

July 19, 2010

## Gov't Economic Policies Seen as Boon for Banks and Big Business, Not Middle Class or Poor

The public sees clear winners and losers from the economic policies the government has implemented since the recession of 2008. Most Americans say these policies have helped large banks, large corporations and the wealthy, while providing little or no help for the poor, the middle class or small businesses.

### Government Policies Seen as Doing Little for the Poor, Middle Class, Small Businesses

<i>Gov't econ policies have helped...</i>	<b>Great deal</b> %	<b>Fair amount</b> %	<b>Not too much/ at all</b> %	<b>DK</b> %
Large banks and financial institutions	53	21	18	8=100
Large corporations	44	26	20	10=100
Wealthy people	31	26	30	12=100
Poor people	7	24	64	5=100
Middle class people	2	25	68	4=100
Small businesses	2	21	68	8=100

PEW RESEARCH CENTER/NATIONAL JOURNAL July 15-18, 2010.  
Figures may not add to 100% because of rounding.

Fully 74% say that government policies over the past two years have done a great deal (53%) or a fair amount (21%) to help large banks and financial institutions. Majorities also say that large corporations (70% great deal/fair amount) and wealthy people (57% great deal/fair amount) have been helped.

By contrast, 68% say government policies have helped small businesses not at all (29%) or not too much (39%); 68% also say middle-class people have received little or no help from these policies. And about the same percentage (64%) says poor people have not been helped.

## Who's Been Helped by Economic Policies?

*Percent who say each has been helped a great deal/fair amount by the federal government's economic policies since 2008*

	Total %	Rep %	Dem %	Ind %	D-R diff
Wealthy people	57	45	67	58	+22
Middle class people	27	16	37	28	+21
Small businesses	23	14	35	21	+21
Large corporations	70	61	74	74	+13
Poor people	31	33	33	29	0
Large banks and financial institutions	74	75	73	77	-2

PEW RESEARCH CENTER/NATIONAL JOURNAL July 15-18, 2010.

The latest Pew Research/National Journal ***Congressional Connection Poll***, sponsored by SHRM, conducted July 15-18 among 1,003 adults, finds partisan differences over the perceived beneficiaries of government economic policies – with two notable exceptions. Large majorities of independents (77%), Republicans (75%) and Democrats (73%) say these policies have helped large banks and financial institutions. No more than a third in each group says government policies have done a great deal or a fair amount for the poor.

More Democrats than Republicans say government economic policies have helped the wealthy (by 22 percentage points) and large corporations (by 13 points). And more than twice as many Democrats as Republicans say government policies have benefited the middle class and small businesses.

## Poor Say Policies Have Helped Wealthy, Not Them

### Poor Feel Bypassed by Government Policies

*Percent who say each has been helped a great deal/fair amount by the federal government's economic policies since 2008*

	Total %	\$75k+ %	\$30-74,999 %	<\$30k %
Wealthy people	57	50	58	68
Middle class people	27	32	26	28
Poor people	31	37	37	21

PEW RESEARCH CENTER/NATIONAL JOURNAL July 15-18, 2010.

Across income groups, more say that wealthy people have been helped by the economic policies of the last few years than say middle class or poor Americans have been aided by these policies, but this difference is most pronounced among the poor themselves. About two-thirds of those with annual family incomes of less than \$30,000 (68%) say that the wealthy have benefited a great deal or a fair amount from recent economic policies; that compares with 58% of those with incomes of \$30,000-74,999 and 50% of those with incomes of \$75,000 or more.

At the same time, lower income people are also the least likely to say poor people have been helped by economic policies during the recession. Just 21% of those with incomes of less than \$30,000 say this, compared to 37% of those with higher annual incomes.

## DEFICIT REDUCTION NOW SEEN AS HIGHER PRIORITY THAN SPENDING TO BOOST RECOVERY

### Fewer Say Spend More to Help Recovery

<i>Would you place higher priority on...</i>	<b>June 2009</b> %	<b>Feb 2010</b> %	<b>July 2010</b> %
Spending more to help recovery	48	47	40
Reducing the budget deficit	46	47	51
Don't know	<u>6</u>	<u>6</u>	<u>9</u>
	100	100	100

---

<i>Would you place higher priority on...</i>			
Cutting taxes	--	--	41
Reducing the budget deficit	--	--	51
Don't know	--	--	<u>8</u>
			100

PEW RESEARCH CENTER/NATIONAL JOURNAL July 15-18, 2010. Figures may not add to 100% because of rounding.

The public now sees reducing the budget deficit as a higher priority than increasing government spending to help the economy recover. And by virtually the same margin, more Americans also place greater priority on reducing the budget deficit than on cutting taxes.

In Pew Research Center surveys over the past year, the public had been evenly divided over whether the government should reduce the budget deficit or spend more to boost the economy. Today, 51% sees deficit reduction as the higher priority while 40% say the government should spend more to help the economy recover. Similarly, 51% say that reducing the budget deficit is a higher priority than cutting taxes, while 41% sees tax cuts as the higher priority.

The latest Pew Research/National Journal ***Congressional Connection Poll***, sponsored by SHRM, conducted July 15-18 among 1,003 adults, finds independents leading the way in changing priorities for government economic policies. Currently, 53% of independents see reducing the deficit as a higher priority while 38% say spending more to boost the economy. In February, these figures were almost reversed: 51% said the higher priority for government was to spend more to help the economy recover while 42% said it was more important to reduce the budget deficit.

## More Independents View Deficit Reduction as Greater Priority

*Would you place higher priority on...*

### July 2010

	Total %	Rep %	Dem %	Ind %
Spending to help economy recover	40	20	57	38
Reducing the budget deficit	51	73	34	53
Don't know	9	7	8	9
	100	100	100	100

### Feb 2010

Spending to help economy recover	47	34	57	51
Reducing the budget deficit	47	63	38	42
Don't know	6	4	5	7
	100	100	100	100

PEW RESEARCH CENTER/NATIONAL JOURNAL July 15-18, 2010. Figures may not add to 100% because of rounding.

Republicans also have become more supportive of reducing the budget deficit since February; 73% now say that should be the higher priority, up from 63% five months ago. Opinions among Democrats are virtually unchanged – 57% now say the government should spend more to help the economy recover while 34% say the higher priority is reducing the deficit.

However, when the choice is between deficit reduction and cutting taxes, most Democrats (57%) view reducing the budget deficit as the higher priority. Republicans are evenly divided, with 47% saying that cutting taxes is the higher priority compared with 45% who say reducing the deficit. Independents also are split; 50% rate deficit reduction as a higher priority than tax cuts, while 43% say the reverse.

## No Consensus on How to Boost Economy

### Wide Partisan Gap Over How Best to Stimulate Economy

<i>To stimulate economy, what would be most effective now?</i>	Total %	Rep %	Dem %	Ind %
Cutting taxes to individuals and businesses	42	61	23	51
More spending, such as on education, public works, unemployment benefits	47	31	67	38
Both/Neither (Vol.)	5	2	3	8
Don't know	5	5	7	3
	100	100	100	100

PEW RESEARCH CENTER/NATIONAL JOURNAL July 15-18, 2010. Figures may not add to 100% because of rounding.

When asked solely about which approach would be more effective in jump-starting the economy, the public divides fairly evenly between more government spending and cutting taxes.

In this context, nearly half (47%) say it would be more effective for the government to spend more on such things as education, public works and unemployment benefits; 42% say it would be more effective to cut taxes for businesses and individuals.

While Republicans are divided over whether deficit reduction or tax cuts should take precedence, they clearly view tax cuts as more effective for the goal of stimulating the economy. Fully 61% of Republicans see tax cuts for individuals and businesses as more effective, while just 31% say that about increased government spending. By an equally wide margin, Democrats see increased government spending as more effective (67% to 23%). About half of independents (51%) view tax cuts as more effective; 38% say more spending on such things as education, public works and unemployment benefits would be more effective.

## MOST SAY STIMULUS HAS INCREASED DEFICIT, FEW SEE ITS BENEFITS

### Most Say Stimulus Has Increased Federal Budget Deficit

<i>Do you think the stimulus has...</i>	<b>Yes %</b>	<b>No %</b>	<b>DK %</b>
Increased the federal budget deficit	66	23	11=100
Improved roads and bridges in your area	43	49	8=100
Helped keep unemployment from getting even worse	35	57	8=100
Helped state and local gov'ts avoid layoffs and cuts	29	60	11=100

PEW RESEARCH CENTER/NATIONAL JOURNAL July 15-18, 2010. Figures may not add to 100% because of rounding.

Looking back at last year's economic stimulus program, a large majority of Americans say it has increased the federal budget deficit. Far fewer say it has prevented steeper job losses or led to improvements in roads and other infrastructure in their area.

The latest Pew Research/National Journal ***Congressional Connection Poll***, sponsored by SHRM, conducted July 15-18 among 1,003 adults, finds that fully 66% say the economic stimulus has increased the federal budget deficit. By comparison, 43% say it has led to improvements in roads, bridges and other infrastructure in their area. Only about third (35%) say it helped keep unemployment from getting even worse while just 29% say it helped state and local governments avoid layoffs and budget cuts.

## Democrats Skeptical of Stimulus's Benefits

<i>Percent saying stimulus has...</i>	<b>Total %</b>	<b>Rep %</b>	<b>Dem %</b>	<b>Ind %</b>
Increased the federal budget deficit	66	80	55	69
Improved roads and bridges in your area	43	31	56	41
Helped keep unemployment from getting even worse	35	18	49	34
Helped state and local gov'ts avoid layoffs and cuts	29	14	41	29

PEW RESEARCH CENTER/NATIONAL JOURNAL July 15-18, 2010. Figures may not add to 100% because of rounding.

Republicans take highly negative views of the impact of the stimulus. Eight-in-ten (80%) say it has increased the budget deficit; 31% say it has improved infrastructure in their area, while even fewer say it helped prevent higher unemployment (18%) and state and local budget cuts (14%). But many independents and Democrats also are skeptical of the benefits of the stimulus. And majorities of both groups say it has increased the federal budget deficit (69% of independents, 55% of Democrats).

Democrats express positive views of the impact of the stimulus on roads and infrastructure in their area (56% helped), while 49% say it has kept unemployment from getting even worse and 41% say it helped state and local governments avoid layoffs and budget cuts. Fewer than half of independents see the stimulus helping infrastructure in their area (41%), unemployment (34%) and state and local governments (29%).