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PGPF Foundation Fiscal Survey <u>DEM</u> Q1. In general, would you say that things in this country are **REP** Right direction headed in the right direction or would you say things are off on the Wrong track..... 85 wrong track? Q2. Do you agree or disagree that the federal government is REP Strongly agree..... 100% 100% currently on an unsustainable long term fiscal path? Somewhat agree Somewhat disagree Strongly disagree DISAGRÈE (NET) Q3A. How concerned are you about America's dependence on <u>DEM</u> <u>REP</u> Very concerned foreign lenders to keep buying our debt? Somewhat concerned 41 49 Not very concerned 15 Not at all concerned CONCERNED (NET) NOT CONCERNED (NET)..... Q3B. How concerned are you about our ability to ensure the REP Very concerned 88% solvency and sustainability of entitlement programs such as Somewhat concerned 10 Medicare and Social Security for future generations? Not very concerned 3 Not at all concerned Q4A. Which do you think is more threatening to this country's **DEM REP** Short term deficits are more threatening..... economic future: Short term deficits are somewhat more threatening Longer term structural deficits are somewhat more Short term deficits that are largely a result of government 7 spending on economic recovery measures and wars in Iraq and Longer term structural deficits are much more Afghanistan OR 93 SHORT TERM (NET)..... Longer term structural deficits that are a result of a basic and LONG TERM (NET) 100 recurring imbalance between government revenues and overall spending? Q5. Do you think the longer term structural deficit in this country is **REP** 100% a...? Somewhat serious problem..... 100 NOT SERIOUS (NET)..... Q6. Do you agree or disagree that if we do not act soon to address Strongly agree..... the nation's long term fiscal situation we are heading for another Somewhat agree 34 major economic crisis? Somewhat disagree 2 Strongly disagree 98 DISAGREE (NET).....

April 5 - 26, 2010

58 Interviews

| Q7. How much economic pain will the average Ame actions are not taken to avert a long term econom country? | |
|--|--|
| | |

Q8. How much do you think that long term increases in U.S. debt and interest costs will hinder its competitiveness compared to emerging economies like China, India and Brazil?

Q9. Compared with other ways to address our longer term structural deficit challenges, how important is it that we reduce our overall health care spending, including but not restricted to, Medicare?

Q10. If we fail to enact meaningful measures to address our longer term structural deficit challenges, how likely is it that we will encounter an economic crisis?

Q11. Within what time period would you expect this economic crisis to happen if we do not address our longer term structural deficit challenges?

| A lot | DEM 82% 18 - - 100% | 78% 23 - - 100 |
|--|--|---------------------------------------|
| A lot | DEM 29% 71 - - | REP 59% 24 12 6 |
| Much more important Somewhat more important Somewhat less important Much less important Much less important MORE IMPORTANT (NET) LESS IMPORTANT (NET) | DEM 44% 56 - - 100% | 18 REP 41% 51 5 3 92 8 |
| Very likely | DEM 71% 24 6 - 94% 6 | REP 71% 24 5 - 95 5 |
| Within the next 1-2 years Within the next 3-5 years Within the next 6-10 years More than 10 years from now I don't believe we are heading for an economic crisis | DEM - 19 56 25 | REP 3% 33 53 10 3 |

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If we fail to enact meaningful measures to address the longer term structural deficit challenges within the next few years, how likely is it that we will encounter...

| | LIKELY | | NOT LIKELY | | NET | |
|--|-----------------------|--------------------|---------------------------|------------------------------------|-----------|----------------------|
| | Very <u>likely</u> | Somewhat likely | Not very <u>likely</u> | Not at <u>all</u> <u>likely</u> | LIKELY | NOT <u>LIKELY</u> |
| Rapid growth in federal mandatory spending which then crowds out other important public investments | | | | | | |
| DEM REP | 71% 80% | 29 17 | 2 | : | 100 98 | 2 |
| Significant rise in interest rates | | | | | | |
| DEM REP | 65% 71% | 29 29 | 6 - | : | 94 100 | 6 - |
| An eventual decline in Americans' standard of living DEM | 53% | 41 | 6 | | 94 | 6 |
| REP | 65% | 25 | 10 | | 90 | 10 |
| Significant decline in the value of the dollar DEM | 47% | 47 | 6 | | 04 | 6 |
| REP | 44% | 51 | 6 5 | - : | 94 95 | 6 5 |
| Weakened U.S. standing as a leader in the world DEM | 41% | 41 | 18 | | 82 | 18 |
| REP | 59% | 37 | 5 | - | 95 | 5 |

If we fail to enact meaningful measures to address the longer term structural deficit challenges within the next few years, how likely is it that we will encounter...

| | | LIKELY NOT LIKELY | | NOT LIKELY | | NET | |
|---|---|---|---------------------------|------------------------------------|-------------|----------------------|--|
| | Very likely | Somewhat <u>likely</u> | Not very <u>likely</u> | Not at <u>all</u> <u>likely</u> | LIKELY | NOT <u>LIKELY</u> | |
| Substantially slower economic growth | | | | | | | |
| DEM REP | 41% 61% | 41 39 | 18 - | | 82 100 | 18 | |
| Foreign lenders losing confidence in the U.S. leading to higher interest rates or a reluctance to lend us money | | | | | | | |
| DEM REP | 29% 41% | 65 49 | 6 10 | - | 94 90 | 6 10 | |
| Sharp rise in inflation | | | | | | | |
| DEM REP | 18% 22% | 35 61 | 29 17 | 18 - | 53 83 | 47 17 | |
| High unemployment | | | | | | | |
| DEM REP | 15% | 65 76 | 35 10 | - | 65 90 | 35 10 | |
| A drop in housing prices DEM | | 75 | 25 | _ | 75 | 25 | |
| REP | 3% | 60 | 38 | - | 63 | 38 | |
| An increase in foreclosures | | | | | | | |
| DEM REP | - 5% | 65 63 | 35 32 | - | 65 68 | 35 32 | |
| Q23. Do you agree or disagree with those who say we can solve our longer term structural deficit problem through economic growth alone? | Som Som | ngly agreeewhat agreeewhat disagreengly disagree | | | 13 | 5% 5 12 | |
| | AGREE (NET)DISAGREE (NET) | | | | | 10 | |
| Q24. When should the U.S. government begin to take action to address the long term fiscal situation? | With With More | nin the next 1-2 ye in the next 3-5 ye in the next 6-10 ye e than 10 years fr er, since we will g | ears earsom now | | 12 6 | % 92% 8 | |
| Q25. As you think about approaches to solve the country's longer term structural deficits, which one statement best represents your own view: | with | re the country's | cuts | | | | |
| | Solve the country's longer term structural deficits without any tax increases | | | | 12 | 32 | |
| | | spending cuts ar | | | | 68 | |

For each of the following ways to address our country's long term fiscal challenges, do you believe it should be seriously considered even if not politically popular or do you believe it should not even be considered?

| | | Seriously considered | Not considered |
|---|-----|-------------------------|-------------------|
| Re-impose statutory budget controls such as spending caps and stricter PAY-GO rules | | | |
| | DEM | 100% | - |
| | REP | 92% | 8 |
| Entitlement reform - including Social Security, Medicare and Medicaid | | | |
| | DEM | 100% | - |
| | REP | 97% | 3 |
| Overall spending cuts | | | |
| · · · · · · · · · · · · · · · · · · · | DEM | 100% | - |
| | REP | 100% | - |
| | | | |

For each of the following ways to address our country's long term fiscal challenges, do you believe it should be seriously considered even if not politically popular or do you believe it should not even be considered?

| a Deferme our federal toy and | | Seriously considered | Not considered |
|--|---------------------------|----------------------|-------------------|
| Reform our federal tax code | DEN Rep | | 6 - |
| Significant decreases in discretionary spending | DEM REP | 94% | 6 5 |
| Find a new source of revenues | DEM | 88% | 12 37 |
| Tax increases | | | ů. |
| | DEM REP | | 12 28 |
| Significant decreases in defense spending | DEN REP | 56% | 44 44 |
| Q34. Do you agree or disagree that it is important for the National Commission on Fiscal Responsibility and Reform to go beyond the timeframe of 2015 and also address long term fiscal goals over the next several decades? | Strongly agree | | 6 28 6 32 |
| | AGREE (NET)DISAGREE (NET) | | |