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To: The Economic Security Project
From: Paul Harstad, Harstad Strategic Research
Date: June 22, 2017
Re: Executive Summary of Findings from a Survey of Alaska Voters on the PFD

From March 22 to April 2, 2017, Harstad Strategic Research conducted a telephone survey among a representative sample of 1004 Alaska voters. The survey focused primarily upon Alaska's Permanent Fund, the role PFDs play in Alaskans' lives including as consumers and workers, and the priority voters place upon protecting the full PFD amounts versus raising state taxes. Set forth below are the major findings to emerge from the survey.

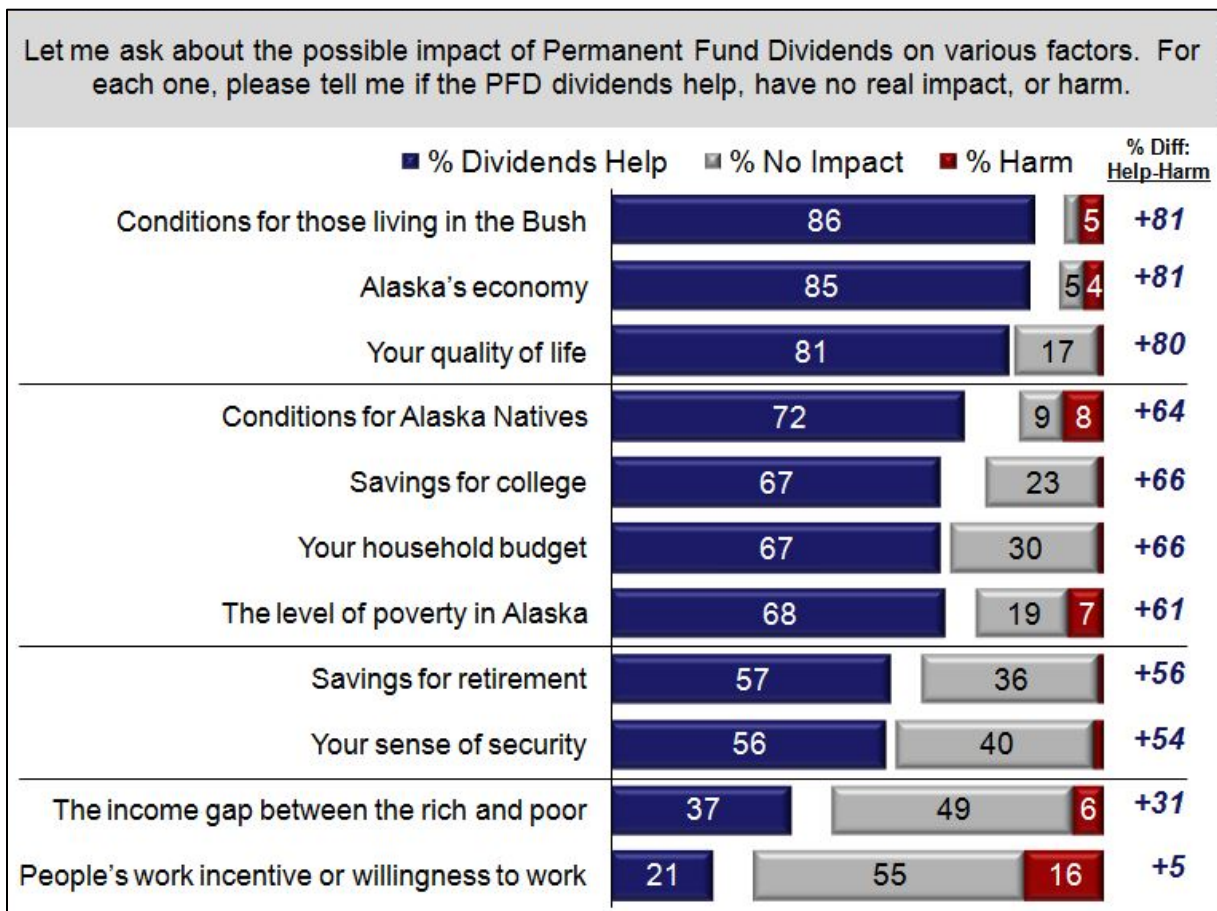
1. The PFD has proven to be a very significant financial help to Alaskans, a dramatic increase since 1984. Several survey findings underscore the important role the dividends have come to play not only in Alaskans' lives but in the well-being of the state.

- Fully 40% of Alaska voters say the yearly dividends have made a great deal or quite a bit of difference in their lives over the past five years, while another 39% say they have made a fair amount or only some difference. Just 20% claim the PFD has made just a little or no difference to them.
- While the typical PFD may be just \$2,000 or less per year, voters are almost as likely to report their household receiving three or more dividends (47%), as report one (16%) or two dividends (34%). Indeed, almost as many report receiving five or more dividends (13%) as just one dividend (16%). So while there are more mouths to feed in these households, the annual PFDs typically adds up to roughly \$4,000 or \$6,000 per household in a recent typical year.
- Most dramatically, voters agree by 79% to 11% that, *"the PFD checks are an important source of income for people in my community."* In 1984, Alaskans split evenly on this statement, with 48% agreeing and 47% disagreeing.
- By an overwhelming margin of 85% to 7%, Alaskans agree that, *"many people spend a large part of their PFDs on basic needs."*
- By the same token, a modest 43% plurality agree while 32% disagree that, *"many people have wasted a large part of their PFD checks on such things as liquor or drugs."*

Not surprisingly, the PFD supplement to ordinary income makes the *most* difference among women without a BA degree, unmarried women, mothers living with children

under age 19, women with family incomes less than \$50,000, and native Alaskan women. For each group of these more vulnerable women, half or more say the PFDs make a great deal or quite a bit of difference in their lives.

Viewed from a broader perspective, majorities of Alaskans also see the PFDs as having a clearly constructive impact on 9 out of 11 dimensions, with very few seeing their impact as counterproductive. For each of the 11 topics below, respondents were asked whether the PFD helps or harms that factor, with their evaluations ranked below from most to least helpful.



Two thirds or more of voters say the dividends help on the top seven factors, including the state's economy and conditions for Bush residents, Native Alaskans, and the poor. On a personal level, 81% say the PFDs help their quality of life, 67% say the PFDs help their household budget, and 56% say the PFDs help their sense of security.

A modest plurality say the dividends help the income gap between the rich and the poor – far less than other factors presumably because, unlike traditional transfer payments, the rich get the PFD as well as the poor. And while voters are divided on the dividends' effect on Alaskans' work incentive, a small plurality see them as helpful rather than harmful.

Interestingly, among hourly wage earners who tend to have more discretion over the amount that they work, 26% say the PFD *helps* their work incentive versus 16% who say it *harms* it.

The bottom line – as represented above by the broad swath of blue bars – is that the PFD is widely seen as beneficial across a broad array of factors affecting other people as well as themselves.

2. Alaskans report a wide variety of usage of the PFD funds, though a majority say they mostly save the money or reduce their debt. When asked how they use their dividend money, the following responses emerge:

- 27% report they save most or all of it;
- 30% say they pay off credit cards or debt – which itself is a form of savings;
- 15% claim they save about half the funds and spend about half;
- 24% say they spend most or all of the money.

In other words, 57% of Alaskans report mostly saving the money or paying off debt, and another 15% report saving about half the dividend – for a combined total of 72% who effectively say their “wealth” increases (even if only in the form of reduced debt).

Those who say they save at least half of their PFDs were asked to cite the specific purpose of the savings:

- 61% of the ‘savers’ cite savings for the future or college expenses or retirement;
- 21% mention saving for unexpected expenses including rainy days and medical;
- 12% volunteer saving for family, paying off debt, appliances or heating costs;
- 7% cite saving for non-essentials such as travel or charity.

Among the savers, there is a pronounced long-term focus, and a secondary orientation to cover unknown expenses or big purchases.

To the extent that Alaskans spend their dividend, their spending is heavily oriented toward recurring expenses and daily essentials. Respondents – including all savers and spenders – were asked to volunteer what they spend their PFD on (and multiple answers from just a small minority drive the total number of responses over 100%):

- 65% of voters volunteer they spend their PFDs on recurring expenses such as paying off bills and credit cards, covering everyday expenses, and heating costs;
- 25% mention they spend the money on major purchases such as home improvements, car repairs, education expenses, appliances or computers, and unexpected expenses;
- 20% say they devote the funds to travel, vacation, or extras they could not normally afford including recreation equipment;
- 9% volunteer that they dedicate the PFD to savings or charities.

Overall, the data clearly indicate that relatively little of the dividend funds are devoted to non-essentials such as vacations, luxuries or optional extras.

3. Alaskans widely endorse the permanence and universality of the Permanent Fund. By a margin of 78% positive (including 59% very positive) to 7% negative, Alaskans feel favorably toward the Permanent Fund. Another 13% are neutral. Those relative few who are not positive toward the Fund – when asked to volunteer why – primarily object to politicians’ meddling in it, cast doubt upon it’s longevity, think it could be put to better use, or contend it ought not be treated as an entitlement. Generally, each one these above volunteered objections are voiced by only about 7% of the total electorate.

In a separate question, by 2-to-1, a majority of Alaskans also consider the Permanent Fund’s *principal* to be inviolate. A 62% majority say the Fund’s principal “should never be touched,” versus 31% who view it as “a kind of rainy-day fund for Alaska to tap into during a crisis or really hard times.” This sentiment is found across the board, including majorities of virtually every demographic group and clear majorities of Democrats, Independents and Republicans.

To put support of the PFD’s universality to the test, respondents were asked whether they agree or disagree with several of its implications:

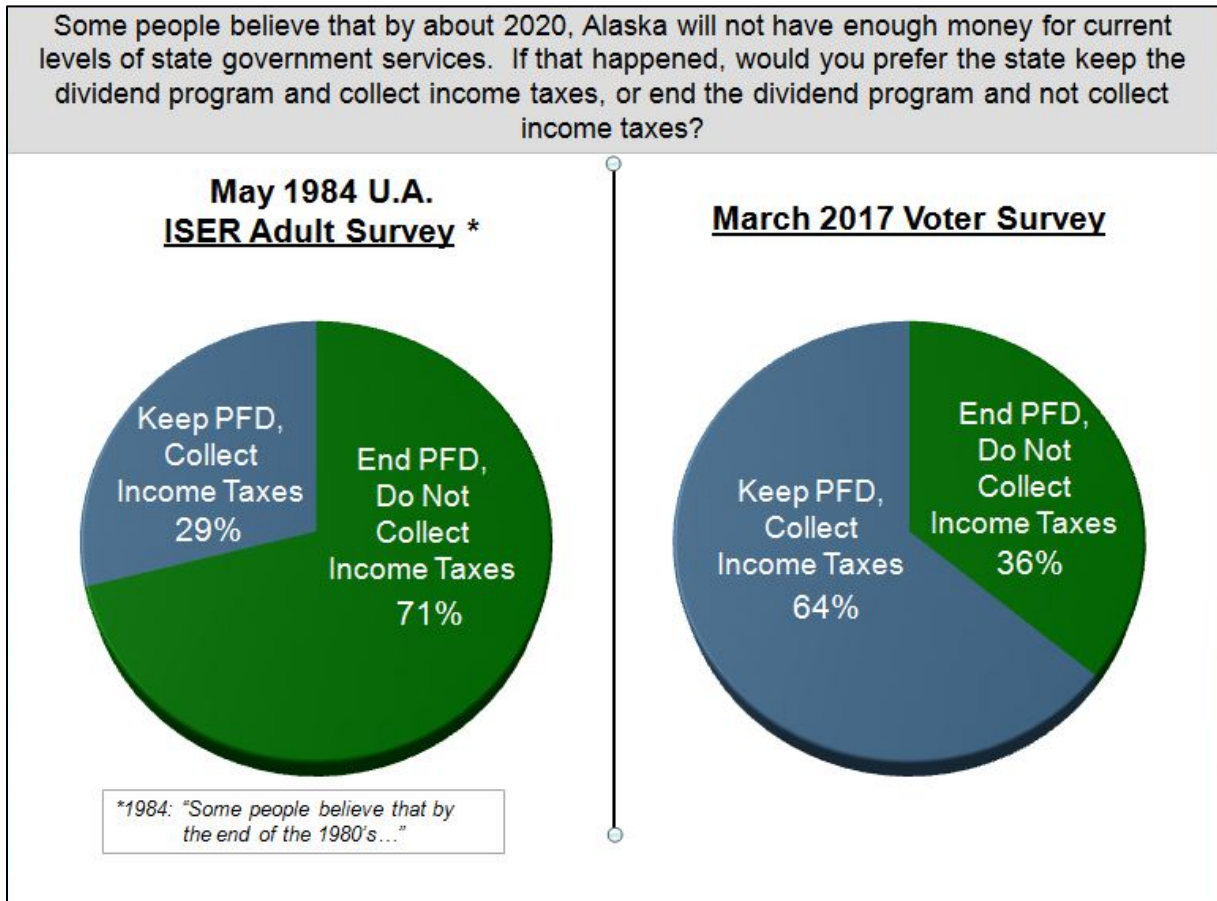
- 93% favor (including 79% strongly favor) while just 6% oppose the PFD going to *children from infants to teenagers living in Alaska.*
- 90% favor (including 72% strongly favor) while just 7% oppose the PFD going to *everyone who is basically a full-time resident of Alaska.*
- 74% favor (including 50% strongly favor) while 23% oppose the PFD going to *millionaires and multi-millionaires.*
- 71% favor (including 42% strongly favor) while 27% oppose the PFD going to *newer residents who have lived in Alaska for the past year-and-a-half.*

While a nearly universal consensus of voters believes Alaska children deserve the PFD, that support ebbs to nearly three-fourths majorities who believe millionaires and relatively new Alaska residents merit getting a dividend.

Indeed, in a separate inquiry, 84% of voters agree (while just 5% disagree) with the fundamental premise that, “as owners of the Alaska Permanent fund, Alaska residents are entitled to an equal share of the earnings of the Fund.” This agreement is up marginally from 78% of a 1984 adult survey.

4. Alaskans’ commitment to protecting the full PFD has increased dramatically in the past generation, even if it means now taxing themselves. Two past surveys of Alaskans provide vivid demonstration of the growing support for fully preserving the dividend. The first case involves a May 1984 University of Alaska ISER survey of 1014 Alaska adults

represented by the left pie below, and the current 2017 data on the right pie below. The question then began, “Some people believe that by the end of the 1980s...”



Obviously, comparison of the two pies represents a dramatic near-reversal in Alaskans' sentiment over 33 years – shifting toward endorsement of the PFD even in the face of imposition of state income taxes.

The second case involves a much shorter nine-year span starting with a November 2008 AARP survey of 801 Alaska voters. The question was: *To pay for government services in Alaska, if you had to choose between using part of the Alaska Permanent Fund, or paying a state tax such as a sales or income tax, which would you prefer?*

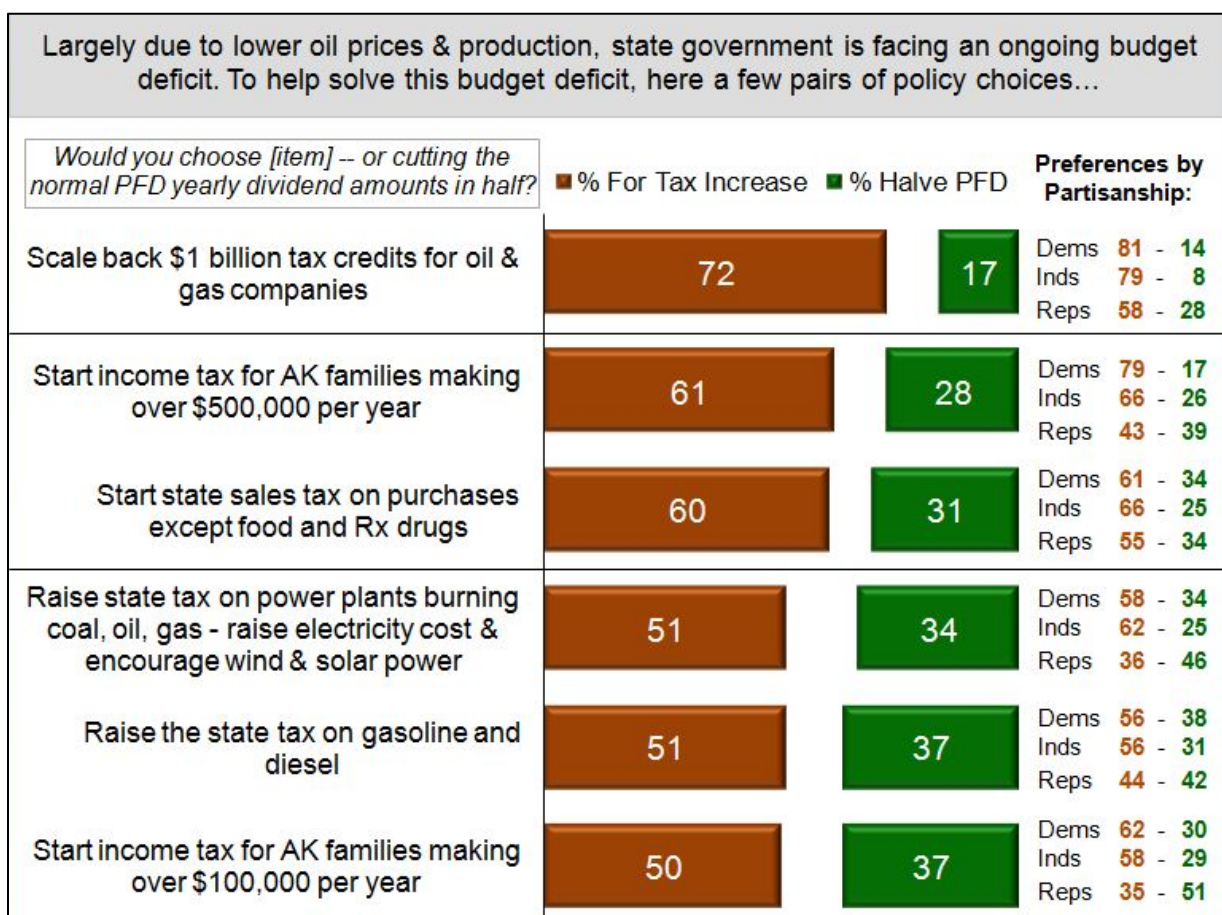
- 2008: 52% use a state tax such as a sales or income tax
30% use the Permanent Fund to pay for government services
- 2017: 58% use a state tax such as a sales or income tax
27% use the Permanent Fund to pay for government services

In short, in 2008 Alaskans preferred to impose a sales or income tax by a 22% margin, while now they prefer a sales or income tax by a 31% margin – or presently a margin

exceeding 2-to-1. Since this shift in support of state taxes occurs over a far shorter period – nine years versus 33 years – this more recent trend is largely in keeping with the longer trend toward embracing the PFD cited above.

Clearly, Alaskans have become committed to the notion of dividends so much so that they are willing to pay taxes to preserve the PFD system.

To more explicitly test that commitment, respondents were asked in the current survey whether they would prefer to *halve* the yearly dividend amounts or impose various types of state tax increases to solve the state budget deficit. In each scenario tested, a majority of those responding opt for imposing new taxes on others or themselves – as ranked below.



A lopsided 4-to-1 majority prefer to scale back the oil industry’s tax credits and decisive 2-to-1 majorities prefer to start an income tax on those making over \$500,000 and start a sales tax on most purchases – in lieu of halving PFD checks.

By margins of approximately 4-to-3, Alaskans respectively prefer to create a power plant fossil fuel tax, raise the state tax on gas and diesel, and start an income tax for those making over \$100,000. Indeed, half of the six tax hikes endorsed above would increase taxes on average families and respondents themselves: the sales tax, the gas tax, and the fossil fuel tax described as raising electricity rates.

Notably, *all six* of the tax increase alternatives to halving the PFD amounts elicit majority support from Democrats and Independents – and *most* of the tax alternatives draw majority or plurality support even from Republicans.

Therefore, whether tested in a historic context or in a comparative trade-off context, it is clear that Alaskans prefer to preserve the pattern of full PFD checks even at the cost of paying new taxes.

5. Employed Alaskans dismiss recent PFD levels having any effect upon their work incentive, but do acknowledge some prospective effect upon their willingness to take financial risks or options with higher dividend amounts. In both the cases – work incentives and financial risks – employed respondents were asked to respond consecutively to annual PFD amounts of \$2,000, \$3,000, \$6,000 and \$12,000, taking into account the number of people in their household:

- a mere 1% say a PFD of \$2,000 or even \$3,000 would make them work less;
- just 8% of those employed say a \$6,000 dividend would make them work less;
- and 20% say a \$12,000 yearly PFD would make them work less.

These are striking figures sharply disabusing any notion that modest annual dividends cause Alaskans to have reduced work incentives or work ethic. Indeed, hourly workers are *even less inclined* than average to work less with PFDs under \$12,000.

By contrast there is evidence that the PFDs have some limited current impact – and prospectively much more effect – with respect to Alaskans' willingness to take financial risks or make opportunistic financial choices (such as quitting a job, starting a business, going back to college, or retiring sooner):

- 11% of those employed say they would take a financial risk at \$2,000 a year;
- 17% say they would take a financial risk with a \$3,000 PFD;
- 34% report they would take a financial risk given a \$6,000 dividend;
- 51% indicate they would take a financial risk with a \$12,000 PFD per year.

This data is both insightful and unexpected to the degree in which voters already report a limited degree of financial latitude afforded by the recent PFD average – a fraction amounting to one in nine voters even at the modest typical amount of \$2,000 a year.

6. As part of seeing the forest and not just the trees, a series of findings underscore the notable extent to which Alaskans face financial challenges and are buffeted by the changing economy.

First, about half the Alaskans say they are living comfortably (52%) while the other half are either getting by (39%) or barely surviving (7%). Those most and least comfortable follow predictable patterns, which unmarried voters and especially lower income voters being least likely to be living comfortably.

Second, a similar division emerges when respondents are asked whether they are able to save money. Just 47% of voters affirm that they are able to save money versus half who say they are neither saving nor going further into debt and 7% who report they are getting more indebted.

Third, Alaskans also split on whether Alaska's distribution of money and wealth is fair (44%) or should be more evenly divided (36%). Separately, half believe that the gap between rich and poor is getting larger (51%), while 27% think it is staying the same and 5% contend the gap is getting smaller.

Fourth, fully two-thirds of voters opine that today's children will be financially worse off when they grow up compared to their parents (67%) compared to just 17% who think children will be better off. White women age 50 and older are especially prone to be pessimistic about children's eventual financial prognosis.

Fifth, when asked how much the economy has changed in the last 25 years, fully half say a great deal (51%) and another fifth say quite a bit (22%) – for a combined total of 73%. One-fourth say the economy has changed just somewhat (15%) or not at all (9%).

Sixth, fully three-fifths of voters affirm that the changing economy has impacted them a lot (30%) or some (31%). Just over one-third say it has affected them a little (16%) or hardly at all (20%). Those voters with household incomes under \$50,000 are somewhat more prone to acknowledge a personal impact from the changing economy.

Seventh, there is a notable disparity in the nature of respondents' volunteered pattern of responses when asked to volunteer how the changing economy has affected them for the *better* and, separately, for the *worse*.

When asked how the changing economy has affected you for the *better*:

- 48% can volunteer positive effects or favorable examples;
- 24% volunteer neutral comments or suggest there is little or no effect;
- 25% volunteer negative effects in responding against the grain of the question.

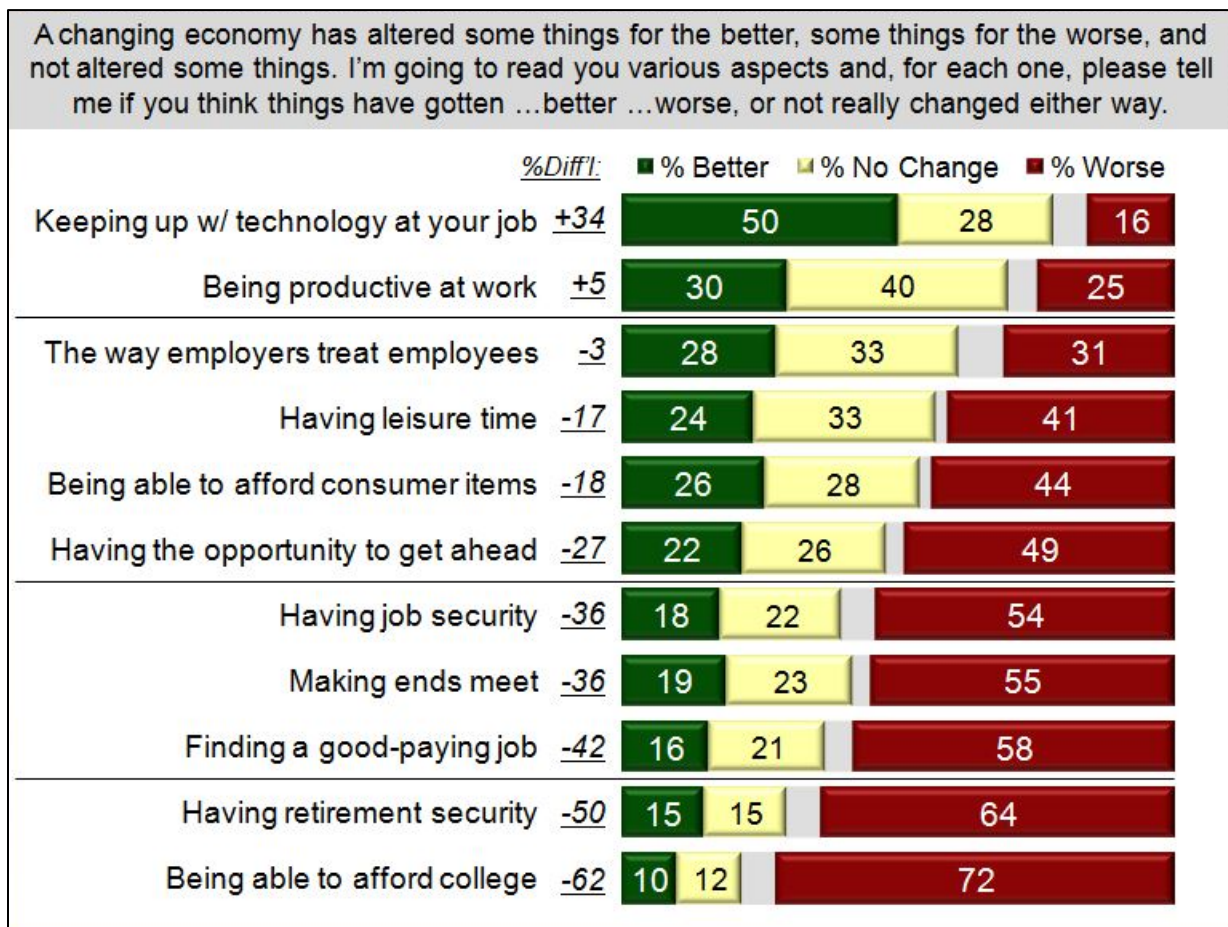
By contrast, when asked how the changing economy has affected you for the *worse*:

- 72% can volunteer negative effects or unfavorable examples;
- 12% volunteer neutral comments or suggest there is little or no effect;
- 13% volunteer positive effects in responding against the grain of the question.

It is significant indeed that *only half* of those asked to cite favorable outcomes from the changing economy can do so, while fully one-fourth effectively decline to answer the question posed and refute the premise of the inquiry.

The leading affirmative effects mentioned include increased income or purchasing power, and better opportunities for work or consumer choices. However, the leading more numerous adverse effects cite reduced purchasing power and higher cost of living as well as fewer opportunities for good paying jobs and less financial security.

Finally, Alaskans differentiate sharply among various dimensions when asked to appraise whether the changing economy has impacted selected factors for the better or for the worse, or for no change at all. Their assessments are ranked below from better to worse.



Alaskans see technology and to a far lesser extent, work productivity, as perhaps improving. Although it may not be easy for many voters to step back and objectively view work productivity over an extended time horizon, their perspective on productivity would seem to miss the mark. But that perception presumably is colored in part by potentially working longer hours, the absence of real wage gains, less stability in the economy, and less job security. Alaska has gone through dramatic dislocation, even upheaval, in its economy over the past decade largely to the collapse in oil prices.

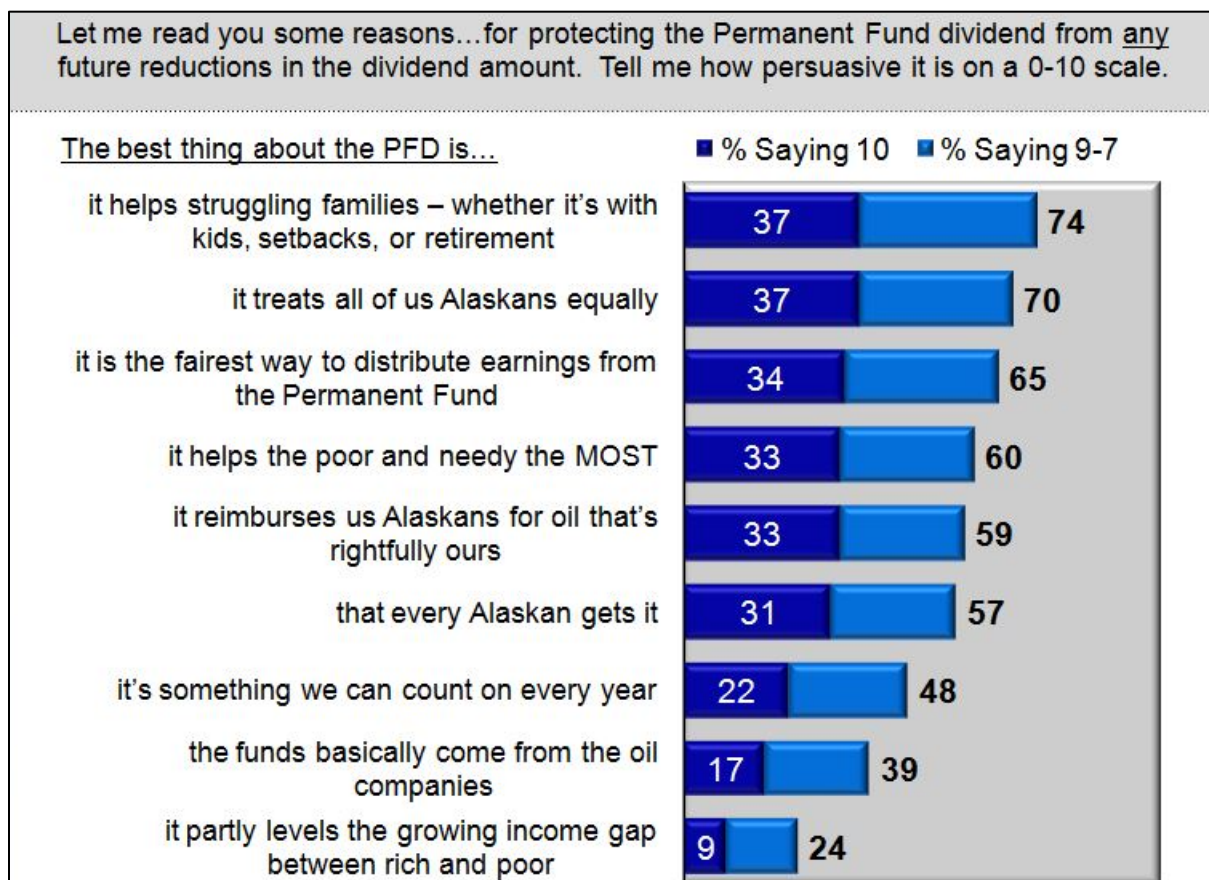
The remaining nine factors are seen by pluralities or majorities as having gotten worse – including leisure time and affordability of consumer items. This latter consumer finding is an interesting one, given declining costs of gas, electronics, many imported items, and purchases from Amazon as well as Costco and Sam’s Club – but probably more broadly reflective of the lack of real wage growth and the “middle class squeeze.”

In particular, half or more Alaskans see financial security factors as worsening – getting ahead, job security, making ends meet, and finding good-paying jobs – while only about one-fifth see those factors as improving.

Yet voters preserve their worst assessments for two leading chapters in life – entering and leaving the workforce: college affordability (72% worse including 52% *a lot* worse, versus 10% better) and retirement security (64% worse including 37% *a lot* worse, versus 15% better).

Undoubtedly, this revealing data bespeaks and affirms the broader economic trends throughout the nation and much of the world. Certainly for Alaskans the changes and dislocations are genuinely felt and manifested across a range of economic factors and stages of life.

7. Alaskans’ commitment to preserving full PFD payments is grounded in values of equality, fairness as well as assistance for struggling families. Near the end of the survey, respondents were asked how persuasive on a scale of 0 to 10 they find nine separate reasons for protecting PFDs from any future reductions from their full statutory amount (incidentally, such as failed to occur in October of 2016). Ranked below from most to least persuasive are the talking points reinforcing the need to protect *full* PFD amounts.



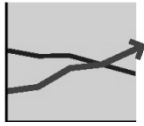
The three leading arguments for preserving unaltered dividends invoke notions of equality in treatment of all Alaskans, fairness in distributing Permanent Fund earnings, and

assistance to struggling families. The first two principles are embedded in the very nature and origins of the Permanent Fund.

The top-testing “struggling family” justification (74% saying 7-10 on 0 to 10 scale) tests better than “helping the poor and needy the most” (60% saying 7-10). This is presumably because PFDs are not meant to be welfare, and the struggling family appeal is more broadly applicable and cites conditions – kids, setbacks, retirement – that could visit most families. Indeed that inclusiveness is more in keeping than compassion with the original intent of the Permanent Fund. (While “inclusivity” may be the more accepted grammatically term, “inclusiveness” includes the root word and may be more broadly understood.)

Finally, when asked in their own words to volunteer the best reasons to pro-actively protect PFDs from future reductions, respondents primarily cite the common good, Alaskans’ ownership, future security for the public, the original Fund intent, and the need for politicians to provide stewardship of the dividends rather than divert them elsewhere. There is even an implicit element of promise-keeping embedded in voters’ construct of the Permanent Fund and its dividends.

In short, the core values Alaskans embrace for protecting their PFDs include equality, fairness, inclusiveness, stewardship for the future – and even integrity in the more fulsome sense of the word.



Alaska Statewide Voter Telephone Survey – March 2017

Hello, may I speak with *[FIRST NAME ONLY]* please?

My name is _____. First, I'm not selling anything or asking for money. I'm calling from Harstad Research, the national public opinion research firm. We are doing a survey here in Alaska and would like to ask your opinion on some local issues and interesting topics.

SCREENER

A. Sex *[Do not ask]*

- Male..... 1
- Female..... 2

1. How many years have you been a resident of Alaska – or have you lived here your entire life? *[If two or more periods in Alaska, just record most recent residency]*

Entire life
Enter number of years: _____
DK/NS

2. Now, I'm going to read you the names of a few people and groups who are active in public affairs. I'd like you to rate your feelings toward each one as very positive, somewhat positive, neutral, somewhat negative, or very negative. If you don't know the name, just say so. *[Do not randomize] [Probe to Distinguish Between "Neutral" And "DK/NS"]*

	<u>Very Positive</u>	<u>Smwht Positive</u>	<u>Neutral</u>	<u>Smwht Negative</u>	<u>Very Negative</u>	<u>DK/NS</u>
a. Bill Walker	1	2	3	4	5	6
b. Donald Trump.....	1	2	3	4	5	6
c. The Permanent Fund	1	2	3	4	5	6

3. Thinking about your approach to political issues, would you describe yourself as very liberal, somewhat liberal, moderate, somewhat conservative, or very conservative? *[Rotate choice from top-to-bottom / bottom-to-top]*

- Very liberal..... 1
- Somewhat liberal..... 2
- Moderate..... 3
- Somewhat conservative..... 4
- Very conservative..... 5
- DK/NS..... 6

Draft

ECONOMIC SITUATION

4a. Which one of the following three statements best sums up your own personal economic situation these days? [Rotate Top to Bottom and Bottom to Top]

- Living comfortably..... 1
Getting by 2
Barely surviving 3
DK/NS..... 4

4b. And which one of the following best sums up your savings or debt these days? [Rotate 3 Choices Top to Bottom and Bottom to Top]

- I'm able to save money..... 1
Not able to save but not going further into debt..... 2
Getting further into debt..... 3
Both saving and going into debt [Do not read] 4
Paying debt down [Do not read] 5
DK/NS..... 6

[Ask on Form A, 1/2 of the total sample]

5. Do you feel that the distribution of money and wealth in Alaska is fair, or do you feel that the money and wealth in Alaska should be more evenly distributed among more people?

- Distribution is fair 1
Should be more evenly distributed 2
DK/NS..... 3

[Ask on Form B, 1/2 of the total sample]

6. Over the past 15 years or so, do you think the gap between the rich and the poor in Alaska is getting larger, getting smaller, or has stayed the same?

- Gap is getting larger 1
Gap is getting smaller..... 2
Gap has stayed the same..... 3
DK/NS..... 4

PFD BASIC QUESTIONS AND USAGE

7. Honestly speaking, how much of a difference have the yearly PFD dividends made in your life over the past five years or so – a great deal of difference, quite a bit, a fair amount, only some, just a little, or none at all? [If respondent says it depends on the amount, or refers just to last year, say:] Well, say generalize over the past five years.

- A great deal of difference 1
Quite a bit 2
A fair amount 3
Only some 4
Just a little..... 5
None at all 6
DK/NS..... 7

Draft

[Ask on Form A, 1/2 of the total sample]

- 8. Do you think of the Permanent Fund PRINCIPAL MONEY [Rotate] as a kind of rainy-day fund for Alaska to tap into during a crisis or really hard times – OR, do you think of the Permanent Fund PRINCIPAL as something that should NEVER be touched – and only the earnings on it can be used?

Rainy-day fund for a crisis or really hard times	1
Principal should never be touched	2
DK/NS.....	3

- 9. Honestly speaking, most years when you have gotten the Permanent Fund dividend, which one of the following best describes how you have dealt with it?

[Rotate first five from top to bottom and bottom to top – and then read sixth item] [IF RESPONDENT SAYS, IT DEPENDS, ASK:] Well if you had to generalize over the years, which best applies?

I save nearly all of it.....	1
I save most of it but spend some.....	2
I save about half and spend about half.....	3
I spend most of it but save some.....	4
I spend nearly all of it.....	5
READ LAST:	
Or I mostly pay off credit cards and debt.....	6
DK/NS.....	7

[Ask on Form B if SAVE half, most or all:]

- 10. And what specific purpose do you have in mind when you save money from your PFD?

[Do not read]

Appliances / big purchases / computers.....	1
Children / family.....	2
Car repairs / replacement.....	3
College	4
Debt pay-off / pay-off credit cards	5
Future	6
Heating fuel / fuel oil / propane / wood	7
Home improvements / maintenance.....	8
Investments / stock market.....	9
Long term savings	10
Medical / health care	11
Retirement	12
Savings generally	13
Trip / vacation	14
Unexpected expenses / unknown.....	15
Other [specify]	16

Draft

[Ask everyone on ¼ Form:]

11. And to the extent that you spend your dividend, what specifically do you tend to spend it on?
[Multiple response ok]
-

[Ask on Form A, ½ of the total sample]

12. And compared to your neighbors generally, do you think you SAVE more than your neighbors, do you SPEND more than your neighbors, or do you spend and save about like your neighbors?
[IF RESPONDENT SAYS, IT DEPENDS, ASK:] Well if you had to generalize about several of your neighbors.

Respondent saves more than neighbors.....	1
Respondent spends more than neighbors.....	2
Spend and save about like neighbors	3
DK/NS.....	4

[Ask on Form A, ½ of the total sample]

13. Let me ask you about the possible impact of the Permanent Fund Dividends on various factors. For each one, please tell me you think the PFD dividends *[ROTATE]* help a lot, help a little, have no real impact, harm a little, or harm a lot. *[RANDOMIZE AFTER THE FIRST ONE]*

	<u>Help A Lot</u>	<u>Help A Little</u>	<u>No Real Impact</u>	<u>Harm A Little</u>	<u>Harm A Lot</u>	<u>DK/NS</u>
a. Your quality of life.....	1	2	3	4	5	6
b. Your household budget	1	2	3	4	5	6
c. Alaska's economy	1	2	3	4	5	6
d. The level of poverty in Alaska.....	1	2	3	4	5	6
e. Conditions for those living in the Bush	1	2	3	4	5	6
f. People's work incentive or willingness to work	1	2	3	4	5	6
g. Savings for college	1	2	3	4	5	6
h. Your sense of security	1	2	3	4	5	6
i. The income gap between the rich and the poor	1	2	3	4	5	6
j. Savings for retirement	1	2	3	4	5	6
k. Conditions for Alaska Natives	1	2	3	4	5	6

[Ask on Form B, ½ of the total sample]

14. Let me read you a few features of the Permanent Fund dividends. For each one, please tell me if this is something you *[ROTATE]* strongly favor, mildly favor, mildly oppose, or strongly oppose?
[RANDOMIZE AFTER THE FIRST ONE]

	<u>Strongly Favor</u>	<u>Mildly Favor</u>	<u>Mildly Oppose</u>	<u>Strongly Oppose</u>	<u>DK/NS</u>
a. Everyone who is basically a full-time resident of Alaska gets it.....	1	2	3	4	5

Draft

b. Children from infants to teenagers living in Alaska get it.....	1	2	3	4	5
c. Newer residents who have lived in Alaska for the past year-and-a-half get it	1	2	3	4	5
d. Millionaires and multi-millionaires living in Alaska get it.....	1	2	3	4	5

PROTECTING THE PFD & TAX ALTERNATIVES

[Form A – ½ sample]

15. To pay for government services in Alaska, if you HAD TO CHOOSE between [ROTATE] – using part of the Alaska Permanent Fund – OR paying a state tax such as a sales or income tax, which would you prefer?
- | | |
|--|---|
| Prefer using part of the Alaska Permanent Fund | 1 |
| Prefer paying a state tax such as a sales or income tax | 2 |
| Prefer not to use either of the above options [Do not read]..... | 3 |
| DK/NS..... | 4 |

[Form B – ½ sample]

16. Some people believe that by about 2020, Alaska will not have enough money for the current level of state government services. If that happened, would you prefer to have the state keep the dividend program and collect income taxes, or end the dividend program and not collect income taxes?
- | | |
|---|---|
| Keep program and collect taxes | 1 |
| End program, do not collect taxes | 2 |
| DK/NS..... | 3 |

[Ask on Form A, ½ of the total sample]

17. Largely due to lower oil prices and low oil production, the state government is facing an ongoing budget deficit. To help solve this budget deficit, I’m going to read you a few pairs of policy choices and see which one you prefer.
- If it came to a choice between: (READ FIRST OPTION) and (READ SECOND OPTION), which would you choose: [RANDOMIZE AFTER THE FIRST ONE]
- | | |
|--|---|
| a. Start a state income tax for households making over 100 thousand dollars a year – OR, | 1 |
| Cutting the normal PFD yearly dividend amounts in half..... | 2 |
| DK/NS | 3 |
| b. Scale back the one billion in tax credits that were given to oil and gas companies several years ago – OR, | 1 |
| Cutting the normal PFD yearly dividend amounts in half..... | 2 |
| DK/NS | 3 |
| c. Start a state income tax for higher income households in Alaska – like those families making over half a million dollars a year – OR, | 1 |
| Cutting the normal PFD yearly dividend amounts in half..... | 2 |
| DK/NS | 3 |
| d. Raise the state tax on gasoline and diesel – OR, | 1 |
| Cutting the normal PFD yearly dividend amounts in half..... | 2 |
| DK/NS | 3 |

Draft

- e. Start a statewide sales tax on purchases except for food and prescription drugs – OR, 1
 Cutting the normal PFD dividend amounts in half 2
 DK/NS 3

[Form A1 – ¼ of the sample]

- f. Raise the state tax on power plants that burn coal, oil or natural gas which would raise the cost of electricity and would encourage wind and solar power – OR 1
 Cutting the normal PFD yearly dividend amounts in half 2
 DK/NS 3

[Form A2 – ¼ of the sample]

- g. Raise the state tax on power plants that burn coal, oil or natural gas which would raise the cost of electricity, would encourage wind and solar power, reduce air pollution, and help slow down global warming of ice fields in Alaska and the Arctic – OR 1
 Cutting the normal PFD yearly dividend amounts in half 2
 DK/NS 3

WORK AND RISK INCENTIVES

[Ask everyone]

- 18. Not counting any roommates, how many people in your household living with you got the P.F. dividend payment last year – counting yourself?
 Enter number of people: _____

- 19. Which one of the following best describes your work situation -- are you employed, retired, disabled, unemployed, a student, or a homemaker? *[If employed ask:]* And are you employed full-time or part-time? *[If two part-time jobs, count as full-time]*
 - Employed full-time 1
 - Employed part-time 2
 - Retired, disabled 3
 - Unemployed 4
 - Student 5
 - Homemaker 6
 - DK/NS/Refused 7

- 19a. *[Ask only of those who are employed or unemployed]* Are you normally paid mostly by salary, by an hourly wage, by commission, by profit, by project, or by tips?
 - Salary 1
 - Hourly wage 2
 - Commission/bonus 3
 - Profit 4
 - Project/job 5
 - Tips 6
 - Other *[Do not read]* 7
 - Refused/DK/NS 8

- 19b. *[Ask only of those who are employed]* And is your job more of a blue collar, trade, outdoor, or plant type job – OR more of a white collar, office, sales or professional type job?
 - Blue collar, trade, outdoor, or plant type job 1

Draft

White collar, office, sales or professional type job	2
Other <i>[Do not read]</i>	3
Refused/DK/NS	4

[Ask Work Incentives Q on Form A, only if employed]

20. At some different amounts the Permanent Fund dividend might prompt some people to WORK LESS – like working fewer hours, cutting back to a part-time job, letting go of a part-time job, not moonlighting, or not taking on odd jobs. Take into account the number of dividend checks your immediate family would get. So would a regular yearly dividend amount of *[Read top amount]* make you work less, or not? *[If 'no, would not work less, ask:]* Well, would a regular yearly dividend amount of *[Read next amount]* make you work less, or not? *[Stop this question once respondent says 'Yes.'] [Continue to ask if 'No' or DK/NS]*

	Yes, Would Work Less	No, Would Not Work Less	DK/NS
a. Two thousand dollars per person	1	2	3
b. Three thousand dollars per person	1	2	3
c. Six thousand dollars per person	1	2	3
d. Twelve thousand dollars per person	1	2	3

[Ask Work Incentives Q on Form A – only if retired, unemployed, homemakers, disabled, or student]

21. Thinking about those who are employed, at some different amounts the Permanent Fund dividend might prompt some people to WORK LESS – like working fewer hours, cutting back to a part-time job, letting go of a part-time job, not moonlighting, or not taking on odd jobs. Take into account the number of dividend checks a family would get. So would a regular yearly dividend amount of *[Read top amount]* make most people work less, or not? *[If 'no, would not work less, ask:]* Well, would a regular yearly dividend amount of *[Read next amount]* make most people work less, or not? *[Stop this question once respondent says 'Yes.'] [Continue to ask if 'No' or DK/NS]*

	Yes, Would Work Less	No, Would Not Work Less	DK/NS
a. Two thousand dollars per person	1	2	3
b. Three thousand dollars per person	1	2	3
c. Six thousand dollars per person	1	2	3
d. Twelve thousand dollars per person	1	2	3

[Ask Financial Risk Q on Form B, only if employed]

22. Depending on the amount, getting a Permanent Fund dividend might cause some people to take a financial risk or choice – things like quitting a job you don't like, quitting a job to care for a child or relative, starting a business, pursuing a different career, going back to college, or retiring sooner. Take into account the number of dividend checks your immediate family would get. So would a regular yearly dividend amount of *[Read top amount]* prompt you to take a financial risk, or not? *[If 'no, would not prompt taking a risk, ask:]* Well, would a regular yearly dividend amount of *[Read next amount]* make you take a financial risk, or not? *[Stop this question once respondent says 'Yes.'] [Continue to ask if 'No' or DK/NS]*

	Yes, Would Take Risk	No, Would Not Take Risk	DK/NS
a. Two thousand dollars per person	1	2	3

Draft

b. Three thousand dollars per person	1	2	3
c. Six thousand dollars per person	1	2	3
d. Twelve thousand dollars per person	1	2	3

[Ask Financial Risk Q on Form B – only if retired, unemployed, homemakers, disabled, or student]

23. Thinking about those who are employed, depending on the amount, getting a Permanent Fund dividend might cause some people to take a financial risk or choice – things like quitting a job you don't like, quitting a job to care for a child or relative, starting a business, pursuing a different career, going back to college, or retiring sooner. Take into account the number of dividend checks a family would get. So would a regular yearly dividend amount of *[Read top amount]* prompt most people to take a financial risk, or not? *[If 'no, would not prompt taking a risk, ask:]* Well, would a regular yearly dividend amount of *[Read next amount]* make most people take a financial risk, or not? *[Stop this question once respondent says 'Yes.'] [Continue to ask if 'No' or DK/NS]*

	Yes, Would Take Risk	No, Would Not Take Risk	DK/NS
a. Two thousand dollars per person	1	2	3
b. Three thousand dollars per person	1	2	3
c. Six thousand dollars per person	1	2	3
d. Twelve thousand dollars per person	1	2	3

IMPACT OF CHANGING ECONOMY

[Ask Questions 24 to 28 of ½ the sample on Form X]

24. Compared to 25 years ago, how much do you think the economy has changed – a great deal, quite a bit, just somewhat, or not much at all?

A great deal	1
Quite a bit	2
Just somewhat.....	3
Not much at all.....	4
DK/NS.....	5

[Form X]

25. And how much impact do you think the changing economy has had on you – has it affected you a lot, some, a little, or hardly any?

A lot	1
Some	2
A little.....	3
Hardly any	4
DK/NS.....	5

[Ask this open-end of 1/5 of the respondents on Form X:]

26a. In what specific ways do you think the changing economy has affected you for the BETTER – or in favorable ways. *[Probe for specifics.]* Any other favorable ways?

[Ask this open-end of 1/5 of the respondents on Form X:]

26b. And in what specific ways do you think the changing economy has affected you for the WORSE –

Draft

or in unfavorable ways. *[Probe for specifics.]* Any other unfavorable ways?

[Form X]

27. When children today in our country grow up, do you think they will be better off or worse off financially than their parents?

Better off	1
Worse off	2
The same <i>[Do not read]</i>	3
DK/NS.....	4

[Form X]

28. A changing economy has altered some things for the better, some things for the worse, and not altered some things. I'm going to read you various aspects and, for each one, please tell me if you think things have gotten a lot better, a little better, a little worse, a lot worse, or not really changed either way. *[Randomize]*

	A Lot Better	A Little Better	A Little Worse	A Lot Worse	Not Really Changed	DK/NS
a. Having job security	1	2	3	4	5	6
b. Making ends meet	1	2	3	4	5	6
c. Finding a good-paying job .	1	2	3	4	5	6
d. Being able to afford college	1	2	3	4	5	6
e. Having retirement security	1	2	3	4	5	6
f. Having the opportunity to get ahead	1	2	3	4	5	6
g. Being able to afford consumer items	1	2	3	4	5	6
h. Keeping up with technology at your job	1	2	3	4	5	6
i. The way employers treat their employees	1	2	3	4	5	6
j. Having leisure time.....	1	2	3	4	5	6
k. Being productive at work ...	1	2	3	4	5	6

SPECIFIC ASPECTS OF THE PFD

[Ask on Form B, ½ of the total sample]

29. Now I would like to know the extent to which you agree or disagree with the following statements. If you agree with a statement, please tell me whether you strongly agree or mildly agree. If you disagree with a statement, please tell me if you strongly disagree or mildly disagree. If you have mixed feelings, just say "mixed."

	<u>Agree</u>	<u>Dis- agree</u>	<u>Strongly Agree</u>	<u>Smwht Agree</u>	<u>Smwht Disagree</u>	<u>Strongly Disagree</u>	<u>Mixed</u>
a. Considering the possible uses of the money spent on the Permanent Fund dividend program, the dividend program is the best use of the money.	60	24	38%	22%	11%	13%	14%
b. As owners of the Alaska Permanent Fund, Alaska residents are entitled to an equal share of the earnings of the Fund.....	78	12	54%	24%	6%	6%	8%
c. Giving money directly to Alaska residents is better than letting the Alaska legislature decide how to spend it.	75	16	59%	16%	9%	7%	9%
d. The Permanent Fund dividend checks are an important source of income for people in my community.	48	47	31%	17%	21%	25%	6%
e. Many people have wasted a large part of their Permanent Fund checks on such things as liquor or drugs	45	41	24%	21%	17%	24%	14%
f. How people spent their Permanent Fund checks should not determine whether or not the dividend program continues.	87	10	71%	16%	5%	5%	3%
g. Many people spend a large part of their Permanent Fund dividends on basic needs.....			1	2	3	4	5
h. To help ensure that most Alaskans continue to get a full PFD amount in the coming years, we should no longer pay it to those households with incomes over half a million dollars a year.....			1	2	3	4	5
i. Rather than have the PFD amount VARY from about one to two thousand dollars a year, I would prefer it if the dividend were always kept at a FIXED amount every year – like one thousand five hundred dollars.....			1	2	3	4	5

[Ask everyone]

30. Now, let me read you some reasons people have given for protecting the Permanent Fund dividend from ANY future reductions in the dividend amount. After I read each one, please tell me how persuasive a reason it is to protect against any dividend reductions. Use a zero to 10 scale, where a "9" or "10" would be extremely persuasive, a "5" is medium persuasive, and a "zero" or "1" isn't persuasive at all. You can use any number between zero and 10 depending on how persuasive it is. [DK/NS=11] [Randomize after 'a' and 'b']

[Read item] On a scale of zero to 10, how persuasive a reason is this to protect against any reductions in the dividends?

[Form X – Ask of 1/2]

a. The best thing is every Alaskan gets it _____

[Form Y – Ask of 1/2]

b. The best thing is it's something we can count on every year _____

[Form X – Ask of 1/2]

c. The best thing is it reimburses us Alaskans for oil that's rightfully ours..... _____

[Form Y – Ask of 1/2]

d. The best thing is the funds basically come from the oil companies..... _____

[Form X – Ask of 1/2]

e. The best thing is it helps the poor and needy the MOST _____

[Form Y – Ask of 1/2]

f. The best thing is it helps struggling families – whether its with kids, setbacks, or retirement _____

[Form X – Ask of 1/2]

g. The best thing is it is the fairest way to distribute earnings from the Permanent Fund _____

[Form Y – Ask of 1/2]

h. The best thing is it partly levels the growing income gap between rich and poor _____

[Form Y – Ask of 1/2]

i. The best thing is it is the PFD treats all of us Alaskans equally _____

[Open-ended question asked of a 1/5th of the sample]

31. Now based on everything we've discussed, what do you think are the best reasons to pro-actively protect the PFD systems and the dividends from ANY future reductions in amount? [Probe fully for specifics] Any other reasons to protect the dividend from being reduced?

DEMOGRAPHIC QUESTIONS

Our last few questions are about you and your family and are for statistical purposes only.

[Ask if AGECD=14]

D1. May I ask how old you are?

18 to 24 years 1

25 to 29 years 2

Draft

30 to 34 years.....	3
35 to 39 years.....	4
40 to 44 years.....	5
45 to 49 years.....	6
50 to 54 years.....	7
55 to 59 years.....	8
60 to 64 years.....	9
65 to 69 years.....	10
70 to 74 years.....	11
75 to 79 years.....	12
80 years or over.....	13
Refused/DK/NS	14

D2. Are you married, single but living with a partner, separated, divorced, widowed, or have you never been married?

Married	1
Single, but living with a partner.....	2
Separated / divorced	3
Widowed.....	4
Never married / single	5
Refused	6

D3. What is the last grade or level of school you have completed? *[Read list if necessary]*

Less than high school degree.....	1
High school graduate.....	2
Some college – but less than two years of college.....	3
Some college – two years or more/AA degree	4
College graduate/bachelors degree/BA/BS.....	5
Postgraduate courses.....	6
Masters degree.....	7
MBA or Law degree.....	8
PhD or MD.....	9
DK/NS.....	10

[Ask if education is less than BA:]

D4a. Thinking about the neighborhood where you live, would you tend to describe it as lower-income, working class, middle income, upper middle income, or wealthy?

Lower-income	1
Working class	2
Middle income	3
Upper middle income.....	4
Wealthy.....	5
DK/NS.....	6

[Ask if education is BA or more:]

D4b. Thinking about the neighborhood where you live, would you tend to describe it as wealthy, upper middle class, middle class, working class, or lower-income?

Wealthy.....	1
Upper middle class.....	2
Middle class.....	3
Working class	4
Lower-income	5
DK/NS.....	6

Draft

[Ask everyone]

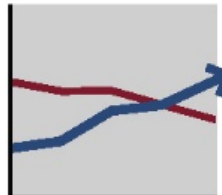
- D5. Do you happen to live with any children age 18 or younger, or not? *[Include kids at home part-time / weekends / partial custody]*
- | | |
|--|---|
| Yes, live with kids age 18 or younger | 1 |
| No, do not live with kids 18 or younger..... | 2 |
| DK/NS..... | 3 |
- D6. Generally speaking, do you think of yourself as a Democrat, a Republican, an Independent, or something else? *[If Democrat, ask:]* Would you call yourself a strong Democrat, or a not very strong Democrat? *[If Republican, ask:]* Would you call yourself a strong Republican, or a not very strong Republican? *[If Independent, ask:]* Do you think of yourself as closer to the Democratic Party, closer to the Republican Party, or do you think of yourself as strictly Independent?
- | | |
|------------------------------------|---|
| Strong Democrat | 1 |
| Not strong Democrat | 2 |
| Independent / lean Democrat | 3 |
| Strictly Independent..... | 4 |
| Independent / lean Republican..... | 5 |
| Not strong Republican | 6 |
| Strong Republican | 7 |
| Other party <i>[Specify]</i> | 8 |
| DK/NS / Refused | 9 |
- D7. Do you – or does anyone in your immediate family – happen to come from an Inuit, Alaska Native, American Indian, Hispanic, African American, or Asian background? *[If 'no,' ask:]* Just to be sure we're representing everybody, may I ask your race? ***[DO NOT READ CHOICES]***
- | | |
|--|---|
| Alaska Native / Inuit / Yupik..... | 1 |
| American Indian / Native American | 2 |
| Hispanic, Spanish-speaking, Latino | 3 |
| Asian / Hawaiian..... | 4 |
| African-American / Black | 5 |
| White / Anglo / Caucasian | 6 |
| Other / mixed <i>[Specify]</i> | 7 |
| Refused | 8 |
| DK/NS..... | 9 |
- D8. For statistical purposes only, could you please tell me whether YOUR total family income before taxes for last year was under or over 100 thousand dollars?
- [If respondent says under \$100,000, Ask:]* And finally, was your total family income for last year under 50 thousand dollars, between 50 and 75 thousand, or between 75 and 100 thousand dollars?
- [If respondent says over \$100,000, Ask:]* And finally, was your total family income for last year under 150 thousand, between 150 and 200 thousand, or over 200 thousand dollars?
- | | |
|---|----|
| Under \$50,000..... | 1 |
| \$50,000 - \$75,000 | 2 |
| \$75,000 - \$100,000 | 3 |
| \$100,000 - \$150,000 | 4 |
| \$150,000 - \$200,000 | 5 |
| Over \$200,000..... | 6 |
| Under \$100,000, refused 2nd question | 7 |
| Over \$100,000, refused 2nd question | 8 |
| Refused | 9 |
| DK/NS..... | 10 |

Draft

Thank you for taking our survey, your answers have been extremely helpful.

Alaska Statewide Telephone Survey of 1004 Voters

March 22 to April 2, 2017



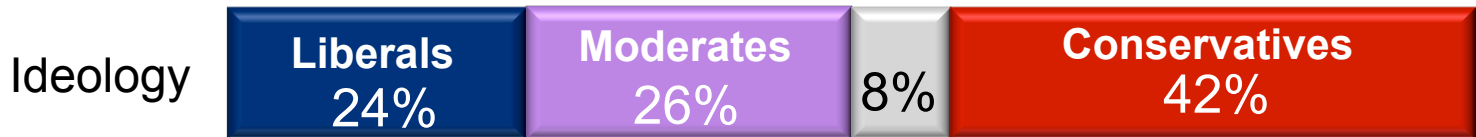
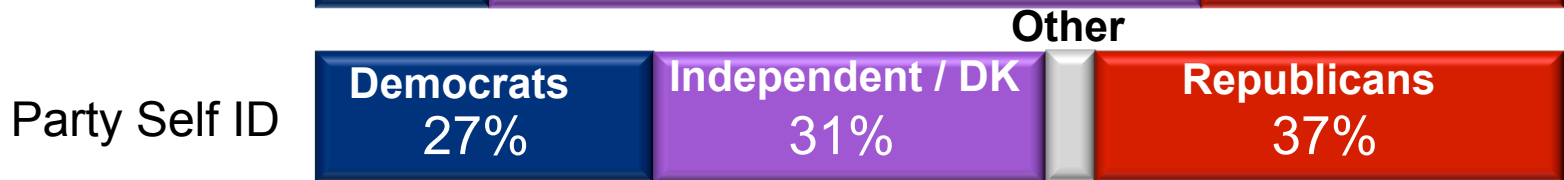
**HARSTAD STRATEGIC
RESEARCH, INC.**

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- A Profile of Alaska Voters
- The PFD's impact on and benefits for Alaskans
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- PFD's effect on work ethic & financial risk-taking
- The changing economy's effects on Alaskans
- The best case for protecting full PFDs

A profile of Alaska voters

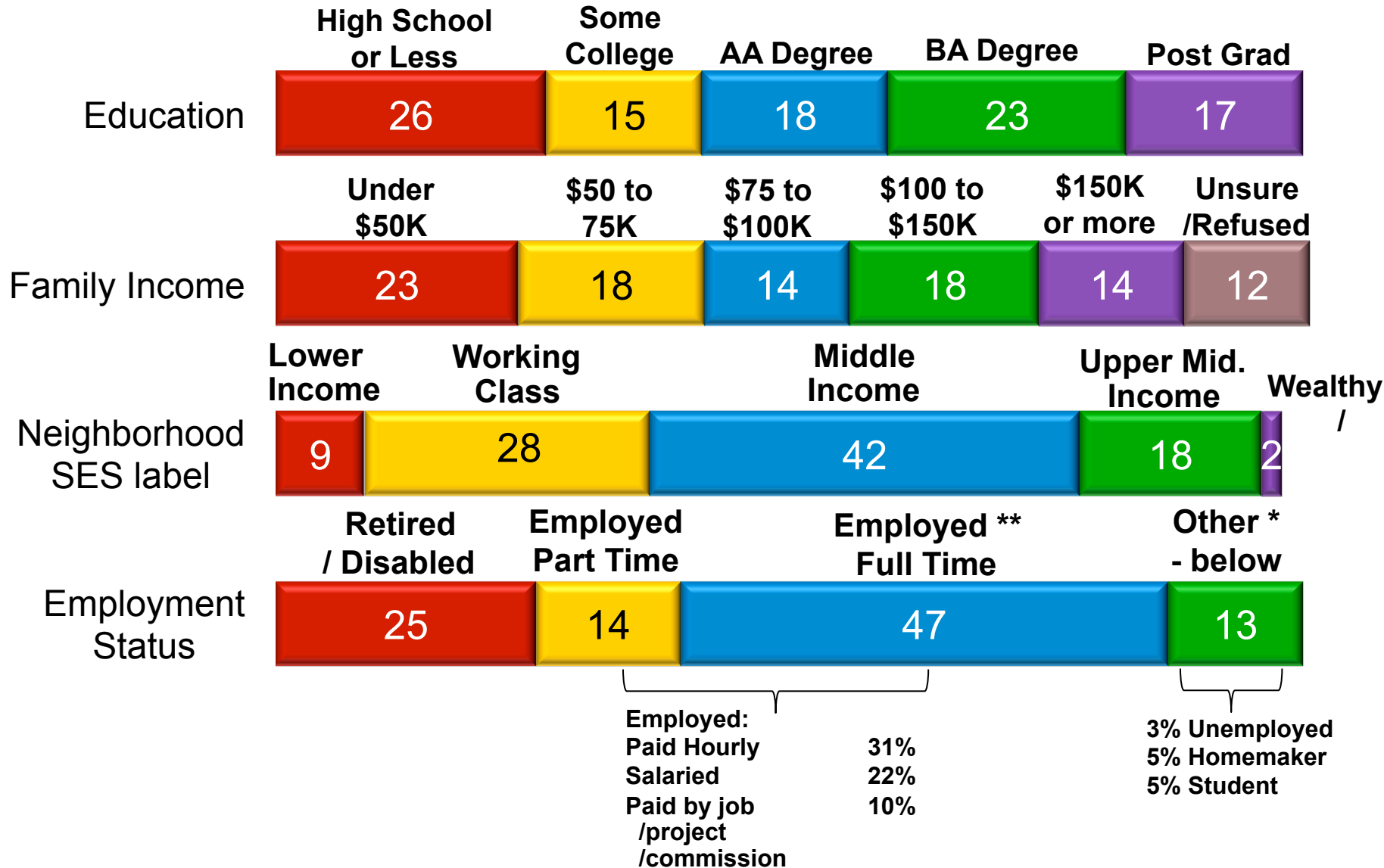
Profile of Alaska Voters by Partisan and Ideological Metrics



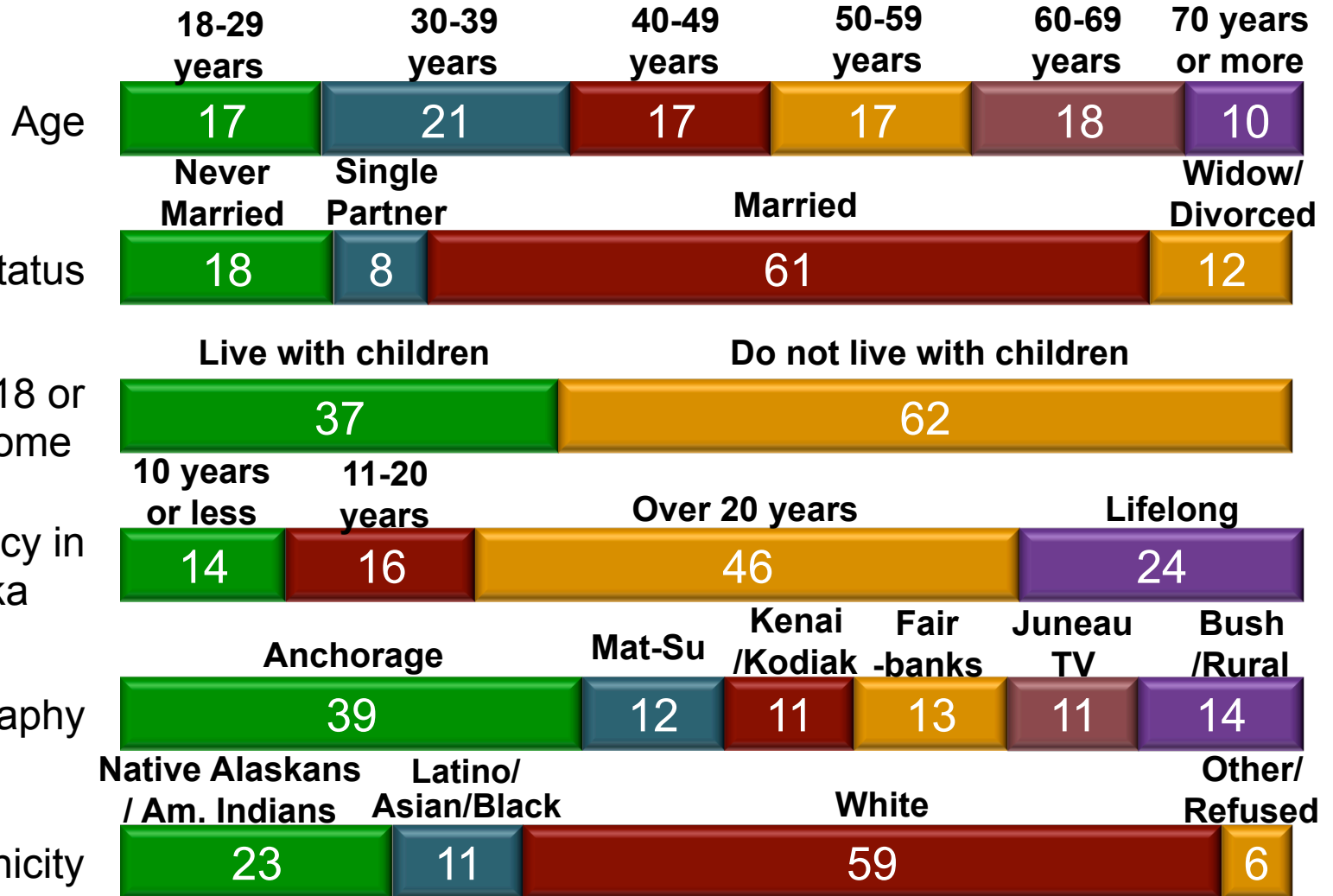
Walker Feelings:

Democrats	56% Positive	13% Negative
Independents	36% Positive	25% Negative
Republicans	26% Positive	44% Negative

Profile of Socio-Economic Status of Alaska Voters



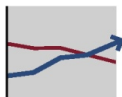
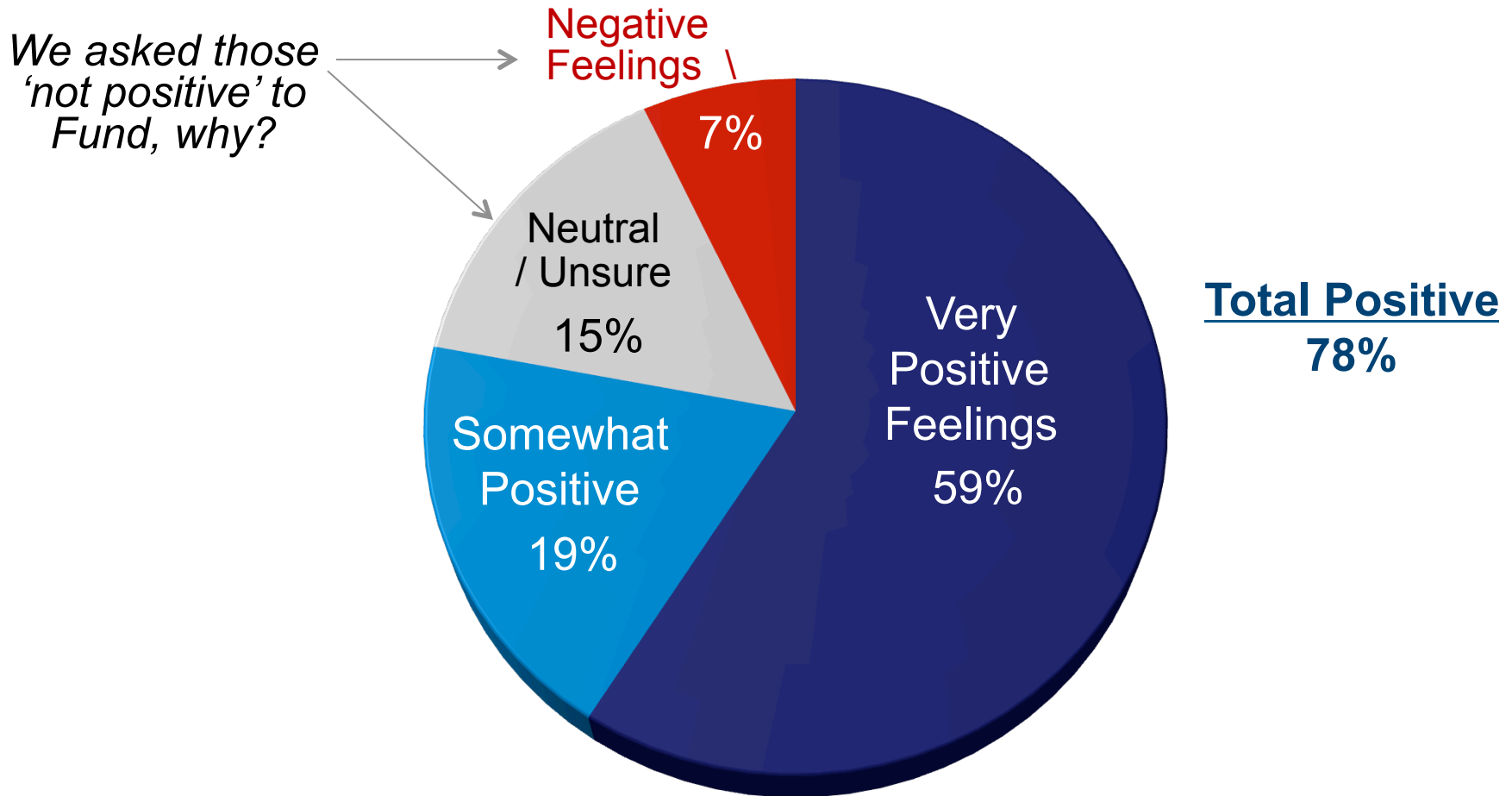
Demographic Profile of Alaska Voters



Alaskans confirm the PFD makes
a significant difference in their
lives and for the state

By a ratio of 11-to-1, Alaskans feel positively rather than negatively toward the Permanent Fund

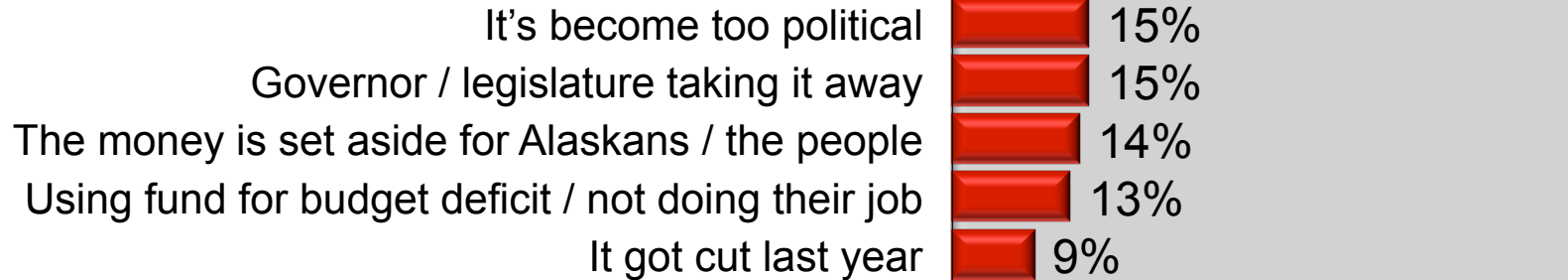
I'd like you to rate your feelings toward – The Permanent Fund – as very positive, somewhat positive, neutral, somewhat negative, or very negative.



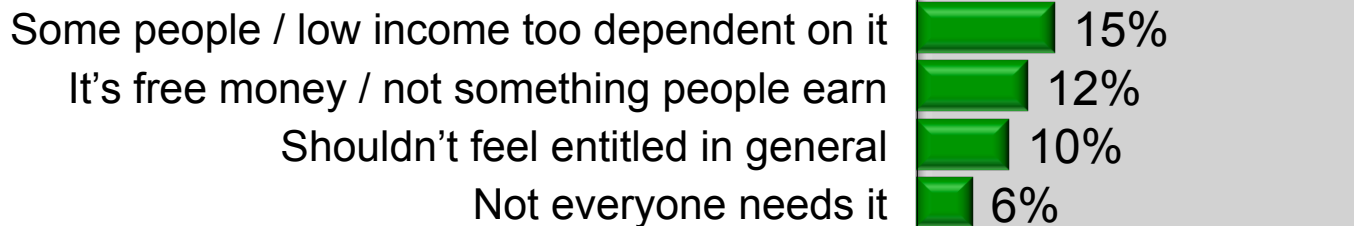
Those who are neutral or negative toward the Permanent Fund volunteer the following reasons for why they are not positive toward it

What are the main reasons you don't feel positive toward the Permanent Fund?

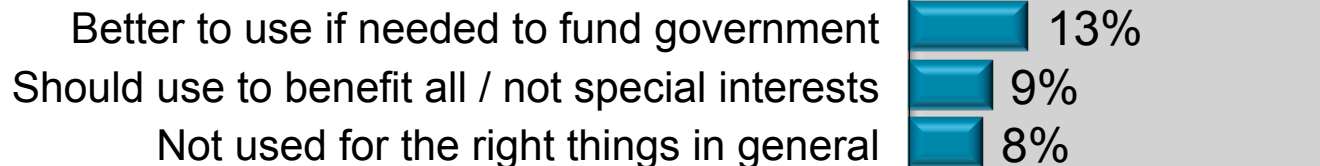
GOVERNOR / LEGISLATURE / POLITICS (NET)



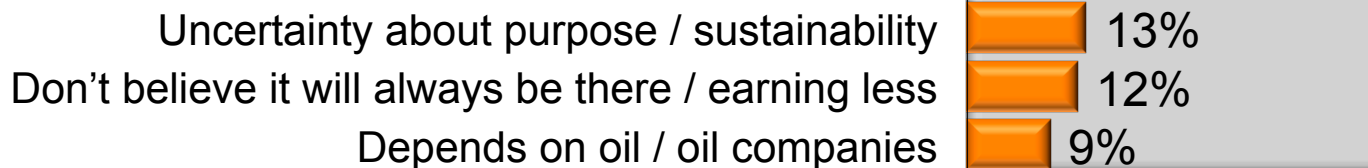
SHOULDN'T BE AN ENTITLEMENT (NET)



BETTER USES / FUND STATE GOV'T (NET)



UNCERTAINTY / IMPERMANENT FUND (NET)



Responses mentioned by 6% or more are shown

Fourth-fifths of Alaskans say the PFD makes at least some difference in their lives, including two-fifths who say it makes a lot of difference

Honestly speaking, how much of a difference have the yearly PFD dividends made in your life over the past five years or so?

The yearly PFD dividends make:

a great deal of difference in my life: **25%**

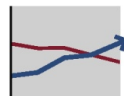
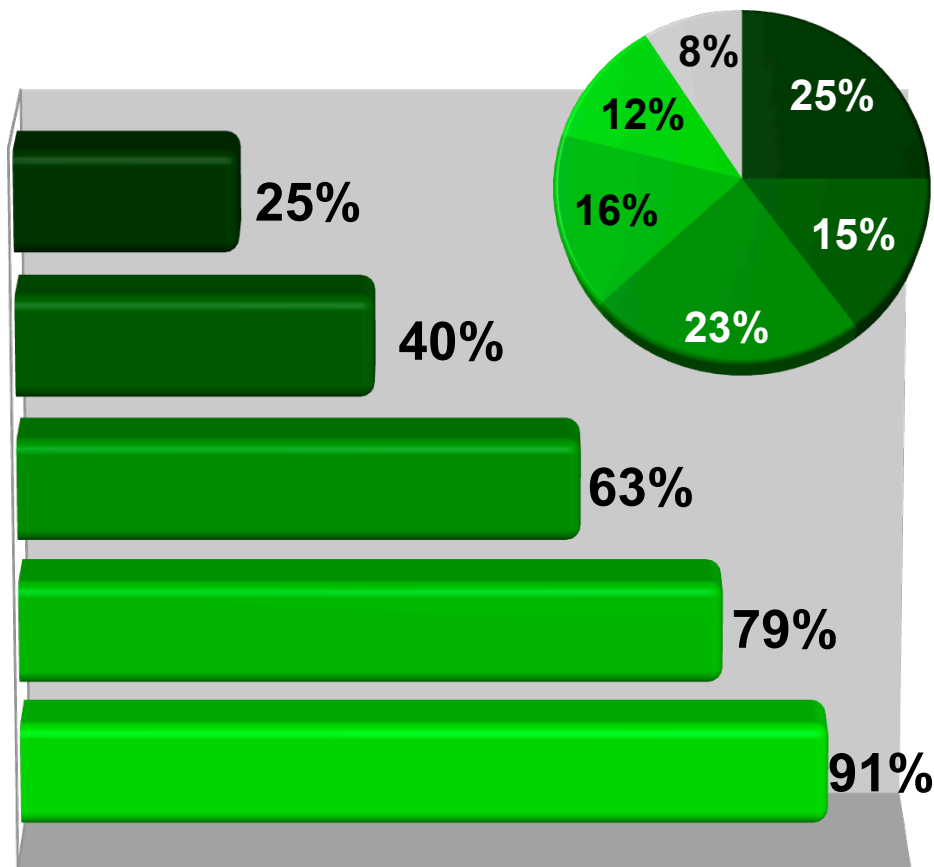
or, quite a bit of difference to me: **+15%**

or, fair amount of difference to me: **+23%**

or, only some difference to me: **+16%**

or, just a little difference to me: **+12%**

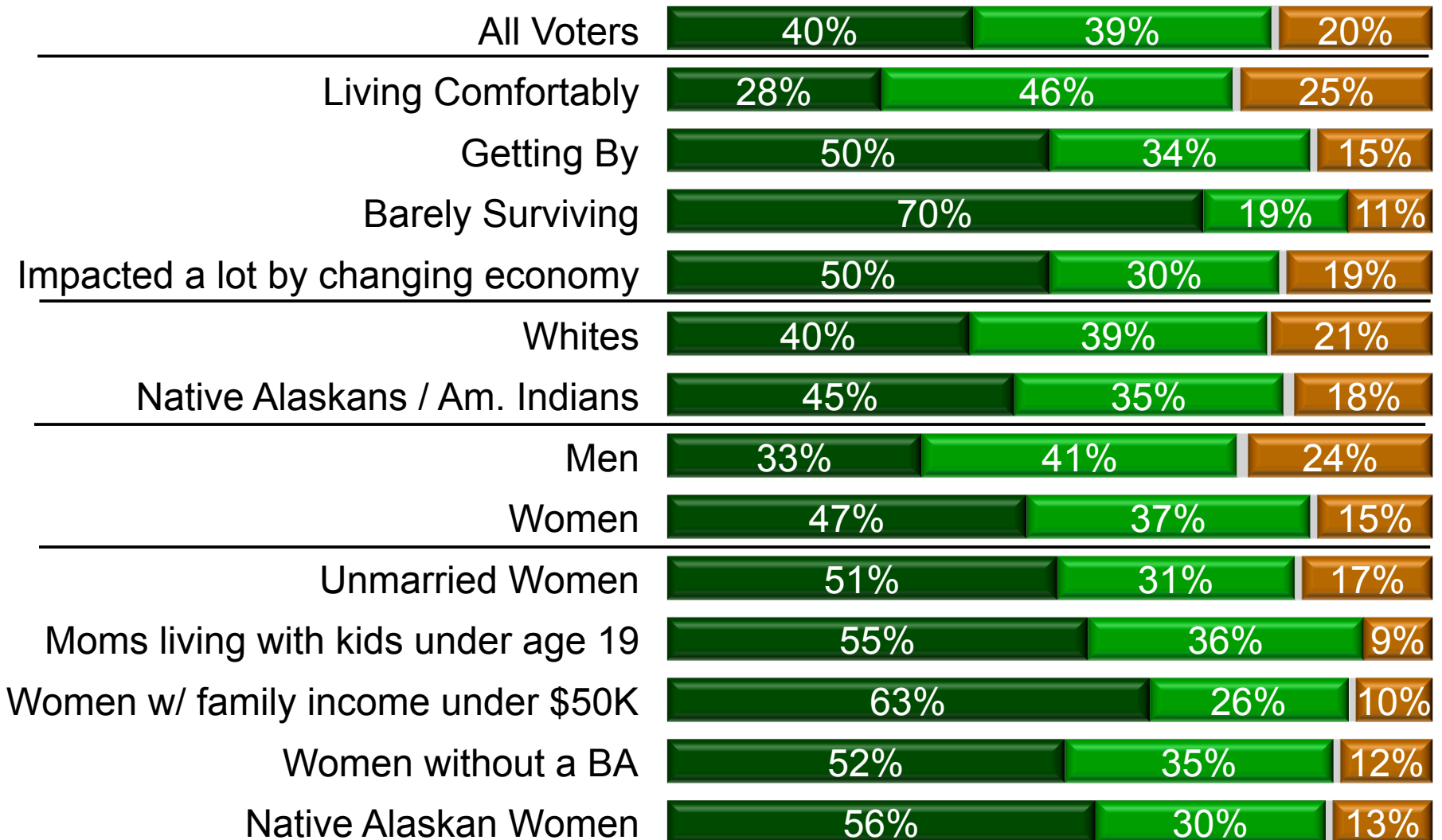
makes no difference to me: **8%**



The PFD makes the most difference in the lives of women who are lower SES and more exposed economically

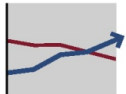
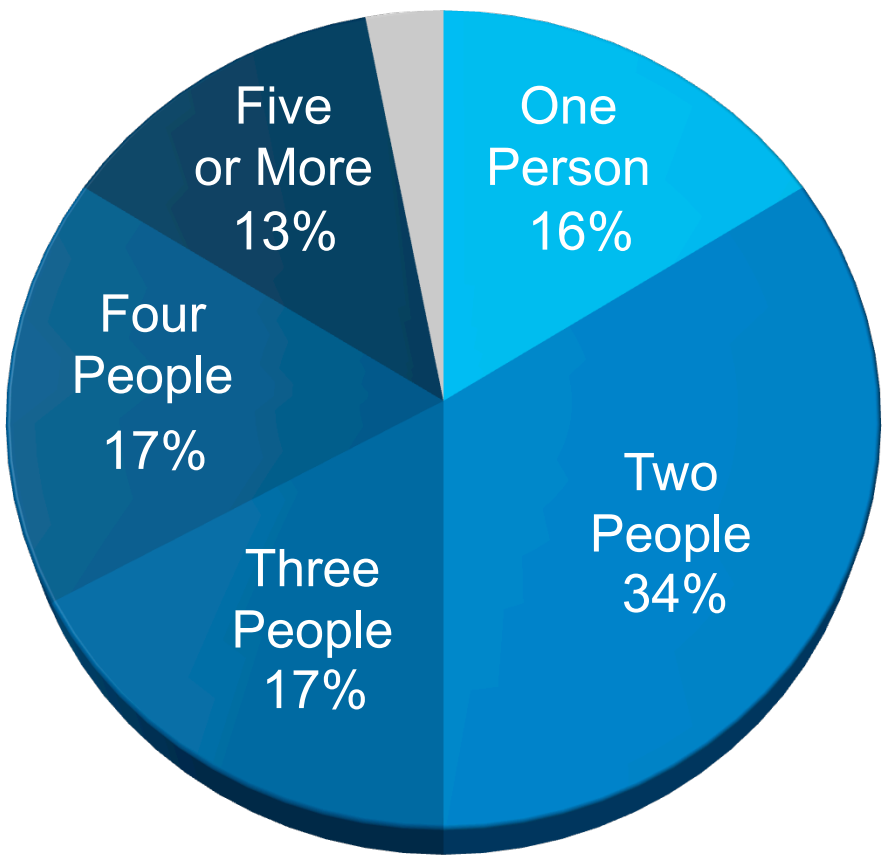
How much of a difference have the yearly PFD dividends made in your life?

■ Great Deal / Quite a Bit ■ Fair Amount / Some ■ Just a Little / None



The vast majority of households are drawing at least two PFDs, and half are drawing three or more dividends -- thus typically totaling \$4k to \$6k a year

Not counting any roommates, how many people in your household living with you got the Permanent Fund dividend payment last year – counting yourself?

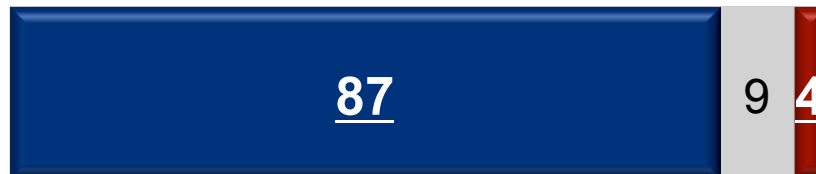


Alaskans react to statements on spending Permanent Fund Dividend monies

I'd like to know the extent to which you agree or disagree with the following statements.

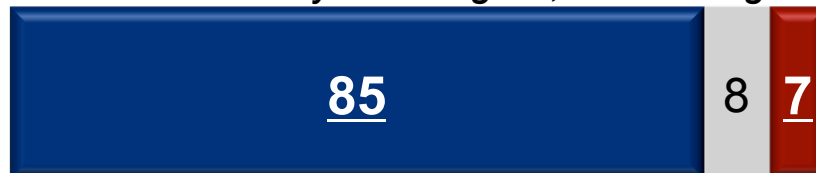
■ % Agree ■ % Mixed/Unsure ■ % Disagree

How people spent their Permanent Fund checks should not determine whether or not the dividend program continues



1984 Adult Survey: 87% Agree, 10% Disagree

Many people spend a large part of their Permanent Fund dividends on basic needs

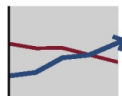
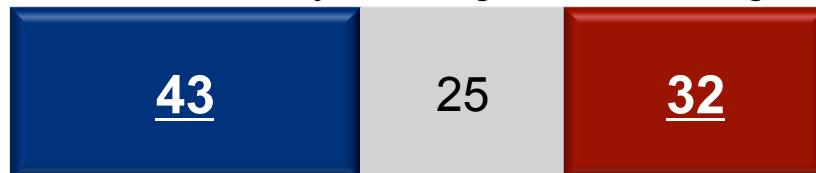


The Permanent Fund dividend checks are an important source of income for people in my community



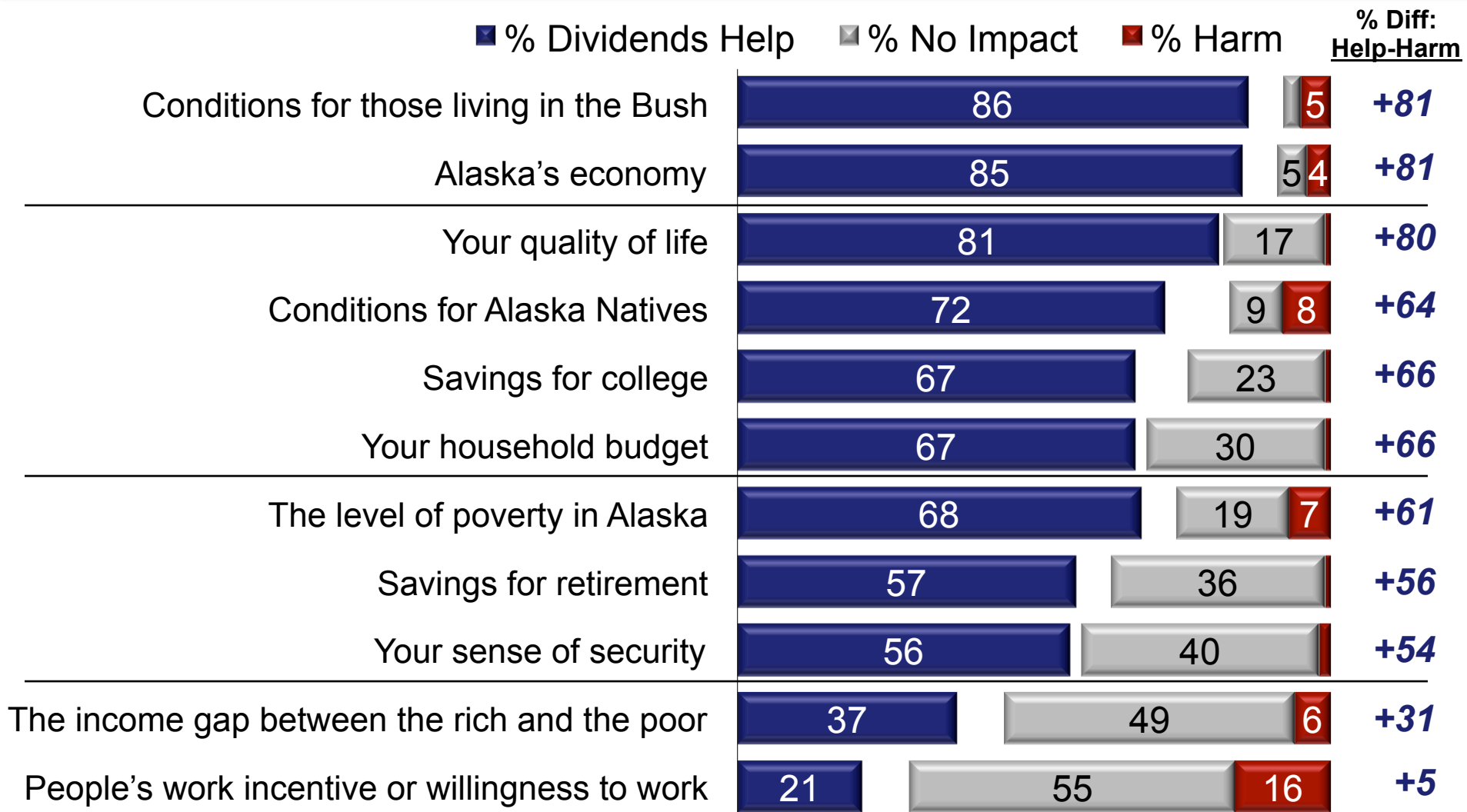
1984 Adult Survey: 48% Agree, 47% Disagree

Many people have wasted a large part of their Permanent Fund checks on such things as liquor or drugs



Alaskans decidedly see PFDs as having a constructive impact upon virtually every individual and aggregate dimension tested

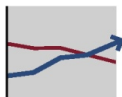
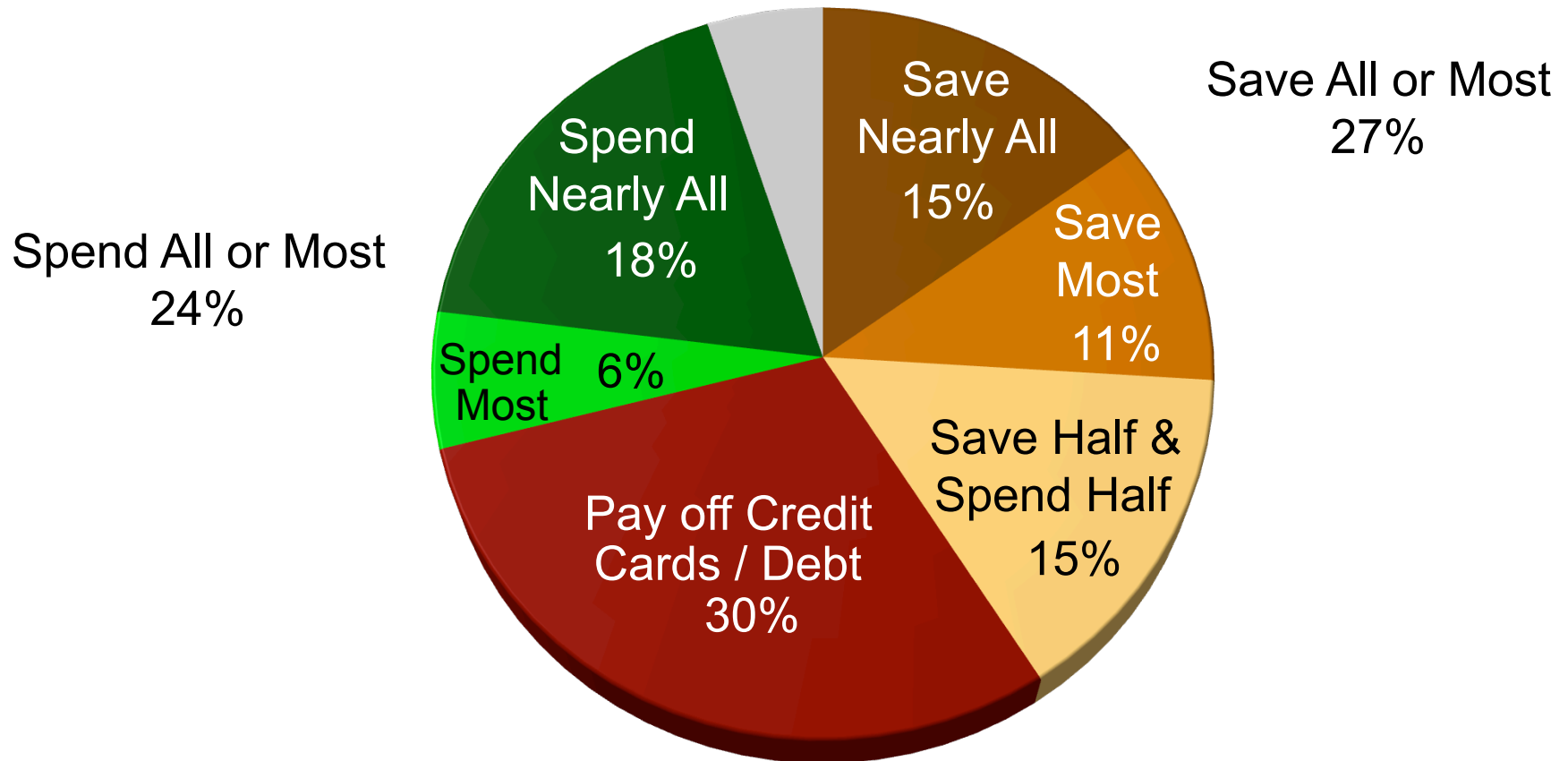
Let me ask about the possible impact of Permanent Fund Dividends on various factors. For each one, please tell me if the PFD dividends help, have no real impact, or harm.



Alaskans use the PFD for
essentials and longer term savings

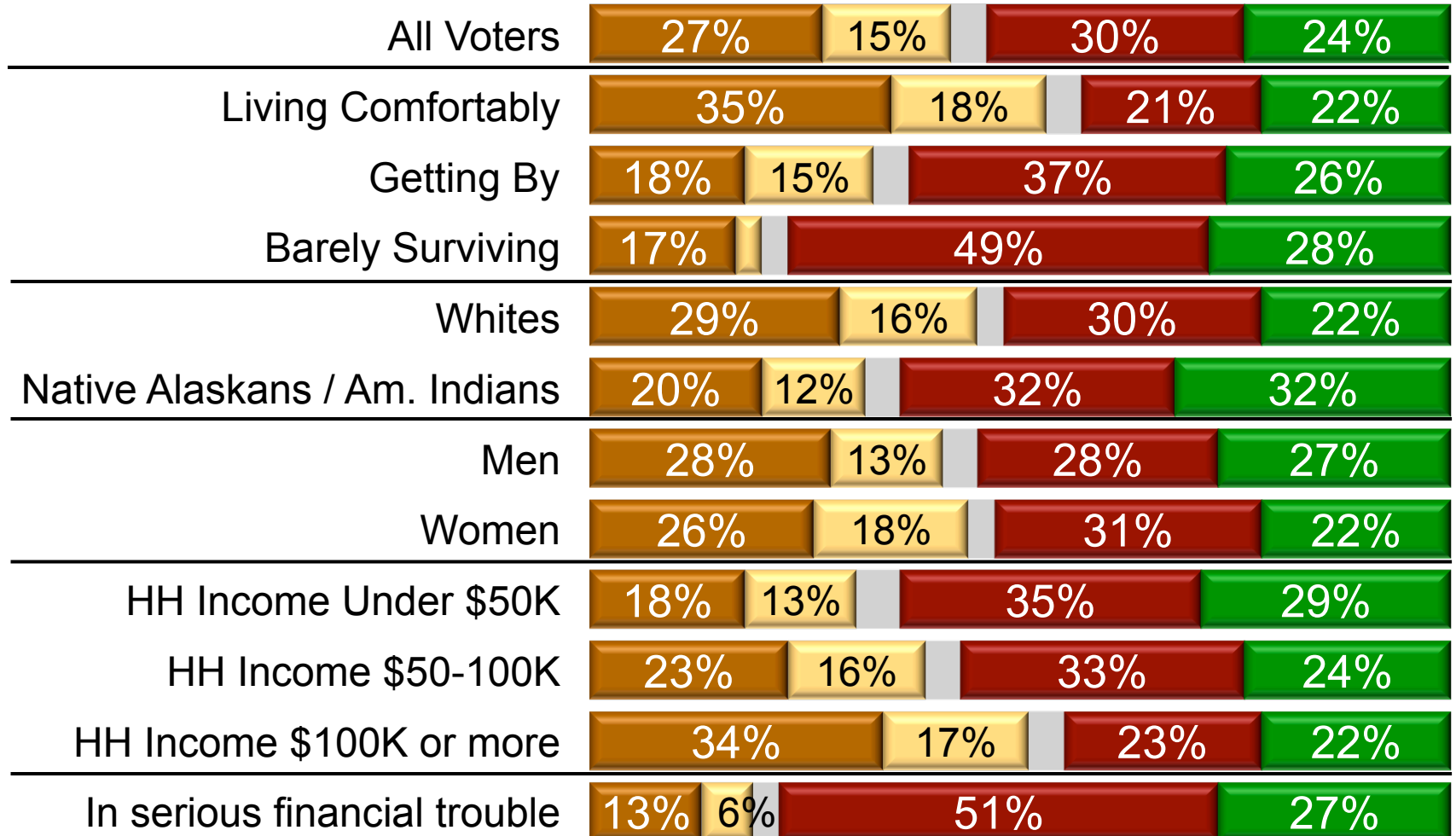
Nearly even opposing 1/4ths report Saving vs. Spending most of their PFDs, while a plurality report paying off debt – itself actually a form of savings

Honestly speaking, most years when you have gotten the Permanent Fund dividend, which one of the following best describes how you have dealt with it?



As expected, the more struggling groups report less direct savings and more paying down credit cards and debt with their PFDs

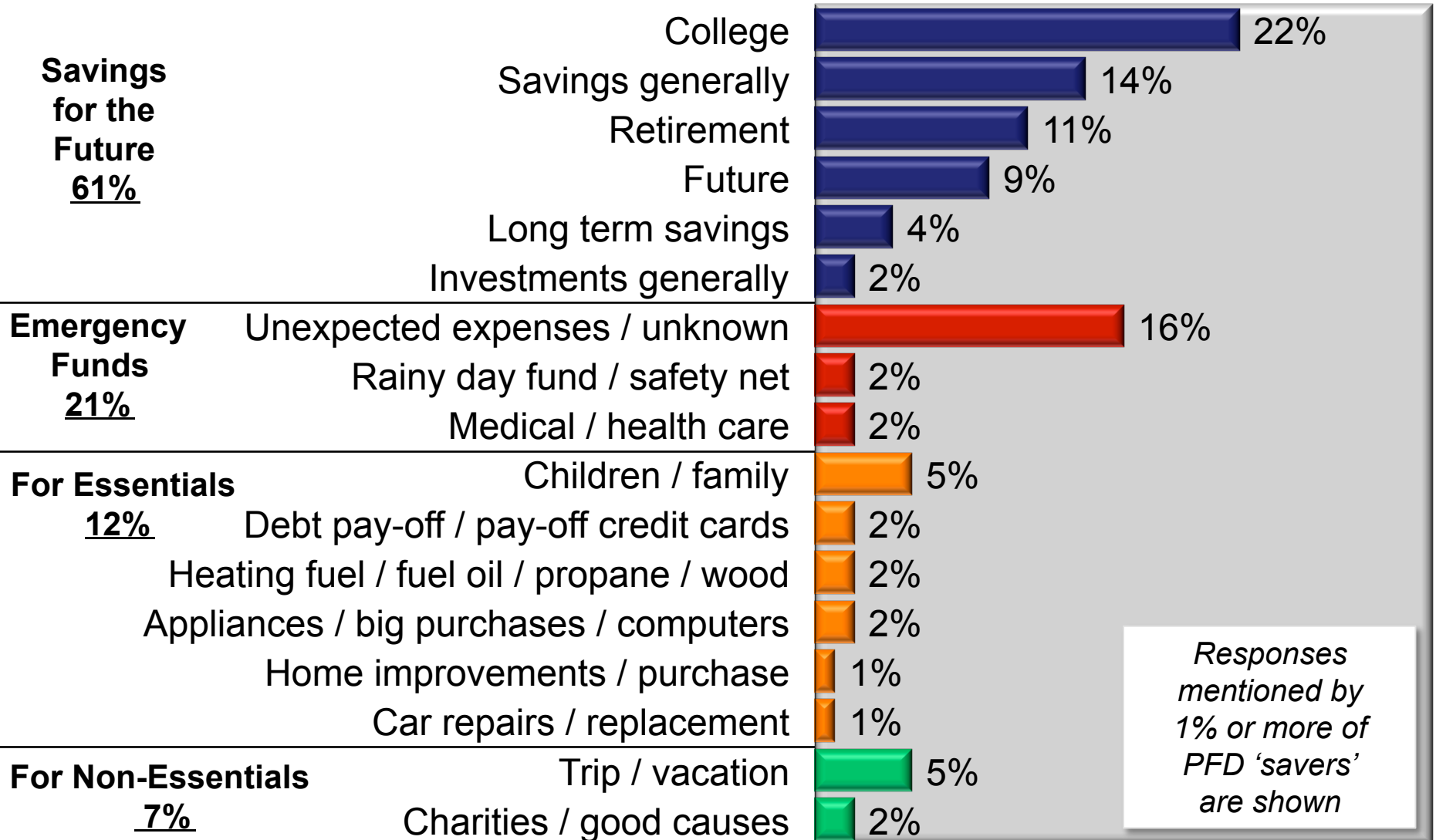
- Save All or Most
- Save Half & Spend Half
- Pay off Credit Cards
- Spend All or Most



Savings from PFD are mostly for the future, and least for non-essentials

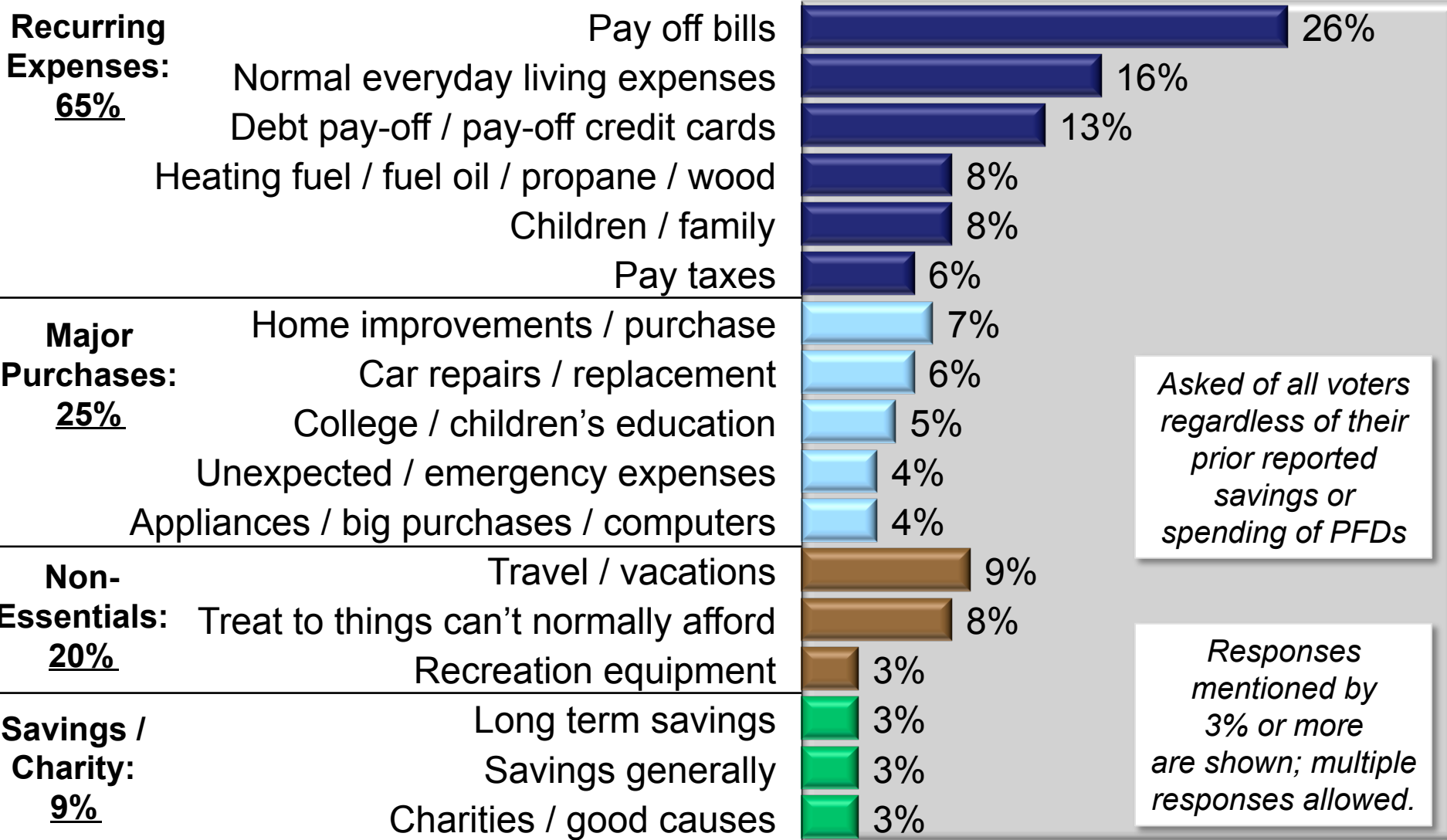
(Volunteered question asked only of those voters who save half, most or all of PFD)

And what specific purpose do you have in mind when you save money from your PFD?



Spending of PFD funds is devoted heavily to recurring expenses and major purchases – and relatively little to non-essentials like travel and luxuries

To the extent that you spend your dividend, what specifically do you tend to spend it on?



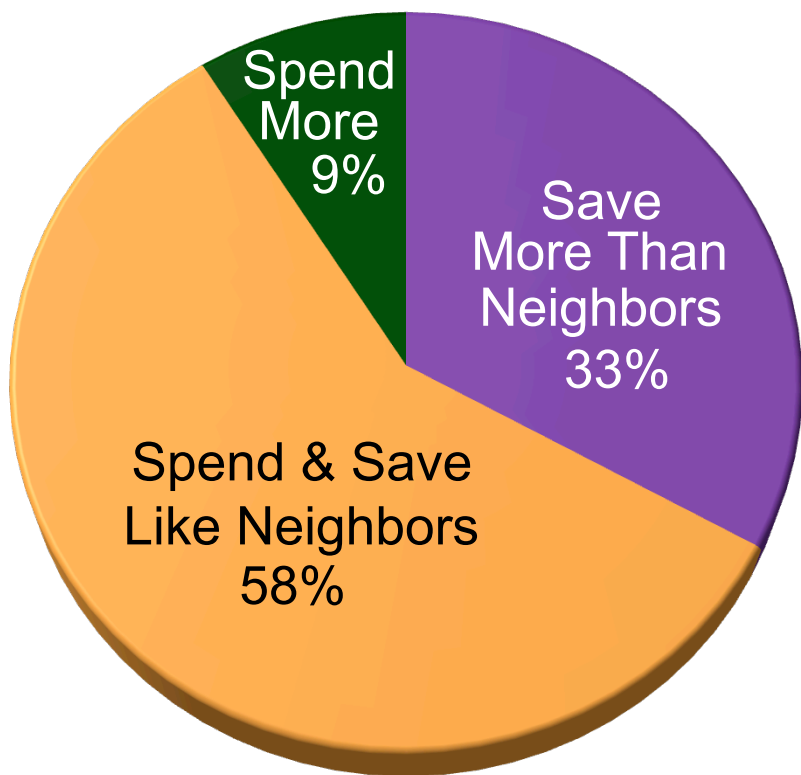
Asked of all voters regardless of their prior reported savings or spending of PFDs

Responses mentioned by 3% or more are shown; multiple responses allowed.

Most Alaskans see their neighbors' PFD spending and saving patterns as similar to their own, although one-third see themselves as saving more

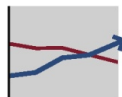
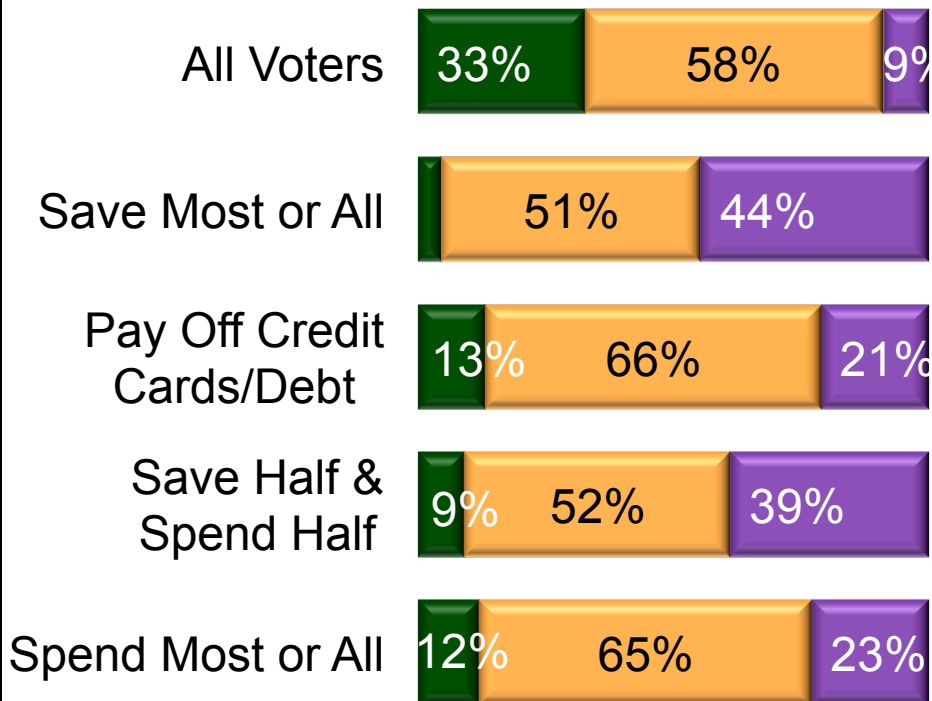
Compared to your neighbors generally, do you think you save more than your neighbors, do you spend more, or do you spend and save about like your neighbors?

All Voters



Neighbors' usage of PFD by Their own PFD Usage:

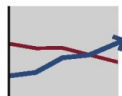
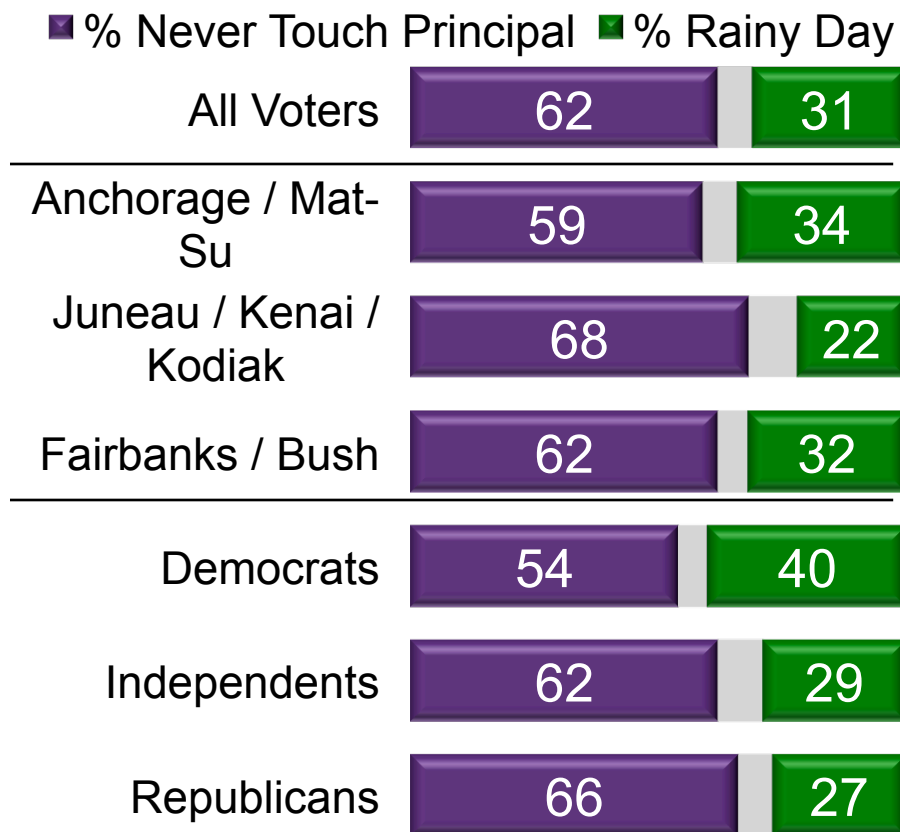
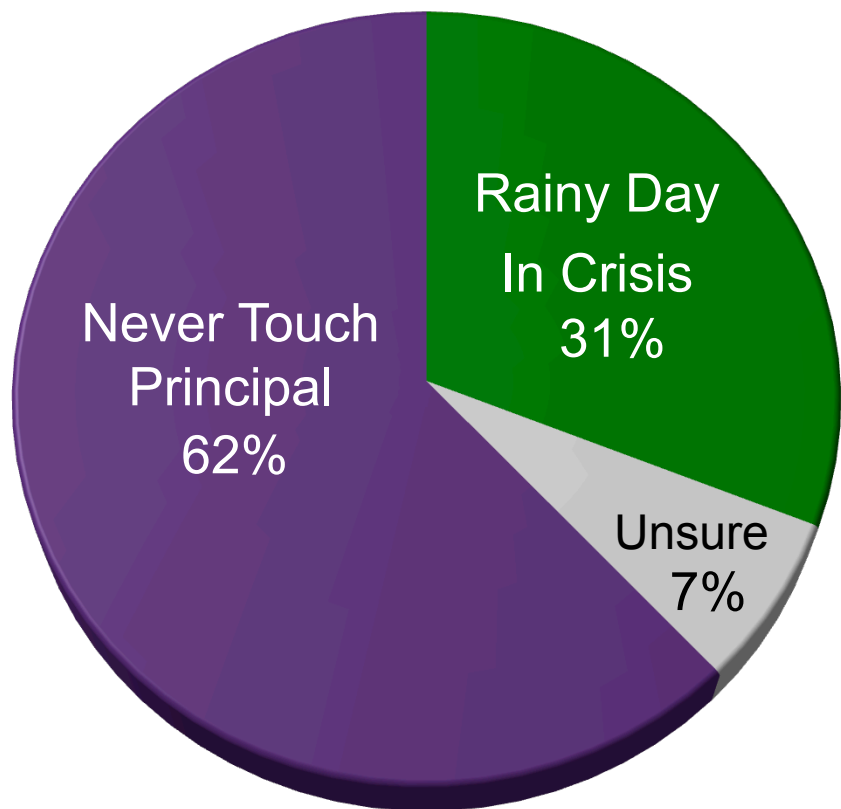
■ Spend More ■ Same ■ Save More



Alaskans endorse the universality
and longevity of the Permanent
Fund and PFDs

By a 2-to-1 margin, a majority of Alaskans prefer the Permanent Fund principal never be touched, not even during hard times or a crisis

Do you think of the Permanent Fund principal money as a kind of rainy-day fund for Alaska to tap into during a crisis or really hard times – or, do you think of the Permanent Fund principal as something that should never be touched and only earnings on it can be used?



While Alaskans strongly favor the universality of PFDs, there is noticeably less intensity of support for wealthy and new resident recipients of PFDs

Let me read you a few features of the Permanent Fund dividends. For each, please tell me if it is something you strongly favor, mildly favor, mildly oppose, or strongly oppose.

■ % Strongly Favor ■ % Mildly Oppose
■ % Mildly Favor ■ % Strongly Oppose

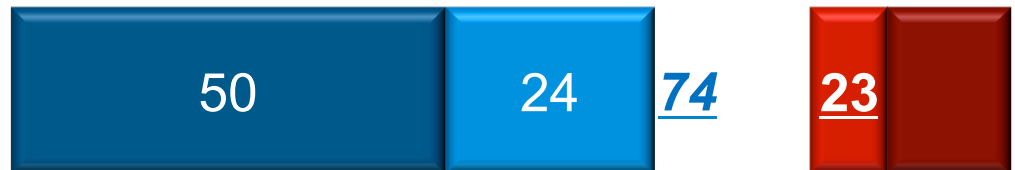
Children from infants to teenagers living in Alaska get it



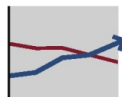
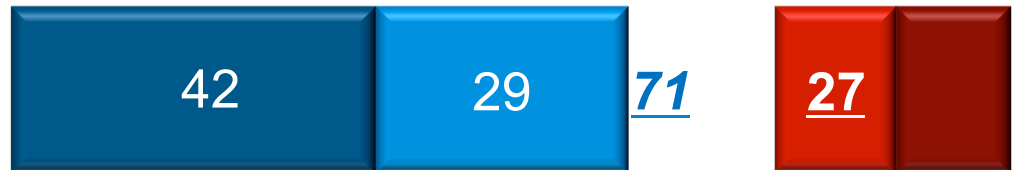
Everyone who is basically a full-time resident of Alaska gets it



Millionaires and multi-millionaires living in Alaska get it



Newer residents who have lived in Alaska for the past year-and-a-half get it

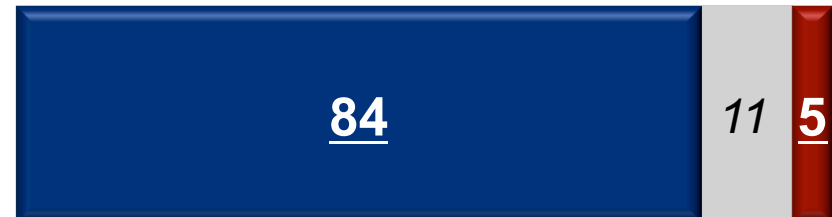


Alaskans react to statements on the Permanent Fund and entitlement

I'd like to know the extent to which you agree or disagree with the following statements.

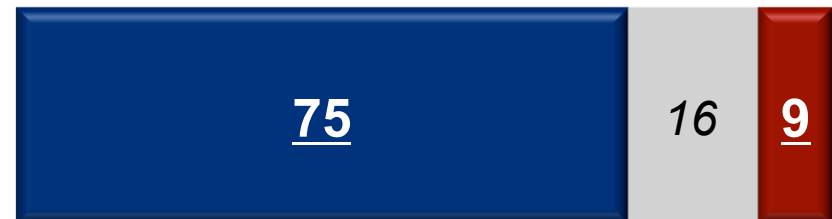
■ % Agree ■ % Mixed/Unsure ■ % Disagree

As owners of the Alaska Permanent Fund, Alaska residents are entitled to an equal share of the earnings of the Fund



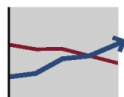
1984 Adult Survey: 78% Agree, 12% Disagree

Giving money directly to Alaska residents is better than letting the Alaska legislature decide how to spend it



1984 Adult Survey: 75% Agree, 16% Disagree

Considering the possible uses of the money spent on the Permanent Fund dividend program, the dividend program is the best use of the money

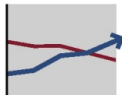
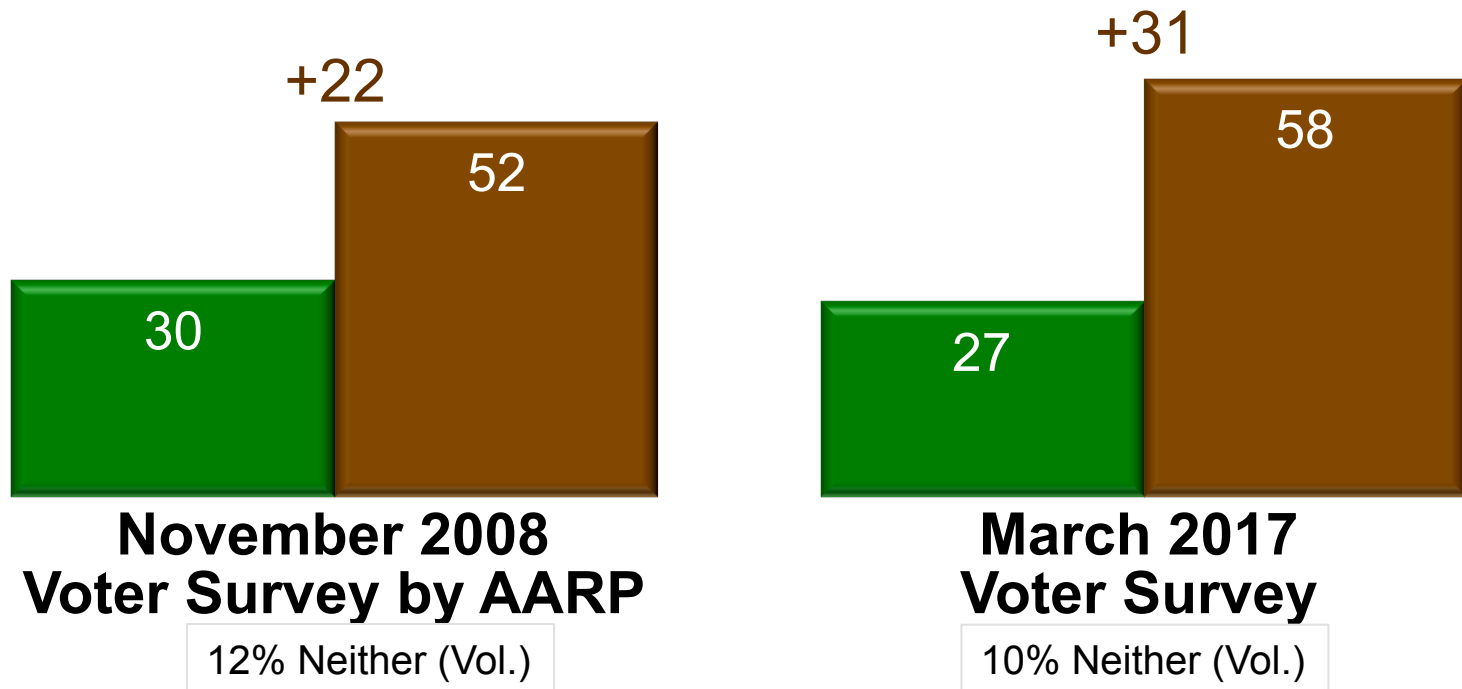


Majorities of Alaskans increasingly want to protect full PFDs even if it means taxing others or themselves

Alaskans' preferences have grown since 2008 for using a state sales or income tax instead of the Permanent Fund to pay for government services

To pay for government services in Alaska, if you had to choose between using part of the Alaska Permanent Fund – or paying a state tax such as a sales or income tax, which would you prefer?

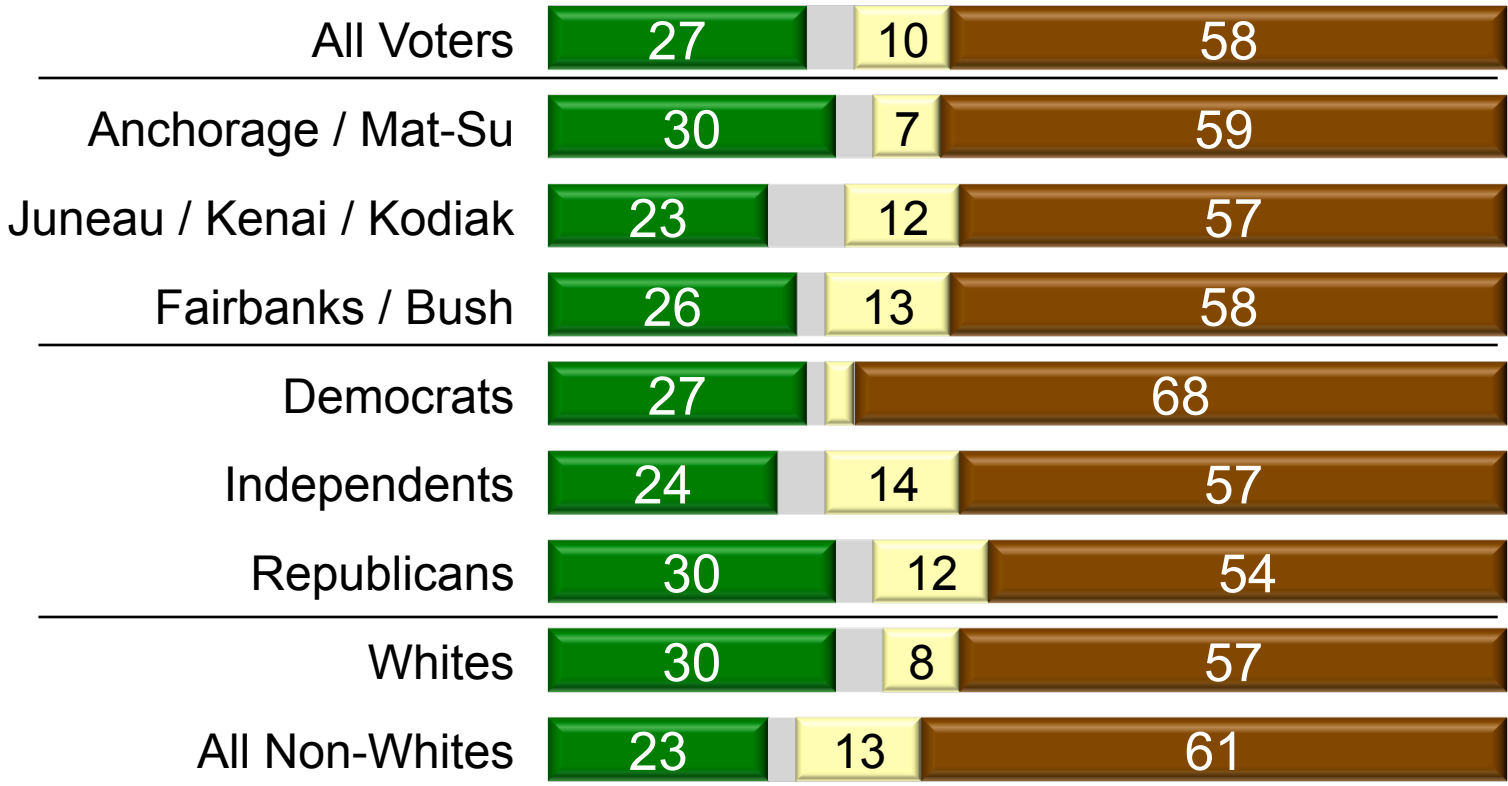
- % Use Permanent Fund to Pay for Government Services
- % Use a State Tax to Pay for Government Services



A majority of voters in 2017 prefer to pay a state income or sales tax rather than pay for government services using the Permanent Fund

To pay for government services in Alaska, if you had to choose between using part of the Permanent Fund, or paying a state tax such as sales or income tax, which would you prefer?

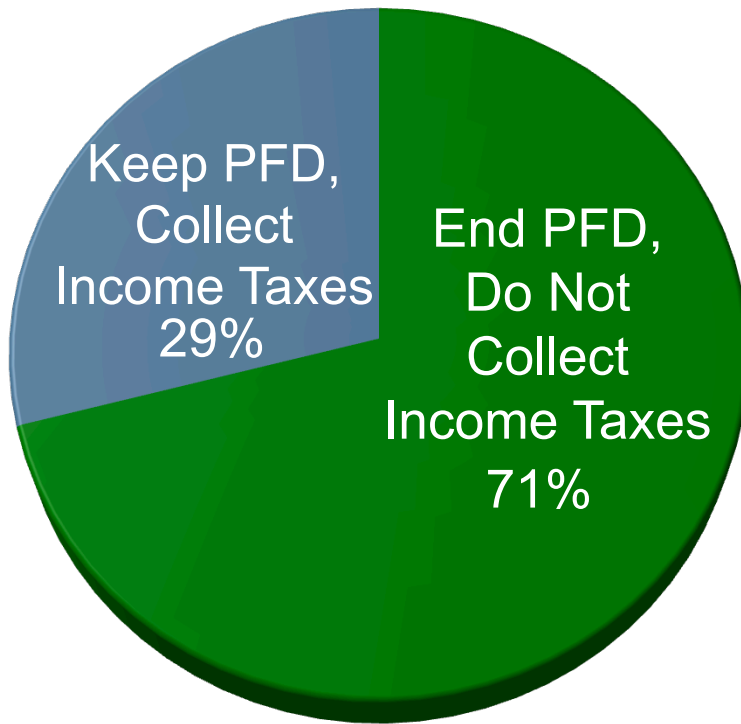
- % Use Permanent Fund to Pay for Services
- % Neither of these options (Volunteered response)
- % Use a State Tax to Pay for Services



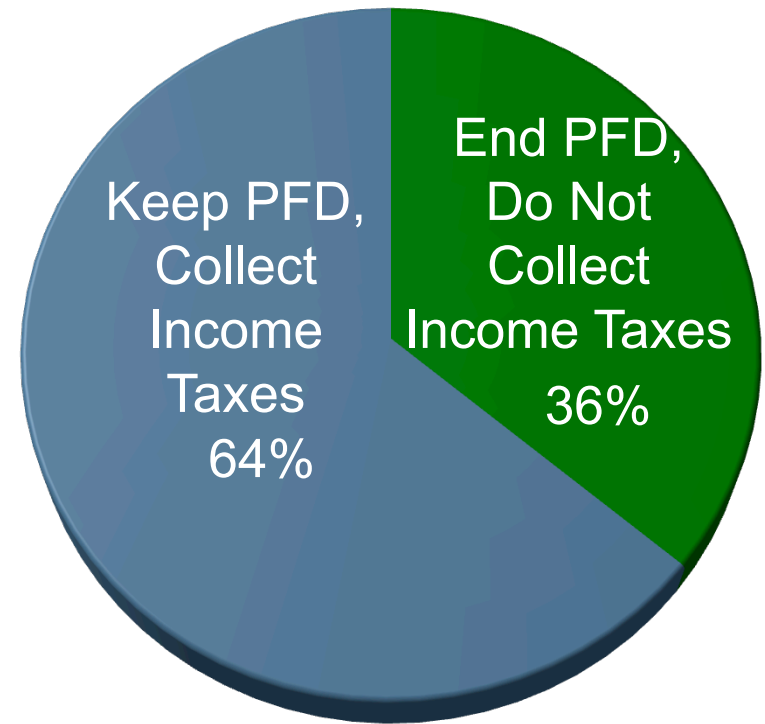
Since 1984, Alaskans' preferences have switched dramatically, and now they much prefer to keep the PFD and collect income taxes for state services

Some people believe that by about 2020, Alaska will not have enough money for current levels of state government services. If that happened, would you prefer the state keep the dividend program and collect income taxes, or end the dividend program and not collect income taxes?

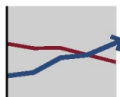
**May 1984 U.A.
ISER Adult Survey ***



March 2017 Voter Survey

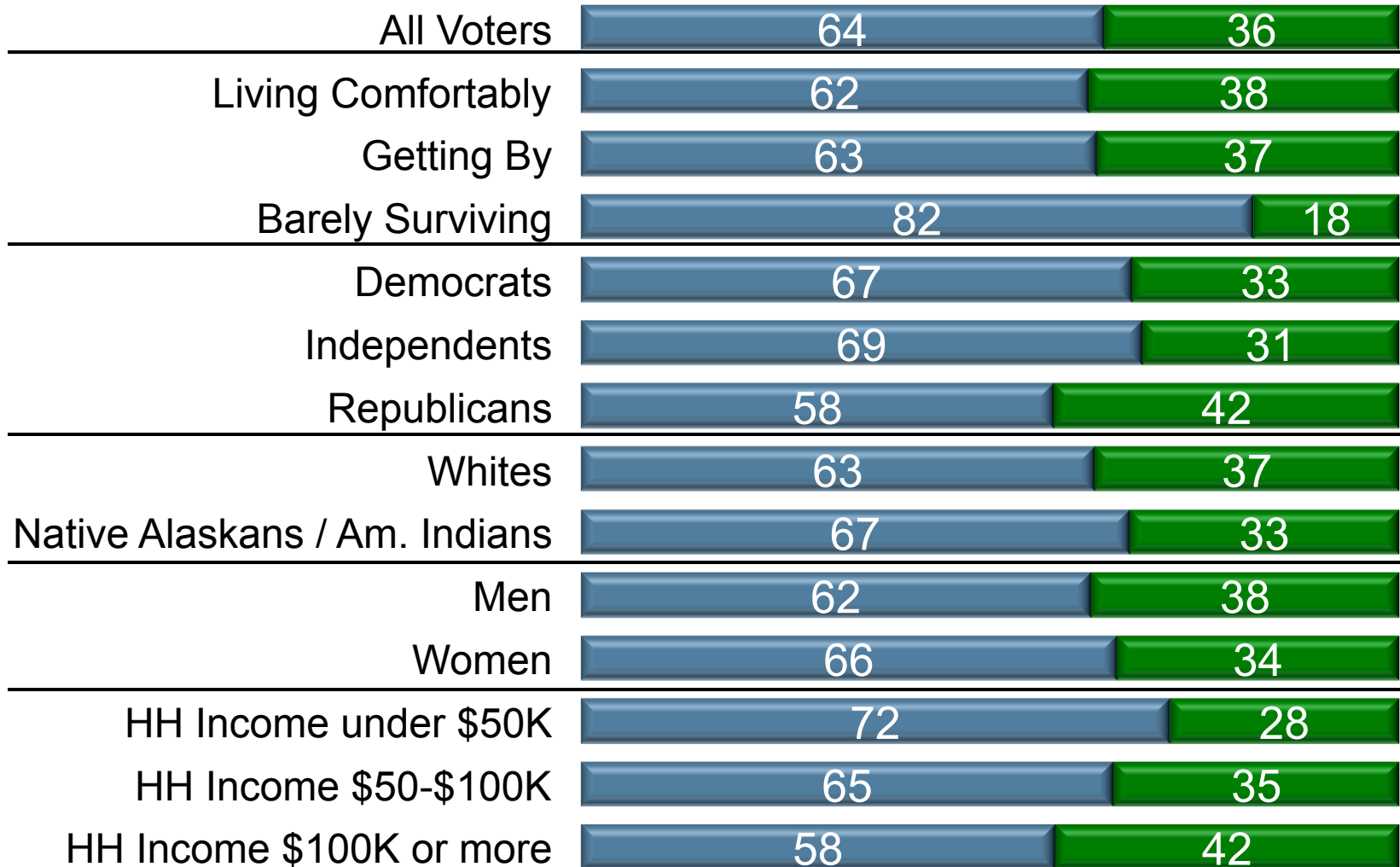


*1984: "Some people believe that by the end of the 1980's..."



Alaskans' current preference for keeping the PFD and collecting income taxes includes sizable majorities of Democrats, Independents and Republicans

■ % Keep Dividends, Collect Taxes
■ % End Dividends, Not Collect Taxes



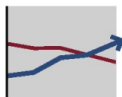
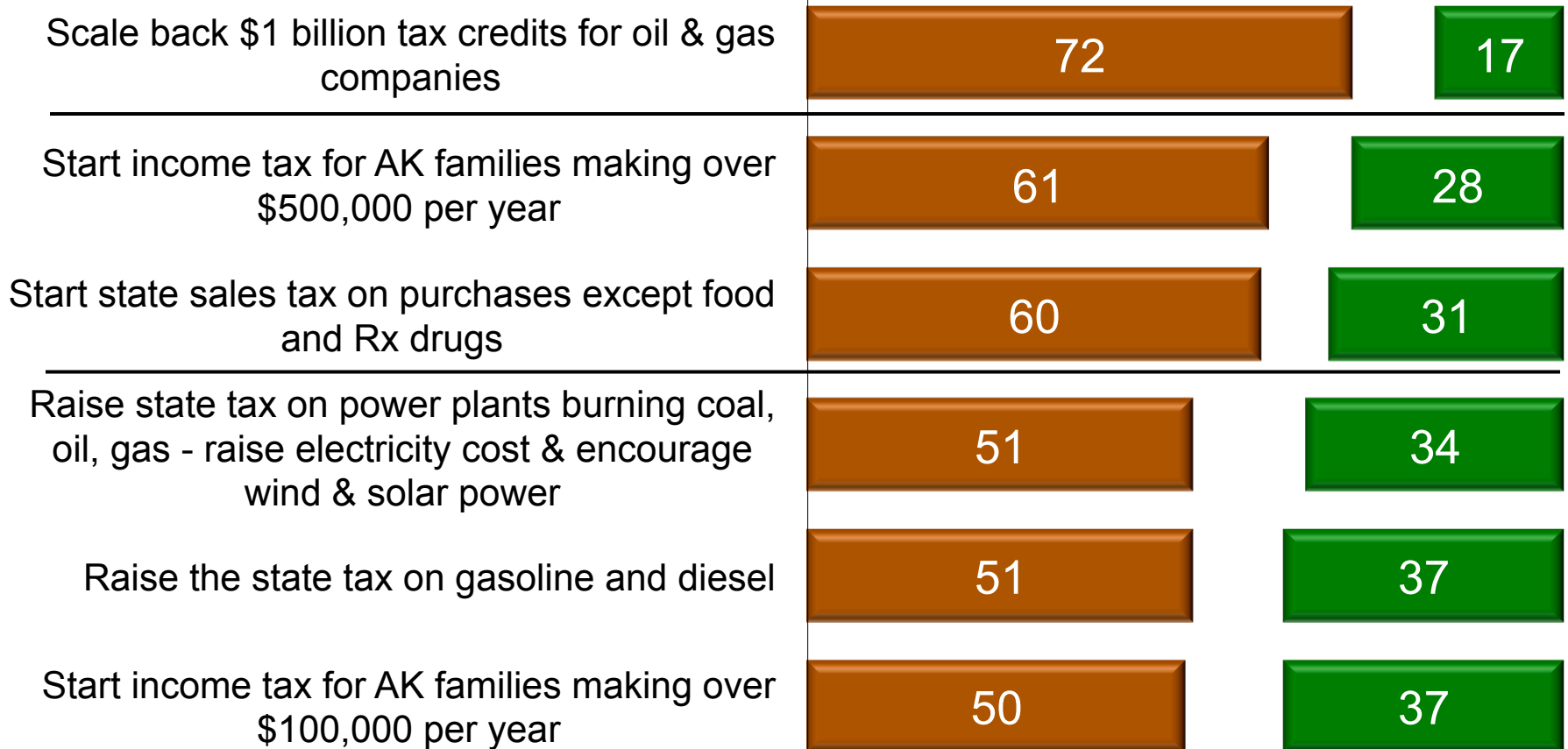
Majorities of Alaskans prefer a variety of tax increase alternatives to halving the PFD annual amount

Largely due to lower oil prices & production, state government is facing an ongoing budget deficit. To help solve this budget deficit, here a few pairs of policy choices...

Would you choose [read item] -- or cutting the normal PFD yearly dividend amounts in half?

■ % For Tax Increase

■ % Halve PFD

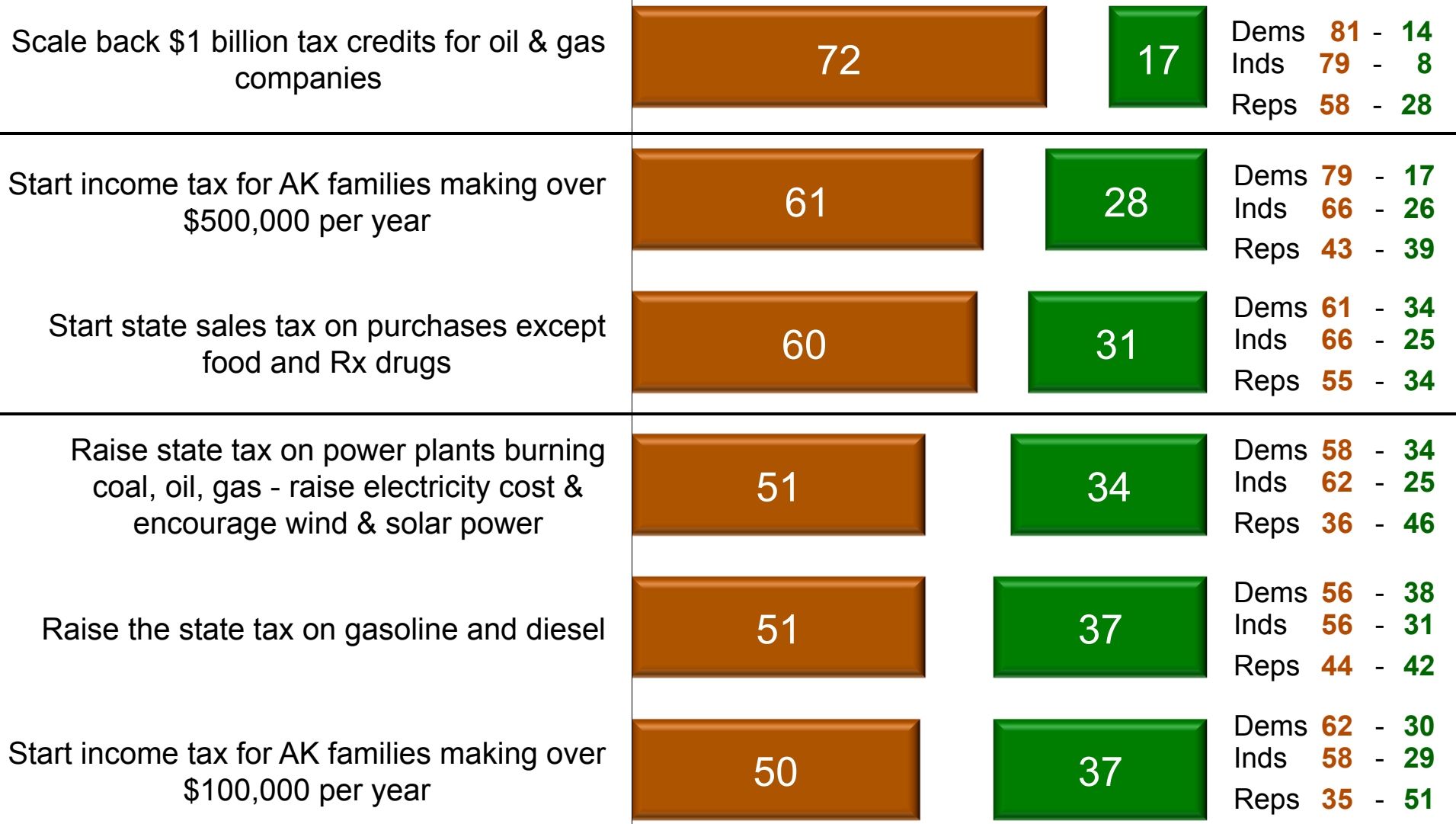


All tax hike alternatives to halving the PFD elicit majority support from Democrats and Independents; most alternatives draw majority or plurality support from Republicans

Would you choose [item] -- or cutting the normal PFD yearly dividend amounts in half?

■ % For Tax Increase ■ % Halve PFD

Preferences by Partisanship:

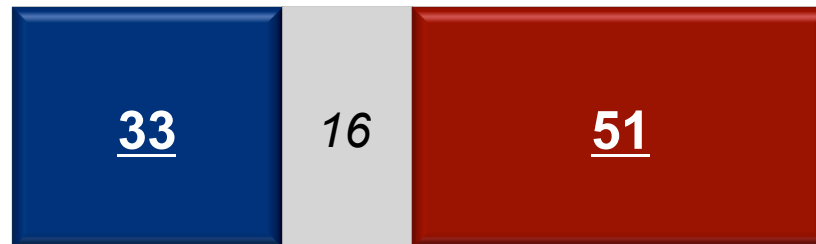


Alaskans react to statements about the PFD and income

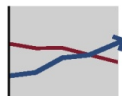
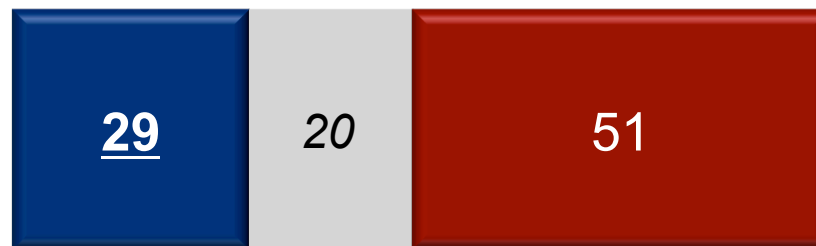
I'd like to know the extent to which you agree or disagree with the following statements.

■ % Agree ■ % Mixed/Unsure ■ % Disagree

To help ensure that most Alaskans continue to get a full PFD amount in the coming years, we should no longer pay it to households with incomes over \$500,000 a year



Rather than have the PFD amount vary from about \$1000-\$2000 a year, I would prefer if the dividend were always kept at a fixed amount every year – like \$1500

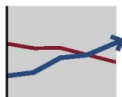
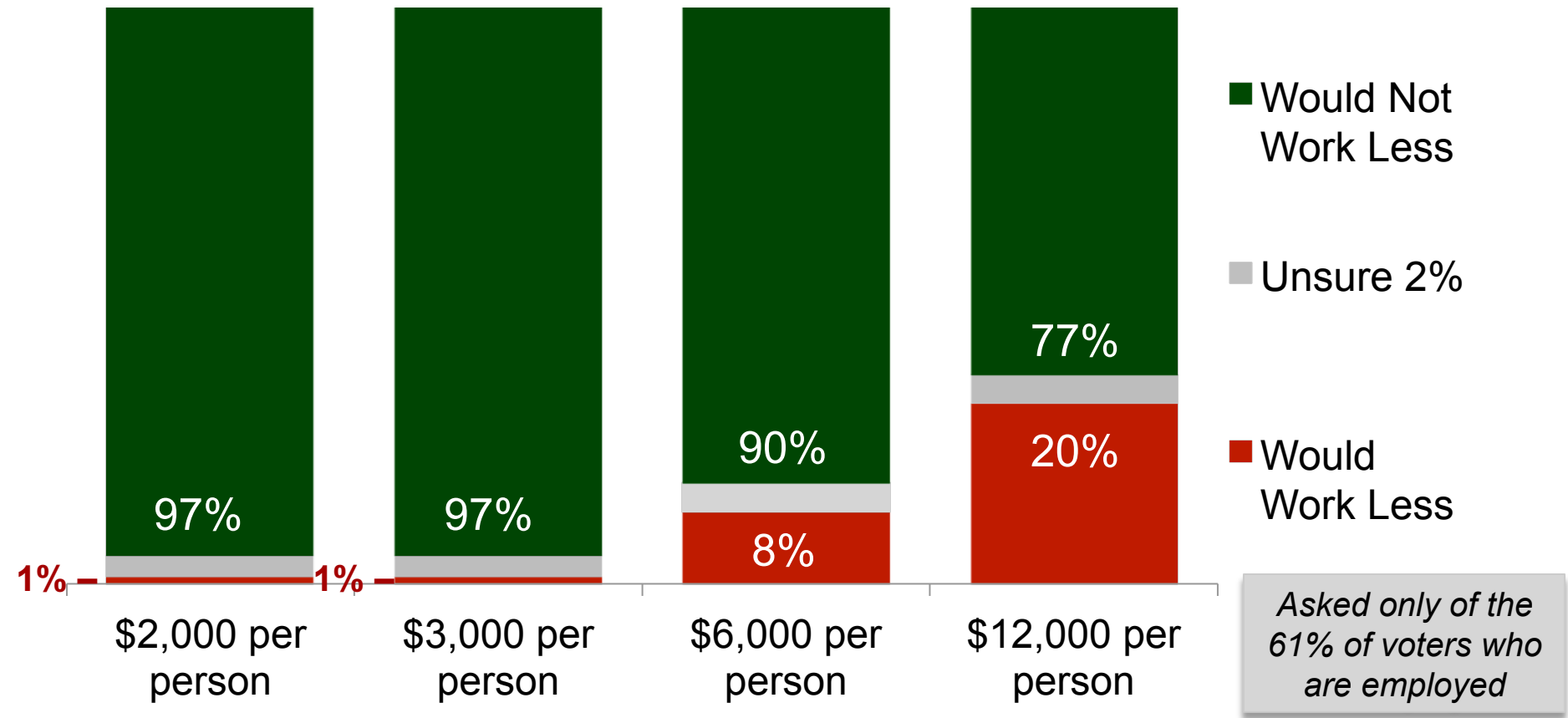


Today's PDF is seen as having no discernible effect on work ethic, though it does have some incremental effect on financial risk-taking

As tested here among employed Alaskans, even a PFD of \$6,000 per person would make an incremental but very marginal impact upon their own inclination to work

At some amounts the Permanent Fund dividend might prompt some people to **work less** – like working fewer hours, cutting back to a part-time, not moonlighting, etc....

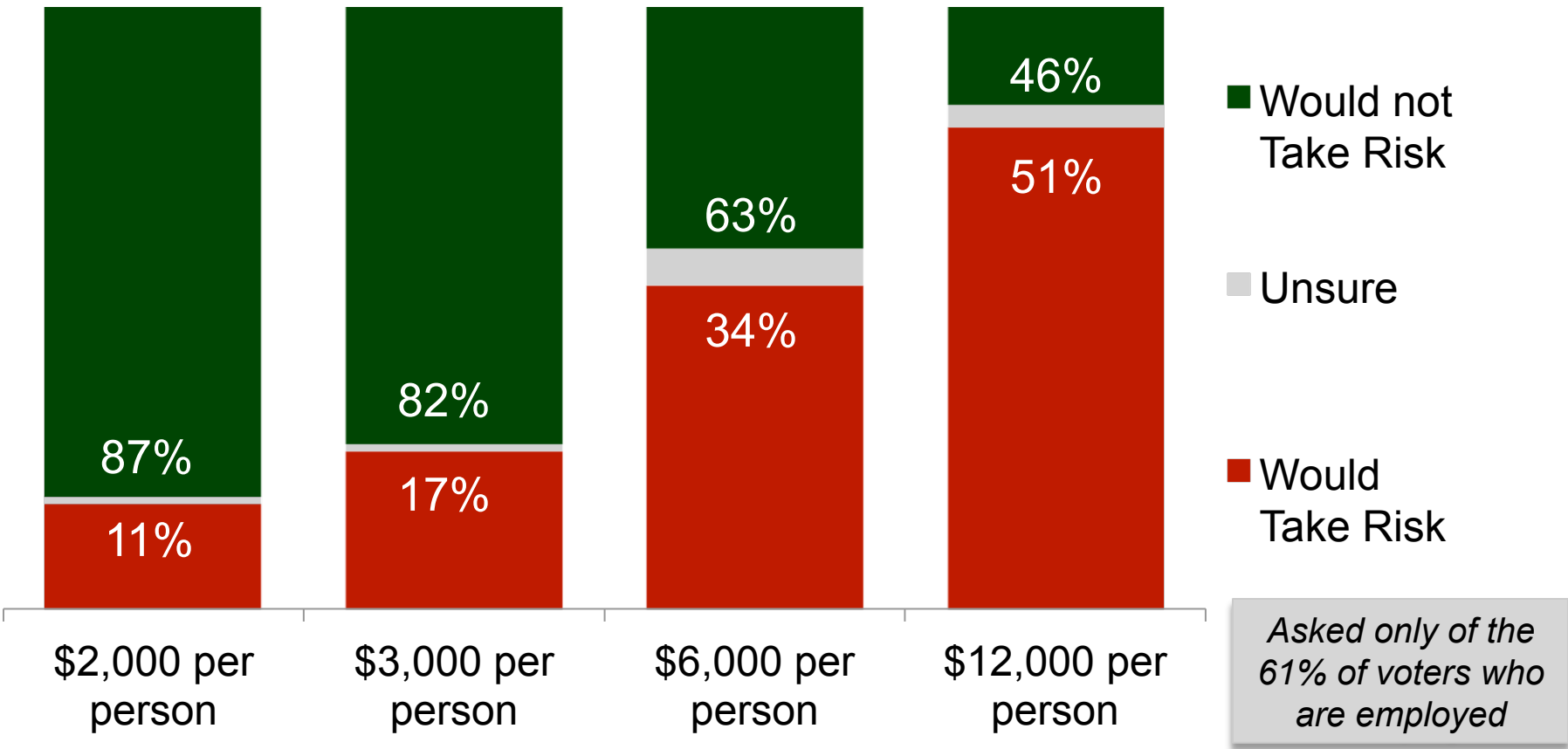
Would a regular yearly dividend amount of [*\$ per person*] make you work less, or not?



Notably, a \$2000 PFD appears to create a small receptivity to financial risk on the part of employed Alaskans, and much larger PFDs multiple that inclination

Depending on the amount, getting a Permanent Fund dividend might cause some people to **take a financial risk or choice** – like quitting a job, starting a business, retiring sooner, etc.

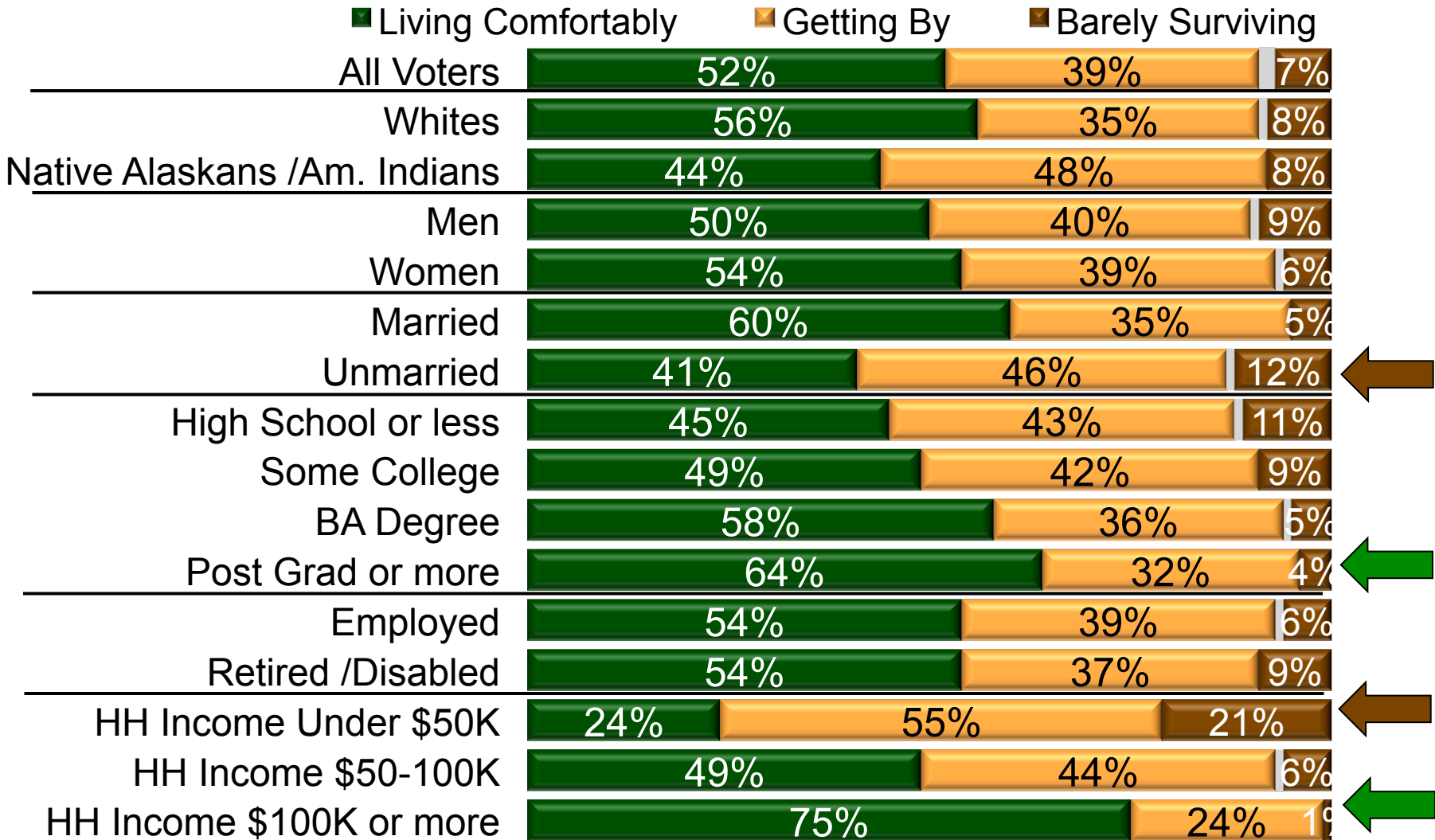
Would a regular yearly dividend amount of [\$\$] prompt you to take a financial risk, or not?



Alaskans clearly feel the effect of the changing economy — mostly seen as a change for the worse

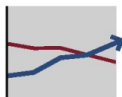
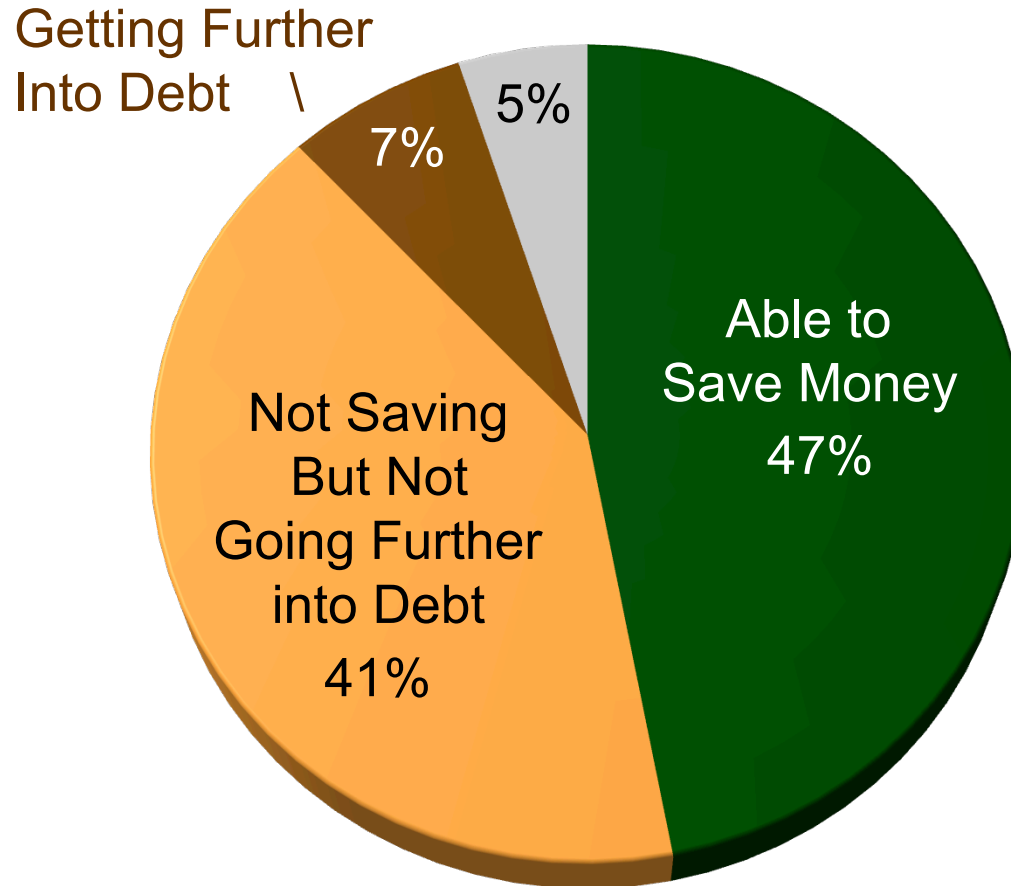
Very few Alaskan voters describe their own economic situation as 'barely surviving,' while about half say they are 'living comfortably'

Which one of the following three statements best sums up your own personal economic situation these days: Living comfortable, Getting by, or Barely surviving?



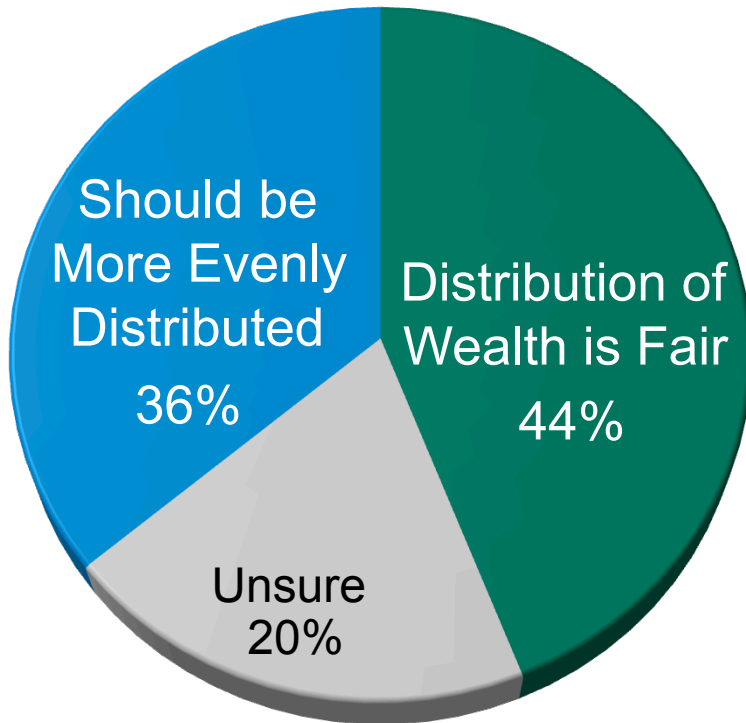
About half of Alaska voters report being unable to save money these days

And which one of the following best sums up your savings or debt these days?

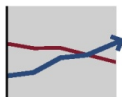
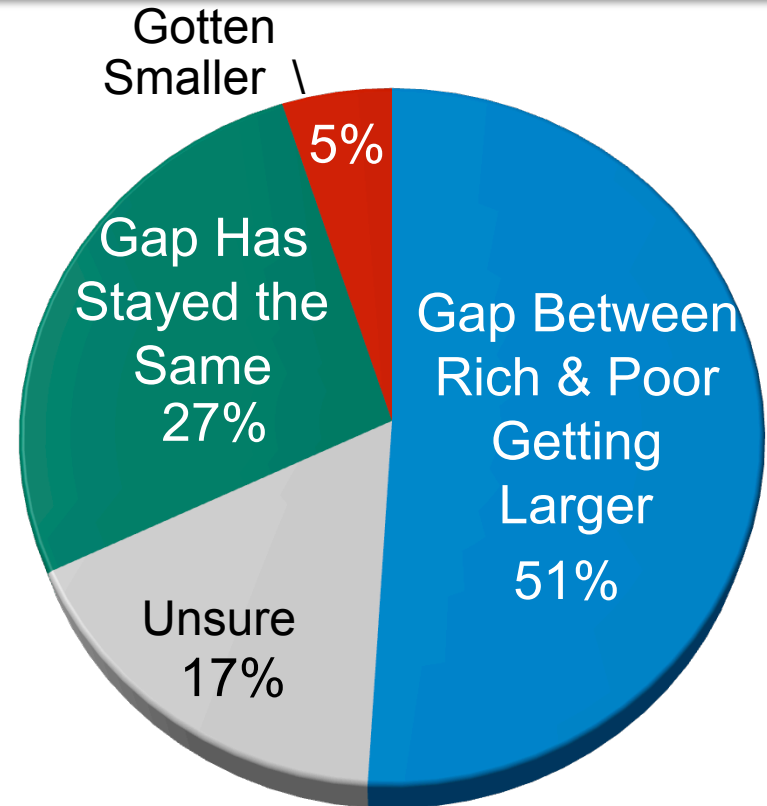


A slim majority of Alaskans see the gap between rich and poor as getting larger, but they are divided on the fairness of the distribution of wealth

Do you feel that the distribution of money and wealth in Alaska is fair, or do you feel that the money and wealth in Alaska should be more evenly distributed among more people?

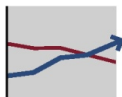
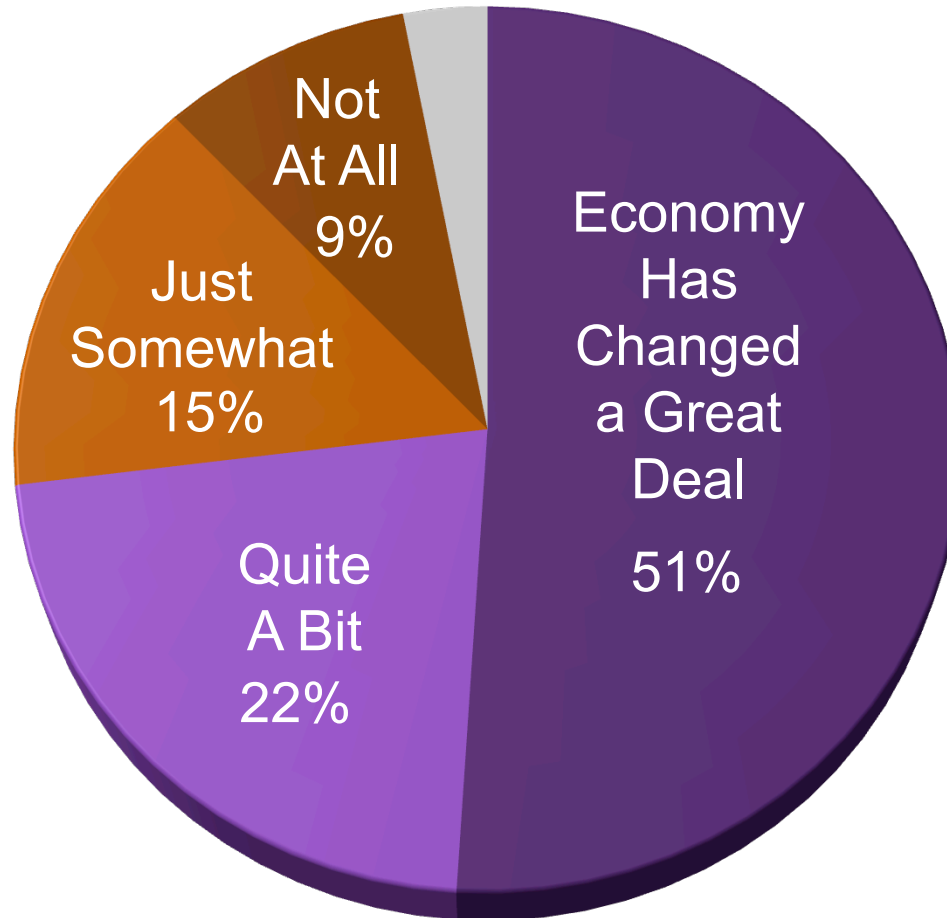


Over the past 15 years or so, do you think the gap between the rich and the poor in Alaska is getting larger, getting smaller, or has stayed the same?



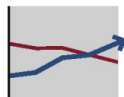
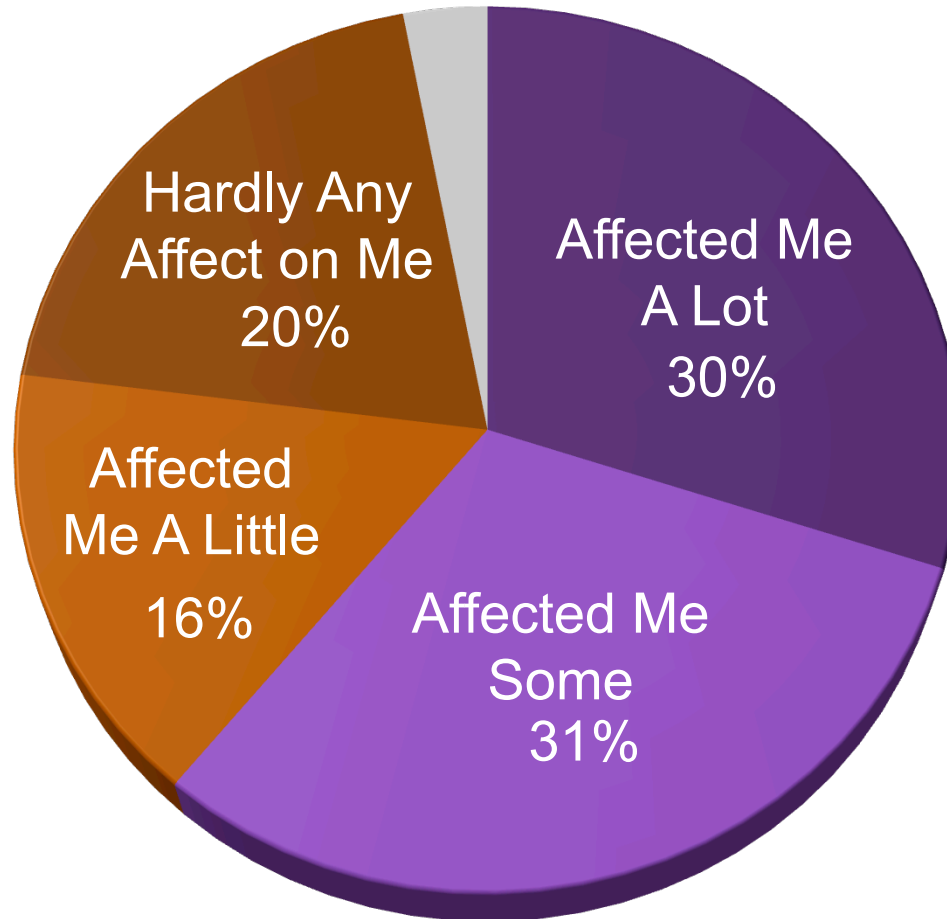
Three-fourths of Alaskans perceive a great deal or quite a bit of change in the economy over the past 25 years

Compared to 25 years ago, how much do you think the economy has changed – a great deal, quite a bit, just somewhat, or not much at all?

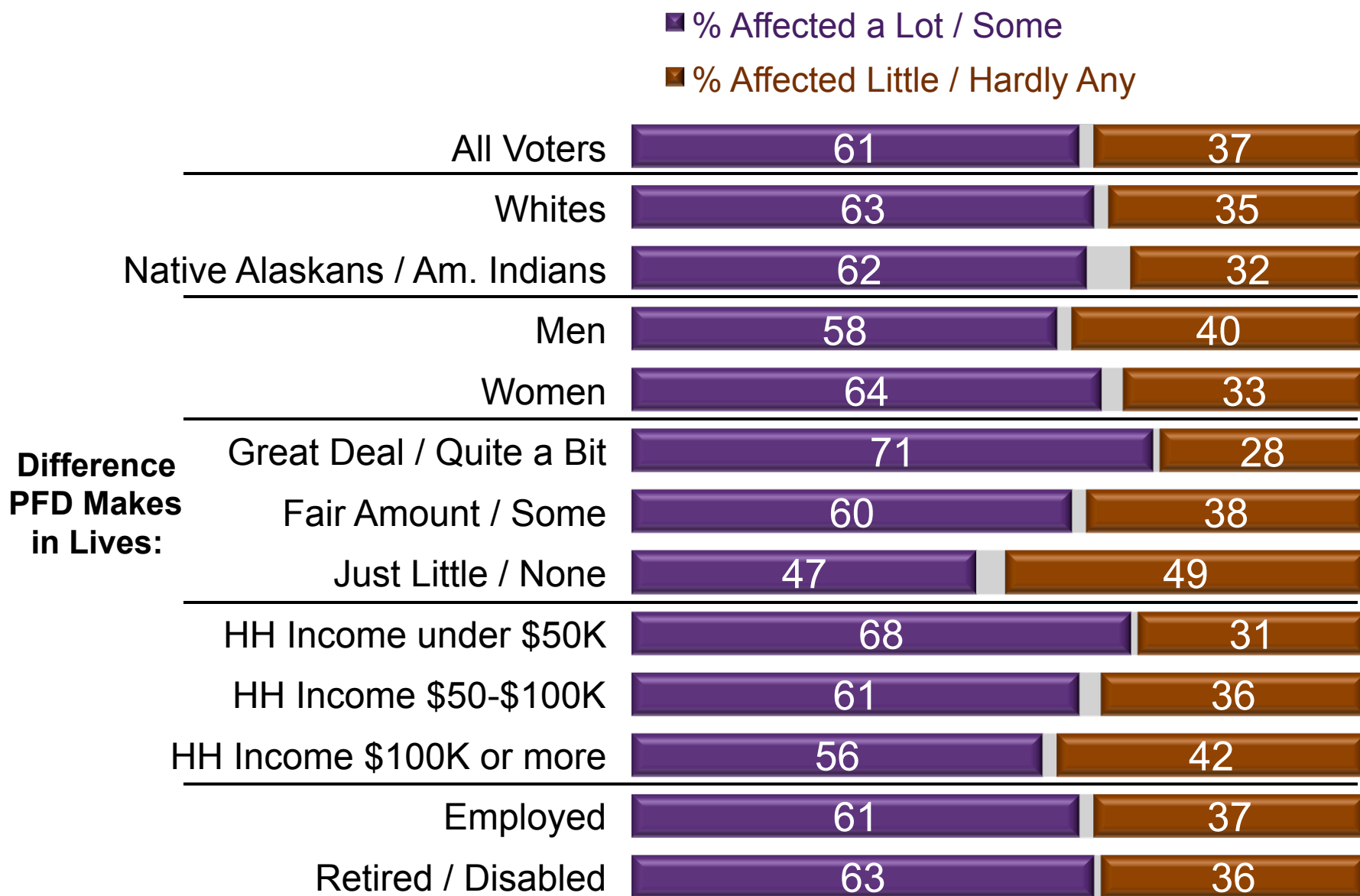


A three-fifths majority of Alaskans report that the changing economy has affected them a lot or some

And how much impact do you think the changing economy has had on you – has it affected you a lot, some, a little, or hardly any?

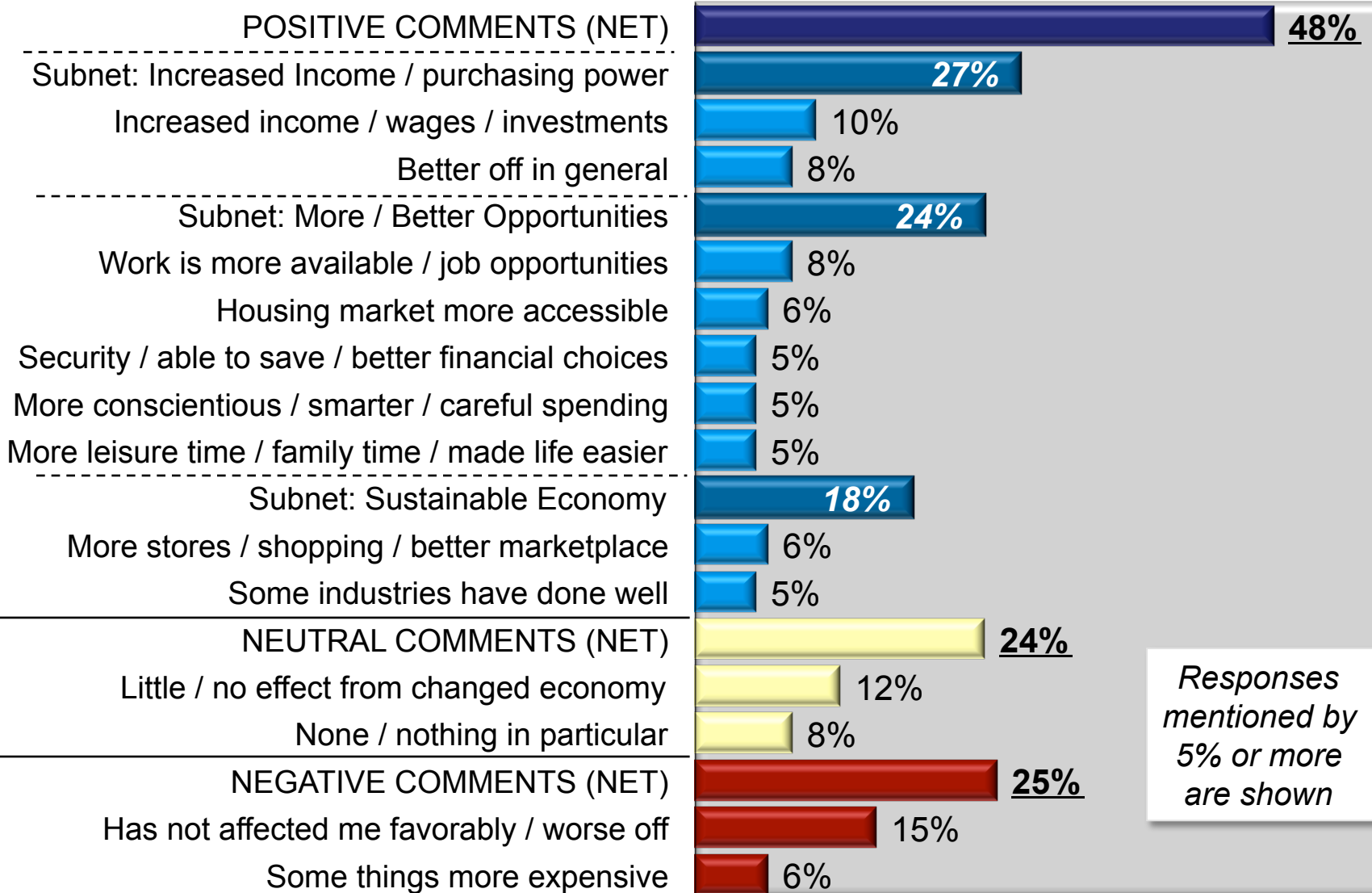


The changing economy has affected Alaskans from all walks of life, especially those with lower household incomes



Volunteered positive effects of a changing economy include increased income and opportunities, but half the voters can't volunteer an improvement

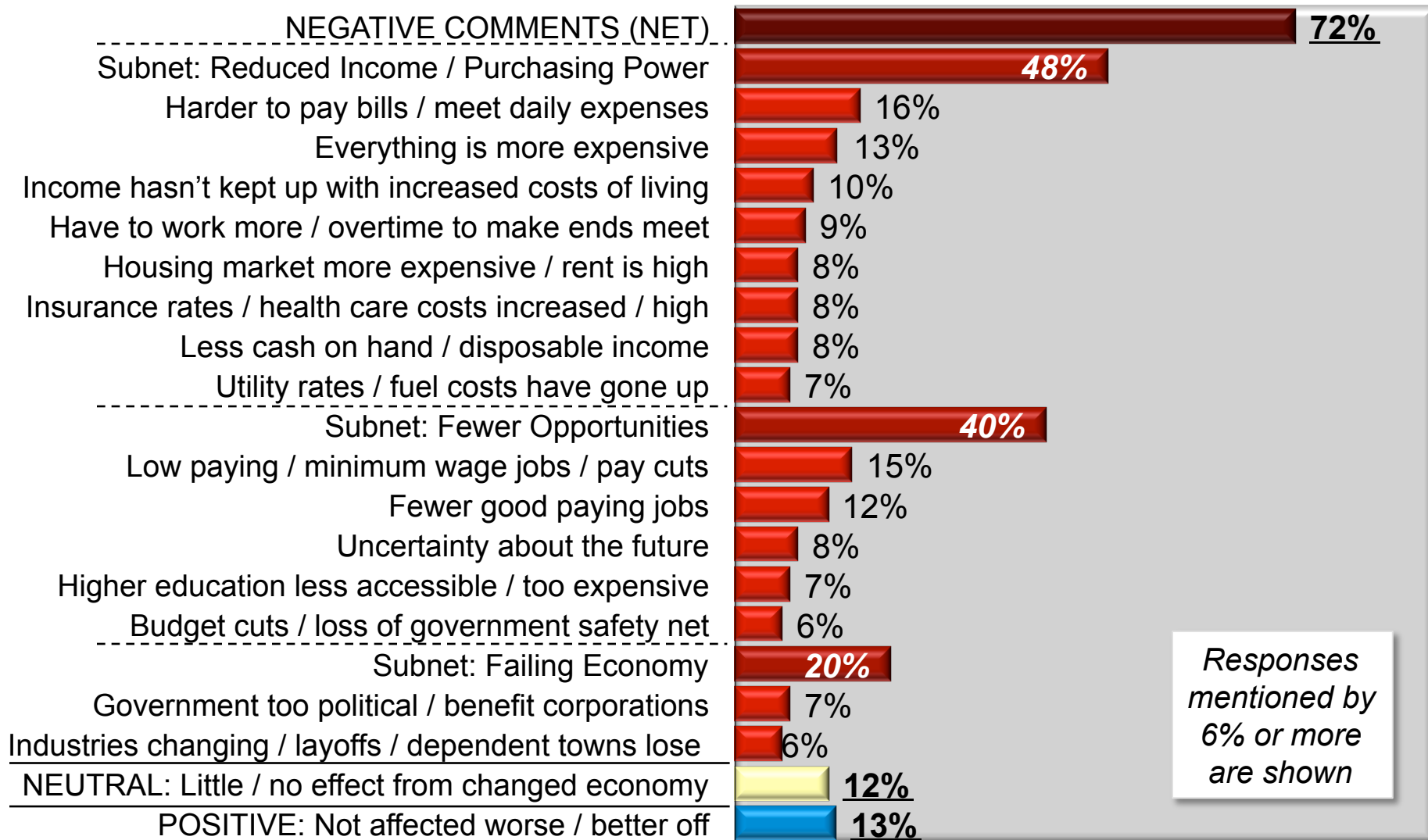
In what specific ways do you think the changing economy has affected you for the better?



Responses mentioned by 5% or more are shown

The changing economy has meant increased costs of living and diminished opportunities for good jobs and incomes – with 3/4s able to volunteer its downsides

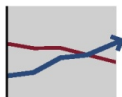
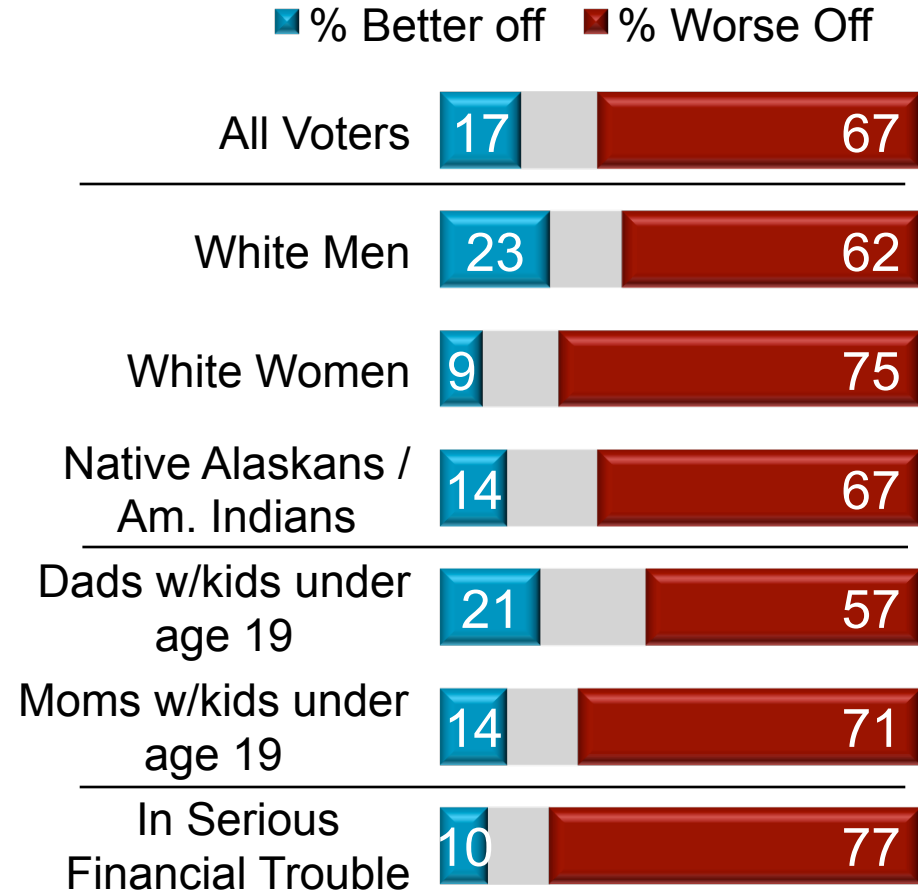
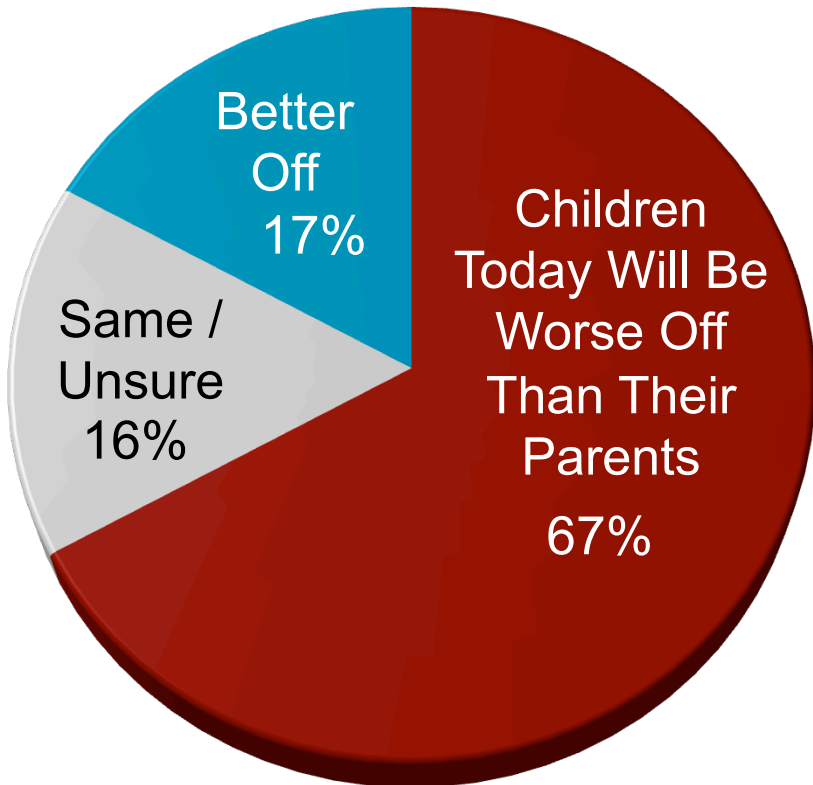
In what specific ways do you think the changing economy has affected you for the worse?



Responses mentioned by 6% or more are shown

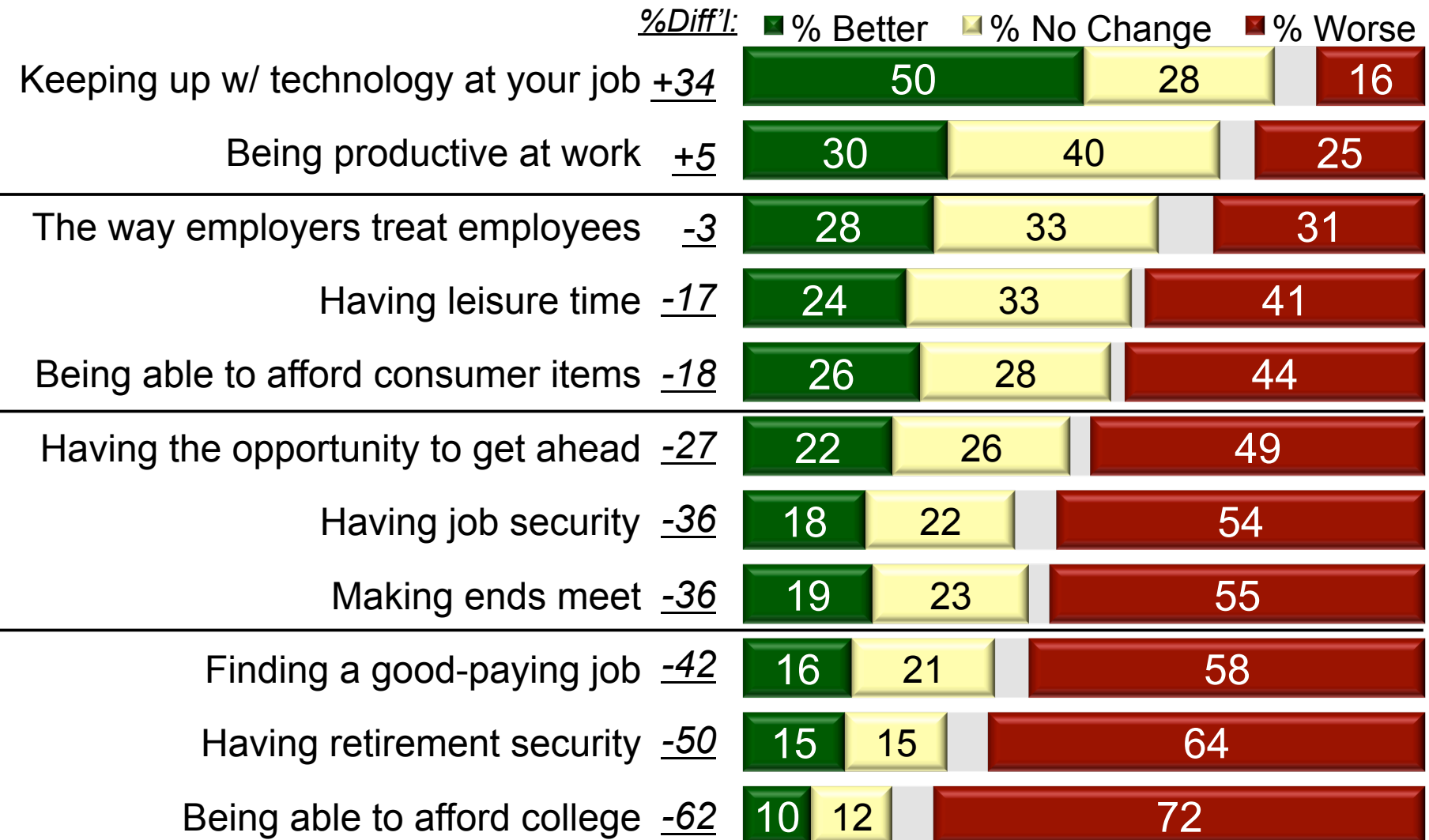
Fully two-thirds of Alaskans anticipate a declining financial future for today's children, becoming worse off than their parents

When children today in our country grow up, do you think they will be better off or worse off financially than their parents?



On most dimensions tested, Alaskans tend to see the changing economy as making things worse – especially on the personal financial front

A changing economy has altered some things for the better, some things for the worse, and not altered some things. I'm going to read you various aspects and, for each one, please tell me if you think things have gotten ...better ...worse, or not really changed either way.

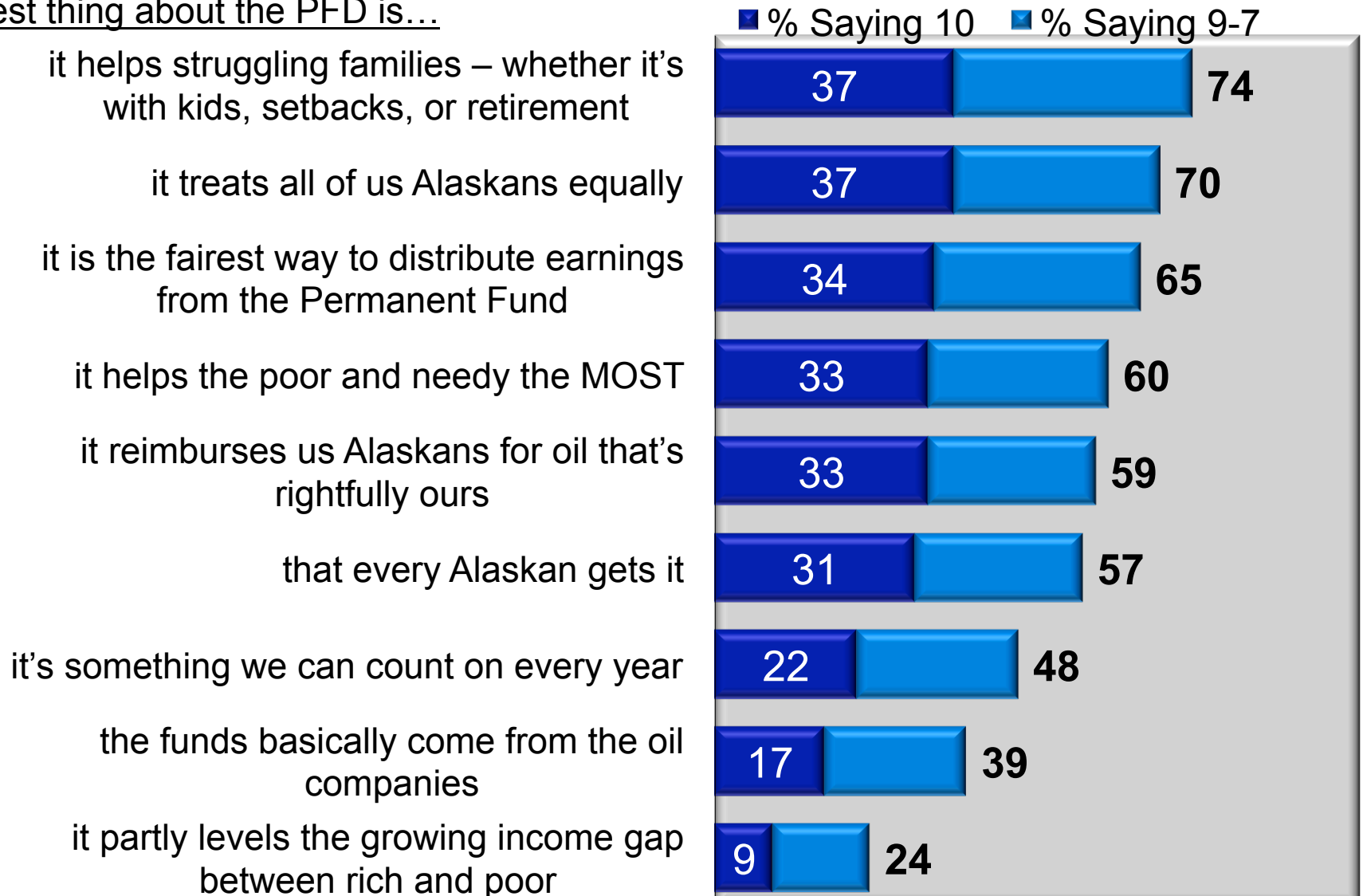


The best case for defending the
PFD from being reduced

Voters value the Permanent Fund most for helping struggling families and for treating all Alaskans equally and fairly

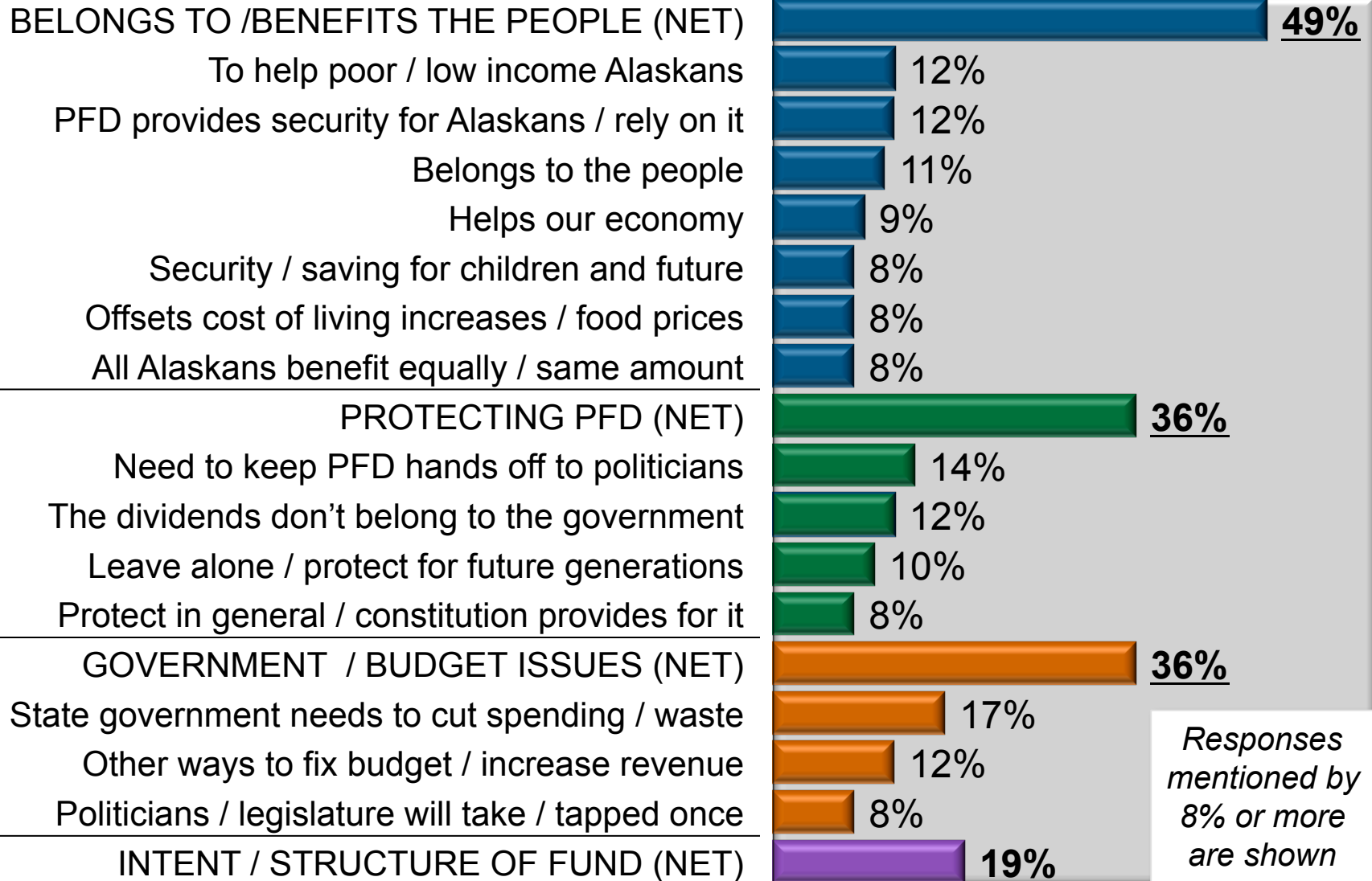
Let me read you some reasons...for protecting the Permanent Fund dividend from any future reductions in the dividend amount. Tell me how persuasive it is on a 0-10 scale.

The best thing about the PFD is...



The sanctity of protecting full PFD dividends is volunteered as resting upon its being dedicated to the Alaskan people as its rightful beneficiaries

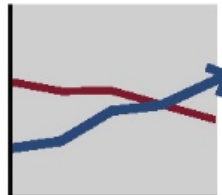
Based on everything we've discussed, what do you think are the best reasons to pro-actively protect the PFD system and the dividends from any future reductions in amount?



Responses mentioned by 8% or more are shown

Alaska Statewide Telephone Survey of 1004 Voters

March 22 to April 2, 2017



**HARSTAD STRATEGIC
RESEARCH, INC.**