



2011 COMMUNITY ATTITUDE SURVEY

REGARDING

THE CITY OF SHAKER HEIGHTS

November 2011

TRIAD Research Group, Inc.
20325 Center Ridge Road Suite 450
Cleveland, OH 44116

11-2830
440.895.5353
Fax 440.895.9913

TABLE OF CONTENTS

Background	1
Summary of Findings	2
I. Satisfaction with City Services	4
II. Support for a Possible City Income Tax Increase	10
III. Reasons Against an Income Tax Increase	14
IV. Arguments in Favor of an Income Tax Increase	16

Appendix

Demographic Tables

Survey Questionnaire

BACKGROUND

Survey Methodology

This report presents the findings of a telephone survey completed with a total of 500 registered voters living in the City of Shaker Heights.

- Survey respondents were distributed across the city by precinct in proportion to the total number of ballots cast in the 2010 primary election. A sample of registered voters who voted in two or more of the last four general elections was selected.
- The sample was also stratified one-half male, one-half female.
- All telephone interviewing was completed between November 10 and November 15, 2011.
- With 500 respondents, the survey results have a margin of error of +/- 4.4% at the 95% confidence level. However, several questions regarding each of the two possible income tax increases were only asked of half of the voters. The results for the questions based on 250 completed interviews have a margin of error of no more than $\pm 6.2\%$, also at the 95% confidence level.

Survey Purpose

TRIAD conducted a similar survey for the City of Shaker Heights in July 2009 and comparisons to these results are shown where possible. Today's survey had three main purposes. They were:

- To update voters' perceptions of the City of Shaker Heights including their opinion of city services as well as how the City is doing with their tax money
- To assess voters' awareness of the cuts the city has made in spending, as well as the impact, if any, these cuts have had on city services. Awareness of state funding cuts was also measured.
- To measure voters' support for each of two city income tax options and determining why voters might oppose a tax increase. Reasons in favor of a possible income tax increase were also tested to see which arguments, if any, would help increase support for a tax issue.

Note to the Reader

For analysis, the City of Shaker Heights was divided into the following four regions.

1. Northeast region which includes precincts T, U, V, W and X
2. Northwest region consists of precincts A, B, C, D, E, R and S
3. Southeast region is made up of precincts J, M, N, O, P and Q
4. Southwest regions which includes precincts F, G, H, I, K and L

SUMMARY OF FINDINGS

Shaker Heights continues to receive high marks from voters regarding city services and financial reporting.

- 93% of the voters are satisfied with services provided by the City of Shaker Heights, with 56% very satisfied.
- 83% agreed that you can believe what the City of Shaker Heights tells you about the finances of the city.
- 71% rated the City excellent or good on the job it is doing with the tax money it receives while 24% rated the City only fair or poor.

Each of these ratings are an improvement compared to the 2009 survey results.

Initial support for an income tax increase is under half.

There was slightly more support for a one-half percent increase in the city income tax than for an increase of zero point three-five percent. Just under half of the voters support the one-half percent increase initially (46%), but slightly more voters opposed this issue (50%). While support for the 0.5% increase was just over half at the end of the survey (52%), most of the support is soft as only 16% said they would support the issue the second time asked while 36% would only probably vote yes. There were 46% who would vote no on this issue in the second vote question.

On the 0.35% increase, 42% support the issue initially while 53% would vote no. And support only increased 3-points at the end of the survey with the percent voting yes still under half at 45%. 53% opposed this issue the second time asked.

Statistically, there is little difference in these vote results. Therefore for purposes of analysis, the initial and second vote results for both tax increases tested were combined to create a vote movement variable. And to be successful, the City will need all of the support of the Yes/Yes voters (41%) and the Moved Positive voters (8%) as well as some of the Moved Negative (4%) or Undecided (1%) voters as well as some of the Soft No voters (23%). About a fourth (23%) were Hard No voters in that they would definitely oppose the issue both times asked.

The survey identified several obstacles a campaign would have to overcome before voters would support an income tax increase.

The first obstacle is the perceived lack of need for additional money among some voters. That is, need was the reason that most divided the Yes voters from the No and Undecided voters. Thus, the City will have to convince more voters that they need additional money.

- Overall voters were divided, 41% agreed and 44% disagreed, that the City of Shaker Heights has enough money now to provide high quality services, it doesn't need any more.
- But 73% of Hard No voters agreed the City has enough money now while 73% of Yes/Yes voters disagreed.

Voters think the City could do more to cut spending without compromising city services.

- 59% of voters were aware the City already tightened their belt by cutting employees and reducing the City's budget. However, 71% of all voters said despite these cuts, the quality of city services has been maintained.

- In addition, 71% of all voters agreed that instead of asking for a tax increase the City should tighten its belt like a lot of families, businesses and organizations are doing.
- Even after being told the City will not be collecting revenue from the estate tax (of which 77% were aware), voters were divided on what the City should do to make up for this shortfall. That is, 35% said the City should lay-off employees while 26% think the City should ask residents for a tax increase and 12% think the City should do both. But fully 27% weren't sure how the City should make up for this loss in revenue.
- Also, right now, only 9% of voters think that if the income tax increase were to fail it would have a lot of impact on their family.

Many voters continue to be concerned about cost, taxes and the economy.

- 52% of all voters agreed that the economy is too uncertain for me to vote for an income tax increase for the City.
- 45% of all voters agreed that they would like to vote for the city income tax increase, but they can't afford to pay any more money.
- And 72% agreed it will be harder to sell their home at a decent price if taxes keep going up.

Key to passing a city income tax increase is convincing voters there is a need for more money.

- 32% were more likely to vote yes on an income tax increase knowing that the State of Ohio cut the amount of money it gives to cities by more than half.
- And 40% were more supportive when told that the money from the tax increase would make up for the money the state legislature took away from Shaker earlier this year.
- 61% were aware that the City will no longer be able to collect money from the estate tax and 41% were more likely to vote for when told that Shaker relied on this money to pay for road repairs, and the purchase of all new equipment including police cars and fire trucks.
- Voters also need to be reminded that it has been 30 years since Shaker had an increase in their income tax (40% more likely).
- While not as persuasive as the other arguments, it is important to inform voters, that non-earned income such as social security, pensions, interest and dividends will not be taxed (26% more likely).
- Knowing the cost of the two issues was of little help. In fact knowing the 0.5% increase would cost about \$21 more a month was a slight negative (13% more likely; 17% less likely) while the cost at about \$15 a month for the 0.35% increase was only a slight positive (18/12). Knowing the cost didn't impact the way they would vote for two-thirds of the voters (67% and 65% no difference, respectively).
- There is little to be gained by telling voters that 20% of the city's income tax comes from people who live outside of Shaker, but work in the city (16% of all voters more likely).

If the issue fails, voters tend to favor making cuts in just two of the six city services tested – back yard trash collection (56% favored) and parks and recreation (52%). However, a large majority opposed making cuts in street repair (68% opposed), snow plowing (66%), police protection (78%) and fire and rescue squads (81%).

In addition, only 9% think if the issue fails it will have a lot of impact on them. However, if they thought this issue failing would have a lot of impact on their family, 49% would be more supportive of the income tax increase. Thus, in addition to demonstrating the need for the levy, the City will have to “connect the dots” for voters and let them know that with the loss in state funding additional revenue is needed in the form of a tax increase and if the issue is defeated more cuts will have to be made that would negatively impact all city services.

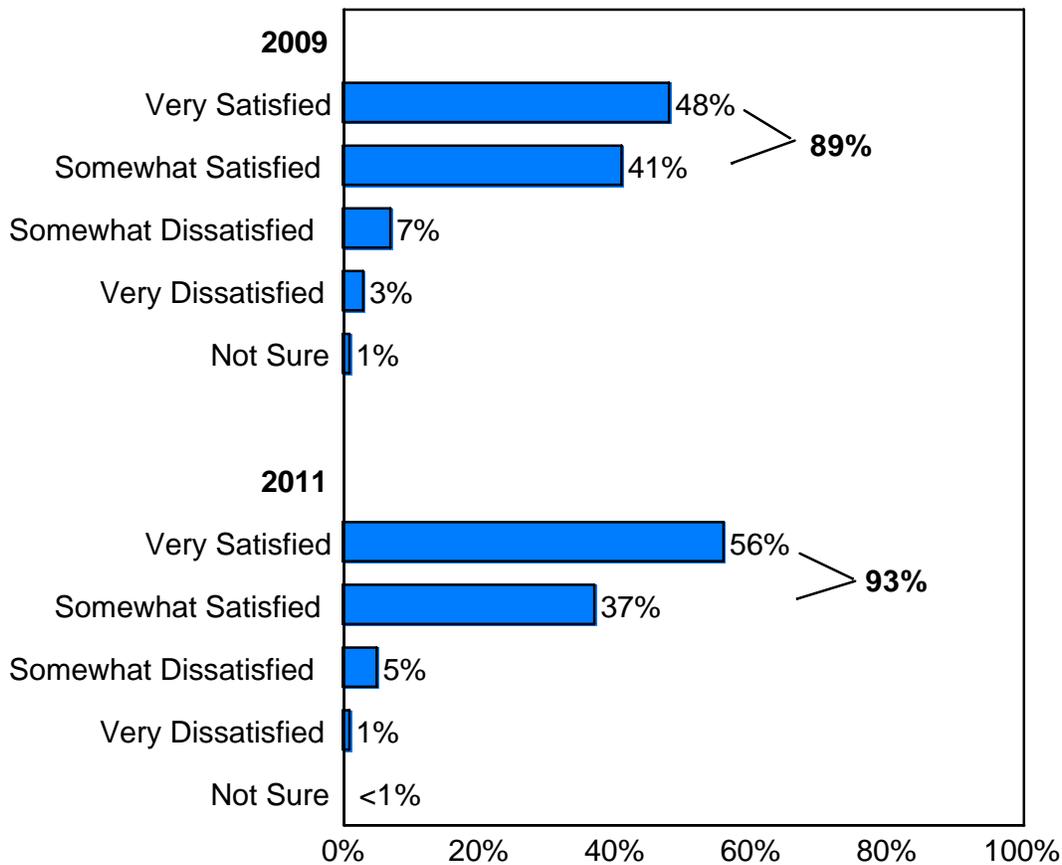
I. Satisfaction with City Services

A large majority of voters continue to be satisfied with city services.

More than nine-out-of-ten voters (93%) said they are satisfied with the city services provided by the City of Shaker Heights. Importantly, of these, more than half (56%) were **very satisfied** while 37% were **somewhat satisfied**. Just 6% were somewhat (5%) or very (1%) dissatisfied with the city services provided.

Both overall satisfaction with city services (89% in 2009 versus 93% today) and the percent very satisfied (48% in 2009 versus 56% today) is higher today compared to just two years ago.

Q1 SATISFACTION WITH THE SERVICES PROVIDED BY THE CITY OF SHAKER HEIGHTS



While a large majority of every demographic group was satisfied with the services provided by the city, there were some differences in the percent very satisfied.

- Two-thirds of senior citizens (66%) are very satisfied with city services while voters aged 50 to 64 looked similar to respondents overall (56%). But just 42% of those aged 18 to 49 are very satisfied with the services provided by the city.
- White voters (61%) were much more apt to be very satisfied with city services compared to non-white voters (47%).
- 61% of females are very satisfied with the city services provided compared to 51% of males.

There was also some variation by voter segments. That is, 74% of Yes/Yes voters on the tax issue are very satisfied with city services as were 62% of Moved Positive voters. But just 45% each of Undecided/Moved Negative voters and Soft No voters are very satisfied. Hard no voters are least apt to be very satisfied with the services provided by the city (35% very satisfied).

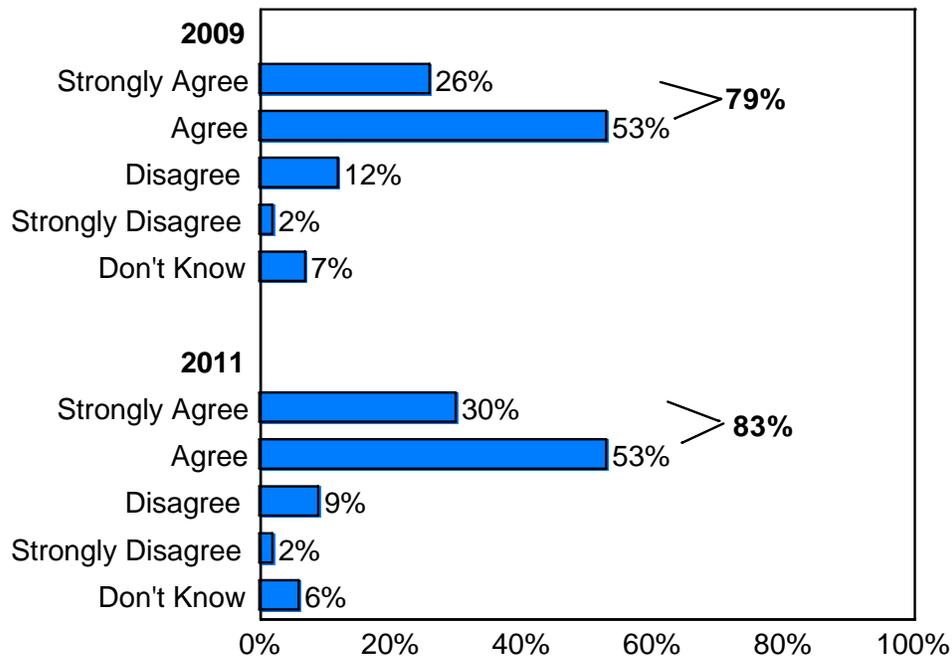
It is also worth noting that frequent voters (63%) were much more apt to be very satisfied with city services compared to moderate (51%) and infrequent (52%) voters.

Voters continue to trust what the city says about its finances.

Today, more than four-fifths of the voters (83%) either **strongly agreed** (30%) or **agreed** (53%) that *you can believe what the City of Shaker Heights tells you about the finances of the city*. This is slightly higher than what we saw in 2009 (79% agreed).

Only 11% of the voters today disagreed with this, and 6% did not know.

Q3 AGREE/DISAGREE YOU CAN BELIEVE WHAT THE CITY OF SHAKER HEIGHTS TELLS YOU ABOUT THE FINANCES OF THE CITY

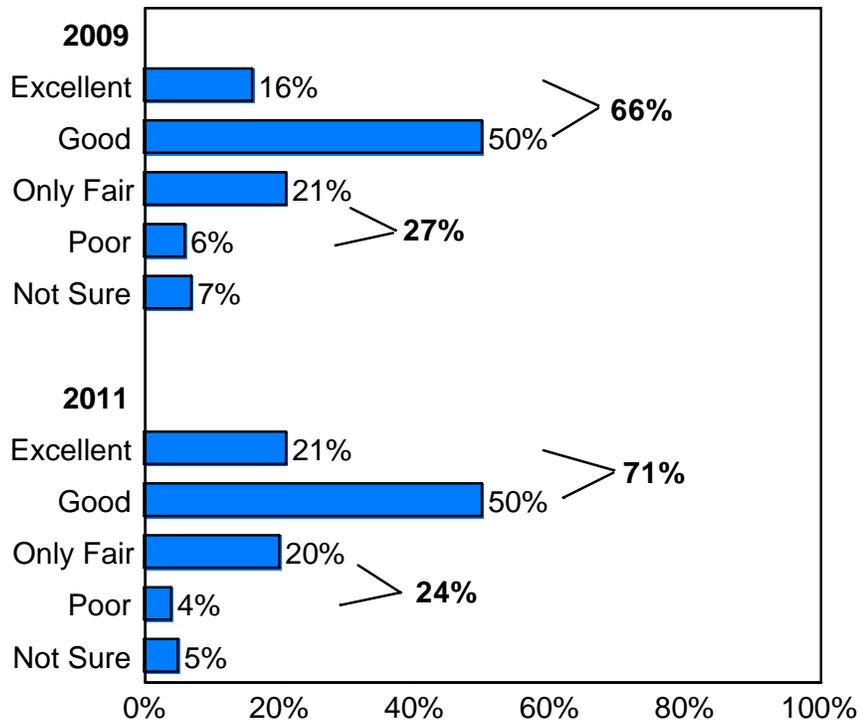


Three-fifths or more of every subgroup agreed with this statement. However, the percent strongly agreeing was slightly lower among non-white voters (20%), those with incomes of less than \$60,000 (25%), Republicans (24%) and moderate (27%) and infrequent (20%) voters.

The City's rating on its use of money also improved.

Seven-out-of-ten voters (71%) rated the City of Shaker Heights positively on the job it is doing with the tax money it receives. This is 5-points higher than in 2009 (up from 66% to 71% today) and all of this increase was in the percent **excellent** (up from 16% to 21%). Half (50%) continue to rate the City **good** on this. A fourth (24%) rated the job the City is doing with the tax money only fair (20%) or poor (4%), while 5% weren't sure.

Q2 THE CITY'S RATING ON JOB IT IS DOING WITH TAX MONEY



As we might expect, there was a strong correlation between voters' rating of the city's use of tax money and support for an income tax increase. A large majority of Yes/Yes (89%) and Moved Positive (85%) voters rated the City positively on its use of tax money. But the positive rating decreased to 59% among Undecided/Moved Negative voters. Interestingly, Soft No voters (70%) looked like respondents overall. Just 39% of Hard No voters gave the City of positive job rating on its use of money while 58% gave a negative rating.

The City's rating on its use of tax money was also lower among:

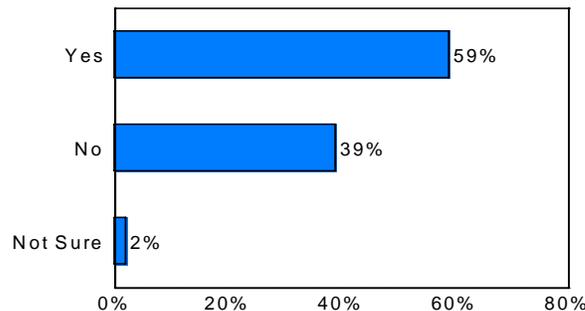
- Voters in the Southeast region (60% excellent and good combined)
- 18 to 49 year olds (63%)
- Those who voted in 2 of the last 4 general elections (60%) and
- Republicans (57%) or those who are independent (59%).

Three-fifths of the voters are aware the city has made cuts...

Overall, 59% are aware that because of the current economic recession, Shaker has already tightened their belt by cutting 55 employees over four years and reducing the city's budget by \$6 million a year. Two-fifths (39%), however, were not aware of this.

The subgroups slightly less apt to be aware that the City has already taken steps to tighten its belt included Moved Positive voters (44% aware), non-whites (45%), those with incomes of less than \$60,000 (48%), senior citizens (51%) and infrequent voters (44%).

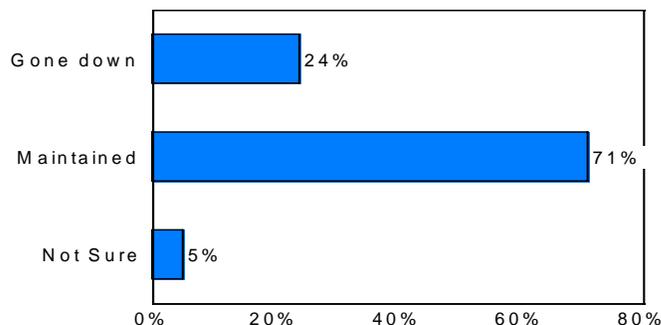
Q4 AWARE THAT BECAUSE OF THE ECONOMIC RECESSION SHAKER HAS ALREADY TIGHTENED THEIR BELT BY CUTTING 55 EMPLOYEES OVER FOUR YEARS AND REDUCING THE CITY'S BUDGET BY \$6 MILLION A YEAR



...but despite these cuts, voters think city services have been maintained.

Just 24% of the voters think city services have **gone down** over the last four years. However, 71% think the City has been able to **maintain** services in spite of the lay-offs and budget cuts.

Q5 HAVE CITY SERVICES GONE DOWN OR STAYED THE SAME IN THE LAST FOUR YEARS IN SPITE OF THE LAY-OFFS AND BUDGET CUTS



At most, a third each of Hard No voters (35%), Moved Positive voters (32%), non-whites (31%) and infrequent voters (33%) said city services have gone down as a result of the lay-offs and budget cuts.

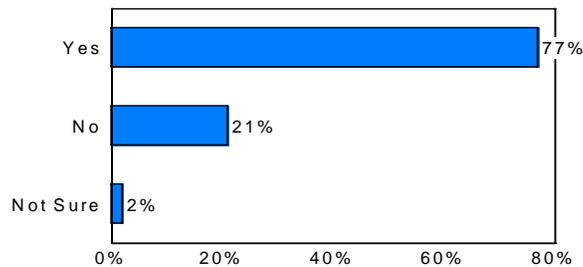
Overall, voters are satisfied with the level of services provided by the City of Shaker Heights. And despite laying-off employees and making cuts in spending, many voters do not think the quality of city services was impacted. Thus, some voters may not see the need for a tax increase to pay for city services at this time. This is our first indication it may be difficult to pass an increase tax increase at this time.

Voters were more apt to be aware of the state budget cuts and the loss of revenue from the estate tax...

Three-fourths (77%) said they are aware that this year, the state reduced the amount of money it gives to cities like Shaker and that the state legislature also passed a law eliminating the money cities like Shaker get from the estate tax.

Awareness was slightly lower among Moved Positive (54% aware) and Undecided/Moved Negative (65%) voters, non-white voters (64%) and those with incomes of less than \$60,000 (61%).

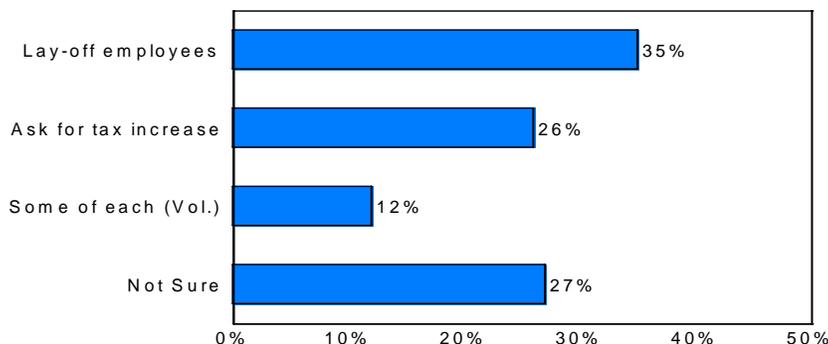
Q6 AWARE THE STATE REDUCED THE AMOUNT OF MONEY IT GIVES TO CITIES LIKE SHAKER AND THAT THE STATE LEGISLATURE ALSO PASSED A LAW ELIMINATING THE MONEY CITIES LIKE SHAKER GET FROM THE ESTATE TAX



...but voters are somewhat divided on how the City should make up for this shortfall.

Voters were then told that because of these state cutbacks, Shaker will receive about \$4.2 million less each year in revenue than it has in the past. And when asked what the City should do to make up for this shortfall, voters were slightly more apt to prefer to **lay-off employees** and cut services to residents (35%) than to ask residents for a **tax increase** (26%). There were 12% who volunteered the City should do both. But 27% weren't sure.

Q7 TO MAKE UP FOR THE SHORTFALL BECAUSE OF STATE CUTBACKS SHOULD SHAKER LAY-OFF MORE EMPLOYEES AND CUT SERVICES TO RESIDENTS OR CONSIDER ASKING RESIDENTS FOR A TAX INCREASE



Similar to respondents overall, most subgroups were somewhat divided or were slightly more apt to prefer the city lay-off employees and cut services than ask for a tax increase. Yes/Yes voters (8/53; lay-off employees/ask for tax increase), non-white voters (26/32) and those with incomes of less than \$60,000 (26/33) were the only subgroups in which more preferred asking residents to support a tax increase.

II. Support for a Possible City Income Tax Increase

Less than half the voters initially support either of the two possible income tax issues tested.

Two different income tax increases were tested using a split sample. That is, one-half of the voters were asked how they would vote on a one-half percent increase in the City's income tax to a rate of two and a quarter percent. The other one-half of respondents were asked about a zero point three-five percent increase to a rate of two and one-tenth percent. Regardless of which increase they were asked about, all respondents were told it would be used for the purpose of providing additional income to pay for necessary municipal functions and to meet increasing operating costs for the city.

The results for the two income tax increases tested were within the margin of error for the survey, but initial support is slightly higher for the one-half percent increase. Overall, 46% of voters asked about the 0.5% increase said they would definitely or probably vote **Yes** but 50% said they would definitely or probably vote **No**. Just 4% were undecided.

Similarly, 42% of those asked about the 0.35% increase said they would definitely or probably vote **Yes** while 53% said they would definitely or probably vote **No** and 6% were undecided.

FIRST VOTE ON INCOME TAX INCREASE (Asked of one-half of respondents each)				
	Q8 - 0.5% Increase		Q12 - 0.35% Increase	
	%	%	%	%
Definitely Yes	12	46	10	42
Probably Yes	34		32	
Probably No	25	50	25	53
Definitely No	25		28	
Not Sure	4	4	6	6

After hearing reasons for and against the income tax issue, support for both options increased but only support for the one-half percent increase was over half the second time asked. That is, 52% said they would vote Yes on the 0.5% increase, an increase of 6-points. But 46% would still vote No on this issue. Support for the 0.35% increase was at 45% in the second vote, up three points. But more than half (53%) would vote No on the issue. Very few respondents were undecided in the second vote question (2% and 3%, respectively).

SECOND VOTE ON INCOME TAX INCREASE (Asked of one-half of respondents each)				
	Q28 - 0.5% Increase		Q29 - 0.35% Increase	
	%	%	%	%
Definitely Yes	16	52	11	45
Probably Yes	36		34	
Probably No	25	46	27	53
Definitely No	21		26	
Not Sure	2	2	3	3

Based on these results, it will be difficult to pass either of these income tax increases. Regardless of which issue, if any, the City decides to place on the ballot for voter approval, it will require a well funded, city-wide and informative campaign. We should also note much of the support for either issue is weak. That is, only about a tenth said they would definitely vote yes on either issue initially.

For further analysis, we combined the results of the first and second vote questions on the 0.5% increase with the results of the first and second vote questions on the 0.35% increase. As shown below, 41% of the voters said they would vote Yes on a city income tax increase both times they were asked. The Yes/Yes voters are the issues core group of supporters.

COMBINED VOTE MOVEMENT	
	All Respondents
	%
Yes/Yes	41
Moved Positive	8
Undecided	1
Moved Negative	4
Soft No	23
Hard No	23

In addition 8% of the voters **Moved Positive** from the first vote to the second, which means that they initially voted No on the income tax increase, but then voted Yes or became undecided the second time asked, or they were undecided initially and then supported it.

Just 1% of voters who were **Undecided** both times and only 4% **Moved Negative**. These voters supported the income tax the first time and then became opposed or undecided by the end of the survey, or they started out undecided then voted No the second time.

Combined, the Yes/Yes, Moved Positive, Undecided and Moved Negative voters account for just 54% of all voters, thus the City of Shaker Heights will also need the support of some of the “**Soft No**” voters. These voters account for 23% of the sample and include those who would **probably** vote no one or both times asked.

One-fourth of the voters (23%) said they would **definitely** vote No both times asked. Typically, little can be done to convince the **Hard No** voters to support a tax issue unless the amount or purpose of the issue is changed.

Senior citizens (50%) were the only subgroup in which half said they would vote yes both times asked. Several other subgroups were just under half Yes/Yes voters including those in the Northwest region (49%), those with incomes of less than \$60,000 (49%), Democrats (48%) and frequent voters (48%).

Republicans were the only subgroup in which half were Hard No voters (51%). Among the remaining subgroups, between 14% and 34% were Hard No voters.

Thus, this tells us that most demographic groups are persuadable voters. That is, a substantial percent of each subgroup are Moved Positive, Undecided, Moved Negative or Soft No voters. This again tells us that the City will need to run a very aggressive and informative campaign that reaches across the entire city and all demographics to be successful.

Many of those supporting the issue want to maintain the quality of Shaker Heights or believe the City needs the money.

One-third of those voting Yes on either the 0.5% or 0.35% income tax are supporting the issue to maintain city services or to keep important services (about 35%). In addition, 22% of those supporting the 0.35% increase are voting Yes to keep Shaker Heights a desirable place to live. This was cited by just 10% of those supporting the 0.5% income tax.

A fourth (25%) are voting Yes because they think the city needs the money, revenues are down because of the economy, costs are increasing, etc.

A variety of other reasons were given for supporting a city income tax by a tenth or less of the voters.

Q9 & 13 REASONS FOR VOTING <u>YES</u> ON INCOME TAX INCREASE		
	Of Those Voting Yes*	
	0.5% Increase (N=117) %	0.35% Increase (N=107) %
To maintain city services, keep important services, services are good	34	38
City needs the money, cities are impacted by the economy, costs are increasing, revenues are down, laying people off	22	28
For the city, keep it good, desirable, improving	10	22
I support the city, need to support the city, trust/have confidence in city officials	9	4
No other source of income, money has to come from somewhere, community responsibility	9	1
City does a good job with what they have	8	1
Need more information, what will the money be used for	6	4
To maintain property values, the community	5	6
To support/keep firefighters and police, other city employees	2	7
Increase is not too much, residents can afford to pay it	3	4
City has not had an income tax increase in years	1	--
Income tax preferred over property tax	--	4
Other	8	7
Don't Know	2	1

*Adds to more than 100% due to multiple responses, 2 responses accepted

Taxes was the overwhelming reason given for opposing an increase in the city income tax.

More than half of those voting no (57%) said taxes are too high, against new taxes, we are one of the highest taxed suburbs in the state as their reason for opposing the income tax increase. Another fifth (20%) are voting no because they are retired, can't afford more taxes, lack income, money is tight, bad economy.

Some are opposed because they don't think the city needs the money or they should make cuts first (20%) and the city wastes money, don't use money right, could do more with what they have (11%).

	Of Those Voting No*	
	0.5% Increase (N=128)	0.35% Increase (N=122)
	%	%
Taxes too high, against new taxes, one of the highest taxed places in the state	54	59
Retired, can't afford, lack income, money is tight, bad economy	21	18
Don't need the money, cut other things first, tighten belts, other ways to make cuts, find money, consolidate with other cities to save money	16	25
Waste money, don't use money right, could do more with what they have	13	10
People are leaving the city, need more businesses, more businesses help pay taxes	11	7
Don't trust city, don't tell us where money goes, what money is used for	2	4
Need more information, where does the money go	2	3
City services aren't that good, poor, need improved	1	4
Don't work in Shaker Heights, shouldn't have to pay taxes here	1	1
State should give more funding for the city	--	2
Other	5	3

*Adds to more than 100% due to multiple responses, 2 responses accepted

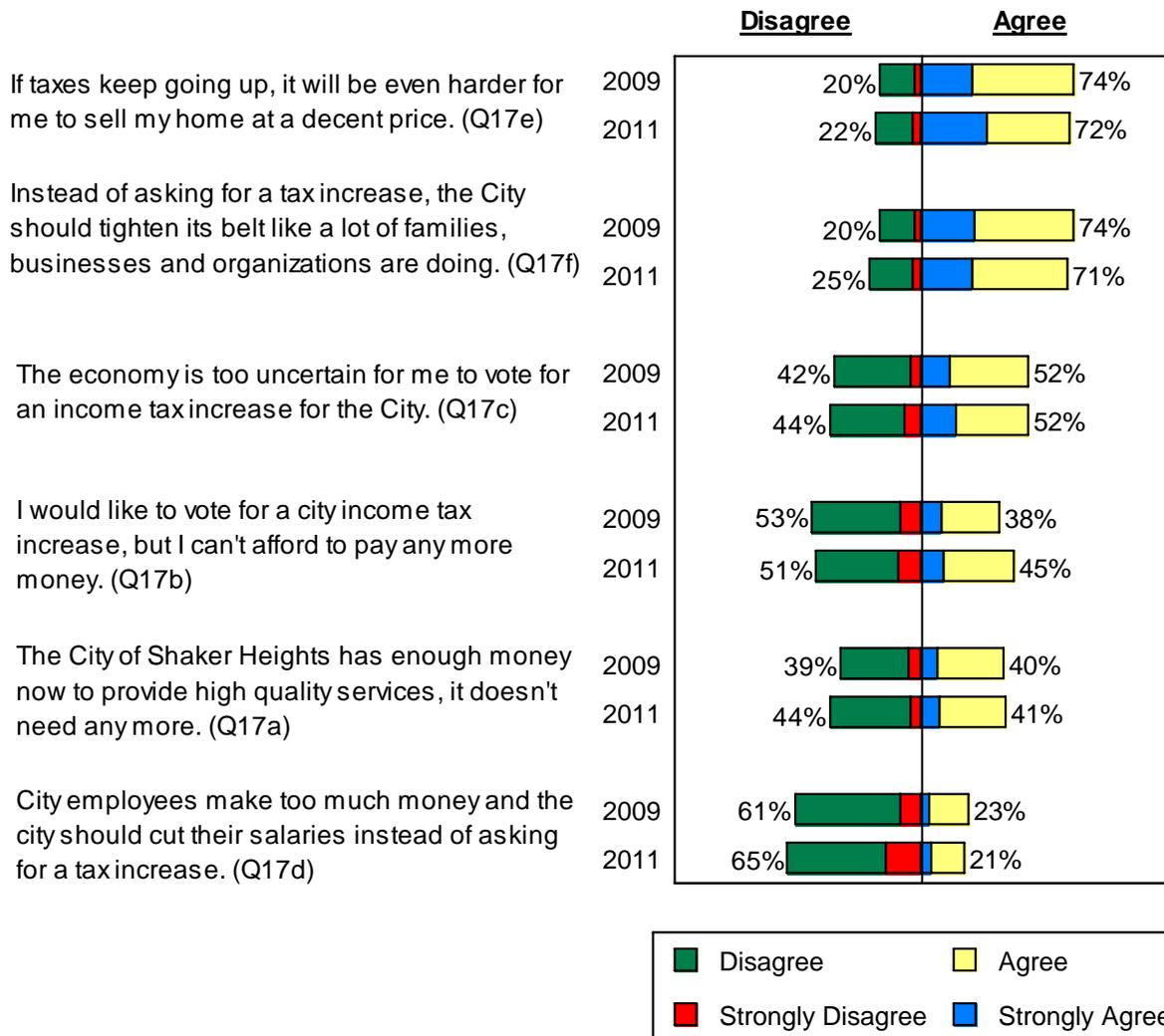
III. Reasons Against an Income Tax Increase

Perceived lack of need for more money is the argument that most divided voters.

Six possible reasons for voting against an income tax increase were tested and multivariate analysis determined that **need** was the argument that most divided the Yes voters from the No and Undecided voters. That is, overall 41% agreed that *the City of Shaker Heights has enough money now to provide high quality city services, it doesn't need any more* while 44% disagreed with this. The remaining 16% didn't know. This result is similar to what we saw in 2009 (40% agreed; 39% disagreed).

- Looking at the voter groups we see that 73% of Yes/Yes voters **disagreed** the City has enough money. In contrast, 73% of Hard No voters **agreed** with this statement as did 57% of Soft No voters. Moved Positive (39% agreed; 30% disagreed) and Undecided/Moved Negative (48/30) voters also tend to agree that the City has enough money now to provide high quality services. **Thus, the City needs to inform voters that they have already made cuts and further cuts will negatively impact the quality of city services.**

REASONS FOR OPPOSING THE CITY INCOME TAX INCREASE



About three-fourths of the voters continue to agree that *if taxes keep going up, it will be even harder to sell my home at a decent price* (72%). Only a fifth (22%) disagreed with this statement. This too is similar to the 2009 survey results (74% agreed; 20% disagreed).

- Similar to respondents overall, a large majority of every demographic group agreed with this, including Yes/Yes (51%) and Moved Positive (78%) voters.

Similar to 2009, seven-out-of-ten voters (71%) agreed that *instead of asking for a tax increase, the City should tighten their belts just like a lot of families, businesses and organizations are doing*. A fourth (25%) disagreed with this. This is further evidence that voters are not aware of the size of cuts Shaker has already made, and therefore the need for a tax increase.

- A majority of every subgroup also agreed with this statement including 70% of Moved Positive voters. Even Yes/Yes voters were divided (48% agreed; 48% disagreed).

But voters do not think city employees are overpaid. That is, only 21% agreed that *city employees make too much money and the city should cut their salaries instead of asking taxpayer for a tax increase*. Two-thirds (65%) disagreed with this.

- A majority of most subgroups disagreed with this. However, nearly half (47%) of Hard No voters agreed city employees' salaries should be cut as did 38% each of Moved Positive voters and Republicans.

Similar to what we saw in 2009, many voters are still concerned about the affordability of the issue and/or economic uncertainty. Today, 45% of the voters agreed that *they would like to vote for a city income tax increase, but they can't afford to pay any more taxes*. This is up slightly since 2009 when 38% agreed. Half of the voters (51%) continue to disagree they can't afford it. At the same time, just over half of the voters (52%) agreed that *the economy is too uncertain for me to vote for an income tax increase for the city* while 44% disagreed.

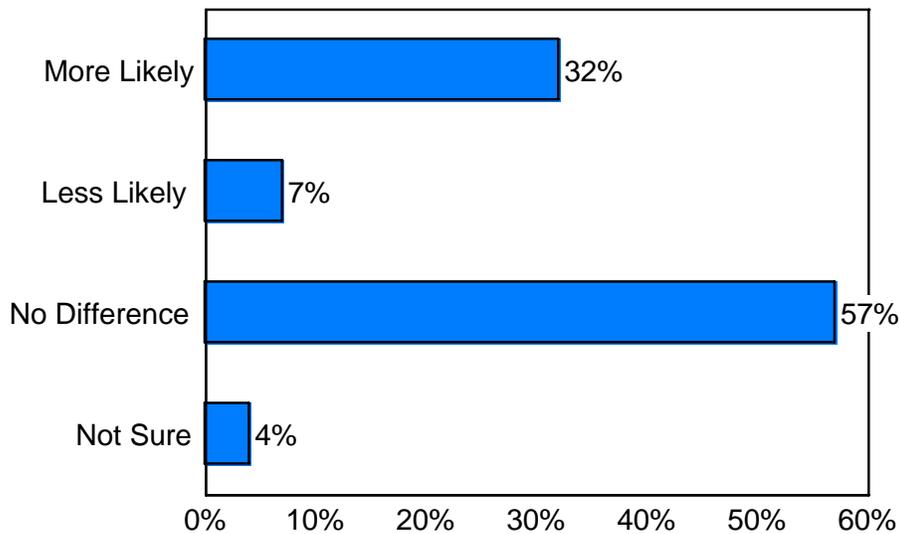
- While a substantial percent of every demographic group said they can't afford the tax increase, every subgroup was more apt to agree the economy is too uncertain. Thus, even if voters think they could afford a tax increase, they may be hesitant to support the issue due to their concerns about the economy.

IV. Arguments in Favor of an Income Tax Increase

Knowing the State cut funding to cities like Shaker had some positive impact on voters' support.

Overall, 65% of the voters were aware that this year the State of Ohio cut the amount of money it gives to cities by more than half. And a third of all voters (32%) said knowing this would make them more likely to vote Yes on the income tax issue. Over half (57%) said this doesn't make any difference to them while only 7% were less likely to vote yes.

Q19 LIKELIHOOD OF VOTING FOR THE CITY INCOME TAX KNOWING THE STATE OF OHIO CUT THE AMOUNT OF MONEY IT GIVES TO CITIES BY MORE THAN HALF



This information helps reinforce/gain support for the income tax issue among a fourth or more of most subgroups and is particularly helpful in reinforcing support among the Yes/Yes voters (62% more likely to vote for).

But more important is informing voters that the money from the tax issue will be used to purchase new emergency vehicles and for repairing the roads.

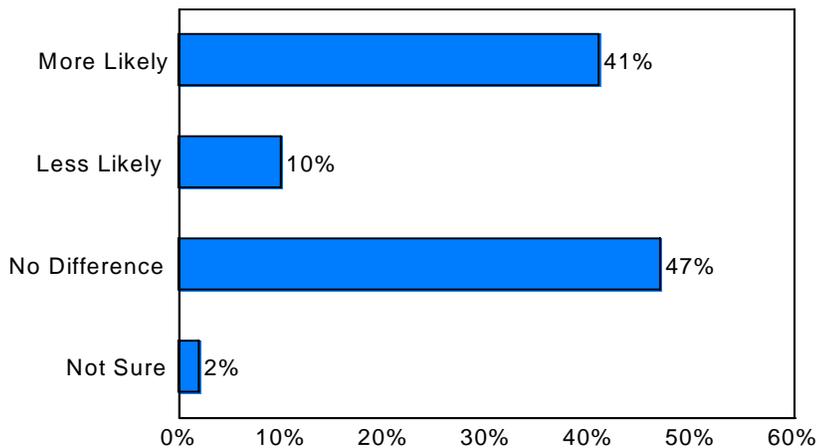
Three-fifths of the voters (61%) said they were aware that each year Shaker Heights received more than \$3 million from the Ohio estate tax, and that with the end of the estate tax Shaker will no longer get any money from it.

There was some demographic variation on this. That is...

- 72% of Hard No voters were aware of the loss in the estate tax revenue as were 65% of Yes/Yes voters. About half or less of the other voter segments were aware of this.
- 71% of white voters were aware of this while this was true of just 37% of non-white voters.
- 71% of Republicans were aware Shaker will no longer get any money from the estate tax while Democrats looked like respondents overall (59%).
- And awareness increased with income.

Respondents were then told that Shaker always relied on the money it got from the estate tax to pay for road repairs, and the purchase of all new equipment including police cars, fire trucks, and trucks for refuse collection and snow removal. They were also told that with the loss of the estate tax money Shaker will have to find another way to pay for all these things. Knowing this, 41% of the voters would be more likely to vote Yes on the income tax issue. About half (47%) said this doesn't make any difference to them while only 10% were less likely to vote yes.

Q21 LIKELIHOOD OF VOTING FOR THE CITY INCOME TAX KNOWING SHAKER ALWAYS RELIED ON THE MONEY IT GOT FROM THE ESTATE TAX TO PAY FOR ROAD REPAIRS AND THE PURCHASE OF ALL NEW EQUIPMENT



Knowing what the estate tax money was used for was helpful in reinforcing support among Yes/Yes voters (72% more likely) as well as gaining support among the Moved Positive voters (62%). Knowing this had a positive impact on between a fourth and about two-fifths of the other demographic groups.

Knowing the money generated by the tax increase would be used to make up for the loss in State funding is also somewhat persuasive to voters.

Respondents asked about the 0.35% increase were told the money from this income tax increase would make up for the money that the state legislature took away from Shaker earlier this year. Those asked about the 0.5% increase were *also* told the money would be used to protect the City against future cost increases or more cuts by the state legislature. As we can see in the graph below, the results were virtually identical with 40% more likely to support a tax increase knowing this. Half said it would make no difference in their support (49%).

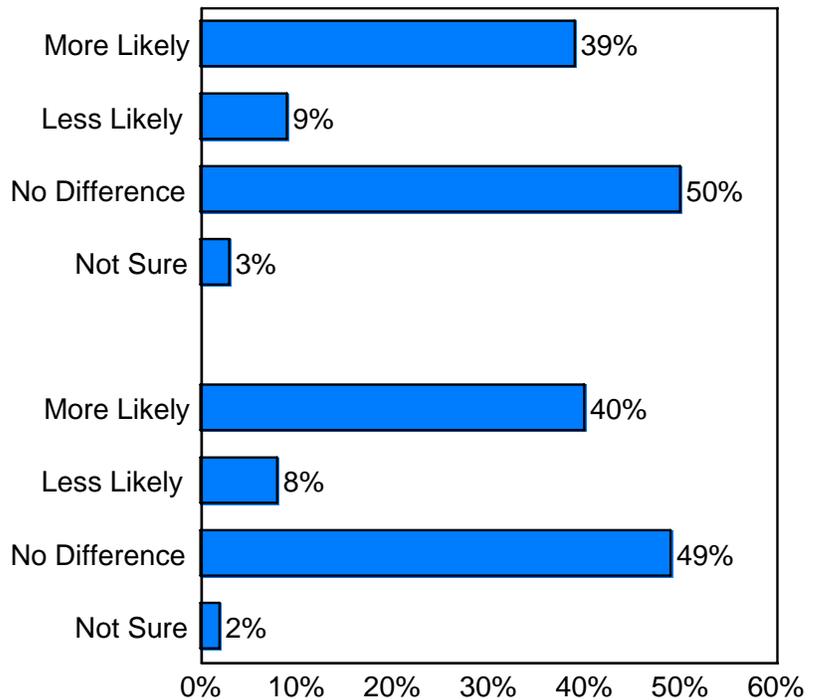
LIKELIHOOD OF VOTING FOR THE CITY INCOME TAX LEVY KNOWING...

Of Those Asked 0.5% Increase

The money would make up for the money that the state legislature took away from Shaker earlier this year and protect the City against future cost increases or more cuts by the state legislature. (Q22)

Of Those Asked 0.35% Increase

The money would make up for the money the state legislature took away from Shaker earlier this year. (Q23)



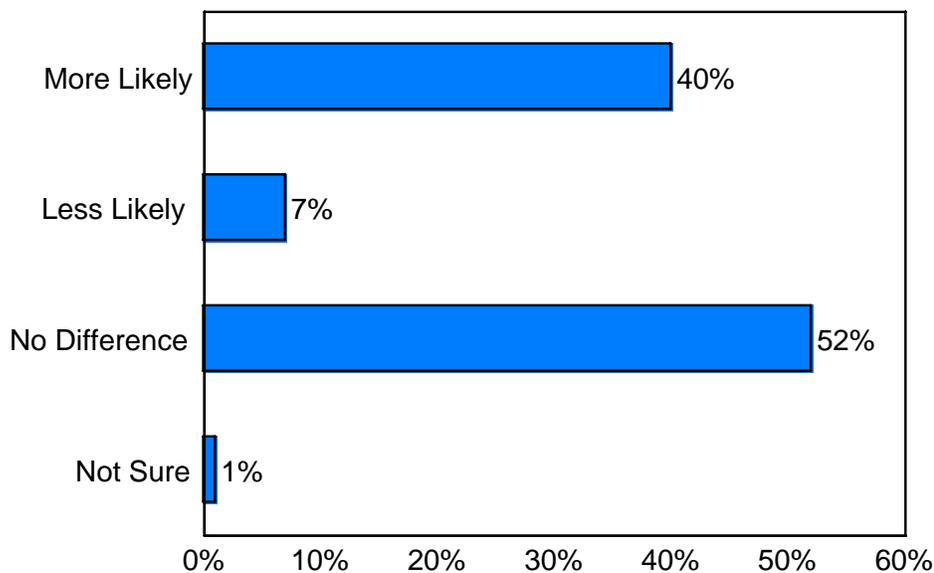
Interestingly, Yes/Yes voters (77%) and Moved Positive voters (58%) on the 0.35% increase were more apt to be positively impacted by this information than were the Yes/Yes (66%) and Moved Positive (35%) voters on the 0.5% income tax increase. For the most part, the remaining subgroups looked similar to respondents overall with between a third and two-fifths more likely to support the tax issue knowing it will make up for the shortfall in state funding.

Thus, it is important that Shaker use these arguments together and inform voters about the loss in funding from the State as well as the fact that Shaker will no longer be able to collect on the estate tax. The City also has to inform voters what the money would be used for.

Equally important is letting voters know that it has been 30 years since the City's income tax increased.

Two-fifths of all respondents would be **more likely** to support an income tax increase for the city knowing the city's last income tax increase was 30 years ago and the city's goal after this tax increase is to stay off the ballot for many years to come. Just 7% were less likely to support the tax increase knowing this while 52% said this does not impact their support.

Q25 LIKELIHOOD OF VOTING FOR THE CITY INCOME TAX INCREASE KNOWING THE CITY'S LAST INCOME TAX INCREASE WAS 30 YEARS AGO AND THE CITY'S GOAL AFTER THIS TAX INCREASE IS TO STAY OFF THE BALLOT FOR MANY YEARS TO COME



Yes/Yes voters were most apt to be influenced by this (65% more likely). This argument is also helpful in gaining support among most other subgroups as well with between a third and two-fifths more supportive of the tax issue knowing it has been 30 years since the city's income tax increased.

Knowing that non-earned income would not be taxed is only somewhat important to voters.

Overall, just a fourth of all respondents (about 26%) were positively impacted knowing that income from social security, pensions, interest, dividends and capital gains would not be taxed and that only income from employment would be taxed. Only 9% said this would make them less likely to vote for. But three-fifths (about 59%) were not impacted by this.

Q10 & 14 VOTE FOR INCOME TAX KNOWING SOCIAL SECURITY, PENSIONS, INTEREST, ETC. WOULD <u>NOT</u> BE TAXED		
	0.5% Increase	0.35% Increase
	%	%
More Likely	24	29
Less Likely	9	9
No Difference	62	55
Not Sure	5	6

However, this argument is more persuasive to voters in the Southwest (about 41% more likely), senior citizens (34%) and non-white voters (37%). Interestingly, voters with incomes of less than \$60,000 who were asked about the 0.5% increase (42% more likely) were more apt to be positively impacted by this than those asked the 0.35% increase (30%).

It is important to inform voters of this even though it will not convince many to vote for the tax increase.

Knowing that actual cost of the increase was neither a positive nor a negative to voters.

Overall, knowing the actual additional monthly cost did not make a difference to a majority of voters. As shown below, about two-thirds of the voters said it wouldn't make any difference to them knowing the 0.5% increase would cost about \$21.00 and the 0.35% increase would cost about \$15.00 a month more on an annual taxable income of \$50,000 (67% and 65% no difference, respectively). Among the remaining voters, the cost of the 0.5% increase was only a slight negative (13% more likely; 17% less likely) while the cost of the 0.35% increase was only a slight positive (18/12). Statistically, there is no variation in these results.

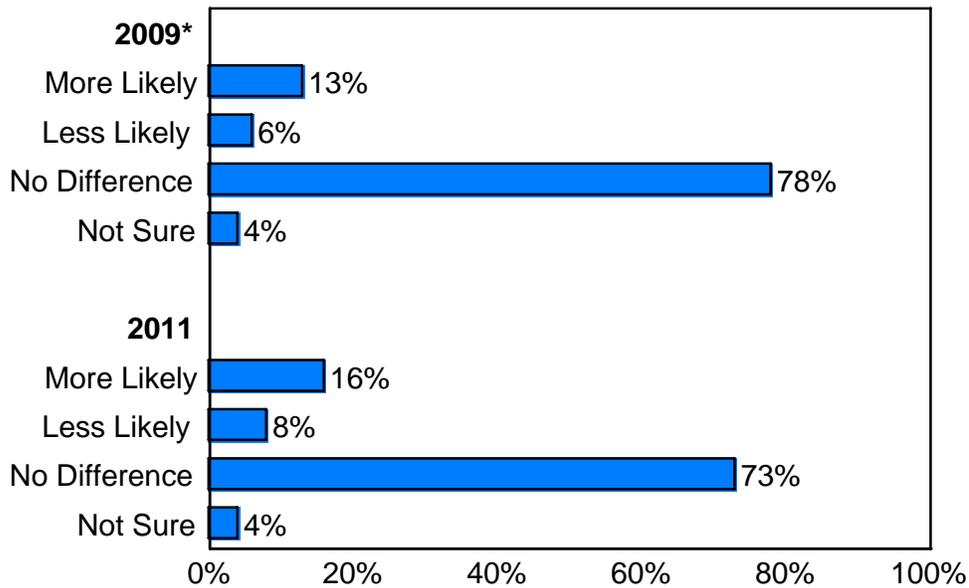
Q11 & 15 LIKELIHOOD OF VOTING FOR THE INCOME TAX KNOWING THE COST (Asked of one-half of respondents each)		
	Q11 - 0.5% Increase Pay \$21 Month More	Q15 - 0.35% Increase Pay \$15 Month More
	%	%
More Likely	13	18
Less Likely	17	12
No Difference	67	65
Not Sure	4	4

There was little significant demographic variation on this. Knowing the cost did not make a difference to a majority of every subgroup.

There is little to be gained by informing voters that 20% of the money from the income tax comes from people who live outside Shaker.

Similar to what we saw in 2009, three-fourths of the voters (73%) said it doesn't make any difference to them to know that 20% of the income tax money Shaker Heights takes in comes from people who live in other communities and work in Shaker Heights. Only 16% said this would make them more likely to support the income tax while 8% would be less likely to vote for.

Q16 VOTE FOR INCOME TAX KNOWING 20% OF THE MONEY COMES FROM PEOPLE WHO LIVE OUTSIDE OF SHAKER



* wording slightly different

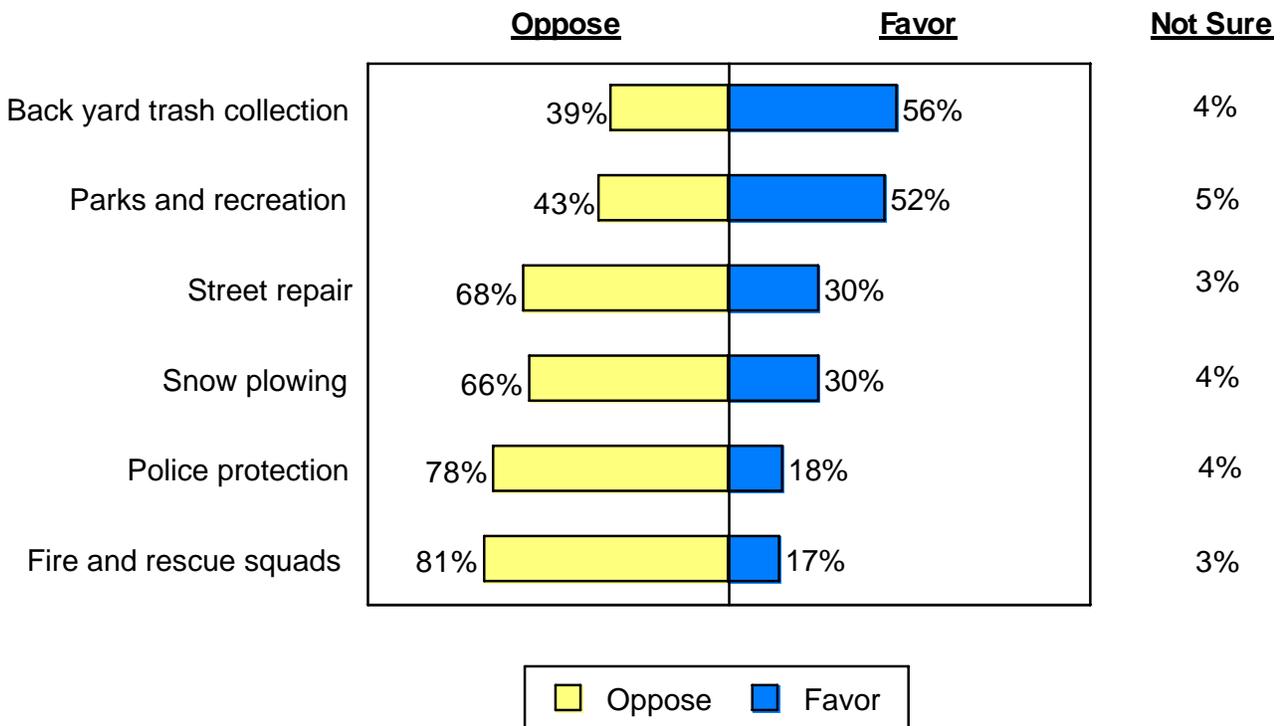
There was little demographic variation. This argument has little impact on voters' support for the tax issue.

Voters are opposed to most of the possible cuts tested if the tax issue fails.

If the tax increase fails and the city has to cut its overall budget by about another ten percent, a large majority **opposed** cuts in four of the city services tested including:

- Fire and rescue squads (17% favored; 81% opposed)
- Police protection (18/78)
- Street repair (30/68) and
- Snow plowing (30/66).

Q24 FAVOR OR OPPOSE A 10% CUT IN SPECIFIC CITY SERVICES



Just over half of the voters **favored** two of the six potential cuts in city services tested. They were:

- Back yard trash collection (56% favored; 39% opposed) and
- Parks and recreation (52/43).

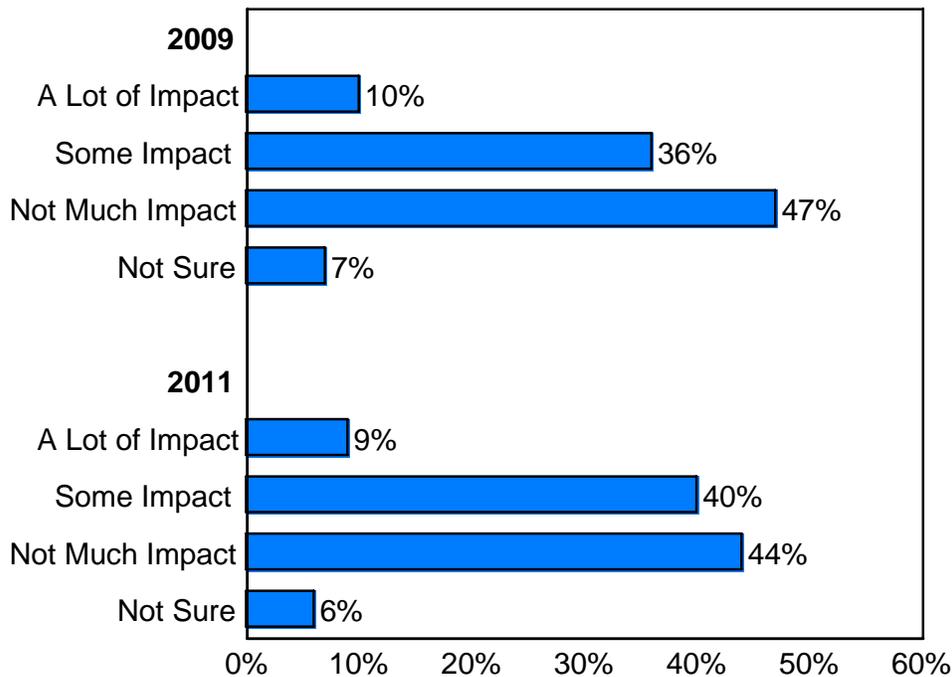
Yes/Yes and Moved Positive voters **opposed** cuts in each of these city services, including back yard trash collection and parks and recreation. Thus, the issue’s core supporters want to maintain all city services.

However, two-fifths or more of Hard No voters favored making cuts in each of these city services if the tax increase fails, including cuts in police (42% favored) and fire and rescue squads (39% favored). This is further evidence that there is little the city can do to convince the Hard No voters to support a tax increase.

Currently, only a few voters believe that the failure of the income tax increase would have a lot of impact on them.

Similar to 2009, Just 9% of all voters said that if the income tax increase failed, it would have a **lot** of impact on them and their family. Another 40% said the failure of the income would have **some** impact on them. But 44% said its failure **would not have much impact** on their family. Note that this question was asked *after* voters were read the list of potential cuts in city services if the issue fails.

Q26 IF THE TAX INCREASE FAILS HOW MUCH OF AN IMPACT WOULD THERE BE ON YOU AND YOUR FAMILY

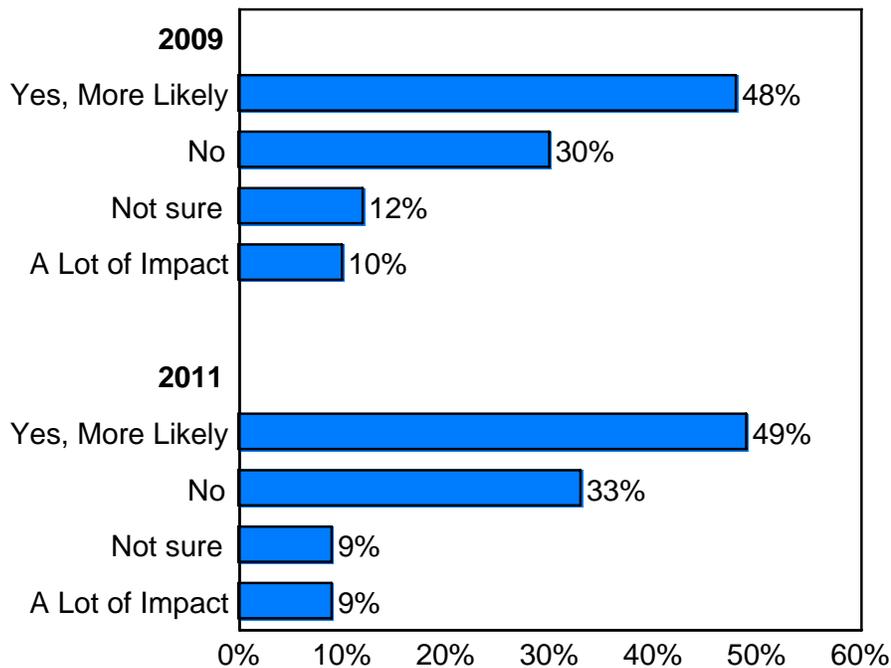


At most, 18% of Moved Positive voters said if the income tax failed it would have a lot of impact on them.

But if voters thought the issue's failure would have a lot of impact on them, they would be more likely to support the increase.

Those who did not think an income tax failure would have a lot of impact on them and their family (91%) were asked their likelihood of voting for the income tax if they thought the failure of the income tax increase would have a lot of impact on their family. Assuming a lot of impact, 49% said they would be **more likely** to vote for the income tax. But 33% would **not** be more likely to support it and 9% weren't sure. This too is similar to what we saw in 2009.

**Q27 MORE LIKELY TO VOTE YES ON INCOME TAX INCREASE
IF THOUGHT ITS FAILURE WOULD HAVE A LOT OF IMPACT ON FAMILY**



With the exception of Hard No voters, a majority of all subgroups either said they would be more likely to support an income tax increase if they thought its failure would have a lot of impact on them or they said in the previous question that its failure would have a lot of impact on them. Thus it is important that the City show voters that the quality of city services will go down if the income tax issue fails and this *will* have a negative impact on the city and its residents.