

MEMORANDUM

TO: Allstate
FROM: FTI Consulting
DATE: 11/30/2016
RE: Allstate-Atlantic Media Heartland Monitor Poll XXVII Key Findings

This memorandum outlines key findings from a national survey of American adults conducted November 16-21, 2016. This 27th installment of the Allstate-Atlantic Media Heartland Monitor Poll asks questions about the 2016 presidential election, as Americans have cast their votes and look towards the next four years under new leadership. How did the divisive campaign shape Americans' perspectives? Was the election a mandate for new policies? How do Americans want the government to function?

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

After one of the most divisive elections in recent history, Americans are looking to our nation's elected officials to put aside partisan bickering, work to solve the nation's problems, and move the country forward. Americans want to see investments in the nation's future and are optimistic for the potential change the newly elected Trump administration can bring. In the tradition of our country's storied history as the oldest continuing democracy, President-elect Trump enters office amidst renewed optimism, but at the same time tempered by a watchful eye among many Americans.

The hard-fought election underscores deep divides in the nation between key swaths of the American public – rich vs. poor, elites vs. everyday Americans, and Whites vs. minorities. While Americans believe these divides may deepen, they see a bright future on the horizon where we can come together and overcome the problems of our past, just as we have done throughout history. And the optimism is most present in Americans' views of the direction of the country and their personal financial situation – two areas where Americans have more positive outlooks than in the last four years. They also believe the President-elect and Congress will work more together and want their elected officials to compromise to move the country forward.

President-elect Trump, however, will have to earn everything he sets out to achieve. Americans are divided on whether they trust him and Congressional Republicans or Democrats in Congress to develop solutions to the major challenges facing the country. There is also uncertainty over whether he can ultimately build a more united country. One thing is for sure, Americans are ready to see solutions and if President-elect Trump fails to deliver, his electoral honeymoon is likely to quickly subside.



KEY FINDINGS

1. Americans are on a post-election high with optimistic views toward the direction of the country and the economy.

- More than one-third of Americans (36%) feel the country is heading in the right direction; a 14-point increase since June.
 - Additionally, exactly half of adults (50%) feel the country is off on the wrong track, reflecting a drop since this summer (June 2016), when two-thirds (66%) believed the country was off on the wrong track.
 - This optimism is similar to the post-election high after President Obama's reelection (41% right direction and 51% wrong track in November 2012).
- This positive movement in the direction of the country is likely bolstered by Americans' expectation for a revitalization of the American economy.
 - When it comes to the position of the American economy in the global playing field, most Americans believe our economy will become more competitive over the next four years (60% more competitive, 4% stay the same, 30% less competitive).
 - Men over 50 believe particularly strongly that the economy will become more competitive over the next four years (72% more competitive, 3% stay the same, 19% less competitive).
 - Americans living in rural parts of the country also feel strongly that the American economy will become more competitive over the next four years (70% more competitive, 2% stay the same, 21% less competitive).
 - However, Americans do not expect it to take a full four years for the economy to improve; a plurality of Americans anticipates seeing this economic improvement take hold as soon as in the next 12 months (39% say the economy will improve in the next 12 months, 22% stay the same, and 28% become worse).
- Americans feel well-positioned to reap the benefits of this economic progress and expect to see gains in their personal lives due to the country heading in a positive direction and the economy expected to improve.
 - Currently, most Americans feel that their personal financial situation is either good or excellent and only about one-in-ten feel their financial situation is poor (51% excellent/good, 35% fair, and 13% poor).
 - Americans are optimistic that these sound financial situations will either remain the same at this time next year or even improve (43% expect personal financial situations to



improve and 44% stay the same). Only one-in-ten expect their personal financial situations to worsen over the next year (10% become worse).

- Encouraged by national progress and personal financial growth, Americans are confident these benefits will extend to families, providing more opportunities.
 - Half expect there to be more opportunities for themselves and their families over the next four years (50% more opportunities, 9% same, 33% less).
 - Parents, in particular, expect the next four years to bring more opportunities for their family (55% more opportunities), and dads are particularly enthusiastic over the outlook for their family (63% more opportunities).
- Armed with all these positive trends, it is no surprise that Americans feel empowered to overcome our country's challenges. These challenges are numerous, including a large budget deficit and national debt, slowly growing living standards for many families, terrorism at home and abroad, cultural clashes between different groups, and a deep political divide on many issues.
 - Still, in the face of these large and looming challenges, two-thirds of Americans think we will overcome these challenges in the foreseeable future, just as we have done with other major challenges throughout our history (66% we will overcome these challenges, 28% we might not be able to overcome these challenges).
 - Across gender, race, age, education, and income, Americans are optimistic that we will find solutions to these challenges.

2. However, under the general sense of optimism remains a divided nation with serious problems on the horizon.

- Adults feel that the country will grow more divided than before. This divisiveness extends beyond the usual partisan sphere (as 61% believe our political system will be more divided over the next four years), and is perceived to exist within other demographic groups inside our society.
- Half of Americans (52%) believes that relations between different racial and ethnic groups will grow worse and the same amount of Americans (51%) believes relations between social classes will also grow worse.
 - The perception concerning the racial divide growing worse is more prominent with Non-whites (66%) than Whites (45%), women (56%) than men (48%), and adults under 50 (59%) than over 50 (43%).



- Similarly, the rising tension among social classes is felt in a similar manner among those same demographic groups. The perception that social class relations are growing worse is felt more so by Non-whites (66%) than Whites (44%), women (54%) than men (47%), and adults under 50 (58%) than over 50 (43%).
- Even with all the divisiveness in our country, the majority of Americans (52%) believes the country is improving because of its growing diversity and increased equality for all people; however, it cannot be overlooked that four-in-ten Americans (42%) feel that the country is changing too fast and losing its values.
 - Big proponents of improving the country through inclusion are Millennials (61%), Non-whites (58%), college educated adults (60%), urban residents (63%) and Democrats (65%).
 - However, their counterparts strongly hold the opposing viewpoint. Baby Boomers (48%), Silent/Greatest generations (49%), Americans without college degrees (47%), rural residents (53%), and Republicans (63%) feel the country is changing too fast.
- When Americans discuss more specific divisions within our society they rank conflicts between African-Americans vs. police (52%), rich vs. poor (44%), and business/political elites vs. average Americans (41%) as serious problems.
 - In terms of the African-Americans vs. police, slightly less than half of Whites (47%) think of it as a serious problem compared to three-quarters of African-Americans (74%) and a comfortable majority of Hispanics (57%).
 - In the particular case of rich vs. poor, adults with \$50K or more in household income (40%) are less concerned than adults with less than \$50K in household income (52%). Adults over 50 (38%) also believe this divide is less of a serious problem than those under 50 (49%). Notably, rural residents are considerably less concerned (35%) than urban residents are (56%).
 - Regarding the business/political elites vs. average Americans, there is a notable divide between Republicans (25%) and Democrats (51%).
- Other demographic divides are much less serious, such as older vs. younger Americans (14% serious problem), men vs. women (17%), white collar vs. blue collar workers (18%), or urban vs. rural Americans (22%). Even though these demographic groups supported different viewpoints and candidates, the perception of an immediate battle is more talk, as few Americans actually believe the demographic difference is a problem.
 - In the particular case of the gender gap, one-in-five women (21%) believes this divide is a serious problem compared to just one-in-ten men (13%). Non-whites (27%) also perceive the gender gap as more of a serious problem than Whites do (13%). The division within this gender gap perception is also clear in the political sphere, with a



small amount of Republicans (6%) considering it a serious problem compared to three-in-ten Democrats (30%).

- In terms of the urban vs. rural gap, nearly three-in-ten urban residents (28%) perceive this gap as a serious problem compared to less than two-in-ten rural residents (17%). Again this gap is felt in the political sphere; Democrats (34%) are more than twice as likely to view the gap as a serious problem than Republicans (14%) and Independents (20%) land in the middle.
- Regarding the gap between white collar workers and blue collar workers, the seriousness of the problem is viewed similarly between genders, age segments, and education level. Yet, the consensus seen within these groups' draws a contrast with the political perception on this subject. Less than one-in-twenty Republicans (4%) considers this to be a serious problem, which is significantly lower than Independents (16%) and Democrats (32%). This contrast is even more relevant given the fact that the loss of blue collar jobs was one of the main messages put forward by President-elect Trump during the campaign trail.

3. Americans want solutions to key policy debates, but remain divided on the path forward.

- While a plurality of Americans (39%) believe the national economy will improve over the next 12 months, more than two-thirds (69%) rate the current state of the economy as only fair or poor.
 - There is a sense of post-election optimism toward the national economy which has not been seen since President Obama's reelection in November 2012.
 - The positive anticipation of an improving economy is at its highest since the last presidential election (39% improving in November 2016 compared to 44% improving in November 2012).
 - And the negative status of the economy has significantly decreased since the Heartland Monitor Poll first asked the question a year into President Obama's second term (69% fair/poor in November 2016 compared to 88% in September 2013).
- Yet, while there is a compelling hopefulness for a better national economy, Americans are evenly split on the role government should play in the economy.
 - One-third of Americans (33%) would like to see government play an active role in the economy, though they do not fully trust government to deliver on this.



- Another one-third Americans (32%) believe the government is not the solution for our current economic problems, and that it is, in fact, the problem.
 - And close to another one-third (28%) believe the government must play an active role in regulating the economy.
- Curiously, even though Americans are basically trifurcated on the government's role in the economy, the majority (52%) view is investing in education, training, and infrastructure would do the most to help the country improve; even if it means continued deficits and tax increases.
 - Democrats (71%) favor this initiative considerably more than Independents (53%) and Republicans (28%) do.
 - Contrasted to the position of investing to create jobs, nearly three-in-ten adults (27%) believe that the economy will grow by cutting taxes. The partisan division is more apparent when it comes to this subject, with almost half of Republicans (48%) supporting it, one-quarter of Independents (26%) and just about one-in-ten Democrats (12%) doing so.
 - Slightly more than one-in-ten (12%) believe reducing the federal deficit, even if it means both tax increases and cuts to public services, will help the national economy improve.
- But, independent of the way it is done and the role government will play, Americans do agree on their number one priority for the next President and Congress: creating jobs for American workers in all industries (87%).
 - Two-thirds of adults (67%) also emphasize enforcing equal pay for women as a high priority, with both women (72%) and men (62%) agreeing on its urgency.
 - Another two-thirds (66%) place high priority on passing comprehensive immigration reform, with Whites (69%) expressing somewhat more urgency than Non-whites (60%).
- Even with the election resulting in a Republican sweep of power in Washington, it was not a mandate for the GOP platform to dictate all policies moving forward. Among the major issues affecting Americans tested in the survey, higher priority is placed on Democratic positions for the new President and Congress than on Republican positions. Only in two cases do the Republican positions gain more approval.



- Concerning immigration reform, half of Americans (51%) believe that increasing border security and deporting illegal immigrants should be a greater priority. Among this group, adults without a college degree support it considerably more (60%) than college educated adults (40%).
- And, another half of adults (52%) believe that emphasizing measures that will support our police and keep our streets safe should be a major priority. In this case, Whites drive more support (56%) for this policy than Non-whites (43%).

Issue	Democratic Position	Republican Position
Criminal Justice Reform	Emphasizing criminal justice reform aimed at reducing mass incarceration for non-violent crimes 44%	52% Emphasizing measures aimed at supporting the police and keeping our streets safe
Immigration	Passing comprehensive immigration reform that includes a pathway to legal status for undocumented immigrants 43%	51% Increasing border security and first deporting illegal immigrants convicted of violent crimes while in the U.S. illegally
America's Position in the World	America should focus on <u>strengthening relationships</u> with foreign nations to solve issues that affect both our lives at home and our role in the world. 47%	47% America should focus on being <u>independent</u> and prioritizing the interests and needs of our citizens first.
Federal Taxes	Increasing federal taxes for wealthy families 48%	47% Cutting federal taxes for everyone
Business Regulations	The federal government needs to <u>toughen regulations</u> on businesses to ensure consumers are treated fairly, products are manufactured safely and the environment is protected. 56%	39% The federal government should <u>reduce regulations</u> on businesses as overregulation has made it too difficult for businesses to operate and hurts job growth.
Energy	Encouraging greater production of renewable fuels like wind and solar power to address climate change 57%	37% Increasing production of fossil fuels, like natural gas and oil to increase American energy independence
Obamacare	Revising and improving Obamacare 60%	36% Repealing and replacing Obamacare
Education Funding	The federal government should <u>increase</u> funding for education to ensure all children have access to an affordable, quality education from pre-school through college. 67%	29% The federal government <u>already spends enough</u> on funding for education; new spending would add to existing bureaucracy and undermine state and local control.
Medicare and Social Security	Protecting Medicare and Social Security from any reductions to ensure those who paid a contribution receive their promised benefits 80%	16% Reducing Medicare and Social Security benefits for upper income seniors to help reduce the federal deficit



4. The split between Secretary Clinton winning the popular vote and President-elect Trump winning the Electoral College, and thus the presidency, is emblematic of the political environment the country faces where Americans see Trump leading, but Democrats are expected to help shape the change being pursued.

- The emotions evoked from the 2016 election run the gamut, but led slightly by those who are surprised (21%). Moreover, the tenor of the emotions realized from the election differ by just a couple points between those who are disappointed (18%), happy (18%), satisfied (16%) to even scared (15%).
 - The major demographic difference in the polarity of emotions being expressed (i.e. disappointed to happy) exists mostly within age. Millennials tend to be among those who are disappointed (22%) whereas adults over 50 (24%) tend to be among those saying they are happy.
- The vast majority of Americans (56%) believes there will be more cooperation in the next four years along Pennsylvania Avenue connecting the White House and the Congress than the previous four years. Perhaps more telling is the fact that only 15% of Americans believe there will be less cooperation over the next four years compared with the previous four years.
 - Not surprisingly, the expectation of greater cooperation over the next four years is driven by political party and particularly Americans' vote. That said, even a plurality of Clinton's voters (38%) believe there will be more cooperation than was the case over the last four years.
- A key component to the expected increase in cooperation is the stated preference of most Americans for politicians who are willing to compromise, even if the compromise comes at the expense of policies important to them, i.e. Americans (57%). At the same time, more than one-third (37%) prefers a politician who sticks to their core values, which is the objective of politics.
 - A majority of every major demographic group states a preference for a politician who compromises over the one who sticks to their core values.
 - Notably coming out of the 2016 election, it is Clinton's voters (74%) who tend to be driving the preference for the compromising politician whereas Trump's voters (54%) anchor the side that prefers the politician who sticks to their core values.
- At a more practical view, as the country transitions to a new Administration and a new Congress, it is important to note that more than one-third, a plurality, of Americans (35%) indicates they trust Democrats in Congress more to develop solutions for the major challenges facing the country. At the same time, it is equally true that almost half (46%) of Americans trust either President-elect Trump (26%) or Republicans in Congress (20%) more to develop solutions to the issues ailing the country.



- The divisiveness that largely characterized the 2016 Presidential race is reflected in the delicate balance in how Americans see President-elect Trump leading; namely will he lead in a way that brings the country together or apart. Forty-nine percent (49%) of Americans sees President-elect Trump leading in a way that brings the country together and moves the country forward, but an almost equal 46% sees the divisiveness from the campaign extending into his presidency that will pull us apart and hinder progress.
 - Demographically the divide between Trump being seen as leading the country together versus apart stems from gender and age. A majority of men (54%) and those over 50 (57%) see Trump leading in a way that brings the country together. Conversely, women (51%) and those under 30 (56%) see Trump leading in a way that pulls the country apart.
- As Trump stressed in his victory speech about the importance of being the President to all Americans, a slim majority (51%) are taking him at his word as they think he will govern as the President for all. At the same time, a sizeable 45% of Americans think he will govern in a way that is biased against certain groups.
 - Again the starkest lines of demarcation, demographically, exist within both gender and age. A majority of men (57%) and those over 50 (58%) see Trump governing as the President for all Americans. On the other end of the spectrum, most women (51%) and those under 30 (62%) see Trump governing with a bias against certain groups.
- Harkening back to a major theme coming out of this survey is that Americans expect to see Trump and Republicans working with Democrats in developing solutions to the challenges facing the country. As another indication of this expectation, Americans tend to be very clear in who they trust most on specific issues.
 - Democrats in Congress are seen as having a full plate as Americans express more confidence in them to address specific challenges ranging from illegal immigration (35% trust Congressional Democrats to address), criminal justice reform (38%), improving education both quality (47%) and college affordability (51%), as well as revising Obamacare (37%). In addition, Americans trust Democrats in Congress more to address overarching issues, such as, increasing equality (45%), creating compromise in Washington (36%), and expanding clean and renewable energy sources (54%).
 - For President-elect Trump's part, he has Americans' confidence to address curbing the offshoring of American jobs (42% trust President-elect Trump to address), negotiating better trade deals (40%), reducing the national debt (33%), and protecting the homeland from terrorism (35%).
 - Worth noting is that the one area where confidences are torn is in the area of creating more good-paying jobs, with an equal one-third expressing more trust in Trump (35%) and Democrats in Congress (34%) to address.



- Driving change at more of the community level and looking past Washington, a plurality (38%) is looking to state (21%) or local (17%) governments to lead that change. Certainly competing as a driver of change are Americans themselves as 15% see individuals as a group that should be leading the way toward driving change and renewing their communities.