

# Independent Voter Project

*Wave 13 Findings*



**Altria**

Altria Client Services

# Background

## Research Objective

- Independents are a critical voting bloc in American politics. About one-third of registered voters identify as independents, so swings among this group towards one party or another often determine election outcomes. Significant attitudinal differences exist, however, within the independent bloc. Grouping them together misses important patterns and potential opportunities for both political parties.
- To better understand the political landscape of the country, this effort builds on previous waves of research to track the political attitudes and views of registered voters, particularly independent and unaffiliated voters. Wave 13 includes modules testing voter opinions on the fiscal cliff and dividend and capital gains tax rates.
- The following presentation is commissioned and prepared by Altria Client Services and contains data from 13 waves of public opinion surveys conducted on the political landscape and the attitudes of self-identified independent voters.

## Methodology

- Trained interviewers at Voter / Consumer Research's (V/CR) phone center in Houston, Texas conducted this survey of n=1,303 registered voters nationwide between December 3-9, 2012. The total sample consists of a base sample of n=800 registered voters plus an oversample of self-identified independent voters to reach a total of n=800. The margin of error for the base and independent sample is +/- 3.5% at the 95% confidence interval. This increases to +/- 4.9% for split samples (n~400), and to +/- 5.3% for pure independents (n=341).
- V/CR selected respondents randomly from a registered voter sample including both cell phone (16%) and landline (84%) telephone numbers. All respondents confirmed that they are registered to vote. Quotas were set for gender, age, race and census region to ensure consistency with previous waves and national demographic trends. Party identification for the base sample of registered voters is 31% Democrat, 37% independent, and 27% Republican.

# Executive Summary

## Political Environment

- Views on the **direction of the country** have not improved since our October wave and remain strongly negative and polarized. More than half (56%) of voters believe that the country is off on the wrong track (49% strongly), while self-identified Republicans and Republican-leaning independents are universally pessimistic (93% wrong track). In contrast, three quarters (75%) of self-identified Democrats and Democratic-leaning independents think the country is headed in the right direction. The polarization on this measure largely reflects the electorate's strong and divergent feelings about the outcome of the recent election.
- **President Obama's job approval** holds steady at 48% overall, but **approval of Republicans and Democrats in Congress** drops slightly to 26% and 35% respectively. Approval the President and Democrats in Congress remains high among key Democratic constituencies while approval of Republicans in Congress falls significantly among the among the Republican base -- down from 57% approving in October to 48% now.
- As seen in previous waves, **voters prefer smaller government to bigger government** by more than 3 to 1, yet are more evenly divided on the question of whether "government should do more to solve problems and help meet the needs of people" (46%) or "whether government is doing too many things better left to businesses and individuals" (49%).
- Voters continue to say "the economy" (27%) is the single **most important problem** facing the nation, but to a lesser extent than in October (37%). Similarly, "jobs" has declined in importance over the last two months (from 23% to 15% of voters citing this as the most important issue). In contrast, concern over "government spending and debt" rose 9-points to 19% this wave, as did concern about the previously unmentioned problem of the "fiscal cliff" (5%).

# Executive Summary

## Fiscal Cliff

- When asked to **choose between two stark positions on fiscal policy**, the plurality of voters prefer to “cut spending on government programs that benefit the population broadly to keep tax rates the same” (48%) instead of “raising taxes broadly to keep government programs the same” (36%). Twelve percent (12%) volunteered that they preferred “neither” tradeoff or “another” tradeoff, likely indicating a preference for compromise as demonstrated widely in publicly released polls.
- On the question of **cutting government programs to reduce the debt**, voters prefer cutting spending on military defense to cutting spending on Medicare when the implications of the tradeoff are “laying off more servicemen and women and more base closures” (41%) vs. “increasing some premiums or reducing payments to doctors” (37%). However, voter preference is evenly divided when the tradeoff is presented as “cutting spending on Medicare by raising the eligibility age for future beneficiaries who are currently under the age of 55” (42%) vs. “cutting spending on military defense, on top of the \$487 billion in defense cuts already scheduled to take place” (42%). In sum, this data suggests that voters are more supportive of cuts to Medicare if the changes won’t affect current and soon-to-be recipients.
- Data show **broad support for income tax increases to reduce the debt**. Fully 79% of voters support increases for all or a portion of taxpayers (16% for all, 38% only for those making >\$250K, and 25% only for those making >\$1M). Only 18% of voters prefer to maintain current income tax rates for everyone. Not surprisingly, partisan identifiers and leaners express different views on this tax measure. Almost one-third (32%) of Republicans and Republican-leaners prefer that Congress not let anyone’s tax rates increase, as compared with only 4% of Democrats and Democratic-leaners. Republicans are also more than twice as likely as Democratic-identifiers to call for everyone’s taxes to increase (23% Republican to 10% Democrat).

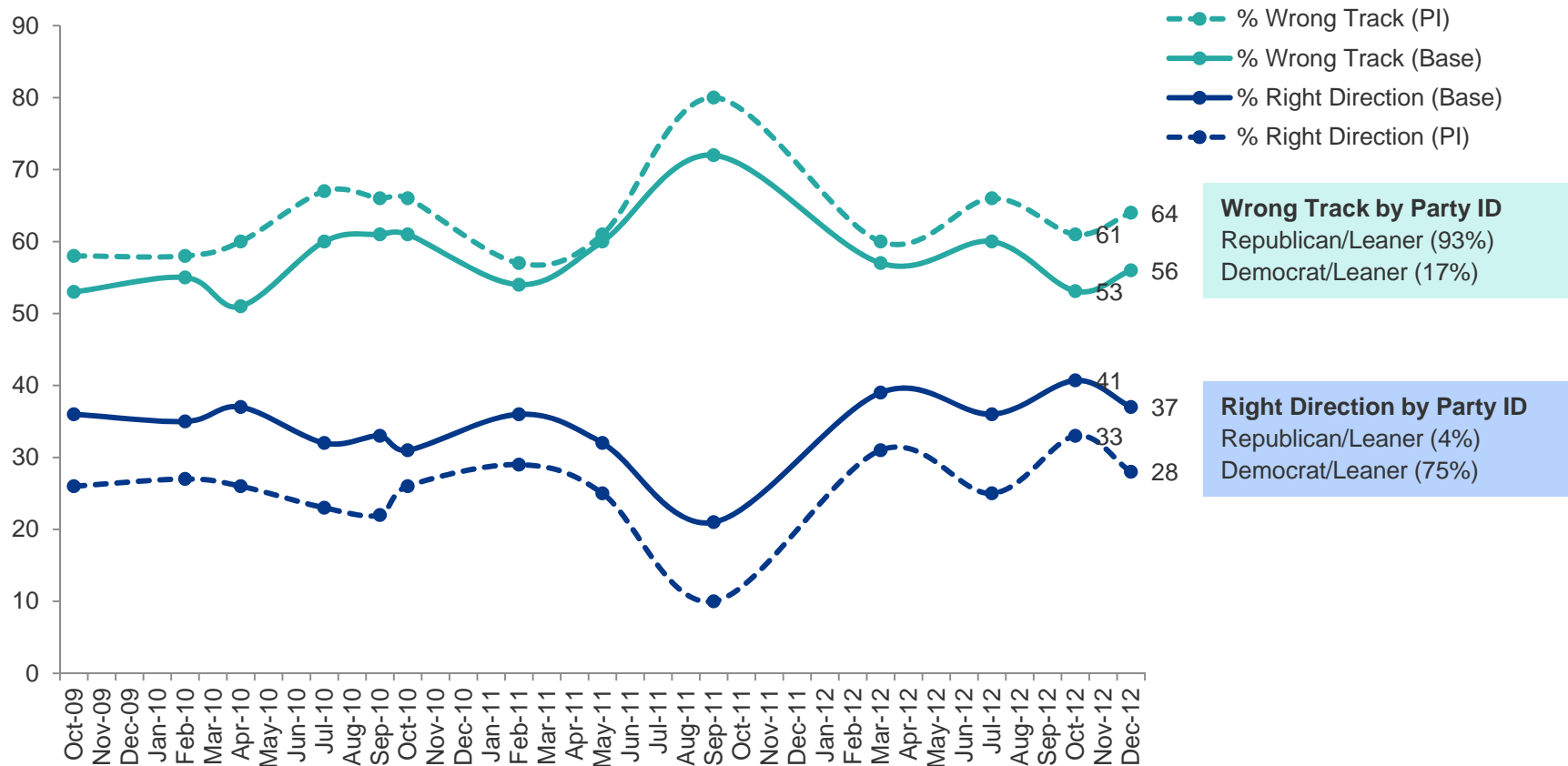
# Executive Summary

## Dividend and Capital Gains Tax Rates

- Compared with broad income tax increases, data indicate significantly less initial support **for tax increases on dividends and capital gains**, as two thirds (66%) of the electorate think that Congress should act to maintain the current dividend and capital gains rates. This sentiment holds across partisan lines as more than half of Democratic and Republican identifiers and leaners prefer keeping the current rates. And, by about 2 to 1, voters say they would be more likely to vote against a member of Congress that allowed these rates to increase, than for vote them. However, a plurality says that the dividend or capital gains tax rates would have little effect on their vote.
- Many of the **anti-tax messages** generate more than 60% agreement, which is the threshold strong enough for use with the general public. **Overall, the strongest message** is: “The tax code should treat dividends and capital gains the same so that government actions do not bias investment decisions and favor one type of investment over the other” (75% agree). However, data show that different messages resonate with different audiences. For **Democratic identifiers, the strongest argument is**: “The tax code should treat dividends and capital gains the same so that government actions do not bias investment decisions and favor one type of investment over the other” (70% agree). **The strongest message for Republican identifiers** is: “Next year, the tax rate on dividends could reach 43.4%, when accounting for an additional tax on investment income to pay for Obamacare. This is just too much. The government should not be allowed to take almost half of anyone’s income” (95% agree).
- The **two baseline pro-tax messages** underperformed the anti-tax messages, and neither reached the 60% agreement threshold. Only 52% of voters agree that “income from dividends and capital gains should be taxed at a higher rate to make sure the wealthy pay their fair share of taxes,” and only 45% agree that “increasing the already low tax rates on dividends and capital gains is needed to help pay off the national debt.”

# Direction of the Country

Now thinking more generally about the direction of the country, would you say things in this country are [ROTATE] heading in the right direction ...or... off on the wrong track?



# Feelings about the Election Result

As you may know, there was a general election last month in which Barack Obama was re-elected as President, Republicans kept the majority in the House of Representatives, and Democrats kept the majority in the Senate. What one word best describes your feelings about the outcome of this election?

## Self-Identified Independents

Tone: **Positive** Neutral **Negative**



# Feelings about the Election Result

As you may know, there was a general election last month in which Barack Obama was re-elected as President, Republicans kept the majority in the House of Representatives, and Democrats kept the majority in the Senate. What one word best describes your feelings about the outcome of this election?

## Self-Identified Democrats

Tone: **Positive** Neutral **Negative**



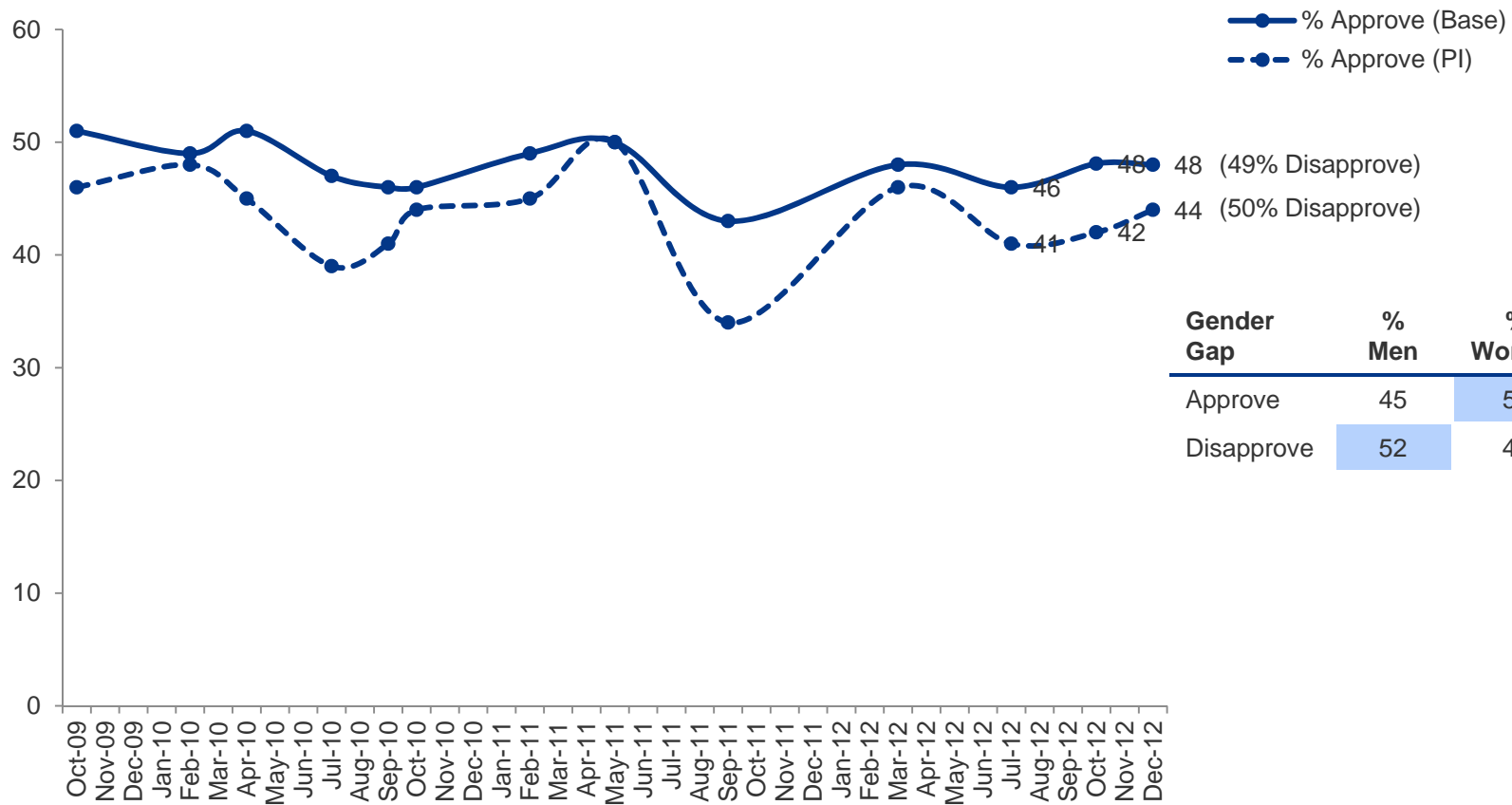
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# Job Approval: President Obama

Do you approve or disapprove of the way Barack Obama is handling his job as President?

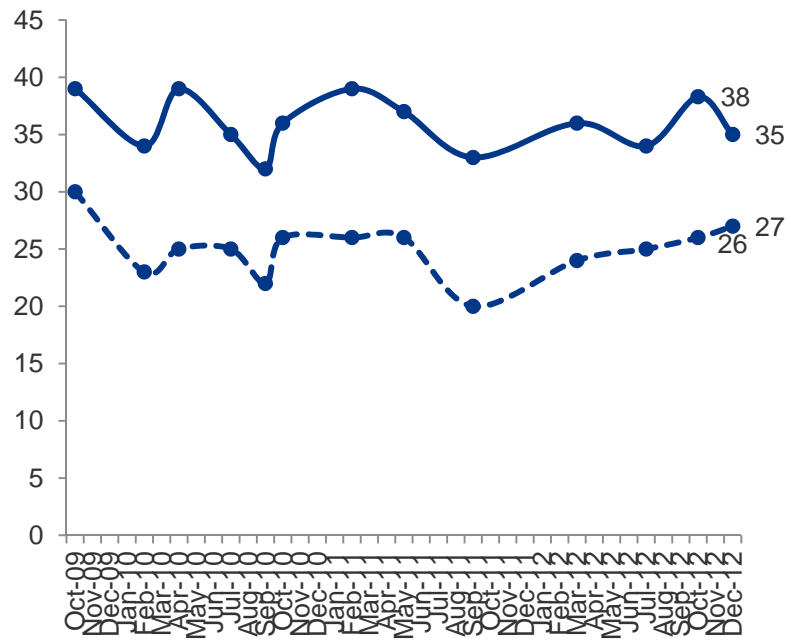


Gender Gap	% Men	% Women
Approve	45	51
Disapprove	52	46

# Job Approval: Democrats and Republicans in Congress

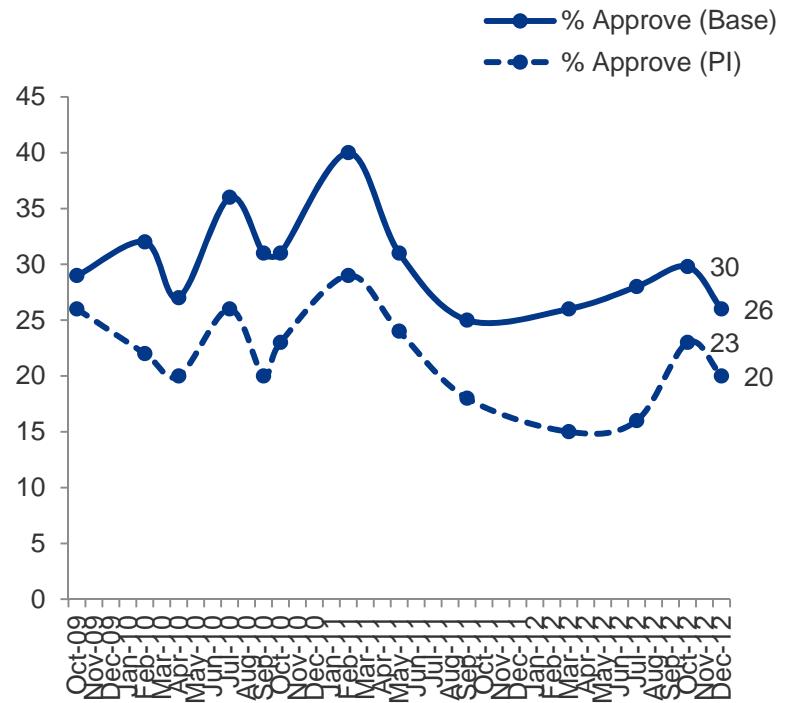
Do you approve or disapprove of the way Republicans/Democrats in the U.S. Congress are handling their job?

## Democrats in Congress



% Approval	Oct-12	Dec-12	Change
Democrats	71	71	0

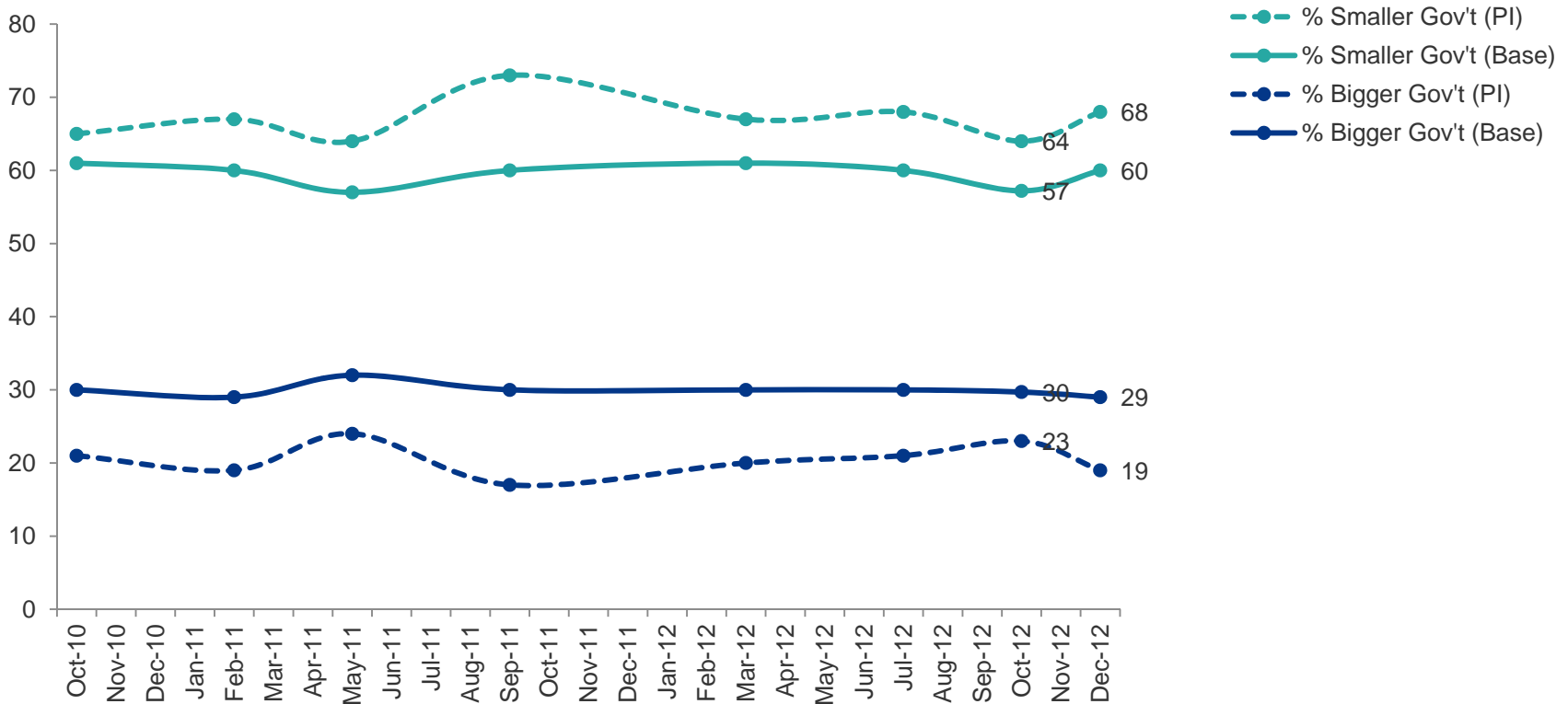
## Republicans in Congress



% Approval	Oct-12	Dec-12	Change
Republicans	57	48	-9

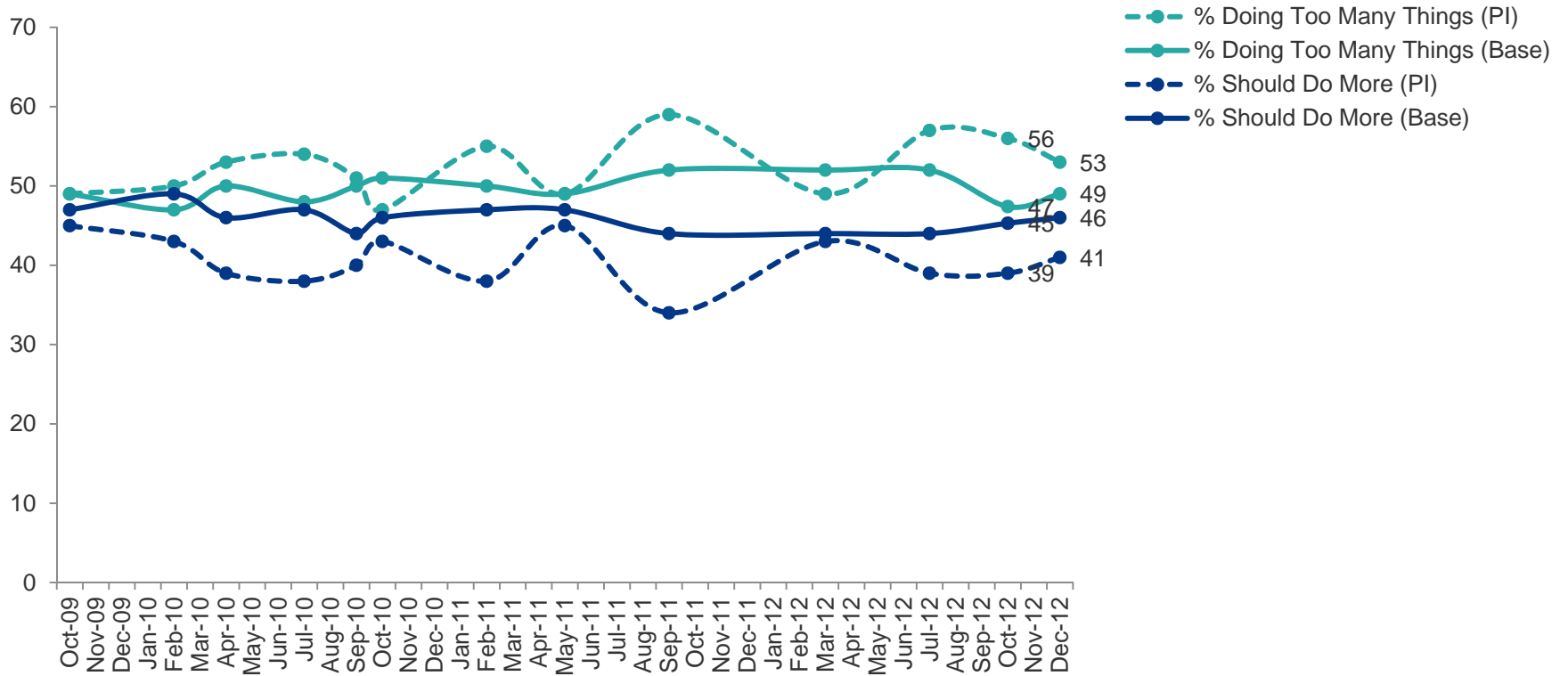
# Preference for Government Size

In general, do you prefer [ROTATE]: Bigger government with more services; OR Smaller government with fewer services?



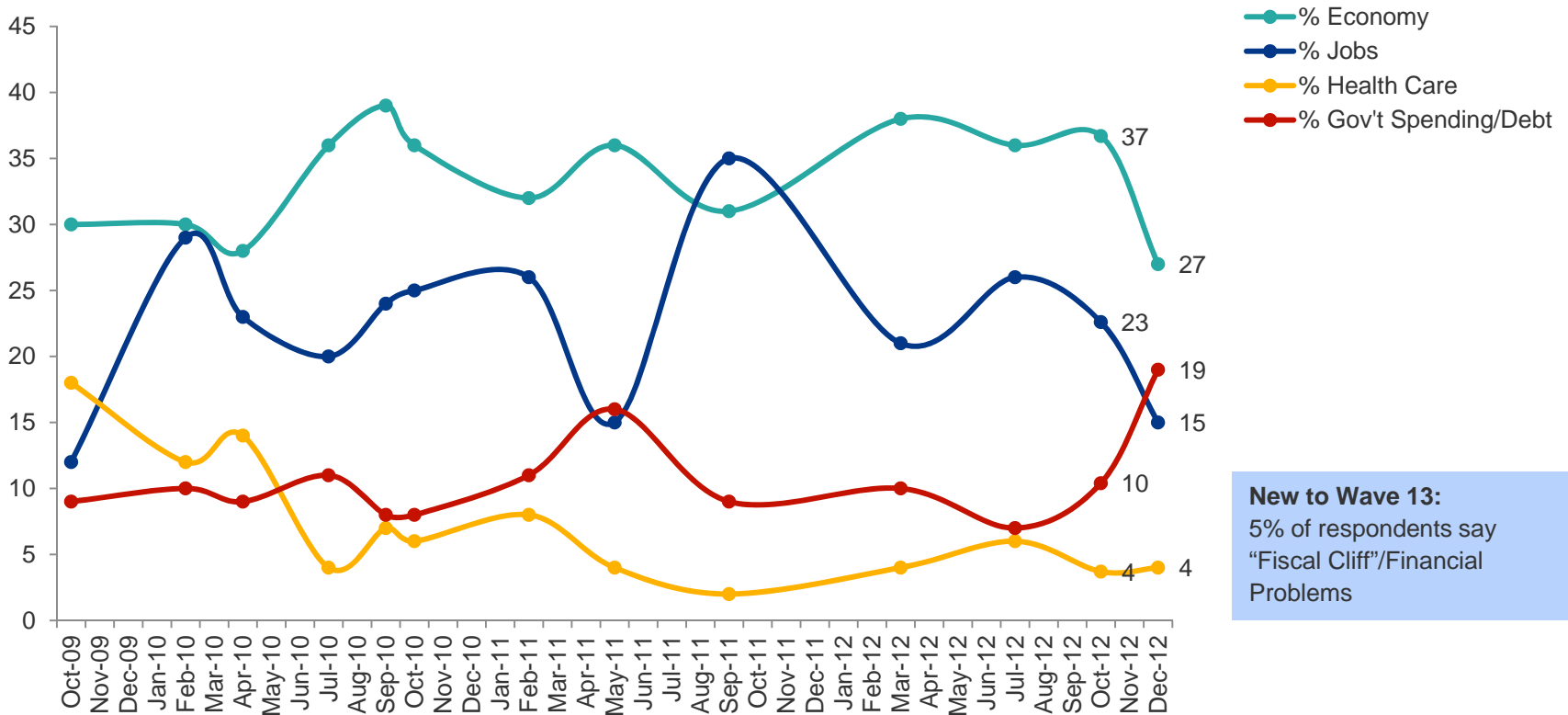
# Preference for Government Role

Which statement comes closer to your point of view: [ROTATE:] Government should do more to solve problems and help meet the needs of people; OR Government is doing too many things better left to businesses and individuals?



# Most Important Problem

What would you say is the single most important problem facing the nation [OPEN-ENDED]?



**New to Wave 13:**  
5% of respondents say "Fiscal Cliff"/Financial Problems

# Fiscal Policy Tradeoff

According to the non-partisan Congressional Budget Office, the federal budget is on an unsustainable path. A wide gap exists between the future cost of government programs that the public has grown accustomed to - like Medicare and Social Security – and the tax revenue that the public sends to the government to pay for those programs. To get the budget back on a sustainable path, lawmakers face difficult tradeoffs. Please tell me which of the following tradeoffs you would prefer: [Tradeoffs and versions rotated]

## Tradeoff 1: Keep Tax Rates, Cut Programs

[Ver. A] Keeping tax rates the same by substantially cutting spending on government programs that aid a broad group of people at some point in their lives. [Ver. B] Substantially cutting spending on government programs that aid a broad group of people at some point in their lives to keep tax rates the same.

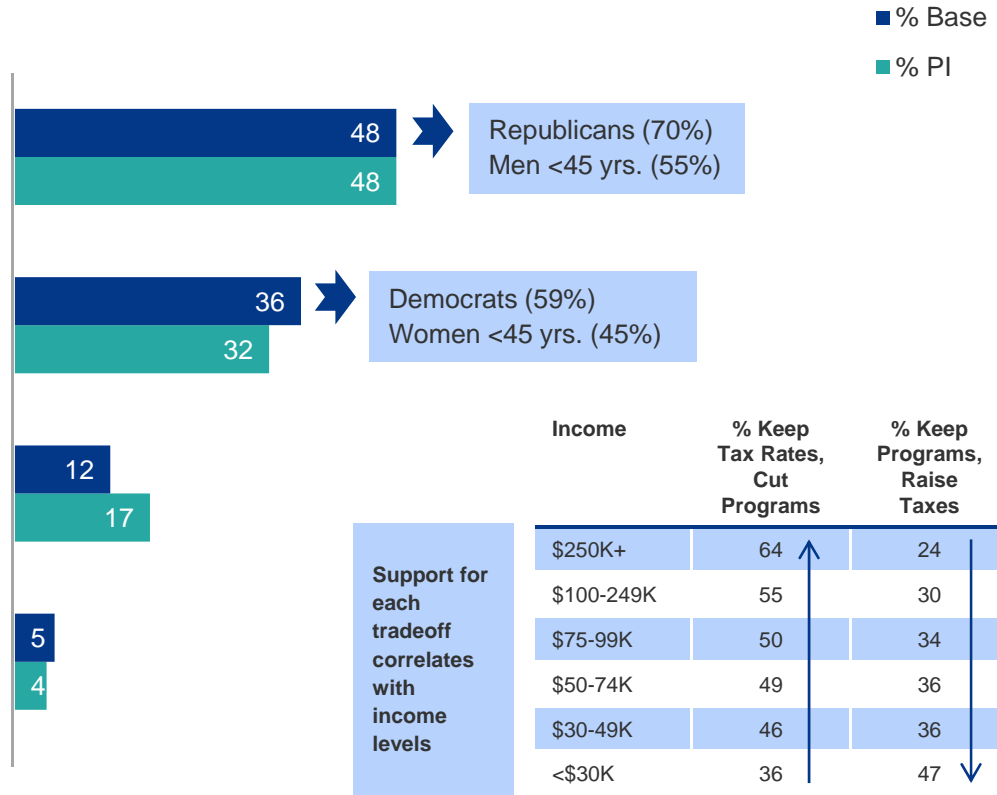
vs.

## Tradeoff 2: Keep Programs, Raise Taxes

[Ver. A] Keeping government programs the same by substantially raising taxes on a broad group of people. [Ver. B] Substantially raising taxes on a broad group of people to keep government programs the same.

Other/Neither [Volunteered]

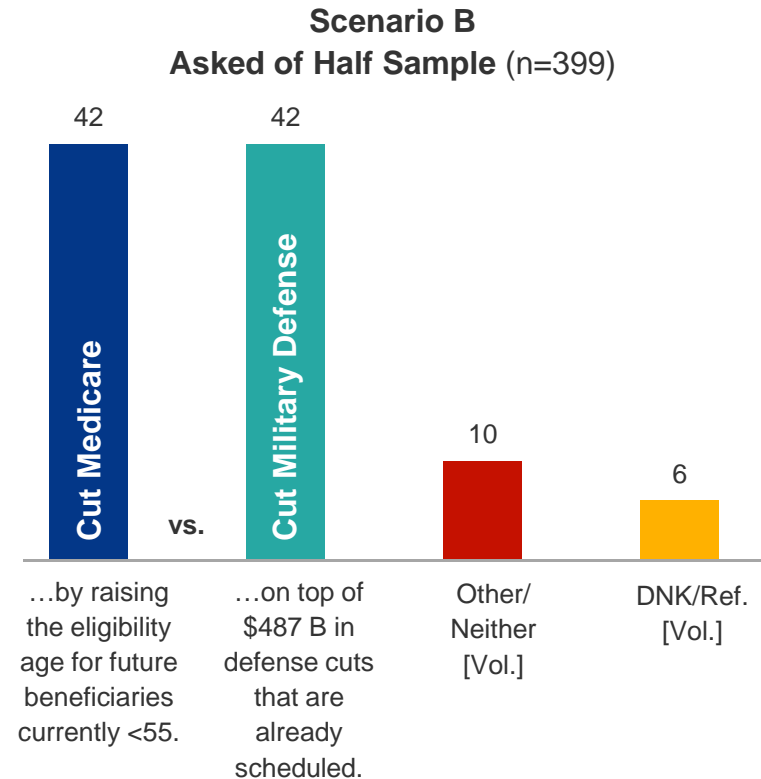
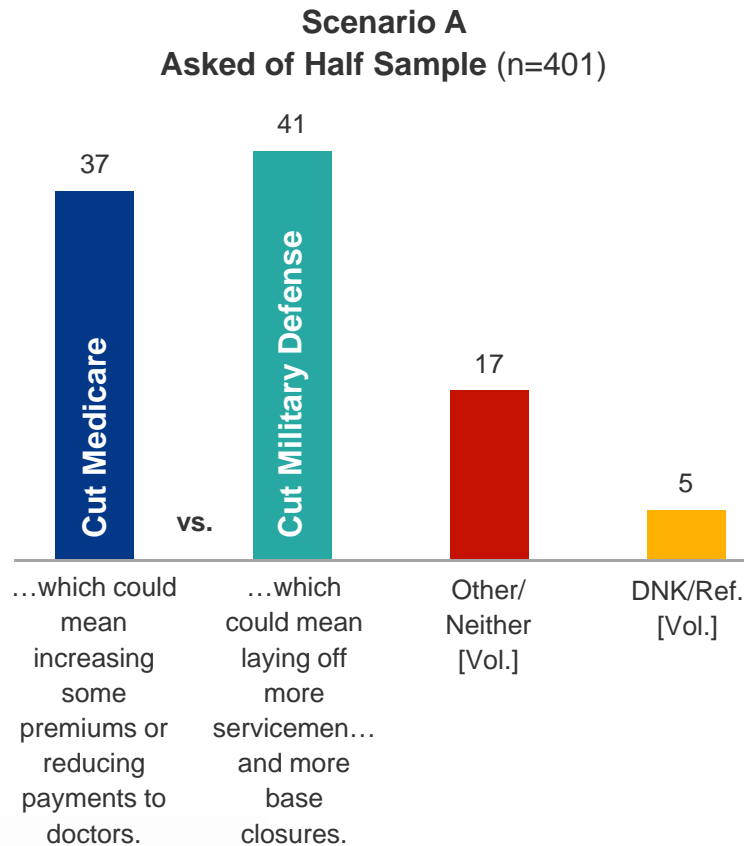
Don't Know/Refused [Volunteered]



Note: Percentages may not total due to rounding.

# Budget Cuts Tradeoff

If Congress does not pass measures to reduce the national debt by \$1.2 trillion, automatic cuts in government programs and tax increases on almost all Americans will go into effect at the beginning of next year. Some lawmakers have proposed measures to cut spending on government programs to help reduce the national debt. I'm going to read two of these proposals and would like you to tell me which one you prefer: [Half Sample m.o.e. +/- 4.9, Rotate options].



Note: Percentages may not total due to rounding.





# Budget Cuts Tradeoff – Subgroup Analysis

If Congress does not pass measures to reduce the national debt by \$1.2 trillion, automatic cuts in government programs and tax increases on almost all Americans will go into effect at the beginning of next year. Some lawmakers have proposed measures to cut spending on government programs to help reduce the national debt. I'm going to read two of these proposals and would like you to tell me which one you prefer: [Half Sample m.o.e. +/- 4.9, Rotate options].

## Scenario B

Asked of Half Sample (n=399)

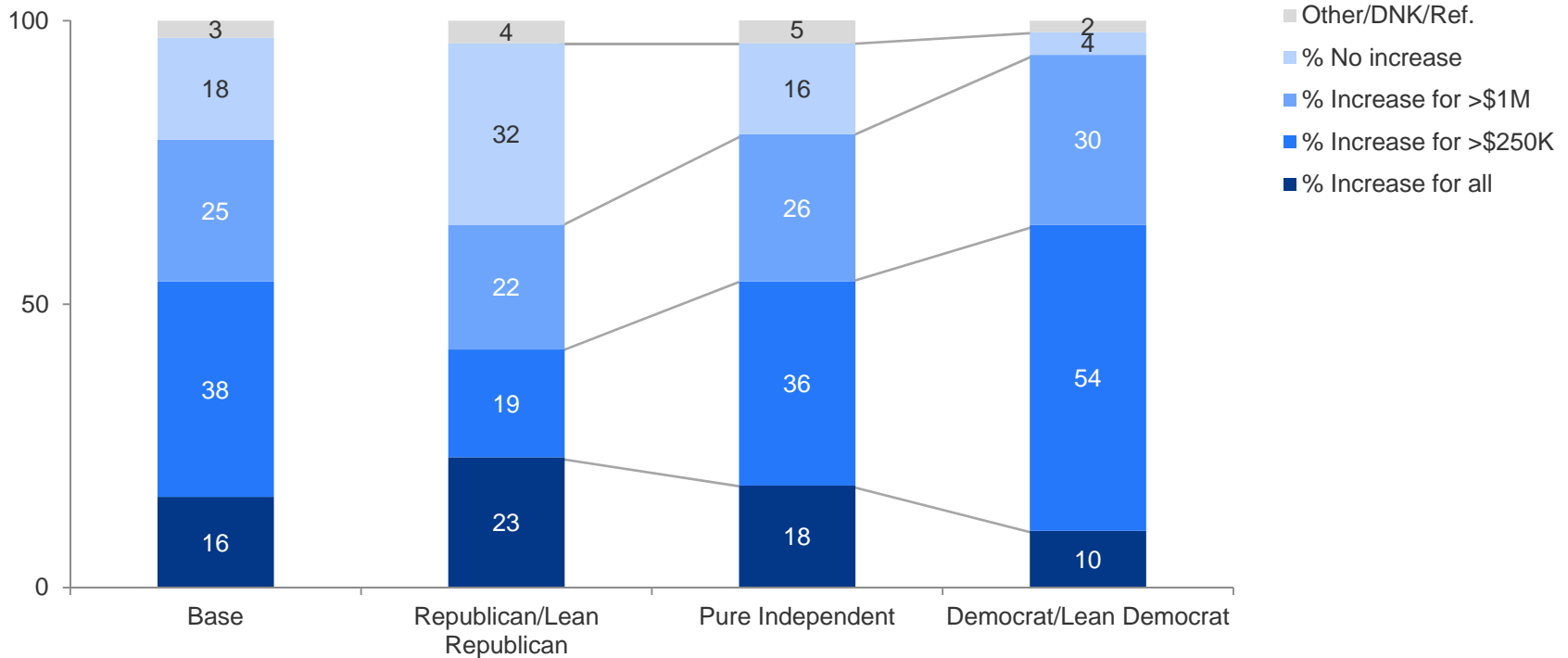
Scenario A  
Asked of Half Sample (n=401)

		<b>Chose: Cut Medicare</b> by raising the eligibility age for future beneficiaries currently <55.	<b>Chose: Cut Military</b> on top of \$487 B in defense cuts that are already scheduled.
<b>Chose: Cut Medicare</b> which could mean increasing some premiums or reducing payments to doctors.	<b>Chose Cut Medicare in Both</b>	<ul style="list-style-type: none"> <li>• White</li> <li>• Republican and Republican-leaning Independents</li> <li>• South</li> <li>• Rural</li> <li>• 18-34 yrs.</li> <li>• Government spending and debt is most important issue</li> </ul>	<b>Switched to Cut Military in B</b>
	<ul style="list-style-type: none"> <li>• Suburban</li> <li>• 45-54 yrs.</li> <li>• \$75-99K income</li> </ul>		
<b>Chose: Cut Military</b> which could mean laying off more servicemen and women, and more base closures.	<b>Switched to Cut Medicare in B</b>	<ul style="list-style-type: none"> <li>• Men</li> <li>• Women</li> <li>• Pure Independents</li> <li>• Western region</li> <li>• 55+ yrs.</li> <li>• Post college</li> <li>• Some college</li> <li>• \$30-49K income, \$100-249K income</li> <li>• No children</li> <li>• Economy is most important issue</li> </ul>	<b>Chose Cut Military in Both</b>
			<ul style="list-style-type: none"> <li>• Non-white</li> <li>• Democrats and Democratic-leaning Independents</li> <li>• Northeast</li> <li>• Midwest</li> <li>• &lt;55 yrs.</li> <li>• College</li> <li>• High School or less</li> <li>• &lt;\$30K income, \$50-74K income</li> <li>• Have children &lt;18</li> <li>• Jobs are the most important issue</li> </ul>



# Income Tax Rate Increases

Other lawmakers have proposed letting income tax rates increase to reduce the debt. I'm going to read a few of these proposals and would like you to tell me which one you prefer: [ROTATE] Letting income tax rates increase for all taxpayers, Letting income tax rates increase only for taxpayers with family income over \$250 thousand, Letting income tax rates increase only for taxpayers with family income over \$1 million, OR Not letting anyone's income tax rates increase?

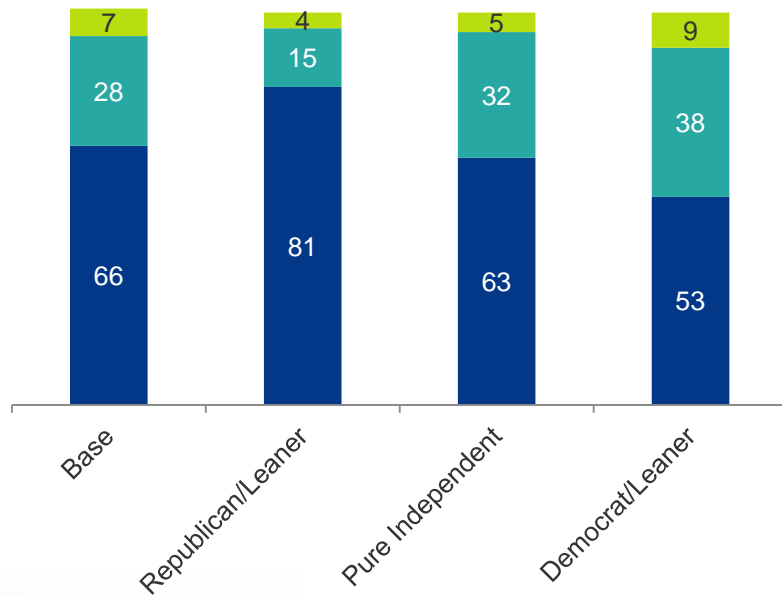


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# Dividend Tax Rate Increases

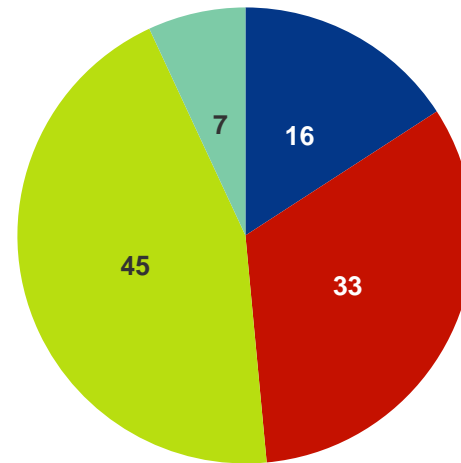
Now, thinking specifically about tax rates on dividends... As you may know, many people who own stocks receive regular payments from the companies they own shares in, known as dividends. Current dividend tax rates vary by taxpayer, and can be as high as 15%. Without Congressional action by the end of the year, dividend tax rates will increase to as high as 39.6%. Do you think Congress should allow dividend tax rates to increase, or should they act to keep the current rates?

- % Other/DNK/Ref.
- % Congress should allow dividend tax rates to increase
- % Congress should act to keep the current rates



Would you be more likely to vote for or against a member of Congress that allowed the dividend tax rates to increase?  
% Base

- For
- Against
- Wouldn't affect vote
- DNK/Ref. [Vol.]

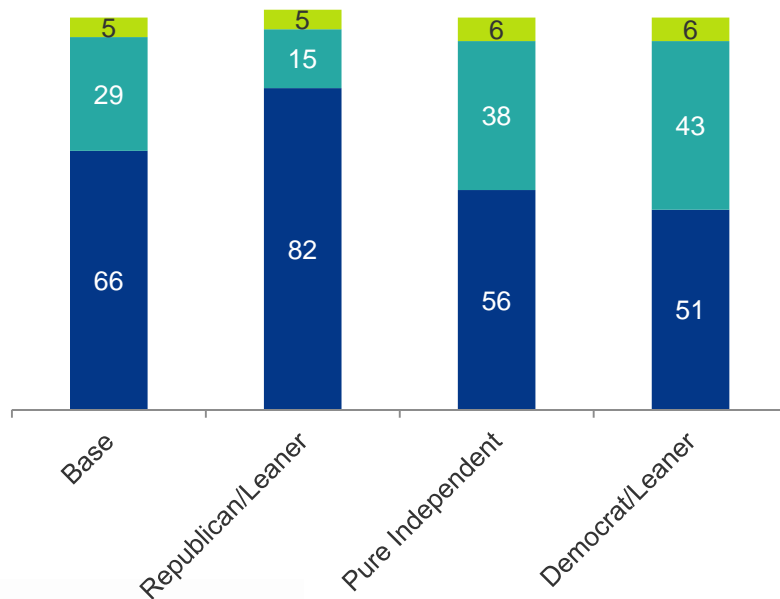


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# Capital Gains Tax Rate Increases

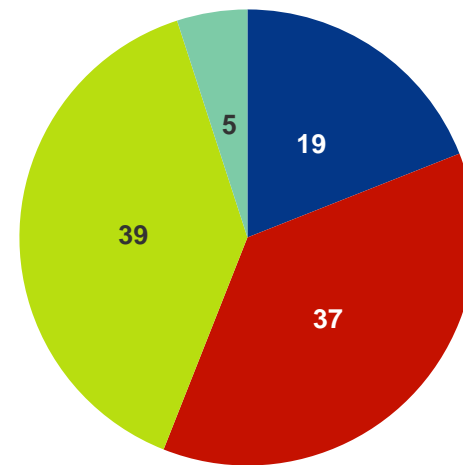
And thinking now about tax rates on capital gains... As you may know, capital gains are profits from the sale of assets like stocks, bonds, or real estate. The current tax rates for capital gains also vary by taxpayer, and can be as high as 15%. Without Congressional action by the end of the year, the capital gains tax rates will increase to as high as 20%. Do you think Congress should allow capital gains tax rates to increase, or should they act to keep the current rates?

- % Other/DNK/Ref.
- % Congress should allow capital gains tax rates to increase
- % Congress should act to keep the current rates



Would you be more likely to vote for or against a member of Congress that allowed capital gains tax rates to increase?  
% Base

- For
- Against
- Wouldn't affect vote
- DNK/Ref. [Vol.]



Note: Percentages may not total due to rounding.

# Dividend and Capital Gains Tax Messaging

Next, I'm going to read some statements people have made about the dividend and capital gains tax rates. After each, please tell me whether you agree or disagree with the statement. Here's the first one: [RANDOMIZE] [IF "agree" OR "disagree", ASK:] And do you strongly [agree/disagree] or just somewhat [agree/disagree]?

	% Base		% PI	
	Tot. Agree	Str. Agree	Tot. Agree	Str. Agree
• The tax code should treat dividends and capital gains the same so that government actions do not bias investment decisions and favor one type of investment over the other.	75	41	71	40
• Next year, the tax rate on dividends could reach 43.4%, when accounting for an additional tax on investment income to pay for Obamacare. This is just too much. The government should not be allowed to take almost half of anyone's income.	74	64	74	66
• SPLIT B. Maintaining the current tax rate on dividends encourages Americans to save and invest in their future.	73	49	76	47
• Increasing dividend tax rates hurts seniors and retirees who are most likely to rely on dividend payments as a steady source of income.	68	44	69	43
• Raising the dividend tax rate would hurt millions of Americans – at all income levels and age groups – who own stocks that pay dividends.	68	39	68	38
• The government already taxes dividends twice. Companies first pay taxes on their earnings, and then individual shareholders pay taxes on these earnings when they are provided as dividends. Allowing the dividend tax rate to increase would only worsen the tax burden on millions of Americans.	67	44	64	41
• Increasing tax rates so that dividends are taxed at a higher rate than capital gains may cause investors to abandon their investments in dividend-paying companies for other investments with a lower tax burden.	65	34	62	29
• A dividend tax hike will create uncertainty for businesses, families, and retirees who now will face the threat of a looming tax increase while the economy is just starting to recover.	63	39	65	35
• Raising dividend tax rates could threaten our economic recovery by discouraging investment in companies that stimulate economic growth and job creation.	61	39	60	38

# Dividend and Capital Gains Tax Messaging

Next, I'm going to read some statements people have made about the dividend and capital gains tax rates. After each, please tell me whether you agree or disagree with the statement. Here's the first one: [RANDOMIZE] [IF "agree" OR "disagree", ASK:] And do you strongly [agree/disagree] or just somewhat [agree/disagree]?

Continued...

	% Base		% PI	
	Tot. Agree	Str. Agree	Tot. Agree	Str. Agree
• Widely differing tax rates on capital gains and dividends could lower the stock prices of dividend paying companies, making it harder to attract the investment necessary to continue to grow those companies and the economy.	56	27	60	27
• SPLIT A. Increasing taxes on dividends discourages Americans from saving and investing in their future.	52	38	52	35
• Income from dividends and capital gains should be taxed at a higher rate to make sure the wealthy pay their fair share of taxes.	52	36	52	32
• Increasing the already low tax rates on dividends and capital gains is needed to help pay off the national debt.	45	23	46	19

## Message Matrix: Top Scoring Message by Partisan Affiliation

### Overall

The tax code should treat dividends and capital gains the same so that government actions do not bias investment decisions and favor one type of investment over the other. (75% Agree)

### Democrats/Democratic Leaners

The tax code should treat dividends and capital gains the same so that government actions do not bias investment decisions and favor one type of investment over the other. (70% Agree)

### Pure Independents

SPLIT B. Maintaining the current tax rate on dividends encourages Americans to save and invest in their future. (76% Agree)

### Republican/Republican Leaners

Next year, the tax rate on dividends could reach 43.4%, when accounting for an additional tax on investment income to pay for Obamacare. This is just too much. The government should not be allowed to take almost half of anyone's income. (95% Agree)

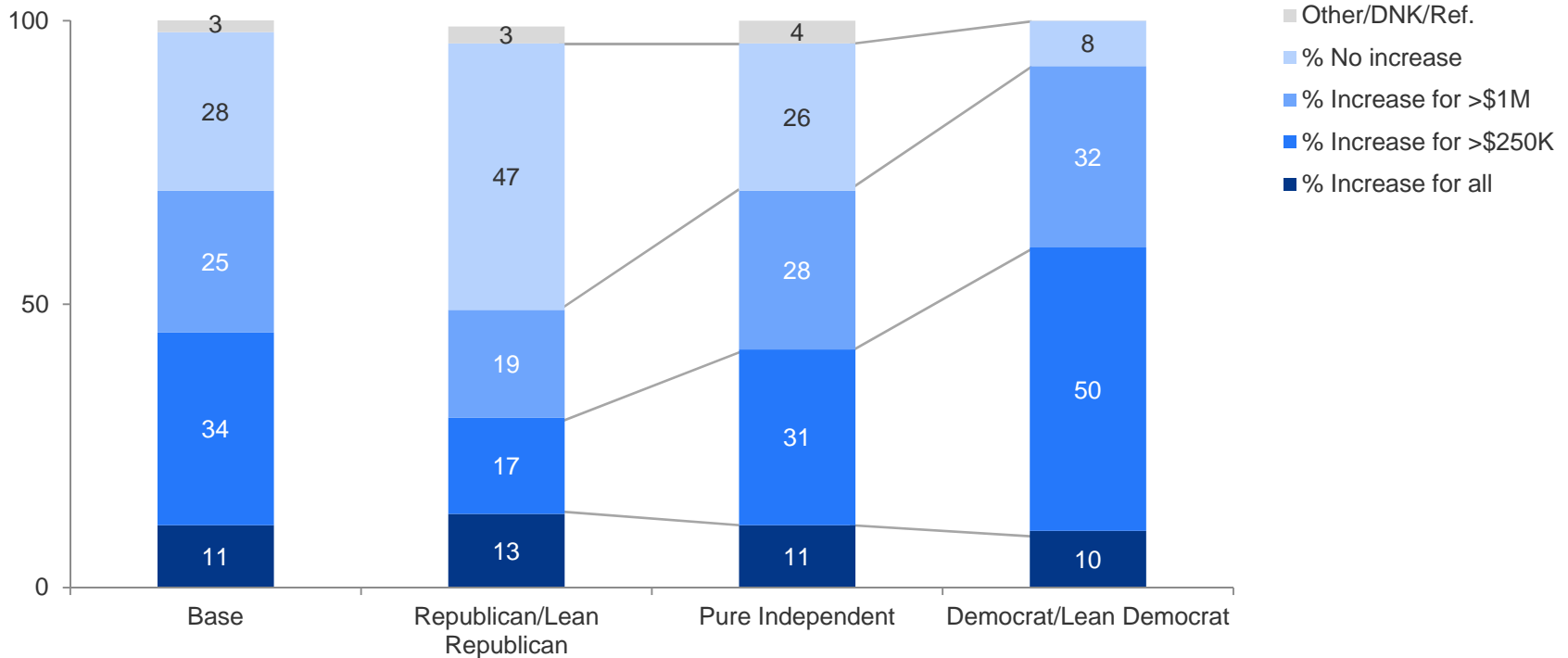


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# Dividend Tax Rate Increases

And finally, thinking about the dividend and capital gains tax rates a little differently...Do you think Congress should [ROTATE FRONT TO BACK, BACK TO FRONT:] Let these tax rates increase for all taxpayers, Let these tax rates increase only for taxpayers with family income over \$250 thousand, Let these tax rates increase only for taxpayers with family income over \$1 million, OR Not let these tax rates increase for anyone?



Note: Percentages may not total due to rounding.

# *Appendix*

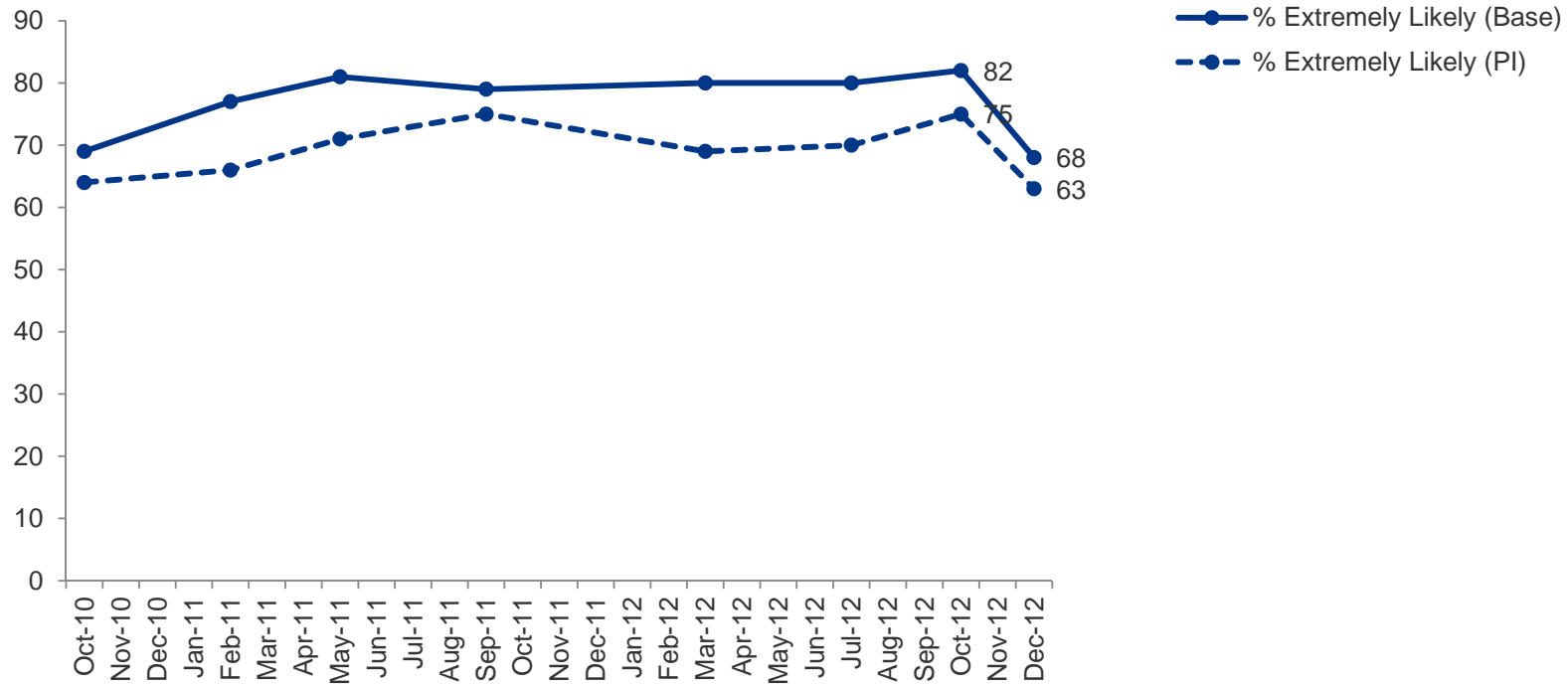
- Vote Intensity
- Generic Congressional Ballot





# Vote Intensity

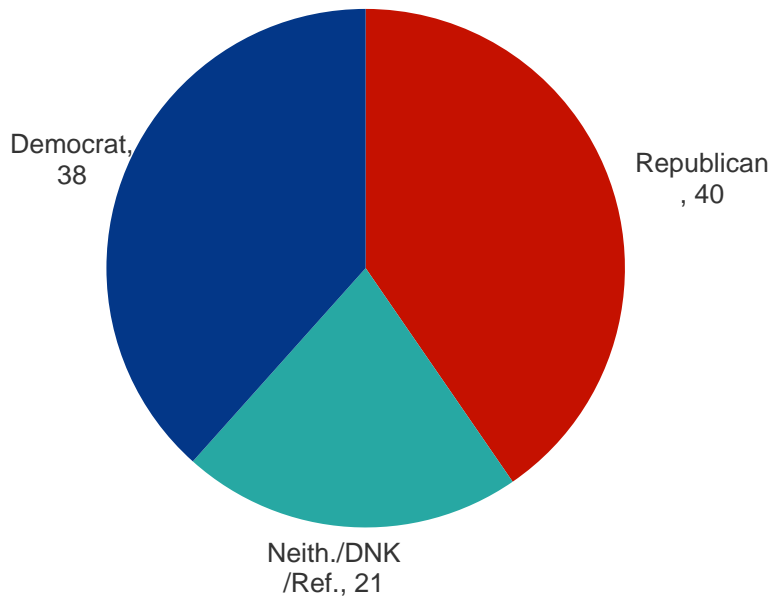
And thinking ahead to the election for U.S. Congress in November 2014... I know it's still a ways off, but would you say you are extremely likely to vote, very likely to vote but not extremely likely, somewhat likely to vote, or not too likely to vote in the November election? (\*Question in Oct-10 wave was "...there will be an election for U.S. Congress in November 2010... Question in Feb-11 through Oct-12 waves was "...there will be a general election for President and U.S. Congress in November 2012...")



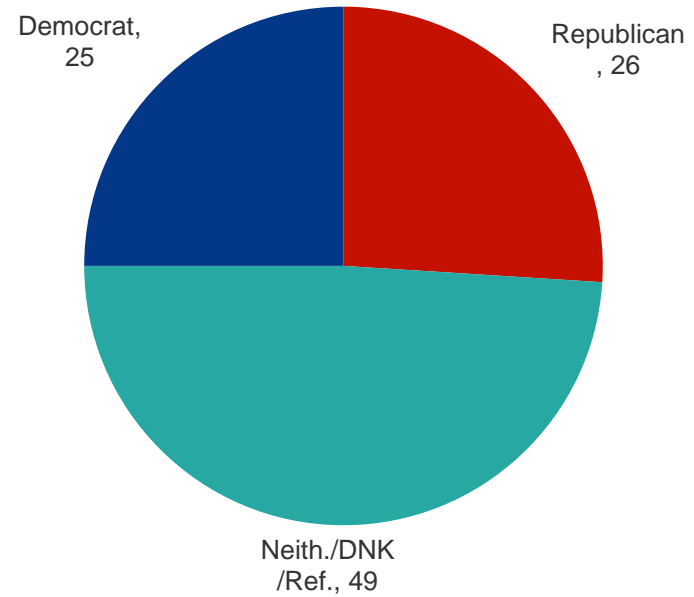
# Generic Congressional Ballot

And, if the elections for U.S. Congress were being held today, and you had to make a choice, would you vote for [ROTATE] the Republican candidate ...or... the Democratic candidate in your Congressional district?

**% Base**



**% PI**



Note: Percentages may not total due to rounding.