

A decorative graphic featuring a large, thin, light-brown arc that starts near the top right, curves around the right side, and ends near the bottom right. In the top left corner, there is a solid green rectangle. At the bottom right, there is a small yellow square. Thin black lines intersect at the corners of the page, with the yellow square positioned at the intersection of the bottom and right lines.

# **Funding Health and Long-Term Care: A Survey on Increasing Iowa's Cigarette Tax**

Published February 2003



# **Funding Health and Long-Term Care: A Survey on Increasing Iowa's Cigarette Tax**

**Data Collected by Southeastern Institute of Research, Inc.**

**Report Prepared by  
Anita Stowell-Ritter**

**Copyright © 2003  
AARP  
Knowledge Management  
601 E Street NW  
Washington, DC 20049  
<http://research.aarp.org>  
Reprinting with Permission**

AARP is a nonprofit, nonpartisan membership organization dedicated to making life better for people 50 and over. We provide information and resources; engage in legislative, regulatory and legal advocacy; assist members in serving their communities; and offer a wide range of unique benefits, special products, and services for our members. These include *AARP The Magazine*, published bimonthly; *AARP Bulletin*, our monthly newspaper; *Segunda Juventud*, our quarterly newspaper in Spanish; *Live & Learn*, our quarterly newsletter for National Retired Teachers Association members; and our Web site, [www.aarp.org](http://www.aarp.org). We have staffed offices in all 50 states, the District of Columbia, Puerto Rico, and the U.S. Virgin Islands.

### **Acknowledgements**

AARP staff from the Iowa State Office, State Affairs, Brand Management, and Knowledge Management contributed to the design of this study. Special thanks go to AARP staff including John McCalley and Bruce Koepl, Iowa State Office; Ilene Henshaw, State Affairs; Tony Copeland, Brand Management; Gretchen Straw, Knowledge Management; Darlene Matthews, Knowledge Management; and Jennifer Leslie, Knowledge Management. Anita Stowell-Ritter, AARP Knowledge Management, wrote this report and managed all aspects of the project. For more information, contact Anita Stowell-Ritter at (202) 434-6205.

## Background

Like many states, Iowa is experiencing a severe economic downturn and ever growing demand for health and long-term care services. Iowa currently faces about a \$400 million shortfall. Balancing the state budget could result in significant spending cuts from health and long-term care services. Such cuts would have a negative affect medical care for children and long-term care services for older persons and those with disabilities in nursing homes and at home.

Concerned about the current and future health and long-term care needs of Iowans, AARP Iowa is examining ways to increase state revenue to maintain and help fund these services. One proposal being considered is increasing the Iowa Cigarette Tax.

Currently, there is a 36-cent tax on a pack of cigarettes in Iowa. This tax was last increased in 1991. By increasing the Iowa Cigarette Tax from 36 cents to \$1.36, Iowa could generate about \$211 million annually. Alternatively, a 75-cent increase could generate \$158 million annually. Revenues generated from a cigarette tax increase could be dedicated to the health and long-term care budget.

This survey measures the opinion of Iowans age 18 and older about generating money for health and long-term care services by increasing Iowa's cigarette tax. Specifically, this telephone survey of 808 randomly selected Iowa adults explores:

- Perceived adequacy of state funding for health and long term care
- Support for additional cuts in the state's health and long-term care budget
- Support for funding health and long-term care services by increasing the state's cigarette tax

An annotated questionnaire, appended to this report, discloses exact question wording and all weighted responses to the survey. Percentages may not add up to 100 percent due to rounding or non-response.

## Highlights

- Six in ten Iowans think that there is not enough money in the state budget for health and long-term care services.
- The eight in ten Iowans age 18 and over strongly (61%) or somewhat oppose (19%) the state cutting funding for health and long-term care services.
- Over six in ten Iowans strongly (46%) or somewhat (13%) support an increase in the state's cigarette tax from 36 cents per pack to \$1.36 per pack. Support for increasing the tax to \$1.11 per pack is virtually identical.

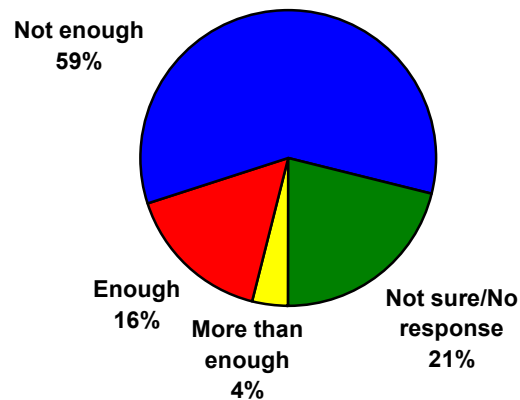
## Findings

### **Most Iowans think there is not enough money in the state's budget for health and long-term care services.**

Approximately six in ten Iowans age 18 and over think there is not enough money in the state budget for health and long-term care services. Just four percent say there is more than enough money in the budget.

Slightly more of those respondents with an annual income of \$30,000 or more report that there is not enough money in the budget than those with lower incomes (64% vs. 58%).

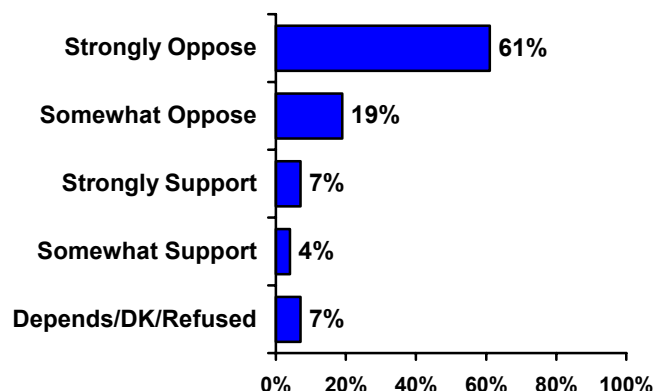
**Perceived Adequacy of Iowa's Health and Long-Term Care Budget  
(Weighted n=808)**



### **Eight in ten Iowa residents say they would oppose additional cuts to funds for health and long-term care services.**

Eight in ten of Iowans age 18 and over say they strongly or somewhat oppose the state cutting funding for health and long-term care services. Only one in ten respondents would support funding cuts.

**Support/Opposition to Cutting Funding for Health and Long-Term Care Services  
(Weighted n=808)**



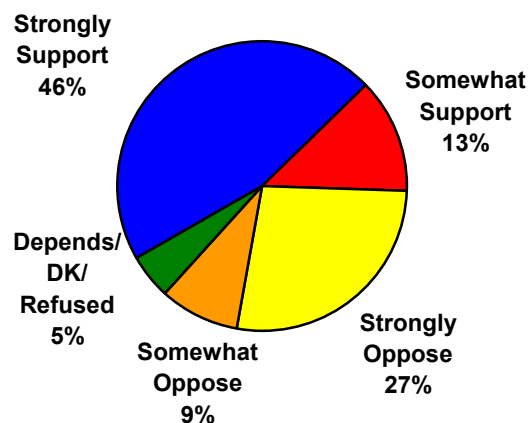
## **A majority of Iowa residents say they would support increasing the Iowa Cigarette Tax to \$1.36 per pack.**

Respondents were presented with two proposals for increasing the Iowa Cigarette Tax to help fund state health and long-term care services. The first proposal calls for raising the Iowa Cigarette Tax from the current 36 cents per pack to \$1.36 per pack, an increase of \$1.00 per pack.

Approximately six in ten adults support increasing Iowa's cigarette tax from 36 cents to \$1.36 per pack in order to maintain current funding for health and long-term care services in the Iowa.

Smoking is a significant factor in response. Smokers, who comprise approximately one in five (22%) Iowans, strongly (65%) or somewhat (13%) oppose the \$1.00 per pack cigarette tax increase while fewer than one in five of them (17%) support the increase.

**Support for Increasing Iowa's Cigarette Tax by \$1.00 per Pack to Fund Health and Long-Term Care Services**  
(Weighted n=808)



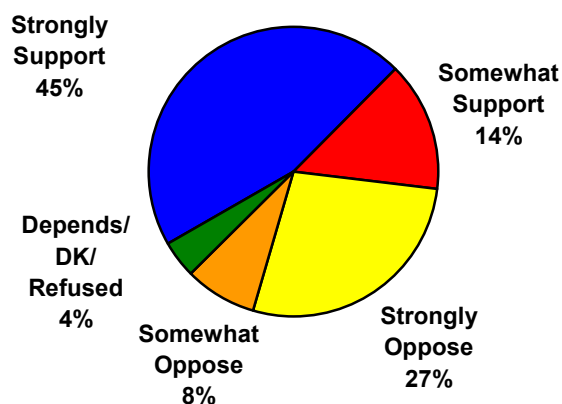
## **Similar percentages of Iowa residents say they would support increasing the Iowa Cigarette Tax to \$1.11 per pack.**

A second proposal calls for a somewhat lower increase. The tax would be raised from 36 cents per pack to \$1.11 per pack. This additional \$0.75 per pack tax would be dedicated to Iowa's health and long-term care budget.

Similar to the proportion of Iowans who support increasing the Iowa Cigarette Tax to \$1.36 per pack, about six in ten adults support increasing Iowa's cigarette tax from 36 cents to \$1.11 per pack to maintain current funding for health and long-term care services in the Iowa.

While slightly more smokers support this proposal to raise the tax to \$1.11 per pack than the increase to \$1.36 per pack, the vast majority of smokers oppose it. Almost three in four smokers strongly (63%) or somewhat (10%) oppose the \$0.75 per pack cigarette tax increase while one in four (25%) support the increase.

**Support for Increasing Iowa's Cigarette Tax by \$0.75 per Pack to Fund Health and Long-Term Care Services (Weighted n=808)**



## Conclusions

Most Iowans do not believe there is currently enough funding for the state's health and long-term care services. Further, most Iowans oppose additional cuts in the current levels of funding for health and long-term care services. As Iowa seeks ways to raise revenues to maintain health and long-term care services, increasing the Iowa Cigarette Tax is an action that about 60 percent of Iowans support.

Iowans are equally supportive of proposals to increase the Iowa Cigarette Tax to either \$1.11 or \$1.36 per pack if the revenue were dedicated to funding health and long-term care services in the state. While smokers are overall opposed to both proposals, slightly more smokers support increasing the tax to \$1.11 per pack than the proposed \$1.36 per pack increase.

## Methodology

AARP commissioned Southeastern Institute of Research of Richmond, Virginia to conduct a random digit dial (RDD) telephone survey of adults age 18 or older in Iowa. From a random sample of 6,500, a total of 808 interviews were completed from January 31 – February 7, 2003, yielding a 27 percent response rate and 38 percent cooperation rate.<sup>1</sup> The survey has a sampling error of plus or minus 3.4 percent. This means that in 95 out of 100 samples of this size, the results obtained in the sample would fall in a range of  $\pm 3.4$  percentage points of what would have been obtained if every person in Iowa age 18 or older had been surveyed. Survey responses were weighted to reflect the distribution of age, gender, and education in the adult population of Iowa. Weighted responses to all survey questions are in the attached annotated questionnaire.

For more information about this study, contact Anita Stowell-Ritter, AARP Knowledge Management, (202) 434-6205.

---

<sup>1</sup> The response rate is Response Rate 3 and the cooperation rate is Cooperation Rate 3 from the following publication: The American Association for Public Opinion Research. 2000. *Standard Definitions: Final Dispositions of Case Codes and Outcome Rates for Surveys*. Ann Arbor, Michigan: AAPOR.



# **Appendix I**

## **Annotated Questionnaire**

# Iowa Revenue Survey

## Annotated Questionnaire

**n = 808 Iowans Age 18+, Response Rate = 27%, Sampling Error =  $\pm 3.4\%$**

**Weighted n = 808**

**(Percentages may not add to 100 percent due to rounding.)**

Questionnaire # \_\_\_\_\_

( - )

800 Completes – Iowa Residents Age 18+

Start time: \_\_\_\_\_

### ***Introduction [with ‘not telemarketer’ wording]***

Hello, this is \_\_\_\_\_ calling from SIR, a national opinion research firm.

We are not telemarketers and are not trying to sell you anything. We are calling as part of a survey we are conducting in Iowa to find out your opinion on an important issue facing the state.

Your views are important and we would greatly appreciate your participation. All of your responses are kept entirely confidential. The survey should take only about 5 minutes of your time.

### **I1. RECORD GENDER OF PERSON WHO ANSWERED PHONE:**

- 1) Male
- 2) Female

### **I2. To make our study more representative of those living throughout Iowa, I need to speak with the youngest male who is at home right now and is at least 18 years old.**

- 1) Person on phone is youngest male ➔ **[SKIP TO S1]**
- 2) Other person is youngest male and is coming to phone ➔ **[SKIP TO I4]**
- 3) Person is not available
- 4) REFUSED ➔ **[SKIP TO R1]**

### **I3. Then may I speak to the oldest female who is at home right now and is at least 18 years old?**

- 1) Person on phone is oldest female ➔ **[SKIP TO S1]**
- 2) Other person is oldest female and is coming to the phone ➔ **[SKIP TO I4]**
- 3) Person is not available ➔ **[TERMINATE]**
- 4) REFUSED ➔ **[SKIP TO R1]**

I4. Hello, this is \_\_\_\_\_ calling from SIR, a national opinion research firm. We are not telemarketers and are not trying to sell you anything. We are calling as part of a survey we are conducting in Iowa to find out your opinion on an important issue facing the state.

Your views are important and we would greatly appreciate your participation. All of your responses are kept entirely confidential. The survey should take only about 5 minutes of your time.

1) CONTINUE

2) REFUSED ➔ **[SKIP TO R1]**

## **Main Questions**

Q1. Which of the following best describes Iowa's current funding for health and long-term care services? Do you think....(ROTATE LIST. ENTER ONLY ONE RESPONSE.)

%

- 4 There is more than enough money in the state budget to meet the need for services and ensure quality?
- 16 There is enough money in the state budget to meet the need for services and ensure quality?
- 59 There is not enough money in the state budget to meet the need for services and ensure quality?
- 21 Don't Know
- 0 Refused

Q2. This year, Iowa faces a \$400 million shortfall in the budget. To help balance the state budget, the state is considering additional cuts in health and long-term care services, including health care for children and long-term care services for the elderly and disabled in their homes and in nursing homes.

Do you support or oppose cutting spending on health and long-term care services in Iowa to balance the state budget?

%

- 11 Support ➔ [SKIP TO Q4]
- 81 Oppose
- 1 IT DEPENDS [VOLUNTEERED] ➔ [SKIP TO Q5]
- 6 DON'T KNOW ➔ [SKIP TO Q5]
- 0 REFUSED ➔ [SKIP TO Q5]

Q3. And do you strongly oppose or somewhat oppose cutting spending (for health and long-term care services)?

%

61 Strongly

19 Somewhat

1 DON'T KNOW

0 REFUSED

**[SKIP TO Q5]**

Q4. And do you strongly support or somewhat support cutting spending (for health and long-term care services)?

%

7 Strongly

4 Somewhat

0 DON'T KNOW

0 REFUSED

Q5. I'd like to get your opinion on some proposals to generate money to prevent cuts in health and long-term care services in Iowa.

Iowa has a 36-cent tax on a pack of cigarettes. It was last increased in 1991. One proposal to generate money for health and long-term care services calls for an increase in the cigarette tax from 36 cents to \$1.36 per pack, which would generate about \$211 million annually.

Do you support or oppose increasing Iowa's cigarette tax from 36 cents per pack to \$1.36 cents per pack to generate money for health and long-term care services?

%

59 Support ➔ **[SKIP TO Q7]**

36 Oppose

1 IT DEPENDS [VOLUNTEERED]

➔ **[SKIP TO Q8]**

4 DON'T KNOW ➔ **[SKIP TO Q8]**

0 REFUSED ➔ **[SKIP TO Q8]**

Q6. And do you strongly oppose or somewhat oppose increasing Iowa's cigarette tax from 36 cents per pack to \$1.36 per pack to generate money (for health and long-term care services)?

%

27 Strongly

9 Somewhat

0 DON'T KNOW

0 REFUSED

**[SKIP TO Q8]**

Q7. And do you strongly support or somewhat support increasing Iowa's cigarette tax from 36 cents per pack to \$1.36 per pack to generate money (for health and long-term care services)?

%

46 Strongly

13 Somewhat

0 DON'T KNOW

0 REFUSED

Q8. A similar proposal to increase the cigarette tax calls for an increase from 36 cents to \$1.11 per pack which would generate about \$158 million annually. Do you support or oppose increasing Iowa's cigarette tax from 36 cents per pack to \$1.11 per pack to generate money for health and long-term care services?

%

60 Support → **[SKIP TO Q10]**

36 Oppose

1 IT DEPENDS [VOLUNTEERED]

3 DON'T KNOW → **[SKIP TO D1]**

0 REFUSED → **[SKIP TO D1]**

**→ [SKIP TO D1]**

Q9. And do you strongly oppose or somewhat oppose increasing Iowa's cigarette tax from 36 cents per pack to \$1.11 per pack to generate money (for health and long-term care services)?

%

27 Strongly

8 Somewhat

0 DON'T KNOW

0 REFUSED

**[SKIP TOD1 Q1]**

Q10. And do you strongly support or somewhat support increasing Iowa's cigarette tax from 36 cents per pack to \$1.11 per pack to generate money (for health and long-term care services)?

%

45 Strongly

14 Somewhat

0 DON'T KNOW

0 REFUSED

***Demographics***

My last few questions are for classification purposes only!

D1. What is your marital status? Are you currently.....

%

57 Married,

10 Divorced,

2 Separated,

10 Widowed,

20 Or have you never been married?

1 Living with partner [VOLUNTEERED]

0 DON'T KNOW

1 REFUSED

D2. What is your age as of your last birthday? [RECORD IN YEARS]

%	
13	18-24
16	25-34
20	35-44
29	45-64
20	65 or older

D3. Are you or your spouse a member of A-A-R-P formerly known as the American Association of Retired Persons? [IF NOT “MARRIED” ASK, “Are you a member...”] (n=337 respondents age 50 and older)

%	
45	Yes
52	No
2	DON'T KNOW / NOT SURE
0	REFUSED

D4. What is the highest level of education you have completed? (READ)

%	
12	Less than high school
37	High school graduate or equivalent
24	Some college or technical training beyond high school
21	College graduate
6	or, Post-graduate or professional degree?
0	DON'T KNOW / NOT SURE
0	REFUSED



D5. Which of the following best describes your current employment status? Are you currently....

%  
53 Employed full-time  
12 Employed part-time  
20 Retired and not working  
3 Unemployed and looking for work  
6 Homemaker  
4 Or something else? [Specify: \_\_\_\_\_]  
0 DON'T KNOW  
0 REFUSED

D6. Now, for statistical purposes only, please stop me when I get to the category that includes your household's income before taxes in 2001. Was it... **(READ)**

%  
9 Less than \$10,000  
12 \$10,000 but less than \$20,000  
16 \$20,000 but less than \$30,000  
15 \$30,000 but less than \$40,000  
11 \$40,000 but less than \$50,000  
12 \$50,000 but less than \$75,000  
11 or was your income \$75,000 or more  
5 DON'T KNOW  
8 REFUSED

D7. What is your race? [READ LIST]

%  
90 White  
2 African American  
0 Asian  
0 Hawaiian or Pacific Islander  
2 Native American or Alaskan Native  
5 Some other race (SPECIFY \_\_\_\_\_)  
0 DON'T KNOW  
1 REFUSED

D8. Do you currently smoke cigarettes on a regular basis?

%  
22 Yes  
77 No  
0 DON'T KNOW / NOT SURE  
0 REFUSED

D9. What is your 5-digit zipcode?

— — — — —

D10. And, finally, may I verify that I reached you at:

( ) \_\_\_\_\_

**Thank you for participating! Your Opinion Counts.**

Respondent gender:

%  
48 Male  
52 Female

**[SKIP TO INTERVIEWER NAME]**

### ***Refusal Sequence***

R1. Thank you for your time anyway. Have a good night.

RECORD GENDER OF PERSON WHO REFUSED

- 1) Male
- 2) Female
- 3) Do Not Know

R2. WHEN DID PERSON REFUSE:

- 1) DURING INTRODUCTION
- 2) DURING SELECTION OF RESPONDENT (YOUNGEST MALE/OLDEST FEMALE)
- 3) AFTER HAND-OFF WAS MADE
- 4) OTHER [SPECIFY: \_\_\_\_\_]

R3. RECORD UP TO THREE REASONS FOR REFUSAL

- 1) Doesn't Do Surveys
- 2) Eating/ Having Dinner
- 3) Doesn't Have Time/Too Busy
- 4) Concerned About Privacy
- 5) Telemarketing or Other Laws Against Surveys
- 6) No Opinion About Survey Topic
- 7) Not Interested in Survey Topic
- 8) Hearing
- 9) Person Refused for Someone Else
- 10) Other [Specify: \_\_\_\_\_]

R4. WAS THIS A "HARD" REFUSAL?

- 1) YES
- 2) NO

HARD REFUSAL =

- ➔ PERSON HUNG-UP IMMEDIATELY
- ➔ PERSON WAS ANGRY
- ➔ PERSON WAS INSULTING OR VERBALLY ABUSIVE
- ➔ PERSON HUNG-UP WHILE YOU WERE SPEAKING

R5. HOW COMFORTABLE WOULD YOU BE CALLING THIS PERSON BACK?

- 1) VERY COMFORTABLE
- 2) SOMEWHAT COMFORTABLE
- 3) NOT VERY COMFORTABLE
- 4) WOULD NOT CALL BACK

Interviewer name: \_\_\_\_\_

Date: \_\_\_\_\_

Time end: \_\_\_\_\_

Length of interview: \_\_\_\_\_

Interviewer ID # \_\_\_\_\_

**AARP**

**Knowledge Management**

**For more information please contact Anita Ritter (202)434-6205**