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Annual State of New York 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 NY, 47% “NO”, 35% “YES”

40% Say Monthly Cash Flow, Savings, Worse than in 2008

NY’ers Evenly Divided on Nation’s Economic Future

Most Support Tax Increase on High Earners, More Domestic Energy; Oppose Repealing Health Care Legislation 43 to 40%

Thirty-five percent of New York residents say they are better off today than they were at this time four years ago but a plurality, 47 percent say that they are not while 17 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.

Fifty percent, up from 45 percent a year ago, say they think the current economic problems the nation faces are temporary and that we will adjust and return to financial health while an equal percentage, 50 percent, continues to believe that our country’s best economic days are behind us. Large majorities support increasing federal income taxes on those Americans making more than \$250,000 as well as increasing the exploration and development of domestic energy including oil and natural gas while New York citizens are nearly evenly split, 43 percent opposing and 40 percent supporting the repeal of the recently enacted federal health care reform legislation.

Sixty-eight percent support increasing income taxes on higher earners, and 75 percent are in favor of increased development of domestic energy. Large majorities are in favor of carefully monitoring the financial industry (87%), providing funding to train workers rather than expanded unemployment benefits (85%), expanding federal support for education (84%), an aggressive federal infrastructure development program (78%) and a balanced budget amendment (61%). A majority (68%) opposes lessening funding for entitlement programs like social security, Medicare and Medicaid. Residents are closely divided on lessening regulations on businesses, with 44% in support and 40% opposed while a majority opposes lowering corporate tax rates 54 to 31 percent.

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

“New Yorkers continue to climb a steep financial hill. Few say that their load has lightened since this time in 2008, but with half saying the economic glass is more full than empty as they look to the future, the trail may be evening out as we hit the next bend. Younger New Yorkers, Democrats, and those with jobs are more optimistic than their older, Republican and not-working neighbors,” said Dr. Don Levy, SRI’s Director.

Twenty-three percent of residents, when thinking about their financial life today as compared to four years ago, say their job security is better, 26 percent say their monthly income versus their expenses is better and 24 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 – 26 percent worse off, income/expenses – 40 percent worse off, savings and investments – 40 percent worse off.

		Better	Worse	Same
You and your household, financially compared to 2008		35%	47%	17%
Personal	Job security	23%	26%	42%
	Monthly cash flow	26%	40%	33%
	Savings & Investments	24%	40%	34%
Others	Local businesses	17%	56%	22%
	Major corporations	39%	28%	22%
	Low income people	10%	55%	26%
	Middle class people	10%	56%	29%
	Wealthy people	36%	12%	38%

Asked to consider the financial well-being of others, New York 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 remained virtually unchanged from last year moving only from 18 percent last year to 17 percent today. Twenty-one percent of residents (25% last year, 23% in 2010 and 26% in 2009) have had their hours cut back at work. Knowing someone that has had their home foreclosed across the state measured 29 percent this year up from 26 percent a year ago.

“New York residents continue to face a tough economy but despite all the difficulties they are working and planning for the future. A majority are confident that they will maintain their current standard of living in retirement and over half of those that now work have been able to put some money aside for retirement above and beyond any employer contribution,” Levy said.

Nearly two thirds (62%) of residents have a savings account with at least \$1,000 in it and 41 percent have enough in savings to take care of six months of household expenses. Sixty-one percent have a retirement fund like a 401k and over two-thirds have life insurance. Just over half of residents, 52 percent up from 50 percent last year, have a written monthly budget that they use to keep track of their income and expenses.

The Annual Economy and Personal Finances Survey was conducted October 2 - 6, 2012 by random telephone calls to 621 New York State 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