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2nd Annual State of Connecticut Survey: The Economy and Personal Finances

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For PDF of release and data summary, visit www.siena.edu/sri/research

Better Off Than 4 Years Ago? In CT, 51% “NO”, 38% “YES”

71% or More Worried about Gas, Food & Heating Costs

49% Think Country’s Best Economic Days are Behind Us

Most Support Tax Increase on High Earners, More Domestic Energy; Evenly Divided on Repealing Health Care Legislation

Thirty-eight percent of Connecticut residents say they are better off today than they were at this time four years ago but a majority, 51 percent say that they are not while 10 percent volunteer that their financial condition is unchanged according to a new survey released today from the Siena (College) Research Institute (SRI) and underwritten by First Niagara Bank. Gasoline prices now pose a somewhat or very serious financial hardship to 75 percent of residents while 76 percent is somewhat or very concerned about the impact of heating costs and 71 percent say grocery costs are having a serious impact on their finances.

For the second year in a row, a greater percentage say they think our country’s best economic days are behind us as opposed to about 45 percent that believe the economy is strong and that we will return to financial health. Large majorities support increasing federal income taxes on those Americans making more than \$250,000 and increasing the exploration and development of domestic energy including oil and natural gas. Residents are split with 39 percent supporting and 39 percent opposing efforts to repeal the recently enacted federal health care reform legislation.

Sixty-eight percent support increasing income taxes on higher earners, and 76 percent are in favor of increased development of domestic energy. Large majorities are in favor of providing funding to train workers rather than expanding unemployment benefits (84%), carefully monitoring the financial industry (82%), expanding federal support for education (81%), and an aggressive federal infrastructure development program (75%). A majority supports a balanced budget amendment (57%) while a larger majority (63%) opposes lessening funding for entitlement programs like Social Security, Medicare and Medicaid.

The 2nd Annual Connecticut Survey of the Economy and Personal Finances is part of a larger study of economic confidence in Connecticut. In January, the Second Annual First Niagara Survey of Southwestern New England Business Leaders, an investigation of confidence, concentrations, plans and attitudes towards government of CEO’s from Connecticut’s private for profit companies, will be released.

“Only one in five residents say their financial lot has improved over the last twelve months while merely one-third expect to improve economically over the coming year. With about forty percent treading financial water, it isn’t surprising that residents are split on whether the economy and business conditions will improve or worsen in the near future,” said Dr. Don Levy, SRI’s Director.

Twenty-one percent of residents, when thinking about their financial life today as compared to four years ago, say their job security is better, 22 percent say their monthly income versus their expenses is better and 23 percent say the value of their savings and investments are improved. In each area of personal finances, more indicate they are worse off: job security – 28 percent worse off, income/expenses – 45 percent worse off, savings and investments – 41 percent worse off.

		Better	Worse	Same
You and your household, financially compared to 2008		38%	51%	10%
Personal	Job security	21%	28%	39%
	Monthly cash flow	22%	45%	32%
	Savings & Investments	23%	41%	33%
Others	Local businesses	12%	58%	28%
	Major corporations	39%	26%	27%
	Low income people	9%	62%	24%
	Middle class people	6%	64%	27%
	Wealthy people	36%	15%	43%

Asked to consider the financial well-being of others, Connecticut residents believe the middle-class, low income people in their area and businesses in their community have been hard hit by the last four years with a majority indicating that all three groups are not better off than they were four years ago.

The percentage of households with a member losing a job this year is down slightly from last year moving from 20 percent last year to 17 percent today. Twenty-four percent of residents (29% last year) have had their hours cut back at work. Knowing someone that has had their home foreclosed across the state measured 35 percent this year up from 29 percent a year ago.

“Connecticut residents continue to face a tough economy but despite all the difficulties they are working and planning for the future. More are confident that they will maintain their current standard of living in retirement than those that worry they won’t and nearly half have been able to put some money aside for retirement above and beyond any employer contribution,” Levy said.

Two-thirds (67%) of residents have a savings account with at least \$1,000 in it and 40 percent have enough in savings to take care of six months of household expenses. Sixty-six percent have a retirement fund like a 401k and two-thirds have life insurance. A growing majority, 53 percent up from 48 percent last year, have a written monthly budget that they use to keep track of their income and expenses.

The 2nd Annual Economy and Personal Finances Survey was conducted October 4- 14, 2012 by random telephone calls to 633 Connecticut residents over the age of 18 via both landline and cellphones. Data was weighted by age, party and gender to enhance representativeness. Results are reported with a margin of error of ± 3.9 points. For more information or comments, please call Dr. Don Levy, Director, Siena College Research Institute, at 518-783-2901 or dlevy@siena.edu. Survey cross-tabulations can be found at www.siena.edu/sri/research