



2021 Public Affairs Pulse Survey Report

What Americans Think About Business and Government

Executive Summary

The 2021 Public Affairs Pulse Survey, conducted Sept. 2-6 by Morning Consult, provides a thorough look at U.S. public opinion on issues intersecting business, government and society. These issues include growing levels of public distrust, COVID-19 vaccine mandates, concern about democracy, the persistence of racism in America, and doubts about the integrity of the news media.

What does it take for a company — or an industry — to get back in the good graces of the American public once it has a poor reputation? **Apparently, it takes more than 380 million doses of a vaccine distributed free-of-charge to the public.** We know this because the pharmaceutical industry remains the least-trusted industry in the U.S., according to our 2021 poll.

In 2013 we first observed the close correlation between the public's view that an industry is untrustworthy and its opinion that the industry is also under-regulated. The pharmaceutical industry has been ranked both the least trustworthy and the most under-regulated sector for more than five years running. During that time, **we've also seen a gradual decline in trust in the technology industry and a concomitant rise in public appetite for more oversight of tech firms.**

Controversies over vaccines and masks, new voting laws, and whether the 2020 election was "fixed" have made voters wonder if America's democracy is in decline. Who is sticking up for democratic principles during these tense times? **According to 41% percent of the public, President Biden is doing a good or excellent job of sustaining democracy** and, if that sounds like a low score, just 26% give credit to Congress for supporting these principles.

Of the major freedoms granted to Americans, **the rights considered most important are access to fair and free elections and freedom of speech.** Of course, one person's free speech is another person's hate speech, and there is little consensus between major parties on what constitutes a free and fair election.

Sadly, despite business efforts to improve diversity, equity and inclusion in their organizations and society, either these efforts aren't working or most people are unaware of the progress that has been made. **Forty percent (40%) of Americans now believe the country is becoming more racist.**

If you're wondering why political opinions seem intensely tribal these days, it could be because **more people trust "friends and family" for news than any other source of political information including the news media.** Actually, the news media isn't even rated second on the scale of trusted sources; it's now in fourth place behind friends and family, trade/professional associations and businesses.

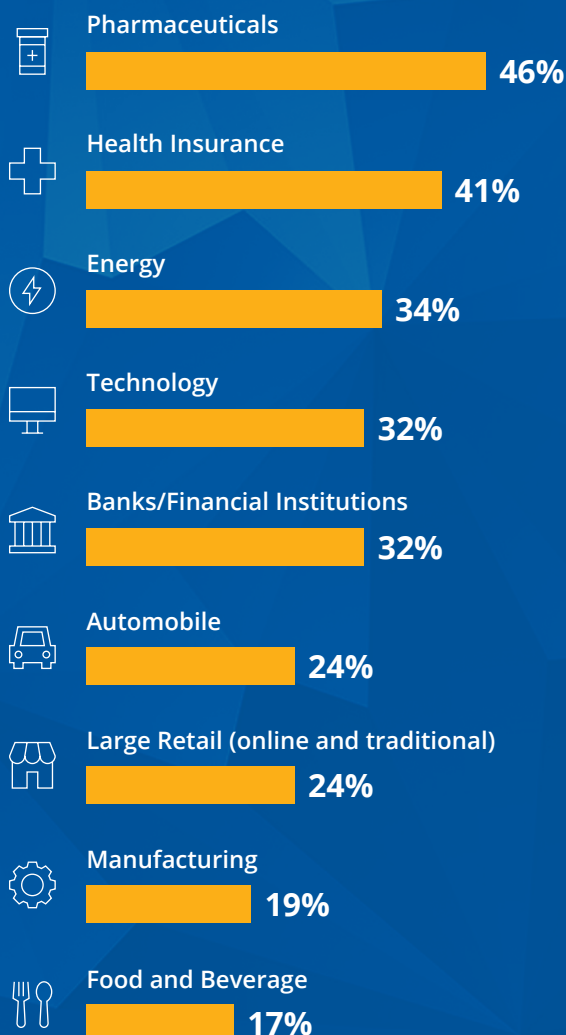
No Good Deed Goes Unpunished

Despite supplying lifesaving COVID-19 vaccines for hundreds of millions of people — and doing the job in record time — the pharmaceutical industry is still the least-trusted sector in American business. Forty-six percent (46%) of the public say pharmaceutical companies are less trustworthy than other major companies, and only 13% believe they are more trustworthy.

Furthermore, the pharmaceutical sector is once again rated as the most under-regulated of nine sectors reviewed in the 2021 Public Affairs Pulse survey. While 40% believe the industry has too little regulation, just 22% think it is over-regulated. The rest consider drug companies regulated at the right level or have no opinion.

Which Industries Are Least Trustworthy?

Percentage of public saying an industry is less trustworthy than average



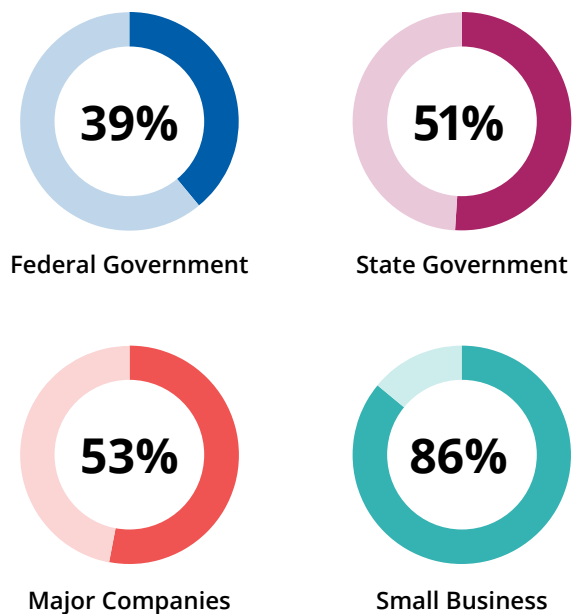
To be sure, Big Pharma's ratings did improve over 2020, when 49% called it less trustworthy than other sectors and 47% said it was under-regulated. The 2021 trustworthiness score was three percentage points better than last year and the regulation score was seven points better, but neither uptick was enough to move the industry out of last place.

The next lowest-ranking sector, the health insurance industry, has also contributed to easing the COVID-19 crisis. Yet 41% of Americans believe health insurance companies are less trustworthy than other major businesses and 14% think they are more trustworthy. Similarly, 38% consider this sector under-regulated and only 24% consider it over-regulated. Health insurance firms also saw scores improve over last year, but to a lesser extent: its trustworthiness rating increased three percentage points and the public's assessment of its regulatory level improved two points.

Meanwhile, in Washington, D.C., the Biden Administration's success in rolling out vaccine distribution has likely contributed to a five percentage-point improvement in the federal government's favorability rating; however, that boost only took the feds' approval rating from 34% to 39% over the past year. Americans still give much higher marks to state governments (51% favorability), major companies (53%) and small businesses (86%).

Other data show just how big the credibility gap is for national politicians. Fifty-eight percent (58%) of Americans believe elected officials in Washington, D.C., have low honesty and ethical standards. Government employees working in federal agencies score a bit better, but more than one quarter of the public (28%) consider them to be dishonest and unethical too.

Approval Ratings for Government and Business



Public Likes Big Companies More Than it Trusts Them

Major companies, as a group, earned a favorability rating from the public of 53%, the same rating received in 2020. Only 36% of Americans say they have an unfavorable opinion of major companies.

When asked whether firms are doing a good or not-so-good job in various activities, highest ratings are reserved for efforts to provide useful products and services (63% say firms are generally doing a good job), serve customers (57%) and create jobs (52%). Lowest scores come from corporate attempts to support local communities (31%), protect the environment (24%) and pay top executives fairly without overpaying them (20%).

What's also striking about this year's scores in the eight activities tested is that only one category — creating jobs — has a higher score than in 2020. (It went up four percentage points from 48% last year.) The largest declines in scores are for customer service (down seven points), serving stockholders (down four points) and providing useful products and services (down four points).

As always, small businesses earn much higher ratings than large businesses. Eighty-six percent (86%) of the public say they have

a somewhat or favorable opinion of small businesses — the same level of support they received in 2020.

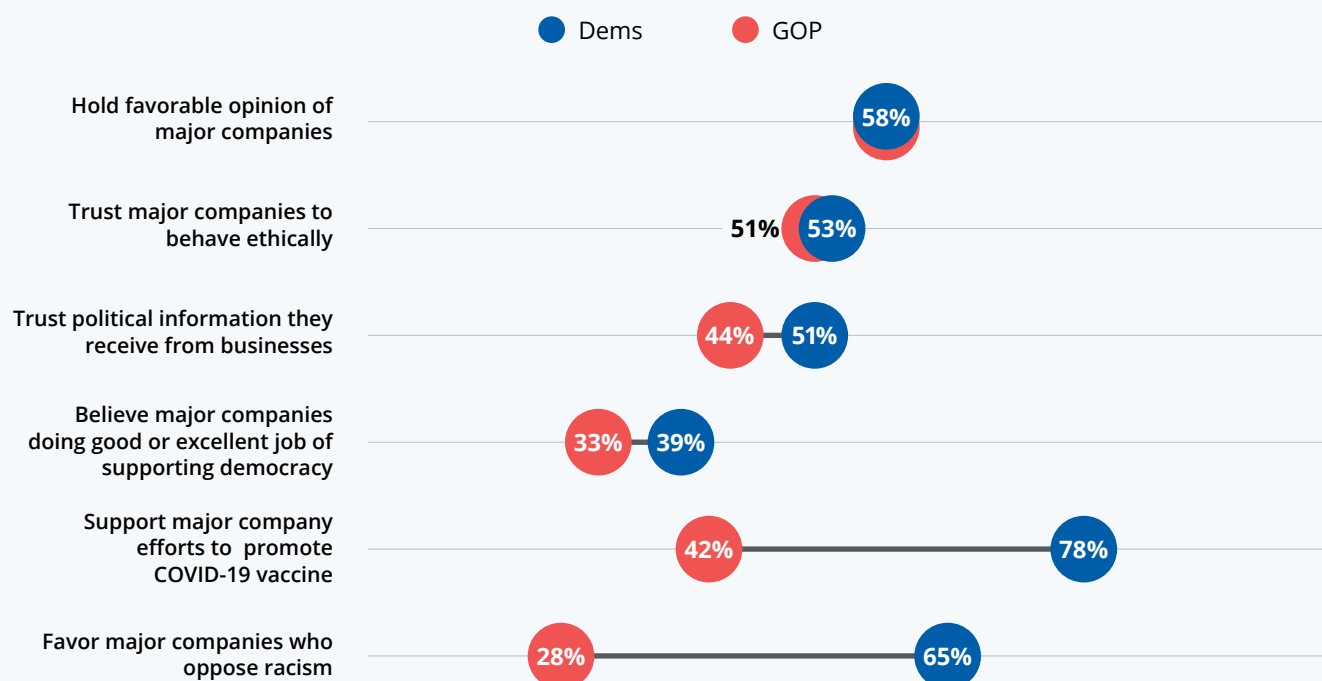
It's hard to miss one major trend emerging from this year's data on the reputation of Corporate America; that is, the divergence between the opinions of many Republicans and the interests of many major companies. While the business community and Democrats still have sharp differences over regulatory and tax issues, they are finding common ground on issues related to race, immigration, COVID-19 mitigation, and election reform. The following chart illustrates Republican estrangement from business policies and practices.

In general, Americans seem to like big corporations more than they trust them. Only 47% place some or a lot of trust in major companies as a group. The differences in trust between different sectors, however, are profound.

Big Tech's Fall From Grace

For nearly a decade, the Public Affairs Pulse Survey has tracked levels of trust in nine different industries. In 2020, all of these sectors improved their trustworthiness scores from the previous year; but in 2021, six out of nine saw their scores decline.

Are Democrats Becoming More Pro-Business Than Republicans?

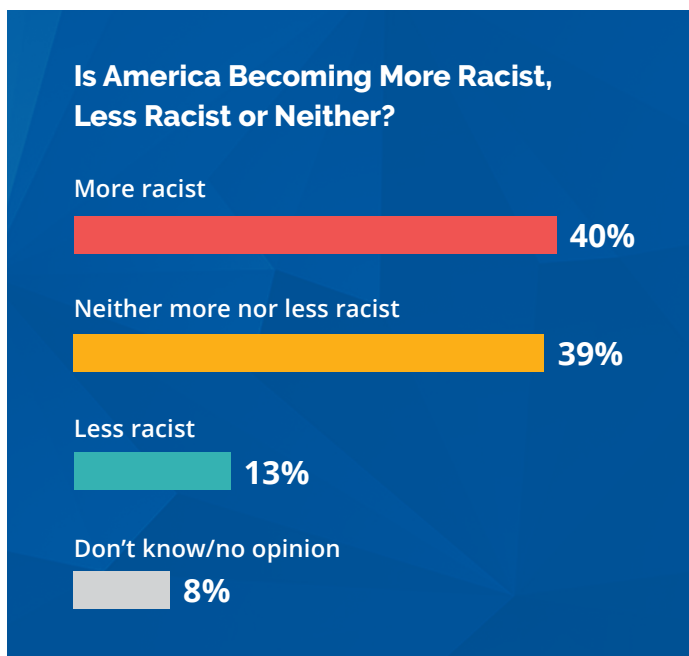


Of the six industries on the downswing, the most fascinating one to watch has been the technology sector. From 2012-2017, it ranked at the top of the list for trustworthiness. But then it slipped to fourth place in 2018 and to fifth place in 2019 and 2020. Finally, in 2021, tech has fallen into sixth place, with 32% of Americans now saying it is less trustworthy than other industries and only 16% saying it is more trustworthy.

Concurrent with this trend has been a gradual rise in the number of Americans who feel the technology sector is under-regulated. Back in 2013, only 11% of Americans thought tech was under-regulated and 24% thought it was over-regulated. Now, eight years later, 36% believe the sector is under-regulated and only 19% believe it is over-regulated. This latest rating gives tech the third highest score for industries perceived to need more oversight — behind only pharmaceuticals and health insurance. Thus, it is no coincidence that there is more talk now on Capitol Hill about technology sector regulation than there was back in 2013.

Racism is Getting Worse

The killing of George Floyd and other instances of police brutality against people of color, coupled with protest marches and pledges of support for Black Lives Matter, have forced Americans to think more about racism. Even with updated corporate diversity policies and new laws designed to combat the problem, 40% of Americans now believe the country is becoming more racist. What's more, only 13% say it is becoming less racist. While Democrats are more likely than Republicans to be pessimistic about racism, it's worth noting that more than twice as many Republicans (33%) believe the country is becoming more racist than less racist (15%).



Not only is racism becoming more widespread, 71% of Americans consider it a somewhat or very serious problem. Only 8% believe racism is not at all serious in the U.S. Strong majorities of Democrats (91%) and Independents (70%) think racism is a somewhat or very serious problem, while Republicans are split in their opinions. Forty-six percent (46%) of the GOP think racism is somewhat or very serious and 49% consider it not too serious or not at all serious.

Other polls have tracked business efforts to improve diversity, equity and inclusion in their firms and society. But, for whatever reason, these efforts aren't working, or Americans are unaware of progress that has been made. Only 22% say major companies are playing a positive role in reducing racism and 18% say they are playing a negative role. Those numbers are lower than they were last year when 28% said companies were helping the cause and 14% said they were hurting it.

Perhaps the effort to reduce racism has become overly politicized. While 29% of Democrats believe major companies are playing a positive role, only 20% of Republicans agree. Conversely, 23% of Republicans say major companies are playing a negative role and only 14% of Democrats agree.

Yet given the fact that roughly 40% of members of either party believe business efforts aren't making any difference at all, factors beyond politicization are clearly at work. In fact, 47% of Americans say they would have a more favorable opinion of major companies if they took action to reduce racism, and only 9% say they would have a less favorable opinion. Among Republicans, only 18% say they would have a less favorable view of firms that took steps to reduce racism.

Who Supports Democracy? Everyone and No One

While survey results show Americans overwhelmingly favor key democratic principles, most people don't have much faith in government or business to support democracy.

Only 26% say Congress is doing a good or excellent job of supporting democracy compared to 41% who believe President Biden is doing a good or excellent job carrying out that duty. Biden scored well with Democrats (76%), Black Americans (60%), college graduates (53%), city-dwellers (53%), high income earners (52%) and adults aged 35-44 (52%).

Only 38% of Americans think Democrats deserve scores of good or excellent for supporting democracy and even fewer — 32% — say Republicans are strong champions of democracy.

In the private sector, just 31% rate major companies as good or excellent in supporting democracy. More Democrats (39%)

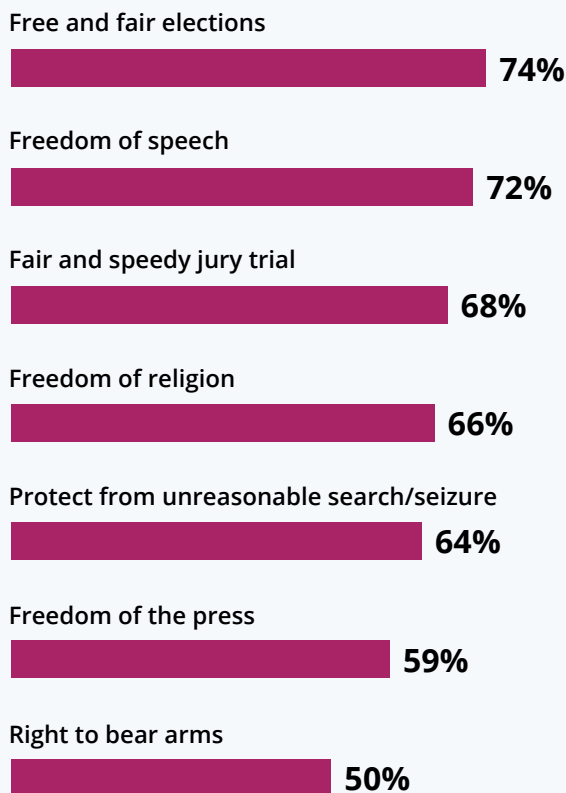
than Republicans (33%) or Independents (21%) give Corporate America high scores for this benchmark. As usual, the one ray of sunshine in the business world is small business, which earns a 60% approval rating for its support of democratic values.

Where Americans Stand on Democratic Principles

When asked to rate actions taken to champion key democratic rights and freedoms, 74% of Americans say “protecting free and fair elections” is very important and 72% say “protecting freedom of speech” is very important. These are the two highest-rated of seven rights and freedoms tested.

But here’s the remarkable finding: support for both of these freedoms is not only bipartisan, but also nearly identical across genders, education, income levels and geographic regions. For example, 74% of both men and women agree that having free and fair elections is very important. Throughout the country, this view is universally held by 72% of people in the Northeast, 74% of people in the South, and 76% of people in the Midwest and West.

Freedoms and Rights Considered “Very Important”



How is this possible given recent battles over hate speech and state election laws? It stands to reason that different people define freedoms in different ways. One person’s free speech is another person’s hate speech, and there is little consensus between major parties on what constitutes a free and fair election.

Other “very important” scores in descending order are protecting the right to a fair and speedy trial (68%), protecting freedom of religion (66%), protecting from unreasonable search and seizure (64%), protecting freedom of the press (59%) and protecting the right to bear arms (50%).

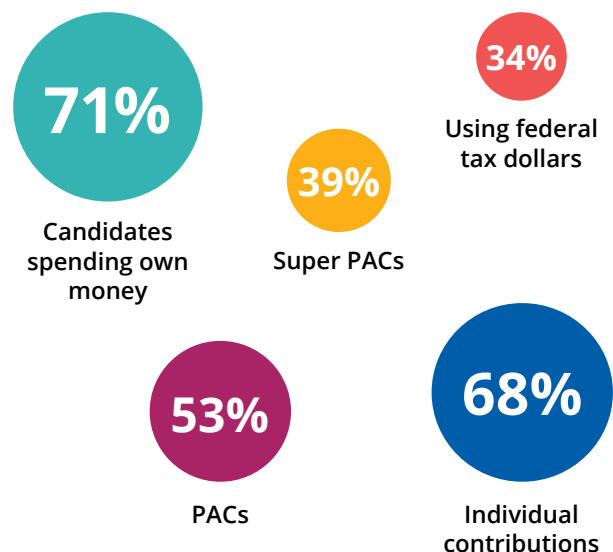
Differences are most profound when it comes to scoring the importance of “the right to bear arms.” While 75% of Republicans say this right is very important, only 46% of Independents and 34% of Democrats agree. Some groups are even more skeptical of the importance of gun ownership. Among full-time students, for example, only 19% believe the right to bear arms is very important and, in fact, 21% believe it is not important at all.

Americans Prefer Campaigns Funded by Candidates, Individuals and PACs

When it comes to financing political campaigns, 71% of the public finds self-funded campaigns acceptable, 68% approve of contributions from individuals and 53% approve of contributions from political action committees (PACs). These were also the three most popular campaign financing methods when this question was asked in 2018, 2019 and 2020.

Further down the list of choices are super PACs (39%) and using federal tax dollars (34%). Despite its standing as the most unacceptable approach, taxpayer-funded campaigns jumped six percentage points in popularity over the past year.

How Should Political Campaigns Be Financed?



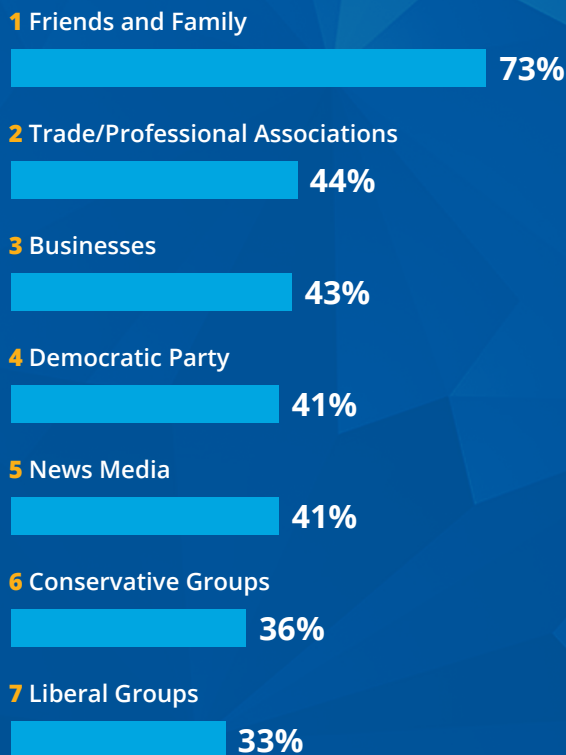
PACs have been in the news this year because many suspended contributions to the 147 Republican members of Congress who refused to certify the 2020 election results. That may explain why more Democrats (58%) than Republicans (56%) now find PACs an acceptable way to fund elections. Last year, 61% of Republicans and 57% of Democrats approved of PACs.

Who do we Trust for Political News? Probably Not the News Media

When it comes to political news, 73% trust news coming from friends and family “some” or “a lot.” As in our previous polls, that makes friends and family by far the most trusted source. The next most trusted sources are trade/professional associations (44%) and businesses (43%).

Only 41% say they trust the news media, and more than half of Americans (52%) have either “not too much” or no trust in political information coming from the news media. Differences in trust of the news media break strongly across party lines. Two-thirds (66%) of Democrats trust the news media for political news but only 26% of Independents and 23% of Republicans do so.

Top 7 Most Trusted Sources of Political Information



In 2020 the news media was tied with businesses as the second most-trusted source, but this year, despite declining only one percentage point, it fell into a fourth-place tie with the Democratic Party, behind businesses and trade/professional associations.

In addition, the poll shows that while Americans give high ratings on the importance of freedom of speech and religion, free and fair elections, and other constitutional rights, only 59% think protecting freedom of the press is very important in this country.

But the worst headline for the news media is this: The strongest support for freedom of the press comes from Americans aged 65 and older, which consider this right very important. Among 18 to 34-year-olds, only half (50%) consider protecting freedom of the press to be very important.

Whose Job is it to Mandate Vaccinations?

This poll, taken one week before President Biden announced plans to mandate COVID vaccinations or testing for millions of workers, shows the public wants government to take the lead — but with the help of the business community.

When asked to rank responsibility for increasing vaccinations, 67% say the federal government should take some or a lot of responsibility and 68% say the same for state governments. But 58% believe major companies should play a key role and 53% expect small businesses also to take some responsibility.

A slim majority of Americans think vaccines should be mandated either at the federal level (36%) or state level (16%). More than one in three people (36%) don't think vaccines should be mandated at either level. Significantly more Republicans (57%) than Democrats (15%) or Independents (42%) oppose mandatory vaccinations.



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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 Sept. 2-6, 2021, from a national sample of 2199 adults. The interviews were conducted online and the data were weighted to approximate a target sample of adults based on gender, educational attainment, age, race and region. Results from the full survey have a margin of error of plus or minus two percentage points.