Strategic Communications

MEMORANDUM

TO: **Allstate**
FROM: **FTI Consulting**
DATE: **06/30/2016**
RE: **Allstate-Atlantic Media Heartland Monitor Poll XXVI Key Findings**

This memorandum outlines key findings from a national survey of American adults conducted June 19-24, 2016. This 26th installment of the Allstate-Atlantic Media Heartland Monitor Poll asks questions about the American 2016 presidential election as the country has finished the primary season and heads towards the general election. How do Americans view the current trends shaping the country? What are the biggest problems and who do we look towards to fix the issues? Will the 2016 Presidential election make a difference?

The survey was conducted among a national sample of 1,000 adults age 18+, with 500 reached via cell phone and 500 reached via landline. The margin of error for a sample of 1,000 is +/- 3.1 in 95 out of 100 cases.

SUMMARY OF SURVEY FINDINGS

Washington is broken. These three words have been embedded in the minds of Americans for decades, and more recently by the right and left wing populist rhetoric of presidential candidates Donald Trump and Bernie Sanders. The campaign for president is on the forefront of Americans' minds while their frustration with the lack of action in Washington continues to grow. Americans believe Washington's broken system is the biggest problem facing our country, even outpacing the threat of terrorism or economic concerns. Americans want change in Washington, yet their general distaste for Congress leaves them looking to other avenues to tackle the country's biggest problems. They see a role for state and local governments, businesses, non-profits, and individuals themselves in their vision for a new America. However, Americans still look to the federal government as the institution that should lead the effort in developing solutions.

While Americans are frustrated and fed up with inaction in Washington, pessimism is not overtaking a personal sense of optimism. Americans have a sense of confidence in their personal financial situation and see the economy growing, either through more people being back to work or saving more money than they did before the recession. Even President Obama enjoys a small positive approval rating of his job performance in an environment that is anti-incumbent and anti-Washington.

The election for president is up for grabs, although Democrat Hillary Clinton has some clear advantages over Republican Donald Trump. She leads him on every presidential leadership quality tested and leads him on the initial ballot. However, she fails to garner the important 50%+1 mark. Americans are as divided as the partisanship in Washington when it comes to whether they want a presidential candidate who will compromise or stick to their core values, splitting across party lines. They are also doubtful whether their chosen candidate can truly bring the change they want to see.

Americans' overwhelming sense of exasperation toward Washington has seeped into numerous facets of their lives. It is a warning sign to both parties over the next few months – get something done or lose

the election. Americans are engaged and ready to take on the problems of the country with the cast of their vote in November.

KEY FINDINGS

1. **Americans believe Washington is broken and the partisan politics are impeding the process of addressing the nation's most concerning problems.**

    - Nearly all Americans believe "the political system in Washington is not working well enough to produce solutions to the nation's problems" (92% total problem, 75% serious problem).
        - The dysfunction in Washington is felt by everyone, regardless of party lines. Eight-in-ten Republicans (80%) and Independents (80%) say it's a serious problem, as do almost two-thirds of Democrats (63%).
    - Not surprisingly, a full 80% of adults disapprove of the way Congress is doing its job.
        - Americans' disapproval of the job Congress is doing (or not doing) also transcends party lines. Three-quarters or more of Democrats (75%), Independents (81%), and Republicans (85%) disapprove of Congress's performance.
    - The widely held view of Americans seeing Washington as broken continues to be reflected in the course correction they see needed for the country. Two-thirds of Americans (66%) feel the country is seriously off on the wrong track, while just two-in-ten (22%) see it as heading in the right direction.
    - However, the dysfunction in Washington does not appear to extend to the other end of Pennsylvania Avenue. As a slim majority see Barack Obama as doing a good job as president (51% approve, 43% disapprove).
    - The problems in Washington are not solely on the partisan politics within Congress. Americans believe "Wall Street and big banks have too much influence over the economy and political decision-making" (89% total problem, 66% serious problem).
    - Additionally, Americans are pessimistic when it comes to change. They are less likely to believe major progress will take place even if their preferred candidate is elected president. A plurality believe only minor progress will take place (40%) and two-in-ten (19%) say no change will occur. The remaining one-third of adults (35%) have faith their candidate will make major progress on the issues they care about most.
        - Half of Donald Trump supporters (52%) believe that major progress will be made under his leadership.

- Only three-in-ten Hillary Clinton supporter (31%) share the same optimism that major progress will be made with her as president. Half of her supporters (50%) say only minor progress will be made.

2. **While Washington may be broken, Americans see a path forward. They want everyone – from business to the government to themselves – to play a role in taking on the biggest problems we face as a county.**

- Nearly half of Americans (47%) feel that a mixture of "positive actions taken by some combination of businesses, local governments, non-profits, and Americans themselves" will result in more progress on the major challenges facing the country.
    - Falling behind the collaborative effort, Americans think "individuals taking action in their communities" (26%) and "electing a president they mostly agree with on the issues" (22%) will provide the most change.
- While, more than eight-in-ten adults (84%) find "the strains families are facing trying to balance work and home" to be a problem facing our country, they expect individuals (26%) and state and local governments (25%) to step up and solve the problem. They also see a role for businesses, both large and small (16%), the federal government (13%), and community or non-profit groups (12%).
- Americans continue to look to the state and local institutions to drive progress. More than two-thirds (68%) still believe that state and local institutions are more likely to have new ideas and solutions because they are closer to the problems, more adaptable, and have more at stake in finding solutions than national institutions (23%) despite having more financial resources, experience, and long-term stability. However, skepticism is rising that the state and local levels are the real engines of progress as the frustration with Washington trickles down (64% in February 2015, 61% in January 2016, and 56% in June 2016 say the state and local level is making more process on the major challenges).
    - Americans' frustration is apparent as visible progress at the state and local level is diminishing, while the national level is staying stagnant at just under a quarter believing they are the source of progress on the country's major challenges (26% in February 2015, 26% in January 2016, and 24% in June 2016).
    - At the same time, Americans are becoming more unsure of where progress is taking place (10% in February 2015, 13% in January 2016, and 19% in June 2016).
- From those tested, the three most serious problems Americans identify as affecting the country – dysfunctional government, academic performance compared to international countries, and low family income - are not seen as likely to be solved by the federal

government alone. In fact, less than half of Americans believe the federal government will be the most likely institution to provide solutions that lead to solving the challenges.

- Three-quarters (75%) say it is a serious problem that "the political system in Washington is not working well enough to produce solutions to the nation's problems." Only four-in-ten adults (42%) believe the federal government will solve this problem. Others believe that individuals (20%) and state and local governments (17%) will most likely solve the problem.
- Seven-in-ten (70%) say it is a serious problem that "American elementary and secondary students rank behind other countries on many measures of academic performance." Only two-in-ten Americans (19%) are looking towards the federal government for solutions on this issue. Half (50%) say that state and local governments will provide solutions for the education system. One-in-ten believe that individuals (11%) and community or non-profits groups (10%) will come up with the solutions.
  - There are many facets to the education issues facing our country. Of the two items tested about funding education, more than six-in-ten say they are serious problems. Americans also believe the federal government and state and local governments will provide the solutions to these challenges:
    - "Government is not investing enough in education, infrastructure, research and other social needs" (63% serious problem; 37% federal government and 35% state and local governments will provide solutions); and,
    - "The ability to pay for college without incurring excessive debt" (61% serious problem; 36% federal government, 29% state and local governments, and 16% individuals will provide solutions).
- Two-thirds (67%) say it is a serious problem that "the average family's income is lower today than in 2000." Only a third (32%) believe the federal government will have the solutions. Nearly a quarter (23%) say state and local governments and slightly more than one-in-ten say big business or national corporations (12%), local businesses (11%), and individuals (12%) are the mostly likely group to provide the answers.

- A majority of Americans say "jobs being offshored by American companies" is a serious problem (58%). Big business and national corporations have an opportunity to help solve the problem as nearly a third of adults (31%) pick them as the leader, just slightly below those who picked the federal government (37%).

3. Even though frustration with Washington runs rampant among Americans, there is still an expectation for the federal government to take the lead in reforming Washington.

- While other groups will play a role in fixing the country's biggest problems, a plurality of Americans think the federal government *should* be the leader at providing solutions for thirteen of the sixteen developments affecting the country included in the survey.
- Not surprisingly, the clearest role Americans see for the federal government relates to national security issues: terrorism and our involvement or retreat from international affairs. More than seven-in-ten Americans look to the federal government to provide solutions to our national security issues:
    - "America will get involved with too many problems overseas and overextend itself" (77% federal government will provide solutions);
    - "The threat of terrorism hitting American targets" (76% federal government will provide solutions); and,
    - "America will retreat too much in international affairs and the world will grow more dangerous" (72% federal government will provide solutions).
- They also expect the federal government to take the lead (70%) on solving the country's deficit (67% say it is a serious problem). Although the deficit is a federal issue, Americans feel the tax burden at the national, state, and local levels. Half (50%) say the high level of taxation and government regulation is a serious problem. Most of the burden in relieving the strains of taxes and regulations falls on the federal government (51%) while nearly a quarter (22%) see state and local governments playing a role.
- Additionally, Americans see the federal government playing a large role in solving these challenges:
    - "The level of undocumented immigration" (65% federal government and 16% state and local governments will provide solutions);
    - "Wall Street and big banks have too much influence over the economy and political decision-making" (54% federal government, 12% state and local governments, 10% big business or national corporations, and 10% individuals will provide solutions); and,
    - "The level of imports of foreign products" (51% federal government and 22% big business or national corporations will provide solutions).

4. The lack of action in Washington is driving Americans to believe it is harder for them and their children to succeed than previous generations.

- Three-quarters of adults (74%) say it is harder to get ahead today than it was for previous generations. Fewer than one-in-ten (7%) say it is easier today and 16% say it is about the same.
- A plurality of Americans (45%) say when today's children are their age, they will have fewer opportunities to get ahead. Almost three-in-ten (29%) believe children will have

the same amount of opportunities and two-in-ten (23%) say there will be more opportunities.

- Americans' dissatisfaction with Washington has dampened their general optimism for change. Four-in-ten (39%) say the actions taken by the Obama Administration will have no impact. A quarter (25%) say the actions will increase opportunity for people like them to get ahead, while three-in-ten (29%) say it will decrease opportunities.
- From among the trends tested, Americans identify these as having more of a negative impact on the country:
    - "After rising for many years, the share of Americans who own their own home has declined since the stock market crash in 2007" (45% mostly negative impact);
    - "Fewer Americans are employed in manufacturing jobs" (36% mostly negative impact);
    - "Compared to a generation ago, there are more products available in American stores that may be lower cost, but were manufactured overseas" (34% mostly negative impact); and,
    - "Fewer people live in neighborhoods that would be classified as "middle class" (31% mostly negative impact).

5. **While Americans' national perspective is pessimistic, they see their personal financial situation improving, along with progress on the economy in general.**

- Not all situations affecting Americans are seen in a negative light. Americans are happy these trends are occurring:
    - "More women are working outside of the home than in the past" (49% mostly positive impact);
    - "Americans are saving more money than they did before the economic crash of 2008" (37% mostly positive impact); and,
    - "More Americans are self-employed, including working in flexible positions through the sharing economy" (34% mostly positive impact).
- More Americans believe their personal financial situation will improve (39%) than become worse (9%) over the next year. Nearly half believe their finances will stay the same (46%).
- Most Americans think their current personal financial situation is good (39%) or fair (35%). One-in-ten (9%) say they are in an excellent personal financial situation. Only 14% say they currently have a poor financial situation.
- Six-in-ten say they have an optimistic outlook on the direction of the national economy over the next year (22% improve, 38% stay the same). Only a quarter (25%) say the economy will become worse by this time next year.

- However, economic recovery is not out of the woods yet.
    - The majority still have a positive view of the economy (20% good and 44% fair). Yet, only 1% believe the economy is doing excellent and a full third (33%) believe the economy is doing poorly.
    - Four-in-ten (43%) view "the amount of good-paying jobs the economy is producing" as a serious problem.
    - The fact that "more Americans are reliant on the performance of the stock market for their retirement security" is seen as a negative trend affecting the country by half of Americans (51% total negative, 28% mostly negative).

6. **The political division on the national level is engaging Americans to perceive the upcoming presidential election as more important and potentially more impactful than previous contests.**

- Nearly two-thirds of Americans (63%) say the 2016 presidential election is more important than past presidential elections. Another quarter (26%) believe it carries the same weight as past elections. Fewer than one-in-ten (8%) say it is less important.
    - Women (67%) find this election to be more important than men (60%).
    - Older Americans (68%) also are more likely to say the election is more important than their younger counter parts (60%).
    - There is a notable gender difference between women and men over age 50 (72% and 63% respectively) who believe this election is more important than past elections.
- Nine-in-ten Americans (90%) believe this election will affect America's standing in the world. A full three-quarters (76%) say it will have a great deal of impact and 14% say a moderate amount of impact. Only 7% believe it will not have much impact (4%) or have no impact at all (3%).
- The severity of the election's impact on personal quality of life is expected to be much less than the impact made on the world, but still felt by a large majority. Four-in-ten (41%) say it will have a great deal of impact on their personal life and another three-in-ten (29%) say it will have a moderate impact. But, a quarter (25%) believe the election will not have much impact (16%) or have no impact at all (9%) on their personal quality of life.
    - There is a stark age and gender divide on Americans' perceptions of the impact of the upcoming election.
        - Women and older Americans are more likely to say they will see a great deal of impact caused by this election than their counterparts.
        - A full 85% of women over the age of 50 say this election will have a great deal of impact on America's standing in the world. Only 73% of the

other gender and age combinations believe the election will have a great impact.

- And, half of older women (51%) say the election will have a great deal of impact on their personal quality of life. The other gender and age combinations are much less likely to say it will have a great impact on their life (31% Men 18-49, 44% Men 50+, and 41% Women 18-49).

- Among registered voters and those planning to register before November, three-quarters (75%) say they will definitely vote in November. Another 9% say they will probably vote and 7% say it is a 50:50 chance they will make it to the polls.
  - Six-in-ten registered voters who *did not* vote or participate in their state's primary or caucus (62%) say they will definitely make it to the polls in November. More than a quarter are considering casting a ballot (16% probably vote and 11% 50:50 chance of voting).
  - More than eight-in-ten registered voters who *did* vote or participate in their state's primary or caucus (84%) say they will definitely make it to the polls in November.

7. Democrat Hillary Clinton currently holds an advantage over Republican Donald Trump on almost every issue tested, yet she fails to garner a majority of the vote for president.

- In a series of questions on presidential leadership characteristics, Hillary Clinton performs better than Donald Trump among the general American population:
  - "Work effectively with other countries around the world" (60% Clinton, 29% Trump);
  - "Work effectively with Congress to pass their agenda into law" (53% Clinton, 32% Trump);
  - "Work effectively with state and local governments" (51% Clinton, 35% Trump);
  - "Convince the two parties to cooperate more than they have in recent years" (49% Clinton, 31% Trump);
  - "Bring the country together" (48% Clinton, 30% Trump); and,
  - "Promote effective partnerships between the public and private sector" (45% Clinton, 42% Trump).
- When Americans are asked about the upcoming election against the presumptive nominees, Democrat Hillary Clinton and Republican Donald Trump, neither candidate has over 50% of the vote (44% Clinton, 35% Trump).
  - Their supporters fall on opposite ends of the spectrum; intensely supporting their chosen candidate rather than leaning toward one or the other (34% definitely Clinton and 25% definitely Trump).

    - The traditional swing voters are limited (only 4% undecided), as many Americans have decided to vote for a third party candidate (4%) or will not vote at all (9%).
- The division between the candidates is likely due to Americans' personal views on whether they want a candidate who will comprise (50%) or stick to their core values (44%).
    - A majority of Democrats (58%) and Independents (50%) want a candidate "who will compromise with the other party even if it means conceding to the other party on policies that are important to you." On the other hand, the majority of Republicans (53%) want a candidate to "stick to their core values and positions even if it means the federal government reaches fewer agreements on important issues."
        - Conservative Republicans have a stark opinion that a candidate needs to definitely stand up for their principles (61% total, 51% definitely stick to core values).
    - Those who abstained from the primary process prefer candidates who will compromise (55% total, 37% definitely) rather than sticking to core values (40% total, 27% definitely).
    - Voters who are definitely casting a ballot in November have split views on these opposite leadership styles (33% definitely compromise vs. 30% definitely stick to their core values).