

## **Most Americans Don't Plan to Spend Their Tax Rebate**

About seven in 10 Americans say they won't be spending the money they'll get from their tax rebate, a potential crimp in George W. Bush's argument that the rebate will provide a quick boost to the economy.

Bush has said the rebate – \$300 to \$600 checks set to begin arriving in mailboxes this summer – is necessary to stimulate the national economy. But the stimulus relies on taxpayers spending their windfall, and this ABC News/Washington Post poll finds that relatively few intend to do so.

Twenty-one percent say they'll spend their rebate; another six percent say they'll spend some of it and save some. By contrast, 34 percent say they'll use it to pay off bills and debts, and 30 percent say they'll save or invest it.

	What will you do with your tax rebate?
Pay bills/debts	34%
Save it/invest it	30
Spend it	21
Spend some, save some	6
Give it away	1
Other	4

The rebate is estimated at around \$50 billion; supporters say it should boost the sluggish economy, while critics say the stimulus won't be large enough to make much difference.

**GROUPS** - Higher-income Americans are far more likely to say they'll spend their tax refund than are lower-income Americans. Middle and lower-income people are more apt to say they'll use the money to pay their bills. And somewhat more men than women say they'll spend their rebate. But majorities across all demographic groups plan to do things with the money other than spend it.

Plan to spend the tax rebate:	
<\$20K	15%
\$75K+	32
Men	26
Women	17

ISSUE - Americans give Bush a 58 percent approval rating for his work on tax cuts, and trust him more than the Democrats in Congress to handle the issue, albeit by a slim seven-point margin. At the same time, 54 percent think the tax cut will disproportionately benefit the wealthy, and people by 2-1 say they'd have preferred to have the tax cut money spent on popular social programs.

It's also not widely seen as an economic panacea. About a third think the tax cut will be good for the economy, while 50 percent think it won't make much difference one way or the other.

The tax cut will...	
Be good for the economy	35%
Be bad for the economy	13
Make no difference	50

METHODOLOGY - This ABC News/Washington Post poll was conducted by telephone May 31-June 3, 2001, among a random national sample of 1,004 adults. The results have a three-point error margin. Fieldwork by TNS Intersearch of Horsham, Pa.

Analysis by Dalia Sussman.

ABC News polls can be found at ABCNEWS.com on the Internet at:  
<http://abcnews.go.com/sections/politics/PollVault/PollVault.html>

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Here are the full results (\*=less than 0.5 percent):

\*= less than 0.5 percent

2. Do you approve or disapprove of the way Bush is handling the issue of tax cuts?

	Approve	Disapprove	No opinion
6/3/01	58	37	6
4/22/01	54	39	7

4. Who do you trust to do a better job handling the issue of tax cuts - Bush or the Democrats in Congress?

	Bush	Dems	Both (vol.)	Neither (vol.)	No opin.
6/3/01	49	42	1	6	2

15. As you may know, Congress has approved a tax cut of nearly one-point-four trillion dollars over the next 10 years. Do you think this tax cut will mainly benefit lower income people, middle income people, upper income people, or all people about equally?

	Lower	Middle	Upper	All equally	No opin.
6/3/01	5	10	54	27	4
4/22/01*	2	13	53	28	4
2/25/01*	4	8	47	33	8

8/1/99**	6	14	49	23	7
4/22/81***	5	14	48	27	6
3/29/81	6	17	47	26	5
2/20/81	7	15	43	31	4

\*Do you think the tax cut Bush has proposed would mainly benefit ...?

\*\*8/99: As you may know, the Republicans in Congress have called for a billion dollar tax cut over the next 10 years. Who do you think would benefit most from such a tax cut: poor and lower income people, middle income people, upper income people, or do you think all people would benefit pretty much equally?

\*\*\*4/81 and previous: Reagan called for a 30 percent federal income tax reduction for all taxpayers over the next three years. Who do you think would benefit most from such a tax cut: poor and lower income people, middle income people, upper income people, or do you think all people would benefit pretty much equally?

16. In general, do you think this tax cut will be good for the economy, bad for the economy, or won't it make much difference?

			No	No
	Good	Bad	difference	opin.
6/3/01	35	13	50	3

17. What would have been your own preference - (to have this tax cut), or (to have the federal government spend more on domestic programs such as education, health care and Social Security)?

	Tax	Spend	Neither	No
	cut	more	(vol.)	opin.
6/3/01	33	63	3	1

18. The tax cut will bring most Americans a refund check for 300 to 600 dollars this summer. If you get a tax refund check for 300 to 600 dollars, what do you think you'll do with it?

	Spend	Bills/ Debts	Save/ Invest	Spend & save	Give away	Not Eligible	Other	No opin.
6/3/01	21	34	30	6	1	3	4	2

\*\*\*END\*\*\*