Study on Public Finance in Québec

Survey Report
Project 13026-019
October 15, 2010
Léger Marketing was commissioned by the Montreal Economic Institute to conduct a survey in order to obtain the opinion of Quebeckers regarding the following:

- The best time for the Québec government to restore fiscal balance;
- The preferred method to restore fiscal balance between reducing government expenses and higher income taxes and taxes;
- The number of provincial civil servants;
- The preferred methods to revitalize Québec’s economic growth between new public investments and reducing income taxes;
- The salary increases awarded by the Québec government after having reached an agreement with the Common Front of public sector employees.

This study was conducted over the phone between October 6 and October 10, 2010 with a representative sample of 1,000 Quebeckers, 18 years of age or older. A sample of this size has a margin of error of ± 3%, 19 times out of 20.

Using data from the Institut de la statistique du Québec’s census, results were weighted according to gender, age, region, mother tongue, level of education, and the presence of children in the household in order to ensure a sample representative of the adult population of the province of Québec.
Study Highlights

- **Respondents would like to see fiscal balance restored by 2011**
  The Québec government should restore fiscal balance by the next budget according to half of Québec’s population (51%), while 32% feel the government should wait until 2013-2014 as planned, before restoring fiscal balance. Seventeen percent (17%) preferred not to provide or did not have an opinion in this regard.

- **The government should reduce its expenses according to a vast majority of Quebeckers**
  To restore fiscal balance, 81% of Quebeckers think that the Québec government should cut expenses, while 11% think they should increase income taxes and taxes.

- **There are too many civil servants to manage government programs effectively**
  In total, 62% of Quebeckers think there are too many civil servants to effectively manage Québec government programs, while 19% think there are enough, and 11% think there are not enough civil servants.

- **Quebeckers are divided on the best way to revitalize the economy**
  On this question, Quebeckers were divided, since 48% of them prefer an income tax reduction to boost the economy, while 45% of Quebeckers would prefer if the Québec government agreed to new public investments. Finally, 7% don’t have an opinion or refused to answer this question.

- **Half of Quebeckers consider salary increases for public sector employees acceptable**
  Regarding salary increases for public sector employees, which were negotiated between the Québec government and the Common Front, 50% of Quebeckers feel these increases are acceptable, while a third of them (32%) feel that these salary increases are too generous, and 11% consider that on the contrary, the increases are not generous enough.
Half of Quebeckers Feel that the Québec Government Should Restore Fiscal Balance by the Next Budget

- Although half of the Québec population (51%) thinks that the Québec government should restore fiscal balance by the next budget, 32% feel the government should wait until 2013-2014 as planned, before restoring fiscal balance, and 17% preferred not to provide an opinion, or did not have one.
- This position is similar across the various population sub-groups. The only notable differences are as follows:
  - Quebeckers between 25 and 34 years of age are divided on this question: 42% prefer to see fiscal balance restored by the next budget, while 39% feel it could wait until 2013-2014.
  - Among Quebeckers between 45 and 54 years of age, a clear majority (58%) feel that the government should restore fiscal balance by the next budget.
  - A majority of Action démocratique (63%) and Parti Québécois (56%) voters advocate fiscal balance by the next budget, while this proportion is 47% for Liberal Party voters, and 38% for Québec solidaire voters.

Q1. In your opinion, should the government of Québec balance its budget by the next budget, or should it wait until 2013-2014 as it intends to do?

Base: n= 1 000

- Balance the budget by the next budget: 51%
- Wait until 2013-2014 to balance the budget: 32%
- Don't know / Refusal: 17%
Reducing Government Expenses is Preferable to Achieve Fiscal Balance

- Eight out of ten Quebeckers (81%) think the Québec government should **reduce expenses** to restore fiscal balance, while 11% feel it should **increase income taxes and taxes**, and 8% either had no opinion or did not want to provide one.
- A **significantly higher proportion** of residents in the Québec City region (88%), Quebeckers between 35 and 44 years of age (87%), the working population (86%), parents with children under 18 (86%) and Francophones (83%) consider that the government should restore fiscal balance by **cutting expenses**. In addition, Action démocratique (91%) and Parti Québécois (85%) voters are significantly more likely to prefer a reduction in government spending.

Q2. To balance the budget, do you think it is preferable for the Québec government to cut expenses or to increase income taxes and taxes?

*Base: n= 1 000*
A Majority of Quebeckers Think There are Too Many Civil Servants to Manage Government Programs Effectively

- In total, six Quebeckers out of ten (62%) think there are too many civil servants to manage Québec government programs effectively, while 19% think there are enough, and 11% think there are not enough. Finally, 9% of respondents did not provide an opinion on this question.

- Opinions on this subject differ between the generations, but also between political preferences:
  - Among young people 18 to 24 years of age, 47% think there are too many civil servants, while 45% think there are either enough or not enough civil servants. Among Quebeckers between 55 and 64 years of age, 76% think there are too many civil servants, while only 18% think there are either enough or not enough of them. Finally, 69% of retirees think there are too many civil servants and 23% think there are either enough or not enough civil servants.
  - Three-quarters of Action démocratique voters (76%) think there are too many civil servants, while among Liberal voters this proportion reaches 50%.

Q3. Do you think there are too many, enough, or not enough civil servants to manage Québec government programs effectively?

Base: n= 1 000

<table>
<thead>
<tr>
<th>Category</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>Too many civil servants</td>
<td>62%</td>
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<tr>
<td>Enough civil servants</td>
<td>19%</td>
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<tr>
<td>Not enough civil servants</td>
<td>11%</td>
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<tr>
<td>Don't know / Refusal</td>
<td>9%</td>
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Between New Investments and Reducing Income Taxes, Quebecers are Divided on the Best Way to Foster the Economic Recovery

- While 48% of Quebecers would prefer an income tax reduction to revitalize the economy, 45% of Quebecers would prefer if the Quebec government agreed to new public investments. Finally, 7% did not have or refused to provide an opinion on this question.
- Women (52%), people with a primary or secondary education (53%), people between 45 and 54 years of age (55%), office workers (56%) and homemakers (66%) are significantly more likely to favour reducing income taxes.
- Men (50%), people between 25 and 34 years of age (53%), professionals (54%), people with a university education (56%), people with a household income above $80,000 (56%), students (61%) and Quebec solidaire voters (75%) are significantly more likely to favour new public investments.

Q4. To foster the economic recovery, would you prefer new government investments or a reduction in income taxes?

Base: n= 1 000

- New public investments: 45%
- Reducing income taxes: 48%
- Don't know / Refusal: 7%
Salary Increases Negotiated between Public Sector Employees and the Québec Government are Acceptable according to Half of Quebeckers

- **Half of Quebeckers (50%)** feel that salary increases for public sector employees, which were negotiated between the Québec government and the Common Front, are acceptable. **A third of Quebeckers (32%)**, however, feel that these increases are too generous, while **11%** feel that on the contrary, they are not generous enough. Finally, **7%** of respondents did not have an opinion or refused to answer.

- Among those who think the salary increases are acceptable, there is a strong proportion of men (54%), Francophones (54%), Parti Québécois voters (58%), people with university degrees (60%) and people whose household income is above $80,000 (68%).

- Among those who think the salary increases are too generous, there is a stronger proportion of people with a primary and secondary education (39%), people over 65 years of age (41%), people with a household income below $20,000 (41%), Action démocratique voters (44%) and manual workers (45%).

Q5. The Québec government reached an agreement with the Common Front of public-sector employees. Based on economic growth, salary increases will range from 7% to 10.5% over five years. Considering these increases will cost taxpayers a total of 2.7 billion dollars after five years, do you believe that these increases are too generous, acceptable or not generous enough?

*Base: n= 1 000*