

February 1, 2010

To: Interested Parties
From: Ben Tulchin and Julie Lein, Tulchin Research
Re: **In an Environment of Deep Voter Pessimism, Californians See a Path to Recovery through Technology and Innovation**

With voters expressing deep pessimism toward the direction of California, political gridlock in Sacramento, and the ongoing budget crisis, a recent statewide poll found a glimmer of hope and a potential path out of the darkness. In the face of intense negativity toward California's economic problems and the direction of the state, voters have a tremendous amount of pride in California's role as a leader in technology and innovation. Californians believe this important sector of the economy presents a potential solution to the state's economic and fiscal challenges, especially if policymakers prioritize and enable the growth of technology and innovation.

Specifically, despite an overwhelming majority of voters (80% statewide) believing California is heading in the wrong direction, comparable numbers of Californians:

- Are proud of the state's leadership in innovation and technology (79% are proud);
- Believe technology and innovation are an essential part of the state's economy (96% say it is an important part) and agree that technology provides an opportunity to create jobs to combat our economic and fiscal problems;
- Are frustrated with state policymakers for not making technology and innovation enough of a priority; and
- Feel strongly that policymakers should work to boost the tech sector and encourage innovation in order to strengthen the state's economy (66% agree).
- Impressively, this sense of optimism is shared by voters across the partisan spectrum and throughout the state, as Democrats and Republicans alike share this faith in technology and innovation as do voters in Northern and Southern California.
- Voters in Silicon Valley are just as pessimistic as voters statewide, yet they are even more proud of California and Silicon Valley as leaders in technology and innovation.

While few political or economic issues currently evoke hope in California, technology and innovation stand out as sources of optimism for the state's electorate and represent a path to a better future.

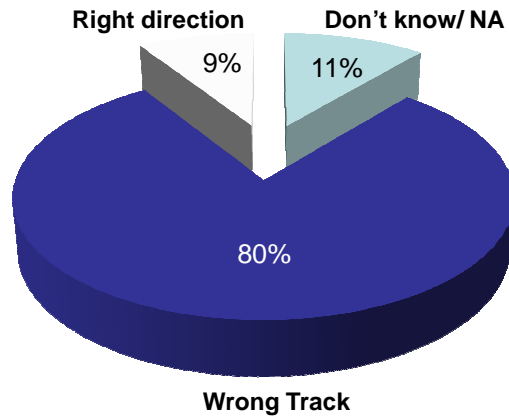
Voters Are Historically Negative Toward the Direction of California

Voters in California are as pessimistic as we have ever seen them. Specifically, four in five voters (80%) believe the state is headed in the wrong direction, with only 9 percent holding a positive view toward California's future. We witnessed numbers this negative only once before – during the gubernatorial recall – and that was for only a brief period of time. Now, voters are in a deeper and more prolonged state of gloom as people from all parties and

throughout the state share the same dark outlook. In sum, no one is happy about the way things are going in the state right now.

Voters pessimistic about the direction of California

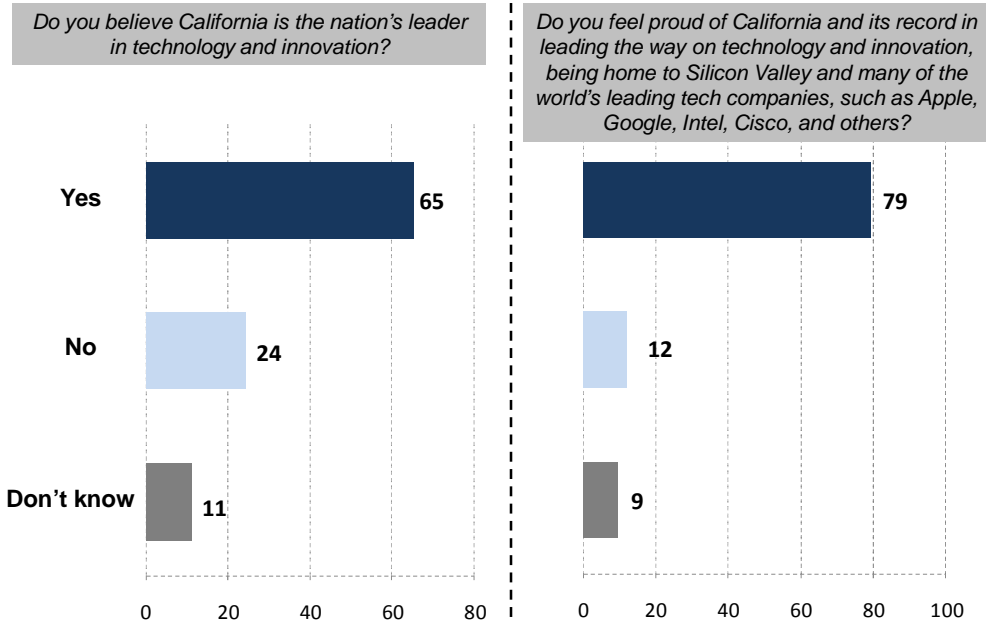
Do you think that things in California are going in the right direction, or do you feel that things have gotten pretty seriously off on the wrong track?



Pride In California's Leadership in Technology

Given the context of pessimism toward California, few issues provide hope for the state's future. Yet nearly two in three voters (65%) believe California is the nation's leader in technology and innovation, highlighting this theme's unique ability to evoke optimism toward California's successful track record.

Voters express pride in California's leadership in technology



In a rare showing of bipartisanship, the belief that California is a leader in technology crosses party lines:

- 65% of Democrats believe California retains a leadership role in technology and innovation;
- 60% of Republicans share this sentiment; and
- 72% of independents feel this way.

Silicon Valley residents are the most unified in their sentiments of any region of the state as 86% of voters in this hi-tech hub continue to believe their state is a leader in technology and innovation.

Stemming from California's success in innovation, voters express a sense of pride in the state's record for leading the way on technology. Specifically, nearly four in five voters—79%--feel proud of California's leadership in innovation, including being home to Silicon Valley and technology companies like Apple, Google, Intel, Cisco, and others. This overwhelming pride is nearly equivalent to the four in five voters who feel downcast about the direction of the state, providing a powerful optimistic contrast to the pervading pessimism among voters.

Once again, this positive sentiment is shared by voters of all parties and throughout the state.

- Democrats are the most proud, with 83% feeling proud of California for its leadership role in technology and innovation;
- Independents are a close second, with 79% feeling proud of California;
- Three quarters (75%) of Republicans also share this view;
- Silicon Valley residents are the most proud of any region of the state (88% indicate they are proud of the state for its leadership in tech and innovation).

Technology and the Economy

An overwhelming number of voters (96%) agree that innovation, such as creating new products and starting new companies, is an important part of the economy, with 72% saying it is a very important part of the economy.

Importance of innovation in California's Economy	
<i>How important is innovation, such as creating new products and starting new products, as part of California's economy?</i>	
	Total
Very important	72%
Somewhat important	24%
Total Important	96%

Given the value of technology and innovation, voters strongly support California lawmakers making the issues a priority. Two in three voters (66%) believe policymakers should find ways to boost the tech sector. However, most voters do not feel that their elected officials are making technology and innovation enough of a priority (52% of voters statewide feel this way; only 27% believe state leaders are doing enough).

Lawmakers should support the tech sector	
<i>Should policymakers focus on finding ways to boost the tech sector in California in order to help the state's economy?</i>	
	Total
Yes	66%
No	25%
Yes – No	+41%

With Californians gearing up for the gubernatorial election, technology and innovation provide an opening to harness hope and optimism among voters. Nearly four in five voters (77%) are more likely to support a candidate for office such as Governor if they support technology to encourage economic growth. Innovation provides a unique opportunity to create economic optimism, expand on California's leadership, and inspire pride in voters.

Methodology

From January 20 – January 25, 2010 Tulchin Research conducted a telephone survey among 700 likely voters in California, with 600 voters statewide and an oversample of 100 voters in Silicon Valley. The margin of error is +/- 3.9 percentage points for the statewide sample.
