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Los Angeles Times/Bloomberg

Family Budgets Curtailed to Pay for Gasoline, Most Blame Bush for Prices

Majority Wish the Fed Would Leave Interest Rates Alone

Summary

Concern about the economy is trending upward, according to the latest Los Angeles Times / Bloomberg Poll, perhaps driven by the pinch gas prices have put on the national wallet. The survey of 1321 adults, completed Wednesday night, found a continuing upward tilt in the percentage of those who think the economy is not doing well and a majority reported that they had curtailed spending on other items as a result of paying higher costs for energy at the pump and at home.

More than six in 10 nationwide said that the country is on the wrong track, and economic concerns hover near the top of the list of the most important problems facing the country. Still, public confidence in the housing market remains generally strong, most reported that their own personal financial situation is at least fairly secure, and the nearly half who said the economy is doing well pointed to low unemployment rates and thriving local business districts as examples of why. Those who did not feel the economy is doing well pointed to worries about energy costs, inflationary threats, and the difficulty of finding good jobs.

After weeks of watching the price of gasoline steadily climb and then fall back only part way, many think George W. Bush should take the heat for higher gas prices and a difficult economy. About six in 10 nationwide said the president is at least partly responsible for the higher price of gasoline. In addition, roughly half said they believe that the country's economy has declined as a direct result of the president's policies. Bush continues to garner a majority disapproval on the job he's doing in that area, with a job rating on that subject that has remained nearly static over the last two Times/Bloomberg surveys in March and April of this year. About a third reported benefiting personally from Bush's tax cuts, and that group approves of the job he's doing, but even they don't see his policies as having benefited the national economy in general.

Interest Rates

The survey found broad opposition to another rise in interest rates, across party, age, income and educational levels. If the Federal Reserve decides to bump interest rates again, which is widely predicted to happen by the end of the week, it will represent the 17th straight rise over the last two years. When asked if rates should be increased again, by nearly three to one (65% to 22%) the public backed the argument that higher rates will hurt the economy by slowing down growth, over the Fed's probable argument – that rate hikes are necessary to curb inflation. Thirteen percent said they weren't sure what to believe.

No demographic groups measured by the poll expressed majority support for another rate increase – about two in five college educated men and those making more than $100K a year supported a rise, but that is as high as it went, and in both cases, a majority were opposed.

Status of the National Economy

The country is divided nearly in half – 50% to 47% -- on whether the economy is doing well or badly. This represents a decline to levels similar to those found by Times surveys in 2003.

Generally speaking, do you think the nation's economy these days is doing very well, or fairly well, or fairly badly, or very badly? (categories shown combine the very/fairly categories, "don't' know" left out)

	NOW	1/06	1/05	3/04	4/03
Well	50	55	60	49	50
Badly	47	44	39	49	47

sources: L.A. Times/Bloomberg and L.A. Times Polls

The survey found little optimism that the economy is poised to improve in the short term. Almost half (47%) foresee no change over the next six months, and those who predicted a downturn over that period outnumbered the more optimistic by nearly two to one – 30% to 16%.

Outlook on the economy varies widely depending on income, of course. More than half of those whose annual household income is $60K or below said the economy is doing badly, while about two thirds of the more affluent said it is doing well.

When respondents who said the economy is doing well were asked what in particular is making them feel that way, a plurality pointed to the low unemployment rate, which has dropped below 5%. Others mentioned that their local businesses and stores are thriving, and that inflation is under control. When those who said the economy is doing badly were asked why, they pointed to the opposite – difficulty finding jobs, high energy prices and concern about inflation. Interestingly, about a third of those in the $60-$100K household income range mentioned the difficulty of finding jobs, a concern mentioned by only about two in 10 of those who live in households with both lower incomes and higher. Respondents in that range also expressed greater concern over salary erosion than did members of other income groups.

(Asked of the 50% who said economy is doing well. Top answer categories shown – columns are household income, two responses allowed.)
Is there one reason in particular that makes you feel the economy is doing well?

	ALL	L/40K	$40-$60K	$60-100K	M/$100K
Unemployment low/easy to find a job	**39**	**31**	**37**	**43**	**46**
Local stores/business/community doing well	**10**	**7**	**17**	**9**	**9**
Personal financial situation strong	**9**	**3**	**14**	**13**	**9**
Strong real estate market	**7**	**7**	**5**	**6**	**9**
Inflation under control	**6**	**4**	**2**	**14**	**4**
Low interest rates	**5**	**2**	**3**	**6**	**10**
No particular reason	**27**	**42**	**34**	**11**	**20**

(Asked of the 47% who said economy is doing badly. Top answer categories shown – columns are household income, two responses allowed.)

Is there one reason in particular that makes you feel the economy is doing badly?

	ALL	L/40K	$40-$60K	$60-100K	M/$100K
Unemployment still high/not easy to find jobs	**20**	**18**	**19**	**32**	**20**
Oil/energy/gasoline prices	**20**	**15**	**24**	**21**	**14**
Inflation	**14**	**11**	**16**	**18**	**9**
Budget deficit	**10**	**10**	**3**	**26**	**11**
Bush's economic policies (in general)	**10**	**13**	**5**	**6**	**20**
Outsourcing of jobs to other countries	**9**	**6**	**15**	**9**	**9**
Respondent's salary not keeping pace with rising prices or inflation	**7**	**9**	**5**	**14**	**1**
No particular reason	**10**	**16**	**9**	**4**	**1**

Despite predictions from some economists that higher interest rates could set off a wave of foreclosures among those who have taken interest-only loans and the like, most of the public does not view real estate value as a bubble about to burst. A third, some of whom have seen housing prices double and more in recent years, predict that prices will continue to rise in their neighborhoods over the next six months, and only 15% predicted a fall over that time period. A plurality – 49% - predict no change.

George W. Bush's Economic Policies

Bush's job approval on the economy remains low, at 39% approval to 54% disapproval with 7% not sure. It has changed little in recent months - an April Times/Bloomberg poll found a similar rating of 39% to 57% at that time. Fewer than one in five said that Bush's economic policies have benefited the economy, compared to 48% who said the economy has worsened since he's been in office, and 27% who said his policies have had little or no effect.

When asked if wages and income have grown more under Bush's economic aegis than they did under Clinton's, by three to one (39% to 13%) the public said that income rose more under Clinton's economic policies. About a third (35%) said that growth was similar under the two presidents. Even though Republicans didn't give the Democratic predecessor of their party's twice-elected leader much credit for the booming nineties economy, they couldn't muster much enthusiasm for Bush's policies, either. Just over one in four Republicans said Bush's policies are better, 12% said Clinton's, 43% said they were the same, and 17% weren't sure.

In general, Bush's economic policies remain unpopular. Even those who said they'd personally benefited from Bush's tax cuts were not terribly enthusiastic about the effect he's had had on the economy overall.

Just over a third nationwide (34%) reported benefiting personally from the tax cuts, including 25% who said they'd benefited "a little" and 9% "a lot". About six in 10 said they had not benefited at all, and 5% weren't sure. More than half of those in the $60-100K household income category reported benefiting a lot (11%) or a little (41%) compared to 70% of those who make less than $40K who said they had not benefited at all.

Who reported benefiting the most from the Bush tax breaks? Republicans more than independents, who benefited more than Democrats. Conservatives more so than liberals or moderates. Those with higher socioeconomic status, younger people rather than older. People in the suburbs, more than anywhere else.

Have the tax cuts of the last few years benefited you personally, or not?

	Benefited	Didn't	D/Know
Democrat	18	78	4
Independent	35	61	4
Republican	60	35	5
Liberal	15	82	3
Moderate	28	68	4
Conservative	51	44	5
18-29	30	62	8
30-44	45	52	3
45-64	32	65	3
65 +	24	71	5
Less than College Degree	30	65	5
College Degree +	45	51	4
L/$40k	24	70	6
$40-$60k	35	62	3
$60-100k	52	46	6
M/$100k	41	57	2
Male	36	62	2
Female	33	60	7
City	30	64	6
Suburb	47	47	6
Small town	32	64	4
Rural	29	70	2

When it comes to his policies, Bush does not catch much of a break even among the groups that benefited most from his tax cuts – only 36% of those who paid lower taxes said the president's policies have improved the nation's economy, 27% said his policies made the economy worse, and 30% said it is about the same. By nearly six to one, those who have not directly benefited said Bush has worsened the economy.

Bush is also catching flack from a broad spectrum of the public for the higher prices for gasoline and other day to day energy costs. Sixty one percent overall said he is entirely (20%) or partly (41%) responsible for the high price of gasoline, compared to 35% who said he was not responsible in any way.

Bush is blamed for high gas prices by a majority of Democrats (82%), independents (62%), moderates (65%), men and women of all age groups, those with less than a college education (66%), whites (57%) non-whites (71%), people living in cities (67%), suburbs (52%), small towns (65%) and rural areas (57%).

Far fewer members of the president's core constituencies held him responsible – fewer than three in 10 Republicans blamed him, just over four in 10 conservatives (44%), and those with a college education, who split 48% to 49%.

However concerned the public might be about Bush's handling of the nation's economy, nearly half said that the president's economic policies had neither hurt nor bettered their own economic situation. Only two in 10 said their family was better off now and just over a quarter said their situation is worse. However, the tax cuts helped some families, it seems - 45% of those who reported benefiting from Bush's tax cuts also said their family is better off as a result of his policies, compared to only 8% of those who did not benefit who said the same thing.

Overall about two-thirds reported a personal financial status that was very (18%) or fairly (48%) secure, compared to 31% who characterized it as "shaky". This measure remains fairly static over time -- the lowest it has dropped in recent Times polls was to 60% in June 1993, a time when 70% of the public characterized the economy as being in recession.

Analysis by Jill Darling Richardson

Results from the Los Angeles Times/Bloomberg Poll
National Poll (The Economy)
June 24-27, 2006

Guide to Column Headings

ALL	All adults
<$40	Households with annual income of less than $40,000
$40-60	Households with annual income between $40,000 to $60,000
$60-100	Households with annual income between $60,000 to $100,000
>$100	Households with annual income of $100, 000 or more
DEM	Self-described Democrats
IND/O	Self-described Independents or other party affiliation
REP	Self-described Republicans
MEN	Males
WOM	Females

Note

- This press release includes the economy-related questions only. Questions concerning politics and other issues will be in separate press releases.
-(Vol.) indicates a voluntarily response
- '–' indicates less than 0.5%

Q1. Do you think things in this country are generally going in the right direction or are they seriously off on the wrong track?

	ALL	<$40	$40-60	$60-100	>$100	DEM	IND/O	REP	MEN	WOM
Right direction	**30**	**22**	**25**	**49**	**34**	**19**	**22**	**53**	**38**	**24**
Wrong track	**63**	**69**	**68**	**48**	**59**	**77**	**68**	**39**	**58**	**67**
Don't know	**7**	**9**	**7**	**3**	**7**	**4**	**10**	**8**	**4**	**9**

Q9. Do you approve or disapprove of the way George W. Bush is handling the economy? (IF APPROVE OR DISAPPROVE) Do you (approve/disapprove) strongly or do you (approve/disapprove) somewhat?

	ALL	<$40	$40-60	$60-100	>$100	DEM	IND/O	REP	MEN	WOM
Approve (net)	39	33	37	56	40	21	28	73	41	37
Approve strongly	16	13	12	23	18	4	12	35	20	12
Approve somewhat	23	20	24	33	22	17	17	38	21	25
Disapprove (net)	54	61	55	40	50	71	64	21	51	56
Disapprove somewhat	17	18	22	14	17	18	24	12	15	20
Disapprove strongly	36	43	33	26	33	53	40	9	36	36
Don't know	7	6	8	4	10	8	8	6	8	7

Q12. Generally speaking, do you think the nation's economy these days is doing very well, or fairly well, or fairly badly, or very badly?

	ALL	<$40	$40-60	$60-100	>$100	DEM	IND/O	REP	MEN	WOM
Well (net)	50	40	46	68	60	36	45	75	55	46
Very well	9	7	5	16	12	4	6	20	14	5
Fairly well	41	33	40	51	48	32	39	55	41	41
Badly (net)	47	58	51	28	39	62	52	21	44	50
Fairly badly	28	28	33	21	29	34	31	17	28	29
Very badly	19	30	18	8	10	28	21	4	16	21
Don't know	3	2	3	4	1	2	3	4	1	4

(ASKED OF RESPONDENTS WHO SAID ECONOMY WAS VERY/FAIRLY GOOD)
Q13. Is there one reason in particular that makes you feel the economy is doing well? Is there something else?
(UP TO TWO REPLIES ACCEPTED) (TOP FOUR RESPONSES)

	ALL	<$40	$40-60	$60-100	>$100	DEM	IND/O	REP	MEN	WOM
Unemployment low/easy to find a job	39	31	37	43	46	39	40	38	40	37
No particular reason	27	42	34	11	20	40	28	18	20	35
Local businesses/community doing well	10	7	17	9	9	7	9	13	11	10
Respondent's financial situation is good	9	3	14	13	9	7	15	8	12	6

(ASKED OF RESPONDENTS WHO SAID ECONOMY WAS DOING FAIRLY/VERY BADLY)
Q14. Is there one reason in particular that makes you feel the economy is doing badly? Is there something else?
(UP TO TWO REPLIES ACCEPTED) (TOP FOUR RESPONSES)

	ALL	<$40	$40-60	$60-100	>$100	DEM	IND/O	REP	MEN	WOM
Unemployment still high/not easy to find job	**20**	**18**	**19**	**32**	**20**	**23**	**16**	**16**	**16**	**23**
Oil/energy/gasoline prices	**20**	**15**	**24**	**21**	**14**	**18**	**16**	**32**	**19**	**20**
Inflation	**14**	**11**	**16**	**18**	**9**	**14**	**15**	**12**	**16**	**12**
Budget deficit	**11**	**10**	**3**	**26**	**11**	**9**	**14**	**7**	**11**	**10**
No particular reason	**10**	**16**	**9**	**4**	**1**	**6**	**20**	**8**	**10**	**10**
Bush economic policies (in general)	**10**	**13**	**5**	**6**	**20**	**14**	**6**	**3**	**10**	**10**

(ASKED OF EVERYONE)
Q15. Would you describe the state of your own personal finances these days as very secure, fairly secure, fairly shaky or very shaky?

	ALL	<$40	$40-60	$60-100	>$100	DEM	IND/O	REP	MEN	WOM
Secure (net)	**67**	**45**	**67**	**87**	**90**	**58**	**61**	**84**	**67**	**66**
Very secure	**18**	**7**	**18**	**26**	**39**	**16**	**18**	**23**	**18**	**19**
Fairly secure	**48**	**37**	**49**	**61**	**51**	**42**	**43**	**61**	**49**	**47**
Shaky (net)	**31**	**54**	**30**	**12**	**6**	**40**	**35**	**15**	**30**	**32**
Fairly shaky	**18**	**24**	**24**	**10**	**5**	**22**	**18**	**12**	**18**	**17**
Very shaky	**13**	**30**	**6**	**2**	**1**	**18**	**17**	**3**	**12**	**15**
Don't know	**2**	**1**	**3**	**1**	**4**	**2**	**4**	**1**	**3**	**2**

Q16. Would you say the country's economy is better off because of George W. Bush's economic policies than when he became president more than five years ago, or worse off, or is the country's economy about the same as it was then? (IF BETTER OR WORSE) Is the country's economy much (better/worse) off or only somewhat (better/worse) off?

	ALL	<$40	$40-60	$60-100	>$100	DEM	IND/O	REP	MEN	WOM
Better (net)	**19**	**15**	**20**	**26**	**22**	**8**	**10**	**43**	**26**	**14**
Much better off	**8**	**6**	**6**	**9**	**15**	**3**	**5**	**18**	**12**	**4**
Somewhat better off	**11**	**9**	**14**	**17**	**7**	**5**	**5**	**26**	**14**	**9**
Worse (net)	**48**	**55**	**46**	**38**	**43**	**72**	**43**	**18**	**43**	**53**
Somewhat worse off	**22**	**26**	**18**	**22**	**20**	**32**	**21**	**10**	**22**	**23**
Much worse off	**26**	**29**	**28**	**16**	**23**	**40**	**22**	**7**	**21**	**30**
About the same	**27**	**26**	**27**	**27**	**32**	**18**	**34**	**34**	**26**	**27**
Don't know	**6**	**4**	**7**	**9**	**3**	**2**	**13**	**5**	**5**	**6**

Q17. Would you say your own family's economic situation is better off because of George W. Bush's economic policies than when he became president more than five years ago, or worse off, or is your family's economic situation about the same as it was then? (IF BETTER OR WORSE) Is much (better/worse) off or only somewhat (better/worse)?

	ALL	<$40	$40-60	$60-100	>$100	DEM	IND/O	REP	MEN	WOM
Better (net)	21	14	16	35	33	11	11	44	25	18
Much better off	8	3	8	15	17	5	3	18	11	6
Somewhat better off	13	11	8	20	16	6	8	26	14	11
Worse (net)	27	39	21	18	8	38	31	6	28	25
Somewhat worse off	16	22	13	12	7	22	19	4	17	14
Much worse off	11	17	9	6	1	17	12	2	11	11
About the same	48	43	58	46	54	45	56	47	44	52
Don't know	4	4	4	1	5	6	2	3	3	5

Q18. Have the tax cuts of the last few years benefited you personally, or not? (IF YES) Have you benefited a lot or only a little?

	ALL	<$40	$40-60	$60-100	>$100	DEM	IND/O	REP	MEN	WOM
Benefited (net)	34	24	35	52	41	18	32	60	36	33
Benefited a lot	9	9	7	11	12	4	6	19	9	10
Benefited a little	25	15	27	41	29	14	26	41	27	23
Haven't benefited	61	70	62	46	57	78	63	35	62	60
Don't know	5	6	3	2	2	4	5	5	2	7

Q19. In your opinion, have wages and income in the United States grown more under the economic policies of George W. Bush than under the policies of Bill Clinton, or did wages and income grow more under Clinton than Bush, or was it about the same amount of growth under each president?

	ALL	<$40	$40-60	$60-100	>$100	DEM	IND/O	REP	MEN	WOM
Grew more under Bush	13	10	13	13	25	6	9	26	16	11
Grew more under Clinton	39	40	44	32	37	59	38	12	41	38
About the same amount	35	40	28	43	24	27	39	43	32	37
Don't know	13	10	15	12	14	8	14	19	11	14

Q20. Six months from now, do you expect the nation's economy will be better than it is now, worse than it is now or about the same as it is now?

	ALL	<$40	$40-60	$60-100	>$100	DEM	IND/O	REP	MEN	WOM
Better	**16**	**14**	**12**	**22**	**21**	**11**	**15**	**26**	**18**	**15**
Worse	**30**	**32**	**34**	**26**	**25**	**45**	**28**	**11**	**31**	**30**
About the same	**47**	**49**	**46**	**47**	**49**	**39**	**47**	**58**	**45**	**48**
Don't know	**7**	**5**	**8**	**5**	**5**	**5**	**10**	**5**	**6**	**7**

Q21. Six months from now, do you expect housing values to increase in your neighborhood, or to decrease, or do you think housing values in your neighborhood will remain about the same?

	ALL	<$40	$40-60	$60-100	>$100	DEM	IND/O	REP	MEN	WOM
Increase	**33**	**31**	**33**	**40**	**33**	**32**	**33**	**36**	**31**	**36**
Decrease	**15**	**15**	**13**	**14**	**15**	**15**	**19**	**11**	**14**	**16**
Remain about the same	**49**	**50**	**52**	**46**	**52**	**50**	**44**	**52**	**52**	**46**
Don't know	**3**	**4**	**2**	**–**	**–**	**3**	**4**	**1**	**3**	**2**

Q22. Thinking now about the energy costs for your household, such as heating, electricity and gasoline prices. Has there been a rise in your household energy costs over the last six months, or not? (IF YES) Has the rise in your household energy costs made you cut back spending in other ways to compensate, or not?

	ALL	<$40	$40-60	$60-100	>$100	DEM	IND/O	REP	MEN	WOM
No rise in costs	**16**	**15**	**15**	**17**	**16**	**10**	**14**	**25**	**15**	**16**
Yes, needed to cut back	**58**	**67**	**66**	**48**	**43**	**70**	**64**	**38**	**57**	**60**
No, don't need to cut back	**24**	**16**	**18**	**33**	**39**	**18**	**21**	**35**	**27**	**21**
Don't pay energy bills (vol.)	**1**	**1**	**–**	**1**	**1**	**1**	**–**	**–**	**–**	**1**
Don't know	**1**	**1**	**1**	**1**	**1**	**1**	**1**	**2**	**1**	**2**

Q23. The Federal Reserve has been increasing interest rates for two years and is expected to increase them again at the end of the month. The Fed says such increases are necessary to counter rising inflation. Critics say the higher rates will hurt the economy by slowing down growth. In your opinion, should the Federal Reserve raise interest rates again, or not?

	ALL	<$40	$40-60	$60-100	>$100	DEM	IND/O	REP	MEN	WOM
Haven't heard enough (vol.)	**1**	**2**	**–**	**1**	**2**	**1**	**1**	**2**	**2**	**1**
Raise interest rates	**22**	**17**	**13**	**30**	**39**	**17**	**29**	**23**	**24**	**19**
Do not raise interest rates	**65**	**70**	**76**	**60**	**52**	**68**	**60**	**66**	**64**	**67**
Don't know	**12**	**11**	**11**	**9**	**7**	**14**	**10**	**9**	**10**	**13**

Q43. Do you consider George W. Bush to be responsible in any way for the high price of gasoline in this country, or not? (IF RESPONSIBLE) Is he entirely responsible, or only partly responsible?

	ALL	<$40	$40-60	$60-100	>$100	DEM	IND/O	REP	MEN	WOM
Responsible (net)	**61**	**64**	**71**	**48**	**57**	**82**	**64**	**29**	**60**	**62**
Entirely responsible	**20**	**26**	**19**	**14**	**14**	**32**	**16**	**5**	**21**	**19**
Partly responsible	**41**	**38**	**52**	**34**	**43**	**50**	**48**	**24**	**39**	**43**
Not responsible in any way	**35**	**33**	**25**	**50**	**41**	**16**	**32**	**67**	**37**	**34**
Don't know	**4**	**3**	**4**	**2**	**2**	**2**	**4**	**4**	**3**	**4**

How the poll was conducted

The Los Angeles Times / Bloomberg Poll contacted 1,321 adults nationwide by telephone June 24 through 27, 2006. Telephone numbers were chosen from a list of all exchanges in the nation, and random digit dialing techniques allowed listed and unlisted numbers to be contacted. Multiple attempts were made to contact each number. Adults were weighted slightly to conform with their respective census figures for sex, race, age, education and region. The margin of sampling error is plus or minus 3 percentage points in either direction. For certain subgroups, the error margin may be somewhat higher. Poll results may also be affected by factors such as question wording and the order in which questions are presented.