Key Research Findings

National Online Survey

January 2017

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Methodology

• An online survey of N=1,200 registered voters was conducted January 4-6, 2017 on behalf of the American Benefits Council.

• N=600 voters were asked about the cap on pre-tax benefits.

• The margin of error for sample size N=600 is +4.0%.
Key Findings

✔ Health care costs remain a top economic concern for 50% of voters.

✔ The political landscape for Obamacare has shifted slightly with the election of Donald Trump with Democratic partisans hardening in their support.

✔ But, fewer than one in five (17%) voters overall, including just 29% of Democrats, want President Trump and Congress to implement Obamacare as-is.
A cap on pre-tax benefits is not a popular proposal and it is not yet being viewed through a strong partisan filter.

Voters say the worst potential outcomes of the cap are the most likely to actually happen, and after considering the ramifications, Republicans and Independents are more likely to oppose the cap.

Voters are more likely to support their representatives’ re-election if the representative opposes the cap.
Cap On Pre-Tax Benefits
Only 27% of voters have heard of this proposal.

In the past few months have you seen, read, or heard news or information about a proposed change to the tax code that would put a cap or limit on the amount of pre-tax health benefits employers may offer employees?
Survey respondents were given this description of the Pre-Tax Benefits Cap:

Currently, employees are NOT limited in the amount of health benefits they can receive from their employer. These benefits are provided with “pre-tax” dollars, which means that neither the employee nor the employer pays taxes on these benefits. This is known as the “health benefits tax exclusion” and is meant to encourage employers to offer health insurance to their employees.

Some have proposed changing the health benefits tax exclusion by putting a “cap” or limit on the amount of pre-tax health benefits employees could receive from their employer. The revenue generated by putting a cap on pre-tax health benefits would be used to pay for tax credits for individuals, regardless of income-level, who are not offered health coverage from their employer to help offset the cost of buying insurance or to pay for other health care reforms.
A cap on pre-tax benefits is not a popular proposal.

**Support/Oppose Pre-Tax Cap**

<table>
<thead>
<tr>
<th>Support/Oppose</th>
<th>Percentage</th>
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</thead>
<tbody>
<tr>
<td>Support</td>
<td>26%</td>
</tr>
<tr>
<td>Oppose</td>
<td>40%</td>
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</tbody>
</table>

- 29% Oppose - Strongly
- 11% Oppose - Not So Strongly
- 9% Support - Not So Strongly
- 17% Support - Strongly

Do you support or oppose this proposed change or do you not have strong feelings one way or the other?
A cap on pre-tax benefits is not a popular proposal and it is not yet being viewed through a strong partisan filter.

Support/Oppose Pre-Tax Cap by Party

Overall
-14%

-12%

-12%

-18%

Republicans
Independents
Democrats

Support
Oppose
No Strong Feelings

Total Support
Total Oppose
No Strong Feelings

Do you support or oppose this proposed change or do you not have strong feelings one way or the other?
Opposing the cap seems a relatively safe political move for Republican and Democratic Members.

Likelihood To Support Representative in Congress Who Opposes the Pre-Tax Cap by Congressional House Seat

If you knew that your representative in Congress opposed this “cap on pre-tax benefits” plan, would that make you more or less likely to vote for him/her in the 2018 election or would it make no difference one way or the other?
The “cap on pre-tax benefits” plan is a good idea because it could raise federal revenues, make the tax code fairer for those who have to pay for their own insurance and do not get it through their employer, and could drive down the cost of health care by making people with employer-sponsored health plans more cost conscious.

The “cap on pre-tax benefits” plan is a bad idea because it could increase taxes on millions of Americans who depend on employer-sponsored health insurance which may be expensive through no fault of their own, and it could increase out-of-pocket health care costs, drive up deductibles and decrease benefits.

Which of the following statements do you agree with more, even if neither is exactly how you feel?
Opposition to this tax has strong bipartisan support.

Good Idea vs. Bad Idea by Party

Overall: -34%
Republicans: -34%
Independents: -28%
Democrats: -36%

Good Idea vs. Bad Idea by Party

Overall:
- Good Idea: 33%
- Bad Idea: 67%

Republicans:
- Good Idea: 33%
- Bad Idea: 67%

Independents:
- Good Idea: 36%
- Bad Idea: 64%

Democrats:
- Good Idea: 32%
- Bad Idea: 68%

Which of the following statements do you agree with more, even if neither is exactly how you feel?
We Asked Half Of Voters Whether The Following Outcomes Were Likely (Certain, Very, Somewhat, Not Too, Not At All) And The Other Half If They Were The Worst Or Best (1-10 Scale) Things That Could Happen.

- Overall health care costs in the U.S. would decrease over time
- It could help pay for a tax credit to uninsured Americans
- It would mean stable long-term funding for health care reform
- It would make employer-sponsored health plans more cost efficient and less wasteful
- People with employer-sponsored health plans would see increased wages if they saw reductions in health benefits
- More people would go without health insurance coverage.
- People with employer-sponsored health plans would have fewer choices
- Fewer employers would offer health care plans as part of employee benefits
- More Americans would have to purchase their own health insurance coverage
- Out-of-pocket health care costs for me and my family would increase
- Most people with employer-sponsored health plan would see cost increases
The Following Slide Shows The Responses In A Scatter-plot Graph Segmented Into Quadrants As Seen Below.
Voters expect the worst from the cap including higher costs and fewer choices.
After considering the ramifications, Republicans and Independents are more likely to oppose the cap.

**Pre-Tax Cap by Party - Initial**

Support: 26%
Oppose: 40%
No Strong Feelings: 34%

Overall: 26%
Republicans: 26%
Independents: 26%
Democrats: 25%

**Pre-Tax Cap by Party - Informed**

Support: 25%
Oppose: 45%
No Strong Feelings: 31%

Overall: 25%
Republicans: 25%
Independents: 13%
Democrats: 28%

Do you support or oppose this proposed change or do you not have strong feelings one way or the other?
The cost of healthcare is a top economic concern for half of American voters.

<table>
<thead>
<tr>
<th>Most Important One or Two Economic Issues Facing The Country Today</th>
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<tbody>
<tr>
<td>1. The cost of health care</td>
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<tr>
<td>2. The gap between rich and poor</td>
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<tr>
<td>3. The federal budget deficit</td>
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<tr>
<td>4. American jobs being sent overseas</td>
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<td>5. Unemployment</td>
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<td>6. Federal taxes</td>
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<td>7. The federal minimum wage</td>
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<tr>
<td>8. Gas prices and energy costs</td>
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<td>9. Housing prices</td>
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Pluralities or majorities of voters by gender, race, class, and party say health care costs are a top economic concern.

**Gender**
- Male: 47%
- Female: 53%

**Ethnicity**
- White: 51%
- Total Non-White: 44%

**Economic Class**
- Poor/Working Class: 52%
- Middle Class: 51%
- Upper Mid/Well To Do: 41%

**Party**
- Republican: 50%
- Independent: 47%
- Democrat: 51%

Which ONE or TWO, if any, of the following do you feel is the most important economic issue facing the country today?
In the current political climate, Democrats are more supportive of Obamacare and Republican opposition has softened slightly compared to a year ago.

**View on ACA by Party - 2016**

Overall: 37% Good Idea, 47% Bad Idea
- Republicans: 10% Good Idea, 80% Bad Idea
- Independents: 31% Good Idea, 46% Bad Idea
- Democrats: 64% Good Idea, 16% Bad Idea

**View on ACA by Party - 2017**

Overall: 46% Good Idea, 39% Bad Idea
- Republicans: 20% Good Idea, 70% Bad Idea
- Independents: 29% Good Idea, 43% Bad Idea
- Democrats: 74% Good Idea, 11% Bad Idea

...From what you have heard about the health care law, do you think it is a good idea or a bad idea or do you not have an opinion either way?
But, fewer than one in five voters overall, including just 29% of Democrats, want President Trump and Congress to implement the law “as-is.”

What would you like to see President-elect Donald Trump and the next Congress do when it comes to the health care law?

- Implement As Is
- Keep Most, But Repeal And Fix Some Parts
- Replace With Different System
- Repeal And Do Not Replace

**Preferred ACA Course Of Action by Party**

- Overall: 46% Implement As Is, 28% Keep Most, Repeal & Fix Some Parts, 14% Replace with Different System, 17% Repeal And Do Not Replace
- Republicans: 48% Implement As Is, 31% Keep Most, Repeal & Fix Some Parts, 14% Replace with Different System, 7% Repeal And Do Not Replace
- Independents: 52% Implement As Is, 31% Keep Most, Repeal & Fix Some Parts, 6% Replace with Different System, 11% Repeal And Do Not Replace
- Democrats: 58% Implement As Is, 29% Keep Most, Repeal & Fix Some Parts, 3% Replace with Different System, 10% Repeal And Do Not Replace
Bottom Line

- When given arguments for and against the cap, Republican and Democrat voters alike rejected the arguments for the cap by a two-to-one margin.
- Voters are more likely to support their representatives’ re-election if the representative opposes the cap.
- In voters’ minds, the worst potential outcomes of the cap are the most likely to happen, and vice-versa.