



## Political Fallout of Corporate Scandals

### *Weeks of Bad Business News Create Political Problems for Republicans, Bush*

*Between June 21 and June 23 and July 11 and July 14, 2002, Ipsos-Reid US Public Affairs interviewed a representative sample of 2,000 adults nationwide, including 1,574 registered voters. The margin of error for the combined surveys is  $\pm 2.2\%$  for all adults and  $\pm 2.5\%$  for registered voters. For the July survey of 1,000 adults and 777 registered voters, the margin of error is  $\pm 3.1\%$  for all adults and  $\pm 3.6\%$  for registered voters.*

WASHINGTON, D.C. (July 15, 2002)—The first Ipsos-Reid/Cook Political Report poll of the third quarter suggests serious bad news ahead for Republicans and President Bush.

**Presidential Reelect.** For the first time since this series of twice-monthly polls began in January 2002, far fewer than half of all registered voters say they would vote to reelect George W. Bush as President if faced with the choice today—the rolling average of the mid-June and early July polls show only 45% definitely intending to vote to reelect Bush, and the most recent survey of 777 registered voters, conducted over the weekend (July 11-14, 2002) finds only 42% ready to reelect Bush:

If the election were held today, would you ...

	REGISTERED VOTERS			
	6/21-23 & 7/11-14/02	7/11- 14/02	2 <sup>nd</sup> Quarter AMJ 02	1 <sup>st</sup> Quarter JFM 02
Definitely vote to reelect Bush as President ...	45	42	50	54
Consider voting for someone else .....	29	31	25	24
Definitely vote for someone else.....	23	24	22	20
Not sure .....	3	3	3	2

**Congressional Preference.** Since March, Republicans have enjoyed a statistically insignificant but persistent advantage when registered voters were asked whether they preferred seeing Republicans or Democrats win control of Congress this fall. While the rolling average from the two most recent polls continues to favor Republicans, 44%-41%, the current study of 777 registered voters conducted over the weekend (July 11-14, 2002) shows Democrats with a nominal (statistically insignificant) lead in Congressional control preference.



And if the election for Congress were held today, would you want to see the Republicans or Democrats win control of Congress?

	REGISTERED VOTERS			
	6/21-23 & 7/11-14/02	7/11- 14/02	2 <sup>nd</sup> Quarter AMJ 02	1 <sup>st</sup> Quarter JFM 02
Republicans.....	44	43	44	43
Democrats .....	41	44	40	41
Neither (VOL) .....	11	9	12	12
Not sure.....	4	4	4	4

Each Ipsos-Reid/Cook Political Report poll is coupled with a battery of questions used in the Ipsos-Reid Consumer Attitude and Spending by Household (CASH) Index. Results from the current poll demonstrate why that marriage of political and economic questions is useful in understanding political trends—consumer concerns are coloring political attitudes today, to the detriment of the party in control of the White House and the House of Representatives.

The effect of corporate scandals on attitudes about the economy, jobs and (most importantly) the ability to save for the future have devastated consumer's sense of security in the most recent poll of 1,000 adults nationwide, interviewed July 11-14, 2002 for the Ipsos-Reid CASH Index.

**Right Direction/Wrong Track.** The impact is most obvious in response to the question political pollsters sometimes refer to as the “Dow Jones” of politics—right direction and wrong track. For the first time since the January 2002 inauguration of this joint series of polls—the Ipsos-Reid/Cook Political Report poll and the Ipsos-Reid CASH Index poll—more adults in the poll this weekend feel things in the US are on the wrong track rather than heading in the right direction.

Generally speaking, would you say things in this country are heading in the right direction, or are they off on the wrong track?

	ALL ADULTS			
	6/21-23 & 7/11-14/02	7/11- 14/02	2 <sup>nd</sup> Quarter AMJ 02	1 <sup>st</sup> Quarter JFM 02
Right direction.....	49	45	54	63
Wrong track .....	44	49	39	32
Not sure.....	7	6	7	5

**Key Elements of Consumer Concerns.** When it comes to rating the current state of their local economy, their current financial situation, and their own personal financial prospects, consumers do not seem markedly more pessimistic in July than they have throughout the year. On a few key elements of consumers’ sense of economic security, however, recent bad business news stories have begun to erode consumer security.



- *Prospects for the local economy.* In the first quarter 41% of all adults expressed optimism that their local economy would improve in the next six months. That number fell to 37% in the second quarter. In the July 11-14, 2002 poll, just 28% of adults anticipate improvement in their local economy.
- *Recent job security experience.* In the first quarter, 43% said someone they knew personally had recently lost a job due to economic conditions, and in the second quarter, 42%. In the July 11-14, 2002 poll, however, 47% now say they have had a recent, personal experience with job loss due to economic conditions.
- *Ability to save for the future.* In the first quarter, 40% said they were less confident about their ability to save for retirement or their children's education, and 39% expressed less confidence in the second quarter. In the July 11-14, 2002 poll, however, a majority of all adults—52%—say they are less confident now than they were six months ago about their ability to save and invest.

That dramatic growth in hopelessness about the ability to invest is the clearest sign that bad news out of Wall Street and corporate board rooms is finally beginning to have an impact on the lives of individual Americans—and that impact explains why business bad news may have an impact on Republican politicians seeking election in November.

Many political and consumer measures in the July 11-14, 2002 Ipsos-Reid poll remain consistent with what has been found in the previous 12 polls in this twice-a-month series. On the political side, Bush's performance ratings remain quite strong. When it comes to questions about voter intentions, however, the strong bad business news is beginning to overwhelm the effect of strong positive feelings about Bush. Bad business news is having an impact not only on Bush and the intention of registered voters to support Bush (an important measure, even though Bush will not appear on a ballot until 2004, if then)—it is also having an impact on Republican prospects for the midterm elections that will be held this November.

**For more information on this release, please contact:**

**Thomas Riehle**  
**President**  
**Ipsos-Reid US Public Affairs**  
**202.463.7300**  
[thomas.riehle@ipsospa.com](mailto:thomas.riehle@ipsospa.com)

#### **About Ipsos-Reid US Public Affairs**

*The survey was conducted by Ipsos-Reid US Public Affairs, the Washington, D.C.-based division of Ipsos, which is the world's fourth largest polling and market research organization, based in Paris. Ipsos-Reid US Public Affairs is a non-partisan, objective public affairs research organization made up of Democratic and Republican campaign and political polling veterans. It was established in Washington in August 2001, and it is led by Thomas Riehle, who has more than 15 years of experience as a political pollster in Washington. The Ipsos-Reid/Cook Political*



*Report poll and the Ipsos-Reid Consumer Attitudes and Spending by Household (CASH) Index poll are conducted the first and third week of every month, as part of Ipsos-Reid US Public Affairs weekly omnibus polling service.*

*The political survey is designed in conjunction with Charlie Cook of the Cook Political Report. Founded in 1984, The Cook Political Report is an independent, non-partisan newsletter that analyzes elections for the U.S. House, Senate, governor and President as well as domestic American political trends. The New York Times has called the publication, “a newsletter that both parties consider authoritative” while the dean of the Washington political press corps, the Washington Post’s David Broder has called Charlie Cook, its editor and publisher, “perhaps the best political handicapper in the nation.” Cook also writes two weekly columns that appear in National Journal magazine and CongressDaily/AM and on nationaljournal.com, and serves as a political analyst for Cable News Network’s show “Inside Politics.” Researched and written by a staff of five based in Washington, D.C., the Cook Political Report’s subscribers are primarily the lobbyists and managers for the political action committees of the nation’s major corporations, trade associations and labor unions as well as by news organizations, foreign governments and others with an interest in detailed, impartial information and analysis of Congressional, gubernatorial and presidential elections.*