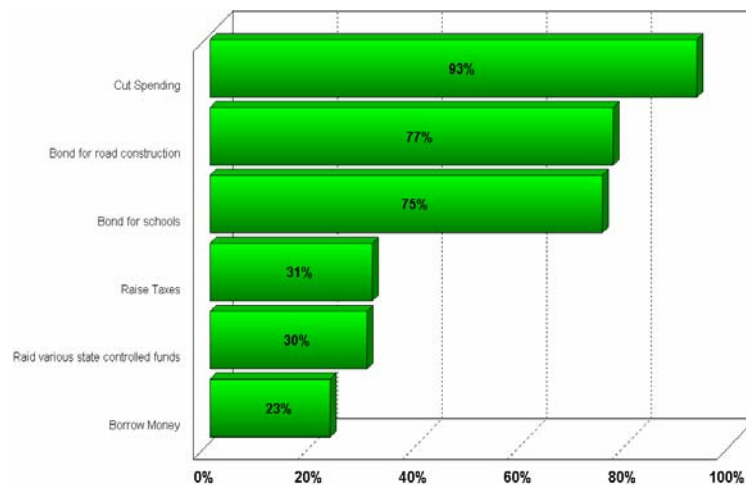


Businesses Say: “Cut Spending” and “Bond” as Remedies for State Budget Crisis

According to a just-released survey of Arizona small businesses, preference for cutting spending as a means of reducing the State Budget Deficit was nearly universal (93%). There were also substantial majorities for bonding road construction (77%) and bonding for schools (75%). Raising taxes (31%), raiding various state controlled funds (30%) and borrowing money (23%) were all supported by minorities of Arizona small businesses. The poll's director, Dr. Michael O'Neil observed, “When cutting spending is expressed in the abstract, it is always a popular proposition. Near universal support for ‘cutting

spending’ however, does not translate to majority support for cutting any specific program. When people respond in the abstract to a question like this they envision cutting in the program that they personally see as most extravagant or wasteful—and no individual program may get majority support for cuts. Clearly, however, these figures indicate support for taking a very hard look at items in the state budget that could be successfully cut.”



O'Neil continued: “The other clear finding of this survey, however, is that the Arizona small business community strongly supports using bonding as a mechanism of state funding. We were impressed at the size (about 3/4^{ths}) of the majorities for this and the fact that approximately equal majorities supported bonding for both road construction and school construction. Road construction and education have historically been among the highest of the public's priorities. We believe that these figures reflect agreement between the small business community and the public on the priority of these issues.”

The Silver State Bank/ASBA/O'Neil Associates Arizona Economic Indicators Monitor is made possible by Silver State Bank, with cooperation of ASBA (the Arizona Small Business Association). O'Neil Associates, a national public opinion research firm based in Tempe, sent surveys to ASBA's membership of 3,000 small businesses across the state in late March 2008. The survey covered a wide range of economic issues including business performance, revenue and job growth, and overall business confidence ratings.

For a complete copy of the *Silver State Bank/ASBA/O'Neil Associates Arizona Economic Indicators Monitor* visit <http://www.oneilresearch.com/publicdomain>

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