

# Research Brief

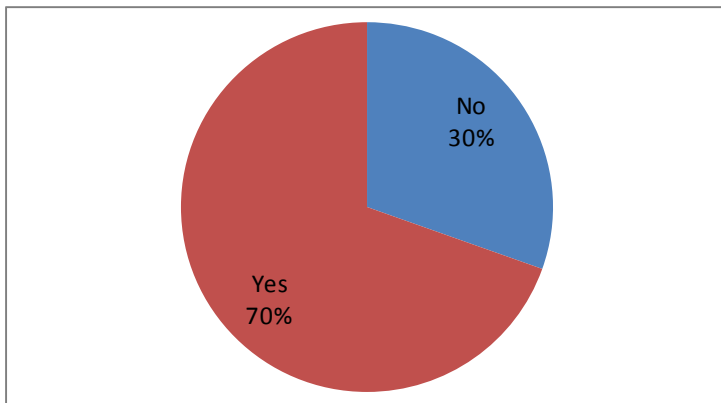
## *The People Speak Poll:* Region's residents favor subsidies for water industry

Greater Milwaukee residents show solid support for efforts to use the region's abundance of fresh water as an economic development tool, even if it means paying slightly more for their own water or using public subsidies to do so. That's according to the latest *People Speak Poll* of 429 residents in Milwaukee, Waukesha, Washington and Ozaukee counties conducted in mid-February.

Nearly 70% of municipal water users participating in the poll would be willing to pay a small surcharge on their water bill "to fund economic development activities promoting southeast Wisconsin as a place for water-related research and economic growth" (Chart 1). In addition, 65% of all respondents agree that government subsidies are "desirable to attract new or expanded water industries to southeast Wisconsin." More than 80% of respondents agree the region has the potential to become a global leader in the water technology industry.

This support for water-related economic development is consistent with respondents' overall concern about the region's economic health. When asked to name the most important issue facing the region, slightly more than a third of respondents answered "jobs," while another 12% mentioned "property taxes." The third-most frequent response was "economic development," at 9%. The same three issues also were considered the most important by respondents in the September 2009 *People Speak Poll*, although jobs are now deemed even more important (Table 1).

**Chart 1: Would you be willing to pay a penny surcharge per 1,000 gallons of water in order to fund economic development activities promoting southeast Wisconsin as a place for water-related research and economic growth?**



**Table 1: What do you feel is the most important issue facing the seven-county Milwaukee region?**

% responding...	Feb.	Sept.
jobs	35	26
property taxes	13	17
economic development	9	13
schools/education	7	4
health/health care	5	8
government waste/corruption	4	4
crime/violence	3	7
transportation	3	3
environment	1	2
social welfare/poverty	1	3
other	19	15

## Data and methodology

The 15-minute *People Speak* telephone survey was conducted by the Center for Urban Initiatives and Research at the University of Wisconsin-Milwaukee (CUIR) between February 12-26, 2010. Respondents were selected by random digit dialing of exchanges and cell phone numbers located in Milwaukee, Waukesha, Washington, and Ozaukee Counties. The survey contained 18 opinion questions plus several questions about the respondent’s demographics and characteristics. Only adults over age 18 were surveyed.

The 429 completed surveys are fairly representative of the four-county Milwaukee area population of 1.5 million, although the survey sample over-represents the white population and under-represents the African-American population in the region (Table 1). This is likely because the survey also under-represents residents of the City of Milwaukee. The age of the

**Table 2: Representativeness of the survey sample**

	Survey	Region*
Milwaukee County resident	53%	62%
Ozaukee County resident	6%	6%
Waukesha County resident	26%	25%
Washington County resident	15%	8%
City of Milwaukee resident	27%	38%
College or post college graduate	44%	31%
Homeowner	78%	64%
Income \$50,000 or more	46%	54%
Income under \$25,000	13%	21%
Parent	31%	32%
Female	55%	52%
White	83%	77%
African-American	7%	16%
Under age 50	37%	58%

\*Regional data from the 2008 American Communities Survey one-year estimates, U.S. Census Bureau.



survey respondents is also not representative of the region’s population. The survey responses were weighted to better reflect the region on these measures, but the weighting did not significantly change the results. The unweighted responses are presented in this Research Brief.

The survey’s margin of error is plus or minus 4.7% at a confidence level of 95% – meaning that there is a 95% probability that the survey results are accurate within 4.7% in either direction. When reporting results for all survey respondents, non-responses and “don’t know” responses are included; however, when analyzing differences between subgroups of respondents these types of responses are excluded unless specified.

*The People Speak* is a tracking poll and is conducted at regular intervals throughout the year. *The People Speak* is designed and analyzed by the Public Policy Forum in partnership with CUIR and *The Business Journal Serving Greater Milwaukee* and is funded by The Richard and Ethel Herzfeld Foundation and the Argosy Foundation.

For the complete results of the February poll, as well as previous polls, please visit the poll’s homepage at:

[www.peoplespeakpoll.org](http://www.peoplespeakpoll.org)

### Water industry and economic development

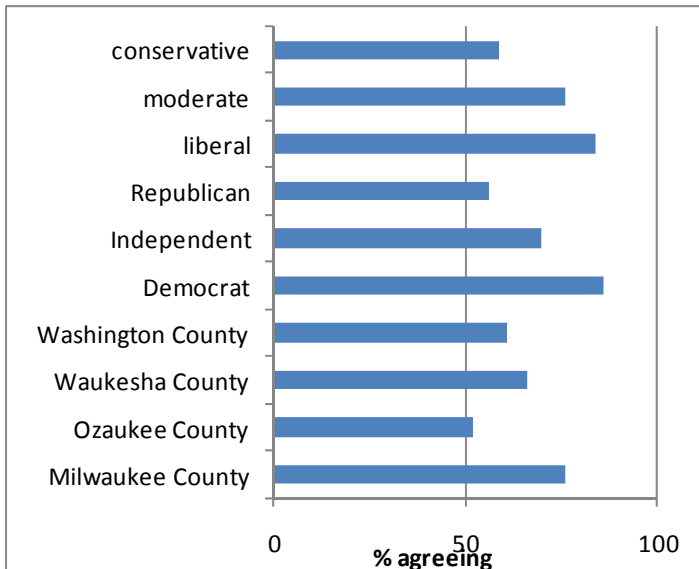
As noted on page 1, survey respondents strongly support economic development efforts tied to the water industry. Even those who do not agree with the notion of subsidies are evenly split on whether they would be willing to pay a small surcharge on their water bill to promote industry activities.

Geographically, the greatest support for subsidies for the water industry comes from Milwaukee County residents, although there is majority support in each county. Support is also strong across party and ideological lines, with Democrats and liberals most likely to be supportive (Chart 2).

### Water quality

Questions regarding water quality garnered mixed responses from survey participants. While respondents score the quality of their tap water and the quality of water in Lake Michigan quite high, they give lower scores for the quality of water at Bradford Beach and in the Milwaukee River (Table 3). Water quality scores are higher for categories in which there are fewer “don’t know” responses.

**Chart 2: Agreement with statement, “Government subsidies are desirable to attract new or expanded water industries to southeast Wisconsin.”**



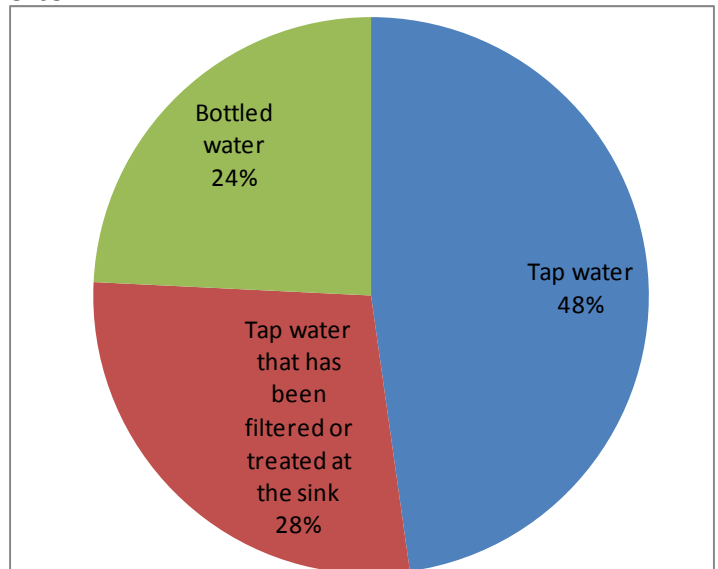
Not surprisingly, based on high scores for tap water quality, most respondents indicate that the water they drink most frequently is that which comes from their tap (Chart 3). However, respondents’ opinions about their tap water quality are correlated to their drinking habits, with those rating their tap water of lower quality more likely to drink bottled water.

Reflecting the low scores for water quality at Bradford Beach and in the Milwaukee River, when asked to name the biggest water problem facing the region in the next decade, 31% of respondents said water pollution, while another 7% were concerned about unsafe drinking water (Table 4). Roughly 37% cited water pollution as the biggest threat to Lake Michigan in the next decade,

**Table 3: How would you rate the quality of the water... (scale: 1=extremely poor, 5=excellent)**

	Ave. rating	% responding “don’t know”
from your tap?	3.96	0.5
<i>municipal users</i>	3.93	
<i>well users</i>	4.16	
in Lake Michigan?	2.46	9
at Bradford Beach?	1.62	22
in the Milwaukee River?	1.65	15

**Chart 3: What type of water do you drink most often?**



**Table 4: What do you think will be the biggest water problem for southeast Wisconsin in the next decade?**

% responding...	
Water pollution	31
Not enough water	20
Diversion of Lake Michigan water outside Great Lakes basin	8
Unsafe drinking water	7
Water infrastructure breakdown	3
Security of water system	2
Flooding	1
Other	10

despite Lake Michigan earning a high score for water quality (Table 5).

### Water conservation

The survey respondents generally support the need for water conservation and find it important for their communities' future, as well as the region's future. Respondents do not show much concern about low water levels in Lake Michigan (Table 5), while some concern is expressed about having enough water for the region over the next decade (Table 4).

Although 56% of respondents strongly agree that conservation is important to their communities' future, 73% of respondents say they do not monitor how much water their household uses.

This dichotomy between the acknowledgement of the need for and importance of conservation with lack of awareness of household water usage may explain the support for policies aimed at encouraging or regulating conservation (Chart 4). Specifically, most respondents agree with the statements: "Laws and regulations should be developed to encourage and reward water conservation" and "As an incentive to promote better conservation

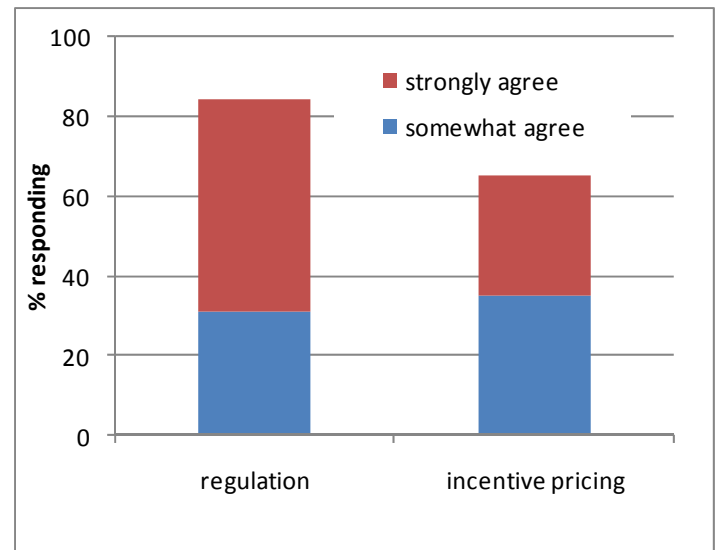
**Table 5: What do you think will be the biggest threat to Lake Michigan in the next decade?**

% responding...	
Asian carp or other invasive species	42
Pollution	37
Low water levels	4
Diversion outside Great Lakes basin	4
Other	4

practices, individuals and companies who use large quantities of water should be required to pay a higher rate per gallon than those who use less water."

Support for an incentive pricing scheme may also be explained by the fact that 47% of municipal water users say their water costs are about right.

**Chart 4: Support for encouraging water conservation through...**



### Lake Michigan diversion

Diversion of Lake Michigan water to communities outside the Great Lakes Basin is not a hot button issue among the *People Speak* participants. Just 8% of respondents say diversion is the biggest water problem for the region in the next decade and just 4% feel it is the biggest threat to Lake Michigan. (Tables 4 & 5).

Most respondents agree that Waukesha should be able to purchase Lake Michigan water, as long as the water is returned to the Great Lakes Basin after use (Table 6). However, respondents who live in communities that are in or mostly in the Basin are significantly more likely to agree that selling water to Waukesha should include an agreement by Waukesha to limit growth and future water demands. Respondents residing within the Basin also are more likely to agree that Milwaukee County water users should pay less for Lake Michigan water than water users outside Milwaukee County.

Opinions on these questions also differ by county, with particularly large differences

between Milwaukee County/City residents and Waukesha County residents. Not surprisingly, Waukesha County residents are significantly less likely to agree that diversion should be tied to limits in growth in Waukesha or that communities outside Milwaukee County should pay more for Lake Michigan water than communities within Milwaukee County.

The connection between geography and attitudes about diversion may be explained by the need for Waukesha to find an alternative source of drinking water. Respondents who feel unsafe drinking water is the biggest water problem facing the region in the next decade are slightly more likely to live in Waukesha County, which is experiencing high levels of radium in the aquifer from which the municipal water is drawn. These respondents, both from Waukesha and other counties, are significantly more likely to disagree with the notion that Milwaukee should not sell Lake Michigan water to Waukesha without an agreement to control growth in Waukesha, with 61% in disagreement.

**Table 6: Support for diversion of Lake Michigan water outside the Great Lakes Basin**

% agreeing with the statement...	All	Inside basin	Outside basin	Milwaukee Co./City of Milwaukee	Ozaukee Co.	Washington Co.	Waukesha Co.
Waukesha should be allowed to purchase Lake Michigan water as long as the water is returned to Lake Michigan after use.	68			67/70	71	56	76
Milwaukee should not sell Lake Michigan water to Waukesha unless Waukesha agrees to limit development and future water demands.	56	63	47	63/72	46	50	48
Water users in communities outside Milwaukee County who purchase Lake Michigan water should pay more for that water than water users in communities in Milwaukee County.	57	62	48	72/78	33	36	43

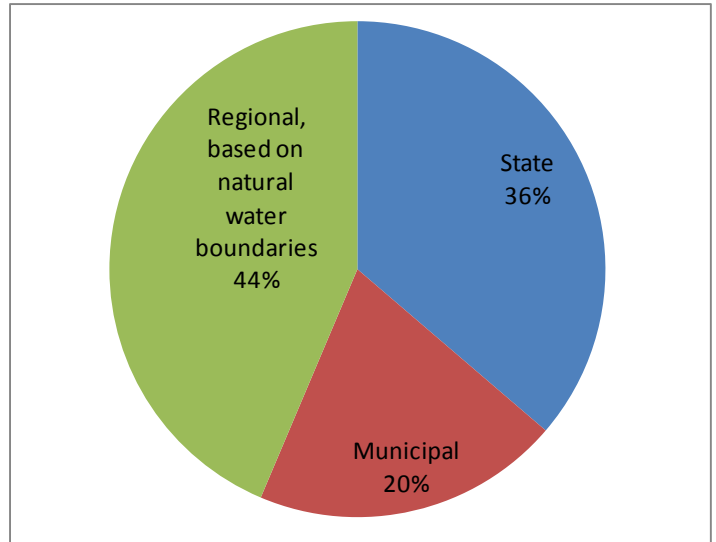
### Water resource management and governance

Respondents prefer regional governing bodies based on natural watershed boundaries to be responsible for regulating water quality and water use rather than state or municipal governments. However, respondents who feel the biggest water problem over the next decade will be a water shortage are more likely to support regional governance (54%) than those most concerned with water pollution, who are more likely to support governance by the state (41%). The greatest support for regional governance comes from those most concerned about diversion issues in the next decade.

The support for regional governance of water resources may reflect an understanding of water issues as cross-jurisdictional, or it may reflect general dissatisfaction with municipal and state government (See page 8).

There is not clear consensus from the survey regarding the idea posed late last year by the comptroller of the city of Milwaukee to explore leasing the city water utility (Milwaukee Water Works) in order to create a new revenue stream for the city budget. Just over half of all respondents feel the city should not lease the water utility, while 40% feel the city should do so. This question

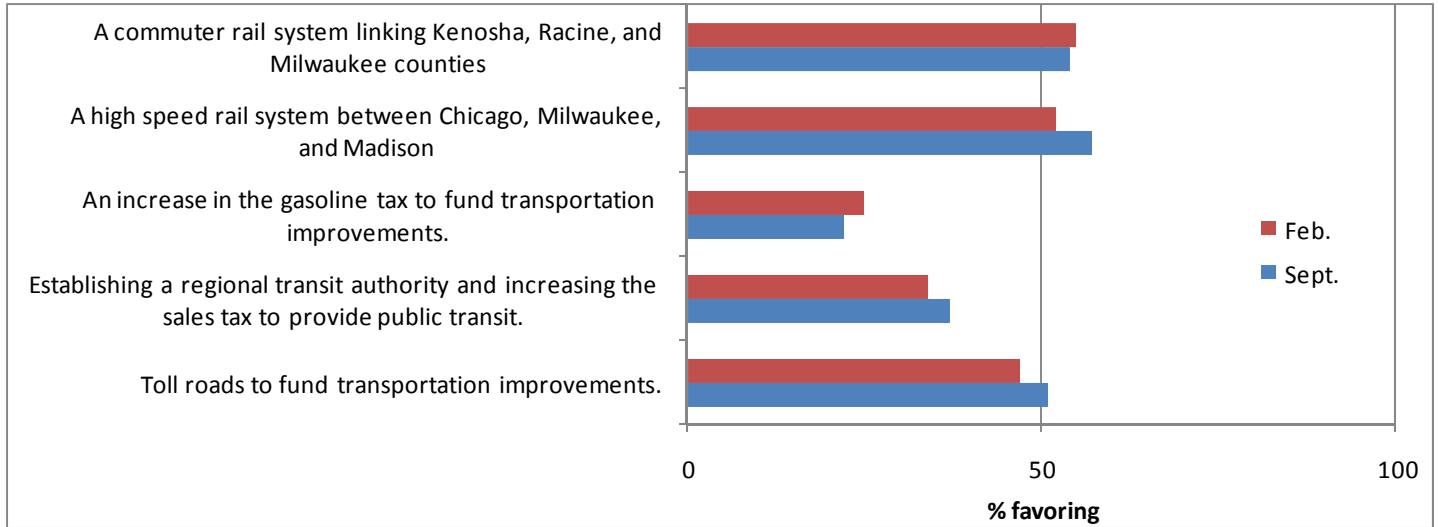
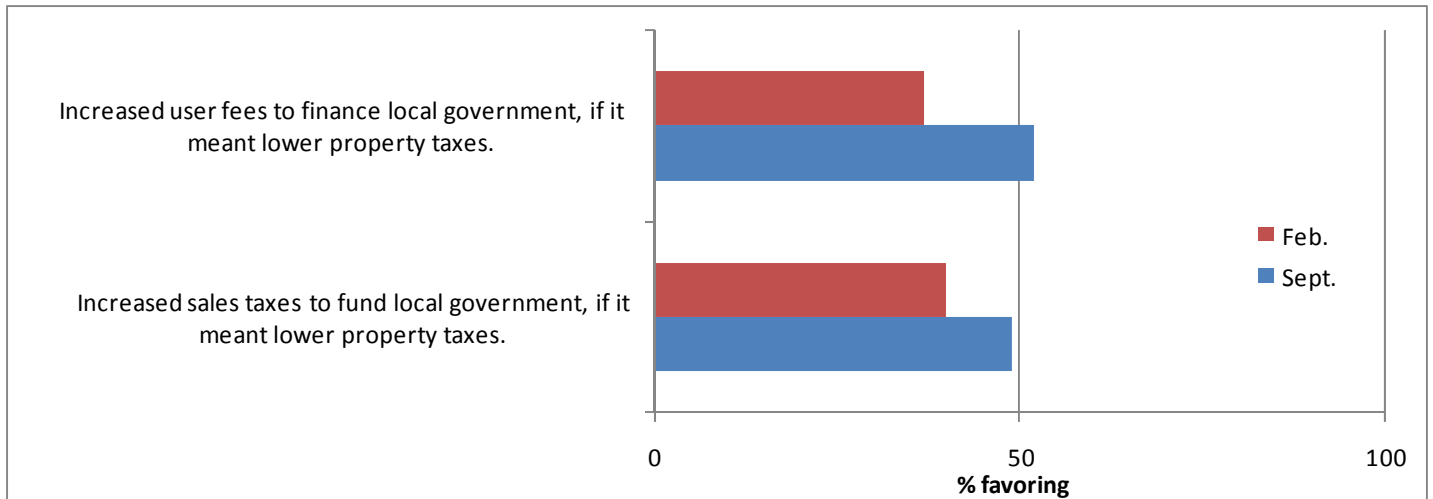
**Chart 5: Which of the following levels of government should be the one responsible for regulating water quality and water use in Wisconsin?**



received a considerable number of “don’t know” responses, however, at 9% overall. Interestingly, opinions on this issue by City of Milwaukee residents and by Milwaukee Water Works customers do not differ significantly from the general opinion (Table 7).

**Table 7: A private management company should not lease the water utility from the City of Milwaukee, even if the income from the lease would help address the city’s budget problems.**

% responding...	All	Water Works customers	City of Milwaukee
Agree	51	53	56
Disagree	40	40	39
Don't know/no answer	9	7	4

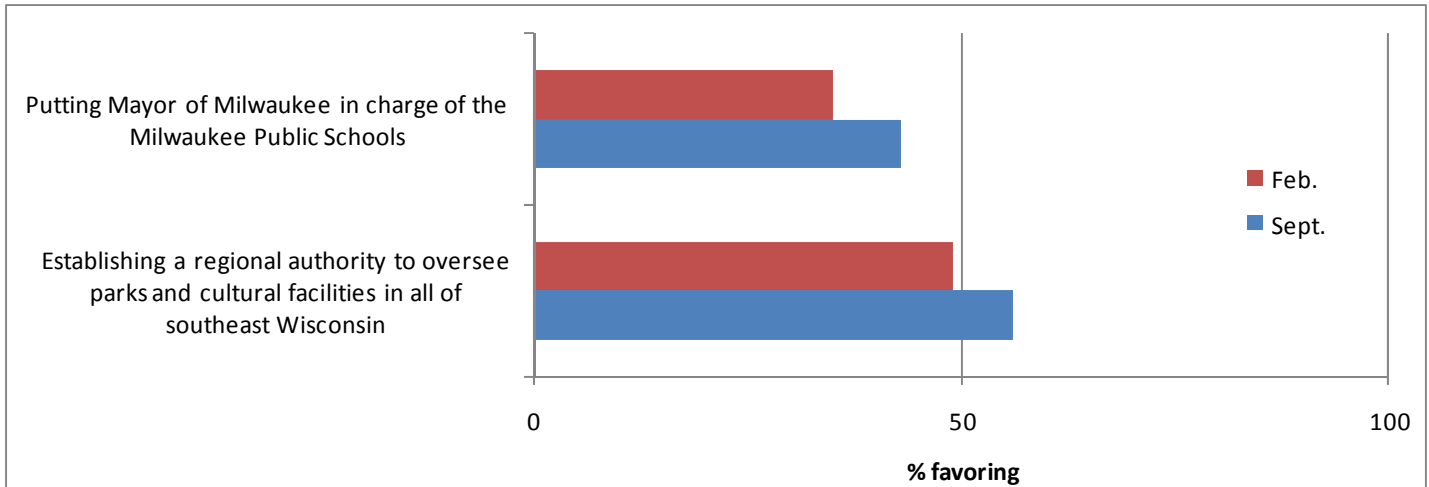
**Chart 6: Consistent opinions on transportation issues**

**Chart 7: Decline in support for user fees and sales taxes**


While the February 2010 People Speak Poll has a special focus on water issues, it is important to note that environmental issues do not appear among the top concerns of poll participants when asked to name the most important issue facing the region (Table 1). Issues regarding jobs, economic development, and taxes are highest on people's minds. On this and the following pages we highlight some of the findings regarding those issues and compare these to the results from a prior *People Speak Poll* in September. Please see

the poll website for complete survey results: [www.peoplespeakpoll.org](http://www.peoplespeakpoll.org).

Opinions regarding specific transit proposals have not changed significantly since September (Chart 6). Respondents in February were significantly less likely to favor increased user fees or sales taxes as alternatives to property taxes than respondents in September, however (Chart 7).

**Chart 8: Consistent opinions on governance changes**

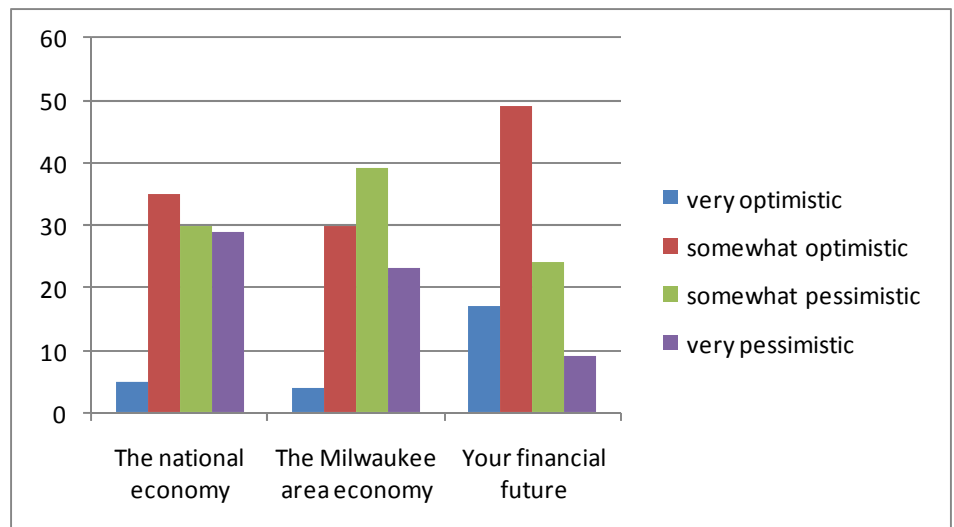


Opinions about two proposed governance changes also are relatively consistent from September. There continues to be low favorability for putting the mayor of Milwaukee in charge of the Milwaukee Public Schools, and the region is still evenly split on whether to establish a regional parks authority.

Poll results in February also are consistent with September results regarding the direction in which most governments are headed. With the exception of the U.S. government, February’s results mirror September’s. Optimism about the direction of the federal government has dropped significantly since September (Table 8).

Finally, February respondents are generally pessimistic about the future of the national and regional economies (Chart 9), though they are more optimistic about their financial futures. This pattern is virtually identical to that of the September *People Speak Poll* participants.

**Chart 9: Optimism regarding the economy**



**Table 8: Optimism regarding government consistent**

% responding “right direction”	Sept	Feb
Your neighborhood	88	86
Your municipal government	63	57
The public schools that serve your community	60	53
Your county government	49	51
The State of Wisconsin	39	38
The United State government	38	26
The City of Milwaukee	33	31