

Government Affairs

121 SW Salmon Street
Portland, Oregon 97204
(503) 464-7820



Portland General Electric

Statewide Growth and Economy Survey

March 2006

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Introduction

Between February 1st and 5th, 2006, DHM, Inc. conducted a telephone survey of 500 Oregonians who are registered to vote. The major purposes of the study were to look at the perceived top issues of Oregonians, and to examine their views toward growth, the economy, and how government spends money. The overall margin of error for a survey of this size is plus/minus 4.4%. The margin of error for subsamples is larger (250+ plus/minus 6.1%, 100=plus/minus 10%).

Findings

Registered voters in Oregon are ambivalent about the direction of the state at this time, 44% felt things were headed in the right direction, 43% felt they were pretty much off on the wrong track. Those 18-34 were most upbeat (51% right direction, 28% wrong track), with Tri County voters split 48% right direction and 42% wrong track. Those living in the Willamette Valley were a bit more pessimistic than the overall (38% right direction and 47% wrong track). While these are not particularly good numbers, it should be noted that this is the most optimistic we have found Oregonians in about four years.

When we asked voters to tell us the top issue facing the state, 15% volunteered education generally, a further 15% said school funding specifically. Some 10% said the top issue was health care, 8% mentioned jobs or the economy, 5% said taxes were the top issue, 5% mentioned crime and drugs, 4% expressed a desire to see better public officials in office, and a wide variety of other issues was mentioned by 3% or less.

However, when asked to rate the top issues on a 1 to 9 scale (1 equals very low priority; 9 equals very high priority) the top rated issue was methamphetamine abuse at 7.5, public education at 7.3, and jobs and the economy at 7.0. After these top issues, the remaining issues were ranked lower, including the economic situation of the middle class (6.4), the cost of utility services like electricity and natural gas (6.3), crime and gun violence (6.3), the cost of living (6.3), social services (6.1), housing (6.0), and transportation (5.3).

On balance we did not find significant subgroup or area differences in the results, though housing was a slightly higher rated issue in the Tri County area than elsewhere in the state.

Growth

Voters are very evenly divided on the question of whether growth has been good or bad for the state. Some 48% said that overall growth has been bad for their area, while 46%

said it had been good for the area. Tri County voters split evenly at 48% each on this question, while those in the Valley also showed very close results, with 47% stating that growth has been good for the area, and 45% saying that growth has been bad. The major difference in results was by length of residence, as those who have lived in Oregon less than 20 years saw growth as a good thing by 57% to 37%, while those who have lived in the state more than 20 years were much more critical in their assessment of growth; 52% felt it had been bad for the state and 42% thought it had been good for the state.

When asked (using a 1 to 9 scale, 1 equaling no more growth and 9 equaling as much growth as possible) how much more growth they would like to see in Oregon, the mean rating was a 4.9. This was a consensus finding with most all subgroups clustering near the average. The widest gap was by party, with Republicans somewhat more inclined to want more growth (5.3) than Democrats (4.7) or Independents (4.5).

When asked to rate the job that Oregon's elected officials and planners have done managing the impacts of growth (1= extremely poor job; 9 = extremely good job) the average was 4.4. Again, we found very little in the way of subgroup difference with the widest gap between men and women. The average for the former was 4.0, for the latter it was 4.7. No real difference was found by area of the state, with the Tri County rating for managing the effects of growth at 4.5, compared to 4.2 in the Willamette Valley.

Economic Concerns

Oregon voters were not inclined to see much improvement in their own household's financial situation over the last year. Just 28% of those polled said they were better off, 26% said they were worse off, while a plurality of 45% said there had been no change in their household's economic condition over the last year. There is a sharp difference by age on this question. Among those 18-34, 43% felt their household's economic situation had improved in the last year, 16% felt it was worse, 41% said it was unchanged. Among those 35-54 years of age, 35% felt their economic situation was better, 26% said it was worse, 39% said it was unchanged. Among those over the age of 55, only 16% said their economic situation was better, 30% said it was worse, 53% said it was about the same.

When asked how they saw their household's situation two years from now, 29% felt they would be better off, 21% said worse off, while 46% said their financial situation would be about the same. Again, the controlling variable is age, those age 18-54 were more inclined to say that they would be better off (41%), while 40% said they would be in about the same situation.

When asked if they thought the policies and actions of local governments had improved, made worse, or had no effect on the overall business climate, a narrow plurality of 38% felt they had made no difference, 32% said they had made the business climate worse, while 23% said they had made it better. There was very little difference in perception by area of the state, but there was some difference by gender and party registration. Some 35% of men surveyed thought that the policies and actions of local governments had made the economic climate worse, only 27% of women agreed. Republicans and Independent voters were more likely to look critically at local governments on this

question, while Democrats were more inclined to say that local policies had made no difference (42% of Democrats felt that way).

When we asked specifically about local elected officials, some 33% said they had generally been helpful to business, 28% said they had been neither, while 31% felt they had generally been unhelpful. Again, no strong subgroup variations were found on this question. We found very similar results when we asked about state government elected officials. Some 32% said they had been helpful, 33% felt they had generally been unhelpful, while 26% said they had been neither. There was a modest difference by area of the state, as a slim plurality of 36% in the Tri County area said that elected state government officials had generally been helpful, and 30% thought they had been unhelpful. In contrast, in both the Willamette Valley and the rest of the state, a narrow plurality felt that elected state government officials had generally been unhelpful when it came to businesses. We also found a modest difference by party, with 38% of Republicans polled saying that state elected officials had been unhelpful, while 32% thought they had been helpful. Among Democrats, 35% thought that elected state government officials had been helpful, while 30% thought the reverse was true.

Local elected officials received a mixed review on the issue of how well they focus attention on the economy and job creation. Overall 45% gave them a positive rating (4% very well, 41% fairly well), while 50% were negative (33% not too well, 17% not at all well). Those in the Willamette Valley gave the lowest rating (41% positive, 57% negative). Men were also less charitable in their rating, at 41% positive and 50% negative than were women (50% positive, 45% negative).

One thing virtually all respondents agreed on was that increased energy costs have impacted the economy. Some 86% of those surveyed said that energy prices had impacted the economy a great deal (56%), or a fair amount (30%). Only 12% said there had been little or no impact from the increases.

When asked if the state's economic development efforts ought to be directed more at maintaining and improving traditional industries, or toward attracting new or emerging industries to Oregon, a 56 to 33% margin opted for the latter. This was a consensus finding with a solid majority within every subgroup stating that most economic development efforts ought to be directed at attracting new or emerging industries.

We asked voters, when they heard the phrase 'sustainable development, which of three descriptions came closest to what they thought the phrase meant. Some 39% said the phrase meant using practices that allow current natural resource based industries to provide jobs and long term economic stability for communities, just behind 38% said the closest description was that it meant innovative ways to grow the economy while protecting the environment, while 13% said it meant environmental extremism whose real aim was to restrict growth and eliminate natural resource jobs like logging and ranching. On balance the results in subgroups were fairly close to the overall results, but men and Republicans were a bit more inclined than the average to say that the phrase sustainable economy was really a code word for environmental extremism.

Respondents split evenly on the question of how well small businesses in Oregon would do if there were very few larger businesses to use their products and services. Some 44% of Oregonians thought that most small businesses could still get by or do well even

if there were very few large businesses or corporations in Oregon; an equal number of those we polled believed that in order to do well most small businesses in Oregon need to have large businesses located in the state to use their products and services. We did find a few subgroup differences of note. The most interesting was by party registration. Republicans, by a solid majority of 56 to 36%, felt that small businesses needed larger businesses to be successful. By contrast, pluralities of both Democrats and those registered as Independents felt that small businesses could do well without large businesses in the state. Also, respondents aged 18-54 tended to believe that small businesses would not do well in Oregon without large businesses, while those over 55 were inclined to think that small businesses in Oregon could do well without large businesses to buy their products and services. Some difference by area was found, as Tri County residents split evenly on this question, while a 50 to 39% margin of those in the Valley felt that small businesses needed larger businesses to do well. Outside of the Tri County and Valley a 48 to 36% margin told us that small businesses could do well without having large businesses located nearby to buy their products and services.

Some 55% of those polled told us they thought that most companies with employees in Oregon care about their employees and the communities they live in and are good corporate citizens. Some 38% of those we surveyed told us that the majority of companies that have employees in Oregon are motivated mainly by profit and have little interest in their employees or the well being of the communities they are located in. The striking difference here is by party registration. Republicans by a large 65 to 27% margin say that companies do care about their employees and the communities they are located in, but Democrats split evenly; as 47% say that the companies do care about their employees and communities, and an equal number think the reverse, that companies have little interest in their employees and the communities they are located in.

When asked if it was their perception that the overall level of state and local taxes in Oregon was higher, lower, or about average compared to other states, a narrow plurality felt that taxes were higher than average (41%), while 38% thought they were about average and 11% felt they were below average. Once again, the most interesting difference was by party registration, as 47% of Republicans and 43% of Independents thought that taxes were higher than average, compared to 35% of Democrats. Nearly half the Democrats (49%) thought that taxes were about average, while only 33% of Independents and 30% of Republicans felt the same way.

We asked respondents to rate how well various public agencies do at spending tax dollars. On the scale, a 1 represented very poor use of tax dollars, while a 9 represented excellent value to the taxpayer. It would be fair to say that the scores were not overwhelmingly good for any of the public agencies we asked about, but the highest rated were parks and outdoor recreation (6.2), and public colleges and universities (5.9). Finishing behind these two top ranked items were arts and cultural institutions (5.5), police, jails, and corrections (5.4), public and mass transit (5.2), road and highway maintenance (5.1), and finished tied for last in terms of perceived value for the dollar were social service programs and kindergarten through 12th grade public education (each at 4.7).

To the end the survey, we asked respondents a question about the initiative process in Oregon. We read two statements about the process, one positing that the process was

out of control and needed reform, the other that the initiative process was still the best way for voters to weigh in on issues facing the state (see Q20 for exact wording). By a 55 to 38% margin, voters rejected the idea of reforming the initiative process to make it harder to place issues on the ballot. This was a consensus finding, with virtually every subgroup rejecting the idea of reforms that would make it tougher to put issues on the ballot, and by margins that were relatively close to the overall figures.

Davis, Hibbitts & Midghall, Inc.
PG&E Statewide Survey Growth and the Economy
February 1-5, 2006; N=500; Oregon residents registered to vote

Q1. All in all, would you say things in Oregon are headed in the right direction, or are things pretty much off on the wrong track?

Right direction ----- 44%
 Wrong track ----- 43%
 [DON'T READ] DK / Na / Refused ----- 13%

Q2. What would you say is the biggest issue facing the state of Oregon area that you would like to see the state government do something about? **(OPEN, PROBE)**

Education/School-General ----- 15%
 Education Funding ----- 15%
 Health Care ----- 10%
 Jobs/Employment/Higher Wages/Better Paying Jobs ----- 8%
 Taxes-General ----- 5%
 Crime/Drugs ----- 5%
 Government/Need Better Public Officials ----- 4%
 All other responses ----- 3%
 [DON'T READ] DK / Na / Refused ----- 5%

Q3. I would like to ask you about some issues facing Oregonians at the present time. Using a scale of 1 to 9, where one means that issue is a very low priority for you at this time, and a 9 means that issue is a very high priority for you at this time, please rate each of the following. Of course, you can use any number between one and nine.

<u>ROTATE</u>	Not at all Important	<u>01</u>	<u>02</u>	<u>03</u>	<u>04</u>	<u>05</u>	<u>06</u>	<u>07</u>	Very Important	DK/ NA
		<u>08</u>	<u>09</u>	<u>10</u>						
a. Transportation -----	Mean ---							5.3		
b. Crime and gun violence-----	Mean ---							6.3		
c. Jobs and the economy -----	Mean ---							7.0		
d. Public education -----	Mean ---							7.3		
e. Methamphetamine abuse-----	Mean ---							7.5		
f. Growth and development-----	Mean ---							6.1		
g. The economic situation of the										

- middle class ----- Mean --- 6.4
- h. Social services ----- Mean --- 6.1
- i. The cost of living in this area ----- Mean --- 6.3
- j. Housing ----- Mean --- 5.9
- k. The cost of utility services like
electricity and natural gas ----- Mean --- 6.3

Q4. I would like to read two statements. Please tell me which statement comes closer to your point of view. (ROTATE)

A. Overall, growth has been good for this area. It has helped diversify our economy, helped create new products and markets for local businesses, increased the standard of living for most residents of the area, and brought people to Oregon who share Oregonians values. ----- 46%

OR

B. Overall, growth has been bad for this area. It has increased traffic and environmental problems, while the economic benefits of growth have been limited to only some areas and people. Growth has also brought a lot of people to Oregon who don't share our values. -----48%

[DON'T READ] DK / Na / Refused----- 6%

Q5. Using a scale of 1 to 9, where a 1 represents no more growth in Oregon and a 9 represents as much growth as possible, where would you put your feelings toward growth in Oregon on that scale?

No growth At all					As much growth as possible					DK/ NA
<u>01</u>	<u>02</u>	<u>03</u>	<u>04</u>	<u>05</u>	<u>06</u>	<u>07</u>	<u>08</u>	<u>09</u>	<u>10</u>	
<u>Mean</u>					<u>4.9</u>					

Q6. And using that same scale of 1 to 9, where a 1 represents an extremely poor job, and a 9 represents an extremely good job, how, how would you rate the job that Oregon's elected officials and planners are doing in managing the impacts of growth?

Extremely Poor Job					Extremely Good Job					DK/ NA
<u>01</u>	<u>02</u>	<u>03</u>	<u>04</u>	<u>05</u>	<u>06</u>	<u>07</u>	<u>08</u>	<u>09</u>	<u>10</u>	
<u>Mean</u>					<u>4.4</u>					

Q7. Generally speaking, would you say that the policies and actions of local governments in this area have improved the overall business climate, made no difference in the overall business climate, or have the policies and actions of local governments in this area made the overall business climate worse?

- Improved -----23%
- Made no difference -----38%
- Made worse -----32%
- [DON'T READ] DK / Na / Refused----- 8%

Q8. For each of the following, would you say that they have been generally helpful to businesses in Oregon, generally unhelpful to businesses, or neither helpful nor unhelpful to businesses in Oregon?

(ROTATE)	<u>General</u> <u>Helpful</u>	<u>Neither</u>	<u>General</u> <u>Unhelpful</u>	<u>DK/</u> <u>NA</u>
a. Local elected officials -----	33%	28%	31%	8%
b. State government elected officials -----	32%	26%	33%	9%

Q9. Generally speaking, would you say that your household is better off financially, worse off financially, or in about the same position as it was two years ago?

Better -----	28%
Worse -----	26%
About the same -----	45%
[DON'T READ] DK / Na / Refused -----	1%

Q10. Thinking ahead two years, do you think your household will be better off financially, worse off financially, or in about the same condition as it is now?

Better -----	29%
Worse -----	21%
About the same -----	46%
[DON'T READ] DK / Na / Refused -----	4%

Q11. In your opinion, how much do you think increases in energy costs for things like natural gas and gasoline have impacted the economy in the last several months; a great deal, a fair amount, not too much, or not at all?

A great deal -----	56%
A fair amount -----	30%
Not too much -----	11%
Not at all -----	2%
[DON'T READ] DK / Na / Refused -----	2%

Q12. How well do you think local elected officials focus attention on the issue of the economy and job creation in your local area; very well, fairly well, not too well, or not at all well?

Very well -----	4%
Fairly well -----	41%
Not too well -----	33%
Not at all well -----	16%
[DON'T READ] DK / Na / Refused -----	5%

Q13. In your opinion, is it better to direct most economic development efforts in Oregon toward maintaining and improving our traditional industries, or to direct most economic development efforts toward attracting new or emerging industries to Oregon?

Direct most efforts toward traditional industries -----	33%
Direct most efforts toward new or emerging industries -----	56%
[DON'T READ] DK / Na / Refused -----	11%

Q14. By the way, when you hear the phrase sustainable economy, or sustainable development, what does that mean to you? **(OPEN, PROBE FOR COMMENTS)**

- Status Quo/Nothing Changes/Maintaining Current Conditions ----- 15%
- Self-Supporting/No Outside Influence/Help-----8%
- Balanced Conditions/Stability/Steadiness -----7%
- Existence Continues/Ongoing Conditions -----7%
- Development Sustains Current Needs/Balanced/Controlled Growth ---6%
- Environmentally Responsible Conditions/Environmentally Friendly ----5%
- Future Conditions Considered/Long-Term Planning/Long-Lasting ----5%
- All other responses -----4%
- [DON'T READ]** DK / Na / Refused----- 17%

Q15. Which one of the following descriptions comes closest to what you think of when you hear the term 'sustainable economy'? **(ROTATE)**

- A. Innovative ways to grow the economy while protecting the environment. -----38%
OR
- B. Environmental extremism whose real aim is to restrict growth and eliminate natural resource jobs like logging and ranching.-----13%
OR
- C. Using practices that allow current natural resource base industries like logging and ranching to provide jobs and long-term economic stability for communities. -----39%
- [DON'T READ]** DK / Na / Refused-----10%

Q16. Let me read two statements to you. Please tell me which one statement comes closer to your point of view. **(ROTATE)**

- A. Most small businesses in Oregon could still get by or do well even if there were very few large businesses or corporations in Oregon to use their products or services. -----44%
OR
- B. In order to do well, most small businesses in Oregon need to have large businesses and corporations located in the state to use their products and services. -----44%
- [DON'T READ]** DK / Na / Refused-----12%

Q17. Let me read two points of view about private businesses and corporations in Oregon. Please tell me which one statement comes closer to your point of view. **(ROTATE)**

- A. The majority of companies that have employees in Oregon care about their employees and the communities in which they are located, and are good corporate citizens. -----55%
OR
- B. The majority of companies that have employees in Oregon are motivated mainly by profit. They have little interest in their employees, or the well being of the communities in which they are located. -----38%
- [DON'T READ]** DK / Na / Refused----- 8%

Q18. Now, I'd like to ask how effectively you think some public agencies in Oregon are in using the tax dollars they receive. Using a scale of 1 to 9, where a 1 means that particular agency is giving very poor value to the taxpayer, and a 9 means that that particular agency is giving excellent value to the taxpayer, please rate each of the following. Of course, you can use any number between 1 and 9. (ROTATE)

<u>ROTATE</u>	Very Poor Value							Excellent Value		DK/NA	
	<u>01</u>	<u>02</u>	<u>03</u>	<u>04</u>	<u>05</u>	<u>06</u>	<u>07</u>	<u>08</u>	<u>09</u>	<u>10</u>	
a. Road and highway maintenance	-----							Mean	-----		5.1
b. Social service programs	-----							Mean	-----		4.7
c. Public and mass transit	-----							Mean	-----		5.2
d. Police, jails and corrections	-----							Mean	-----		5.4
e. Public colleges and universities	-----							Mean	-----		5.9
f. Arts and cultural institutions	-----							Mean	-----		5.5
g. Parks and outdoor recreation	-----							Mean	-----		6.2
h. Kindergarten through 12 th grade public schools	-----							Mean	-----		4.7

Q19. Just your best guess, in comparison with other states, is the overall level of state and local taxes in Oregon lower than the average, about average, or higher than average?

Lower than average	-----	11%
About average	-----	38%
Higher than average	-----	41%
[DON'T READ] DK / Na / Refused	-----	9%

Q20. I would like to read two statements about Oregon's initiative process. Please tell me which one statement comes closer to your point of view. (ROTATE)

A. The initiative process in Oregon has gotten out of control. We are voting on too many issues, and special interests are using the initiative process to put things on the ballot that should not be there. I would support some kind of reform to make it harder to put statewide initiatives on the ballot. -----38%

OR

B. The initiative process in Oregon is one of the few ways that voters still have to weigh in on issues that are important. Making it harder to get issues on the ballot will actually reduce the ability of the voters to have their say on important public issues. I would oppose any attempt that would make it harder to place initiatives on the ballot.-----55%

[DON'T READ] DK / Na / Refused-----7%

Q21. All in all, would you say that the price you pay for electricity at your home is reasonable, or unreasonable, given the service you get from your electric utility?

Reasonable	-----	64%
Unreasonable	-----	33%
[DON'T READ] DK / Na / Refused	-----	2%

Now these last few questions are for statistical purposes only.

Q22. Is your age between **[READ LIST]**?

18-34 -----	12%
35-54 -----	47%
55 + -----	41%
[DO NOT READ] Refused-----	0%

Q23. How many years have you lived in the Oregon?

0-10 years -----	10%
11-20 years-----	18%
20 years or more-----	68%
Lived here all my life/Born here-----	17%
[DO NOT READ] Refused-----	4%

Thank you for your time.

Q24. Gender **[BY OBSERVATION]**

Male -----	47%
Female-----	53%

[RECORD FROM SAMPLE]

Q25. County: -----

Q26. Area:

Tri-County-----	43%
Willamette Valley-----	27%
Rest of State-----	30%

Q27. Party Registration:

Republican-----	36%
Democrat-----	41%
Independent/Other-----	23%