

Reducing the Budget Deficit: The People's View

A brief overview of the Politicor UK survey

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www.IPRcorp.com

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Summary

In March 2011, IPR surveyed a representative sample of over 2000 voters¹ across the UK to determine public preferences regarding the UK budget deficit – "How would you reduce the deficit if you were in charge?" In light of the decisions the Coalition government is in the process of making, the results are worth examining in detail. Using the survey data, IPR

- Generated an optimised consensus, or "**People's Budget**"
- Determined budget preferences by political affiliation
- Established how deficit reduction speed affects budget preferences, and
- Compared the People's Budget with the Government's budget

Key findings can be summarized as follows:

The public prefers

- A gradual deficit reduction (£41B/yr)
- To slow down the reduction if the economy falters
- A 40/60 split between tax increases/spending reduction
- Smallest percentage changes:
 - Expenditures: (1) Health, (2) Education, (3) Public Order & Safety
 - Revenues: (1) Income Taxes <£30k, (2) VAT, (3) Council Tax
- Largest percentage changes:
 - Expenditures: (1) Other², (2) Social Protection, (3) Defence
 - Revenues: (1) Income Tax (>£100k), (2) Corporation Tax, (3) Income Tax (Income £30k-£100k)
- To cut foreign aid, number of government employees, and housing benefits, and to means test child benefits

Data by party affiliation show that

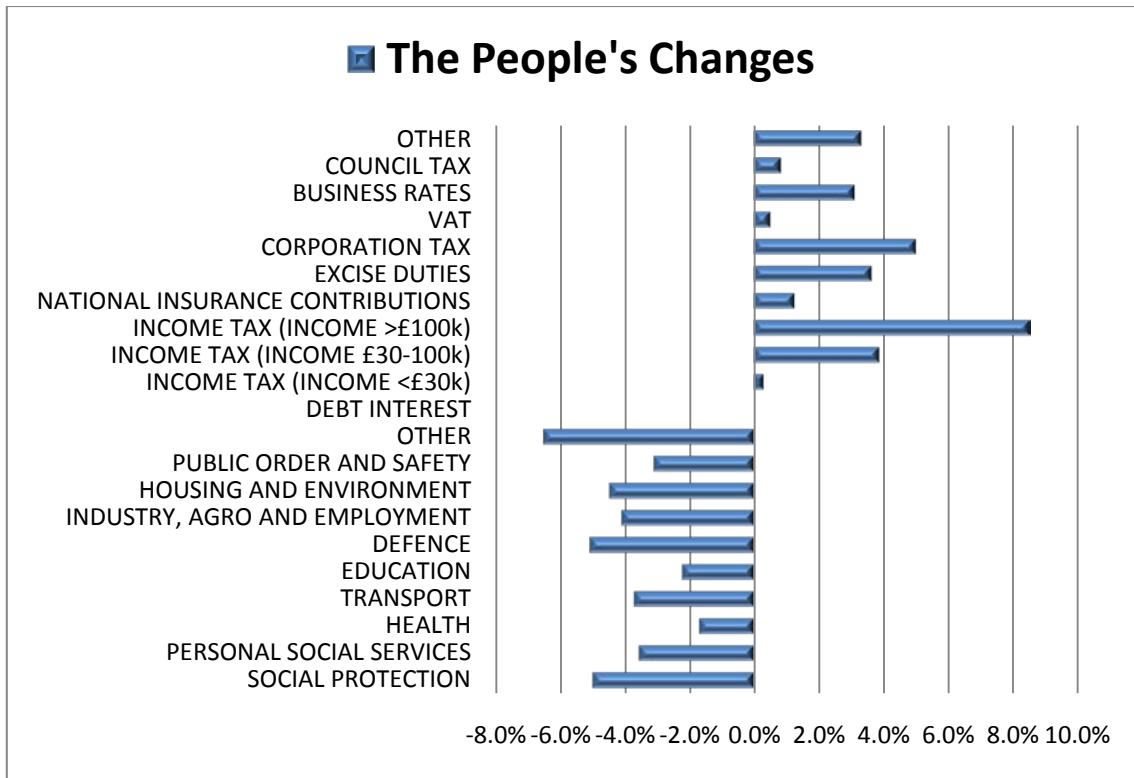
- Many Lib Dem supporters have lost faith in their party, preferring either to vote Labour or not at all if an election were held tomorrow
- Large differences exist in the budgetary preferences of Lib Dem and Conservative supporters
- Lib Dem supporters are closer in their preferences to those of Labour supporters than those of their Conservative coalition partners
- The Conservatives stand alone in their preference to increase University fees

¹ Results have a margin of error of +/- 2.1%.

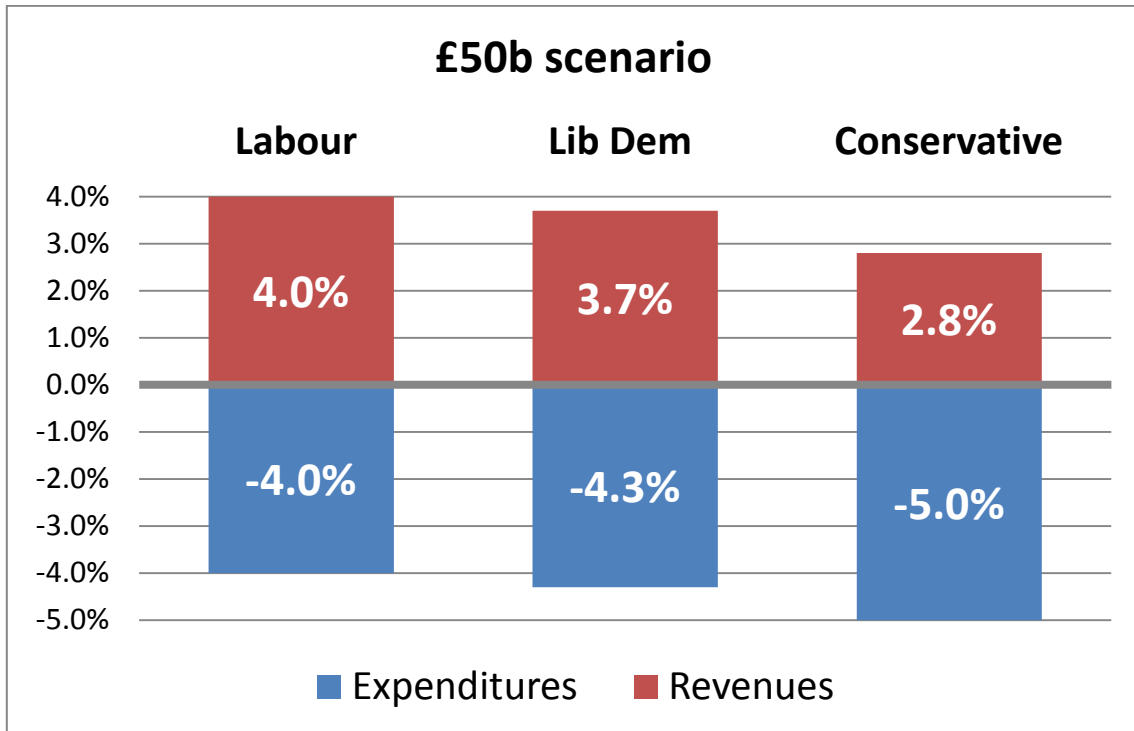
² Other expenditures: spending on general public services (including international services), recreation, culture and religion, public service pensions and spending yet to be allocated.

How would the public fund the Deficit?

When asked how quickly the government should reduce the deficit, the weighted average result was £41b/yr. What was the optimal mix of Spending cuts and Revenue increases?



Preferences for funding the deficit reduction **do** differ by party, however:

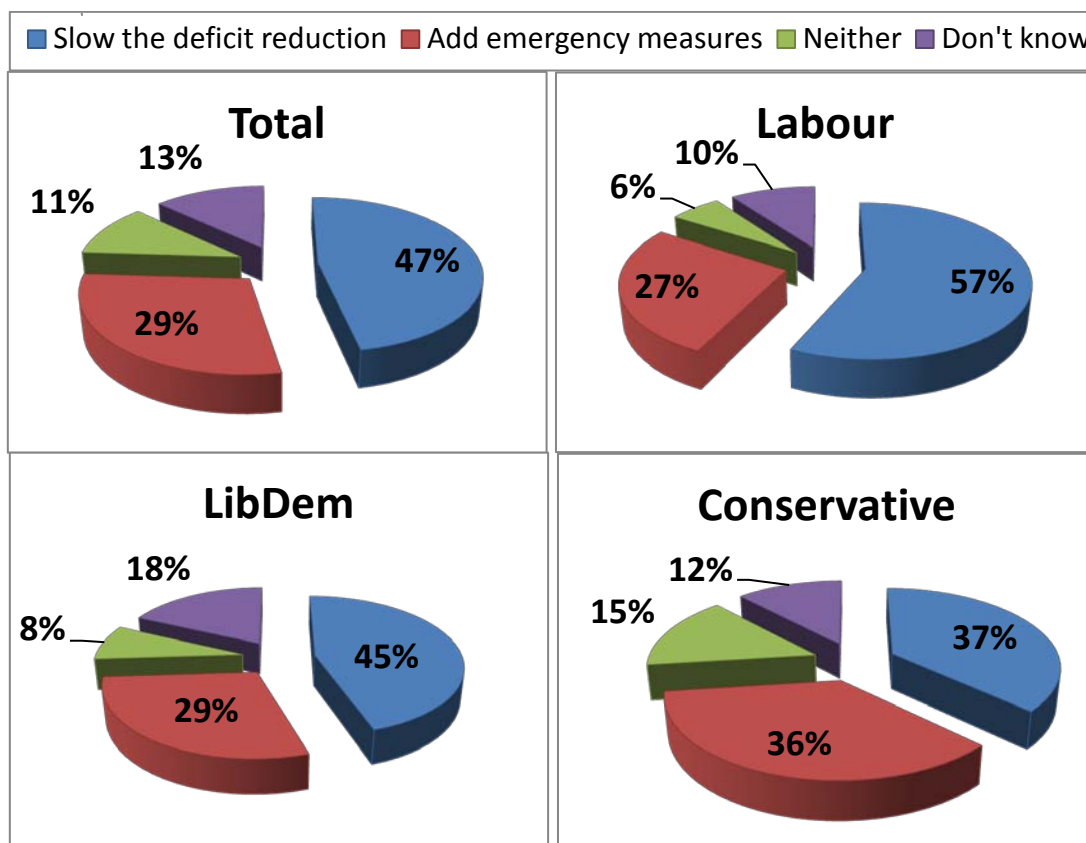


The Conservatives have a strong preference for cutting spending which is not shared by either the Lib Dems or Labour.

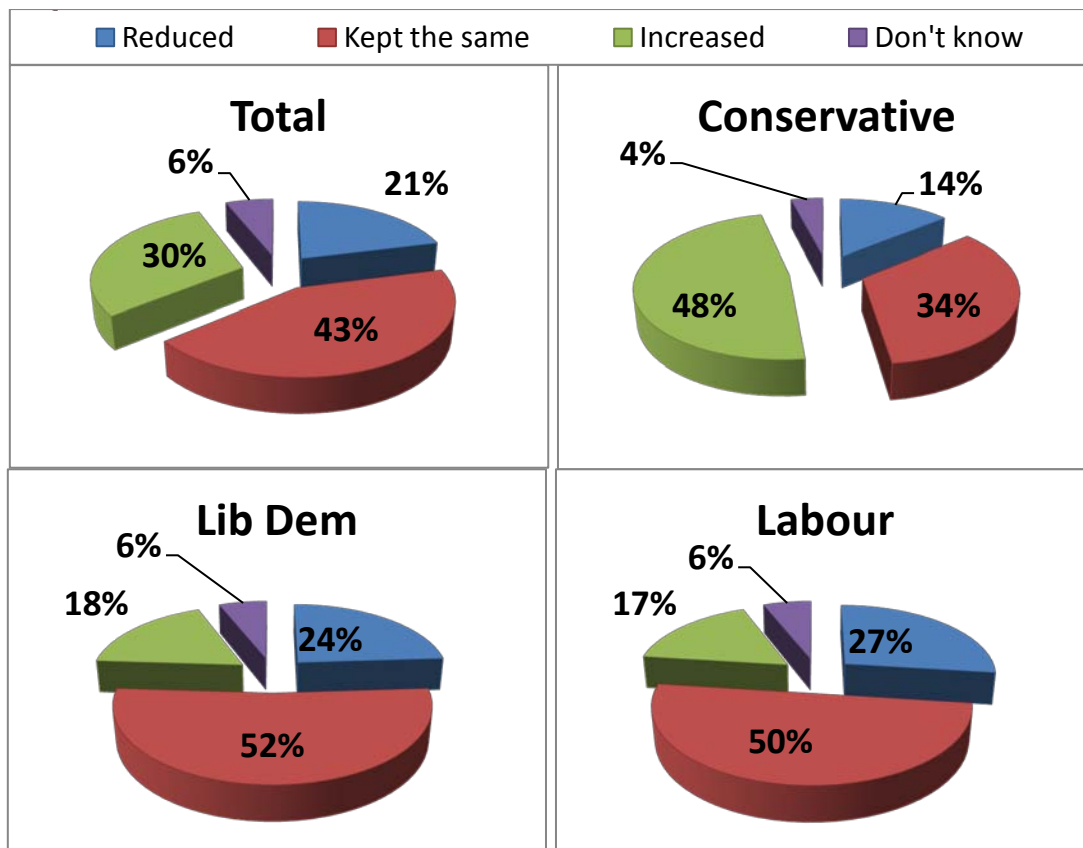
Then again, many Lib Dems are currently not very happy with their party, and many either wouldn't vote, or would vote Labour were there an election tomorrow.

If an election were held tomorrow, which part would you vote for?						
	Party identified with					Total
	Labour	Lib Dem	Conservative	Others	Don't know/ None	
Percent of Total	32%	12%	29%	3%	24%	100%
Would vote for						Share
Labour	80%	20%	2%	10%	18%	34%
Lib Dem	2%	45%	3%	3%	6%	8%
Conservative	5%	7%	75%	7%	18%	28%
Others	4%	6%	9%	72%	18%	11%
Don't know/ Would not vote	9%	22%	11%	8%	40%	19%

What would the voters prefer if the economy falters? Slow down the budget deficit reduction efforts, though many Conservative supporters would introduce emergency spending funded by emergency taxation.



The views on University fees show a similar division between Conservatives and their coalition partners. When asked about what should be done with University fees, responses were as follows:



Most voters feel that fees should be left as they are, except for the Conservatives who favour raising them.

In addition to the static data presented above, IPR has combined all the results into a dynamic simulator which shows the optimal mix of spending and revenue changes required to achieve a specific deficit reduction between £25b and £75b as a function of any aggregate of demographic or political groups surveyed.

Contact Information

For detailed information, such as analysis by specific categories (e.g. age, gender, region, income, education, voting intent, speed of deficit reduction, banners by age, etc.), please contact:

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