

To: The Peter G. Peterson Foundation
From: Global Strategy Group and North Star Opinion Research
Date: May 12, 2014
Re: National Survey on the National Debt and the Economy

Americans draw clear connections between the national debt and the stability and direction of the American economy, according to a national survey conducted by Global Strategy Group and North Star Opinion Research for the Peter G. Peterson Foundation. Americans' views connecting the country's fiscal health with its economic strength cross both demographic and partisan lines, suggesting that reducing the debt is not a Republican or Democratic issue. Voters overwhelmingly believe that reducing the debt would improve economic opportunity and mobility, encourage businesses and entrepreneurs to create jobs, make the United States more competitive economically, and prepare the country for future crises.

The following are key findings from this survey, summarizing voters' views on the relationship of our fiscal outlook to various economic factors and outcomes.

Economic Growth

- Voters nearly unanimously agree (91% agree/5% disagree) that a stable fiscal foundation will help the economy grow, including over six in ten (63%) who agree strongly.
- An overwhelming 85% of Americans believe that debt reduction will benefit the national economy, including a majority (55%) who believe it will benefit the economy a great deal. Americans of all political stripes, including self-identified Democrats (75%), Independents (90%), and Republicans (90%) all widely agree that the economy stands to benefit from debt reduction.
- Nearly nine in ten (87%) voters believe that the national debt, at its current level, is stifling the economy. Roughly one in three (34%) believe that the economy will either shrink (15%) or not grow at all (18%) at current debt levels, while 54% believe it will grow "some" but not significantly. By contrast, just 8% believe the economy will grow significantly with the debt at its current size.

Mobility and Opportunity

- Fully eight in ten (80%) say economic mobility and opportunity are likely to be more attainable for everyday Americans if the United States reduces the debt, including 44% who say it is very likely. This attitude is shared across socioeconomic groups, with clear majorities of self-identified working and lower middle class Americans (81%), middle class Americans (84%), and upper middle class or affluent Americans (71%) all agreeing that debt reduction will lead to greater economic mobility.
- Similarly, a broad majority (83%) agree that there will be more opportunities for everyday Americans to be successful in an economy less burdened by the national debt, including nearly six in ten (59%) who agree strongly. Again, Americans are united across socioeconomic lines in their beliefs, with working/lower middle class Americans (82% agree), middle class Americans (86%), and upper middle class/affluent Americans (76%) all broadly in agreement.

- In addition to holding strong beliefs that a lower debt will create greater mobility, Americans prioritize rising wages and increasing opportunity as important reasons to reduce the debt. Voters name creating jobs with incomes that keep up with the cost of living (72% important) and creating opportunities for everyday Americans to work their way up (70%) among the key reasons for the country to lower the debt.
- Voters widely agree that younger Americans, (82% will benefit), the middle class (82%) lower-income Americans (70%), and the unemployed (73%) alike will all benefit from a plan that reduces the debt.

Business and Consumer Confidence

- Fully seven in ten (70%) voters say that increasing companies' confidence in the economy so they make more investments and hire new workers is an important reason to reduce the debt.
- Over four in five (83%) believe it is likely to be easier for American businesses to start up and grow if the country reduces the national debt, including 44% who believe it is very likely.
- Americans identify consumer confidence as a key pathway between debt reduction and a healthier economy, with nearly nine in ten (88%) saying consumers will likely have more confidence in the economy if the United States reduces its national debt and a majority (56%) saying it is very likely.
- Americans name small businesses (83% will benefit, 48% will benefit a great deal) and entrepreneurs (78% will benefit, 46% a great deal) among the main beneficiaries of a debt reduction plan, even more than large businesses (68% will benefit, 31% a great deal).

Competitiveness and Investments in Our Future

- Voters overwhelmingly (84% likely/14% not likely) and intensely (53% very likely) believe that the United States is likely to be more competitive in the global economy if it reduces its national debt.
- Fully three-quarters (75%) of Americans believe that the United States will have less money to spend on education, research, and infrastructure as a result of its debt burden, including a majority (55%) who agree strongly.
- Among the main rationales for reducing the debt, broad majorities say keeping tax rates low so the United States is competitive with the rest of the world (69% important), creating a more highly educated and better trained American workforce (68%), and keeping the United States competitive in math, science, and technology (67%) are all important reasons.

Economic Stability

- A resounding 86% of Americans believe the United States is likely to be better prepared for the next economic or financial crisis if it reduces the debt, including a majority (53%) who say it is very likely.
- Voters expect that the stability brought on by sound fiscal policy will be felt directly by American families, with broad majorities believing that a more stable fiscal foundation will lead to a more stable and secure middle class (86% agree, 55% agree strongly). Americans reach consensus across partisan lines, with Democrats (82% agree), Independents (85%), and Republicans (92%) all agreeing that more fiscal stability will help to secure our middle class.
- By an overwhelming margin (83% agree/14% disagree), Americans believe that the current level of the national debt makes our economy less stable. Further, six in ten (62%) agree strongly that the debt is creating economic instability.

About the Survey

Global Strategy Group and North Star Opinion Research conducted a nationwide survey of 1,004 registered voters between April 21st and April 24th, 2014. The overall margin of error on the survey is +/- 3.1 percentage points. The margin of error on sub-samples is greater.