

# Executive Summary

As the nation endures a slow economic recovery and a contentious presidential campaign, the public has been scrutinizing the behavior of government and large companies. People are dissatisfied with efforts by these two major institutions to boost employment, spur economic growth or improve the partisan political environment.

Attitudes and expectations about these two institutions differ substantially, however.

Only four in ten Americans (41%) have a favorable view of the federal government. In addition, 58 percent have not too much or no trust and confidence in the federal government to solve important problems facing the country.

On the other hand, two-thirds of Americans (67%) say they have a favorable view of major companies, up from 61 percent in the 2011 Public Affairs Pulse survey. In addition, strong majorities of the public say private business should take on more responsibility for solving national problems that have traditionally been the responsibility of government.

At the same time, public opposition remains strong to corporate behaviors such as outsourcing jobs, paying executive bonuses and getting actively involved in political campaigns.

These are some of the major findings of the second annual Public Affairs Pulse, a survey commissioned by the Public Affairs Council, a nonpartisan, nonpolitical association of corporate and nonprofit public affairs executives. The survey, designed and executed by Princeton Survey Research Associates International (PSRAI), is based on telephone interviews in English and Spanish with 1,750 adults age 18 or older living in the continental United States. Interviews were conducted on both landline telephones and cell phones. The interviews were conducted from June 20 through July 11, 2012.

For results based on all the respondents, the results are subject to a sampling error margin of plus or minus three percentage points.

## Signs of optimism

This latest Public Affairs Pulse survey finds Americans are less negative about the current state of the economy and more optimistic about their economic future than they were in 2011. Their views are still not positive, but they are improving.

Now, three in ten Americans (30%) say that economic conditions in the country will get better over the next 12 months, and two in ten (20%) say the economy will get worse. Forty-seven percent say conditions will stay roughly the same. These numbers are a reversal from those in the 2011 survey, when only 21 percent were optimistic about the future and 31 percent were pessimistic.

## Business and jobs

With the unemployment rate still at about eight percent, the public is looking to business to create and retain jobs. This year, more people are giving business credit for job creation, though the private sector's marks are still negative. Sixty-three percent give business poor marks on the jobs front, down from 71 percent last year. Nonetheless, one-third of the public (34%) says major companies are doing well at creating jobs. That is up 10 percentage points from last year's survey.

Americans continue to be strongly opposed to sending jobs overseas. Eight in ten Americans (80%) say they would think less favorably of a company that moves jobs to other countries where wages are lower. What's more, seven in ten (72%) say they would think less favorably of such a company even if the purpose of its outsourcing were to lower prices for American consumers.

## Government regulation

Americans remain sharply divided on the value of government regulation of business. They are concerned about the potential negative economic impact of regulation on middle-class Americans, yet many believe there is too little regulation in some areas. Roughly one-third of the public falls into each of three categories: those who think business is over-regulated, those who think it is under-regulated and those who think it is regulated the right amount.

When asked to judge whether government regulation or the power of major companies is the bigger threat to “the future economic well-being of middle-class Americans,” 52 percent agree that “the power of the federal government to regulate what major companies do” is the greater threat. Forty percent say “the power and influence of major companies” is the larger threat. These numbers show some movement since the last Public Affairs Pulse survey, with a fear of corporate power rising from 33 percent in 2011 to 40 percent now.

## **Business involvement in politics**

Since the Supreme Court’s decision in the *Citizens United* case, which said companies and unions could spend funds from their treasuries to directly support federal candidates, business involvement in politics has received increased scrutiny. Many Americans don’t approve of companies that take advantage of the rights granted by the court’s decision.

A majority (57%) say they would think less favorably of a company that pays for ads in support of a specific candidate. Only eight percent say it would make them think more favorably, and 33 percent say it would make no difference. Paying for issue ads is less controversial, with only 43 percent considering such a strategy to be unfavorable.

More than half of the public (54%) says they would think less favorably of a company that hires lobbyists to represent its interests on policy issues. Ten percent would think more favorably of these companies, and 35 percent say it would make no difference.

Yet when presented with a range of reasons for a company to lobby — such as protecting jobs, opening new markets or reducing costs — a strong majority of the public finds lobbying acceptable.