

Minnesota Public Radio News and Humphrey Institute Poll

Economic Turmoil Generates New Agenda and Emerging Consensus on Government

Report prepared by the Center for the Study of Politics and Governance
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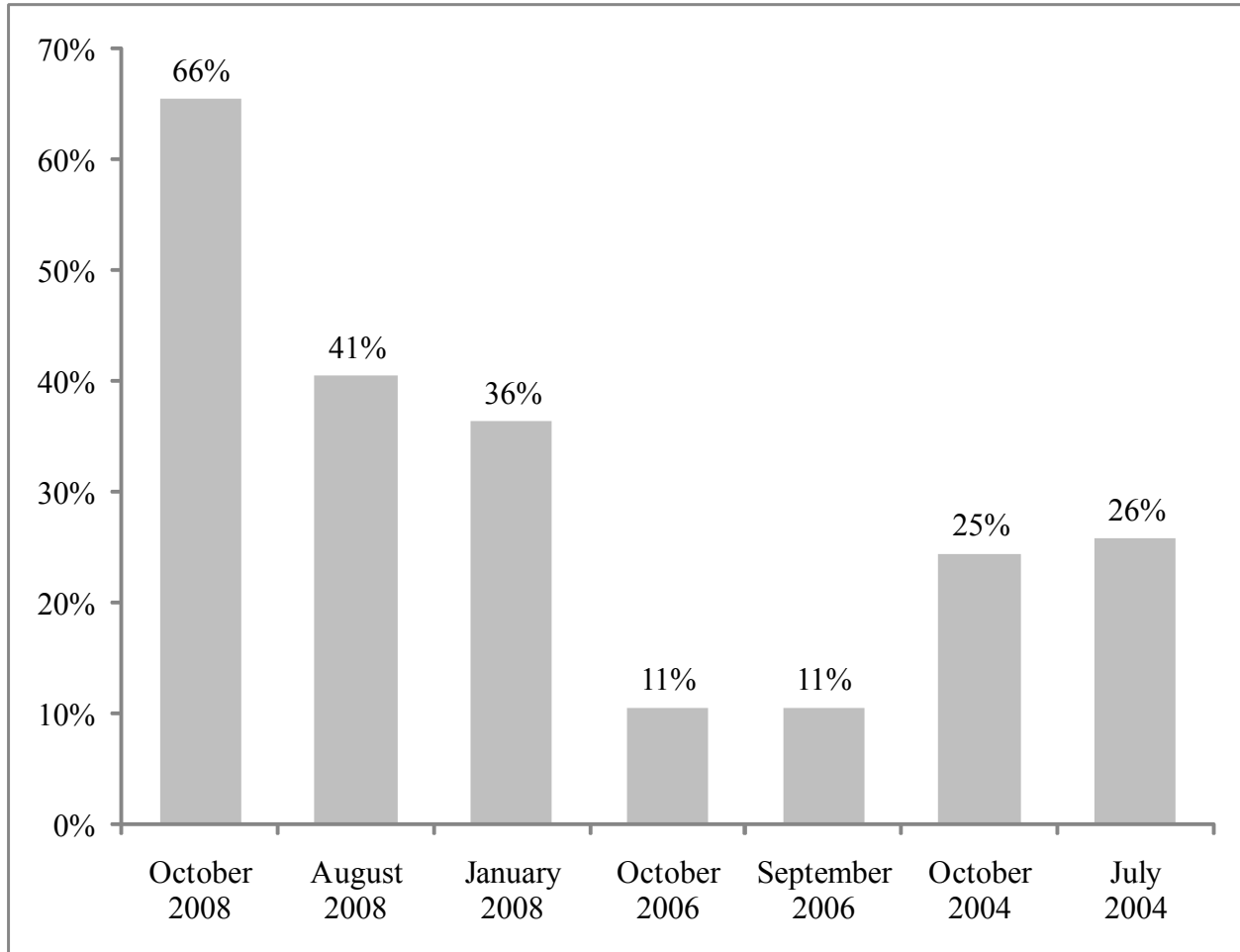
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According to a Minnesota Public Radio News and Humphrey Institute study of likely Minnesota voters, the turmoil in the financial sector and broader economy appears to be reshaping the agenda of issues that concern Minnesotans, giving rise to what may be initial steps toward a new consensus about the government's role and providing a modest boost to the Democratic Presidential candidate Barack Obama. The results are based on interviews with 766 likely voters conducted between September 29th and October 5th. The margin of error is +/-3.6 percentage points. For smaller subgroups the margin of sampling error is larger.

The New Agenda: Economic Concerns Dominate

Likely Minnesotan voters are increasingly preoccupied with the country's economic distress. Two thirds of Minnesotans identify the economy and jobs as the country's single most important problem. No other issue draws the notice of even 10 percent of Minnesotans. Challenges with Iraq, health care, terrorism, education and other issues have been shunted aside. This economic preoccupation represents a sharp increase not only from 2004 but also from earlier in 2008.

Percentage of Respondents Naming The Economy and Jobs as the Most Important National Problem



Notes:

January 2008 survey uses analyses of all voters; Likely Voters are studied in other surveys. In October 2006 and September 2006, the response was “The Economy;” in the other surveys, the response was “The Economy and Jobs.” In October 2004 and July 2004, the question was worded as, “What is the most important issue in your vote for president;” the other surveys asked about “the most important issue facing the country.”

There is an unusual intensity associated with the concern of Minnesotans about the country’s economy. Six out of ten rate the country’s economic conditions as “poor” – the most extreme classification. A quarter of voters are scared. Only 6 percent are not concerned.

Intense Worry

Rating of Country’s Economic Conditions	
Excellent	1%
Good	8%
Fair	29%
Poor	62%
Reaction to problems facing financial institutions and Wall Street	
Scared	24%
Concerned by not scared	70%
Not Concerned	6%

Trepidation is particularly concentrated in specific groups of Minnesotans. Among the 49 percent of likely Minnesota voters who are middle income earners, 26 percent are scared about the financial problems. An even higher proportion of Minnesotans with the lowest income are unnerved (31 percent). Higher income earners are alarmed but not as intensely as the lower income groups. Women are also more nervous: among the 51 percent of voters who are female, 29 percent are scared which is 10 points higher than among men (19 percent). In addition, seniors, voters most enthusiastic about the election, and Democrats are also particularly scared about the financial problems.

The Most Scared about Financial Problems

	All Voters	Minnesotans who are scared about financial problems
Less than \$25,000	8%	31%
\$25,000 to \$75,000	49%	26%
\$75,000 to \$100,000	21%	20%
\$100,000 or more	22%	23%
Male	49%	19%
Female	51%	29%
17-29	15%	22%
30-44	28%	20%
45-59	29%	23%
60 and older	28%	30%
Extremely or Very enthusiastic about election	61%	26%
Somewhat enthusiastic about election	26%	21%
Not too or Not enthusiastic at all about election	12%	19%
Republicans	39%	16%
Independents	10%	23%
Democrats	51%	31%

Voters have concluded that bad management of investment banks rather than government is the culprit for creating the economic travails. Six out of ten voters blame management compared to only 31 percent who point to government. Republicans are especially prone to blame bad management (70 percent have reached this judgment); narrower majorities of independents and Democrats agree (58 percent and 53 percent, respectively). This is a striking conclusion after decades in which Democrats and Republicans belittled government and heralded private business.

Bad Management Rather Than Government Blamed

Mainly Responsible for Problems in Banking Industry	
Bad management of investment banks	60%
Lack of close government supervision	31%
Don't Know	9%

More Government Welcome

The shock of the economic turmoil has apparently created strong support for expanding government’s role. Something approaching a new consensus may be emerging. By a lopsided margin, 71 percent favor increased regulation of the investment banking industry.

What is striking is that **support for government regulation is broadly supported across the divides that often split American voters.** Across the divides of political party, income groupings, and age cohorts, there are now large majorities (often reaching two-thirds or over three-quarters) that favor more government restrictions.

Federal Government Regulation of Investment Banking Industry	Favor increased regulation	Oppose increased regulation	Undecided
All Likely Voters	71%	22%	7%
Republicans (39%)	57%	36%	7%
Independents (10%)	81%	15%	4%
Democrats (51%)	81%	13%	7%
Less than \$25,000 (8%)	78%	10%	12%
\$25,000 to 50,000 (23%)	63%	28%	9%
\$50,000 to \$75,000 (26%)	72%	21%	7%
\$75,000 to \$100,000 (21%)	81%	16%	3%
\$100,000 or more (22%)	73%	25%	3%
Male (49%)	70%	26%	4%
Female (51%)	73%	18%	9%
17-29 (15%)	66%	32%	2%
30-44 (28%)	71%	23%	6%
45-59 (29%)	74%	22%	4%
60 and older (28%)	72%	15%	12%

Support continues for specific types of government intervention, though at a lower level and with pronounced disagreements. Minnesotans favor by an 11 point margin (52 percent to 41 percent) the federal government stepping in to address the problems in the financial markets and economy rather than deferring to private firms to recover on their own. Support for government intervention is strongest among those scared about the economic problems, Democrats, and younger Minnesotans; reactions among other groups are more mixed.

Support for More Government

Federal Government role in Financial Markets and Economy	Step in to address problems	Stay out to let markets recover on own	Undecided
All Likely Voters	52%	41%	8%
Scared about financial problems	63%	27%	10%
Concerned but not scared about financial problems	50%	43%	8%
Not concerned	27%	73%	0%
Republicans (39%)	40%	52%	8%
Independents (10%)	47%	52%	1%
Democrats (51%)	61%	30%	9%
17-29 (15%)	64%	27%	9%
30-44 (28%)	51%	44%	5%
45-59 (29%)	45%	48%	6%
60 and older (28%)	51%	37%	12%

Although Minnesotans favor greater government intervention in finance, there is leering about providing financial help to homeowners who are having trouble paying their mortgages because their rates went up. Although a narrow plurality favors government intervention (48 percent to 44 percent), voters are divided. Among the quarter of Minnesotans scared about the financial problems, 60 percent favor the government providing financial help to homeowners. Among the 8 percent of voters with the lowest income, 64 percent favor the government intervention. Support for government financial assistance to struggling homeowners is also strongest among women, younger Minnesotans, and Democrats. Conversely, the most affluent, men, and Republicans are opposed to offering financial help to homeowners.

Government Financial Help to Homeowners Having Trouble Paying Mortgages	All Voters	Favor Government Providing Financial Help	Oppose Government Providing Financial Help	Undecided
All Likely Voters		48%	44%	8%
Scared about financial problems	24%	60%	31%	9%
Concerned but not scared about financial problems	70%	45%	47%	8%
Not concerned	6%	38%	60%	2%
Less than \$25,000	8%	64%	31%	5%
\$25,000 to 50,000	23%	55%	40%	6%
\$50,000 to \$75,000	26%	49%	45%	6%
\$75,000 to \$100,000	21%	50%	41%	10%
\$100,000 or more	22%	38%	55%	8%
Male	49%	44%	50%	6%
Female	51%	53%	38%	9%
17-29	15%	66%	29%	5%
30-44	28%	50%	44%	6%
45-59	29%	42%	49%	8%
60 and older	28%	44%	46%	10%
Republicans	39%	28%	65%	7%
Independents	10%	47%	48%	5%
Democrats	51%	64%	27%	9%

Implications for Presidential Election

Democratic Presidential candidate Barack Obama enjoys an 8 point advantage over Republican Presidential candidate John McCain in the evaluations of voters regarding who will do a better job handling the problems in the investment banking industry (49 percent to 41 percent). Although Obama enjoys a lead on the issue that is preoccupying voters, his advantage is modest: only a plurality rather than a significant majority give him higher evaluations. This reflects some trepidation about the Democrat's experience and preparation to step into a global emergency among independents, middle and high income voters, men, and Minnesotans over 30 years of age.

Modest Obama Advantage

Candidate that will do a Better Job Handling Problems in Investment Banking Industry	Obama will do better job	McCain will do better job	Both candidates will do same	Undecided
All Likely Voters	49%	41%	3%	7%
Scared about financial problems (24%)	63%	28%	3%	7%
Concerned but not scared about financial problems (70%)	45%	44%	2%	8%
Not concerned (6%)	34%	60%	4%	2%
Republicans (39%)	7%	85%	2%	5%
Independents (10%)	33%	46%	11%	10%
Democrats (51%)	84%	7%	1%	8%
Less than \$25,000 (8%)	70%	24%	0%	7%
\$25,000 to 50,000 (23%)	51%	41%	3%	6%
\$50,000 to \$75,000 (26%)	47%	41%	3%	9%
\$75,000 to \$100,000 (21%)	54%	35%	3%	9%
\$100,000 or more (22%)	42%	53%	1%	4%
Male (49%)	46%	46%	3%	6%
Female (51%)	52%	37%	3%	8%
17-29 (15%)	60%	37%	0%	3%
30-44 (28%)	44%	45%	3%	9%
45-59 (29%)	46%	41%	4%	9%
60 and older (28%)	51%	40%	2%	7%

About the Survey

This survey is a collaboration between Minnesota Public Radio and the Center for the Study of Politics and Governance at the University of Minnesota's Humphrey Institute of Public Affairs. The survey was analyzed by the Center. The research team was Lawrence R. Jacobs (director) and Joanne M. Miller (Department of Political Science). Melanie Burns was the team's research and data analyst.

This study is based on combining two surveys that used separate samples. The first survey involved interviews with likely voters between September 29, 2008 and October 1, 2008; the second involved interviews with likely voters between October 3rd and October 5th. Two surveys were conducted to examine the potential impact of the October 2nd Vice Presidential debate. Combining these two surveys to create a larger sample permits more fine-tuned analyses and more stable and reliable analyses.

The survey was fielded by the Center for Survey Research and Analysis (CSRA) at the University of Connecticut, which has extensive national and state experience conducting non-partisan surveys on politics and government policy. CSRA called a sample of telephone exchanges that was randomly selected by a computer from a list of active residential exchanges within the State of Minnesota. Within each exchange, random digits were added to form a complete telephone number, thus permitting access to both listed and unlisted numbers. The samples were designed to represent different regions of the state in proportion to the number of adults living in each region. Within each household, one adult was selected to be the respondent for the survey.

Results are based on a model which adjusts responses according to the likelihood of a respondent voting. Likelihood to vote is based on the following factors: self-reported probability of voting in the upcoming election, voting in previous elections as reported by the respondent, enthusiasm for the 2008 election, and incorporates differential turnout levels in urban, suburban, and rural areas. In addition, the results have been weighted to reflect the number of adults in a household and the number of telephone lines reaching the household as well as the demographic characteristics of adults in Minnesota based on region, sex, age, education, and race.

In addition to sampling error, the practical difficulties of conducting any survey of public opinion may introduce sources of error into the poll. Variations in the wording and order of questions, for example, may lead to somewhat different results.

Questions

Which ONE of the following issues do you think is the single MOST important problem facing the United States today: (READ CHOICES 1-6) (PROBE IF NECESSARY for SINGLE MOST important issue)

permutation -> 6.....
The war in Iraq.....	01
The economy and jobs.....	02
Education.....	03
Health Care.....	04
Taxes.....	05
Terrorism.....	06
Or something else (SPECIFY).....	80 O
Don't Know.....	98
Refused.....	99

Generally speaking, how enthusiastic are you about the upcoming Presidential election? (READ CHOICES 1-5)

Extremely Enthusiastic.....	01
Very Enthusiastic.....	02
Somewhat Enthusiastic.....	03
Not Too Enthusiastic.....	04
Not Enthusiastic At All.....	05
Don't Know.....	98
Refused.....	99

How would you rate economic conditions in this country today? (READ CHOICES 1-4)

Excellent.....	01
Good.....	02
Fair.....	03
Poor.....	04
Don't Know.....	98
Refused.....	99

Would you say the problems currently facing financial institutions and the stock market make you feel scared, concerned but not scared, or are you not concerned by those events?

Scared.....	01
Concerned but not scared.....	02
Not Concerned.....	03
Don't Know.....	98
Refused.....	99

Do you think the federal government should step in and try to address these problems, or should the federal government stay out and let the financial markets and the economy try to recover on their own?

Step in.....	01
Stay out.....	02
Don't Know.....	98
Refused.....	99

Do you think the federal government should provide financial help to home owners who are having trouble paying their mortgages because their rates went up, or should the federal government not get involved?

Help out	01
Don't get involved	02
Don't Know	98
Refused	99

What do you think is mainly responsible for the problems in the investment banking industry - bad management by those who run the investment banks or a lack of close supervision by the government?

Bad management by those who run the investment banks	01
Lack of close supervision by the government	02
Don't Know	98
Refused	99

Do you think the federal government should or should not significantly increase its regulation of the investment banking industry?

Should increase its regulation	01
Should not increase its regulation	02
Don't Know	98
Refused	99

Which presidential candidate do you think will do a better job handling the problems in the investment banking industry? (READ CHOICES 1-2)

permutation -> 2	
Barack Obama	01
John McCain	02
Same (vol.)	03
Don't Know	98
Refused	99