Old National Bank Ball State University

HOOSIER SURVEY













Major Findings in the 2018 Hoosier Survey

The Bowen Center for Public Affairs at Ball State University is pleased, once again, to partner this year with Old National Bank in presenting the eleventh annual Hoosier Survey. The Old National Bank/Ball State University Hoosier Survey is designed to provide Indiana citizens and policymakers with a measure of public opinion on current issues facing our state in the coming year. The results of this nonpartisan survey are delivered to every member of the Indiana General Assembly and top state government administration officials before the start of the calendar year so that lawmakers can gauge public views about issues they are likely to face in the upcoming legislative session. It is our hope that the survey will inform citizens and policymakers and help to stimulate a public discussion about important issues facing the state.

Major findings in this year's survey include:

State Quality: Overall, 24% of Hoosiers rate the state as an excellent place to live, a decline from the ratings of 2012, when 30% of Hoosiers gave the state an excellent rating.

State Priorities: We asked Hoosiers to rate priorities for the state. Improving school safety, improving public safety and reducing crime, improving local public schools, and attracting jobs were Hoosiers four top priorities.

Quality of Public Services: Hoosiers gave the quality of road maintenance its highest rating since the first Hoosier Survey in 2008. Overall, 40% of Hoosiers said that road maintenance had improved, compared to only 18% that indicated it had worsened. For the first time in several years, more Hoosiers reported that the quality of their local schools had improved than reported it had worsened, by a margin of 23% to 19%. Public parks and recreation services and police and fire services continue to receive high marks with many more Hoosiers reporting improvement in service quality than decline.

School Safety: A clear majority of Hoosiers, 56%, are at least "somewhat worried" about a shooting at their local school. Concern is higher among urban respondents than those in suburban or rural communities. Hoosiers are most likely to perceive mental health-related approaches to school safety as "very effective." Banning assault-style weapons and arming teachers and other school officials are the approaches least likely to be rated as "very effective."

Drug Problems: Hoosiers are most likely to say that drugs such as cocaine or methamphetamine, prescription drugs such as Oxycontin, or heroin are a "very serious" problem in their communities. More perceive alcohol as a "very serious" problem than marijuana. Hoosiers identify treatment-related approaches and cracking down on drug dealers as the approaches for which their communities are not doing enough.

Approval Ratings: Governor Eric Holcomb has a high net approval rating with 53% approving and only 15% disapproving of his job performance. The survey results indicate that many Hoosiers are still getting to know Gov. Holcomb; approximately 32% of Hoosiers expressed that they didn't know whether they approved or disapproved of his job performance.

The Indiana General Assembly's job approval rating is at 42%, about midway between the highest and lowest points measured in past years' Hoosier Surveys. At 24%, disapproval is near the lowest point measured since 2008.

Jobs and the Economy: Satisfaction with the state's job attraction efforts continues, with 69% of Hoosiers expressing satisfaction. Satisfaction is lower, however, among Hoosiers in households with less than \$30,000 annual income at 64% and higher among households with income greater than \$75,000 at 74%.

Road Funding: A solid majority of Hoosiers continues to approve of the 10-cent gas tax increase and associated increase in vehicle registration fees. Overall, 55% of Hoosiers approve, compared to only 38% who disapprove. The state's proposal to toll interstate highways, however, is much less popular. Only about 1 in 5 Hoosiers approve of tolling the interstates.

Cigarettes and Smoking: Substantial majorities of Hoosiers support both increasing cigarette taxes, 72%, and increasing the smoking age to 21 years of age, 61%.

Sports Betting: Only 37% of Hoosiers favor legalized sports betting as a revenue source for the state, compared to 50% opposed.

Marijuana Legalization and Decriminalization: A substantial plurality of Hoosiers, 39%, say marijuana should be legal for personal use. Another 42% say it should be legal only for medicinal use. Only 16% say it should not be legal at all. If marijuana is not legalized, then only 16% of Hoosiers say that people should serve jail time for possessing small amounts.

Trade: In this year's survey, we asked Hoosiers two questions about recently imposed tariffs. Hoosier opinion is split on the new tariffs on steel and aluminum, with 42% approving and 41% disapproving. Support for increased tariffs on Chinese imports is greater, with 54% supporting and 33% opposed. Support for either category of tariffs is lowest among low-income Hoosiers.

Immigration: We asked Hoosiers their views about illegal immigrants currently living in the US. A large majority thought they should be allowed to stay: 56% said they should be allowed to stay and apply for citizenship; another 10% said they should be allowed to stay, but not apply for citizenship. Only 27% said they should be required to leave the US. We also asked Hoosiers

whether they supported or opposed allowing undocumented immigrants who were brought to the US as children to remain in the US and eventually apply for citizenship. A large majority, 69%, supported allowing them to stay and apply for citizenship.

Federal Tax Reform: In this year's survey, we asked Hoosiers three questions related to the 2017 tax reform law passed by Congress and signed by President Trump: whether they approved of the tax reform law, whether they thought its impact on the country would be positive or negative, and whether they thought its impact on them and their families would be positive or negative.

We found that 41% of respondents approved of the measure, compared to 31% who disapproved. Asked about the likely effects of the law on the country, 38% said the effect would be mostly positive, 27% said mostly negative, and 14% said it would not have much effect either way. Asked about effects on them and their families, 29% said the effect would be mostly positive, 24% said it would be mostly negative, and 30% said it would have little effect either way.

Medicaid Work Requirements: We asked Hoosiers whether they supported or opposed requiring low-income, able-bodied adults without young children to work in order to receive Medicaid benefits. Our results indicate that Hoosiers overwhelmingly supported these work requirements by a margin of 77% to 16%.

In addition to providing results for the state as a whole, some findings also are broken down by the three major regions of the state: Northern, Central, and Southern. The maps below illustrate the counties in each region.







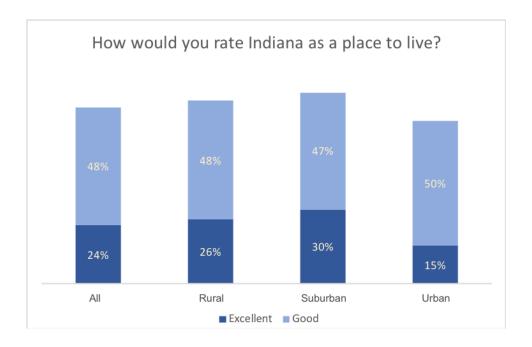
For further information about the Bowen Center for Public Affairs and the Old National Bank/Ball State University Hoosier Survey, contact: Dr. Charles Taylor, Managing Director, 765-285-8794. cdtaylor@bsu.edu.

State Priorities

Indiana as a Place to Live

When asked to rate the quality of Indiana as a place to live, 24% of Hoosiers rated the state as "excellent;" another 48% gave the state a "good" rating. These results show a decline from the ratings of 2012, when we last asked this question. In 2012, 30% of Hoosiers gave the state an "excellent" rating, with another 52% rating it as "good."

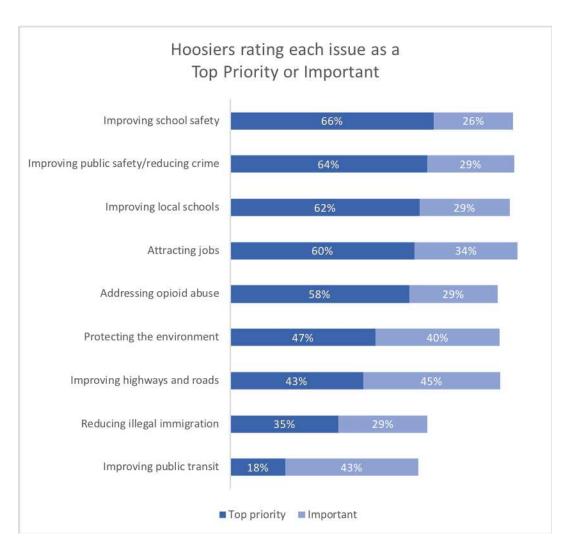
When we examine the 2018 results we find that Hoosiers living in urban communities tend to rate the state less highly than suburban or rural respondents. In urban areas, only 15% of Hoosiers rated the state as "excellent," with another 50% rating it as "good." Respondents in suburban areas provide the highest overall ratings, with 30% rating the state as "excellent" and another 47% as "good."



State Priorities

As we have in many previous years, we asked Hoosiers to rate several priorities for the state. We asked them to prioritize attracting jobs to the state, improving public transportation, protecting the environment, reducing illegal immigration, improving local schools, improving highways, and improving local public safety, as we have in past years. New this year, we also asked them about improving school safety and addressing opioid abuse.

The issue ranked as a top priority by the greatest number of Hoosiers was improving school safety, with 66% of Hoosiers ranking it as a "top priority" and another 26% ranking it as "important, but not a top priority." The next three issues, improving public safety, improving schools, and attracting jobs were the three top priorities when we last asked this question in 2015. In that year, however, attracting jobs was the top ranked issue. Addressing opioid abuse was the fifth-highest ranked issue this year. The last four, protecting the environment, improving highways, reducing illegal immigration, and improving public transit were also the bottom four issues in 2015.



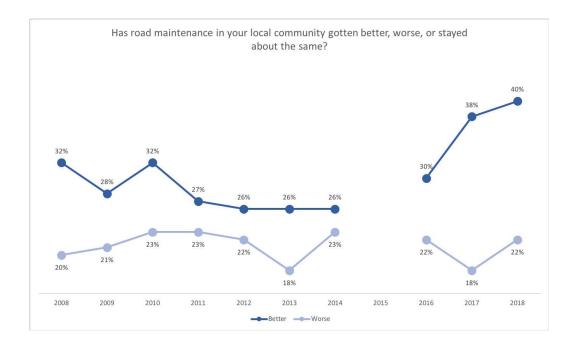
Local Communities

Quality of Public Services

Nearly every year since the first Hoosier Survey conducted in 2008, we have asked Hoosiers to consider their experience with four key local government services: road maintenance, public schools, parks and recreation, and fire and police protection and tell us whether these services have gotten better, worse, or stayed about the same. During most years, a majority – or at least a large plurality – of Hoosiers report that service quality stayed about the same over the past year. In the discussion below, we examine changes in the percentage of Hoosiers who report changes in service quality – for better or worse.

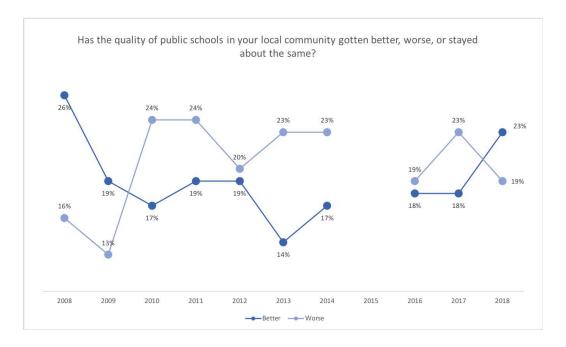
Road Maintenance

Hoosier perceptions of the quality of road maintenance generally declined from 2008 through 2011, with a decrease in the percentage reporting improvement and an increase in the percentage reporting that service had gotten worse. Still, more Hoosiers reported improvements in service quality than the opposite. From 2011 through 2014 the gap between those reporting road maintenance had gotten better and those reporting it had gotten worse averaged 5 percentage points. In 2016, this gap widened to 8 percentage points as the proportion of Hoosiers reporting that road maintenance had improved increased to 30%. In 2017, perhaps because of passage of a road funding measure by the General Assembly, 38% reported that road maintenance had improved. In this year's survey, the percentage reporting road improvement further increased to 40%.



Public Schools

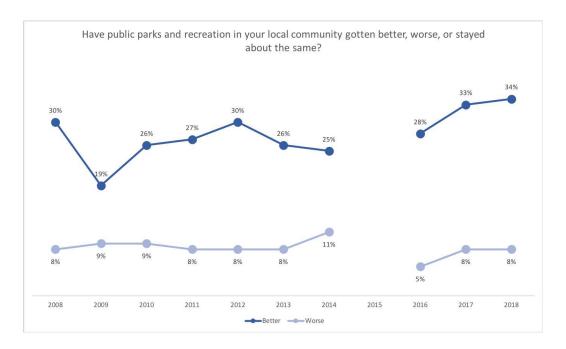
In 2008, the percentage of Hoosiers reporting improvements in their public schools exceeded the percentage reporting declines by 10 percentage points, 26% vs. 16%. In 2009, the improvement gap narrowed to 6 percentage points. Beginning in 2010, and in every year through 2017 in which we have asked this question, more Hoosiers reported that their local schools got worse than reported that they improved. In 2017, the gap stood at 5 percentage points, with 23% reporting worsening school quality compared to only 18% who report improvement. In this year's survey, for the first time since 2009, more Hoosiers report school improvement than decline by a margin of 23% to 19%.



Public Parks and Recreation

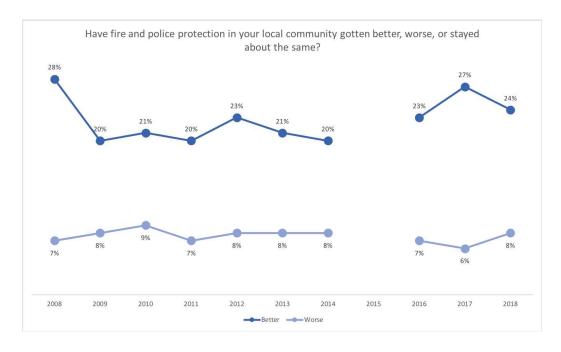
Over the past ten years, Hoosiers have consistently been more likely to say that their local parks and recreation services have gotten better than to say they have gotten worse. In 2018, the gap is

the largest to date, with 34% reporting local parks have improved and only 8% reporting they have gotten worse.



Fire and Police Protection

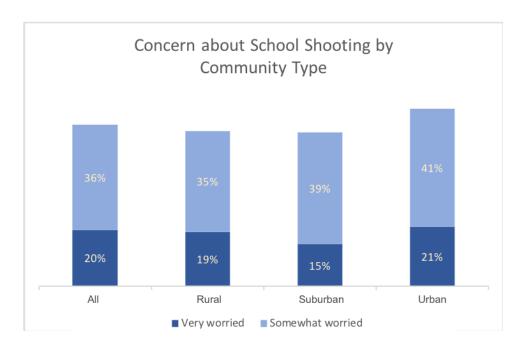
Similar to parks and recreation, Hoosiers have consistently been more likely to say that their local fire and police protection services have gotten better than to say they have gotten worse. In 2018, the gap stands at 16%, with 24% reporting these services have improved in their community and only 8% reporting they have gotten worse.



School Safety

In recent years, tragic events in Indiana and across the country have led to a heightened focus on safety within our schools. In this year's survey, we asked Hoosiers a set of questions related to this issue. We first asked them how worried they were about a shooting happening within their local school. This question was followed by a series of questions about their assessment of the effectiveness of several commonly suggested school safety measures.

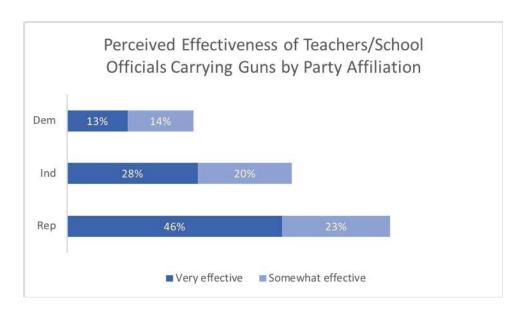
We found that a clear majority of Hoosiers, 56%, were at least "somewhat worried" about a shooting occurring in their local school. About 20% of respondents were "very worried," with another 36% "somewhat worried." We found that urban respondents expressed somewhat higher levels of concern than rural or suburban respondents.

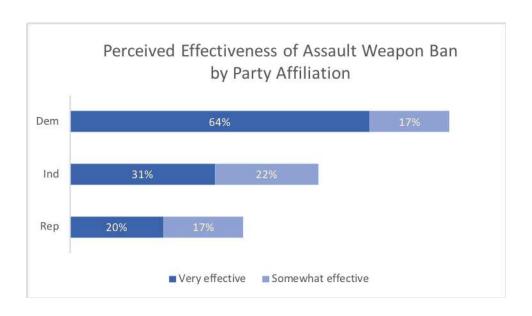


We also asked Hoosiers their assessment of the effectiveness of five potential school safety measures: preventing people with mental illness from purchasing guns, improving mental health screening and treatment, banning assault-style weapons, having metal detectors in schools, and allowing teachers and school officials to carry guns in school. Clear majorities of Hoosiers expressed their opinion that the mental health-related measures would be "very effective." Metal detectors were the third most highly rated measures with a near majority rating them as "very effective." Assault weapon bans and arming teachers and school officials received the lowest effectiveness ratings.



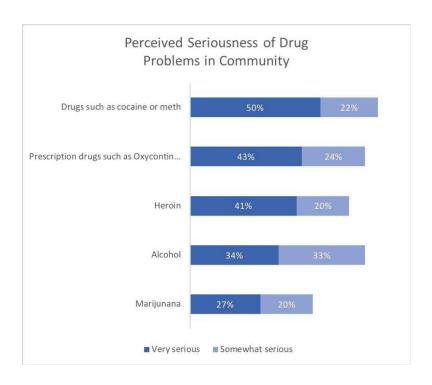
Party polarization of opinion was most apparent for the two lowest rated options. Republicans were much more likely to view arming teachers and school officials as "very effective" than Democrats. Democrats rated the effectiveness of an assault weapons ban more highly than Republicans.



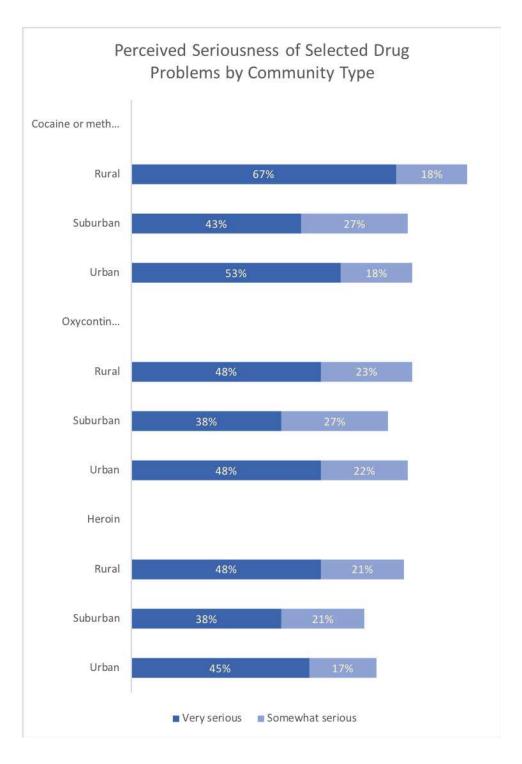


Drug Problems

This year we presented Hoosiers with a list of drug types and asked them to tell us how serious a problem these drugs present in their communities. Drugs such as cocaine or methamphetamine were identified as a "very serious" problem by 50% of Hoosiers. Prescription drugs such as Oxycontin and heroin were second and third in terms of the number of Hoosiers identifying them as a "very serious" problem. Interestingly, alcohol was more likely to be identified as a "very serious" problem than marijuana, which was the least likely drug to be identified as either a "very" or "somewhat serious" problem.

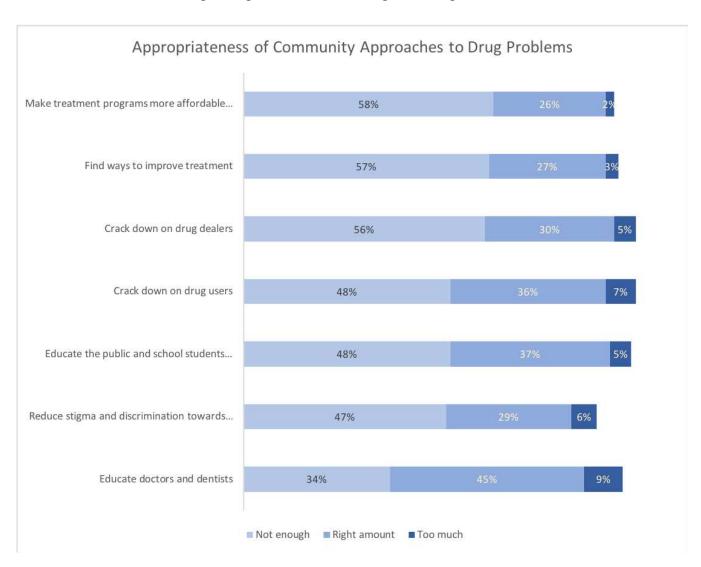


When we examined opinions about the top three problem drugs by community type, we found that problems tended to be perceived as most serious within rural communities and least serious within suburban areas.



We also presented Hoosiers with a list of potential community responses to drug problems and asked whether they thought their communities were doing too much, the right amount, or not enough of each approach. The options presented were: making treatment programs more affordable and accessible, finding ways to improve treatment, cracking down on drug dealers, cracking down on drug users, educating the public and school students, reducing stigma and discrimination towards those who are addicted, and educating doctors and dentists.

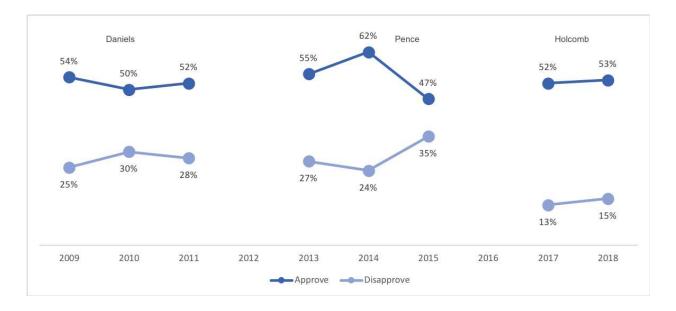
The two treatment-related options and cracking down on drug dealers are the three approaches for which a majority of Hoosiers felt their communities were not doing enough. Cracking down on drug dealers, educating the public and school students, and reducing stigma and discrimination each had slightly less than a majority who thought their communities weren't doing enough. Educating doctors and dentists is the one option for which more Hoosiers thought their communities were doing the right amount than doing not enough.



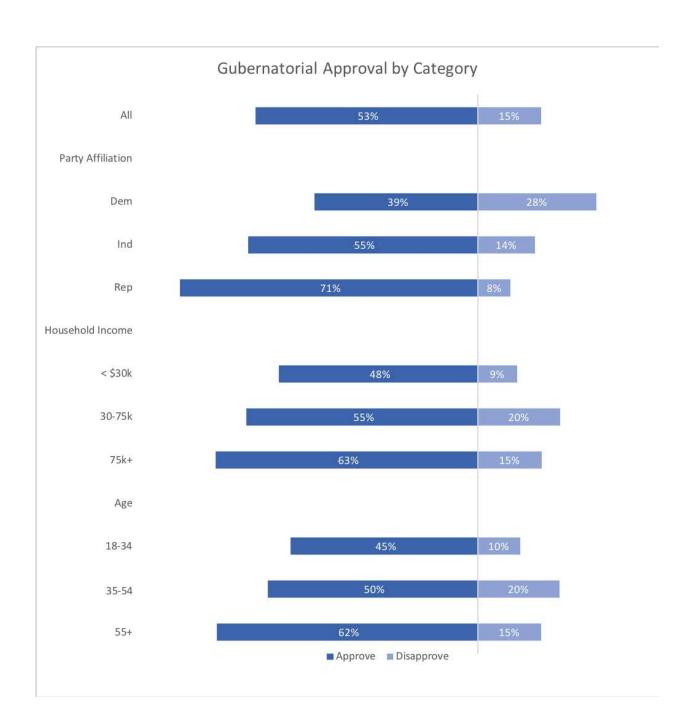
State Official Approval

Gubernatorial Approval

At 53%, Gov. Eric Holcomb's approval rating is very similar to his 52% approval rating in last year's Hoosier Survey. Only 15% of Hoosiers expressed disapproval of the governor, a slight uptick from last year's 13%. The survey results indicate that many Hoosiers are still getting to know the governor. Approximately 32% of Hoosiers expressed no opinion about his job performance or said they had never heard of him.

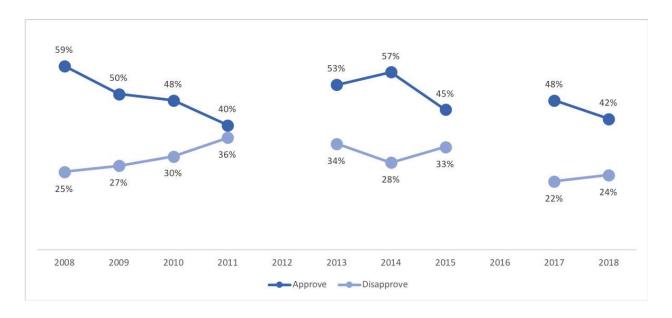


Similar to last year's survey, Gov. Holcomb enjoys greater approval among Republicans than among Democrats. He also enjoys strong approval from Hoosiers age 55 and older. His weakest approval is among Hoosiers age 18-34 and those from households with less than \$30,000 annual income.

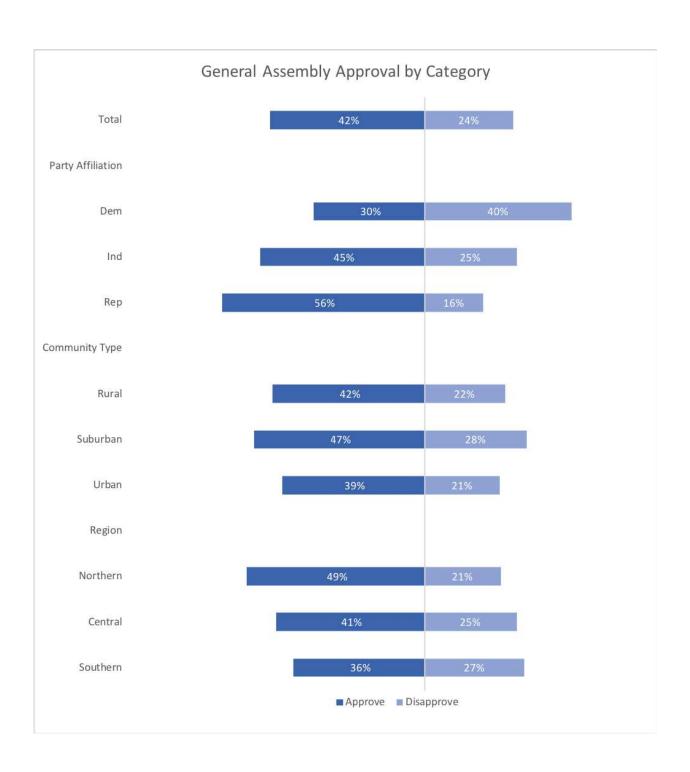


Legislative Approval

Over the past year, the Indiana General Assembly's job approval rating slipped from 48% to 42%, which is the second lowest approval rating measured since the launch of the Hoosier Survey in 2008. At 24%, disapproval is also at the second lowest point measured since 2008. Approximately one third of Hoosiers expressed no opinion about legislative job performance.

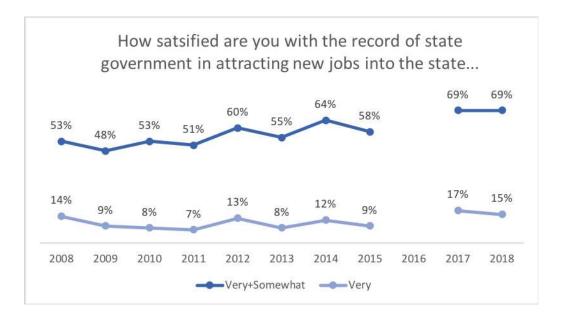


As expected, Republicans were more likely to express approval; Democrats more likely to express disapproval. Suburban respondents expressed a greater level of approval than those in urban or rural areas. Those in Southern Indiana expressed lower levels of approval than those in Northern or Central Indiana.

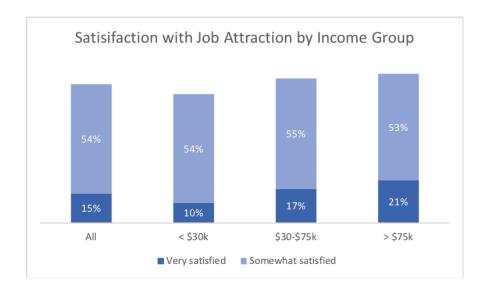


Jobs and Infrastructure

As we have nearly every year since 2008, we asked Hoosiers about their satisfaction with the record of state government in attracting good jobs into the state. The results of this year's survey indicate that in 2018 Hoosiers continued to be satisfied with the state's job attraction efforts; 15% indicated they were "very satisfied" and another 54% indicated they were "somewhat satisfied," results nearly identical to last year's results.



Lower income Hoosiers, however, were less likely to express the highest level of satisfaction than those with higher incomes. Only 10% of Hoosiers from households with less than \$30,000 in annual income indicated they were "very satisfied." In households with more than \$75,000 in annual income satisfaction levels were higher, with 21% "very satisfied."

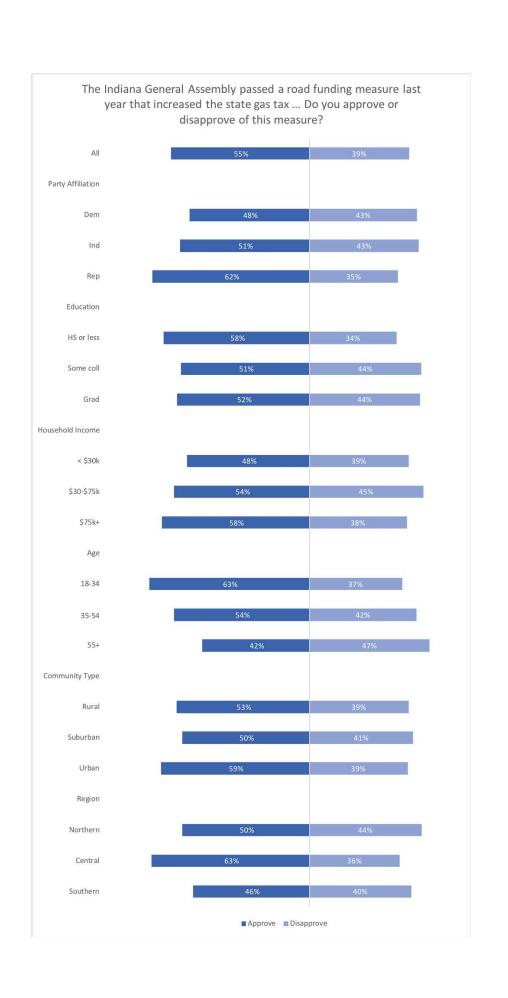


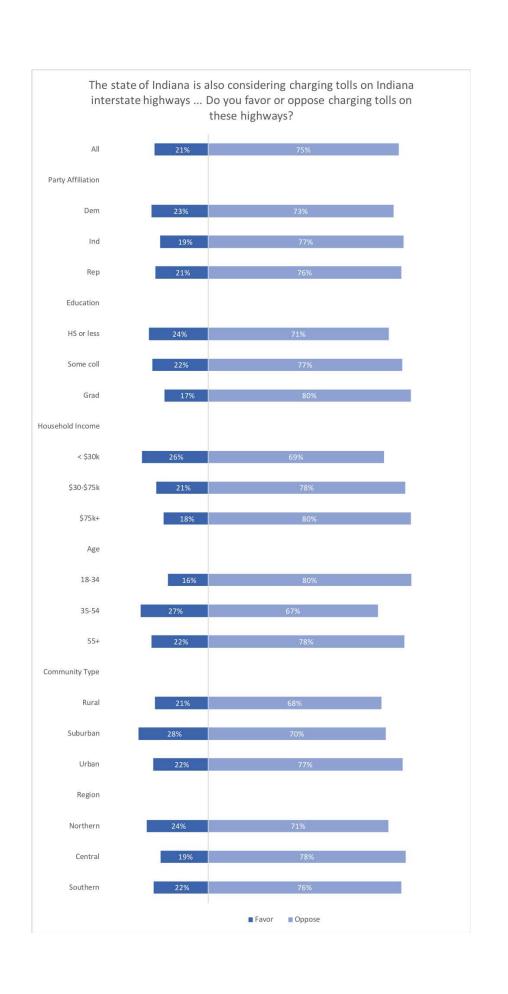
Road Funding

During the 2017 legislative session, the General Assembly passed a road funding measure that increased the state gas tax by 10 cents per gallon and increased vehicle registration fees. This measure is projected to provide an additional 1.2 billion dollars per year for state and local road construction and maintenance. In 2017, we found that Hoosiers approved this tax increase by a large margin, with 57% approving and only 38% disapproving. This year's survey indicates that Hoosiers continue to support the gas tax increase at very similar levels, with 55% approving and 38% expressing disapproval.

Contrary to last year's results, which exhibited no partisan differences in approval levels, this year we found a partisan pattern, with Republicans much more supportive than Democrats by a margin of 62% to 48%. We also found that support among low-income Hoosiers had eroded since last year from 61% approval to only 48% approval, among older Hoosiers from 51% to 42%, and among those in Southern Indiana from 63% to 46%. Approval in other demographic categories was at least 50%.

When we asked Hoosiers about the state of Indiana's proposal to fund highway improvements by charging tolls on Indiana interstates they were much less favorable. Only 21% of Hoosiers favored tolling the interstates, compared to 75% who were opposed. We also examined the effect of demographic and geographic characteristics, such as education, income, age, community type, and region. We found no demographic group that even came close to majority approval; few groups even exceeded the 25% approval level.



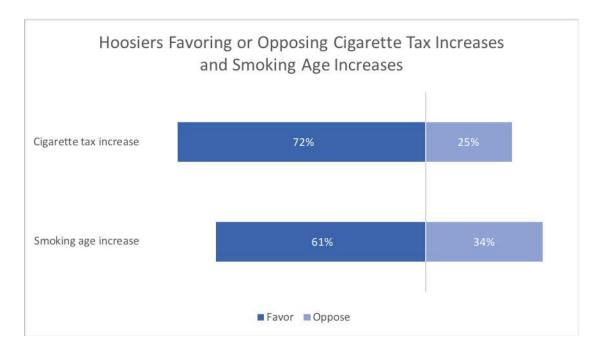


Other State Issues

We asked Hoosiers about their views on other state policy issues related to cigarettes and smoking, sports betting, and marijuana legalization.

Cigarettes and Smoking

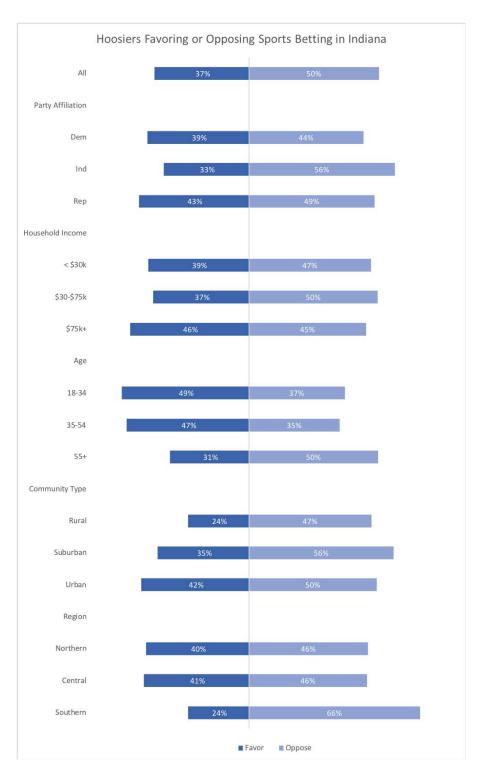
This year we asked Hoosiers about their views on two policies related to cigarettes and smoking. We asked them whether they would favor or oppose a significant increase in the cigarette tax if the proceeds were devoted to tobacco prevention programs for kids and for programs to improve health and well-being. We also asked whether they favored or opposed an increase in the smoking age from 18 to 21 years of age. Large majorities of Hoosiers support both policies. The increase in the cigarette tax is favored by 72% of Hoosiers, compared to 25% opposed. The increase in the smoking age is favored by a margin of 61% to 34%. When we examined support for the tax increase across partisan and demographic categories we found large supporting majorities in every category. For the increase in the smoking age, the only significant opposition was among Hoosiers age 18 to 34, who oppose the increase by a margin of 52% to 46%.



Sports Betting

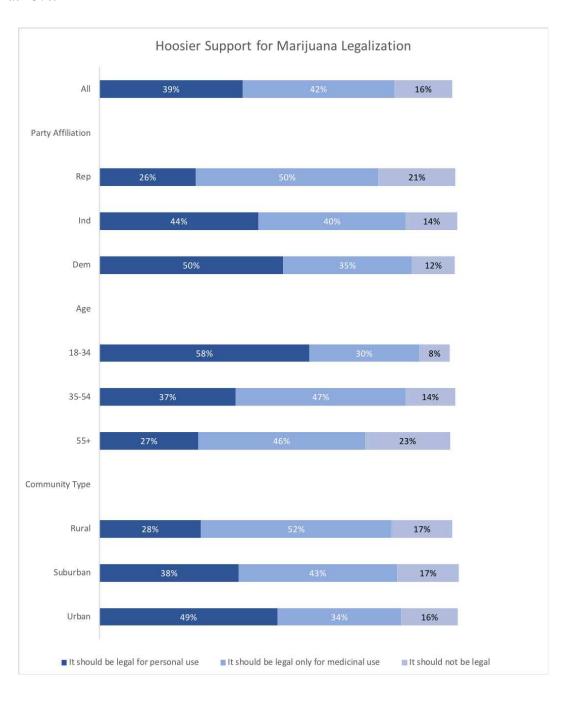
A ruling by the US Supreme Court has opened up the possibility of states other than Nevada to allow betting on professional and college sports as a means of raising revenue. When we asked

Hoosiers whether they favored or opposed sports betting in Indiana as a revenue source, a bare majority of 50% were opposed to sports betting, compared to 37% who favored it. When we examined support across demographic and geographic categories, we found the greatest support among high-income Hoosiers, those under age 55, those in urban communities, and those in Northern and Central Indiana. No group, however, exhibited majority support.

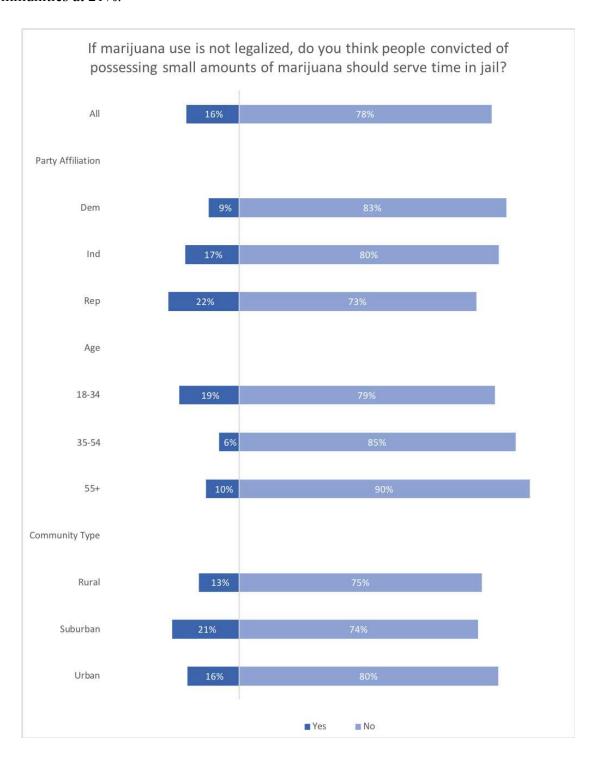


Marijuana Policy

We first asked under what conditions the use of marijuana by adults should be legal. Only 16% of Hoosiers thought marijuana use should not be legal; 42% thought it should be legal only for medical use and 39% thought it should be legal for personal use. Support for personal use was greatest among Hoosiers age 18 to 34 at 58% and among Democrats at 50%. Those most likely to say that marijuana use should not be legal were Republicans at 21% and Hoosiers age 55 and older at 23%.



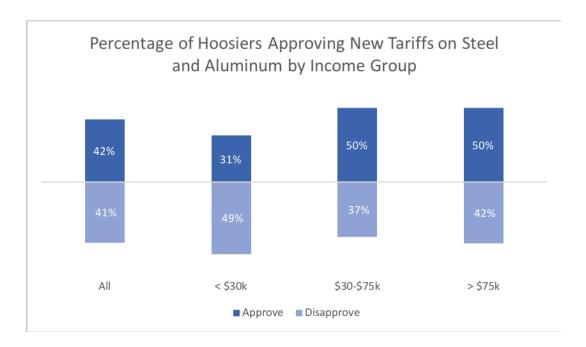
Next, we asked Hoosiers to consider: if marijuana use is not legalized, then should people convicted of possessing small amounts serve jail time? Only 16% of Hoosiers thought that jail time should be served in these cases; 78% said it should not. Support for serving jail time was strongest among Republicans at 22%, Hoosiers age 18 to 34 at 19%, and those in suburban communities at 21%.



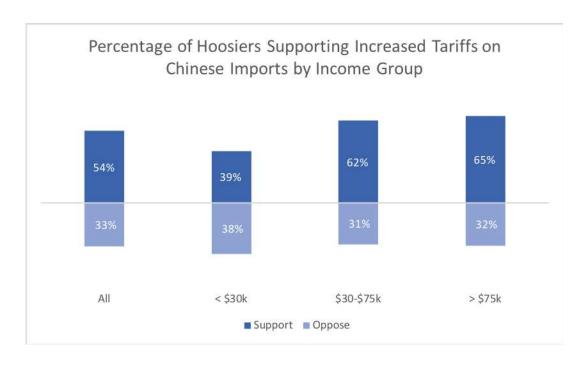
Globalization and Immigration

Tariffs

In this year's survey, we asked Hoosiers two questions about tariffs. The first question concerned their approval of President Trump's decision to impose new tariffs on steel and aluminum imports. On this issue, Hoosiers were almost evenly split with 42% expressing approval compared to 41 percent disapproving. The new steel and aluminum tariffs met with greater approval among Republicans at 79% than Democrats at 14%; and among Hoosiers age 55 and older at 49%, than those under 35 at 32%. We also found that they were more popular among high-income Hoosiers at 50% than those with low incomes at 31%.



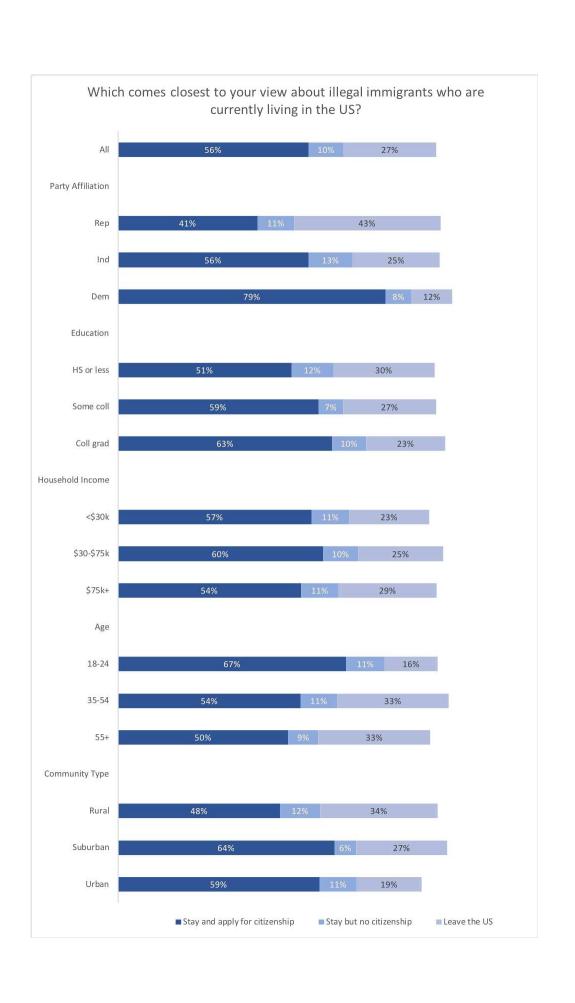
The second question concerned their support for increased tariffs on goods imported from China. Hoosiers were more favorable toward these tariffs than the steel and aluminum tariffs, with 54% expressing support and only 33% opposed. Once again, we found greater support among Republicans at 83% than Democrats at 25%; and among Hoosiers age 55 and older at 60%, than those under 35 at 46%. We also found that they were more popular among high-income Hoosiers at 65% than those with low incomes at 39%.

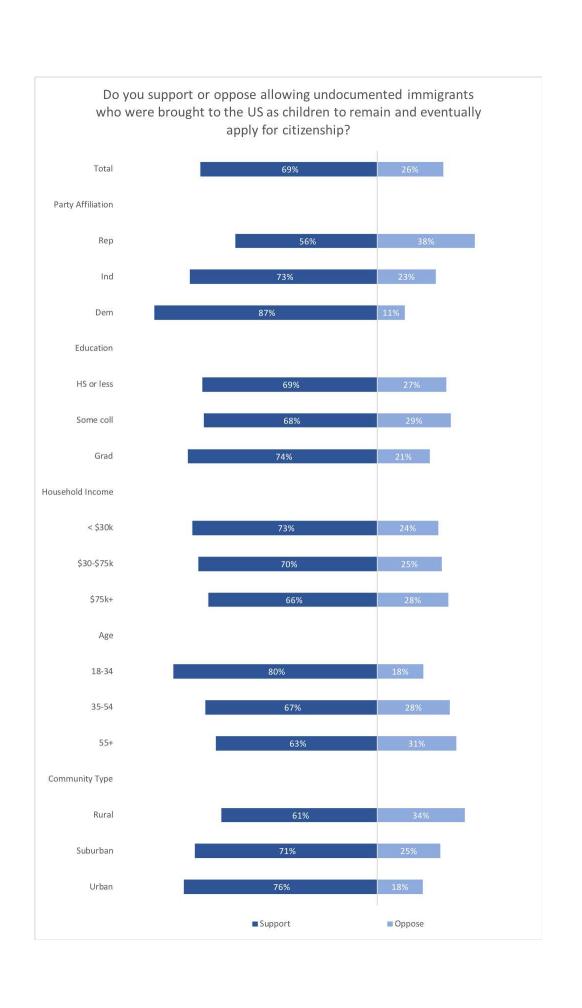


Immigration

Turning to immigration issues, we asked Hoosiers their views about illegal immigrants currently living in the US. A large majority thought they should be allowed to stay: 56% said they should be allowed to stay and apply for citizenship; another 10% said they should be allowed to stay, but not apply for citizenship. Only 27% said they should be required to leave the US. Support for providing a path to citizenship was strongest among Democrats at 79%, suburban Hoosiers at 64%, and those under age 35 at 67%. The view that they should be required to leave the US was most prevalent among Republicans at 43% and Hoosiers age 35 and older at 33%.

We also asked Hoosiers whether they supported or opposed allowing undocumented immigrants who were brought to the US as children to remain in the US and eventually apply for citizenship. A large majority of 69% supported allowing them to stay and apply for citizenship. Only 26% were opposed. Variation in support was greatest along partisan lines; only 56% of Republicans were supportive, compared to 87% of Democrats. There was great variation across ages also. Among Hoosiers age 18-34, 80% were in support; for older Hoosiers age 55 and older, only 63% were supportive.





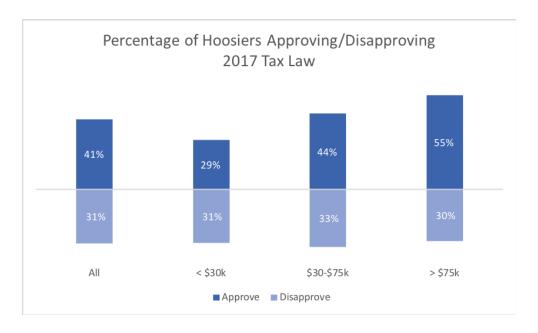
Other Federal Issues

We asked Hoosiers about their views on two other federal policy issues: tax reform and Medicaid work requirements.

Tax Reform

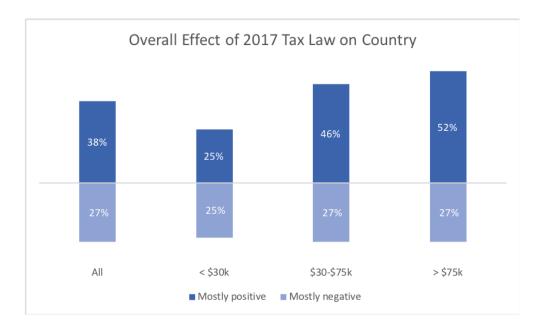
In this year's survey, we asked Hoosiers three questions related to the 2017 tax reform law passed by Congress and signed by President Trump. First, we asked if they approved or disapproved of the measure. Second, we asked whether they thought the measure would have a mostly positive or negative effect on the country. Finally, we asked whether it would have a mostly positive or negative effect on them and their families.

We found that more approved than disapproved of the measure, although there was less than majority approval. Only 41% of respondents approved of the measure, compared to 31% who disapproved. When we examined approval by income group, we found that the tax reform measure was more popular with higher income Hoosiers than those with lower incomes. About 55% of those with annual household incomes of at least \$75,000 approved, compared to only 30% who disapproved. For those with incomes of \$30,000 or less, only 29% approved, slightly less than the 31% who disapproved.

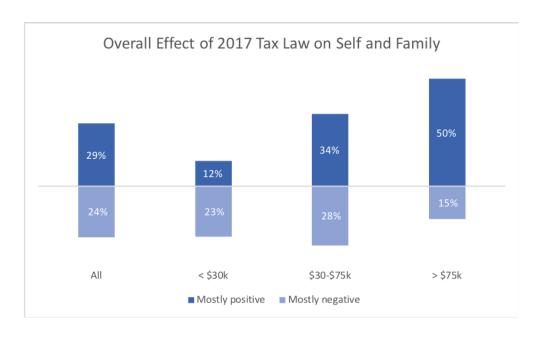


When we asked Hoosiers whether they thought the effect of the measure on the country as a whole would be mostly positive or negative over the coming years, we found their views followed a pattern similar to their overall approval. About 38% said the effect would be mostly positive, 27% said mostly negative, and 14% said it would not have much effect either way.

Once again, Hoosiers with lower incomes were less likely to expect a positive effect, 25%, than those with higher incomes, 52%.

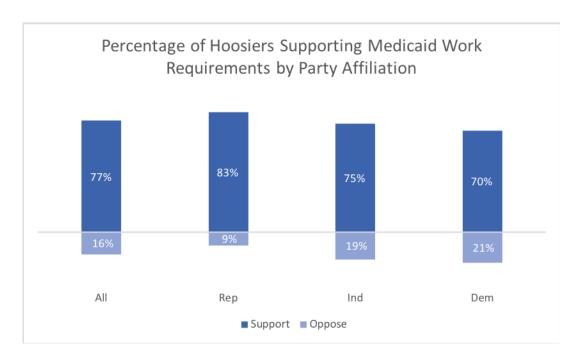


When we asked how they thought they and their families would be affected by the tax measure, only 29% said the effect would be mostly positive, 24% said it would be mostly negative, and 30% said it would have little effect either way. The effect of household income was particularly prominent. Only 12% of low income Hoosiers expected mostly positive effects, 23% thought it would be mostly negative, and 39% expected little effect. Among high income Hoosiers, however, 50% thought it would be mostly positive, 15% mostly negative, and 28% thought there would be little effect.



Medicaid Work Requirements

Many states, including Indiana, are considering imposing work requirements on some Medicaid recipients. We asked Hoosiers whether they supported or opposed requiring low-income, ablebodied adults without young children to work in order to receive Medicaid benefits. Our results indicate that Hoosiers overwhelmingly supported these work requirements by a margin of 77% to 16%. Republicans were more likely to support the work requirements, 83%, than Democrats, 70%. Otherwise there were no particularly notable differences across demographic or geographic categories.



Methodology

The Old National Bank / Ball State University 2018 Hoosier Survey, obtained telephone interviews with a representative sample of 604 adults living in Indiana. Telephone interviews were conducted by landline (316) and cell phone (288, including 184 with adults with no landline phone). The survey was conducted by Issues & Answers Network, Inc. (I&A). Interviews were done in English from October 2-20, 2018. Statistical results are weighted to correct known demographic discrepancies. The margin of sampling error for the complete set of weighted data is ± 5.1 percentage points.

Complete results and methodology are available at www.bowencenterforpublicaffairs.org.

Credits

Data Analysis

and Commentary: Chad Kinsella

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About Old National Bank

Old National Bancorp (NASDAQ: ONB) is the holding company of Old National Bank. Headquartered in Evansville with \$17.6 billion in assets, it is a top 100 U.S. bank, the largest Indiana-based bank and has been recognized as a World's Most Ethical Company by the Ethisphere Institute for seven consecutive years. For nearly 185 years, Old National has been a community bank committed to building long-term, highly valued relationships with clients. With locations in Indiana, Kentucky, Michigan, Minnesota and Wisconsin, Old National provides retail and commercial banking services along with comprehensive wealth management, investment and capital markets services. For information and financial data, please visit *Investor Relations* at oldnational.com.

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Founded in 2007, the Bowen Center for Public Affairs honors the legacy of Dr. Otis R. Bowen, the 44th governor of Indiana and secretary of Health and Human Services under President Ronald Reagan. The mission of the Bowen Center is to advance the ideals of civic literacy, community involvement and public service embodied by Dr. Bowen's career.