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W I S C O N S I N

THE VOICE OF THE WISCONSIN HOMEOWNER

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The Wisconsin Homeowners Alliance is a 501(c)(4) organization dedicated to representing the interests of Wisconsin homeowners and protecting Wisconsin's quality of life one home at a time.

Taxes and jobs top homeowner concerns

Rising energy/fuel and health care costs and education issues also on our list

Editors Note: The Wisconsin Homeowners Alliance has commissioned a series of statewide public opinion surveys designed to help us understand what homeowners are thinking and talking about. The Spring 2006 Wisconsin Homeowners Alliance Survey interviewed 600 randomly selected Wisconsin residents statewide between February 12 and February 16, 2006. The numbers represent weighted results and these results are an accurate reflection of the opinions of Wisconsin residents within a margin of error of plus or minus 4 percentage points. In designing each questionnaire, we have taken a hard look at the research conducted by the Wisconsin Realtors® Association's Wisconsin Quality of Life initiative and talked with a lot of Wisconsin homeowners. In the process, we realized that much of what people had to say sounded like the things we were talking about with our families when we gathered around our own kitchen tables. Here's what we heard on our latest visit to Wisconsin's kitchen tables. Grab a cup of coffee and join us.



Wisconsin families may not have decided who they're going to vote for this year, but they know what issues are bothering them. As we enter an important election year, jobs, taxes and rising energy and health care costs clearly dominate conversations at Wisconsin's kitchen tables.

We're worried about our jobs and the health of our local economies

In our February 2006 sampling of public opinion, for example, over half (52%) of Wisconsin residents said the quality of their local economy was only fair or poor, and there are clear indications that concerns about the health of the local economies and availability of jobs are troubling many of our citizens.

When asked "What issues in Wisconsin or your community do you think could have the most negative effect on you and your family's future?" concerns about companies closing or leaving Wisconsin was the second most frequent response. Similarly, when asked to identify the single most important issue confronting Wisconsin right now, concerns about the loss of jobs or the loss of businesses tied for first place with concerns about taxes. Not surprisingly, these concerns are affecting public optimism about the future. In a 2003 Wisconsin REALTORS® Association Quality of Life survey, for example, nearly half of the respondents (49%) said they thought their local economy would improve over the next 12 months, while 31 percent said they thought it would stay the same and 17 percent thought it would get worse. Asked the same question

today, only 22 percent believe their local economy will improve in the next 12 months. Now, 20 percent think their economy will worsen. More than half (57%) say they believe the local economy will remain the same, but nearly half (48%) of these respondents believe their current economy is in only fair or poor condition which means that more than two-thirds of our citizens think their local economy will remain in negative condition or get worse over the next 12 months.

And, Wisconsin families are worried that the weak economy they perceive will limit job opportunities for our children. More than two-thirds of our citizens believe, for example, that the public schools do an excellent or good job of preparing our young people for college or other advanced learning (69%) and for future success in life (73%), but nearly two-thirds (60%) say the chances of those successful graduates finding a job they want in their communities would only be fair or poor.

The affordability of basic necessities like health care, fuel and utilities continues to be an issue

In the midst of these concerns about the health of our local economies, sensitivity to demands on our family budgets is high. Taxes, high health care costs and rising energy and fuel costs top our list of concerns. One in three Wisconsinites volunteers taxes as the thing that could have the "most negative" effect on their family's future, while a third also identified lowering taxes or government spending as the most important issue confronting

Wisconsin right now.¹ More than one in five volunteered either health care or energy/fuel costs as the thing that could have the "most negative" effect on their family's future and 12 percent said health care costs were the most important issue confronting Wisconsin today.

Public appreciation for the quality of our public schools competes with concerns about the cost and questions about how to fund education

Education also comes up at our kitchen tables. Nearly one-third (32%) of our citizens volunteered good schools and quality education as having a positive effect on their family's future. On the other hand, more than one in 10 volunteered the cost and/or quality of public education as an issue that could have the "most negative" effect on their families and the funding of public education came in second as the most important issue facing Wisconsin at the moment.

Maybe it was just the weather

Maybe we'd just had enough snow and cold weather. Maybe we were all suffering from a bad case of cabin fever. Or not.

Wisconsin citizens are clearly unhappy with the economy, local job prospects for their children, and the cost of taxes, health care and energy. We think it's a good bet that they'll be watching the 2006 elections to see if any of the candidates are talking about the things they care about.

¹ Most public opinion researchers view any response rate over 5 percent to questions in which respondents are invited to volunteer an answer as opposed to picking an answer from a list of choices as significant.

Push for tax relief not likely to fade Public frustration with taxes fueled by pressures on family budgets, concerns about government's ability to control spending

Whether you call it TABOR (i.e., Taxpayers Bill of Rights) or TPA (i.e., Taxpayers Protection Amendment), homeowners like the idea of putting some sort of lid on local taxes and spending. Three out of five residents either support strongly (21%) or somewhat (38%) "... limiting state and local taxes collected and spending to increases in the rate of inflation." And, nearly two-thirds (64%) said they would personally vote for "... a constitutional amendment [that] limited state and local taxing and spending increases to the rate of inflation, but allowed some flexibility to accommodate growth resulting from development."

Support for such a constitutional amendment comes from nearly all segments of Wisconsin's population. Liberals say they would support it by a margin of 62 percent to 34 percent. Conservatives break the same way by a margin of 66 percent to 26 percent. Sixty-one percent of blue collar workers would vote for it; so would 63 percent of white collar workers. Nearly three-fourths (72%) of 18- to 44-year-olds would support it, but so would 57 percent of those 45 and older. And the list goes on. Suffice it to say that majority support exists regardless of age, gender, income or location.

This across-the-population-board support appears to be fueled by a variety of factors, none of which would alone produce a majority. For example, we are split on the question of how well local governments are managing. Nine out of 10 of us report that we trust our local officials to deliver local services in a "cost-efficient manner." Nevertheless, while two out of five of us say we think local governments are doing a good job of making ends meet in difficult times, slightly more of us (44%) say local governments could hold costs down if they managed better.

Concerns about affordability and the cost of government also appear to be factors. More than one in 10 (13%) specifically say they are worried about being able to afford their local property taxes, and almost one in four (23%) say that lower taxes is the most important issue facing Wisconsin today. Similarly, 26 percent volunteer concerns about the cost of public education and other governmental spending.

In short, people who are worried about how much money they'll have left to pay their taxes after they've paid all their other bills, people who think government wastes their money, and people who think government spends too much money have all been given an opportunity to focus their concerns and frustrations on what appears to be an obvious solution—a constitutional amendment.

And, that volatile stew of financial worry, cynicism and frustration appears unlikely to evaporate anytime in the near future.

Financial worry? Gasoline prices aren't going down. Health care costs are likely to hit most families harder and energy costs are likely to continue to edge upward; so, the financial pressures aren't likely to ease up anytime in the near future.

Cynicism about governmental efficiency? Local governments get high marks from many of us, but those who think they could manage more effectively feel strongly about

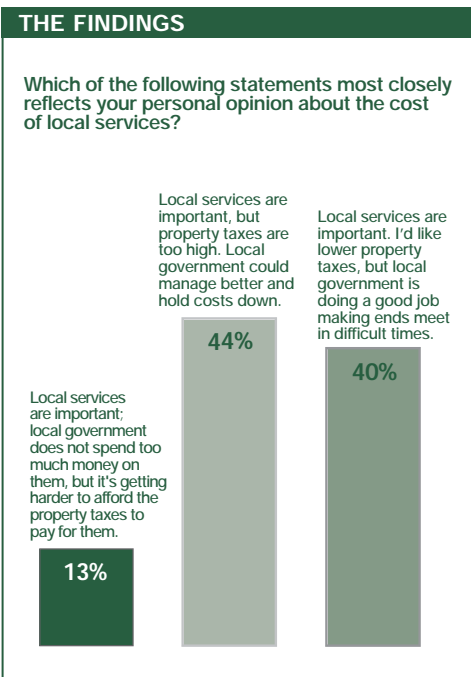


the issue. Can they be persuaded to change their minds? Possibly, but not overnight.

Frustration with unnecessary spending and tax levels? Once again, those who hold these opinions hold them with some intensity, and they are unlikely to change their minds in the immediate future.

Oh ... and by the way ... has anyone got an alternative for these folks?

In recent years, numerous public opinion research projects have examined perceptions about the quality of life here in Wisconsin. A review of the data reveals that for most of us, quality of life issues are those that touch home and family most directly. The Wisconsin Homeowners Alliance aims to ensure that the voices of state homeowners continue to be heard in discussions about preserving and protecting Wisconsin's quality of life. The Wisconsin Homeowners Alliance is a 501(c)(4) tax-exempt organization. For more information, please visit www.homeownersalliance.org.



Homeowners and the Taxpayer Protection Amendment

Property tax relief needed, but with the right balance

Wisconsin's homeowners value the government services they receive, but they can't afford the taxes to pay for them.

Homeowners value public services ranging from K-12 education and recreational offerings to police and fire protection. And they understand these services are critical to maintaining strong communities and preserving Wisconsin's quality of life.

As shown by the recent survey data, however, homeowners are feeling financially strapped and they want to see new limits placed on government spending. In fact, nearly two-thirds (64%) of state residents

say they would personally vote for a constitutional amendment to limit local taxing and spending if the provision contained some flexibility to accommodate growth.

Therein lies the challenge for legislators and voters. To ensure that our essential services are protected and economic development efforts continue to move forward, legislation to limit spending will have to be carefully balanced.

The current version of the Taxpayer Protection Amendment, SJR-63 and AJR 77, represents the first step in the effort to limit state and local government revenue and spending increases through an amendment to the state constitution. To take effect, the proposal would need approval by both the Senate and Assembly in two consecutive sessions of the Legislature; then go to voters for approval on a statewide ballot.

The difficulty for lawmakers in trying to find the right balance is compounded by the fact that Wisconsin residents see many local government programs as playing an important role in job growth and economic development. And jobs with family-supporting wages is a top concern for homeowners.

For example, 60 percent of residents statewide say there is only a "fair" or "poor" chance that children in their community who do well at a college or technical school will be able to find a job they want in the community.

So how will state lawmakers find the right balance between limiting government spending and maintaining adequate government investments for job and economic growth? Following these principles will be key:

- **Respect for taxpayer ability to pay**
- **Preservation of local bonding capabilities.**
The ability to issue bonds for economic development purposes must be preserved at the local level.
- **Promoting community growth**
New growth should be encouraged by allowing communities to retain the additional tax revenues realized from new construction and development.
- **Referendum**
Finally, any statewide effort to limit spending must preserve the ability of local homeowners and taxpayers to override spending limits by referendum. Residents of a community are in the best position to judge local needs, and at times, additional spending may be required to address educational, economic development or infrastructure issues facing a particular area.

