

AMERICAN VIEWPOINT

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MEMORANDUM

TO: Interested Parties
FROM: Linda DiVall
RE: American Viewpoint National Survey Results
DATE: March 18, 2002

American Viewpoint conducted a national survey of 800 likely voters from March 6th through March 11th, 2002. The margin of error for this study is plus or minus 3.5%.

Political Factors

Numerous political measurements point to a Republican advantage in the political landscape.

1. President Bush's job approval rating stands at 80% approval to 16% disapproval, with 50% strongly approving of the job he is doing. The generic congressional ballot shows a staggering 57% to 17% Republican advantage among those strong approvers.
2. Right Direction/Wrong Track stands at 53% to 32%, with 73% of behavioral Republicans stating right direction and a majority of ticket-splitters stating right direction (50% to 30%).
 - Among those stating things are going in the right direction, the leading responses are: 38% "economy is turning around," 33% "George W. Bush is doing a good job," 24% "Bush is handling terrorism well," 14% "people have pulled together," 11% "good leadership," 5% national security/defense/foreign policy.
3. For the first time since August 2000, a plurality states the economy is one of opportunity versus instability.

	Opportunity	Instability
March 2002	45%	42%
October 2001	39%	44%
February 2001	38%	47%
August 2000	55%	25%

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4. One of the most dramatic shifts in public opinion occurred in the aftermath of September 11th concerning the role of government. In October 2001, for the first time since 1994, a majority stated that the government should do more to help solve the country's problems. Today that has flipped back to where almost a majority state the government is doing too much.

	Gov. Doing Too Much	Gov. Should Do More
March 2002	48%	36%
October 2001	29%	53%
February 2001	47%	41%
November 2000	53%	36%

5. Republican Party perceptions stand at 58% favorable to 30% unfavorable in comparison to Democratic Party perceptions of 55% to 34%.
- Perceptions of the Republican Party among working women are on par with perceptions of the Democratic Party (57% to 31% vs. 61% to 30%).
 - One looming problem for the GOP is a decided drop in favorability ratings with senior women (49% to 36% for Republicans vs. 58% to 34% for Democratic perceptions).
 - As the Democrats look to surrogate speakers in the 2002 elections they are confronted with the dilemma of the unpopularity of their leading figures. Al Gore's favorable to unfavorable is 47% to 42%; Hillary Rodham Clinton's is 49% to 42%, while Tom Daschle is 30% to 25%.
6. The generic congressional ballot shows a narrow Republican advantage of 35% to 34%. Given the Republican advantage on the other five factors, the parity of the congressional ballot measurement is sobering.
- In comparison to results from April 2000, the GOP has lost the most ground with women 35+. The GOP also trails 34% to 37% with high propensity voters.
 - At the same time, given the reduced number of competitive races and redistricting, the predictability of the generic ballot to House gains/losses is less defined than in previous election cycles.

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7. Republicans hold an advantage over Democrats on economic descriptors and effectiveness descriptors, while Democrats hold the advantage on protecting the interests of seniors and understanding the concerns of the average person.

	GOP	DEM	Both	Neither
Controlled by Special Interests	50%	19%	19%	3%
Hold The Line on Wasteful Spending	46%	24%	5%	16%
Fight To Keep Taxes Down	48%	29%	6%	9%
Effective At Getting Things Done	37%	23%	13%	18%
Has A Vision For The Future	33%	25%	22%	10%
Shares Your Values	38%	35%	12%	8%
Understands Concerns of People Like You	30%	41%	10%	12%
Protect The Interests of Seniors	22%	55%	9%	6%

- Of particular concern is the 26% of behavioral Republicans who believe the phrase "beholden to special interests" applies more to the Republican Party than the Democratic Party.

Issue Matrix

1. A significant change has occurred in the issue matrix with the Republican Party controlling the advantage in three of the issue clusters, Democrats holding the advantage in two issue clusters and absolute parity in perhaps the most critical cluster of all - that of the economy.

Total Most Important- March 2002	Total Most Important - October 2001	Issue	Republican Generic Voters	Democratic Generic Voters
22%	39%	National Security/Attacking Terrorism	48%	21%
27%	16%	Education/Health Care/Environment	21%	48%
16%	14%	Cutting Taxes/Creating Jobs & Growth	33%	34%
11%	10%	Ending Racial Discrimination/Global Peace	16%	53%
11%	8%	Moral Issues	60%	15%
8%	7%	Crime/Drugs/Welfare	42%	24%

2. Voters are very clear on what is most responsible for the budget deficit and the recession - and certainly do not state that tax cuts are responsible.

Who Is Responsible?	Budget Deficit	Recession
9/11 & Costs to Fight Terrorism	28%	29%
Normal Business Cycles	17%	26%
Clinton Economic Policies	17%	20%
Bush Economic Policies	10%	7%
Economic Policies of Congress	10%	4%
Last Year's Tax Cut	7%	8%

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3. Attitudes toward Social Security and Personal Retirement Accounts will certainly be a part of the campaign dynamic this year. Among the highlights are:

- 62% of the sample is invested in 401(k) accounts or the stock market. Of this group, generic congressional vote intentions are 38% GOP to 29% Democrat. Those not invested in a 401(k) vote Democratic 41% to 30%.
- Opinions on the degree of reform needed for Social Security and corresponding vote intention is provided in the table below.

Total	Degree of Reform	Republican Generic Voters	Democratic Generic Voters
22%	Overhauled	50%	22%
27%	Major Change	32%	38%
16%	Minor Change	36%	32%
11%	Basically Fine As Is	24%	44%

- 56% are very confident or somewhat confident they will receive all of their Social Security benefits while 42% are not very confident or not at all confident.
 - 74% of pre-seniors and 84% of seniors voice confidence in receiving their Social Security benefits compared to just 36% of those 30-44 years of age.
- When presented with two options of continuing Social Security as it currently is or allowing the option of investing a small amount of their payroll taxes in government-approved investment vehicles of stocks, bonds, and mutual funds, **41% chose the status quo, while 53% chose the option to invest.**
 - 74% of 18 - 29 year-olds chose the option to invest while 65% of women 60+ chose continuing Social Security as is.
- Further support of personal retirement accounts was noted when respondents were specifically presented with a plan that would allow them to invest 2% of their payroll taxes into a personal retirement account which would allow earnings to be inherited without tax penalty - allowing them to make more money for their retirement, but involving greater risk. **This plan was favored 65% to 31%.**
- With the addition of language that defines the investment vehicle as stocks, bonds and mutual funds, plan favorability reached 73% overall. **Note the increased support level by age category with the addition of specific language that defines the investment vehicle.**

	PRAs Without Tax Penalty. W/ Increased Risk	PRAs Invested in Stocks, Bonds, Funds
18-29 Years Old	90%	95%
30-44	79%	81%
45-54	68%	73%
55-64	50%	65%
65+	38%	51%
Women 60+	42%	44%
401(k) / Investments	69%	78%
No 401(k) / Investments	57%	64%

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- Voters are quite clear as to who is assigned responsibility if the individual experiences a loss in their personal retirement account. By a margin of 89% to 9%, voters state it is the responsibility of the individual not the government.
- When it comes to the proposal of having government cap or limit the amount of company stock in 401(k) plans or other company retirement plans versus allowing individuals the freedom to make their own decisions, voters overwhelmingly come down on the side of individual freedom and choice (69% to 22%).
- Even with the stated risk clearly defined, 57% state that they are very or somewhat likely to invest some of their Social Security payroll taxes in an investment vehicle of their choice while 40% were not very/not at all likely to do so.

	Very/Somewhat Likely	Not Very / Not At All
Men 18-34	80%	19%
Men 35-59	67%	31%
Men 60+	44%	53%
Women 18-34	76%	21%
Women 35-59	58%	40%
Women 60+	26%	70%

- Those very likely or somewhat likely to invest vote GOP on the congressional generic ballot 43% to 28%. Of those not inclined to invest, they vote Democratic 42% to 24%.
- An astounding 30% sampled anticipate retiring at or before age 60; while 23% anticipate working until over the age of 65.
- Of those who anticipate working past the age of 65, 31% state they will be forced to because of financial reasons while 60% state they expect to be healthy and want to work past age 65.

Conclusion

1. The current contours of the election provide a boost for the GOP from that of conventional wisdom of midterm losses.
 - President Bush's job performance remains high and a majority is confident in the direction of the country. That sentiment is bolstered by recognition of President Bush's leadership skills, professed faith in an economic turnaround and his prosecution of the war.
 - GOP party perceptions are more favorable than those of the Democratic Party and the top echelon of GOP leaders clearly outperform the Democrats. In fact, the highest net favorability rating given was to First Lady Laura Bush.
2. However, the GOP remains plagued by perceptions of being controlled by special interests and at a disadvantage to Democrats on protecting senior citizens and understanding problems and concerns of average Americans.

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3. The issue matrix has changed since September 11th, as the top priority issue cluster is that of social issues such as education, health care and the environment, in which Democrats have a decided advantage.
 - Rounding out the top tier are national security/attacking terrorism, which solidly accrues to an advantage for the Republican Party. Cutting taxes and job creation is third most important with neither party at a competitive advantage.
4. There is no evidence to suggest that Enron is currently damaging Republican prospects. The cost of the Enron debacle to the Republican Party is in the obvious reluctance to engage in much needed policy discussions on strengthening Social Security, and the educational merits in engaging conversation in retirement security for the America work force.
 - Even with a lackluster stock market, voters are supportive of personal retirement accounts that allow them to invest a portion of their Social Security payroll taxes, allow earnings to be inherited without tax penalty by investing in stocks, bonds and mutual funds of their choosing. They do so with a full understanding of the full risk that is associated with such action.
 - 62% sampled are invested in a 401(k) account or the stock market and are clearly looking at that investment as a supplement to Social Security.
 - Republicans must be clear that seniors will retain all benefits that they have earned while advancing the discussion as to retirement security in a responsible fashion.
 - At this time, as many people believe Social Security should be overhauled as believe it is basically fine as is. The public is ready for further education on retirement security, but not an abandonment of Social Security.
 - Remember that women 60+ comprise 16% of our overall sample and 55% of them are high propensity voters. They will form the critical swing voter bloc in this election cycle in most of our competitive seats.
5. At this early juncture, turnout indicators show the Democratic coalition with a slight advantage in intensity. 46% of those voting Democratic on the generic ballot are high propensity voters versus 41% of generic Republican voters. 57% of seniors are high propensity voters while 42% of those who strongly approve of President Bush are high propensity voters. Message articulation, party perceptions and turnout efforts will all be contributing factors in the final result.