

## **Survey Shows Mercer County Residents Open to Municipal Consolidation & Shared Services; Pessimistic Outlook on Local Economy**

In fall 2011, Princeton University's Woodrow Wilson School of Public and International Affairs conducted a large-scale mixed-mode (mail and web) survey of Mercer County residents. The survey focused on social and economic issues facing Mercer County residents, including their views on municipal consolidation and shared services as well as the economy. The results showed that while Mercer County residents were generally open to the idea of municipal consolidation, they were more supportive of sharing municipal services. Furthermore, the results showed that while Mercer County residents had generally mixed views on the local economy, they had a pessimistic outlook on economic conditions in the county over the next year.

### **Municipal Consolidation & Shared Services**

Municipal consolidation and shared municipal services have reemerged in recent years as potential ways to reduce property taxes and the costs of running local governments in New Jersey. With ongoing consolidation efforts between Princeton Borough and Princeton Township, Mercer County has been at the forefront of the recent municipal consolidation debate. In general, 42% of Mercer County residents favored their municipality consolidating with a neighboring municipality, while 29% opposed consolidation, and 28% reported they were "not sure."

Views of municipal consolidation were largely driven by economic considerations. Seventy-eight percent of residents favoring consolidation thought it would reduce the cost of providing local government services, while 69% of residents opposed to consolidation said it would not reduce costs. Similarly for property tax reduction, 43% of residents favoring consolidation who lived in a property owned by them or someone in their household reported that they believe consolidation would reduce their property taxes. Among these residents, 70% expected that consolidation would reduce their property taxes by 15% or less. Conversely, 82% of residents opposed to consolidation who lived in a property owned by them or someone in their household reported that they believe consolidation would not reduce their property taxes.

Residents had more support for shared municipal services compared to consolidation. In general, 59% of residents favored sharing at least one local government service with a neighboring New Jersey municipality, while 20% of residents were opposed to sharing any services, and 21% of residents indicated that they were "not sure." Respondents who either favored sharing at least one service or who were "not sure" were also asked their thoughts on sharing six different government services. After being asked about individual services, support for sharing at least one service jumped to 75% among residents. A majority of residents who were asked (58% or more) supported sharing each individual service listed. The highest levels of support were for sharing non-critical services such as municipal court services (80%) and public works (80%), while the lowest support

were for sharing emergency services such as police protection (58%), fire protection (60%), and first aid and rescue (61%).

As with municipal consolidation, views of shared services were largely driven by economic considerations. Sixty-three percent of residents who favored sharing at least one government service thought it would reduce the cost of providing local government services, while 66% of residents opposed to sharing at least one service said it would not. Shared services were popular with almost all subpopulations in Mercer County. The most substantive differences in views on shared services were found between residents from low-income (annual household incomes under \$50,000) and high-income (annual household incomes of \$100,000 or more) households. High-income residents were much more likely to support sharing at least one service than low-income residents (81% and 70% respectively).

### **Economic Conditions in Mercer County**

The Mercer County Survey offered a rare opportunity to measure evaluations of economic conditions in Mercer County. Overall, residents had mixed views of economic conditions in Mercer County. Half of the residents rated conditions as “only fair,” while 16% of residents rated conditions as “poor,” and 29% of residents rated conditions as either “excellent” or “good.” Although mixed, residents’ evaluations of economic conditions in Mercer County were substantially more positive than comparable evaluations of national economic conditions during the same time period. In polls conducted from September 2011 through November 2011, the Gallup Organization reported that an average of 9% of Americans rated national economic conditions as either “excellent” or “good,” while an average of 53% of Americans rated national economic conditions as “poor.”

Residents had a largely pessimistic outlook for economic conditions in Mercer County over the next year. Eighty-two percent of Mercer County residents responded that economic conditions in the county would either get “worse” or “stay about the same,” while only 12% of residents thought that economic conditions would get “better.” Similarly, 77% of residents felt that the number of unemployed residents in Mercer County would either “increase” or “stay about the same” over the next year, while 17% of residents felt the number would “decrease.” Additionally, 79% of residents indicated that residential property values would either “decrease” or “stay about the same” over the next year, while 15% of residents indicated that property values would “increase.”

The survey detected marginal differences in economic views among various subpopulations in the county. However, the most substantive differences in economic views were found between residents from low-income (annual household incomes under \$50,000) and high-income (annual household incomes of \$100,000 or more) households. Low-income residents were more than three times as likely to rate current economic conditions as “poor” than their high-income counterparts

(24% vs. 7% respectively). Thirty-five percent of low-income residents also reported that economic conditions in Mercer County would get “worse” over the next year compared to 27% of high-income residents. Additionally, low-income residents were much more likely than high-income residents to indicate that the number of unemployed residents in Mercer County would “increase” over the next year (48% vs. 33%). Dr. Ed Freeland, Director of Princeton University’s Survey Research Center, explains, “What the survey results show is that while no one seems to be giving current economic conditions in Mercer County rave reviews, individuals from low-income households are experiencing the economy much differently than individuals from high-income households.”

## **Methodology**

The 2011 Mercer County Community Issues Survey was sponsored and conducted by Princeton University’s Woodrow Wilson School of Public and International Affairs. The survey was conducted by mail and web from September 10<sup>th</sup>, 2011 through November 12<sup>th</sup>, 2011 among a randomly selected sample of 2,488 Mercer County residents (age 18 or older). A small number of telephone interviews were also conducted to increase response rates among hard to reach populations. The sample was drawn from a list of all residential addresses in Mercer County, NJ. The margin of error for the entire sample was +/- 2 percentage points. The margin of error was higher for population subgroups. Additional sources of error, such as sampling coverage error, questionnaire wording effects, and respondent error, may also affect the findings of a survey. Results were weighted by probabilities of selection and by demographic characteristics to reflect the general adult population (age 18 and older) in Mercer County.

## Data Tables

**Listed below are the questions referenced in this release:**

(Some columns may not add to 100% due to rounding).

1. State legislators have recently debated using municipal consolidation and shared municipal services in New Jersey. Proponents argue that these reforms will reduce property taxes in New Jersey by cutting the cost of local government, while opponents argue that these reforms will not reduce the cost of local government or property taxes.

Municipal consolidation is the merging of two or more municipalities into a single municipality. In general, would you favor or oppose your municipality consolidating with a neighboring New Jersey township, borough, or city?

	<b>TOTAL</b>
Favor	42%
Oppose	29%
Not sure	28%

2. Do you believe consolidating with a neighboring New Jersey township, borough, or city would reduce the overall costs of providing local government services to your municipality?

	<b>TOTAL</b>	Does R Favor or Oppose Consolidation?		
		Favor	Oppose	Not Sure
Yes, it would reduce the cost	41%	78%	11%	17%
No, it would not reduce the cost	29%	6%	69%	21%
Not sure	30%	16%	20%	62%

3. Do you believe consolidating with a neighboring New Jersey township, borough, or city would result in a reduction in your residential property taxes?

Among Residents Living in Properties Owned by Them or Someone in Their Household				
	<b>TOTAL</b>	Does R Favor or Oppose Consolidation?		
		Favor	Oppose	Not Sure
Yes, it would reduce my property taxes	24%	43%	8%	6%
No, it would not reduce my property taxes	48%	34%	82%	36%
Not sure	28%	24%	10%	58%

[Note: Results reported are only for residents who indicated that they live in a property owned by them or someone in their household]

4. What percentage of your 2011 property tax bill do you believe would be eliminated if your municipality consolidated with a neighboring New Jersey township, borough, or city?

Among Residents Living in Properties Owned by Them or Someone in Their Household				
	TOTAL	Does R Favor or Oppose Consolidation?		
		Favor	Oppose	Not Sure
Less than 5%	27%	24%	40%	*
5% to less than 10%	31%	29%	46%	*
10% to less than 15%	14%	17%	1%	*
15% to less than 20%	6%	6%	3%	*
20% or more	6%	7%	2%	*
Not Sure	16%	17%	9%	*

[Note: Results reported are only for residents who indicated that they live in a property owned by them or someone in their household.  
\* denotes case size is too small to report for category]

5. Shared municipal services are local government services that are provided by a single municipality to two or more municipalities. In general, would you favor or oppose your municipality sharing at least one service with a neighboring New Jersey municipality?

	TOTAL	BY HOUSEHOLD INCOME		
		< \$50K	\$50K to < \$100K	\$100K or more
Favor	59%	51%	59%	72%
Oppose	20%	25%	22%	17%
Not Sure	21%	24%	20%	11%

6. The results below depict the number of residents who either explicitly indicated that they would favor sharing at least one service with a neighboring New Jersey municipality in the question above or later indicated that they would favor sharing at least one of the six services asked of them in a follow-up question.

	TOTAL	BY HOUSEHOLD INCOME		
		< \$50K	\$50K to < \$100K	\$100K or more
Favor	75%	70%	73%	81%
Oppose	20%	25%	21%	17%
Not Sure	5%	5%	6%	2%

[Note: Results reported are only for residents who indicated that they would favor sharing at least one service with a neighboring New Jersey municipality or residents who indicated that they would favor sharing at least one of the six services asked of them in a following question. The follow-up question was asked of all residents who did not explicitly oppose sharing at least one service with a neighboring New Jersey municipality on a previous question.]

7. Would you favor or oppose sharing the following services with a neighboring New Jersey municipality?

	Fire Protection	First Aid & Rescue	Municipal Court	Police Protection	Public Works	Tax Assessment
Favor	60%	61%	80%	58%	80%	67%
Oppose	41%	39%	20%	42%	20%	33%

[Note: The follow-up question was asked of all residents who did not explicitly oppose sharing at least one service with a neighboring New Jersey municipality on a previous question.]

8. Do you believe that sharing at least one service with a neighboring New Jersey municipality would reduce the overall costs of providing local government services to your municipality?

	TOTAL	Does R Favor or Oppose Consolidation?		
		Favor	Oppose	Not Sure
Yes, it would reduce the cost	50%	63%	14%	*
No, it would not reduce the cost	21%	9%	66%	22%
Not Sure	28%	28%	21%	74%

[Note: Results reported are only for residents who indicated that they would favor sharing at least one service with a neighboring New Jersey municipality or residents who indicated that they would favor sharing at least one of the six services asked of them in a following question. The follow-up question was asked of all residents who did not explicitly oppose sharing at least one service with a neighboring New Jersey municipality on previous question. \* denotes case size is too small to report for category]

9. When answering the following questions, please think about economic conditions in Mercer County as a whole rather than your individual township, borough, or city. How would you rate economic conditions in Mercer County today?

	TOTAL	BY HOUSEHOLD INCOME		
		< \$50K	\$50K to < \$100K	\$100K or more
Excellent	1%	1%	1%	2%
Good	28%	17%	28%	35%
Only Fair	50%	49%	52%	52%
Poor	16%	24%	13%	7%
Not Sure	6%	9%	5%	5%

[Note: The scale used in this question was reversed for ½ half of the sample]

10. Over the next 12 months, do you expect that economic conditions in Mercer County will get better, worse, or stay about the same as they are today?

	<b>TOTAL</b>	<b>BY HOUSEHOLD INCOME</b>		
		< \$50K	\$50K to < \$100K	\$100K or more
Better	12%	14%	13%	12%
Stay about the same	51%	44%	49%	58%
Worse	31%	35%	33%	27%
Not Sure	6%	7%	5%	3%

[Note: The scale used in this question was reversed for half of the sample. The scale was also collapsed when reporting results]

11. Over the next 12 months, do you expect that the number of unemployed residents in Mercer County will increase, decrease, or stay about the same as they are today?

	<b>TOTAL</b>	<b>BY HOUSEHOLD INCOME</b>		
		< \$50K	\$50K to < \$100K	\$100K or more
Increase	39%	48%	41%	33%
Stay about the same	38%	27%	33%	52%
Decrease	17%	16%	21%	12%
Not Sure	6%	9%	5%	4%

[Note: The scale used in this question was reversed for half of the sample. The scale was also collapsed when reporting results]

12. Over the next 12 months, do you expect that residential property values in Mercer County will increase, decrease, or stay about the same as they are today?

	<b>TOTAL</b>	<b>BY HOUSEHOLD INCOME</b>		
		< \$50K	\$50K to < \$100K	\$100K or more
Increase	15%	15%	19%	10%
Stay about the same	45%	38%	48%	53%
Decrease	35%	39%	31%	36%
Not Sure	6%	9%	3%	2%

[Note: The scale used in this question was reversed for half of the sample. The scale was also collapsed when reporting results]