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Special Survey: Impact of the Economy on New Yorkers

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For information/comment: Dr. Don Levy: 518-783-2901 or dlevy@siena.edu

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64% Say Government More Problem than Solution on the Economy

Small Majority think America's Best Financial Days Behind Us

Last Four Years: 56% Have Used Savings, 37% Behind in Bills, 30% Lost Job or Laid Off, 30% Borrowed for Necessities; Less than Half had Week Vacation

Support Infrastructure Development, Ending War, Balanced Fed Budget & Increased Taxes for Wealthy; Oppose Cuts to Entitlements; Divided on Health Care

Loudonville, NY. Sixty-four percent of New York residents say that government is more of the problem while only 23 percent see it as the solution when it comes to the economic issues our nation faces according to a new survey released today from the Siena (College) Research Institute (SRI). Today, 50 percent, up from 47 percent a year ago and 45 percent two years ago, feel that unfortunately our country's best economic days are behind us while only 45 percent, down from 49 percent the last two years, believe that the current economic problems are temporary and that we will return to financial health.

When asked whether, since the recession of 2007, they or other members of their household had experienced any of ten different events, a majority, 56 percent, said they had taken money out of their savings or retirement funds in order to meet expenses and 47 percent said they had given up a pastime, hobby or activity because it was too costly. Thirty-seven percent have fallen behind in their bills at some time over the last four years, 30 percent have lost a job or been laid off, 30 percent have borrowed money from family or friends in order to pay for necessities and 12 percent have had to move in with others in order to make ends meet. Forty-eight percent have (51% have not) taken a vacation of at least a week over the last four years while 28 percent have gotten a new job and 25 percent have purchased a new vehicle. Only 30 percent of all New Yorkers, 14 percent of those earning less than \$50K, have gotten a raise at work since 2007.

Eighty-five percent of New Yorkers now say they pay some or a great deal of attention to news about the economy. When asked what they support, majorities say: provide funding to train workers rather than extend unemployment benefits (82%), expand federal support for education (80%), protect consumers from unfair financial practices (79%), embark on an aggressive federal infrastructure development program (74%), increase income taxes on those making more than \$250K (72%), end the war in Afghanistan (71%), increase the development of domestic energy (71%) and pass a constitutional amendment for a balanced budget (56%).

Sixty-one percent oppose lessening funding for programs like Social Security and Medicare, and 56 percent do not want to lower tax rates paid by corporations. New Yorkers are divided on repealing the recently enacted health care reform legislation (39 support, 34 oppose) and lessening federal regulations on businesses (40 support, 34 oppose).

“How do we accomplish these goals while two thirds insist that government is the problem not the solution? No surprise, Republicans tend to think that their party understands what needs to be done to address the economy and they trust elected GOP’s more than Democrats to do the right thing. Democrats tend to say the same about members of their party. But over a third of independents and a full quarter of all New Yorkers now say that neither party understands our problems nor warrants their trust,” said Dr. Don Levy, SRI’s Director.

“The Recession of 2007 may be over but New Yorkers continue to feel the pain and to take steps to weather this storm that will not blow out to sea. Only one in six say they are better off financially today than a year ago while forty-two percent are worse off and forty-one percent are just treading water. Sixty-six percent are sinking from high gasoline prices and nearly three quarters are drowning under grocery bills,” Levy added.

“How widespread has the damage been from the recession? Nearly six of every ten New York households have faced at least two of the six negative events – taking money out of savings, borrowing from friends, falling behind in bills, losing a job, giving up a costly hobby or moving in with friends – over the last four years. Only forty percent have had a least two of the four more pleasurable experiences we asked about – a new job, a raise, a vacation or a new car,” Levy said.

In response to current economic conditions, residents continue to say they are changing many everyday behaviors. Seventy-four percent now plan expenses, and they have either completely or partially eliminated impulse purchases. Seventy-one percent (down from 78%) of state residents have cut back on the amount or quality of entertainment, and 74 percent now carefully monitor and manage energy use at home. Seventy-one percent (up from 65% last year) of residents now use coupons or special offers to purchase necessities like food or clothing, and 55 percent are substituting goods and services of lower quality in those areas or in health or hygiene in order to save. Fifty percent (down from 57%) have delayed major purchases like a car, or home.

While 30 percent of households experienced job loss over the last four years, the percentage of households with a member losing a job this year is down to 18 percent from 23 percent a year ago. Once again, those earning under \$50,000 at 28 percent are far more adversely impacted than those earning over \$100,000 (8%). Knowing someone that has had their home foreclosed across the state measured 26 percent (up from 24%) with higher rates in the suburbs (30%) and New York City (27%) than in Upstate (22%).

“Up from 43 percent two years ago, half of all residents now say they have a written monthly budget that they use to track income and expenses. Still only 37 percent of all residents were able to put away at least a small amount of money for retirement above any contribution made by their employer,” Levy notes.

“All optimism is not lost. Nearly one third of New Yorkers say that somehow, someday they expect to be better off in a year and when asked to look into their crystal balls, one in seven think the country will be in much better financial shape in ten years while over half hopefully say at least somewhat better,” Levy said.

The Impact of the Economy on New Yorkers Survey was conducted August 22 - 31, 2011 by random telephone calls to 805 New York State residents over the age of 18 via both landline and cell phones. Data was weighted by age, gender, and region to enhance representativeness. Results are reported with a margin of error of ± 3.5 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