

**Financial Issue Poll Report
November 4, 2011**

KEY FINDINGS

The majority of CARP members believe new revenue-creating taxes are not necessary to pay for politicians' recent promises, that cutting waste will free up the funds, but, if a new tax is contemplated, they agree increased taxes on the wealthy are most appropriate and fairest.

One half of members agree that Canada should reinstate the estate tax, starting after the first million or five million inherited and comprising about 15%.

The wide majority agree with raising taxes on those earning more than \$250,000 a year, and the plurality agree any funds raised by new taxes should go to paying down the deficit, followed by fewer who say the funds should fund an increase in OAS/GIS, more long term care, national pharmacare or a national home care strategy.

The strong majority of members own their homes mortgage-free, have about \$300,000 in savings and investments and have defined benefit pensions. About 4-in-10 are carrying debt (besides the mortgage on their homes), on average about \$46,000, and about one quarter have taken on additional debt in the last year. Among those who have, the reason was renovating a home, for day-to-day living expenses or to help children or grandchildren, and the source was most likely a personal line of credit.

Just one tenth of members have long term care insurance in their household, and those who do say it is not affordable. Among those who have any idea of the cost, the average estimate is about \$8000 a year. Two thirds agree Canada should have mandatory long term care insurance, paid for by employees and employers, like Germany.

Three quarters of members want to spend their last days at home, and they estimate the cost of assisted living at about \$3500 per month.

Regulation, accreditation and better pay are seen to be the ingredients necessary to make the working lives of PSWs better, and there is agreement family caregivers should receive cash allowances or tax credits to compensate them for their unpaid work.

The Conservative Party still commands the support of one half of CARP members, the Liberals have lost a few points and the NDP have gained a few since the last wave of polling.

Detailed Findings

When members are asked their opinion of politicians who promise new services but no new taxes to pay for them, two thirds say additional taxes are not required (69%), primarily because cutting waste will provide the funds (55%). One quarter feel new taxes are appropriate (26%), led by new taxes in general (12%), rather than any earmarked tax.

In the recent federal and provincial elections, no political party discussed the need for new or increased taxes to pay down the deficit or pay for new services. Which of the following best describes your opinion about this?

NO NEW TAXES NEEDED	69%
Just eliminate waste	55%
Cut spending/services instead	9%
Economic recovery will create growth	5%
NEW TAXES APPROPRIATE	26%
New/increased taxes in general	12%
New tax earmarked for healthcare	5%
New tax earmarked for deficit reduction	5%
New tax earmarked to reduce poverty	4%
OTHER	3%
DON'T KNOW	3%

The plurality of members agree that a tax on the wealthy is the fairest tax (44%), followed by a flat tax scheme (17%) and a tax on unhealthy activities (11%).

If there were to be new or increased taxes, which of the following taxes do you think is the fairest?

Increase income taxes on the wealthy	44%
Flat tax with no deductions	17%
Health tax on unhealthy activities	11%
Sales tax/GST/HST	9%
Road tolls/congestion fees	4%
Estate tax	4%
Tax on financial transactions	3%
Carbon/pollution tax	3%
OTHER	2%
DON'T KNOW	4%

About one half of members agree with reinstating Canada's estate tax (52%).

The US has an estate tax of 35% after the first \$5 million inherited. Canada abolished its estate tax in 1972. A similar estate tax in Canada might raise \$4 billion a year. How much do you agree Canada should reinstate the estate tax in order to raise revenue?

AGREE	52%
Agree strongly	20%
Agree	32%
DISAGREE	45%
Disagree	17%
Disagree strongly	28%
DON'T KNOW	3%

Among those who agree with the estate tax, it is thought that the tax should kick in after the first million (71%), and one third limit that to the first \$5 million (35%).

At what level should the estate tax kick in?

On the entire inheritance	1%
After the first \$100K	3%
After the first \$250K	7%
After the first \$500K	16%
After the first \$1 million	36%
After the first \$5 million	35%
DON'T KNOW	3%

On average, those who agree with the estate tax think it should be about 15%.

What percentage should the estate tax be?

Less than 10%	17%
10% to 19%	30%
20% to 29%	27%
30% to 39%	15%
40% to 49%	2%
50% or more	1%
AVG. PERCENTAGE	15%
DON'T KNOW	5%

The wide majority of members agree with raising income taxes on those making more than \$250,000 a year (85%), and close to half “agree strongly” (46%).

Some experts have proposed raising income taxes 3% on those earning more than \$250,000 a year, making their tax rate 32%, and still lower than in the US. How much do you agree Canada should raise tax rates on those earning \$250,000 a year or more?

AGREE	85%
Agree strongly	46%
Agree	39%
DISAGREE	13%
Disagree	8%
Disagree strongly	5%
DON'T KNOW	2%

If new taxes are imposed, the plurality of members want to see the proceeds earmarked for the deficit (40%), followed by one tenth who ant to increase GIS/OAS or add more funding for long term care (10% each).

Tax increases like these could raise between \$2 billion and \$4 billion a year. If they were enacted, where do you think these funds should go?

Reduce the deficit	40%
Increase GIS/OAS	10%
More funding for long term care	10%
National pharmacare	8%
National home care strategy	8%
Funding for more doctors and nurses	7%
Stimulus/infrastructure spending	7%
Pay for military/jets/ships	*
OTHER	
DON'T AGREE WITH ANY NEW TAX	8%

Two thirds of members own their homes mortgage-free (68%), while a further one fifth have mortgages (18%).

What is your home ownership status?

OWN	91%
Own, no mortgage	68%
Own, mortgage	18%
Own more than one, no mortgage	2%
Own more than one, mortgage(s)	2%
Rent	8%
Live with family	1%
Live in retirement facility	*
OTHER	1%

On average, members have about \$300,000 in savings and investments.

Apart from the value of your principal residence, what is the value of your household's savings and investments?

Less than \$100K	27%
\$100K to \$250K	25%
\$250K to \$500K	23%
\$500K to \$1 million	17%
More than \$1 million	8%
AVG. SAVINGS AND INVESTMENTS	\$290K

Close to two thirds of members claim to have a defined benefit pension (60%), which may attest to their relative abundance in the past. One quarter of members have no pensions (25%).

Do you have a pension?

YES	70%
Defined benefit	60%
Defined contribution	10%
NO	25%
PREFER NOT TO SAY	6%

About 4-in-10 members say they are currently carrying debt over \$1000, and, on average, that debt is about \$46,000.

Apart from a mortgage on your principal residence, are you currently carrying any debt over \$1000?

NO	53%
PREFER NOT TO SAY	5%
YES	42%

\$1K to \$5K	27%
\$5K to \$10K	17%
\$10K to \$25K	22%
\$25K to \$50K	16%
\$50K to \$100K	10%
\$100K to \$250K	7%
\$250K to \$500K	1%
More than \$500K	1%
AVG. DEBT	\$46.3K

One quarter of members have taken on additional debt this year (25%).

Have you taken on additional debt in the past year?

Yes	25%
No	73%
PREFER NOT TO SAY	2%

The expenses which led to additional debt are most likely to be renovating a home (20%) or day-to-day living expenses (18%), followed by helping children or grandchildren (14%). Almost none used this for long term care (1%).

What expenses caused you to take on this additional debt?

Renovate home	20%
Day-to-day living expenses	18%
Help children/grandchildren	14%
Travel/recreation	9%
Investment opportunity	8%
Invest in real estate	4%
Long term care expenses	1%
OTHER	20%
PREFER NOT TO SAY	6%

More than half of those accessing additional debt did so through a line of credit (52%), followed by their credit cards (18%).

What was the primary source of this additional debt?

Line of credit	52%
Credit card	18%
Personal loan	11%
Home equity loan/reverse mortgage	7%
Private loan	1%
OTHER	8%
MORE THAN ONE SOURCE EQUALLY	3%

Just one tenth of members claim someone in their household has long term care insurance (10%).

Do you or does anyone in your family have Long Term Care insurance?

Yes	10%
No	90%

Among those familiar with it, the majority describe long term care insurance as “not affordable” (70%), with one quarter characterizing it as “not at all affordable” (23%).

How would you characterize the affordability of this insurance?

AFFORDABLE	30%
Very affordable	4%
Affordable	26%
NOT AFFORDABLE	70%
Not affordable	47%
Not at all affordable	23%

Two thirds of members have no idea what long term care insurance costs per year (68%), and among those who do, on average, about \$8000 a year is seen to be the cost.

As far as you know, what is the annual cost of Long Term Care insurance?

DON'T KNOW	68%
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Less than \$1K	13%
\$1K to \$5K	59%
\$5K to \$10K	15%
\$10K to \$25K	5%
\$25K to \$50K	5%
\$50K to \$75K	2%
\$75K to \$100K	1%
More than \$100K	*
AVG. COST	\$8.1K

Two thirds of members agree with German-style mandatory long term care insurance (68%).

In Germany, all citizens have mandatory long term care insurance much like our CPP, funded by contributions from employees and employers. How much do you agree Canada should have a similar system of mandatory long term care insurance?

AGREE	68%
Agree strongly	20%
Agree	48%
DISAGREE	14%
Disagree	10%
Disagree strongly	4%
DON'T KNOW	17%

As is the case in previous surveys, about three quarters of members say they want to spend their last days at home (73%), with just a tenth opting for retirement homes or assisted living (10% each).

Where do you think you'd like to spend your later years?

At home	73%
In assisted living	10%
In a retirement home	10%
With family	3%
OTHER	1%
DON'T KNOW	3%

About one fifth of members don't know what assisted living costs per month, but among those who do, an average figure of about \$3500 emerges. While this is low (typical rates are \$4000 to \$6000) it is not remarkable low, reflecting the fact many of our members already live in these kinds of arrangements.

As far as you know, what is the average monthly cost for an apartment and meals in an assisted living facility?

DON'T KNOW	18%
Less than \$2K	4%
\$2K to \$3K	37%
\$3K to \$4K	38%
\$4k to \$5K	14%
\$5K to \$6K	4%
\$6K to \$7.5K	1%
\$7.5K to \$10K	1%
More than \$10K	1%
AVG. MONTHLY COST	\$3.5K

The plurality of members agree that PSWs need accreditation and regulation (29%) to improve their standing, while just fewer say they need better pay (20%). A similar proportion say they need better training (17%), followed by those who say better hours and working conditions are needed (14%).

Which of the following steps do you think would make the most positive difference in how Personal Services Workers (PSWs) who provide home care do their jobs?

Regulation and accreditation	29%
Better pay	20%
Better training	17%
Better hours/working conditions	14%
More public funding	6%
More private sector competition	4%
Better public image	3%
Pensions	3%
Union	2%
OTHER	3%

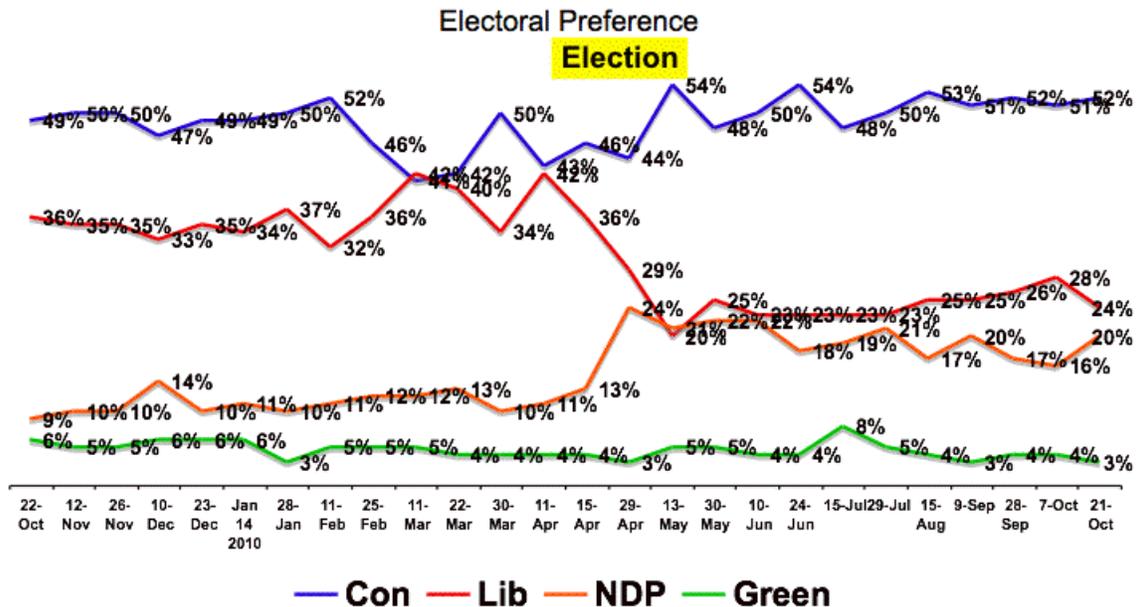
Close to half of members agree family caregivers should receive a tax credit (46%), primarily seen to be a refundable tax credit (36%), followed by those who want to see an income allowance (15%) or more government supplied home care (13%).

Family caregivers contribute more than \$25 billion a year in unpaid work to Canada's economy. Which of the following do you think is the best way to compensate them for this unpaid work?

TAX CREDIT	46%
Refundable	36%
Non-refundable	11%
Income allowance	15%
More government home care services	13%
Pension benefits for caregivers	8%
Respite services	5%
Paid work leave for caregivers	5%
More case management support from government	3%
OTHER	5%

ELECTORAL PREFERENCE

While the Conservative Party remains dominant (52%), the Liberals have lost some ground since the last wave of polling (28% to 24%), which the NDP have made up (16% to 20%). Nonetheless, the Liberals are still in second place among our members and don't look as if they're going away soon.



More than 3000 CARP Poll™ panel members responded to this poll between October 21 and 23. The margin of error for a sample this size is plus or minus 1.8%, 19 times out of 20. That is, if you asked all members of the CARP Poll™ panel the identical questions, their responses would be within 2%, either up or down, of the results shown here, 95% of the time