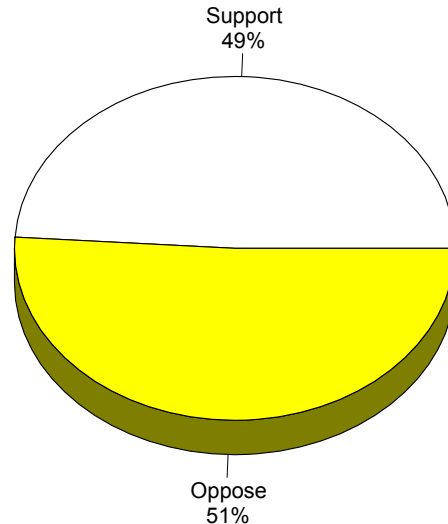




Community Leaders Divided on Bush Tax Cut Few Plan to Increase Their Spending as a Result

According to a just-released *Valley Influentials Poll*, community leaders are almost evenly divided on support or opposition to the recently enacted federal tax cut. Four hundred respondents were asked: “Do you support or oppose the \$350 billion dollar federal tax cut recently signed into law by President Bush?” A bare majority (51%) opposes the tax cut, while a corresponding 49% support it. These figures exclude the 8% who did not have an opinion. The *Valley Influentials Poll* is a survey of members of Valley Leadership, Greater Phoenix Leadership, the East Valley Partnership, and Westmarc.

**DO YOU SUPPORT OR OPPOSE THE \$350 BILLION DOLLAR FEDERAL TAX C
RECENTLY SIGNED INTO LAW BY PRESIDENT BUSH?**



Ideological Litmus Test

According to the poll’s director, Dr. Michael O’Neil: “This particular issue is clearly an ideological litmus test. About nine out of ten self-identified conservatives support the tax cut, while a corresponding nine out of ten liberals oppose it. Self-professed moderates were in opposition (but only by 53% to 47%).”

O’Neil continued, “Similar political partisan leanings were evident. Seventy-eight percent (78%) of Republicans support the tax cut, while 83% of Democrats oppose it. The question’s form itself may have somewhat influenced respondents, as it identified the tax cut as ‘having been signed into law by President Bush.’”

About the Poll. The *O’Neil Associates Valley Influentials Poll* is a web-based survey that was sent to all members of Greater Phoenix Leadership, Valley Leadership, East Valley Partnership, and Westmarc. As such, this survey does not purport to be a random or representative sampling of the general population of the Phoenix metropolitan area. It would be difficult, however, to conceive of a more comprehensive representation from which to draw inferences about the opinions and sensibilities of *business and community leaders* than the combined membership of these organizations, although, inevitably, any definition of influentials is somewhat subjective. The persons surveyed are likely to exert disproportionate influence on and be an early indicator of community opinion by virtue of their position, community involvement, and political participation. The *O’Neil Associates Valley Influentials Poll was not sponsored or paid for by any outside organization.* Four hundred participants completed the survey between June 23 and July 2, 2003, yielding a margin of error of ±4.9%. O’Neil Associates, Inc. is a Tempe-based public opinion research firm specializing in client-focused attitude and awareness studies for a wide variety of industries and organizations.

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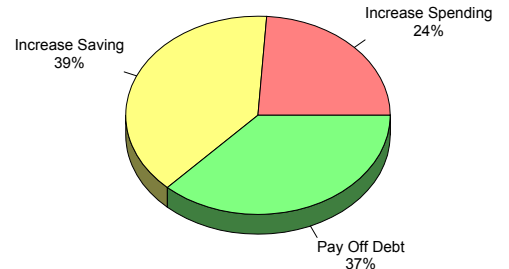
These results may be reported freely provided that they are identified as the “O’Neil Associates Valley Influentials Poll” including identification on any graphic material.

Not Likely to Increase Spending

A follow-up question asked respondents what they were likely to do with the proceeds of the federal tax cut. It is clear that among this group there is little evidence of the hoped for increase in consumer spending. Less than one-in-four (24%) indicate an intention to increase spending as a result of the tax cut. The largest proportion (39%) indicate that they would increase their savings. Nearly as many (37%) indicate that they would use the proceeds to pay down debt.

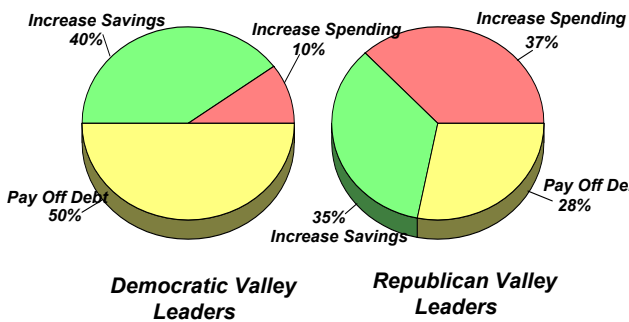
Reactions to Federal Tax Cut

Thinking about your personal financial situation this year, would a federal tax cut lead you to mostly...



Responses to Federal Tax Cut by Political Party

Thinking about your personal financial situation this year, would a federal tax cut lead you to mostly...



Grouped by political ideology, an interesting pattern is observed among respondents. When asked about the impact of the tax cut on their personal financial situation, conservatives are most likely to spend the money. Liberals, on the other hand, are most likely to either save the proceeds or pay off debt. Similar findings are evident when respondents are grouped by political party affiliation. Republicans are most likely to personally spend tax cut proceeds, while Democrats are most likely to pay off debt, with increasing savings as a close second. This is a particularly amusing finding, as it represents a reversal of the stereotypical public policy spending preferences of these two groups, demonstrating that one's political ideology need not extend to one's personal life.

An interesting similar observation is found when respondents are grouped by gender. Men (28%) are more likely to spend this tax "windfall" than are women (19%), although both are more likely to increase savings or pay off debt.

*O'Neil Associates has tracked public opinion across the Valley, Arizona, and the Nation since 1981. To be healthy, public debate must be informed—this is why we commit our resources to measuring opinions on the political and social issues people care about and talk about. O'Neil Associates, however, is much more than that. While the **Valley Influentials Poll** and **Valley Monitor** may be our most publicly visible activities, we do most of our work for private businesses and organizations as well as state and other public agencies. As a full-service research firm, we assist our clients with a broad range of research efforts to measure customer satisfaction, improve customer service, fine-tune public images, focus marketing campaigns, engineer products, increase market shares, strengthen employee relations, and plan, refine, and assess business strategies.*

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