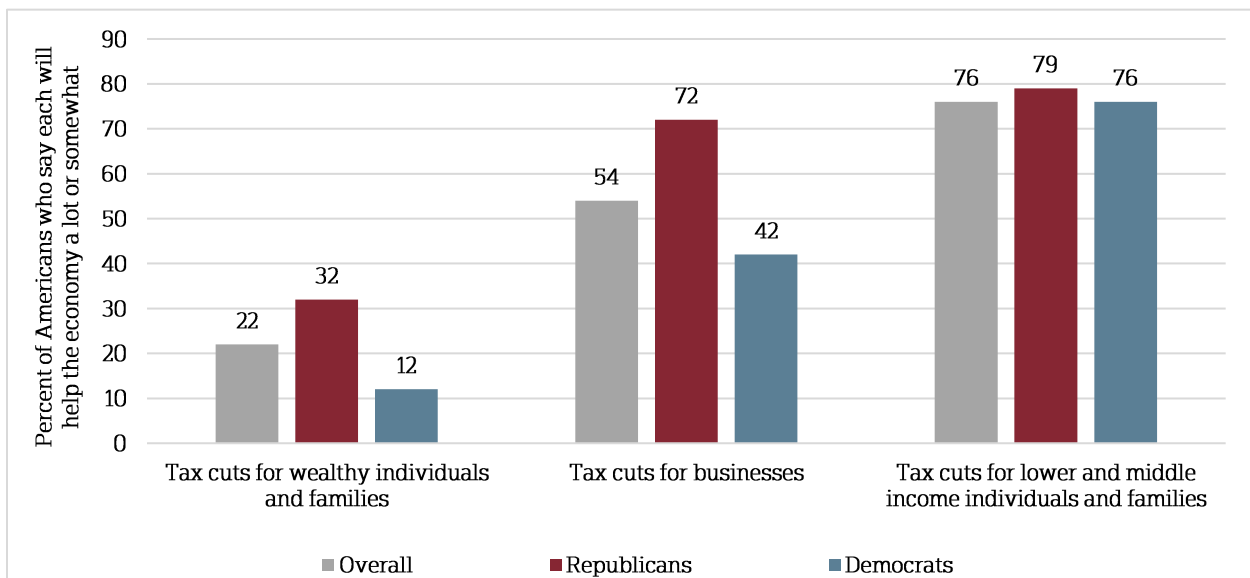
More than 7 in 10 Americans say wealthy households don't pay their fair share in taxes.



Question: Would you say each of the following groups pay too much, too little, or about the right amount in federal taxes?

Fifty-four percent of Americans say a reduction in taxes for businesses would be helpful for the economy. But while 72 percent of Republicans think a corporate tax cut would help the economy, Democrats are more conflicted. Among Democrats, 42 percent say reducing the tax burden on businesses would be beneficial to the economy and the same number say such a tax cut would be harmful.

Tax cuts for lower and middle income families are seen as beneficial to the economy by Democrats and Republicans alike.



Question: How much of an impact do you think each of the following would have on the national economy?

Only 14 percent of Americans see all tax cuts as helpful to the economy. Republicans are about 4 times as likely as Democrats to say it would be good for the economy to cut taxes for businesses and the wealthy as well as for middle and low income people.

But 45 percent say that while tax cuts for lower and middle class people would be helpful, reducing the tax burden on the wealthy would be harmful for the economy. Democrats are nearly twice as likely as Republicans to hold this view.

EXCEPT FOR INCREASED SPENDING ON VETERANS AFFAIRS, THERE IS SUBSTANTIAL DISAGREEMENT ALONG PARTY LINES ABOUT TRUMP'S PROPOSED BUDGET. FEW AMERICANS THINK IT WILL TAKE STRIDES TOWARD REDUCING THE DEFICIT.

Trump's proposed budget is rather popular within his own party but finds favor with few Democrats. The most popular aspect of the budget, increased spending on Veterans Affairs, does enjoy bipartisan support from large majorities of both Republicans and Democrats.

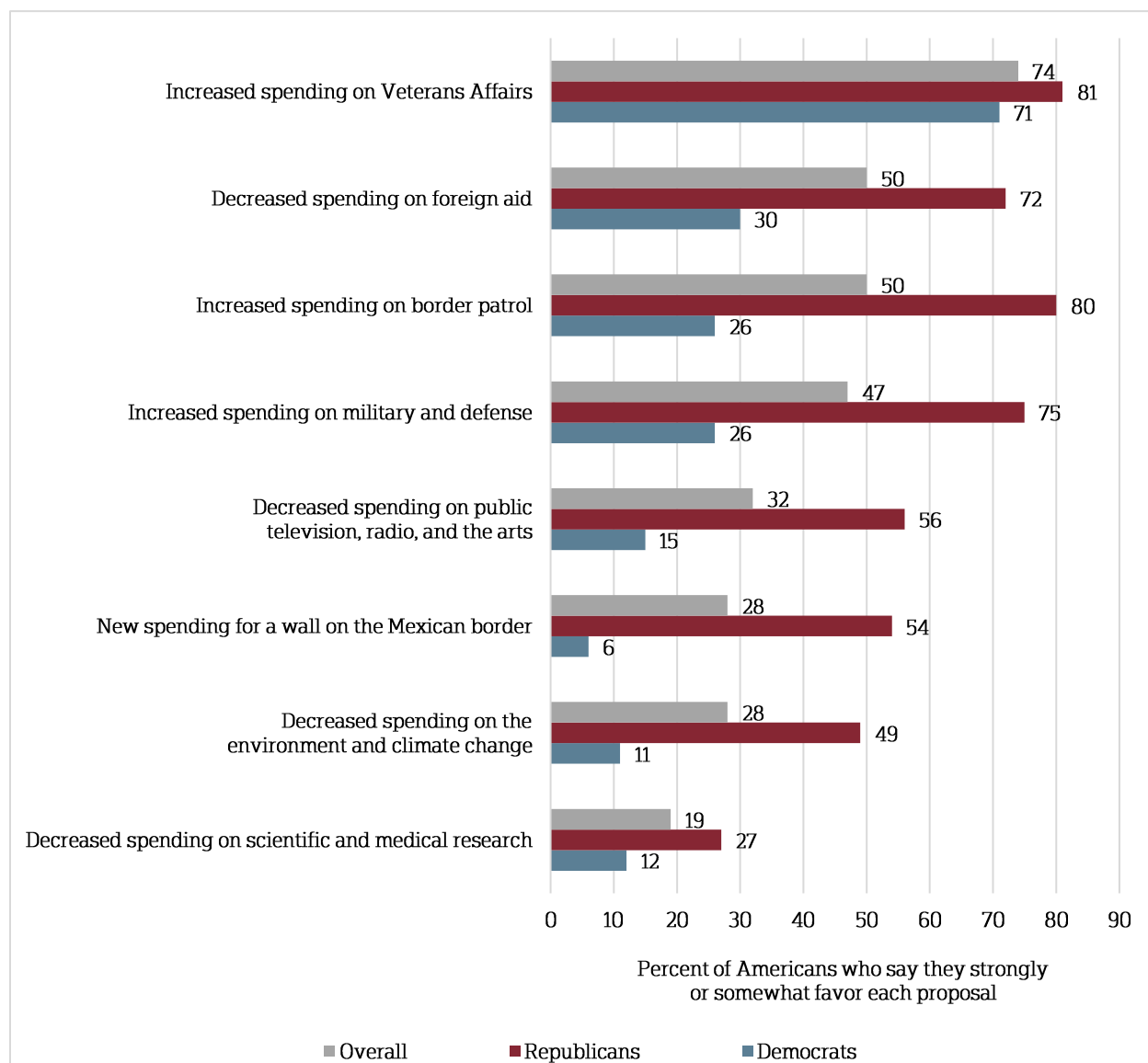
Half of Americans favor increasing the spending on border patrol, but only about 3 in 10 support new spending on a border wall with Mexico. Expenditures for a border wall are popular with most Republicans, but less than 10 percent of Democrats agree.

Half of Americans favor decreased spending on foreign aid and nearly as many support increased spending on the military and defense.

There is less support for other proposed decreases: 64 percent oppose cutting spending on scientific and medical research and 52 percent oppose decreasing expenditures on the environment and climate change. The public is more closely divided regarding spending on public broadcasting and the arts: 32 percent favor cutting support for public television, radio and the arts and 44 percent oppose such decreases.

Just 19 percent of Americans think Trump's budget proposal would decrease the federal deficit, 40 percent say it would increase the deficit, and 38 percent say the proposed budget would not have much effect.

When it comes to the president’s proposed budget, Democrats and Republicans support spending on Veterans Affairs, but not much else.



Question: Here are some proposed features of the new federal budget. How much do you favor or oppose each of the following?

ABOUT THE STUDY

Survey Methodology

This survey was conducted by The Associated Press NORC Center for Public Affairs Research and with funding from The Associated Press and NORC at the University of Chicago. Data were collected using AmeriSpeak®, NORC’s probability-based panel designed to be representative of the U.S. household population. During the initial recruitment phase of the panel, randomly selected U.S. households were sampled with a known, non-zero probability of selection from the NORC National Sample Frame and then contacted by U.S. mail, email, telephone, and field interviewers (face to face). The panel provides sample coverage of approximately 97% of the U.S. household population. Those

excluded from the sample include people with P.O. Box only addresses, some addresses not listed in the USPS Delivery Sequence File, and some newly constructed dwellings.

Interviews for this survey were conducted between March 23 and 27, 2017, with adults age 18 and over representing the 50 states and the District of Columbia. Panel members were randomly drawn from AmeriSpeak, and 1,110 completed the survey—954 via the web and 156 via telephone. Interviews were conducted in both English and Spanish, depending on respondent preference. The final stage completion rate is 27.7 percent, the weighted household panel response rate is 34.4 percent, and the weighted household panel retention rate is 94.7 percent, for a cumulative response rate of 9.0 percent. The overall margin of sampling error is +/- 4.0 percentage points at the 95 percent confidence level, including the design effect. The margin of sampling error may be higher for subgroups.

Once the sample has been selected and fielded, and all the study data have been collected and made final, a poststratification process is used to adjust for any survey nonresponse as well as any noncoverage or under- and oversampling resulting from the study specific sample design. Poststratification variables included age, gender, census division, race/ethnicity, and education. Weighting variables were obtained from the 2016 Current Population Survey. The weighted data, which reflect the U.S. population of adults age 18 and over, were used for all analyses.

All differences reported between subgroups of the U.S. population are at the 95 percent level of statistical significance, meaning that there is only a 5 percent (or lower) probability that the observed differences could be attributed to chance variation in sampling.

A comprehensive listing of the questions, complete with tabulations of top-level results for each question, is available on The AP-NORC Center website: www.apnorc.org. For more information, email info@apnorc.org.

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