

# The People's Voice

## California Voters Prepare for Lean Economy

California voters are readying themselves to face lean economic times, and want state elected leaders to do likewise, according to the latest CalChamber poll, the People's Voice, 2022.

By a 65% to 35% margin, voters believe California is in a recession. When compared to a year ago, voters by a 2-to-1 margin believe their households' finances and current economic situation are worse. On a slightly more optimistic note, looking forward, a slim majority (51%) of voters think the economy will be better a year from now, and a majority (54%) say that their own economic situation will likely improve over the next year.

But for now, Californians are tightening their belts.

Three out of four voters say rising prices have caused them and their family to adjust their spending habits a lot (35%) or some (40%). Nearly all voters (93%) have noticed higher prices for groceries, with higher gasoline prices (87%) also top of mind, followed by eating out at restaurants/take out (81%) and utility costs (68%).

Voters point to improving California's business climate as a way through the economic doldrums.

A whopping 87% of voters believe that California needs to do more to attract and retain businesses in the state, while 63% go even further, agreeing that California has fostered an unfriendly business climate that discourages new high-quality jobs and opportunities. These concerns are shared widely

### NEARLY 9 IN 10 VOTERS WANT A FOCUS ON BRINGING/KEEPING JOBS TO/IN CALIFORNIA



Source: CalChamber People's Voice, 2022.

among demographic groups and regions, but especially strongly with younger voters and residents of the Inland Empire and Central Valley.

Nearly 4 out of 5 voters complained that state elected officials were not spending enough time encouraging economic development to grow new businesses in California or keeping major employers from leaving California and going to another state.

Digging deeper, voters were informed about a study from Stanford University's Hoover Institution, which reported that in 2021, California business headquarters left the state at twice the rate of 2020 and 2019, and at three times the rate of 2018. Reasons for this include high tax rates, high labor costs, high living costs, high utility and fuel costs, as well as the complicated regulatory environment at the state and local levels.

When asked how important is it that the Governor and the Legislature address this issue, nearly half of voters (48%) said it was extremely important and another third said it was very important.

Following up, voters were asked about a proposal that, before enacting any new law, the Governor and the Legislature should be required to report on its business impact, specifically whether the law will drive businesses and jobs to leave California. Nearly 90% agree with that policy, half of them strongly.

Californians are pessimistic about the direction of the

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country, with 62% saying it's headed down the wrong track, and only 38% saying the U.S. is headed in the right direction. They're more upbeat on California, with a slight majority (52%) saying the state is headed in the right direction.

Voters' pessimism extends to their own prospects. When asked about the American Dream — that if you work hard, you'll get ahead — a majority (55%) responded that this once held true but does not anymore, while 13% say this has never held true. Only a third of Californians say that the American Dream still holds true; this sentiment is down by 16 points since 2018.

Just as sobering, when parents with kids living at home (about a quarter of the sample) were asked if their children would have a better future if they left California, fully 60% agreed, half of them strongly. When all voters were asked if their family would have a better future if they left California, a majority (56%) agreed, an eight-point increase since 2021.

### UNADDRESSED CONCERNS

What are the most important, but unaddressed, concerns of Californians? More than 85% of voters expressed that elected officials in Sacramento are not spending enough time on the following issues:

- Making California more affordable,
- Expanding the state's fresh water supply,
- Reducing taxes,
- Addressing the economic recession,
- Reducing crime,
- Addressing homelessness, and
- Addressing high housing costs.

Left unattended, these issues certainly contribute to anxieties expressed by California voters.

### PERSONAL SAFETY

One of the biggest sources of public anxiety is personal safety. Asked about crime, 69% say it has increased, with more than half of them saying it's gone up "a lot." More than 4 out of 5 voters agree that street crime, shoplifting and car theft have become rampant throughout California, and 63% agree that they no longer feel safe because of danger and disorder in society today. That last sentiment has grown stronger over the base three years.

As to possible responses, half of voters support increasing funding and resources to law enforcement and another 38% say funding should remain about the same. Nearly 9 in 10 voters (61% strongly) believe that violent offenders should be

kept in prison for their entire sentence, as determined at the trial. A similar 89% of voters (56% strongly) agree that prosecutors who refuse to enforce the law should be replaced.

### DROUGHT

Along with the economy, top-of-mind for voters is the drought. By a 4-to-1 margin, voters say the drought represents the new reality for California, as opposed to a short-term problem. And 87% of voters say that state leaders are not spending enough time working to expand the state's fresh water supply.

When it comes to solutions and strategies, voters overwhelmingly support new infrastructure and technology to address water shortages. By a large margin, voters support (89%, 52% strongly) expedited permitting of desalination plants along the coast and expedited permitting of off-stream water storage reservoirs (89%, 41% strongly). Similar support was expressed for expedited permitting of recycling plants that make sewage effluent (treated, reclaimed wastewater) and stormwater drinkable.

Conservation and regulatory measures also are supported by voters. Voluntary water reductions by residential users and mandatory reductions for all other users was supported by 83% of voters, while mandatory water rationing for all users was supported by 64% of voters.

### CLIMATE CHANGE

A perennially popular issue with elected California leaders is climate change and regulations to mitigate its causes. A plurality of California voters (43%) agree that California is not moving fast enough when it comes to policies addressing climate change (another 30% believe the state is moving at the right pace). But when it comes to both setting priorities and the policy details, voters diverge from their leaders.

Voters strongly support measures to address wildfire suppression and mitigation. Controlled burning to eliminate dry underbrush on public and private land is supported by 85% of voters, as is limiting future housing development in areas prone to wildfires (84%).

### COST CONCERNS

But voters shift gears when a policy implicates their lifestyles or pocketbooks. They oppose (52%) the ban on sales of gasoline-powered automobile engines by 2035, strongly oppose (61%) requiring any new highway expansion include only carpool or toll lanes, and overwhelmingly oppose (70%)

increasing taxes on gasoline or diesel to discourage use of internal combustion engines.

Californians understand that fighting climate change as a state will be costly. More than two-thirds of voters believe that new policies to fight climate change will cause the price of things to increase, while only a quarter of voters say these policies would have no impact on prices.

When asked directly how much more they'd be willing to spend in higher prices and higher taxes each month to combat climate change, Californians voted with their pocketbooks. Half responded that they would pay no more, and another 30% responded no more than \$50 per month.

### PROPOSITION 13/ LABOR LITIGATION

A bedrock issue for California voters is Proposition 13 — namely, protecting it. After 44 years, Proposition 13 is just as popular as ever, with 85% of voters having a favorable view of the property tax reform (44% very favorable).

From a venerable ballot measure to a brand new one, voters continue their strong support to reform litigation over Labor Code violations, also known as “PAGA” (Private Attorneys General Act). A 2024 ballot measure would require Labor Code violations to be handled by independent state regulators, and 100% of penalties for violations be paid to employees — instead of the state. The measure also would allow employees to take their case to court if they are not satisfied with the regulator's decision.

When asked about this proposal, 62% of voters indicated their support, with only 11% opposed. What's more, this is a 13 percentage point increase in support since 2021.

### PUBLIC EDUCATION

Schools are a high priority for voters, but that doesn't mean they are satisfied with school performance.

After two years of the pandemic and its effect on public schools, including substantial learning loss among students and new state and federal funding, a strong majority of voters (57%) say the public education system in California needs major changes, another 36% support minor changes, and only 7% believe the system is basically fine.

Given a choice among various strategies to improve public education and recover from pandemic learning loss, voters selected as their top three: increasing the statewide budget for education and pay to recruit more teachers; substantially increasing the availability of tutors, especially for at-risk students in key subjects; and allowing parents to choose the local public school to attend that best meets their child's needs.

### HEALTH CARE

Although the Legislature defeated single-payer health care earlier in 2022, proponents have not given up. But they will have to overcome substantial voter skepticism.

Asked about their current health insurance, a strong majority of voters (54%) responded they were very satisfied, and another 38% were somewhat satisfied. Among those with private health insurance (nearly half the sample), more than 7 out of 10 voters would rather keep their current private health insurance, compared with just 29% that would rather switch to a government-run single-payer approach.

### METHODOLOGY

The CalChamber poll was conducted by Bold Decision and Pierrepont Consulting and Analytics with 1,000 online interviews of California 2022 general election voters from November 12–14, 2022. The margin of error for this study is +/- 3.1% at the 95% confidence level and larger for subgroups. This is the eighth year CalChamber has published The People's Voice survey.



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