

Prepared by:

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2015 Budget Research



Telephone Survey of General Population

Government of Alberta



Methodology

The following telephone survey was conducted by INNOVATIVE Research Group on behalf of the Government of Alberta. From February 5th to 11th, 2015, a total of 1024 Albertans of age 18 or older were randomly selected and contacted on their landlines (n=838) or cellphones (n=186).

To ensure meaningful analysis, the less-populated rural regions Alberta were oversampled. Unweighted regional sample sizes and their associated margins of error are in the table below.

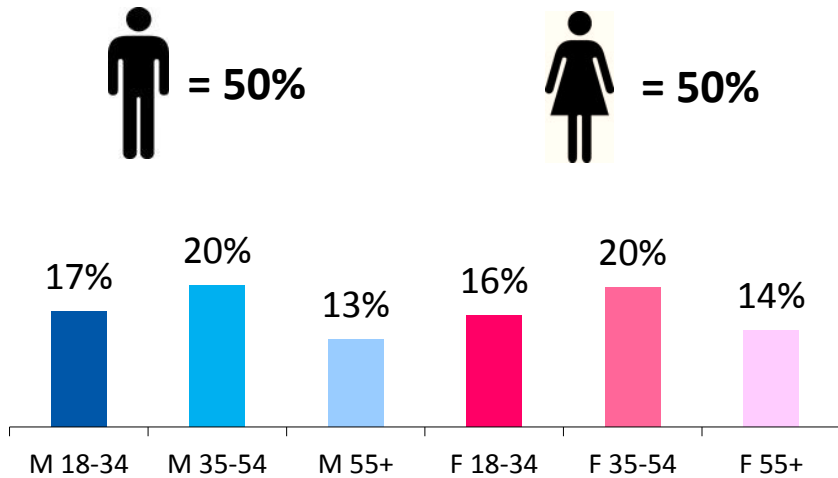
To ensure it reflects Alberta's actual population, the sample was weighted by age, gender and region based on the 2011 Census. The weighted sample of 915 has a margin of error of $\pm 3.2\%$, 19 times out of 20.

Region	Unweighted Sample Size	Margin of Error
Calgary	305	5.6%
Edmonton	261	6.1%
Central Rural Alberta	151	8.0%
Southern Rural Alberta	150	8.0%
Northern Rural Alberta	157	7.8%

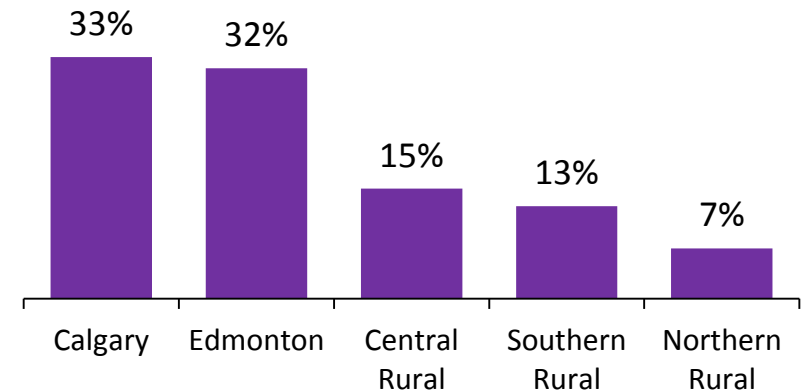
Note: *Graphs may not always total 100% due to rounding values rather than any error in data. Sums are added before rounding numbers.*

Demographics: Respondent profile

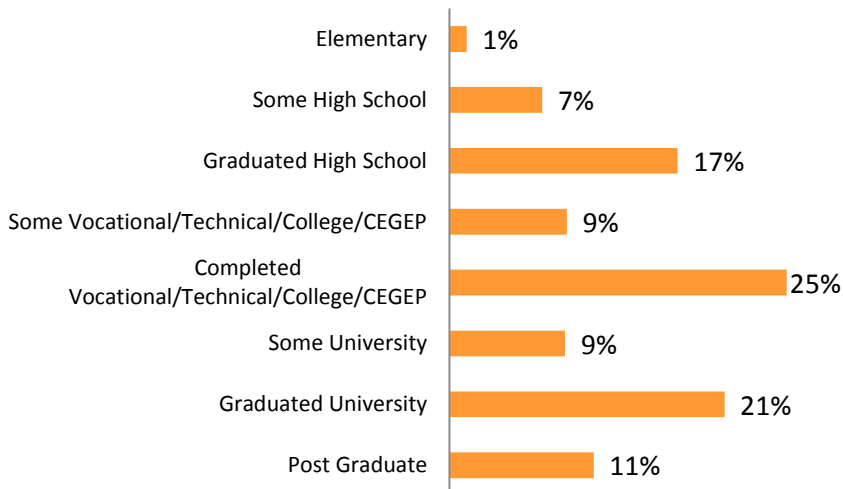
Age-Gender



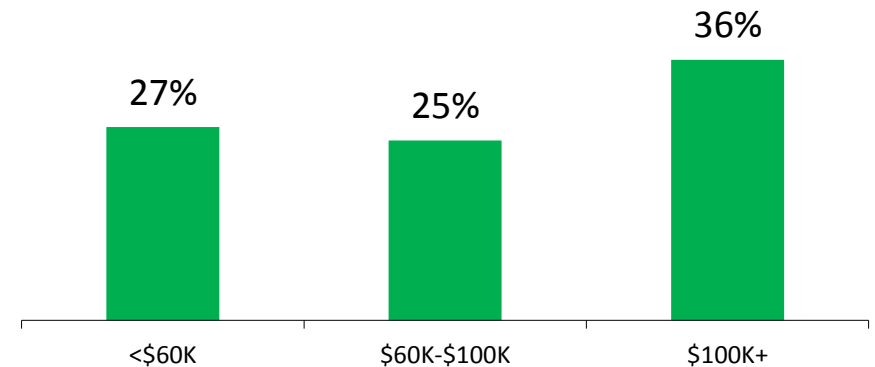
Regions



Highest Level of Education



Household Income

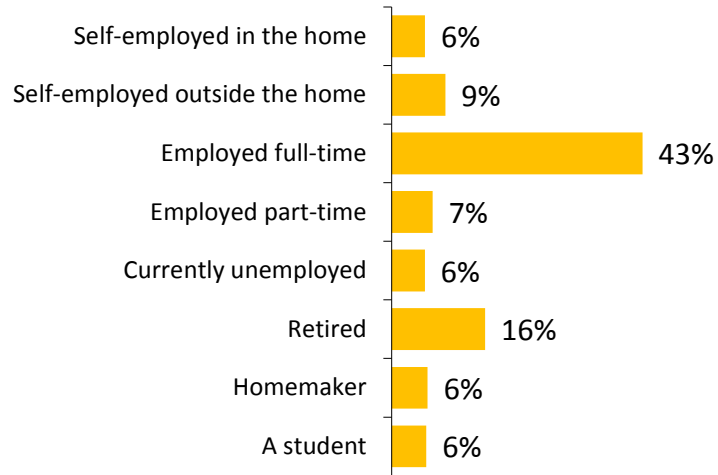


Note: 'Refused' (<1%) not shown

Note: 'Refused' (12%) not shown

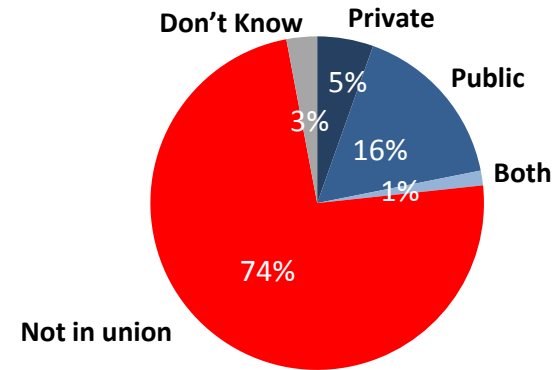
Demographics: Respondent profile

Employment Status



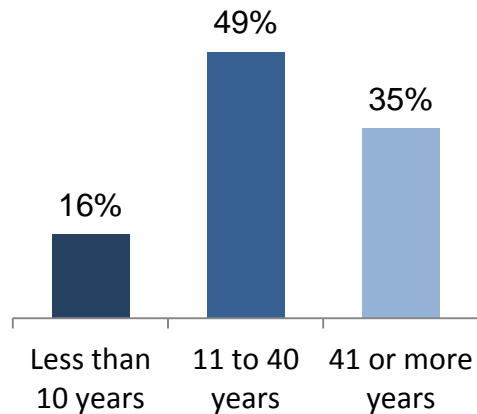
Note: 'Refused' (<0%) not shown

Union Status



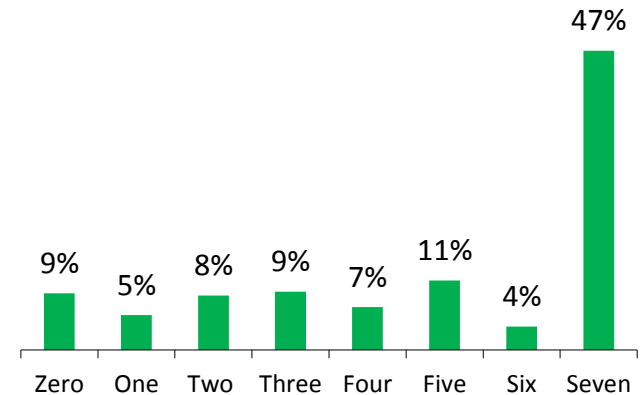
Note: Including the respondent or any member of his/her household

Length of Alberta Residency



Note: 'Refused' (<0%) not shown

Frequency of Following News

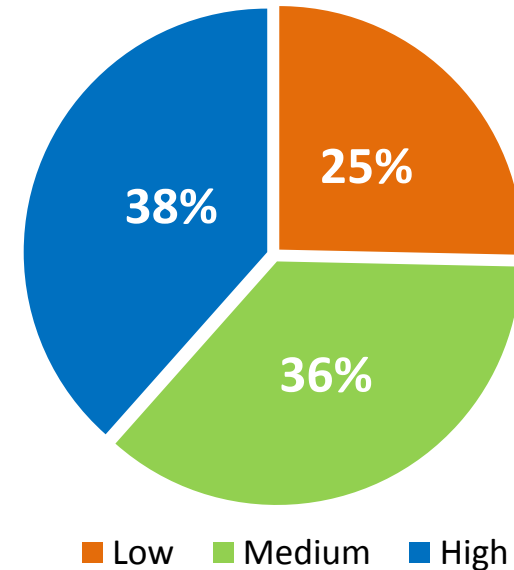
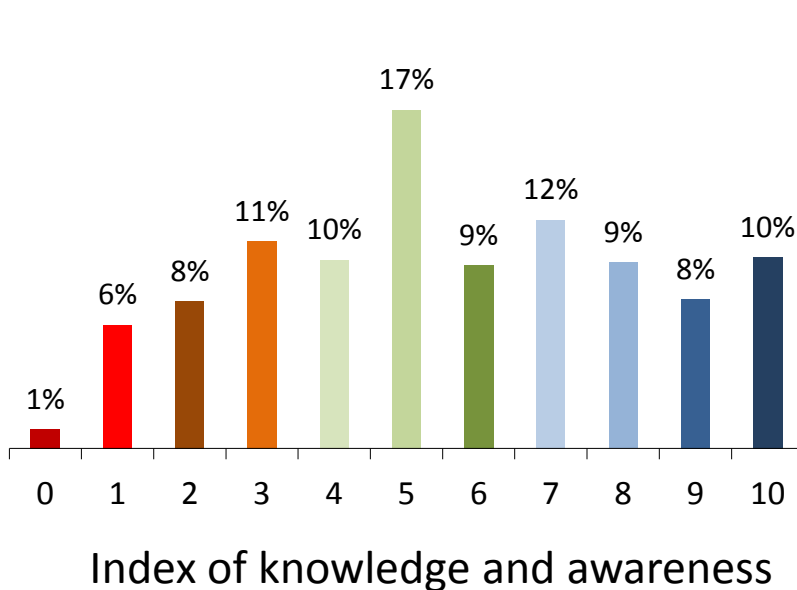


Note: 'Don't know' (<0%) not shown

Knowledge Index

The knowledge index is calculated based on the responses to five knowledge and awareness questions in the survey: 1. Awareness of the projected deficit; 2. Awareness of savings from oil in general; 3. Awareness of specific oil saving funds; 4. Familiarity with flat taxes; and 5. Knowledge of Alberta's tax system.

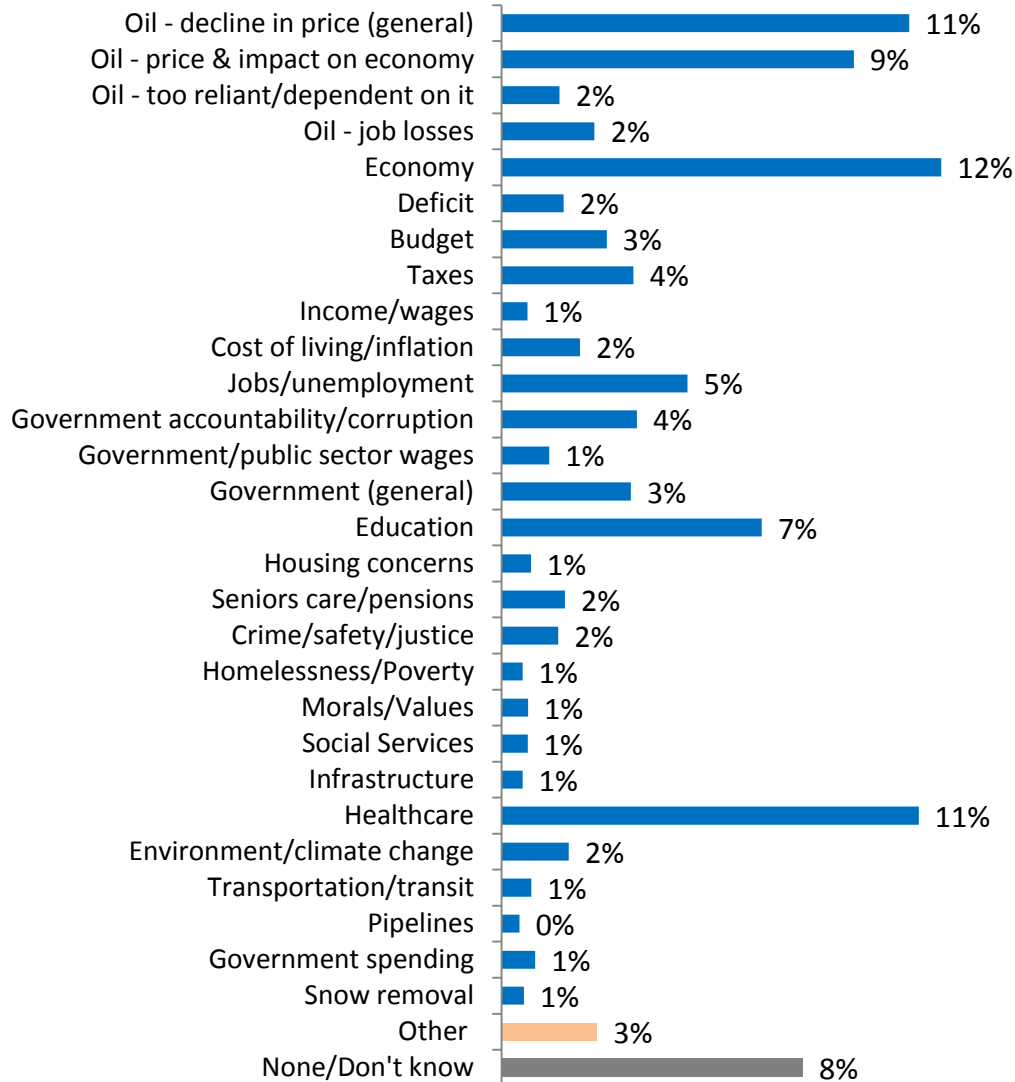
Responses to the questions were aggregated into an index ranging from 0 to 10, and subsequently categorized into three categories: low (0-3), medium (4-6) and high (7-10).



Context

Most Important Issues: Oil, economy and healthcare are top of mind, followed by education

Q What is the most important issue in Alberta today, in other words, the one that concerns you personally the most? Please be specific.

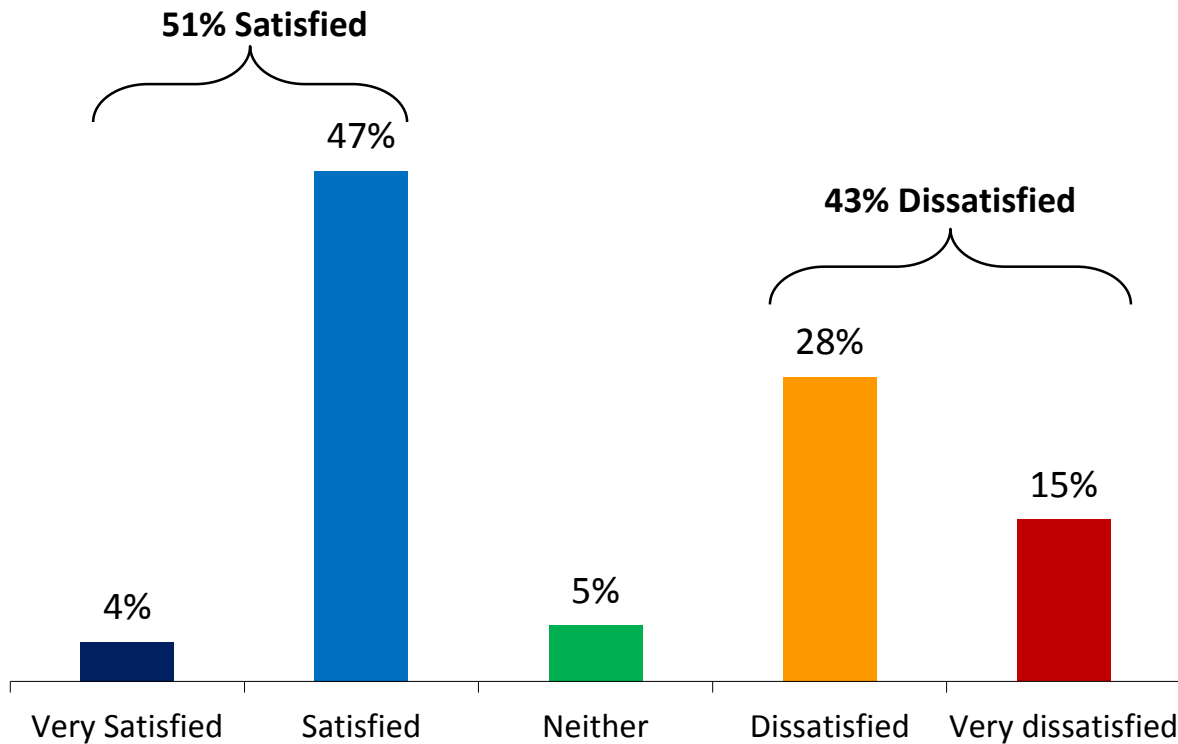


Overall Satisfaction: Slim majority are satisfied; New and younger Albertans more likely to be satisfied

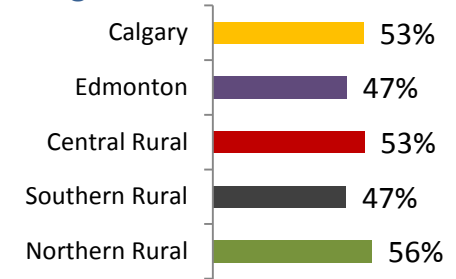
Q How satisfied are you with the overall performance of the provincial government? Would you say you are very satisfied, satisfied, dissatisfied or very dissatisfied?

Sample Breakdown ▶▶

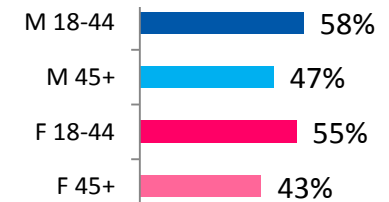
Those who say "satisfied"



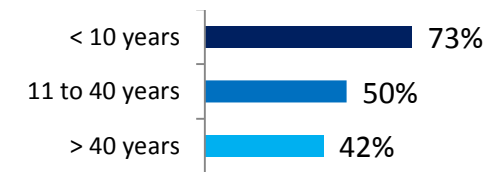
Region



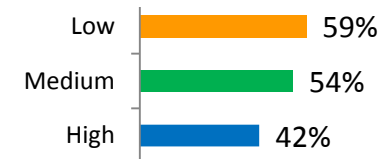
Gender-Age



Time in Alberta



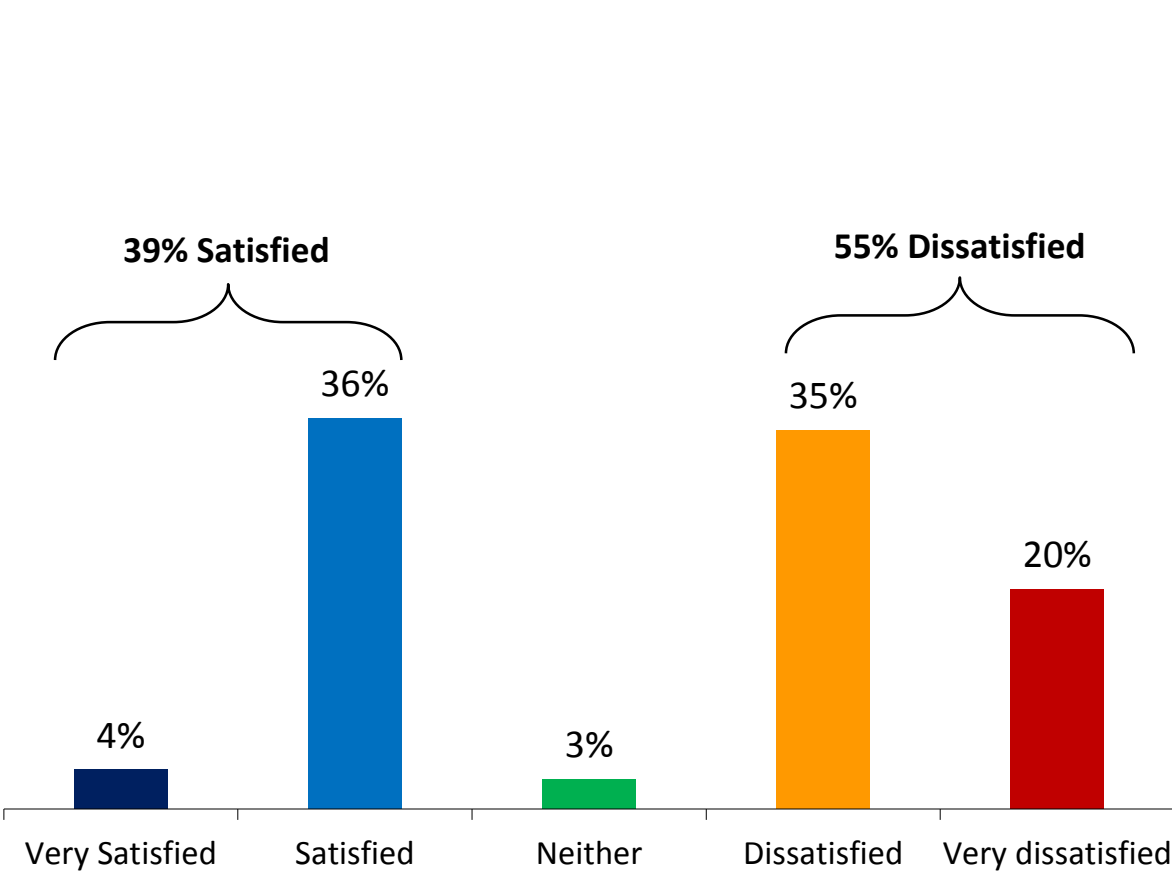
Knowledge



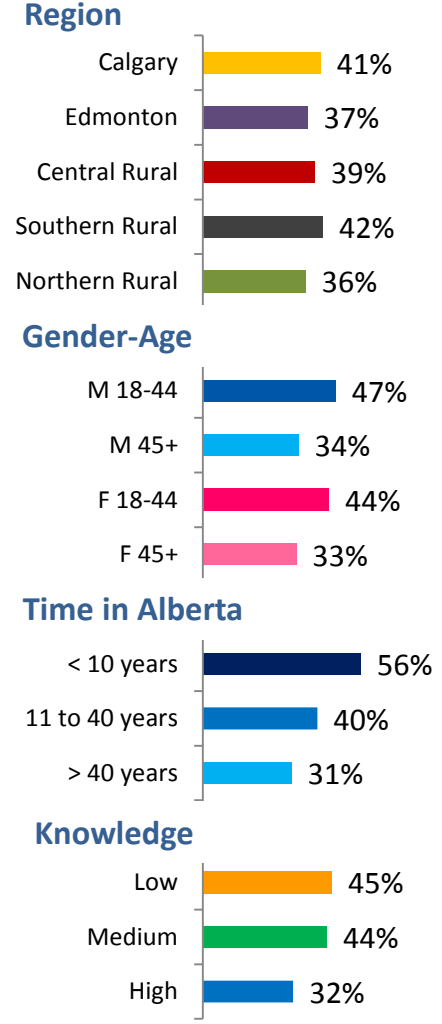
Note: 'Don't know' (1%) not shown

Financial Management: Over 1-in-3 satisfied; New and younger Albertans more likely to be satisfied

Q How satisfied are you with the job that the provincial government is doing in managing the province's finances? Would you say you are very satisfied, satisfied, dissatisfied or very dissatisfied?



Sample Breakdown ▶▶ Those who say "satisfied"

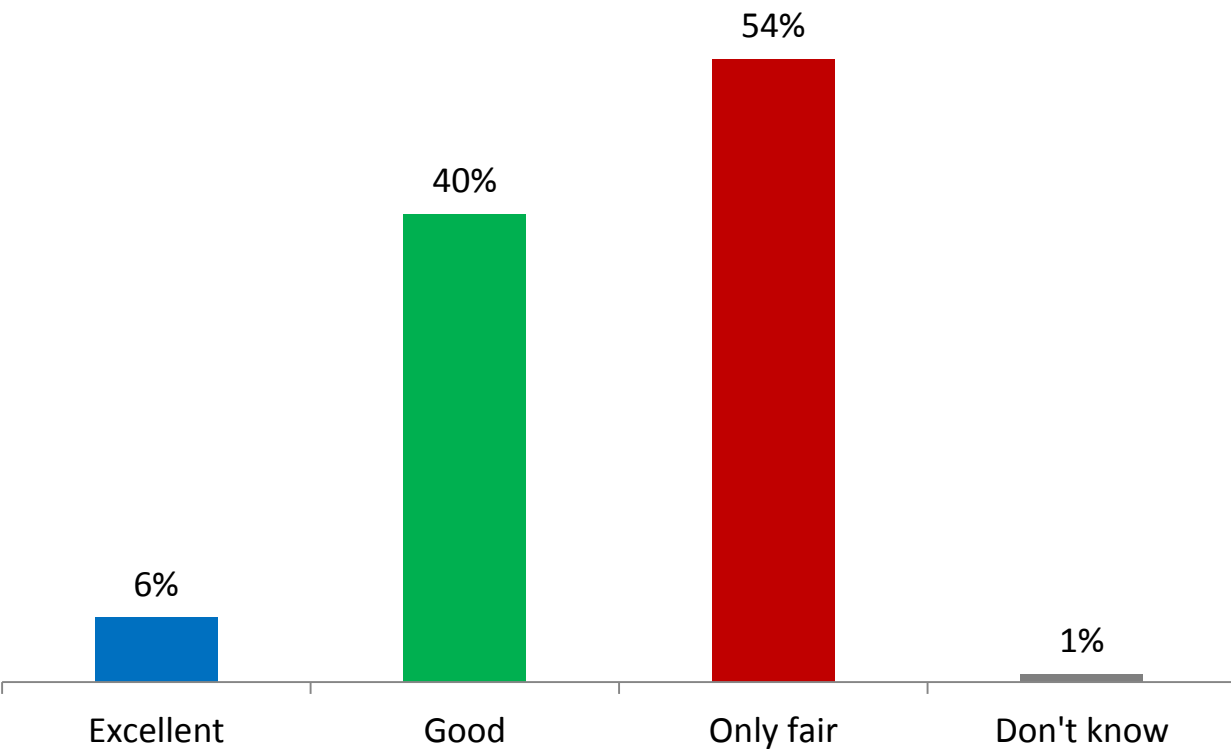


Note: 'Don't know/Refused' (3%) not shown

Description of AB's Economy: Over 40% of respondents characterize the economy as "good" or better

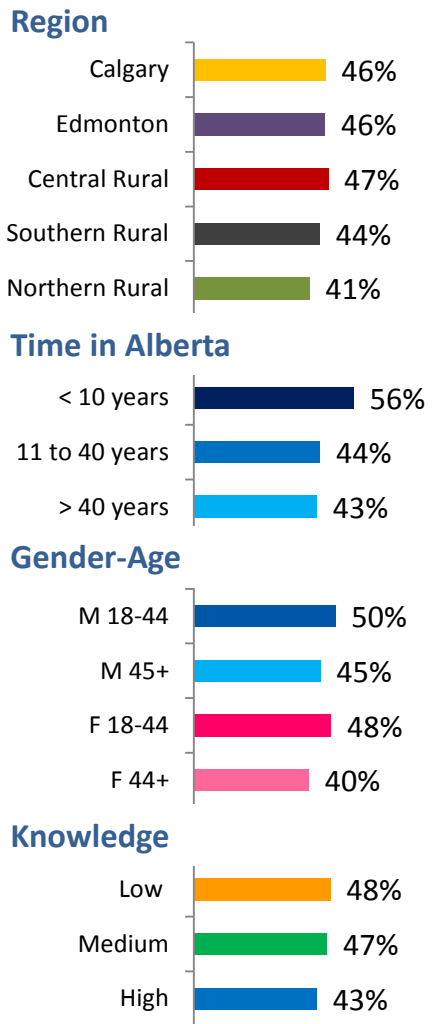


How would you describe Alberta's economy today? Would you say it is...?



Sample Breakdown ▶▶

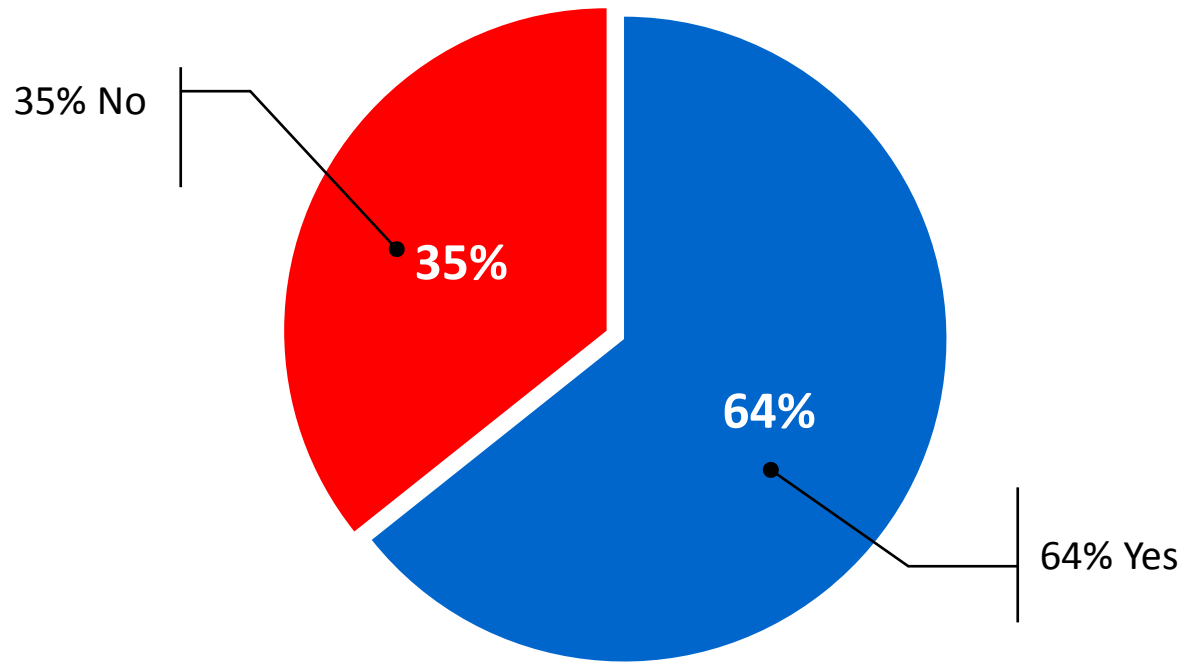
Those who say "good/excellent"



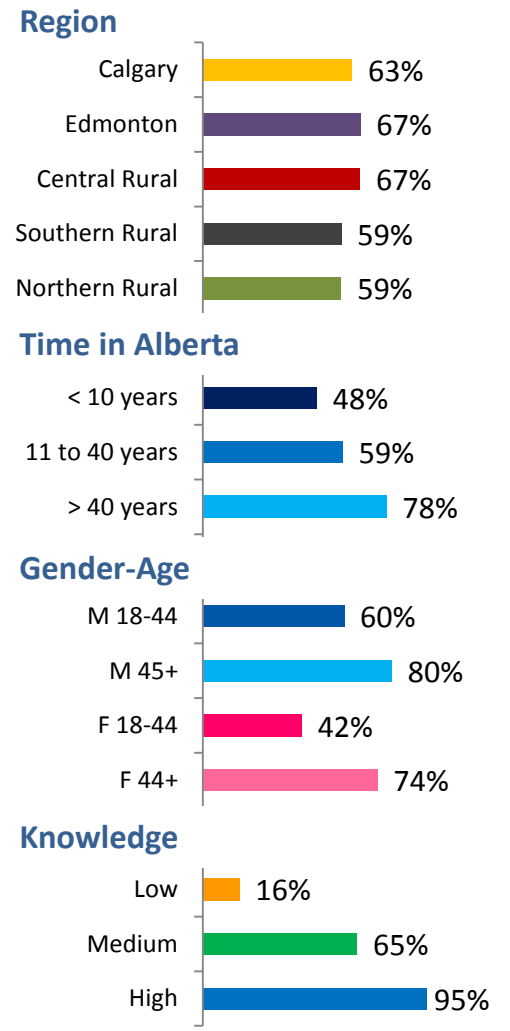
Deficit Awareness: Over 1-in-3 unaware of the projected deficit; Lower awareness among new Albertans



Have you heard that the Alberta provincial government is now projecting a deficit as high as \$7 billion in the upcoming year?



Sample Breakdown ▶▶ *Those who say "yes"*

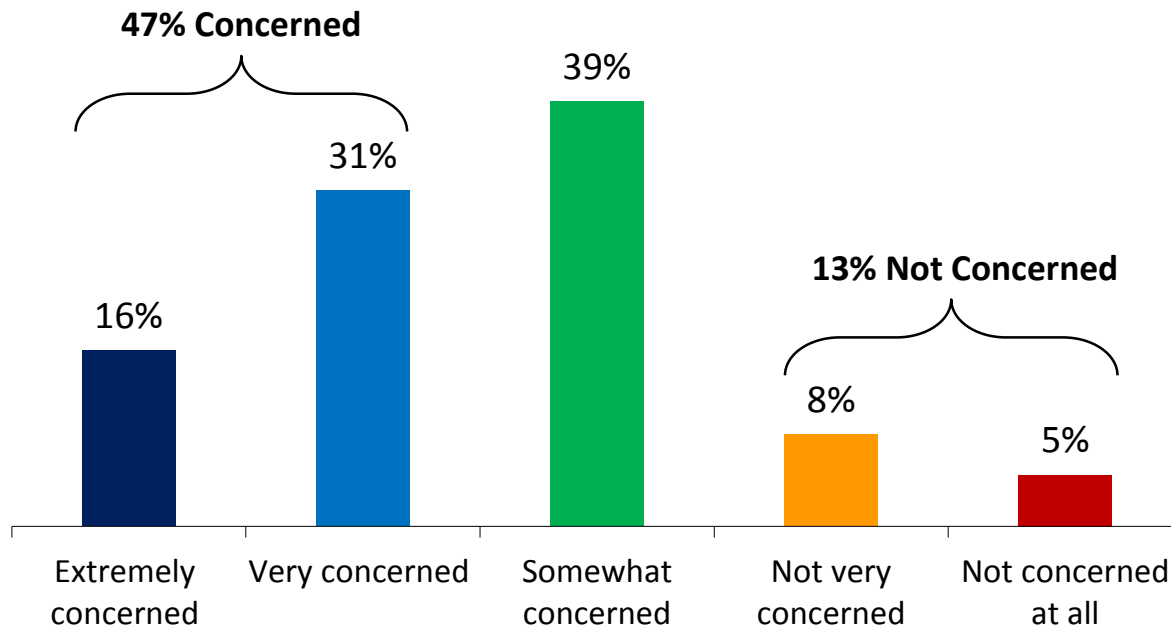


Note: 'Don't know' (<1%) not shown

Deficit Concern: About half at least 'very concerned'; Long-time Albertans more likely to be concerned

Q

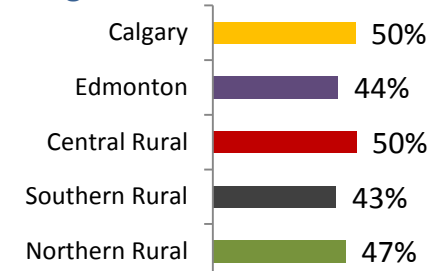
In fact the provincial government is projecting a deficit of up to \$7 billion next year. How concerned are you about the deficit? Are you extremely concerned, very concerned, somewhat concerned, not very concerned or not concerned at all?



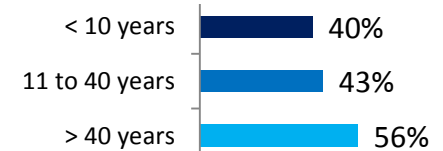
Sample Breakdown ▶▶

Those who say "concerned"

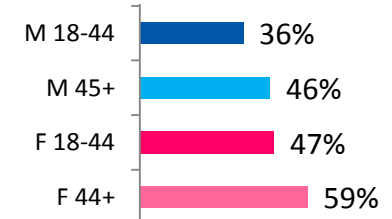
Region



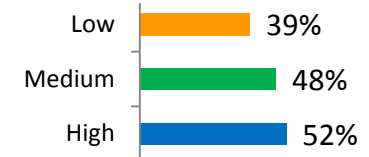
Time in Alberta



Gender-Age



Knowledge

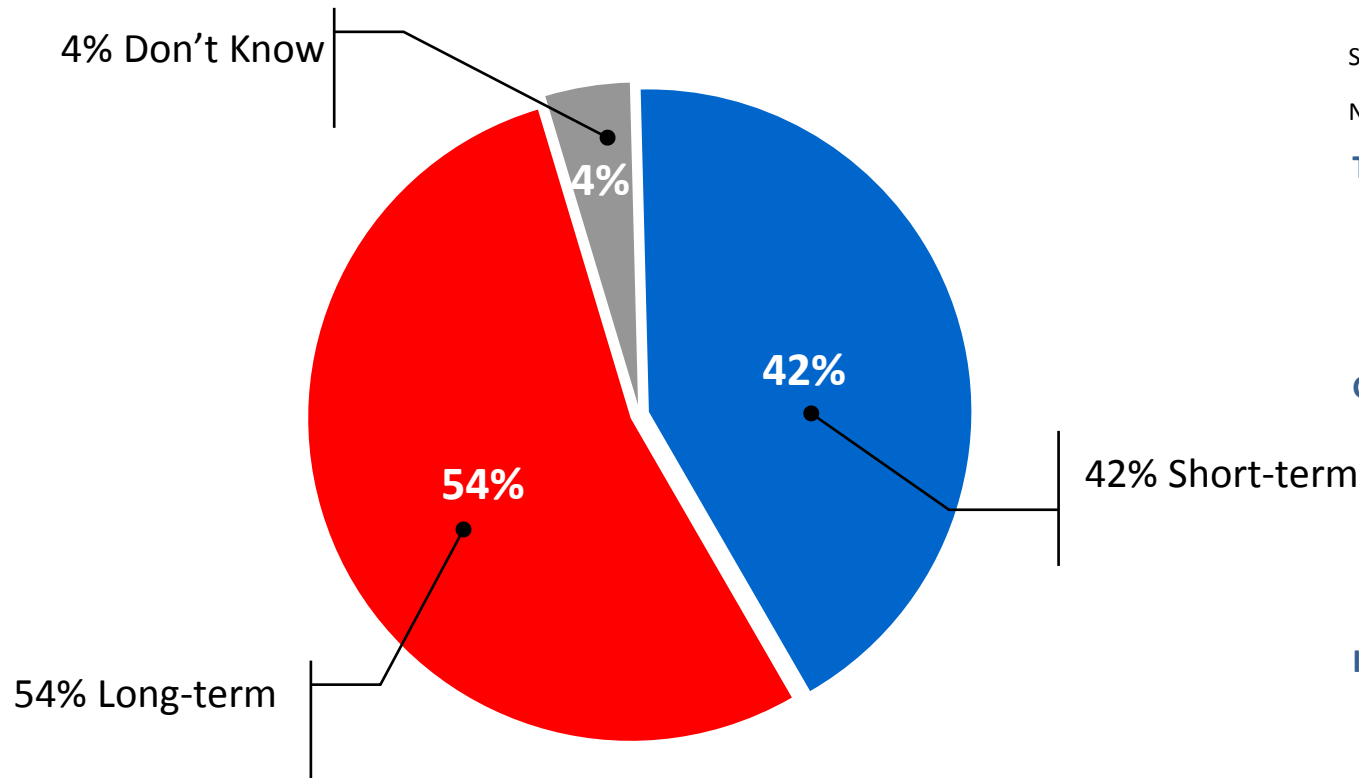


Note: 'Don't know' (<1%) not shown

Short or Long-term Problem: Slim majority, particularly long-time Albertans, think deficit is a long-term problem

Q

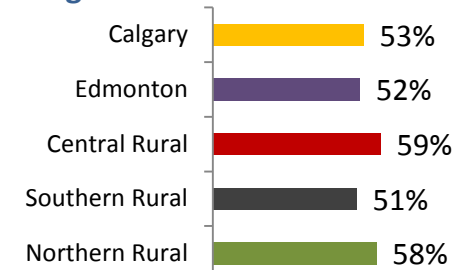
Do you think the provincial deficit is a long term problem that will require tough actions or do you think the provincial deficit is a short term problem that will fix itself when the economy recovers?



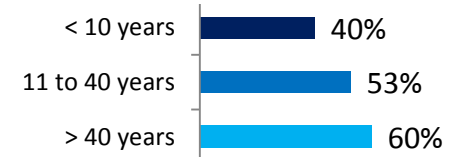
Sample Breakdown ▶▶

Those who say "long-term"

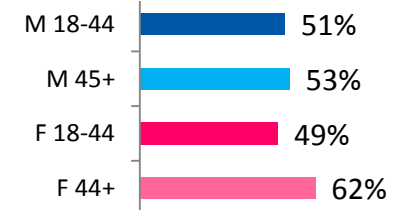
Region



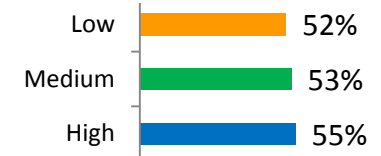
Time in Alberta



Gender-Age

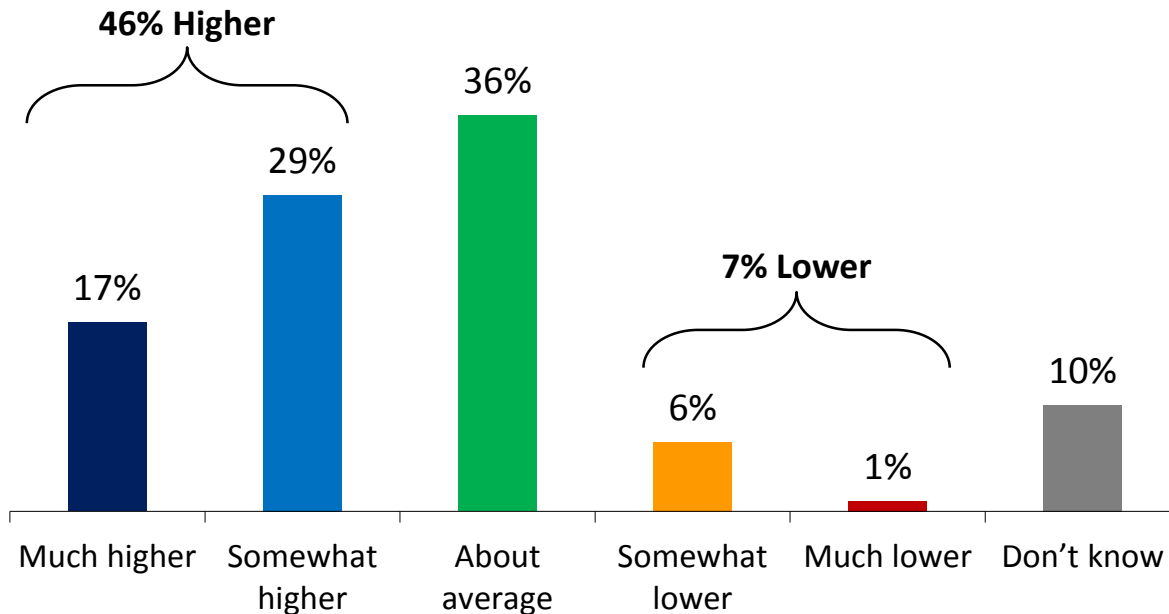


Knowledge



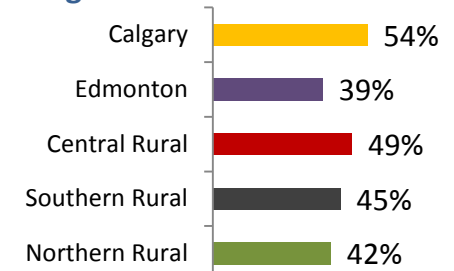
Comparative Spending Level: Close to half think AB gov't spends more than other provinces

Q Compared to the rest of Canada, would you say current provincial government spending in Alberta is higher, about average, or lower?

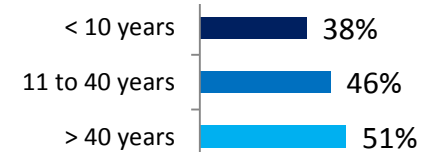


Sample Breakdown ▶▶ Those who say "higher"

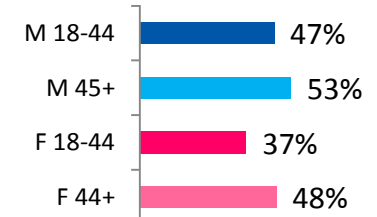
Region



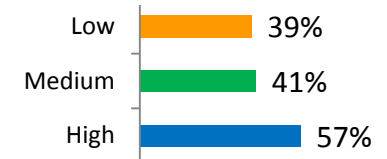
Time in Alberta



Gender-Age



Knowledge

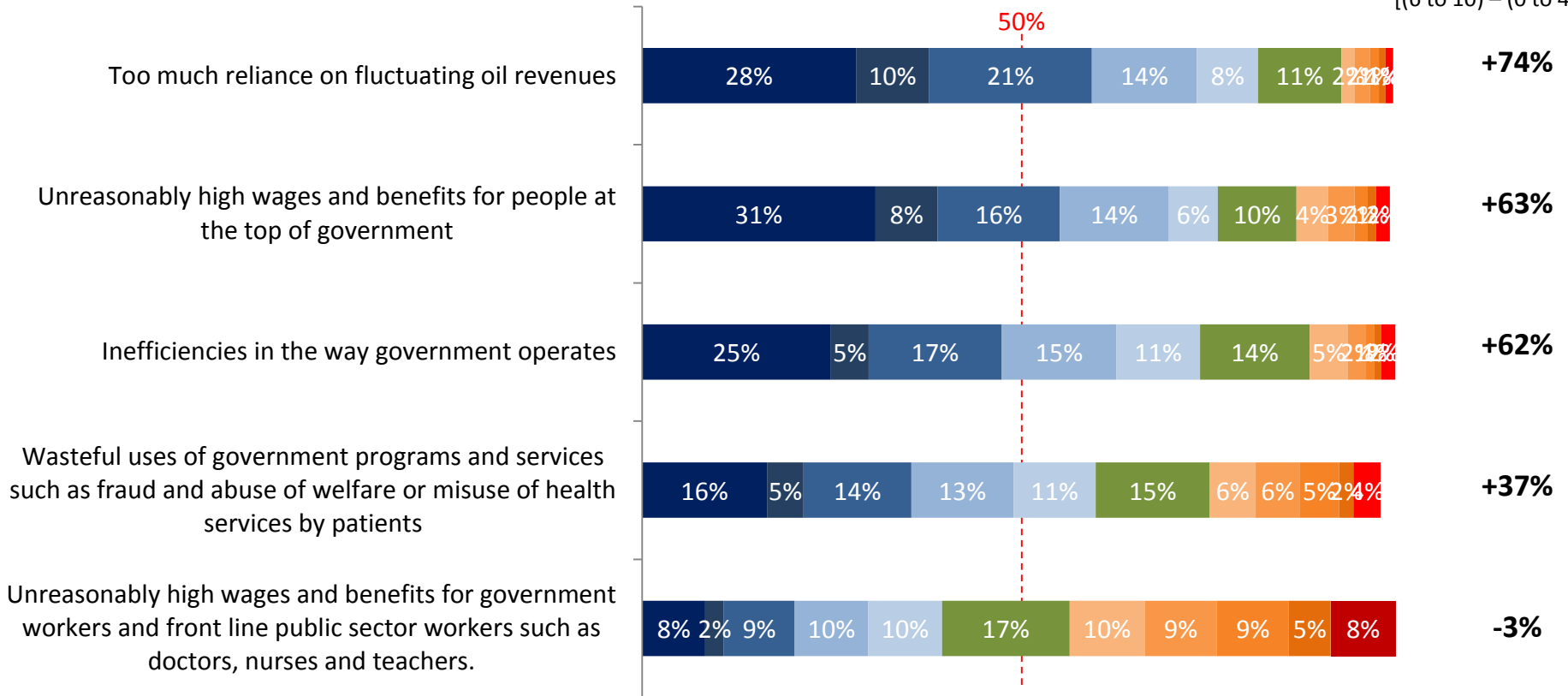


Reasons for Deficit: Oil reliance, executives' compensations and gov'n't inefficiencies top reasons



I am going to read you several things some people say are reasons for the projected \$7 billion provincial deficit. Using a scale of 0 to 10 where 0 means the reason doesn't matter at all and 10 means the reason is critically important, please tell me how big a factor each reason is for the provincial deficit.

Net Importance
 [(6 to 10) – (0 to 4)]



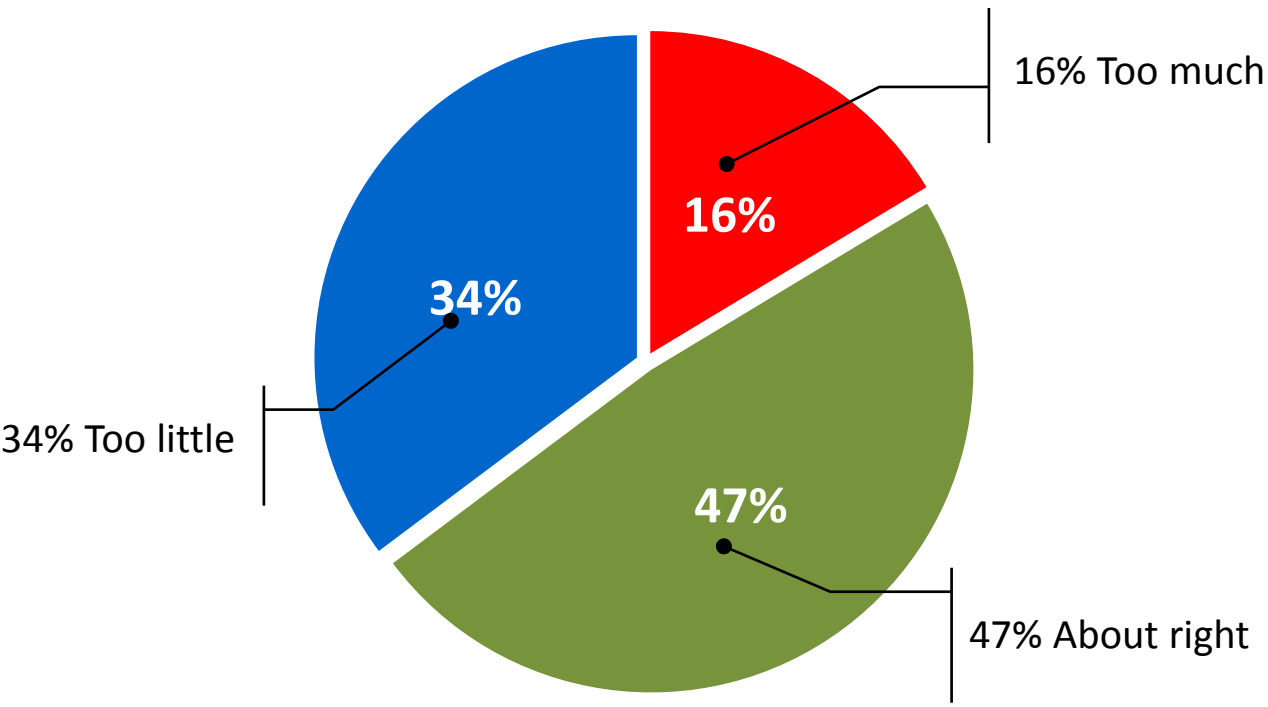
■ 10 (Critically Important) ■ 9 ■ 8 ■ 7 ■ 6 ■ 5 ■ 4 ■ 3 ■ 2 ■ 1 ■ 0 (Doesn't matter at all)

Oil Revenues

Revenue from Oil and Gas: About half feel 20% sounds about right; Edmontonians less likely to think so

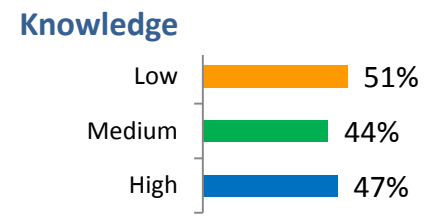
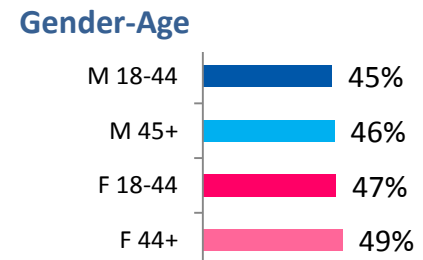
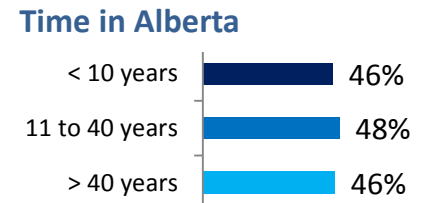
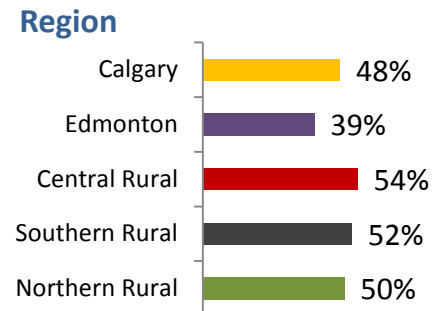


Before the recent decline in the price of oil, about 20% of provincial revenues came from oil and gas royalties, almost 50% came from various taxes, and the remaining third came from things like investment income and federal transfers. How does 20% of revenue coming from oil and gas sound to you? Does it sound like too much, too little, or about right?



Sample Breakdown ▶▶

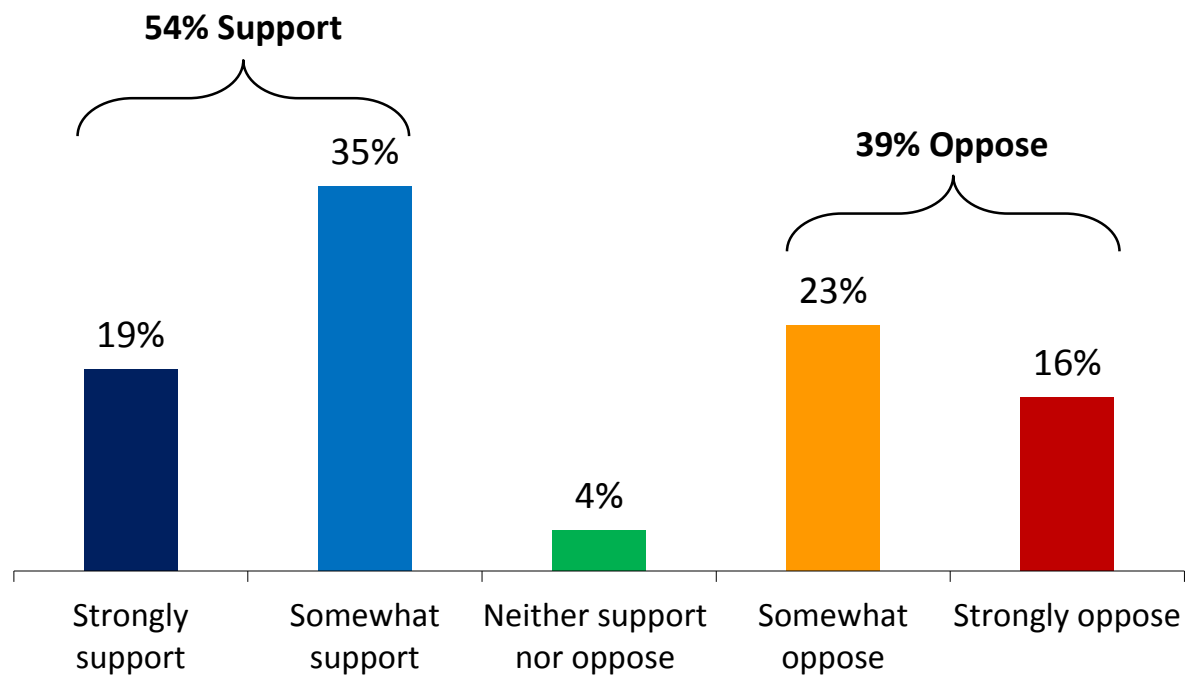
Those who say "about right"



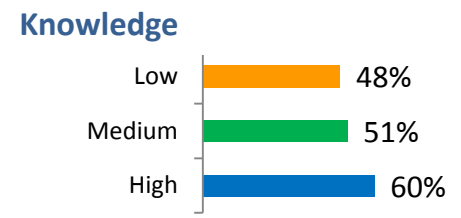
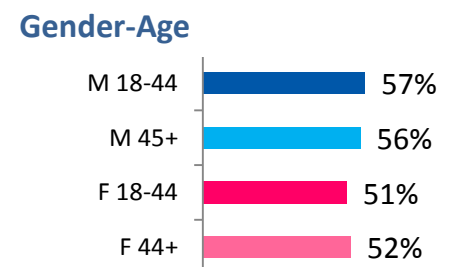
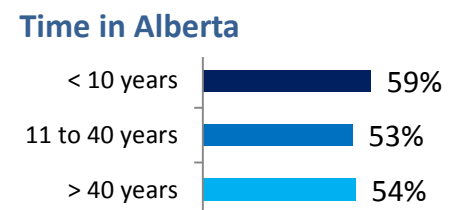
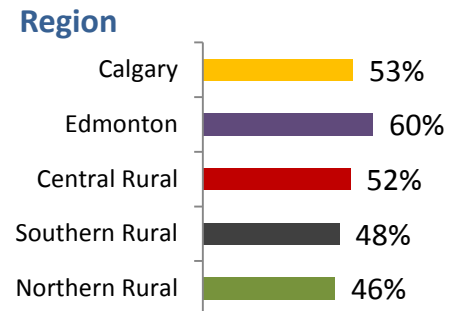
Note: 'Don't know' (3%) not shown

Reliance on Oil Royalties: Slim majority, especially Edmontonians & new Albertans, support less reliance

Q Right now most of the money from oil revenues is used for day to day operating spending. Some people have suggested Alberta should change how it uses oil revenue in the future. Reducing the amount of oil royalties used for day to day operating spending will mean cutting spending or raising other fees and taxes. Do you support or oppose the general idea of reducing the amount of oil royalties used for day to day operating spending?



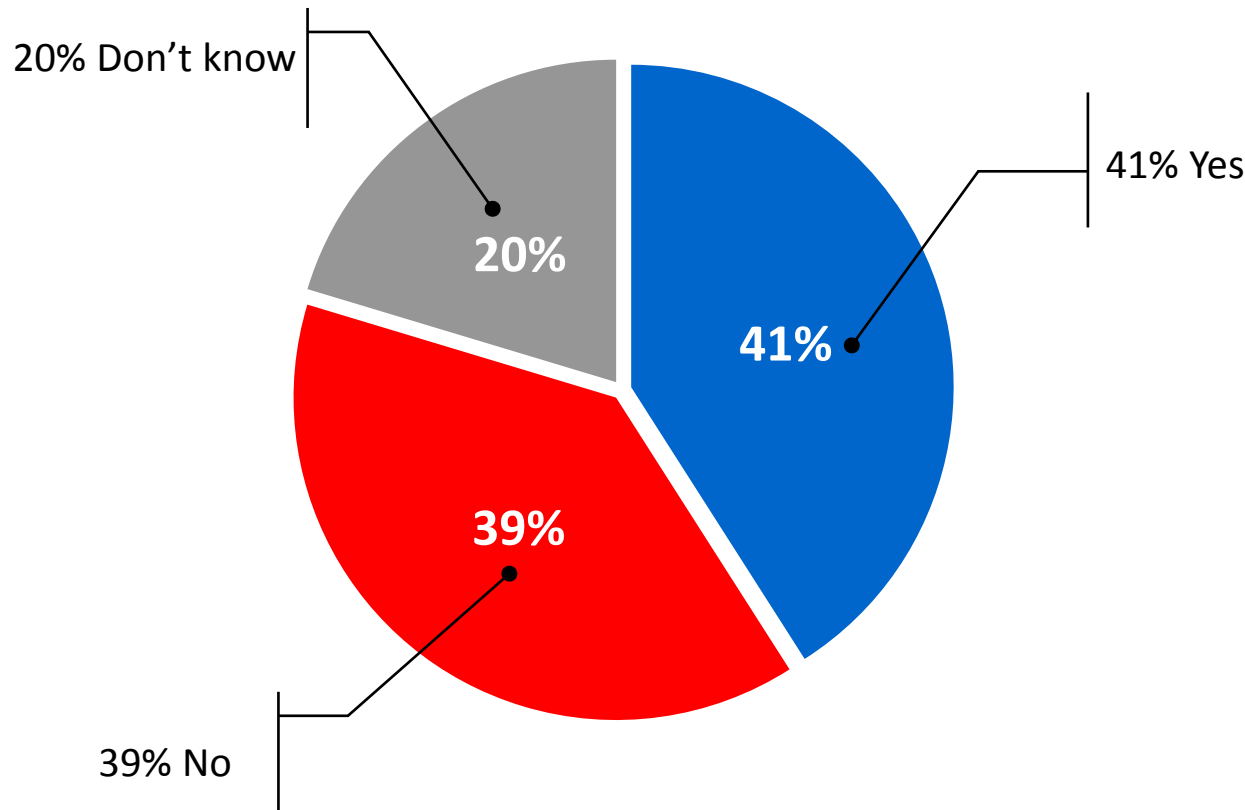
Sample Breakdown ▶▶ Those who say "support"



Note: 'Don't know/Refused' (4%) not shown

Awareness of Savings: 2-in-5 believe there are savings from past oil revenue; Awareness lowest in Edmonton

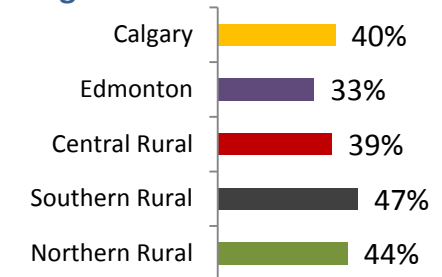
Q From what you have read, seen or heard, does the Alberta government currently have any savings from past oil revenues?



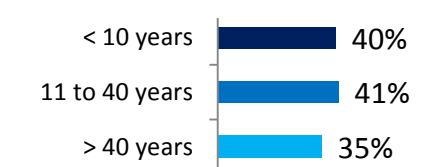
Sample Breakdown ▶▶

Those who say "no"

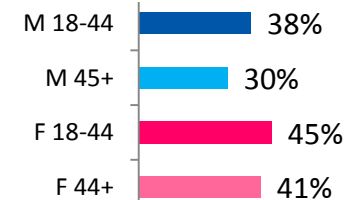
Region



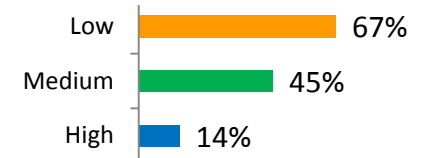
Time in Alberta



Gender-Age

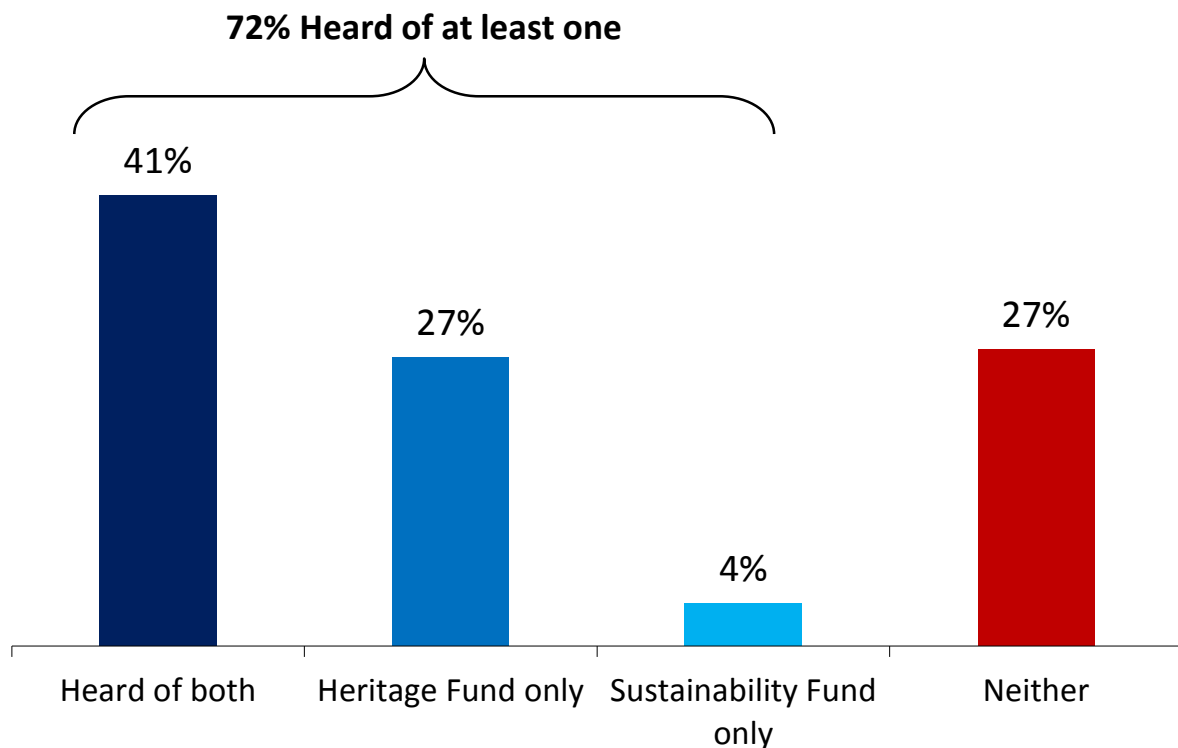


Knowledge



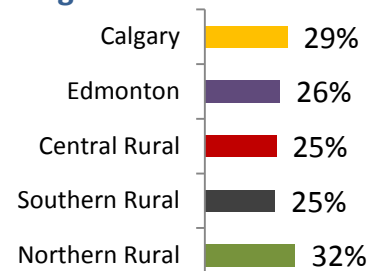
Awareness of Funds: Majority have heard of at least one; ²⁰ Awareness lowest among new and younger Albertans

Q In fact, the Auditor General reports the Alberta government currently has \$17 billion dollars in a Heritage Fund which is a long-term legacy of oil revenues from the 70s and early 80s, as well as a \$5 billion Sustainability Fund which is a “rainy day” fund of oil revenue saved recently to offset any short-term downturns in the price of oil. Now that I mentioned these two funds, which statements best represents your point of view

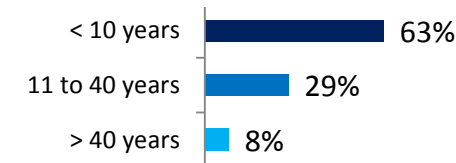


Sample Breakdown ▶▶ *Those who say “neither”*

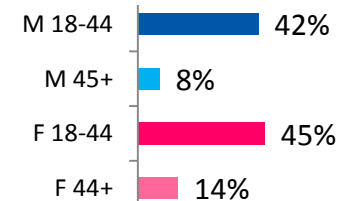
Region



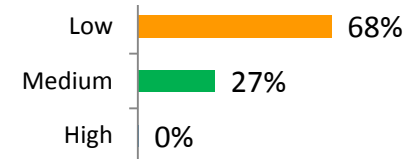
Time in Alberta



Gender-Age



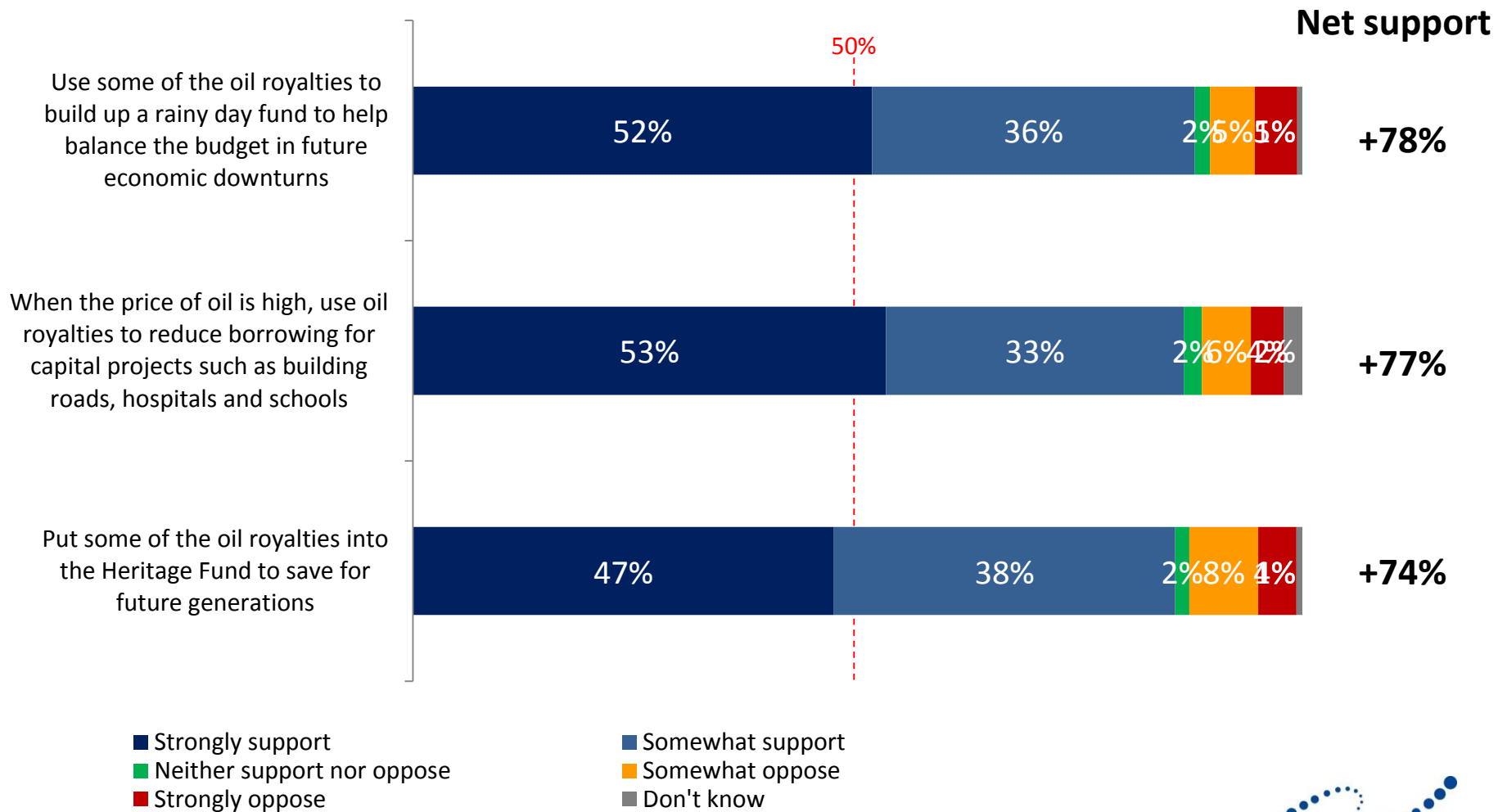
Knowledge



Note: ‘Don’t know’ (<1%) not shown

Options for Using Oil Revenue: All three options enjoy the support of more than 4 in 5 respondents

Q Please tell me if you support or oppose each of the following ideas for what the provincial government could do with oil royalties. How about...?



Initial Actions

Wait and See, or Act Now: Close to two-third believe government should stick with the regular budget date

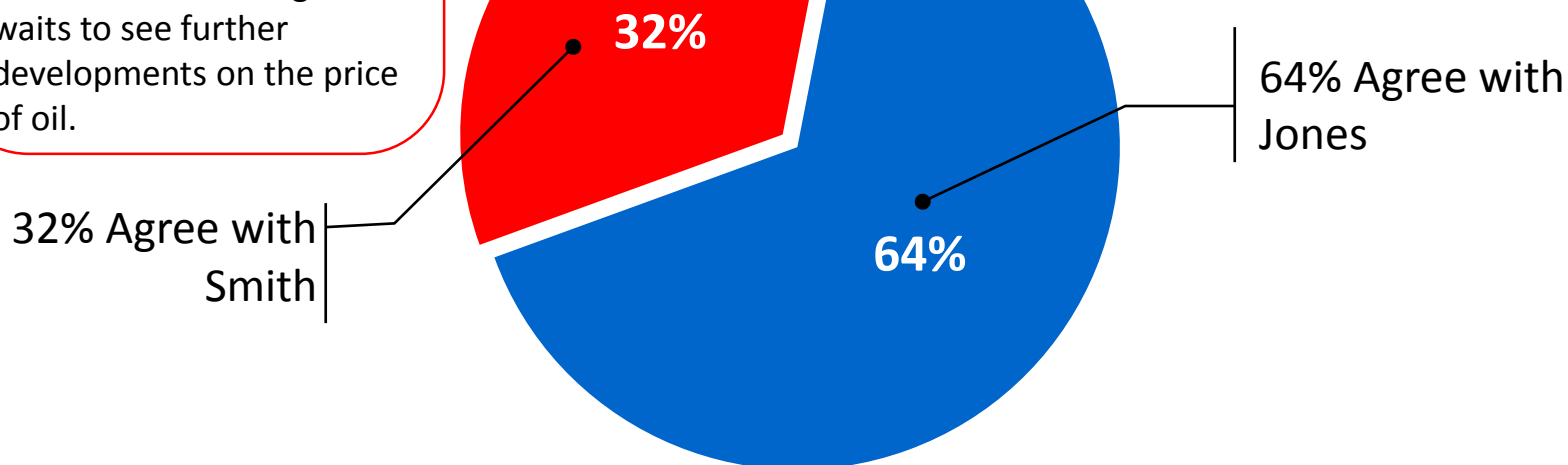
Q Which of the following points of view is closest to your own.

Smith says:

Some/other people have suggested the government set out a long term plan setting out its goals and the principles for meeting those goals but delay the actual budget while it looks for immediate savings and waits to see further developments on the price of oil.

Jones says:

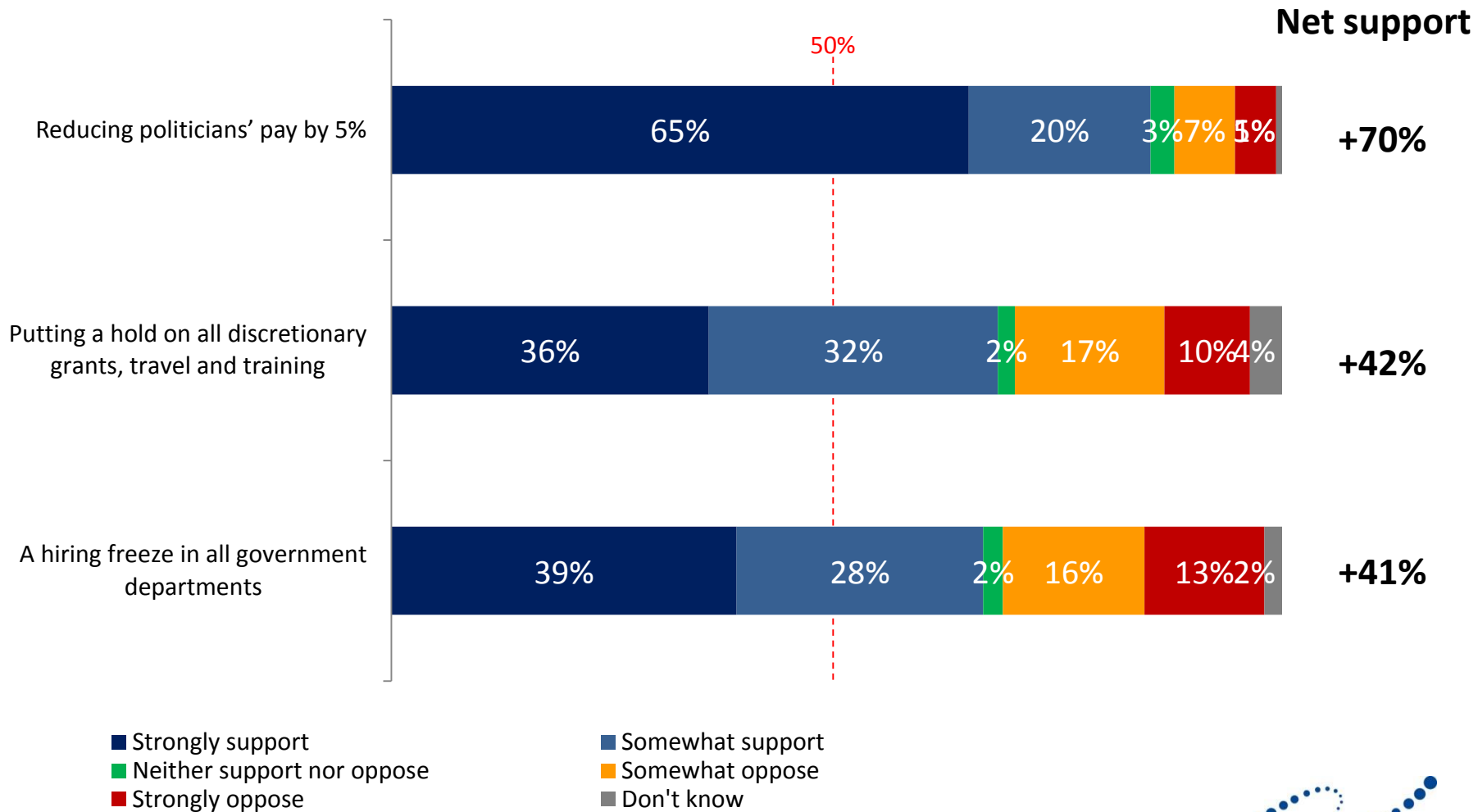
Other/some people say the government should stick with the regular budget date so people can see exactly what the government plans to do as soon as possible.



Note: Statements randomized.
'Don't Know' (4%) not shown.

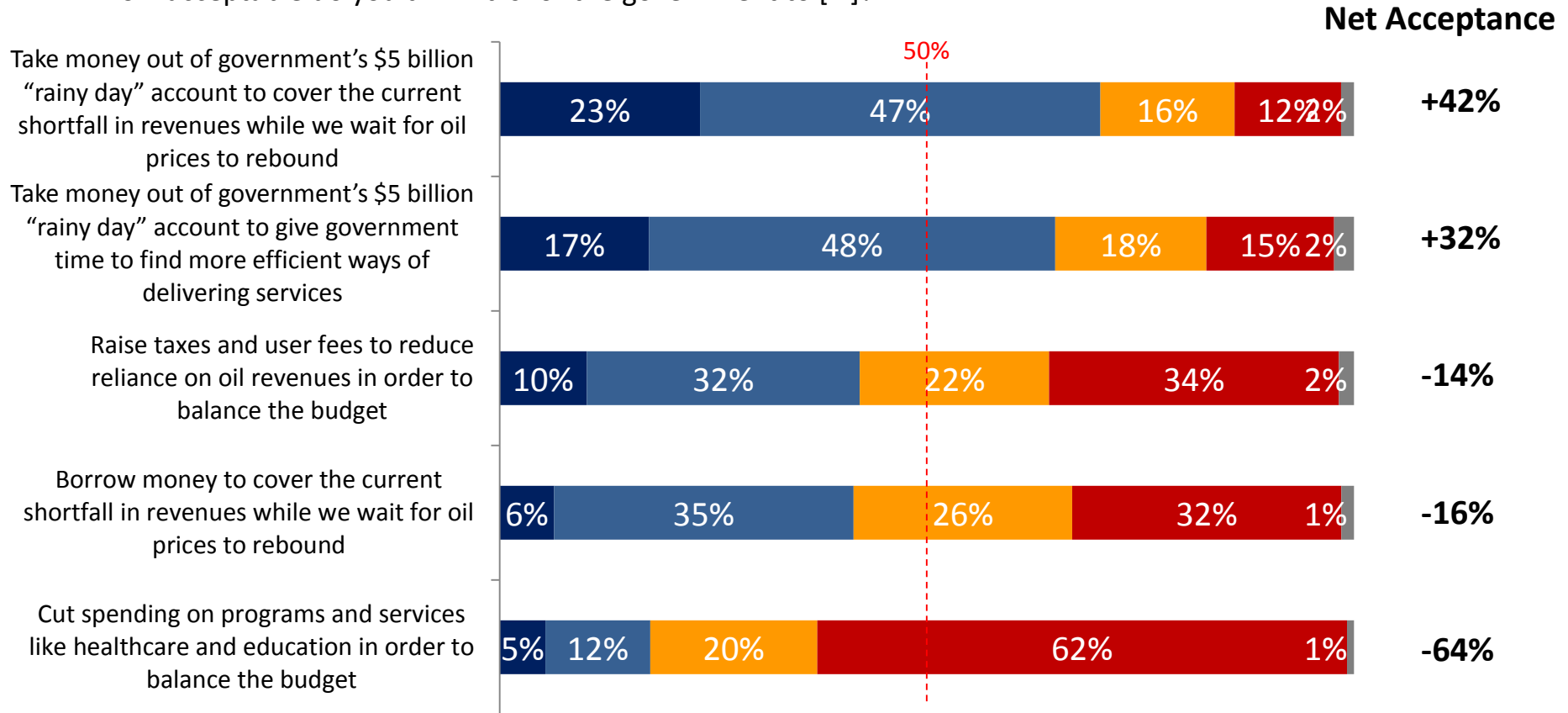
Steps Already Taken: All initiatives received over 65% support; Cutting politicians' pay has most support

Q I am going to read to you a list of initiatives the government has already taken to begin to address the current deficit. Please tell me if you support or oppose each of these initiatives. How about...?



Covering the Shortfall: Sustainability Fund has the highest acceptance; cutting program spending least accepted ²⁵

Q The Alberta Government is forecasting up to a \$7 billion revenue shortfall for the coming year due to the recent drop in the price of oil. The government has said its first priority is to make cuts at the top to lead by example and to look for efficiencies, but experts say that is unlikely to be enough to solve the problem. How acceptable do you think it is for the government to [...]?

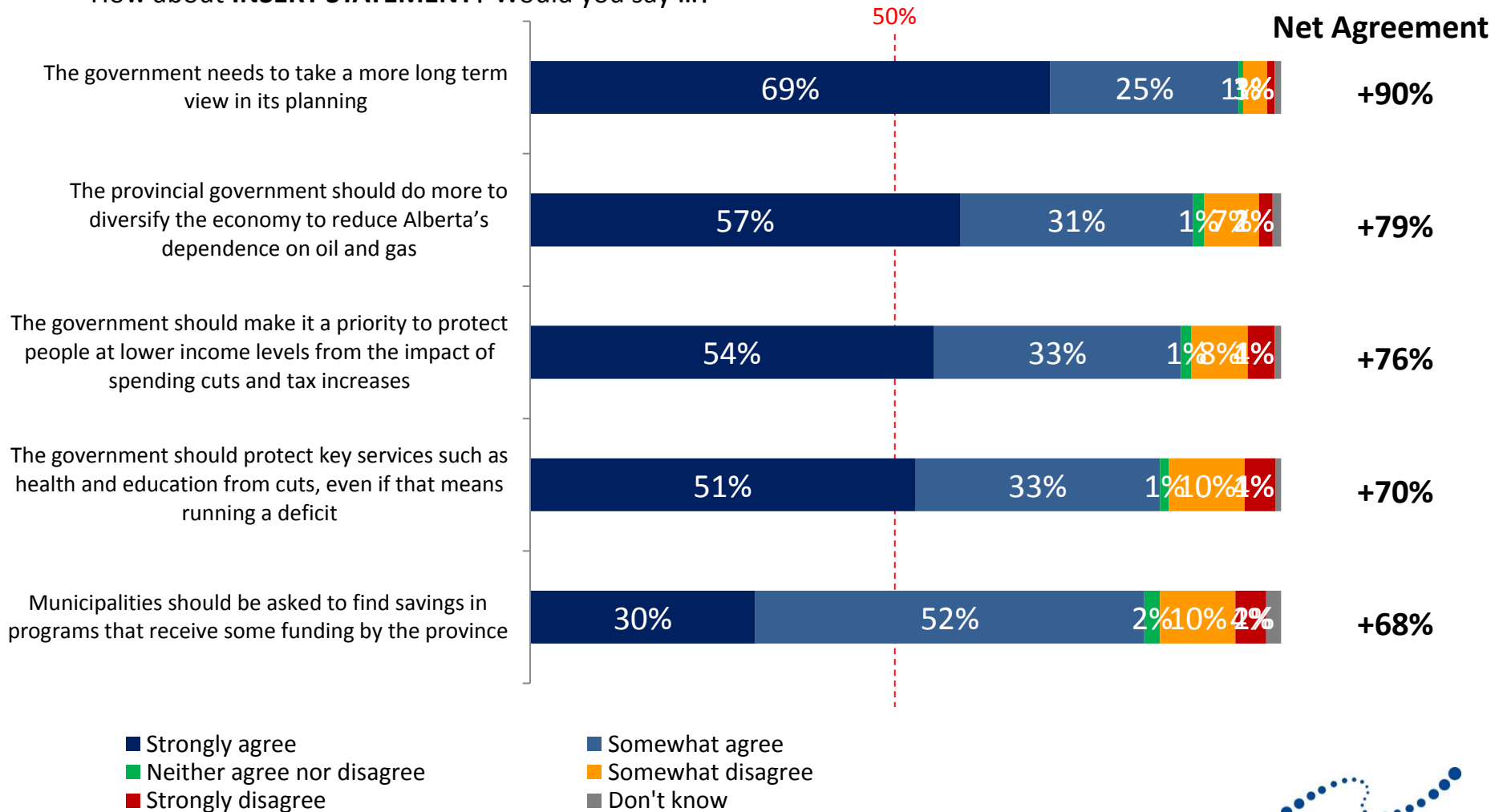


■ Very acceptable
 ■ Somewhat acceptable
 ■ Not very acceptable
 ■ Not acceptable at all
 ■ Don't Know

Strategic Principles

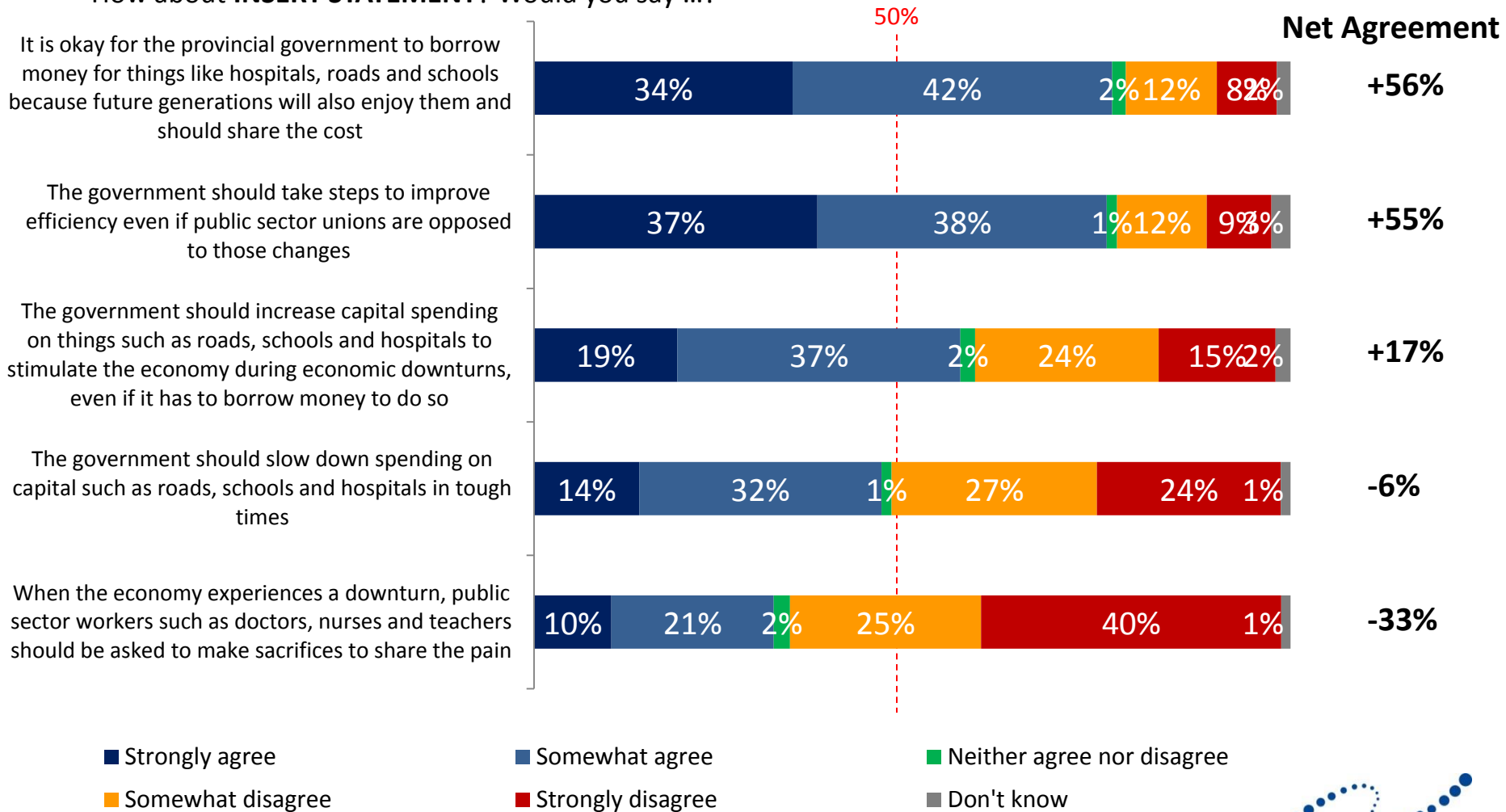
Dealing with the Deficit: Over 87% agree with long-term planning, diversification and protecting low-income

Q I am going to read you a series of statements people have made about what government should or shouldn't do as it deals with the deficit. Please tell me whether you agree or disagree with the following. How about **INSERT STATEMENT**? Would you say ...?



Dealing with the Deficit: Less than one-third agree with asking public sector workers to make sacrifices

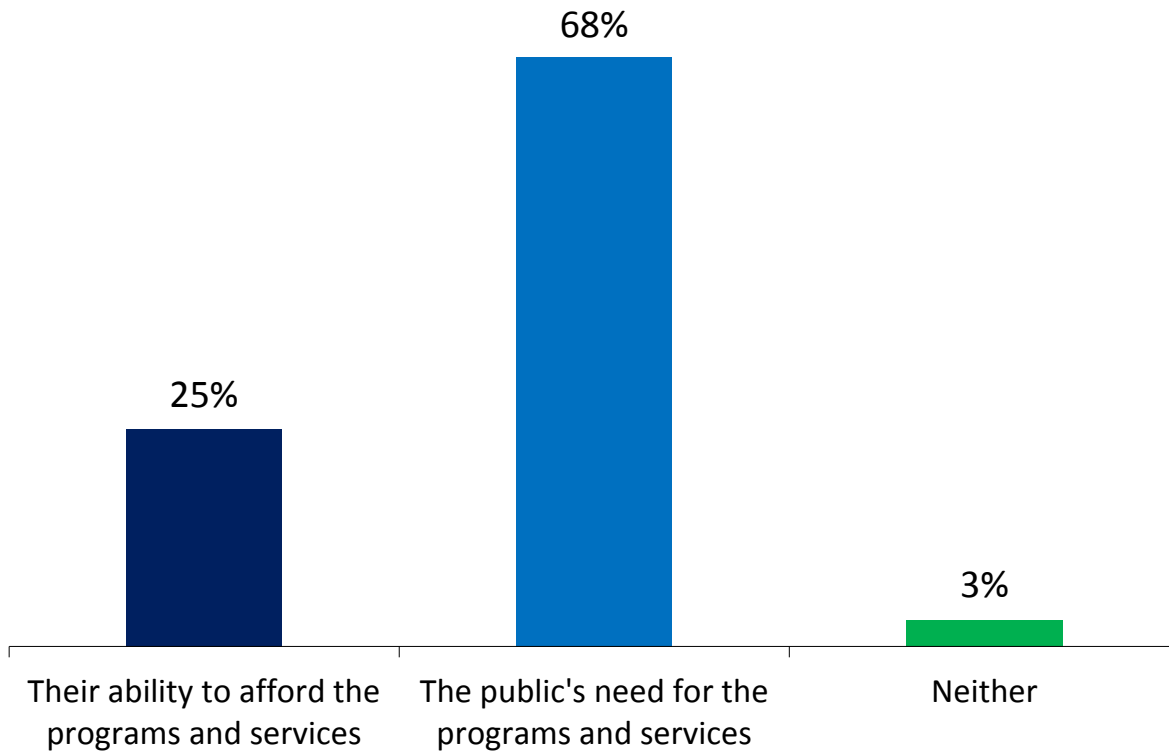
Q I am going to read you a series of statements people have made about what government should or shouldn't do as it deals with the deficit. Please tell me whether you agree or disagree with the following. How about **INSERT STATEMENT?** Would you say ...?



Programs and Services: More than two-third believe spending decisions should be based on public's needs



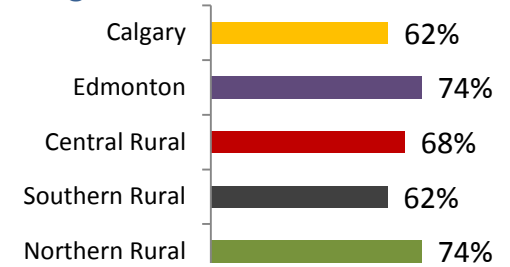
When governments make major decisions concerning spending on programs and services, do you think they should be basing their decisions mainly on ...



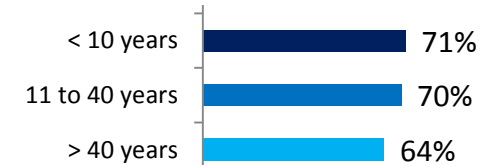
Sample Breakdown ▶▶

Those who say "public's needs"

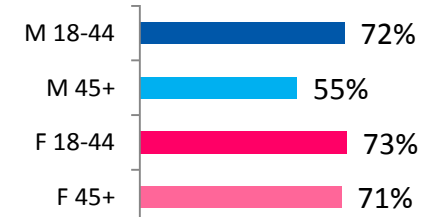
Region



Time in Alberta



Age-Gender



Knowledge

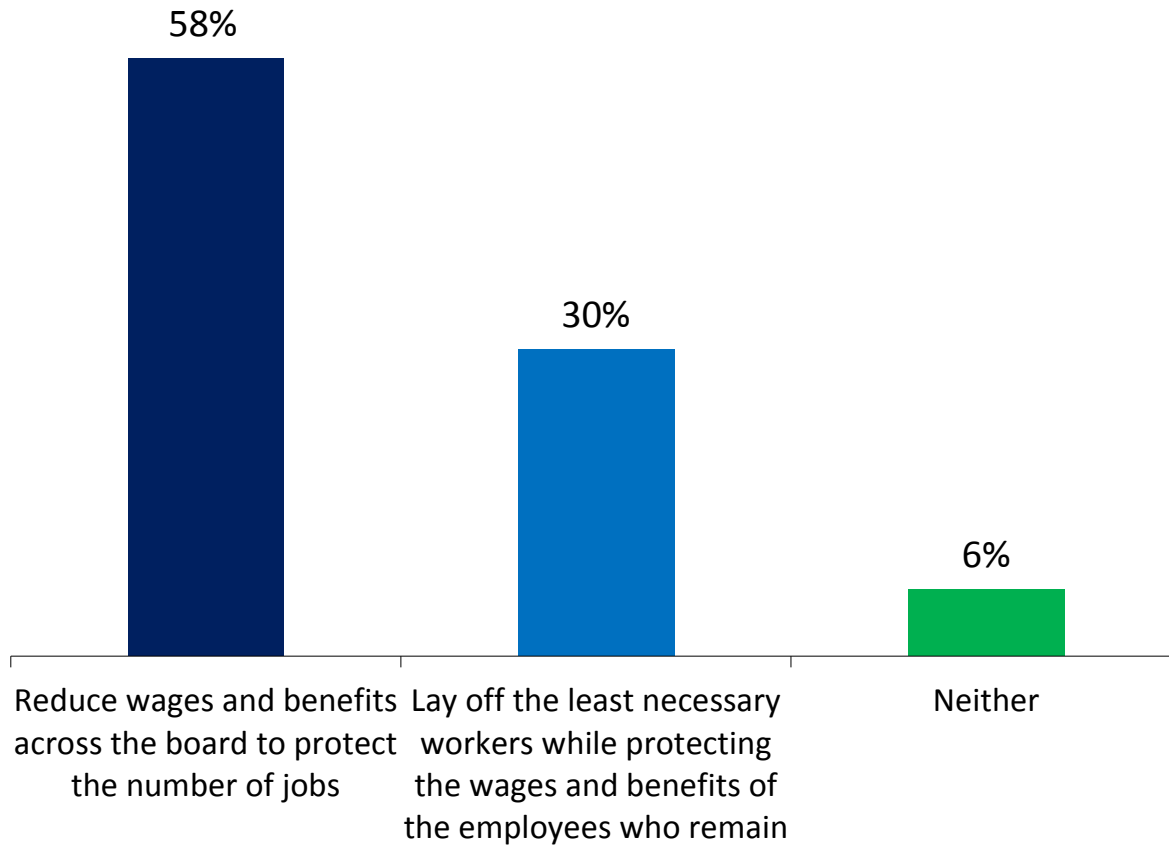


Note: 'Don't know' (4%) not shown

Spending Reduction: Just under 60% choose wage and benefit cut over layoffs; lowest in Edm and Central Rural



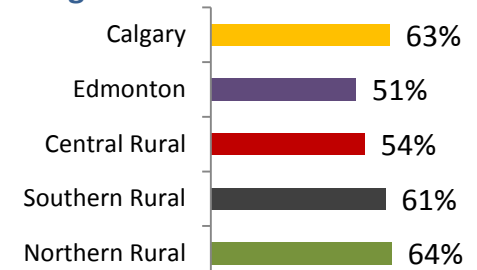
If the government needs to reduce spending on public sector wages to balance the budget, is it better for government to ...



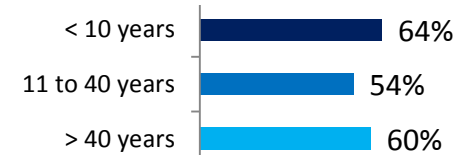
Sample Breakdown ▶▶

Those who say "across the board"

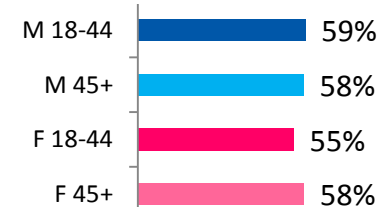
Region



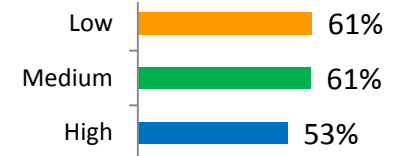
Time in Alberta



Age-Gender



Knowledge

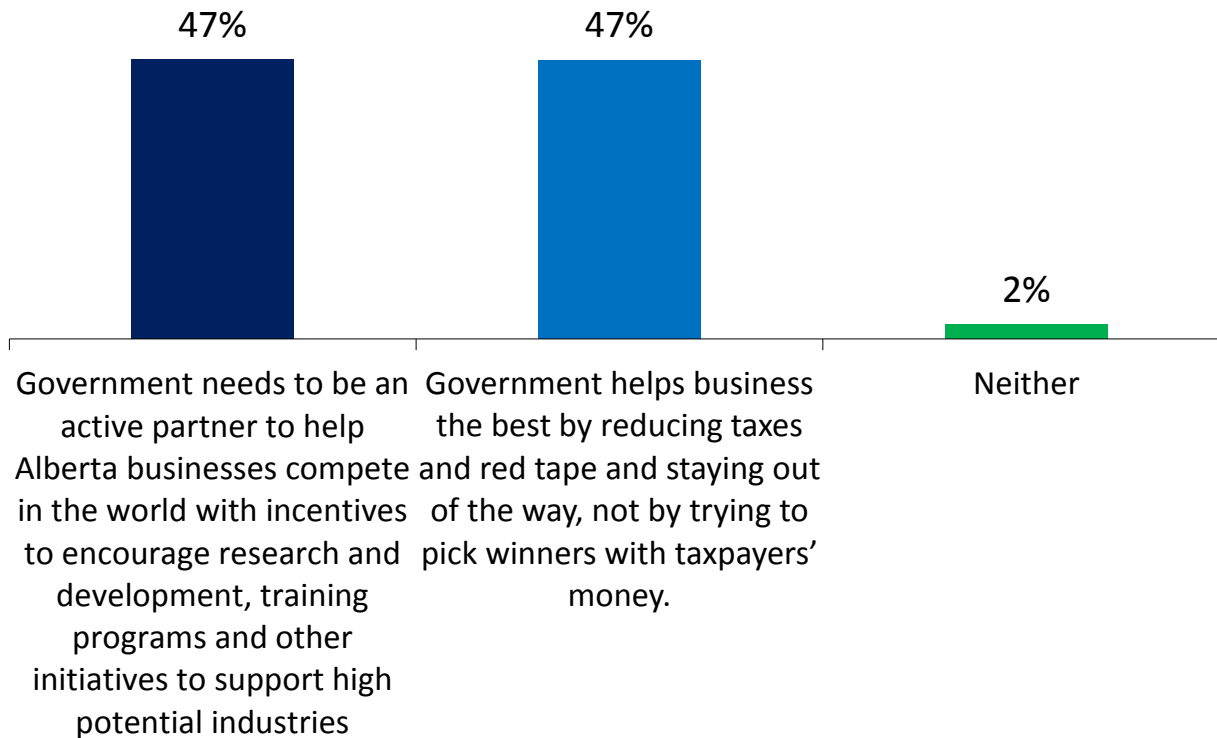


Note: 'Don't know' (6%) not shown

Role of Government: Respondents split on the role of government; 'active partner' highest in cities



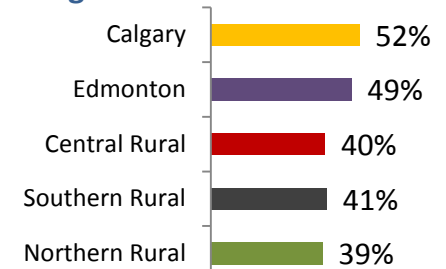
Thinking about the role of the provincial government when it comes to the economy, which statement is closest to your point of view?



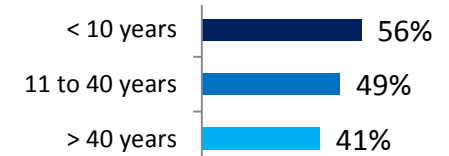
Sample Breakdown ▶▶

Those who say "active partner"

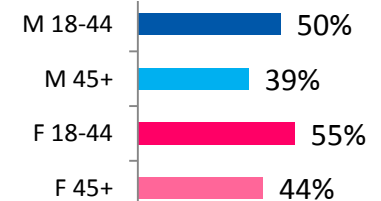
Region



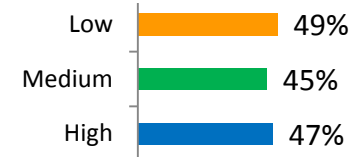
Time in Alberta



Age-Gender



Knowledge



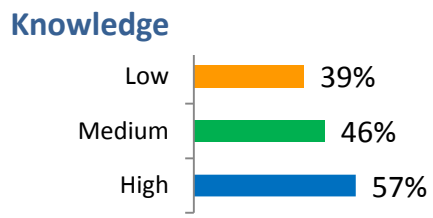
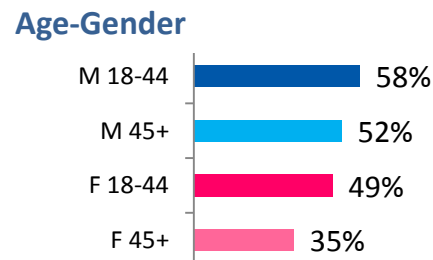
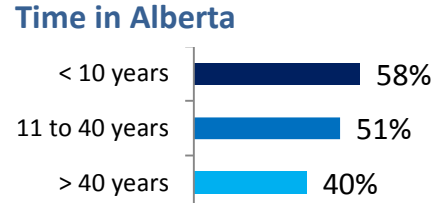
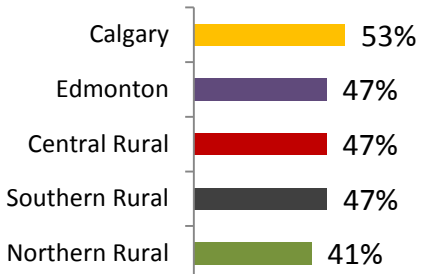
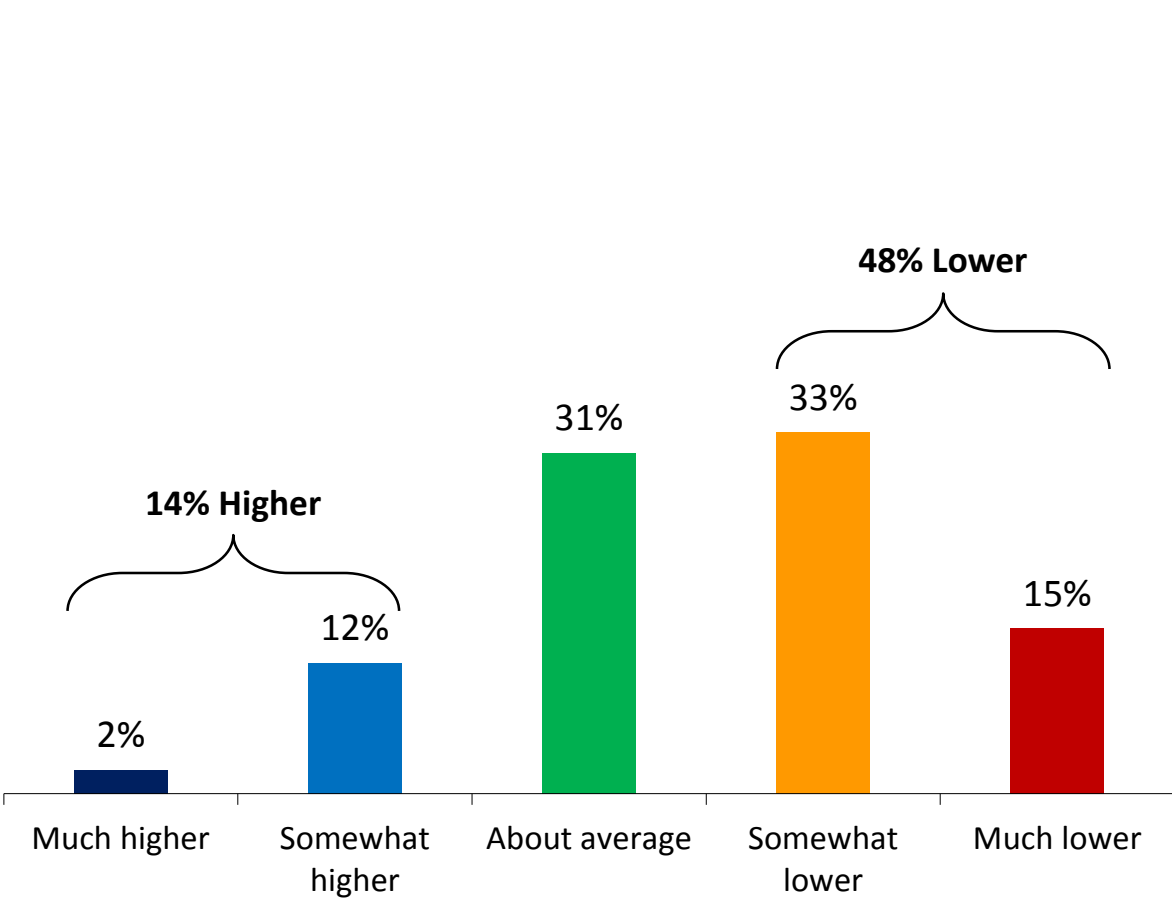
Note: 'Don't know' (3%) not shown

Awareness of Tax Rate and Structure

Comparative Tax Rate: Just under half believe Alberta has lower tax rates compared to the rest of Canada

Q Compared to the rest of Canada, would you say current tax rates in Alberta are higher, about average, or lower?

Sample Breakdown ▶▶
Those who say "lower"

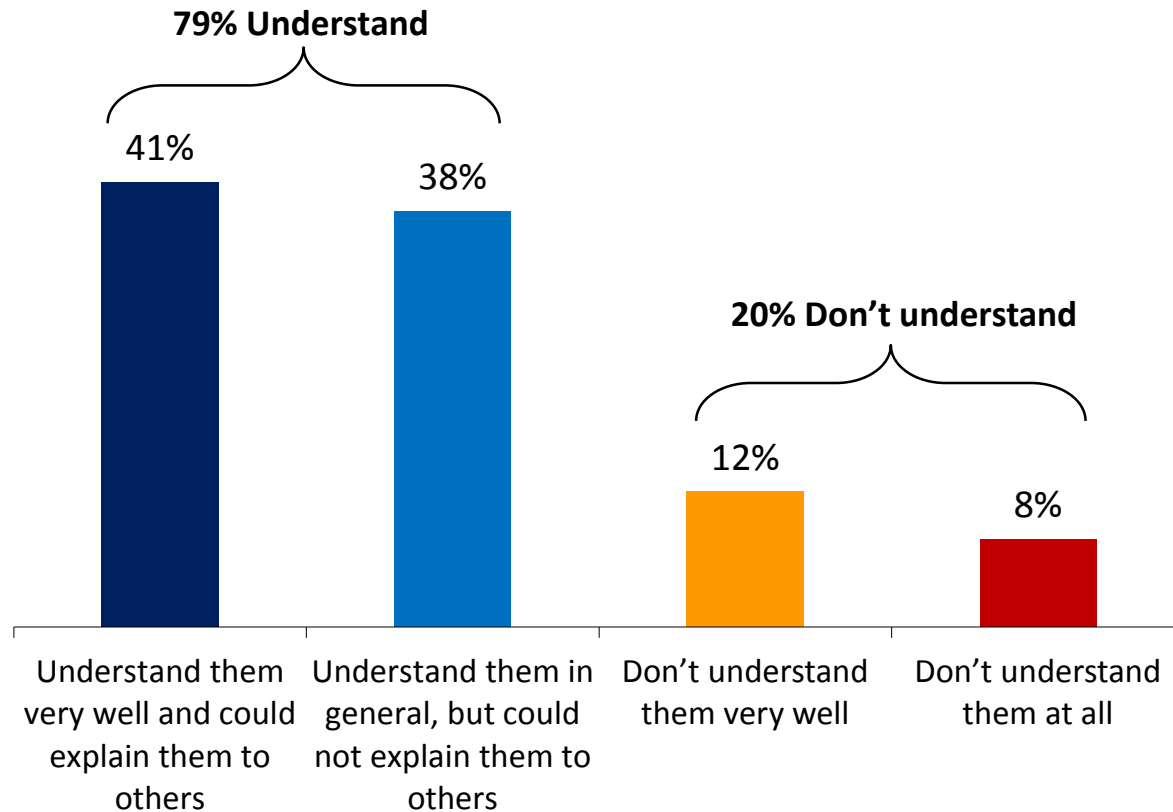


Note: 'Don't know' (6%) not shown

Understanding of Tax Systems: Majority say they understand two systems at least in general



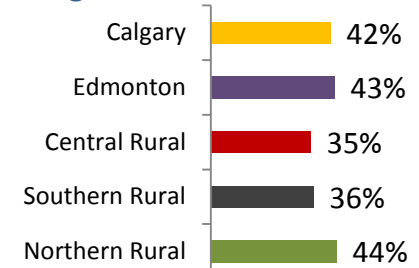
When it comes to income taxes, some places have a “flat tax” and others have a “graduated tax”. With a flat tax, the percentage of tax you pay on your taxable income is the same at all levels of income. With a graduated tax, the tax rate rises in steps as your taxable income increases. How familiar are you with these two ways of collecting income taxes? Would you say you ...?



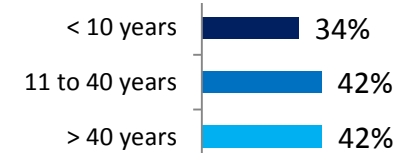
Sample Breakdown ▶▶

Those who say “can explain”

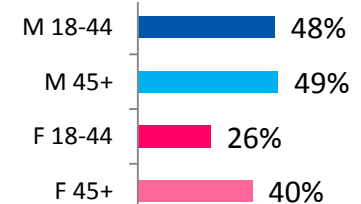
Region



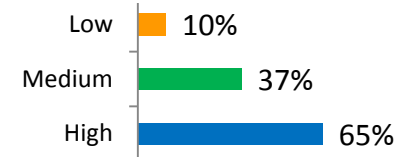
Time in Alberta



Age-Gender



Knowledge

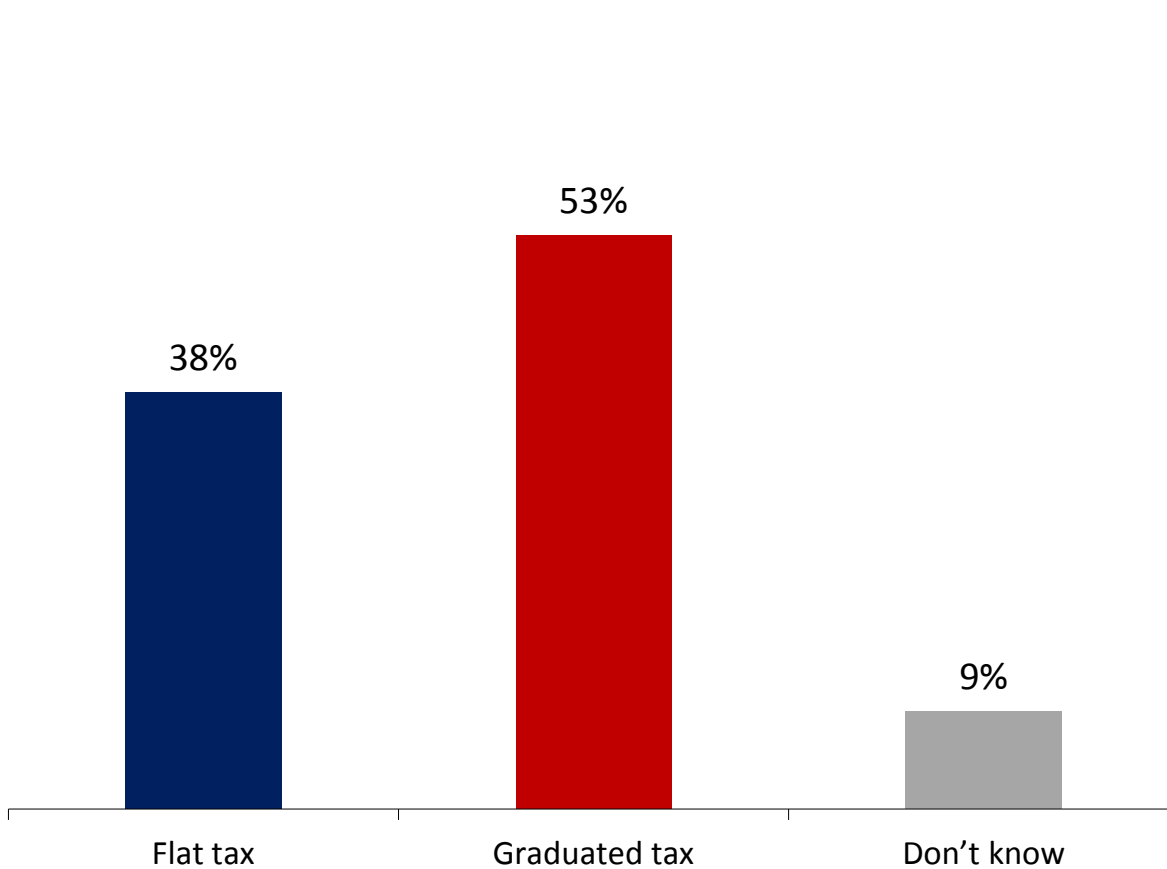


Note: 'Don't know' (<1%) not shown

Current Tax System: Slightly less than 40% think Alberta has flat provincial income tax, majority say graduated

Q

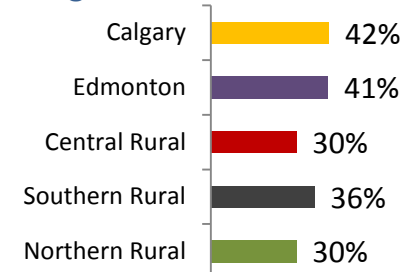
From what you have read, seen or heard, do you think Alberta currently has a flat provincial income tax or a graduated provincial income tax?



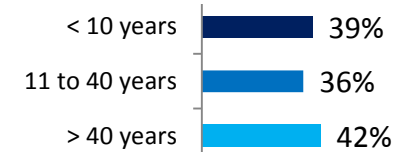
Sample Breakdown ▶▶

Those who say "flat tax"

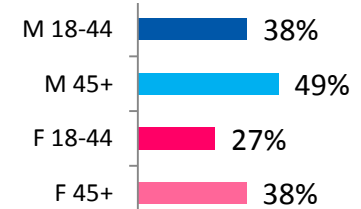
Region



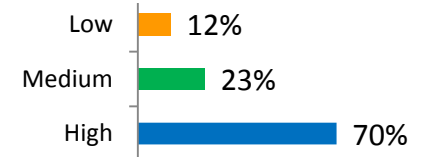
Time in Alberta



Age-Gender



Knowledge

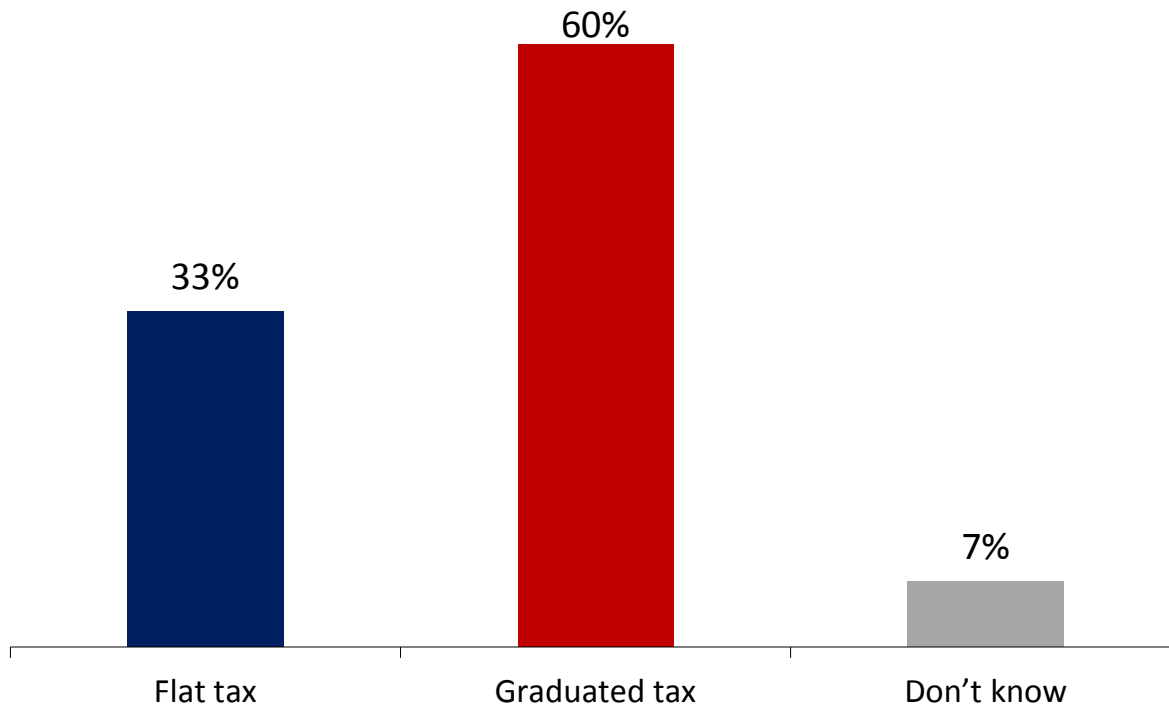


Note: Options randomized.

Preferred Tax System: 3-in-5 respondents prefer graduated income tax over flat tax



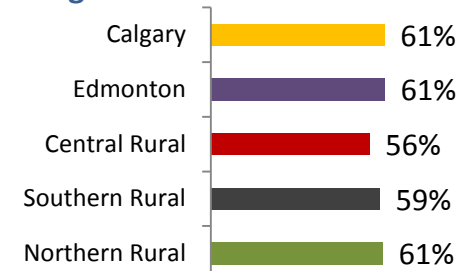
And from your point of view, what personal tax system do you prefer, a flat provincial income tax or a graduated provincial income tax?



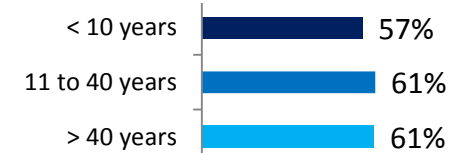
Sample Breakdown ▶▶

Those who say "graduated tax"

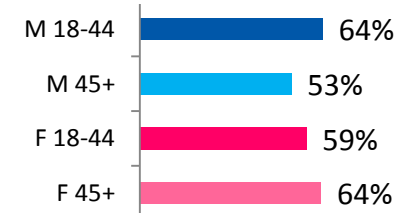
Region



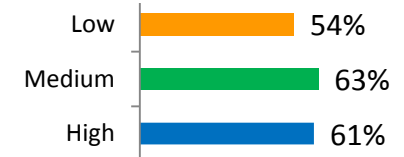
Time in Alberta



Age-Gender



Knowledge



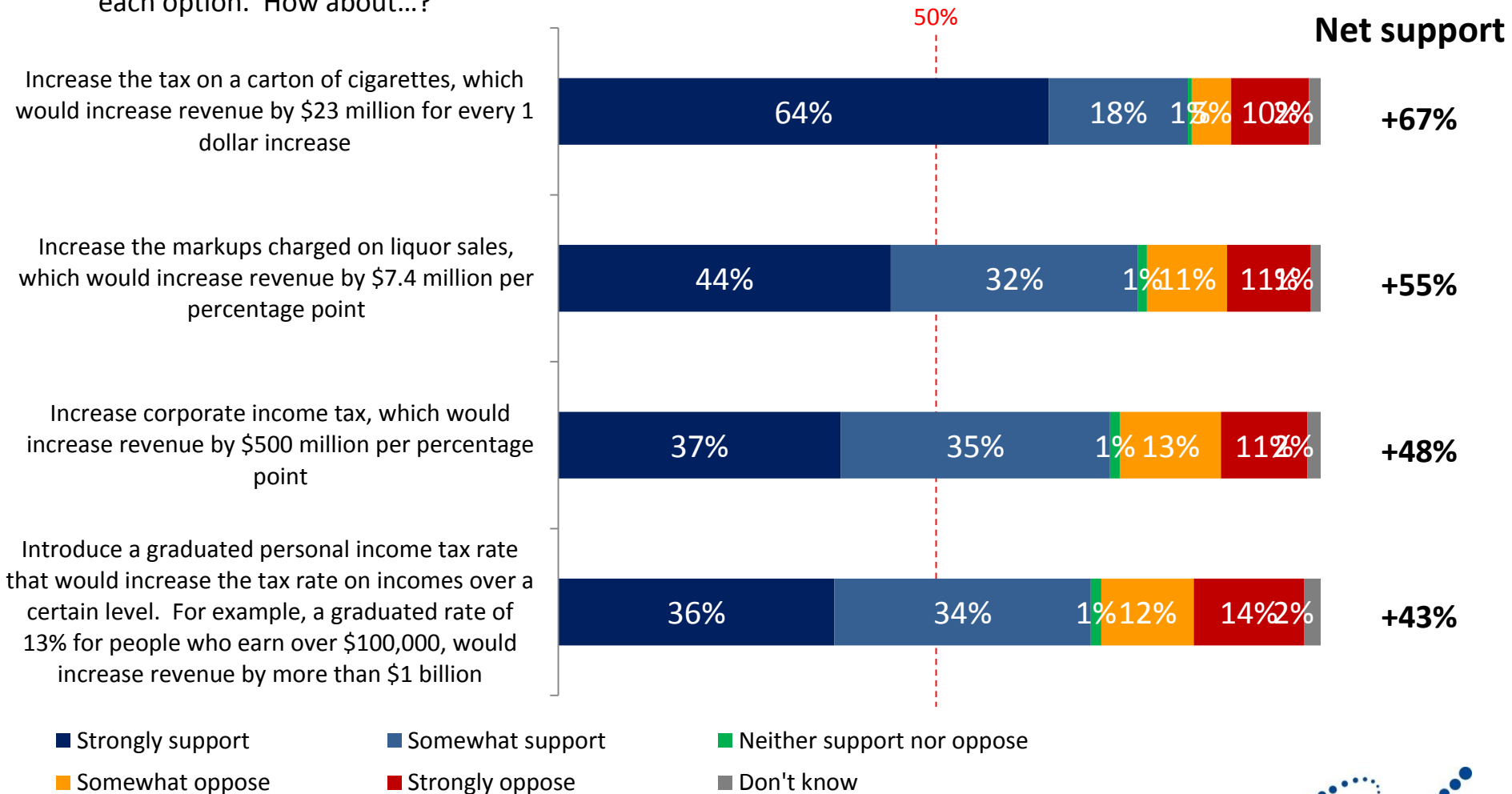
Note: Options randomized.

Options to Increase Revenues

Revenue-raising Options: Over 75% support increasing taxes on cigarettes, liquor and corporate income

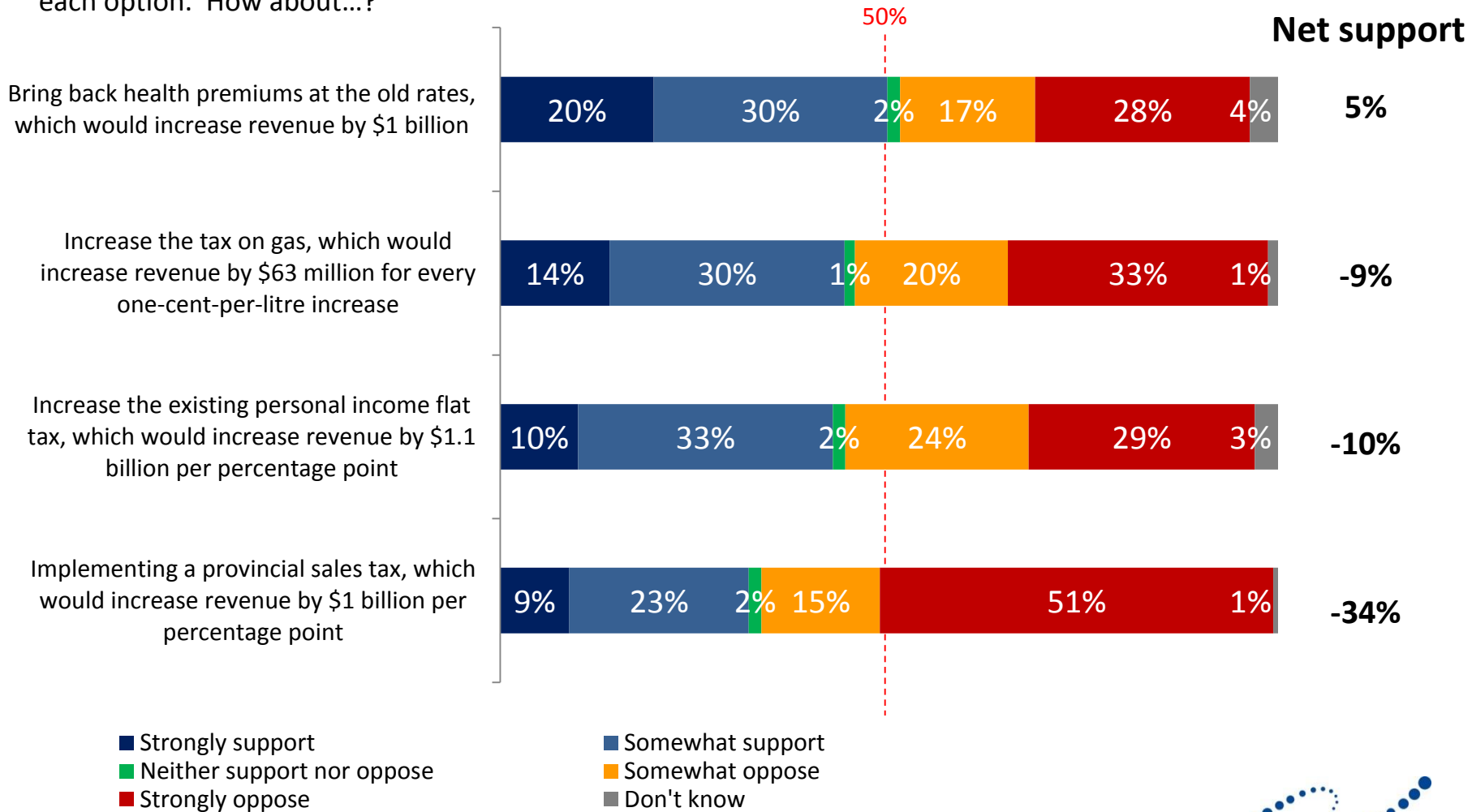


There are different changes to taxes that some people have proposed publicly for increasing revenue in Alberta. I am going to read you a list of these options, and I'd like you to tell me if you support or oppose each option. How about...?



Revenue-raising Options: Less than one-third support provincial sales tax

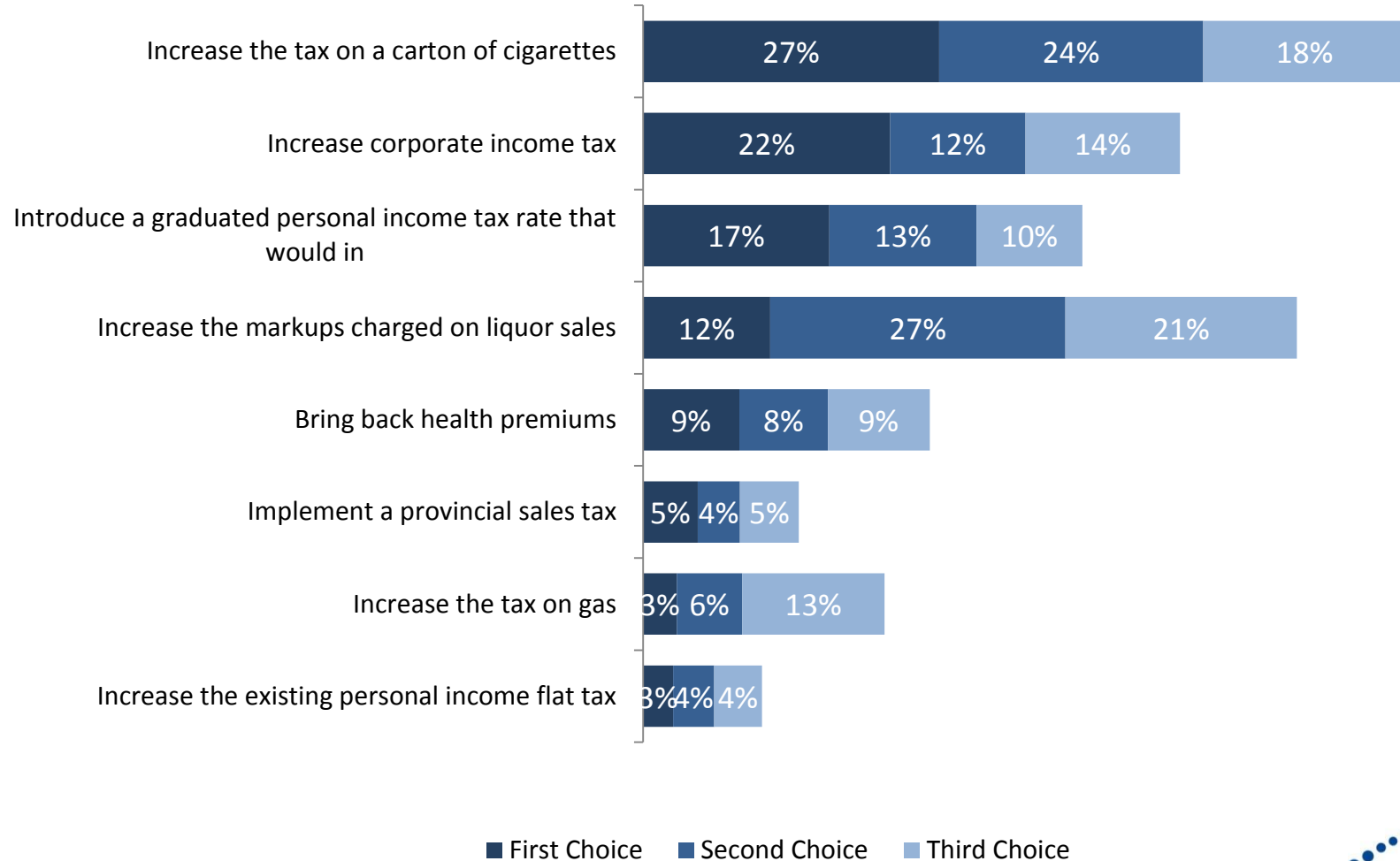
Q There are different changes to taxes that some people have proposed publicly for increasing revenue in Alberta. I am going to read you a list of these options, and I'd like you to tell me if you support or oppose each option. How about...?



Options Ranking: Cigarettes tax and corporate income tax are top choices



I'd like to quickly review these options again, and I'd like you to tell me which would be your first choice. And which would be your second [third] choice?

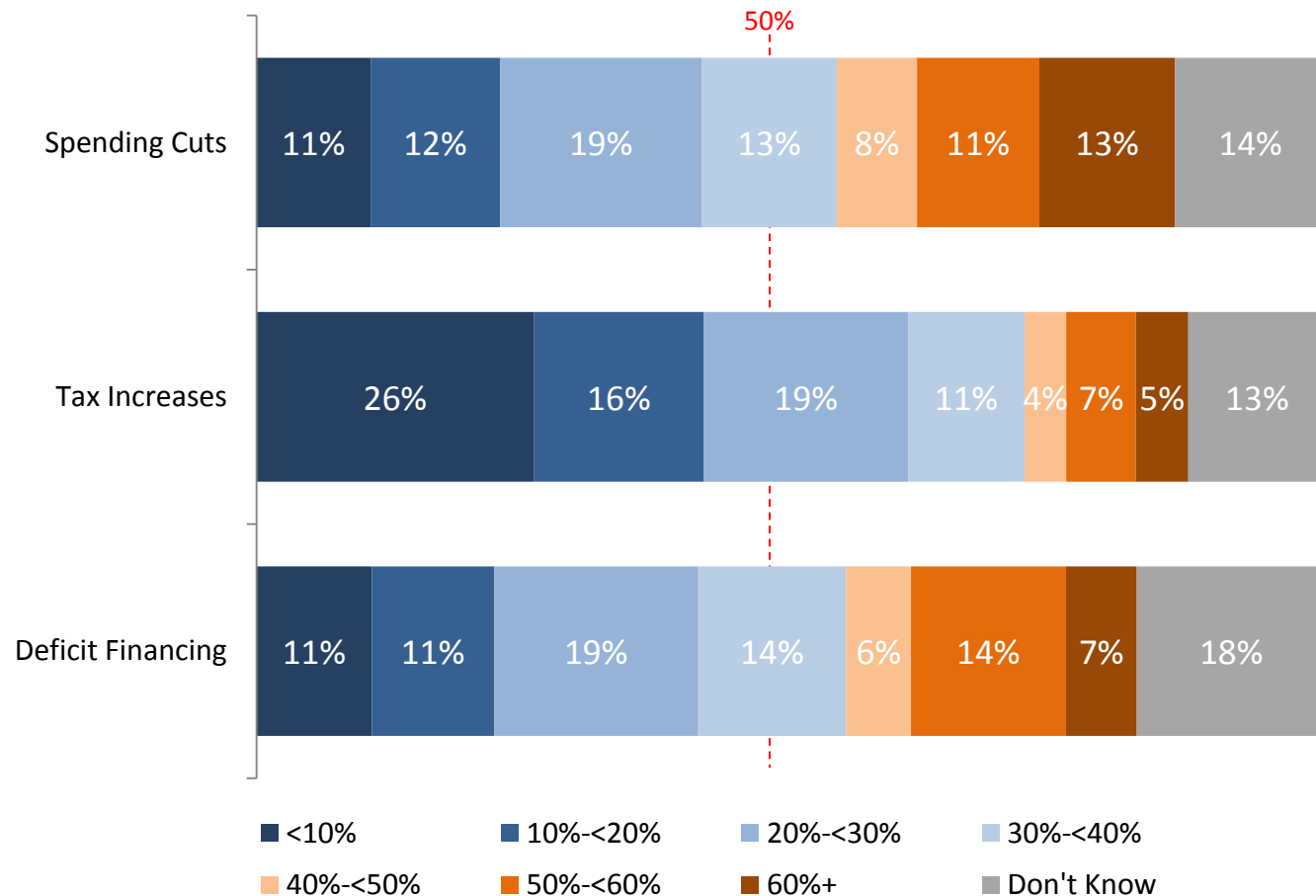


Balance

The Three Key Levers: Taxes least preferred option, spending cuts and deficits more acceptable



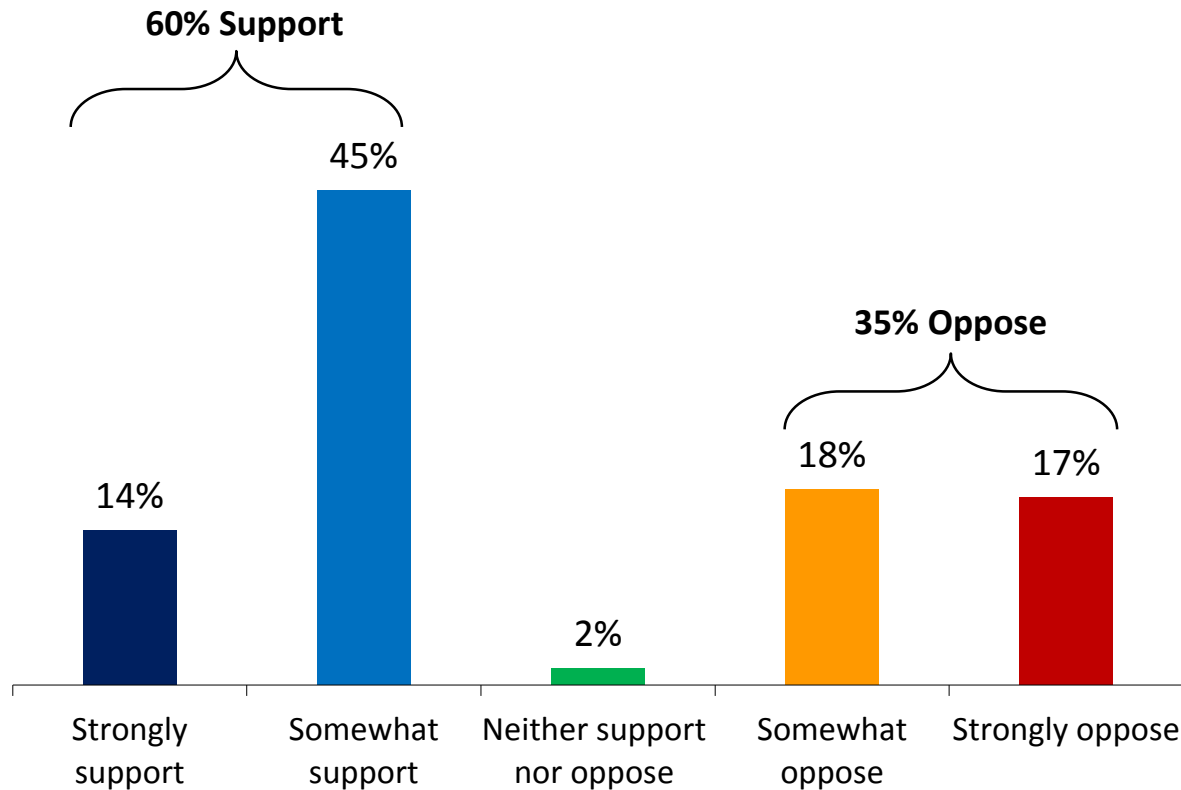
As we have discussed, the government has three key levers to deal with the projected \$7 billion gap between spending and revenue. It can cut spending, it can raise taxes or it can run a deficit. Thinking about the upcoming budget for the next year in terms of percentages, what percentage of the \$7 billion gap do you think should come from ...



A Balanced Approach: 3-in-5 support a balanced approach; strongest among new Albertans

Q

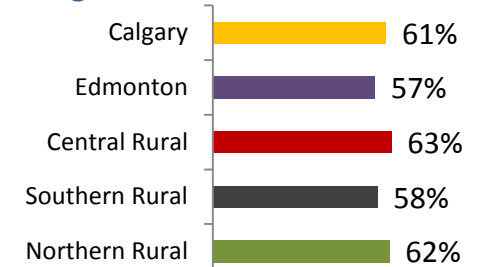
Some people have suggested an appropriate balance in this year's budget among the three options to be 1/3 from spending cuts, 1/3 from tax increases and 1/3 from deficit financing. Would you support or oppose a budget that used that type of approach?



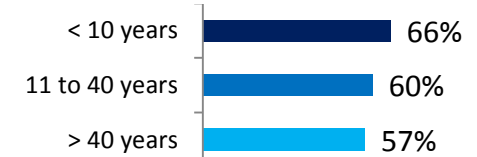
Sample Breakdown ▶▶

Those who say "support"

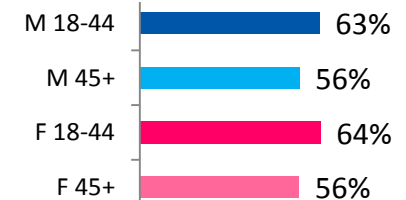
Region



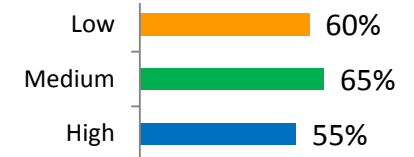
Time in Alberta



Age-Gender



Knowledge



Note: 'Don't know/Refused' (4%) not shown



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