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4th Annual State of Pennsylvania Survey: The Economy and Personal Finances

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For PDF of release and data summary, visit www.siena.edu/sri/research

Better Off Than 4 Years Ago? In PA, 42% “NO”, 36% “YES”

69% or More Worried about Gas, Food & Heating Costs

2nd Year in a Row – 60% Think Country’s Best Days are Behind

Most Support Tax Increase on High Earners, More Domestic Energy; 48% to 36% Want Health Care Legislation Repealed

Thirty-six percent of Pennsylvania residents say they are better off today than they were at this time four years ago but a plurality, 42 percent say that they are not while 21 percent volunteer that their financial condition is unchanged according to a new survey released today from the Siena (College) Research Institute (SRI) and underwritten by First Niagara Bank. Gasoline prices now pose a somewhat or very serious financial hardship to 79 percent of residents while 69 percent is somewhat or very concerned about the impact of heating costs and 74 percent say grocery costs are having a serious impact on their finances.

For the second year in a row, 60 percent say they think our country’s best economic days are behind us as opposed to 35 percent that believe the economy is strong and we will return to financial health. Large majorities support increasing federal income taxes on those Americans making more than \$250,000 and increasing the exploration and development of domestic energy including oil and natural gas while a plurality calls for the repeal of the recently enacted federal health care reform legislation.

Sixty-seven percent support increasing income taxes on higher earners, and 81 percent are in favor of increased development of domestic energy. Large majorities are in favor of providing funding to train workers rather than expanded unemployment benefits (85%), carefully monitoring the financial industry (81%), expanding federal support for education (81%), a balanced budget amendment (70%), and an aggressive federal infrastructure development program (68%). A majority (59%) opposes lessening funding for entitlement programs like social security, Medicare and Medicaid. Residents are equally divided on lessening regulations on businesses.

The 4th Annual Pennsylvania Survey of the Economy and Personal Finances is part of a larger study of economic confidence in Pennsylvania. In January, the Fourth Annual First Niagara Survey of Pennsylvania Business Leaders, an investigation of confidence, concentrations, plans and attitudes towards government of CEO’s from Pennsylvania’s private for profit companies, will be released.

“Only one in five residents say their financial lot has improved over the last twelve months but while nearly half expect to hold even over the next twelve months, we do see nearly twice as many of the rest saying they look to gain on the economy as opposed to those that expect decline,” said Dr. Don Levy, SRI’s Director.

Twenty percent of residents, when thinking about their financial life today as compared to four years ago, say their job security is better, 21 percent say their monthly income versus their expenses is better and 21 percent say the value of their savings and investments are improved. In each area of personal finances, more indicate they are worse off: job security – 26 percent worse off, income/expenses – 43 percent worse off, savings and investments – 48 percent worse off.

		Better	Worse	Same
You and your household, financially compared to 2008		36%	42%	21%
Personal	Job security	20%	26%	40%
	Monthly cash flow	21%	43%	32%
	Savings & Investments	21%	48%	28%
Others	Local businesses	14%	50%	29%
	Major corporations	31%	36%	20%
	Low income people	11%	55%	27%
	Middle class people	8%	56%	30%
	Wealthy people	36%	16%	34%

Asked to consider the financial well-being of others, Pennsylvania residents believe the middle-class, low income people in their area and businesses in their community have been hard hit by the last four years with a majority indicating that all three groups are not better off than they were four years ago.

The percentage of households with a member losing a job this year is virtually unchanged from last year moving from 16 percent last year to 17 percent today. Twenty-four percent of residents (22% last year and 31% in 2009) have had their hours cut back at work. Knowing someone that has had their home foreclosed across the state measured 35 percent this year up from 23 percent a year ago.

“Pennsylvania residents continue to face a tough economy but despite all the difficulties they are working and planning for the future. Slightly more are confident that they will maintain their current standard of living in retirement than those that worry they won’t and nearly half have been able to put some money aside for retirement above and beyond any employer contribution,” Levy said.

Over half (55%) of residents have a savings account with at least \$1,000 in it and 37 percent have enough in savings to take care of six months of household expenses. Sixty percent have a retirement fund like a 401k and two-thirds have life insurance. A growing majority, 62 percent up from 51 percent last year, have a written monthly budget that they use to keep track of their income and expenses.

The 4th Annual Economy and Personal Finances Survey was conducted October 1- 5, 2012 by random telephone calls to 647 Pennsylvania State residents over the age of 18 via both landline and cellphones. Data was weighted by age and gender to enhance representativeness. Results are reported with a margin of error of ± 3.9 points. For more information or comments, please call Dr. Don Levy, Director, Siena College Research Institute, at 518-783-2901 or dlevy@siena.edu. Survey cross-tabulations can be found at www.siena.edu/sri/research