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Congressional Vote All Tied Up; Will 401(k) Statements Tilt the Balance to the Democrats?

Most Say 401(k) Balance Bust Won't Change Their Vote, Few First Learned of Decline when Their Statements Arrived

Between October 1 and October 3, 2002 and October 15 and 17, 2002, Ipsos-Reid US Public Affairs interviewed a representative sample of 2,000 adults nationwide, including 1,521 registered voters. The margin of error for the combined surveys is $\pm 2.2\%$ for all adults and $\pm 2.6\%$ for registered voters.

On the October 15-17, 2002 survey 554 investors, with a margin of error of $\pm 4.2\%$ (including 458 investors who are registered voters, with a margin of error of $\pm 4.7\%$.) were asked what impact the arrival of third quarter 401(k) results would have on their vote for Congress.

WASHINGTON, D.C., (October 21, 2002) — Among registered voters, 45% want to see Democrats win control of Congress in next month's elections, and 43% want to see Republicans in control in polls conducted the first two weeks of October. Among the most likely voters in our poll, however, 46% want Republicans in charge, 43% Democrats.

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

	Total	Registered voters	Likely voters	Reg. Voters: Party Identification		
				Repub-licans	Demo-crats	Independ-ents
Republicans	43%	43%	46%	89%	6%	23%
Democrats	45%	45%	43%	5%	86%	33%
Neither	8%	8%	7%	4%	5%	32%
Don't know	4%	4%	4%	2%	3%	12%

Will the Arrival of 401(k) Statements Make a Difference?

Some Democratic Party officials and advisers hope the arrival of 401(k) statements in the homes of voters will cause the election to break in favor of Democrats.

More than half of all adults (53%) are investors who own stocks, bonds or mutual funds.

Most investors claim to follow stock market news every day (35% of investors follow market news daily) or most days (22%), while 25% check in either once a week or about once a month. All those investors seem likely to have received advanced warning that their new quarterly statements would show lower values than the quarterly statements they received in July. Only 18% of investors say they follow market news less than once a month.

Many investors (44%) report receiving quarterly statements in the past week or so, meaning the opportunity for massive investor discontent is present.

Only one adult in twenty (5%) say they recently received a 401(k) statement and that statement was the first they realized how badly the value of their holdings had been hit.

Among investors who recently received their quarterly 401(k) statements:

- ❑ Almost half (48%) the investors who received quarterly statements in the past week or so claim to have studied it closely, and another 39% at least skimmed it—only 13% set it aside for later or tossed it out unopened.
- ❑ Two-thirds (69%) report the value of their 401(k) has declined since July, including 42% who say the value is somewhat lower and 27% who say the value is now much lower. (Some 15% report the value has increased, and 14% report no change.)
- ❑ Among those who say the value is lower (representing 16% of all adults), the number who say that statement was the first they learned about the extent of their investment losses comes to barely three-in-five statement recipients (31% of those who recently received statements and found the value of their 401(k) had declined since July, representing 5% of all adults).

When all investors are asked a hypothetical question measuring the connection between their midterm voting intentions and the performance of their retirement accounts, two-in-three adults (68%) and nearly as many registered voters who are investors (67%) and likely voters who are investors (64%) reject the idea that a significant decline in their 401(k) would affect which party's candidate they would support.

The opportunity for Democrats to start a groundswell based on the disappointments of investors seems slim. Of those investors who say their vote might be affected by news of a significant decline in the value of their retirement portfolios, the net advantage for Democrats is marginal—19% of likely voter investors are more likely to vote for Democratic candidates, but 15% would be more likely to vote for Republicans.

Now I'm going to read you a scenario. If you received a 401(k) statement for the third quarter, July through September, and learned that the value of your retirement account had declined significantly in the past quarter would that make you...

		Investors Who Are....	
	All Investors	Registered voters	Likely voters
Much more likely to vote for Democratic Party candidates in the November elections	11%	11%	12%
Somewhat more likely to vote for Democratic candidates	7%	7%	7%
Somewhat more likely to vote for Republican candidates	4%	4%	5%
Much more likely to vote for Republican Party candidates in the November elections	7%	8%	10%
A significant decline in your 401(k) would have no effect on whether you vote for Democrats or Republicans	68%	67%	64%
Don't know/Not specified	3%	3%	2%

For more information on this release, please contact:

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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.