



February 10th, 2020
Memorandum

To: Burly Cain, Americans for Prosperity, Interested Parties
Fr: David Flaherty, Courtney Sievers, Magellan Strategies
Re: New Mexico PERA Reform Voter Opinion Survey

This is a summary of a telephone survey of 500 registered voters in New Mexico. The interviews were conducted on February 9th, 2020. The overall results have a margin of error of +/- 4.38% at the 95 percent confidence interval. The survey data was slightly weighted to be representative of the voter registration demographics of New Mexico. This survey was commissioned by the Americans for Prosperity Foundation.

Survey Objectives

The focus of this research project was to measure and understand New Mexico voter opinion of:

- Familiarity of the New Mexico Public Employee Pension Fund (PERA).
- Image rating of the New Mexico Public Employee Pension Fund (PERA).
- Support/opposition/awareness levels for PERA pension reform legislation.
- Voter opinion of different aspects of PERA pension reform legislation.
- Voter changes in support/opposition for reform legislation after being informed.

Key Findings:

- New Mexico voter familiarity with the Public Employee Pension Fund, or “PERA” is low. Among all respondents, 34% of respondents were either very familiar (15%) or somewhat familiar (19%) with PERA. Just under half, 49%, are unfamiliar with the Public Employee Pension Fund.
- Thirty-one percent of respondents have a favorable opinion of PERA, 13% have an unfavorable opinion of it, and 55% have no opinion. However, among respondents that have a public employee in the household, 55% have a favorable opinion of PERA as did 75% of respondents that are very familiar with PERA.
- Twenty-six percent of respondents said they support the PERA reform legislation, 17% oppose it and 55% did not have an opinion. It is very apparent that New Mexico voters have not heard enough about the reform legislation.
- After respondents were educated and informed about different aspects of the PERA reform legislation, support increases by 39 points, moving from 26% to 65%.

Voter Awareness of Public Employee Pension Fund or “PERA”

In order to measure the awareness of the Public Employee Pension Fund, or “PERA,” voters were asked how familiar they were with it. Among all respondents, 15% were very familiar and 19% were somewhat familiar with the fund, for a total of 34%. Just under 50% of respondents were not familiar at all with the pension fund and 16% were not too familiar with it.

Among younger respondents aged 18 to 34 years old a massive 72% were not familiar at all with PERA, compared to respondents aged 65 and older with 40% not being familiar at all. We fully anticipate the awareness levels among all voters to increase as the legislature and the New Mexico media report on the pending PERA reform legislation.

*“How familiar are you with New Mexico’s largest public employee pension fund, known as the Public Employees Retirement Association or “PERA”? Would you say you are...” **

<u>Response</u>	<u>All</u>	<u>Men</u>	<u>Wom</u>	<u>Dem</u>	<u>Rep</u>	<u>Ind</u>	<u>Con</u>	<u>Mod</u>	<u>Lib.</u>	<u>CD1</u>	<u>CD2</u>	<u>CD3</u>
Very Familiar	15%	12%	18%	18%	17%	8%	19%	17%	9%	15%	15%	15%
Smwt. Unfa.	19%	19%	20%	18%	26%	14%	22%	24%	15%	20%	16%	22%
Not Too Fam.	16%	15%	17%	16%	13%	21%	11%	22%	18%	19%	15%	15%
Not at All	49%	53%	45%	48%	43%	55%	48%	37%	58%	46%	52%	48%
Refused	1%	11%	0%	0%	1%	2%	0%	0%	0%	0%	2%	0%

*Voter subgroup margins of error, men 6.5%, Democrats 6.5%, Republicans 8.0%, Independents 9.1%, conservative 7.5%, moderate 7.6%, liberal 8.5%, Congressional Dist. 1 7.5%, Congressional Dist. 2 7.9%, Congressional Dist. 3 7.4%.

Public Employee Pension Fund Image Rating

Among all respondents, 31% have a favorable opinion of PERA, 13% an unfavorable opinion and 55% do not have an opinion of it. Among respondents that have a public employee in the household, 55% have a favorable opinion of PERA as well as 75% of respondents that are very familiar with it.

Not surprisingly, among respondents that are not familiar at all with PERA, 80% had no opinion of the fund. One relevant observation regarding the responses to this question is that a very small percentage, 13% have an unfavorable opinion of PERA.

*“And do you have a favorable or unfavorable opinion of New Mexico’s public employee pension system, known as “PERA?” **

<u>Response</u>	<u>All</u>	<u>Men</u>	<u>Wom</u>	<u>Dem</u>	<u>Rep</u>	<u>Ind</u>	<u>Con</u>	<u>Mod</u>	<u>Lib.</u>	<u>CD1</u>	<u>CD2</u>	<u>CD3</u>
Tot. Favorable	31%	32%	30%	34%	31%	27%	25%	42%	29%	30%	27%	36%
Tot. Unfavor.	13%	14%	12%	10%	19%	12%	18%	18%	3%	11%	13%	15%
No Opinion	55%	53%	57%	56%	48%	61%	56%	40%	67%	59%	59%	49%
Refused	1%	1%	1%	0%	2%	0%	1%	0%	1%	0%	1%	0%

*Voter subgroup margins of error, men 6.5%, Democrats 6.5%, Republicans 8.0%, Independents 9.1%, conservative 7.5%, moderate 7.6%, liberal 8.5%, Congressional Dist. 1 7.5%, Congressional Dist. 2 7.9%, Congressional Dist. 3 7.4%.

Uninformed Voter Opinion of 2020 PERA Reform Legislation

At this time, 26% of New Mexico voters support the PERA reform legislation, 17% oppose it, and 55% do not have an opinion of it. These findings are not surprising considering the awareness and opinion levels of the public pension system and fund. However, it is notable that 27% of Republican respondents and 24% of self-identified conservatives oppose the legislation. We believe a lack of awareness about the reform legislation among these two voter subgroups is contributing to the negative opinions of the bill.

*“As you may know, a proposal was recently introduced in the state legislature that would enact reforms to the public employee pension system. Based on what you have seen, read or heard about this legislation, do you support or oppose it?” **

Response	All	Men	Wom	Dem	Rep	Ind	Con	Mod	Lib.	CD1	CD2	CD3
Tot. Support	26%	23%	28%	32%	14%	31%	20%	28%	34%	25%	22%	30%
Tot. Oppose	17%	20%	13%	11%	27%	14%	24%	13%	14%	20%	10%	19%
No Opinion	55%	54%	57%	55%	55%	54%	53%	5%	49%	53%	66%	48%
Refused	2%	3%	2%	2%	4%	1%	3%	4%	3%	2%	2%	3%

*Voter subgroup margins of error, men 6.5%, Democrats 6.5%, Republicans 8.0%, Independents 9.1%, conservative 7.5%, moderate 7.6%, liberal 8.5%, Congressional Dist. 1 7.5%, Congressional Dist. 2 7.9%, Congressional Dist. 3 7.4%.

Reasons Why 26% Support the PERA Reform Legislation

Supporters of the PERA reform legislation were asked a follow-up question why they support the reform legislation. The most common responses mention the pension fund being underfunded and a respect for public employees and them deserving a decent retirement. Overall, support for the reform legislation is very much correlated with respondents that are aware of the current pension system and its problems.

In your own words, please tell me why you support legislation that would enact reforms to the public employee pension system.

“It needs stability. It is top ended right now. They don’t have enough funding for it. I believe that there should be a reform.” – Male, 65+, Republican, Bernalillo County

“I’ve seen other systems go under. I think it would be that if they determined that it’s sustainable and if they can project that they need to adjust so that people do get their retirement.” – Female, 65+, Democrat, Bernalillo County

“The system as-is should be defunded and reformed to be more stable, so that it can last longer.” – Male, independent, Bernalillo County

“It would be to make sure that is would be strong. It could be that the public employees put money in to get what they deserve.” – Male, 65+, Democrat, Sandoval County

"It would be an advocate for the employee and to gain access for the working person. It would also be to ensure that they have the proper benefits when they can't work anymore."
– Male, 35-44, Democrat, Valencia County

"The system is radically underfunded. It needs the reform to get the funding up to the level where it can be sustained." – Male, 65+, Democrat, Santa Fe County

"I think the reason why I support is obvious. They're good employees. They've been retained, are loyal and deserve to be rewarded for their loyalty. I would support legislation to enact reforms as long as it benefited the retirees." – Male, 65+, Democrat, Taos County

"It would be to ensure that all the teachers and other public employees have a decent retirement that is safe and secure." – Male, 65+, Republican, Bernalillo County

Reasons Why 17% Oppose the PERA Reform Legislation

Respondents that oppose the reform legislation were asked why. One of the most common reasons cited was a lack of understanding or information about the reforms. Several respondents mentioned they needed more information before they could consider supporting it. There were also comments of concern that it would reduce the current benefits they have or remove the cost of living adjustment. Again, these findings clearly demonstrate the need for New Mexico voters to be more informed about the legislation.

In your own words, please tell me why you oppose legislation that would enact reforms to the public employee pension system.

"From what I understand, it would reduce their benefits." – Male, 55-64, Republican, Chaves County

"I think it's cutting out the cost of living increase and requiring the current workers to pay more." – Male, 65+, Democrat, Taos County

"We need to look at the management first before any changes are implemented." – Male, 55-64, Democrat, Bernalillo County

"Reforms always mean less. There's no reason for that to happen to those people who earn the money. They need to get it back for what they earn. They earned that retirement, and some is messing around with Social Security." – Male, 55-64, Democrat, Bernalillo County

"That's my pension, I worked for it, I don't want to tamper with it." – Female, 35-44, Republican, Bernalillo County

"I need to be more informed to have an opinion about it." – Male, 65+, independent, San Juan County

“We need more information if the reforms are going to work in the long term.” – Male, 65+, Republican, San Juan County

Voter Opinion of PERA Reform Legislation Details

In order to generate an informed opinion among respondents about the PERA reform legislation the survey included five questions describing specific aspects of the legislation. After hearing the question, they were then asked if they were more likely to support or oppose the legislation.

The survey found the most popular aspect of the reform legislation was the guarantee that lower income retirees would still have a “COLA” adjustment no less than 2.5%. Among all respondents, 70% were more likely to support the reform legislation after hearing these details and 34% much more likely.

The following table shows each of the five questions and the responses ranked by the percentage of respondents being more likely to support the legislation. It is important to note that the ranking of the questions was the same among Republican respondents.

“I am now going to read to you some information about the public employee pension reform legislation. After hearing the information, please tell me if you are more likely to support or oppose the legislation.”

<u>PERA Reform Legislation Information Questions (All Respondents)</u>	Total More Likely to Support	Much More Likely to Supp.	Some What More Likely to Supp.
<i>The new legislation would protect the lowest income retirees by guaranteeing their cost of living or “COLA” adjustments would be no less than 2.5% for those with a pension of twenty-five thousand dollars \$25,000 or less and have worked in their job for 25 years.</i>	70%	34%	36%
<i>In order to improve the financial solvency of the pension fund, this legislation would increase contributions from both public employees and employers by 0.5%.</i>	66%	28%	38%
<i>The public employee pension is currently at 69% of necessary funding. At these levels, the fund is in danger of a "death spiral" in the event of an economic downturn. This reform legislation puts the pension on a path to full funding.</i>	62%	31%	31%
<i>This public employee pension reform plan is a monumental first step to addressing the public pension shortfall, and strong bi-partisan support from Governor Lujan Grisham, Democrats, Republicans, labor leaders, the International Association of Fire Fighters business organizations and Americans for Prosperity.</i>	60%	30%	30%

<i>The public employee pension system has an unfunded liability of six point one \$6.1 billion dollars. In order to address this problem, reforms to the system are required. Without these reforms thousands of police officers, teachers, fire fighters, first responders, and other public employee pensions will be at risk.</i>	57%	27%	30%
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Informed Voter Opinion of 2020 PERA Reform Legislation

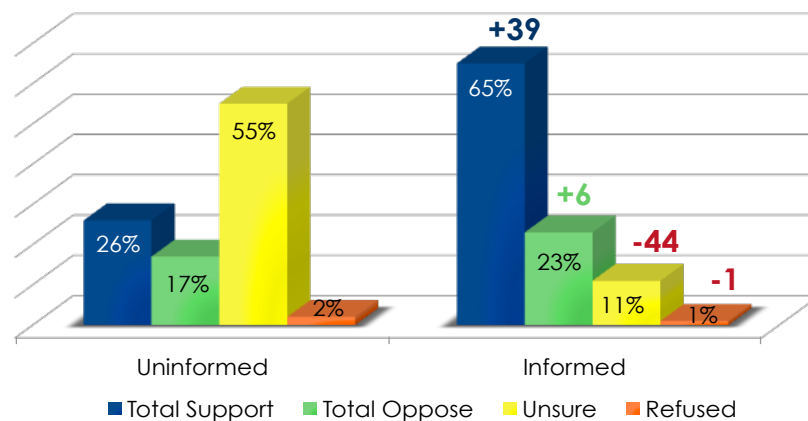
After respondents were informed about different aspects of the reform legislation they were then asked again if they support or oppose it. Among all respondents, two-thirds or 65% support the reform legislation, 23% oppose it, and 11% did not have an opinion. The responses to this question clearly demonstrate that if New Mexicans are informed about the PERA reform legislation they are more likely to support it.

*“Now that you have heard some information about the public employee pension reform legislation being considered by the state legislature, do you support or oppose it?” **

<u>Response</u>	<u>All</u>	<u>Men</u>	<u>Wom</u>	<u>Dem</u>	<u>Rep</u>	<u>Ind</u>	<u>Con</u>	<u>Mod</u>	<u>Lib.</u>	<u>CD1</u>	<u>CD2</u>	<u>CD3</u>
Tot. Support	65%	65%	65%	83%	45%	58%	54%	67%	83%	65%	68%	62%
Tot. Oppose	23%	26%	21%	11%	34%	30%	32%	23%	11%	24%	17%	27%
No Opinion	11%	8%	13%	4%	20%	12%	13%	9%	4%	9%	13%	10%
Refused	1%	1%	1%	2%	1%	0%	1%	1%	2%	2%	2%	1%
Strng. Supp.	30%	27%	34%	44%	15%	25%	18%	33%	45%	26%	30%	35%
Smwt. Supp.	35%	38%	31%	39%	30%	33%	36%	34%	38%	39%	38%	27%
Strng. Opp.	11%	12%	10%	5%	20%	8%	17%	9%	6%	12%	7%	12%
Smwt. Opp.	12%	14%	11%	6%	14%	22%	15%	14%	5%	12%	10%	15%

*Voter subgroup margins of error, men 6.5%, Democrats 6.5%, Republicans 8.0%, Independents 9.1%, conservative 7.5%, moderate 7.6%, liberal 8.5%, Congressional Dist. 1 7.5%, Congressional Dist. 2 7.9%, Congressional Dist. 3 7.4%.

Opinion of PERA Reform Proposal Uninformed vs. Informed



Changes in Support for PERA Reform by Population Subgroup

The following table shows the increase in support for the PERA reform legislation by population subgroup.

	<u>All</u>	<u>Men</u>	<u>Wom</u>	<u>Dem</u>	<u>Rep</u>	<u>Ind</u>	<u>Con</u>	<u>Mod</u>	<u>Lib.</u>	<u>CD1</u>	<u>CD2</u>	<u>CD3</u>
Change	+39	+42	+37	+51	+31	+27	+34	+39	+49	+40	+46	+32
Informed	65%	65%	65%	83%	45%	58%	54%	67%	83%	65%	68%	62%
Uninformed	26%	23%	28%	32%	14%	31%	20%	28%	34%	25%	22%	30%

Conclusion

At this time, most New Mexico residents are both unaware and uninformed about pending PERA reform legislation. However, this survey indicates there will be strong support for the reforms as voters become more educated and informed of the details and changes to the public employee retirement system. For the stakeholders who support this legislation, success will likely be determined by how well they are able to plan and execute a thorough public education campaign.