

Spending Cuts are Preferred to Higher Taxes to Reduce Deficits in the U.S., Great Britain, France, Italy, Spain and Germany

New York, N.Y. — July 14, 2010 — A new **Financial Times/Harris Poll** finds that when it comes to reducing deficits and public debts, cutting spending is definitely preferred to raising taxes by adults in the five largest European countries and the United States. Half of French adults (50%), just over two in five Italians (45%), Spaniards (44%) and Germans (41%), and just under two in five Americans (37%) and one-quarter of Britons (25%) all would prefer spending cuts to paying higher taxes. Around two in five in each of the six countries (between 37% and 46%) would prefer a mixture of the two, with spending cuts bearing the bigger part of the burden.

Looking at how spending cuts will impact the economic recovery, majorities in all six countries (between 84% in France and 62% in Italy) believe that public spending cuts are necessary to help long term economic recovery. There is not a feeling that public spending cuts are likely to harm the economic recovery—only 38% of Italians, 33% of Germans, 31% of Britons, 29% of Spaniards, 27% of Americans and 16% of French adults think that it will.

These are some of the findings of a **Financial Times/Harris Poll** conducted online by [Harris Interactive](#)® among 6,164 adults aged 16-64 within France (1,011), Germany (1,010), Great Britain (1,091), Spain (1,005), U.S. (1,019) and adults aged 18-64 in Italy (1,028) between June 22 and July 1, 2010.

One other suggestion is that governments should make the rich contribute more than the less well off by paying more in taxes. Very strong majorities in Italy (87%), Germany (87%), France (85%), Spain (82%), Great Britain (78%) and the United States (71%) all agree with this idea. In fact, majorities in Germany (61%), Spain (60%), Italy (56%) and France (51%) strongly agree with it.

The impact on families

Although people prefer cutting public spending, they also realize that those cuts will impact their families. Almost half of Spaniards (49%), just over two in five Italians (44%) and French (42%), two in five Americans (40%), just under two in five Britons (39%) and over one third of Germans (35%) believe cutting public spending will affect them and their family a moderate amount. In addition, over one-third of Italians (34%), just over one in five Britons (21%), one in five Germans (20%), and just under one in five Spaniards (18%), French (16%) and Americans (16%) say spending cuts will affect them and their family either a great deal or a lot.

Spending cuts and policy areas

When it comes to spending cuts, people believe certain areas should receive more severe cuts than other areas. Almost three-quarters of Americans (72%) and almost two-thirds of Britons (64%) say aid to developing countries should bear the biggest part of the spending cuts burden. While over half of Spaniards (57%), Germans (54%) and French (53%) say the same, that is not their top choice. Two-thirds of Germans (67%), and over half of Spaniards (58%), French (56%) and Italians (55%) say the biggest part of the spending cuts burden should come from defense. Over half of Britons (51%) also say unemployment benefits should bear the biggest part of the spending cuts burden.

Budget Deficits

Many countries have let their budget deficits rise in order to fight the financial crisis. Majorities in France (68%), Italy (68%), the U.S. (59%), Germany (58%), Spain (55%) and Great Britain (54%) say that was not the right move for these countries to make.

One argument is that the budget deficits that have occurred and the spending cuts call for a re-examination of Europe’s welfare states. Over two-thirds of Americans (77%), Britons (77%), Germans (73%), Spaniards (70%), Italians (68%) and French (68%) all agree with this argument.

So What?

The worldwide economic woes are not going away anytime soon. When it comes to how to address these fiscal issues, one thing is clear – spending cuts are what people are looking for, not higher taxes. What is also clear, even in the countries that are seen as more traditional welfare states, is that this economic environment may have shifted people’s priorities, and it might be time for some change.

TABLE 1
REDUCING THE DEFICIT - SPENDING CUTS VS. RAISING TAXES

“Most Western European governments are taking major steps to reduce their budget deficits and public debts. Generally, there are two ways (and multiple variations of these ways) for governments to reduce deficits: cutting public spending and raising taxes. Which one of the following options would you prefer to see [insert country] take?”

Base: All EU adults in five countries and U.S. adults

	United States		Great Britain		France		Italy		Spain		Germany	
	June	July	June	July	June	July	June	July	June	July	June	July
	%	%	%	%	%	%	%	%	%	%	%	%
I would prefer spending cuts to paying higher taxes	38	37	30	25	48	50	50	45	48	44	42	41
I would prefer a mixture of the two, but with spending cuts bearing the bigger part of the burden	40	39	47	46	39	37	37	39	36	40	42	41
I would prefer a mixture of the two, but with tax rises bearing the bigger part of the burden	17	19	17	21	9	9	11	12	12	13	12	13
I would prefer higher taxes to spending cuts	5	5	6	8	4	5	3	4	3	3	4	5

Note: Percentages may not add up to 100% due to rounding

**TABLE 2
OF THE REDISTRIBUTION OF WEALTH**

“Some argue that governments should make the rich contribute more than the less well-off, e.g. by paying more taxes. How much do you agree or disagree with this idea?”

Base: All EU adults in five countries and U.S. adults

	United States	Great Britain	France	Italy	Spain	Germany
	%	%	%	%	%	%
Agree (NET)	71	78	85	87	82	87
Strongly agree	40	43	51	56	60	61
Somewhat agree	31	35	34	30	22	26
Disagree (NET)	25	16	13	11	14	11
Somewhat disagree	11	9	9	7	5	8
Strongly disagree	14	8	4	4	9	3
Not at all sure	4	5	3	2	4	2

Note: Percentages may not add up to 100% due to rounding

**TABLE 3
SPENDING CUTS AND THE RECOVERY**

“Some argue that public spending cuts will harm the economic recovery in Europe whilst others claim that these cuts are necessary to tackle the budget deficits. If you had to say, which of the following statements would you agree most with?”

Base: All EU adults in five countries and U.S. adults

	United States	Great Britain	France	Italy	Spain	Germany
	%	%	%	%	%	%
Public spending cuts are necessary to help long term economic recovery	73	69	84	62	71	67
Public spending cuts are likely to harm the economic recovery	27	31	16	38	29	33

Note: Percentages may not add up to 100% due to rounding

TABLE 4
SPENDING CUTS AND THEIR IMPACT ON FAMILIES

“If your country were to decide to cut public spending, how much, if at all, do you think the cuts will affect you and your family?”

Base: All EU adults in five countries and U.S. adults

	United States		Great Britain		France		Italy		Spain		Germany	
	June	July	June	July	June	July	June	July	June	July	June	July
	%	%	%	%	%	%	%	%	%	%	%	%
At least a lot (NET)	19	16	23	21	17	16	25	34	18	18	19	20
A great deal	7	5	7	8	4	3	5	6	5	4	6	6
A lot	12	11	16	13	13	13	20	28	13	14	13	14
A moderate amount	38	40	37	39	42	42	45	44	44	49	34	35
A little	33	35	33	35	25	24	25	17	27	23	35	33
Not at all	10	9	8	6	16	17	5	4	11	11	12	12

Note: Percentages may not add up to 100% due to rounding

TABLE 5
SPENDING CUTS AND POLICY AREAS

“Which of the following policy areas do you think should bear the biggest part of the spending cuts burden?”

Base: All EU adults in five countries and U.S. adults

	United States	Great Britain	France	Italy	Spain	Germany
	%	%	%	%	%	%
Aid to developing countries	72	64	53	41	57	54
Defense	31	30	56	55	58	67
Unemployment benefits	22	51	26	18	13	21
Police services/Crime prevention	7	8	12	9	12	6
Healthcare	18	8	8	11	5	8
Education	11	9	10	8	5	4
Other	26	14	38	41	60	30

Note: Multiple responses allowed

TABLE 6
BUDGET DEFICITS AND THE FINANCIAL CRISIS

“Many European countries have let their budget deficits rise in order to fight the financial crisis. Thinking of [insert country] how much do you agree or disagree that this was the right thing to do?”

Base: All EU adults in five countries and U.S. adults

	United States	Great Britain	France	Italy	Spain	Germany
	%	%	%	%	%	%
Agree (NET)	41	46	32	32	45	42
Strongly agree	6	6	2	2	5	4
Somewhat agree	35	40	30	30	39	38
Disagree (NET)	59	54	68	68	55	58
Somewhat disagree	36	40	49	53	32	45
Strongly disagree	23	14	19	16	23	13

Note: Percentages may not add up to 100% due to rounding

TABLE 7
BUDGET DEFICITS, SPENDING CUTS, AND THE WELFARE STATE

“Some argue that the large budget deficits and the spending cuts that have happened or been proposed call for a re-examination of Europe’s welfare states. How much do you agree or disagree with this view?”

Base: All EU adults in five countries and U.S. adults

	United States	Great Britain	France	Italy	Spain	Germany
	%	%	%	%	%	%
Agree (NET)	77	77	68	68	70	73
Strongly agree	21	17	9	8	21	16
Somewhat agree	57	61	59	61	49	58
Disagree (NET)	23	23	32	32	30	27
Somewhat disagree	17	18	25	25	18	22
Strongly disagree	5	5	6	6	12	5

Note: Percentages may not add up to 100% due to rounding

Methodology

This **FT/Harris Poll** was conducted online by Harris Interactive among a total of 6,164 adults aged 16-64 within France (1,011), Germany (1,010), Great Britain (1,091), Spain (1,005), U.S. (1,019) and adults aged 18-64 in Italy (1,028) between June 22 and July 1, 2010. Figures for age, sex, education, region and Internet usage were weighted where necessary to bring them into line with their actual proportions in the population. Propensity score weighting was used to adjust for respondents’ propensity to be online.

All sample surveys and polls, whether or not they use probability sampling, are subject to multiple sources of error which are most often not possible to quantify or estimate, including sampling error, coverage error, error associated with nonresponse, error associated with question wording and response options, and post-survey weighting and adjustments. Therefore, Harris Interactive avoids the words “margin of error” as they are misleading. All that can be calculated are different possible sampling errors with different probabilities for pure, unweighted, random samples with 100% response rates. These are only theoretical because no published polls come close to this ideal.

Respondents for this survey were selected from among those who have agreed to participate in Harris Interactive surveys. The data have been weighted to reflect the composition of the adult populations of the respective countries. Because the sample is based on those who agreed to participate in the Harris Interactive panel, no estimates of theoretical sampling error can be calculated.

The results of this Harris Poll may not be used in advertising, marketing or promotion without the prior written permission of Harris Interactive.

These statements conform to the principles of disclosure of the National Council on Public Polls and the British Polling Council.

The Harris Poll® #89, July 14, 2010

By Regina A. Corso, Director, The Harris Poll, Harris Interactive

About Harris Interactive

Harris Interactive is one of the world's leading custom market research firms, leveraging research, technology, and business acumen to transform relevant insight into actionable foresight. Known widely for the Harris Poll and for pioneering innovative research methodologies, Harris offers expertise in a wide range of industries including healthcare, technology, public affairs, energy, telecommunications, financial services, insurance, media, retail, restaurant, and consumer package goods. Serving clients in over 215 countries and territories through our North American, European, and Asian offices and a network of independent market research firms, Harris specializes in delivering research solutions that help us – and our clients – stay ahead of what's next. For more information, please visit www.harrisinteractive.com.