

2019 Public Affairs Pulse Survey Report

What Americans Think About Business



Executive Summary

This year's Public Affairs Pulse survey examines many topics of interest to the American public, as well as those who follow political and business issues. They include a close look at the creatures and behaviors found in the so-called Washington, D.C., "swamp," the influence of President Trump's tweets and his administration's impact on U.S. companies.

The poll of 2,200 Americans, conducted Aug. 23-25 by Morning Consult, also explores the most trusted sources of political news; sector-specific support for new regulations; and America's economic, foreign policy and values influence in the world.

Polls have consistently shown that Americans view unethical behavior in Washington, D.C., as one of the country's biggest problems. But what exactly are people outraged about? **Of 10 distinct behaviors tested, the number-one concern is politicians too worried about getting re-elected**, followed by politicians benefitting themselves financially, intense partisanship and politicians spending too much time raising money for their re-elections.

In 2018 the Public Affairs Pulse survey was the first poll to study the impact of Trump's critical tweets.

The results showed that only a small percentage of those who read these tweets viewed a company or person more negatively after hearing his assessment of them.

What's more, Trump's tweet attacks seemed to have a reverse effect on some people. Our updated analysis validates these conclusions.

Once upon a time, the news media was the most trusted source of political news and information — but not anymore. Over the past 12 months, attitudes about the American news media, particularly among Republicans, have become increasingly negative. **More than 50% of the public don't trust the political news they receive from the media.**

Our examination of America's economic, foreign policy and values influence in the world also paints a disturbing picture. In all three areas, the public believes the nation's influence is falling.

And finally, while many Americans don't trust big corporations or the CEOs who run them, they are more likely to believe Trump's actions have had a negative impact than positive impact on American companies.

What Americans Don't like About Washington Politics

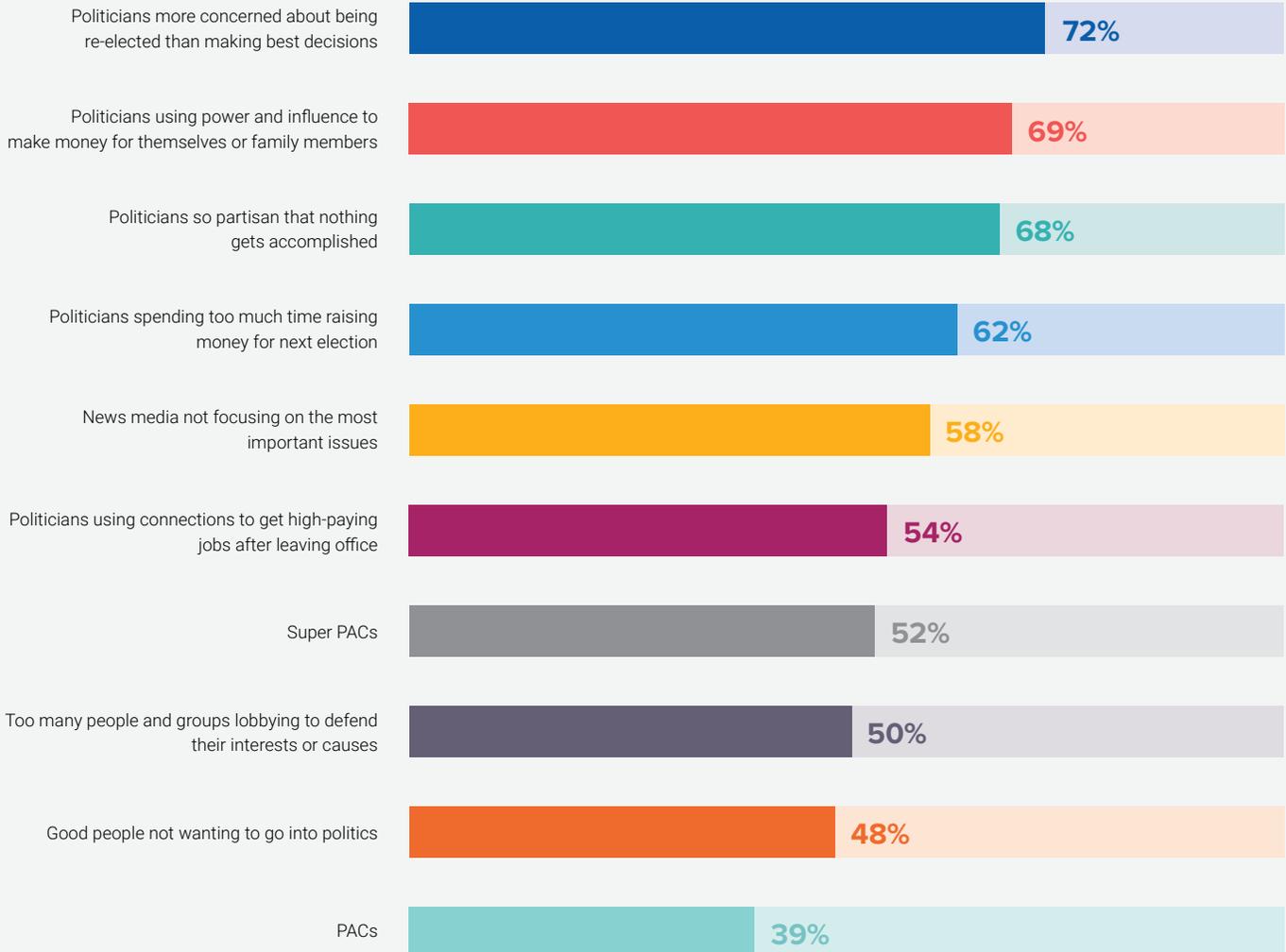
If Washington, D.C., is “The Swamp,” what exactly is swampy about it and who is to blame? According to the 2019 Public Affairs Pulse survey, politicians account for the four most serious problems with politics in the nation’s capital.

When asked to rate factors contributing to ill will in Washington, Americans most often pointed to elected

officials being more concerned about getting re-elected than with making good decisions. Seventy-two percent called this a major problem. Next in line were politicians using their power and influence to make money for themselves or family members while in office (69%), intense partisanship (68%) and politicians spending too much time raising cash for their re-elections (62%).

WHAT'S WRONG WITH WASHINGTON?

Percentage of public saying the following are a major problem with U.S. political system



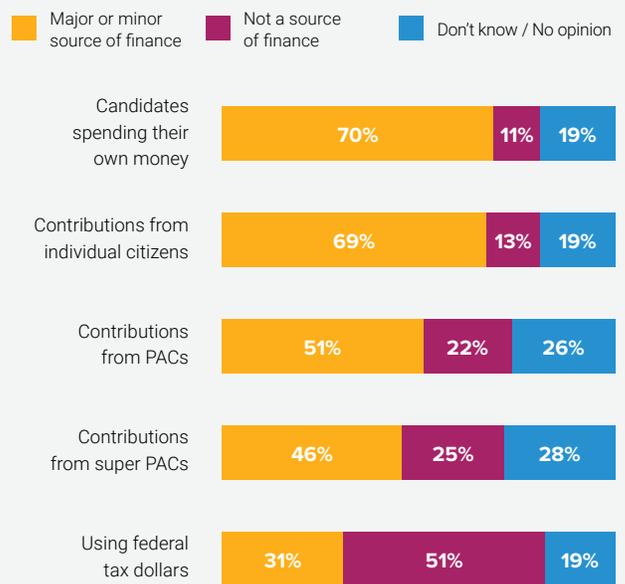
Cowardice and Corruption

It turns out that bipartisanship still exists. Democrats and Republicans were almost equally concerned about politicians who don't make the best decisions because they are worried about getting re-elected. Seventy-five percent of Democrats and 72% of Republicans consider this a major problem. Concern about corruption — politicians using their power and influence to make money — was also bipartisan: 73% of Democrats and 67% of Republicans called it a major problem.

Other factors considered negative were the news media's focus on less important issues (58%), politicians using their connections to get high-paying jobs after they leave office (54%), super PACs (52%) and too many people and groups lobbying to defend their interests or causes (50%).

Not every issue crossed the 50% threshold for being considered a major problem. Forty-eight percent of the public were especially troubled that "good people don't want to go into politics." Of the 10 factors rated, the one considered least problematic was the use of PACs by companies, nonprofits and unions to support candidates. Only 39% called PACs a major problem.

HOW SHOULD CAMPAIGNS BE FINANCED?



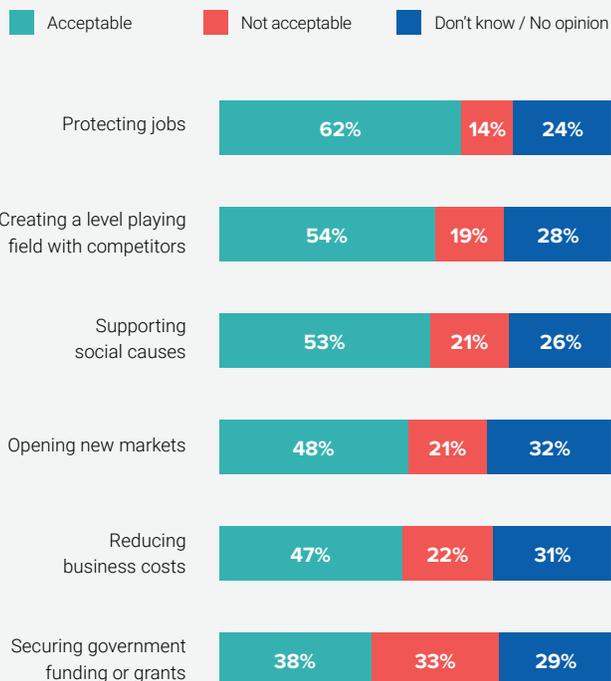
Lobbying for the Right Reasons

In a separate question, respondents were asked whether they found specific types of corporate lobbying to be acceptable. While lobbying in general is often controversial, companies that articulate why they are lobbying meet with the public's approval — especially if their goal is to protect jobs (62%), create a level playing field with competitors (54%) or support social causes (53%). Only small percentages of respondents said these forms of advocacy were not acceptable.

Options for Funding Political Campaigns

Seven out of 10 Americans are supportive of self-funded campaigns or political dollars raised from individual citizens. The next most acceptable form of campaign funding is political action committees (PACs), which are favored by 51% of Americans and opposed by only 22%. Due to strong support from men and younger voters, favorability of super PACs rose from 37% in 2018 to 46% this year. At the bottom of the list of options was using federal tax dollars to fund campaigns, a position supported by only 31% of Americans and opposed by 51%.

WHEN IS LOBBYING ACCEPTABLE?



Trump's Tweets Have Limited Impact on Public Opinion

President Trump's tweets are not read as widely as journalists and the White House often assume. Only 15% of the public read his tweets very often — either directly or as reported in the news media. Sixty-three percent report they rarely or never pay attention to his tweets.

Trump's base — those who strongly approve of the job he's doing as president — don't read his tweets that often either, although they are reading them more than they did in 2018. Only 29% read his tweets very often, up from 24% in 2018; 30% read them somewhat often, up from 27% in 2018; and 42% rarely or never read his tweets at all, down from 49% last year.

MOST PEOPLE IGNORE TRUMP'S TWEETS

How often do you read President Trump's tweets either directly from Twitter or as reported in the news media?

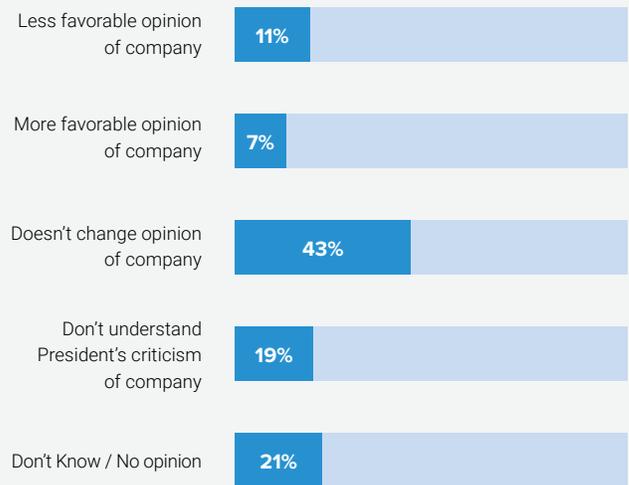


Criticisms of Companies Rarely Change Minds

This year's data confirm the 2018 Pulse survey finding that when Trump criticizes a company by name on Twitter, more than 80% of Americans don't change their opinion, don't understand what he is talking about or just don't know what to think. Only 11% say they have a less favorable opinion of a company picked on by POTUS, up just slightly from 10% in 2018.

HOW THE PUBLIC REACTS TO TWEETS ABOUT COMPANIES

When President Trump criticizes a specific company by name in a tweet, what is your most common reaction?



Not surprisingly, those who strongly approve of the president's job performance are the ones most likely to feel less favorable about a company criticized by Trump. One third of this cohort say they favor such a company less after reading one of his tweets. On the other hand, those who strongly disapprove of Trump are likely to favor a company more rather than less when the president has publicly criticized it.

Negative Tweets Can Have an Upside

When it comes to Trump's criticisms of individuals, the results are similar. Seventy-seven percent of Americans don't change their mind or don't have an opinion regarding a person singled-out by the President, and only 13% have a less favorable view of them after a Trump criticism. Thirty-nine percent of strong Trump supporters view that individual less favorably, while 19% of strong Trump opponents view the person more favorably.

News Media Losing Public's Trust As Source of Political Information

The news media is rapidly losing the public's trust as a source of news and information about politics. Only 39% consider it trustworthy, compared with 50% who said they trust the media "not too much" or none. Last year 46% said it was a trustworthy source of political news and information and only 43% disagreed.

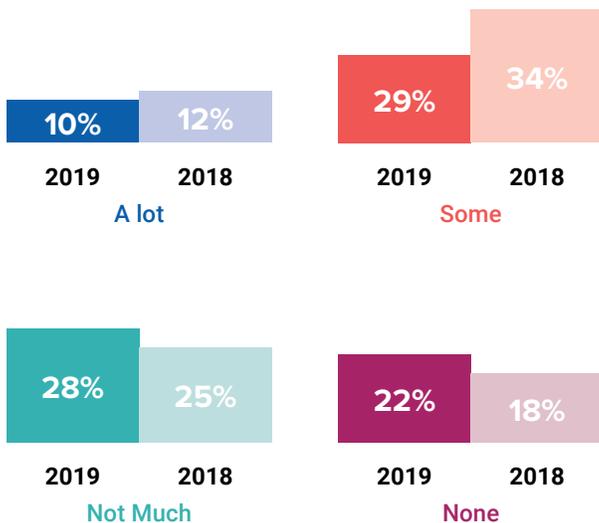
The differences in opinion among Republicans, Democrats and Independents are striking. Democrats still generally trust the news media, with 58% saying they trust it at least somewhat and only 32% saying they have little or no trust. Just 23% of Republicans, however, have at least some trust in the news media and 69% have little or no trust. Independents also tend to be negative about the press, with 33% having some trust and 50% having little or no trust.

Many Rely on 'Friends and Family' for Political News

As in 2018, the most trusted source for political news and information was friends and family, with 67% saying they trusted this source "some" or "a lot." Next in line was trade and professional associations with a trust

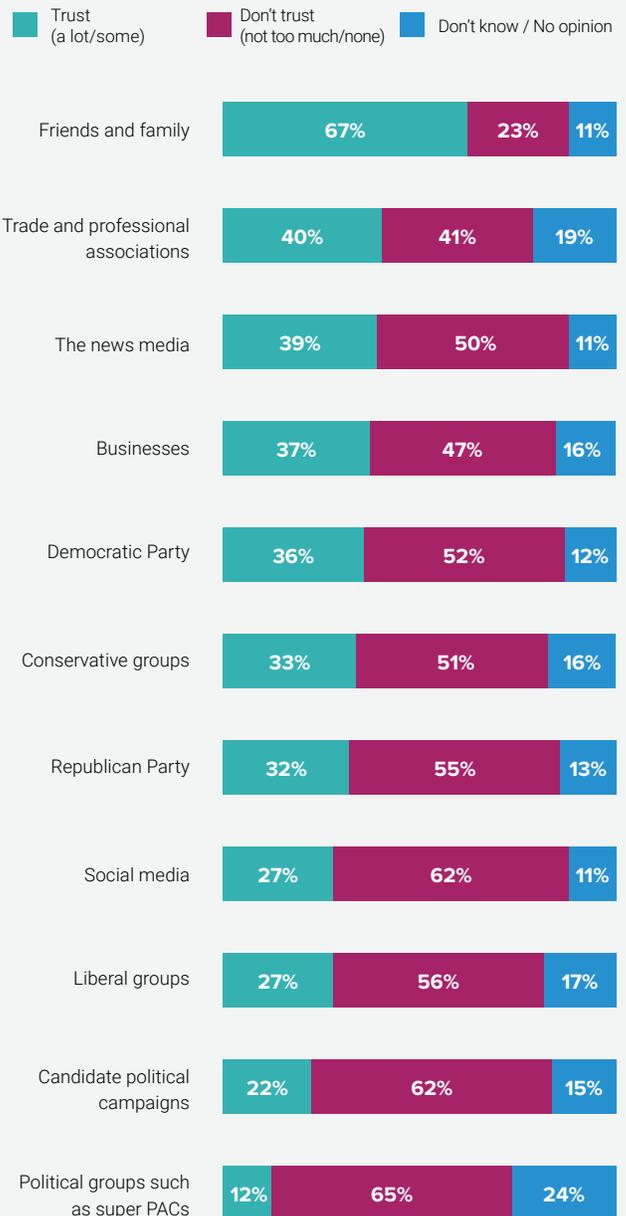
GROWING DISTRUST OF THE NEWS MEDIA

How much people trust the news media



score of 40%. In third place was the news media (39%), followed by businesses (37%), the Democratic Party (36%), conservative groups (33%), the Republican Party (32%), liberal groups (27%), social media (27%), candidate political campaigns (22%) and super PACs (12%).

MOST TRUSTED SOURCES OF POLITICAL NEWS



Skepticism of Social Media Grows

Trust in social media declined four percentage points since 2018. Age correlates closely with rising distrust in social media — but even 18-29-year-olds are skeptical of social media as a source of political news and information. While one-third (34%) of this age group had “some” or “a lot” of trust in social media, 49% had “not too much” or “none.”

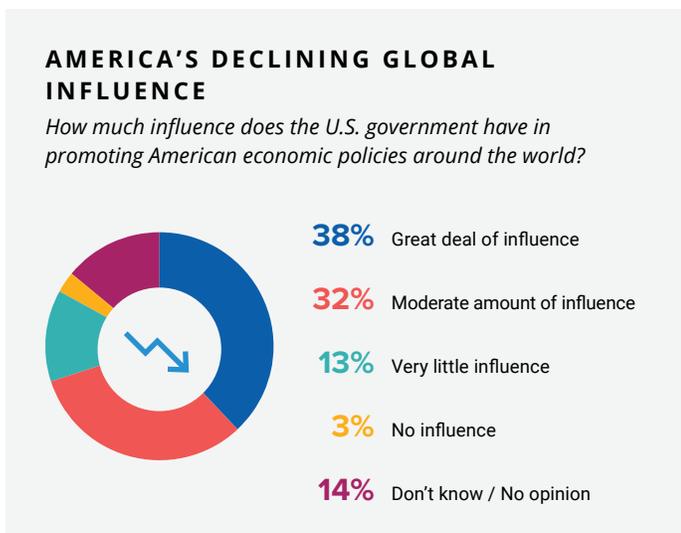
Though trust scores for the Republican Party (32%) and conservative groups (33%) are almost identical, the Democratic Party (36%) scores markedly higher than liberal groups (27%). In fact, only one-third of Democrats said they trust liberal groups as a source of political news and information.

America Facing Loss of Global Influence

While many Americans believe the U.S. government has global influence through its economic policies, foreign policies and promotion of values, that influence appears to be waning. Not surprisingly, Trump supporters believe the nation’s influence in each of these areas is increasing while Trump opponents feel otherwise.

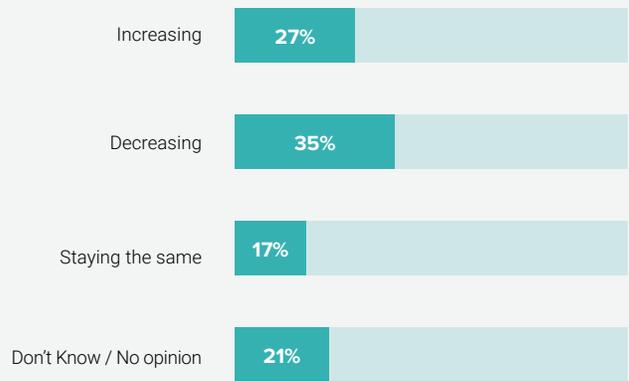
Economic Influence on the Decline

Overall, 38% say the government still has a great deal of economic influence on a global scale, but 35% believe that influence is decreasing and only 27% say it is increasing.



AMERICA'S DECLINING ECONOMIC INFLUENCE

Is the influence of the U.S. government in promoting American economic policies around the world increasing, decreasing or staying the same?



Similarly, 31% state that the U.S. has a great deal of influence in promoting its foreign policy, but 34% believe it is decreasing. Just 26% say it is increasing.

Twenty-eight percent say the U.S. government has a great deal of influence promoting values such as freedom and democracy abroad, but far more people believe that influence is on the decline (36%) rather than on the rise (22%).

Have Trump's Efforts to Boost U.S. Firms Backfired?

Although the president has gone out of his way to tout the steps he has taken to help U.S. businesses, a higher percentage of Americans (46%) say the Trump Administration’s actions domestically and internationally have had more of a negative impact on American companies than a positive impact (31%).

When the data are examined along party lines, 66% of Republicans believe Trump’s actions have been largely positive, while only 8% of Democrats and 23% of Independents believe they have been positive. Other groups skeptical about the benefits to business include young voters; African Americans; and people concerned about the economy, healthcare, women’s issues, education and energy.

Business Gets Mixed Reviews, But Government Scores Drop

Favorability of major companies rose slightly from 46% in 2018 to 48% in 2019, with 38% saying they have an unfavorable opinion. Trump supporters gave major companies higher scores (59% favorability) than did Trump opponents (41%). Small business favorability continues to be high (85%) while non-favorability is only 5%.

Pharmaceuticals is Least-Trusted Sector

Industry sectors considered least trustworthy include pharmaceuticals (60%), health insurance (53%), banks (37%), energy (34%) and technology (27%).

Distrust of pharmaceutical firms is greatest among older Americans, with 74% of those age 65 and older saying drug companies are less trustworthy than other companies. There is also a correlation between age and distrust of technology firms.

As recently as 2017, technology was tied for the most trustworthy of the nine sectors rated and only 18% of the public thought it was less trustworthy than average. This year food and beverage companies received the top score for trustworthiness.

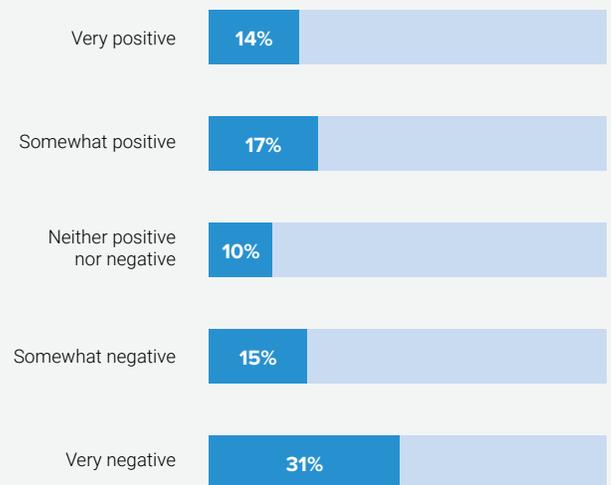
HONESTY AND ETHICS OF BUSINESS PEOPLE

Percentage of public saying the following have high honesty and ethical standards



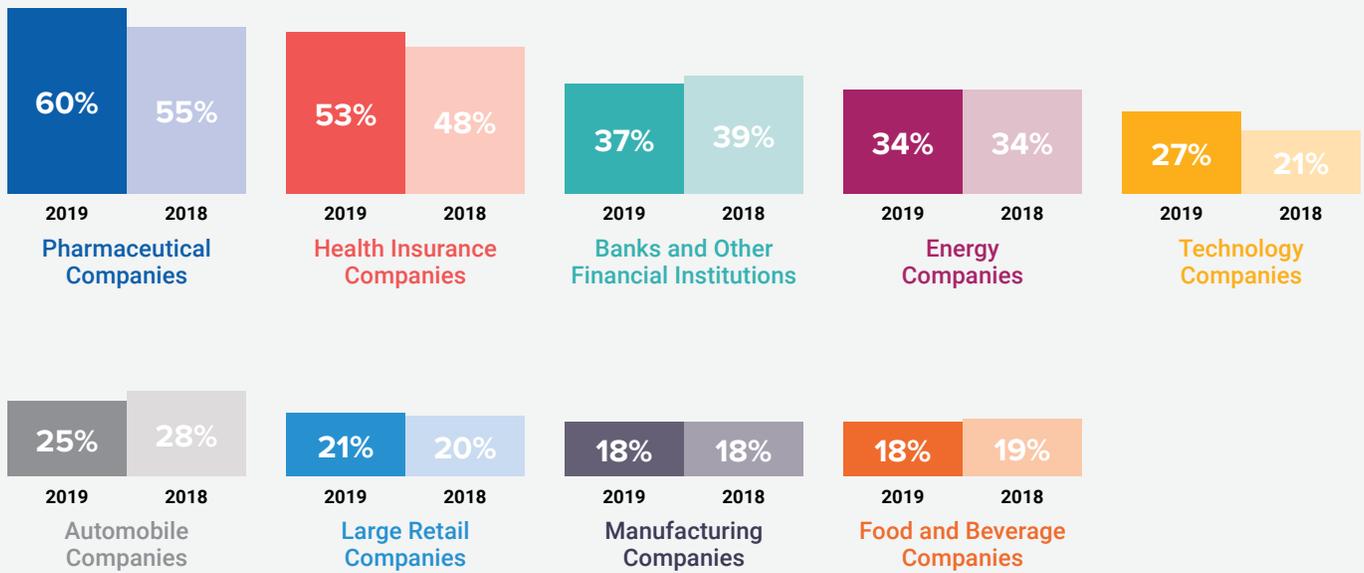
IS TRUMP GOOD FOR BUSINESS?

Are the Trump Administration's actions in the U.S. and internationally having a positive, negative, or neutral impact on American companies?



WHICH INDUSTRIES ARE NOT TRUSTWORTHY?

Percentage of public saying an industry is less trustworthy than average



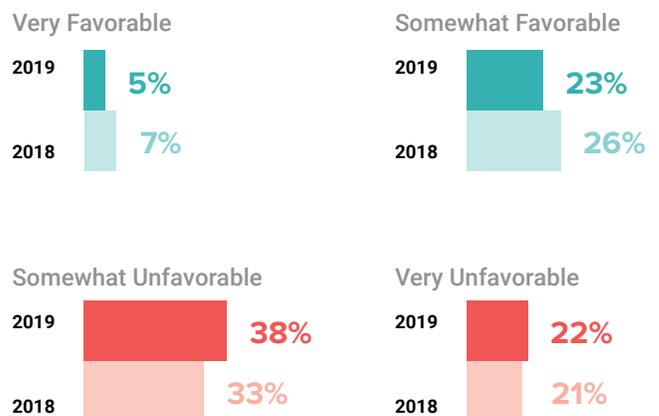
Federal Government Approval Hits New Low

Meanwhile, public opinion of government continues to deteriorate. Only 28% of Americans have a favorable opinion of the federal government and only 45% have a favorable opinion of state government. Strong Trump supporters gave the federal government its highest rating, but still only 47% of that demographic group have a favorable opinion. At the opposite end of the spectrum, only 19% of those who strongly oppose Trump have a favorable view of the federal government.

Business and government leaders continue to receive low scores for ethics. Only 6% believe elected officials in Washington, D.C., have high levels of ethics and 8% believe state officials are highly ethical. In the business world, just 6% believe CEOs of major companies have high ethical standards, compared with 36% who think small business CEOs are highly ethical.

PUBLIC OPINION OF GOVERNMENT CONTINUES TO DECLINE

Favorability of the federal government



Where Major Companies Succeed and Fail

Major companies get the most credit from the public for providing useful products and services (63%), serving their customers (52%), serving stockholders (46%) and creating jobs (46%).

Executive Pay is Lightning Rod for Controversy

Only 20%, however, said companies are doing a good job of paying their top executives fairly, without overpaying them; and only 28% said they are doing a good job paying regular employees fairly. Major companies also received low scores for protecting the environment (24%) and contributing time and money to support their local communities (31%).

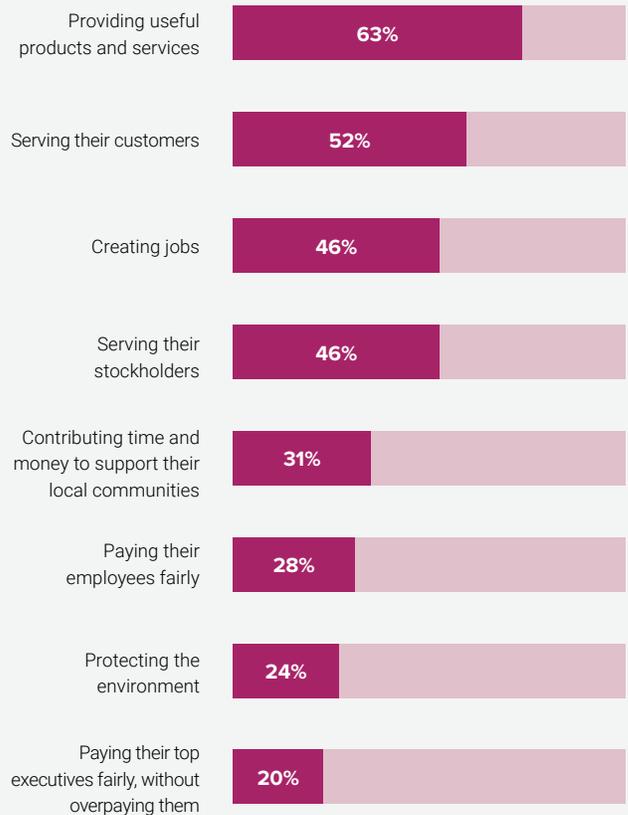
Democrats and Independents are more critical than Republicans in their assessment of corporate America's efforts to protect the environment. While 37% of GOP supporters say companies are generally doing a good job in environmental protection, only 18% of Democrats and 20% of Independents agree with this opinion. The results are similar when it comes to giving companies credit for contributing time and money to support their local communities.

Foreign Firms Must Provide American Jobs to Get Public Support

American attitudes toward foreign companies have declined modestly since 2018. While major companies headquartered in the U.S. have a 70% approval rating (71% last year), public opinion of firms headquartered outside the U.S. declined from 29% to 26%. If foreign firms provide many American jobs, however, their favorability score decreased to 56% (57% last year). If they just sell products and services to many Americans, their favorability reached 35% (down from 38% last year).

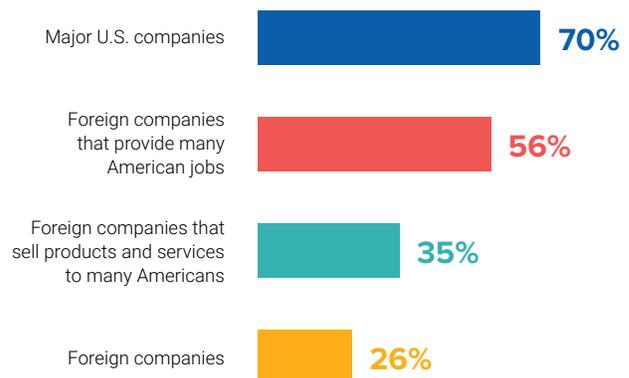
PERFORMANCE OF MAJOR COMPANIES

Percentage of public saying major companies generally do a good job



HOW DO AMERICANS VIEW MAJOR COMPANIES?

Percent of public with a favorable opinion



Americans Support Tougher Regulations for Some Sectors

More Americans continue to believe that government regulation of business is necessary to protect the public interest than believe it does more harm than good (+5 percentage points for regulation). Generation Z (age 18-22), in particular, see value in regulation (+19 percentage points for regulation), while Millennials have mixed feelings (+1 percentage point for regulation).

Industry sectors considered most under-regulated include pharmaceuticals (50%) health insurance (42%), energy (33%), technology (31%) and banks (31%). It's noteworthy that as recently as 2017 only 20% of the public thought the technology sector had insufficient regulation. In the 2019 survey, those 45 and older are considerably more likely than younger people to support additional regulation of technology companies.

As in past years, there is a strong correlation between the public's distrust of an industry and its opinion that an industry is under-regulated.

PUBLIC VIEWS ON REGULATION

Government regulation of business is necessary to protect the public interest



Government regulation of business usually does more harm than good

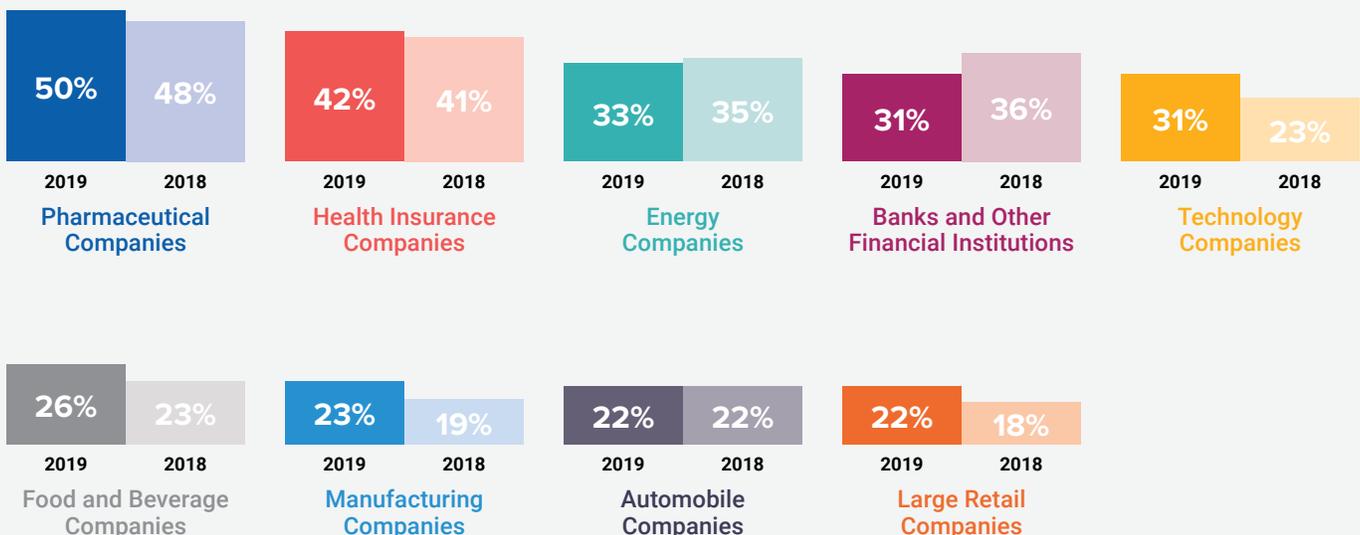


Neither or both equally



WHO NEEDS MORE OVERSIGHT?

Percentage of public saying an industry has too little regulation





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About the Public Affairs Council

Both nonpartisan and nonpolitical, the Public Affairs Council is the leading association for public affairs professionals worldwide. The Council's mission is to advance the field of public affairs and to provide its 700 member companies and associations with the executive education and expertise they need to succeed while maintaining the highest ethical standards. Learn more about the Council at pac.org

METHODOLOGY

This poll was conducted between August 23-August 25, 2019 among a national sample of 2200 Adults. The interviews were conducted online and the data were weighted to approximate a target sample of Adults based on age, educational attainment, gender, race, and region. Results from the full survey have a margin of error of plus or minus 2 percentage points.