



M E M O R A N D U M

TO: INTERESTED PARTIES

FROM: GLEN BOLGER/JIM HOBART

RE: MICHIGAN STATEWIDE SURVEY: KEY FINDINGS

DATE: JANUARY 28, 2016

Methodology

Public Opinion Strategies conducted a survey of 500 likely voters in Michigan. The survey was conducted December 17-20, 2015 and has a margin of error of +4.3.8% in 95 out of 100 cases. Three hundred (300) interviews were conducted with landline respondents and 200 interviews were conducted with cell phone respondents,

Key Findings

1. ***There is clear opposition to payday loan lending in Michigan.***

Initially, 20% of Michigan voters favor companies issuing payday loans to people in Michigan, compared to 46% who say they are opposed. One-third (33%) of voters are not sure what they think.

Payday loans are also not a partisan issue in the state, as the level of opposition is consistent across party lines.

2. ***Opposition to payday loans increases significantly when voters learn that the typical Michigan loan carries three hundred sixty-nine percent annual interest.***

After learning about the interest rate that a payday loan typically carries, 85% of Michigan voters are opposed to companies issuing payday loans in the state, with 68% saying they are strongly opposed.

Again, there is no partisan split on the issue, with Republicans, Independents and Democrats all sharply opposed to issuing payday loans in the state.

3. ***There is also overwhelming opposition to longer-term payday loans.***

Just 9% of voters favor laws that would allow payday lenders to issue longer-term loans that would still carry high interest rates, while 89% of voters are opposed. The intensity of opposition is extremely high, with 73% of voters strongly opposing longer-term payday loans.

4. ***There is substantial support for the two payday loan reforms we tested.***

Seventy-percent (70%) of voters back requiring payday loan lenders to first determine the borrower's ability to pay back the loan, with a majority (51%) saying they strongly favor this reform proposal. Just 25% are opposed to it.

Similarly, Michigan voters favor limiting the amount of interest that can be charged on a payday loan to thirty-six percent, with 65% favoring this proposal and 29% saying they are opposed.

Looking at key subgroups, there is bi-partisan support for both of these reform proposals, but there is a split by age, with younger voters far more likely than older voters to back these reforms.

5. ***Politically, expanding payday loans in the state is a non-starter.***

The vast majority (76%) of Michigan voters say they would have a less favorable opinion of a political candidate who supported expanding payday loans, including 49% who say they would have a much less favorable opinion of that candidate.

6. ***There is near unanimous opposition to allowing car title loans in Michigan.***

Initially, a scant 8% of voters favor allowing these car title loans, while 89% are opposed. Intensity of opposition is through the roof, with 75% of voters saying they are strongly opposed to allowing car title loans in the state.

Voters are even less likely to favor car title loans in Michigan once they learn of the 273% annual percentage rate on these loans (80% much less likely to favor) and that a person's car could be repossessed if they cannot pay back the loan on time (68% much less likely to favor).

7. ***Like we saw with payday loans, to support allowing car title loans in the state would be a major political liability.***

Eighty-four percent (84%) of voters would have a less favorable opinion of a political candidate who backed car title loans in Michigan. Looking at intensity, a significant majority (64%) would have a much less favorable view of a candidate who supported car title loans.

THE BOTTOM LINE

Payday loans are initially unpopular with Michigan voters, but there is also a significant portion of the electorate that is not sure what to think of them. This changes quickly and dramatically when they learn of the exorbitant interest rates that are often charged on these loans.

There is clear and bipartisan support for the two payday loan reforms we tested.

Finally, there is overwhelming opposition to allowing car title loans in Michigan. From a political standpoint, a vote in favor of allowing these types of loans in the state has the potential to be very damaging.