



2018 PUBLIC AFFAIRS PULSE

What Americans Think About Business

Executive Summary

This year's Public Affairs Pulse survey examines a wide range of topics related to business and government — from the surprisingly low influence of President's Trump's tweets to growing public support for regulation. The poll of 2,200 Americans, conducted August 27-29 by Morning Consult, also explores the most trusted sources of political news, which industries are gaining and losing trust, and how Americans view super PACs and other methods of financing campaigns.

Just when we thought Americans' views on the honesty and ethics of government and business couldn't sink any lower, our survey reveals that the trust deficit continues to widen. A tumultuous and immensely partisan political landscape has set the scene for noticeable dips in these measures.

Trust and favorability declined for business and government across nearly every category in 2018 compared to 2017. Only 42% of Americans trust major companies to behave ethically, down from 47% last year. Only one-third of the public has a favorable view of the federal government. Just 7% of Americans rate major company CEOs as having high ethical standards (down from 9% in 2017), and small

business owners, one of the most-trusted groups, are considered highly ethical by 35% of the public, compared to 41% last year.

It turns out that many Americans aren't influenced by President Trump's critical tweets about companies because nearly 60% rarely or never read his tweets, either via Twitter or the news media. And when they do encounter his business criticisms, 80% don't change their opinions, don't understand what he's saying, don't know how to react or simply don't care. In fact, equal percentages like a company more after a Trump criticism as like it less.

In an election year, the public is inundated with political news from social media, news outlets, political groups, friends and family and other sources. Poll results show that people are wary — especially of social media, candidate campaigns and super PACs. Just 31% have some trust in news from social media, 24% trust what they hear from candidate campaigns and only 17% trust information from super PACs. By far the most trusted political information comes from friends and family (71%).

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Do Trump's Tweets Have an Impact?

Few people regularly read President Trump's tweets — and many of them are Democrats.

The 2018 Public Affairs Pulse survey shows that nearly 60% of Americans rarely or never read President Trump's tweets, either via Twitter or the news media, and only 15% read his tweets "very often." Among people who approve of the president's performance, just 15% are regular readers.

So why do Trump's social media rants draw so much attention? It's probably because 50% of self-described liberals and 46% of Democrats do read his tweets and then tell friends and family.

In comparison, only 43% of Republicans and 36% of Independents read the president's tweets at least somewhat often. Only 37% of Americans without a college degree read his missives, but 51% of those with at least a B.A. degree do see them.

It turns out that Twitter may not be an effective strategy for the president to communicate with his base. The poll shows that only one out of four people who strongly approve of Trump's job performance regularly reads his tweets. Frequent readership is even lower among rural Americans (14%), Republican women (11%), and evangelical Christians (15%) — three key demographic groups for the president.

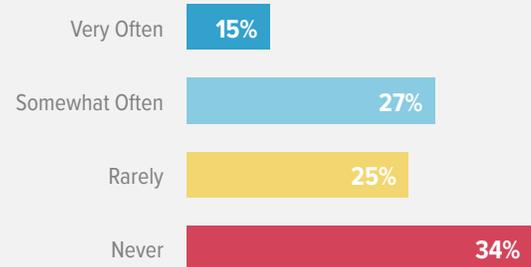
Companies criticized in Trump's tweets shouldn't overreact.

Soon after Trump's inauguration, the [Guardian newspaper](#) called him "The first Twitter president of the United States." But POTUS didn't wait until Jan. 20, 2017, to lob criticisms at [major U.S. firms Boeing and Lockheed Martin](#). In the weeks and months that followed those early attacks he derided Nordstrom, Merck, Amazon (at least four times), Facebook, Harley-Davidson, CNN and a host of other companies.

Yet, research shows that when Americans encounter the president's criticisms of specific companies, the vast majority

Is Anyone Listening? Nearly 60% Rarely or Never Read Trump's Tweets

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



(80%) don't change their opinions, don't understand Trump's criticism, don't know how to react or simply don't care.

While 10% say they have a less favorable opinion of a company once it is attacked by the president in a tweet, an equal percentage say they actually have a more favorable opinion. Groups most likely to be persuaded by the president's reproaches include Republican men (26%) and people who strongly approve of Trump (27%). Groups most likely to take the opposite view — and favor a company more after it has been criticized — include Democratic men (21%) and Americans who care about women's policy issues (22%).

For some people, getting attacked by Trump is good for their reputation.

As one would expect, a healthy percentage (30%) of those who strongly approve of Trump say they have a less favorable opinion of a person called out in a negative tweet. But, overall, when President Trump criticizes an individual by name, that person is just as likely to gain popularity as lose popularity. Eleven percent say they have a less favorable opinion of the person in Trump's sights and 12% have a more favorable opinion. As with tweets about businesses, a large majority of tweet readers don't change their opinion or don't know what to think.

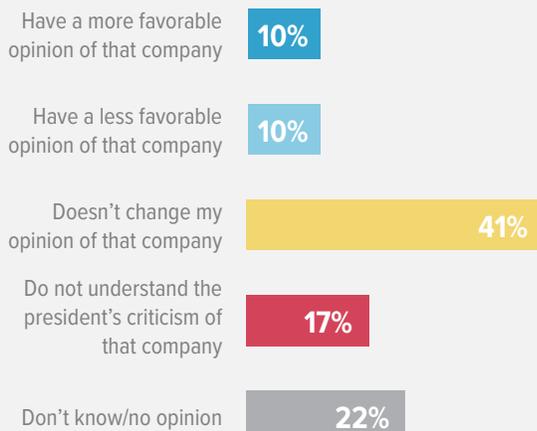
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Among certain demographic groups, there is a net positive effect associated with being picked on by POTUS.

Statistically speaking, if someone wants to become more popular with young people, Democrats, African Americans, Hispanics or Jewish Americans, he or she might want to find a way to earn the president's criticism. A Democratic candidate seeking to appeal to voters who care about education, energy, healthcare and women's issues is also likely to benefit from a negative Trump tweet.

How Americans React to Negative Tweets About Companies

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



Who Do People Trust for News About Politics?

“Friends and family” are the most trusted source of political information.

Where do Americans prefer to go for political news? With mainstream media fighting the “fake news” label and social media platforms facing criticism for allowing Russian bots to spread lies, the most trustworthy source of news about politics is friends and family.

Seventy-one percent say they trust political information from friends and family “some” or “a lot,” and only 18% have little or no trust in this source of news.

The news media has lost the confidence of many Americans, but it is still one of the nation's most trusted sources. Almost half (46%) of the public say the news media is trusted for conveying political information and 43% say it is not. Earning similar scores are trade and professional associations, which are trusted by 45% of the public and not trusted by 36%, and businesses, which are trusted by 44% and not trusted by 40%.

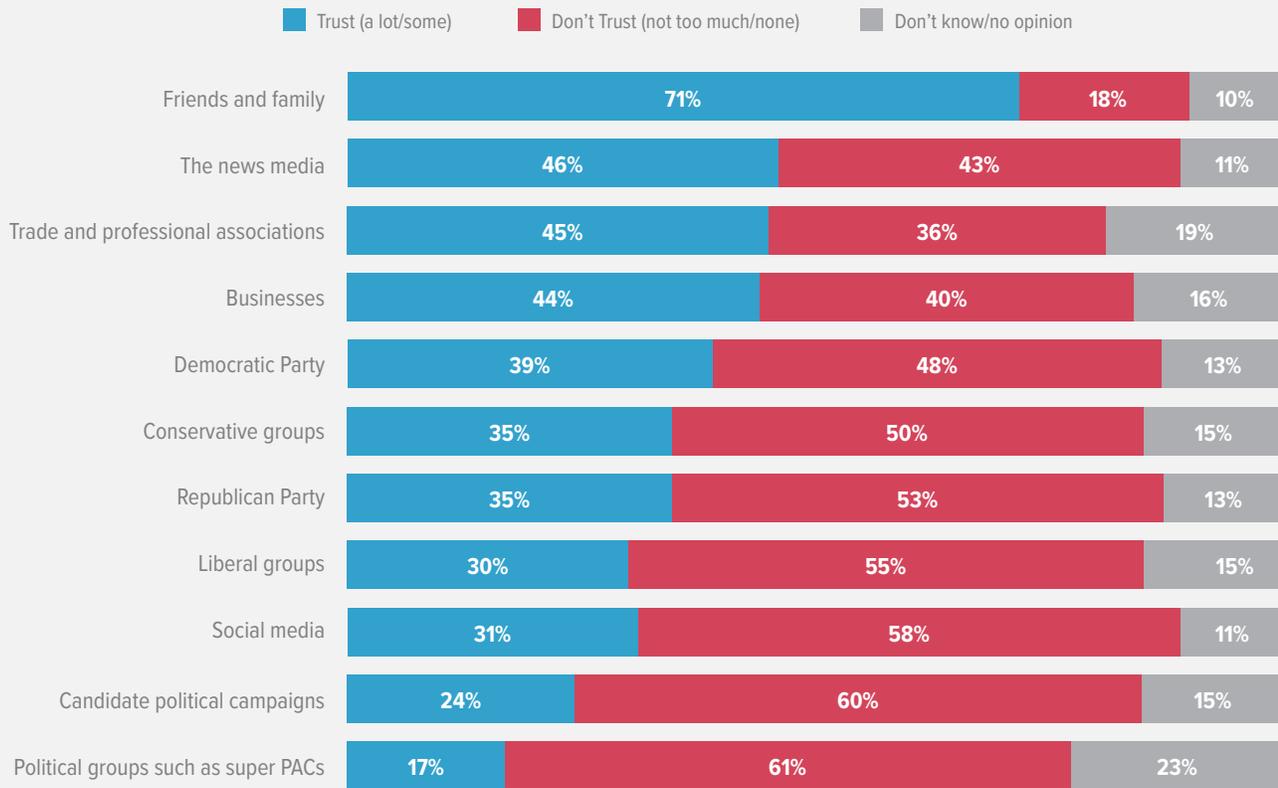
Social media, candidate campaigns and super PACs suffer from lack of trust.

Despite the fact that social media is the primary source of political news for many people, only 31% of the public have at least some trust in what they learn via social media. In contrast, 58% have little or no trust in this source.

At the bottom of the list of 10 options are the two sources of political information that probably spend the most money trying to get their messages across: Political campaigns and super PACs. Only 24% of Americans trust what they hear from a candidate's campaign and 17% trust information disseminated by political groups such as super PACs. Independents, who are often the target of super PAC ad buys, are particularly skeptical of what they hear from these groups. Only 11% say they trust them “some” or “a lot.”

Who Do People Trust for News About Politics?

How much do you trust political information from these sources?



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How Do Americans View Large and Small Businesses?

Favorability of major companies declines.

Major companies, which were viewed favorably by two-thirds of Americans [as recently as 2015](#), now have the respect of only 46% of the public. Last year Corporate America's favorability score was 52%. Favorability is still fairly strong among Trump supporters (at 55%), but only 41% of those who disapprove of Trump have a favorable opinion of major companies.

Even small business, which traditionally have extremely high favorability scores, slipped from 87% favorability last year to 80% favorability this year.

The chief influencers of public views about major companies haven't changed since 2017. They are: (1) personal experience as a customer (64%), (2) the news (58%) and (3) the Internet (57%). Only 43% say social media platforms such as Facebook and Twitter affect their opinions of companies, and only 37% say movies and TV shows have influence. Fifty-five percent of Generation Z (age 18-21) say social media has helped to shape their opinions and 53% of millennials (age 22-37) agree. But only 44% of Generation X'ers (age 38-53) and 32% of boomers (age 54-72) say their opinions of major companies are influenced by social media.

Poll reveals where major companies succeed and fail.

Most people think major companies are doing a good job providing useful products and services (59%) and serving their customers (52%). Fewer numbers — but still pluralities — say major companies are doing a good job creating jobs and serving stockholders.

Fifty-two percent of Americans, however, think major companies are not doing a good job paying their executives fairly without overpaying them. People most concerned about executive compensation tend to be older, more educated and more highly compensated themselves.

Companies are also criticized for not paying regular employees fairly and not doing enough to protect the environment.

What Affects Opinions About Businesses?



Customer Experience

64%



News

58%



Internet

57%

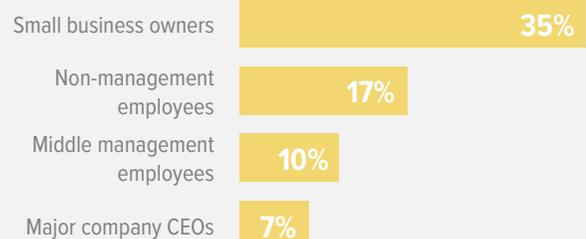
Public gives lowest ethics scores to CEOs.

When Americans rate the honesty and ethics of different levels of business professionals, CEOs once again receive the worst scores. Only 7% of the public say CEOs have high honesty and ethical standards and 43% rate them as having low honesty and ethical standards. This represents a slight decline from last year when 9% said CEOs had high standards and 43% said they had low standards.

Mid-level managers receive mid-level scores (10% say their standards are high and 18% say their standards are low) and non-management employees receive comparably good scores (17% say their standards are high and 11% say they are low). As in the past, small business owners receive the best grades; 35% say they have high honesty and ethics standards and only 5% say they have low honesty and ethics standards.

Honesty and Ethics of Business People

Who has the highest standards?



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How Do Americans View Foreign Companies?

Strong majority of Americans supports companies headquartered in the U.S.

Research has shown that many Americans prefer products made in the U.S. and oppose the movement of manufacturing jobs overseas. Consequently, it's no surprise that 71% have a favorable opinion of major companies headquartered in the U.S.

Support for this point of view tracks closely with age. While 57% of Generation Z like U.S.-based companies, the percentage increases to 64% for millennials, to 70% for Generation X, and to 78% for boomers. Other demographic groups that favor major firms headquartered in the U.S. include people who strongly approve of President Trump (80%), conservatives (80%) and those who earn \$50,000-\$100,000 annually (79%).

Most people don't have favorable opinion of foreign-based companies.

Without knowing anything about a firm's business, only 29% of Americans have a favorable opinion of major companies headquartered outside the U.S. This time there

is a reverse correlation to age, with younger Americans more likely to support foreign companies than their parents.

Demographic groups that have a more positive opinion of major firms headquartered outside the U.S. include Generation Z (46%), Democratic Men (45%) and Hispanic Americans (45%).

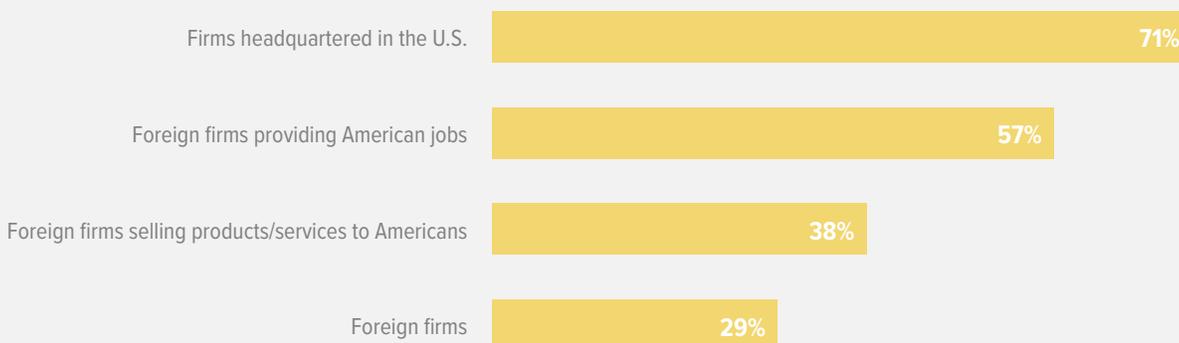
Foreign firms score better if they provide American jobs or popular products.

If a foreign-based company provides many American jobs, overall favorability shoots up to 57%, with opinions consistently positive across all age groups. The cohorts most impressed by such a company include those with an annual income over \$100,000 (69%), college graduates (68%) and Democrats (62%).

A company headquartered outside the U.S. that sells products and services to many Americans also scores better than a generic foreign firm, but the boost is smaller, with only 38% favoring this type of company. The reverse correlation to age returns in this scenario, with 48% of Generation Z, 41% of millennials, 39% of Generation X and 35% of boomers favoring such companies.

Opinions of U.S. vs. Foreign Companies

(Approval level for different types of firms)



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Which Industries Do Americans Trust?

Confidence in ethics of Corporate America is declining.

Only 42% have at least some confidence in major companies to behave ethically, down from 47% last year. Five years ago — in 2013 — 54% had at least some confidence in the ethics of major companies.

Republicans, with a confidence level of 50%, are more likely than Democrats (45%) to trust that major companies will behave ethically. But independents have serious concerns about the ethics of big corporations. Only 35% have at least some confidence in major companies to behave ethically.

Food and beverage and manufacturing sectors rated most trustworthy.

When asked to compare the trustworthiness of each industry sector against other sectors, Americans give the highest scores to food and beverage and manufacturing firms. While 24% feel food and beverage, companies are more trustworthy than other types, only 19% believe they are less trustworthy. Similarly, manufacturing firms are rated as more trustworthy by 22% of the public and less trustworthy by 18% of the public.

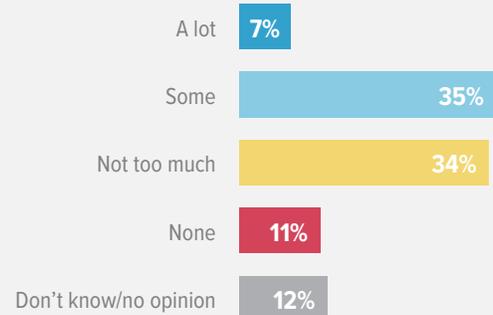
Pharmaceutical, health insurance and banking sectors rated least trustworthy.

The pharmaceutical sector has scored at or near the bottom in perceived trustworthiness since the Public Affairs Pulse survey began in 2011. This year the percentage of Americans who rate this sector less trustworthy than average has risen from 51% to 55%, while the percentage who rate it more trustworthy has dropped from 13% to 11%. The health insurance sector isn't rated much higher, with 48% calling it less trustworthy and 11% calling it more trustworthy. Other sectors that score poorly include banks and other financial institutions, and energy companies.

Tech industry experiences fall from grace in public trust.

Since 2017 the technology sector has dropped from first place to fourth place in public trust — behind food and beverage,

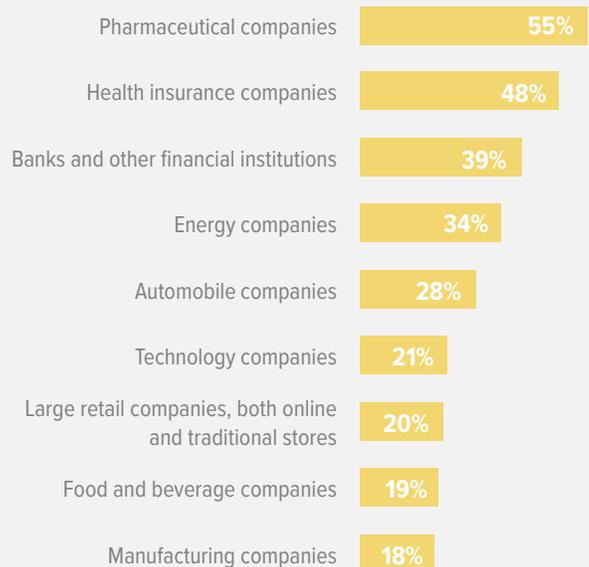
Confidence in Ethics of Major Companies



manufacturing and large retail companies. It also has experienced the largest percentage decline in its trust rating when compared with nine other industries. Six years ago, technology companies were far and away the most trusted businesses in the country. (See section on regulation for data on the technology sector's growing regulatory risk.)

Can Big Companies Be Trusted?

(Percentage of public saying an industry is less trustworthy than average)



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How Do Americans View Government?

Favorability weakens for government — at all levels.

Just when it seemed like favorability scores for the federal government couldn't get any lower, they have further declined. Only one in three Americans (33%) now has a favorable view of the federal government. This percentage is down from 36% last year.

Defenders of the federal government are more likely to be Republican. Forty-four percent of the GOP approve of the federal government but only 33% of Democrats and 26% of independents agree.

Similarly, only 33% have at least some trust and confidence in the federal government to solve the nation's most important problems. While 44% of Republicans have at least some trust and confidence in the federal government, only 30% of Democrats and 28% of independents have that outlook. Even so, 46% of Republicans say they have little or no trust and confidence in the federal government to solve problems.

Meanwhile, support for state government has dropped from 49% to 46%. The lowest support for state government is in the Midwest where only 40% have a favorable opinion. In the South and West, 48% have a favorable opinion.

Only 6% of Americans say Washington politicians are highly honest and ethical.

Elected officials in Washington, D.C., score slightly worse than CEOs for honesty and ethics. Fifty-seven percent of Americans say elected officials in Washington have low honesty and ethical standards, and only 6% say they have high standards. This trend of distrust is pushing beyond the beltway as state and local elected officials are now rated almost as low as Washington elected officials.

Favorability of Federal Government



Confidence in Federal Government to Solve Problems



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What Does The Public Think About Regulation?

Support for government regulation is increasing.

More Americans (31%) believe government regulation of business is necessary to protect the public interest than think regulation usually does more harm than good (23%). Others rate these choices equally or have no opinion.

As the Pew Research Center noted in a [2017 study](#), views on this question have been divided over the years. But research by both the Pew Research Center and the Public Affairs Council shows recent growth in the pro-regulation camp. In the 2017 Public Affairs Pulse survey, 29% said regulation was necessary to protect the public interest and 27% believed it was usually harmful. This year the trend in favor of regulation has accelerated.

Regulation not as popular among Trump supporters.

While 26% of Trump supporters believe government regulation is necessary, 32% say it usually does more harm than good. Trump opponents feel the opposite — but even more strongly. Thirty-seven percent are pro-regulation while only 18% are anti-regulation.

Americans believe certain industries are under-regulated.

The sector considered most under-regulated is pharmaceuticals, with 48% saying there is too little regulation, 18% saying there is too much, and 13% saying there is the right amount. Other industries considered somewhat under-regulated include banking, energy and health insurance.

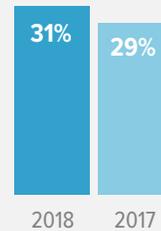
The only sector in which more people say regulation is too strict is manufacturing: 21% believe there is too much regulation and only 19% believe there is too little regulation.

Tech industry faces growing regulatory risk.

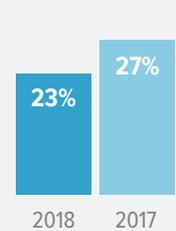
In 2017, 22% of the public said technology companies were over-regulated, 20% said they were under-regulated and

Value of Business Regulation

Necessary To Protect Public Interest



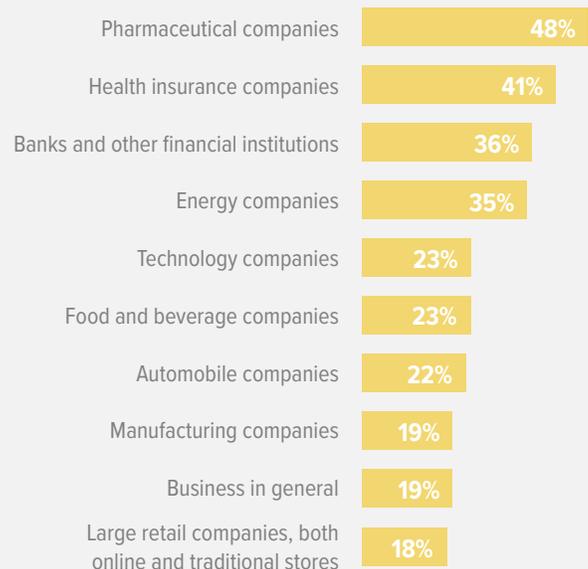
Does More Harm Than Good



30% said they had the right amount of regulation. This year — by five percentage points — a greater percentage of Americans say the tech industry needs more regulation than less. Except for the pharmaceutical industry, this represents the largest shift toward public support for increased government oversight.

Who Needs More Oversight?

(Percentage of public saying an industry has too little regulation)



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When Is Lobbying An Acceptable Practice?

Public approves of lobbying when companies have a good business reason.

In Gallup's [annual survey](#) of the honesty and ethics of 22 occupations, lobbying is inevitably at or near the bottom — behind members of Congress and car salespeople. Although the First Amendment to the U.S. Constitution protects “the right . . . to petition the government for a redress of grievances,” many people think of lobbying as a form of political corruption.

Yet, in the 2018 Public Affairs Pulse Survey, Americans say they find corporate lobbying acceptable as long as it supports a good business reason. The most respectable type of lobbying protects jobs at the company; 56% are in favor of this reason while only 18% are against it. Other acceptable forms of lobbying are designed to support social causes (51% in favor, 21% against) and create a level playing field with competitors (50% in favor, 19% against). Additional reasons for business lobbying with lower scores — to open new markets, reduce business costs, and secure government funding or grants — still receive more positive than negative assessments.

If the average person were a CEO facing tough regulations, 82% would take political action.

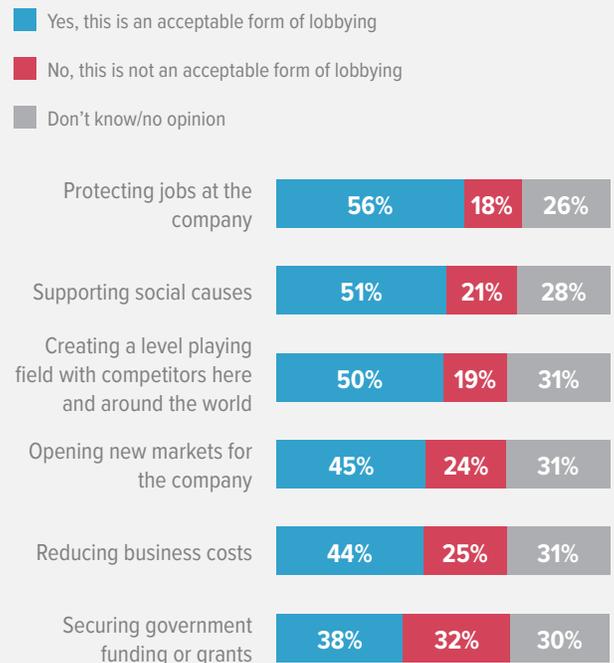
The survey also asked respondents to imagine they were a CEO of a company concerned about the impact of government laws and regulations. In this situation, what political actions would they take? While only 15% would hire a lobbyist, 52% said they would personally contact their elected representatives and 51% would work with other companies to try to change laws and regulations. Moreover, one out of three would ask employees to contact elected representatives, and one out of five would make campaign contributions to representatives who agreed with their views about laws and regulations.

Only 18% said they would probably not take any actions and just leave laws and regulations the way there are.

Political activity preferences differ significantly by age. Boomers are most likely to personally contact their elected representatives (62%), ask their employees to do the same (35%), and work with other companies to change laws and regulations (58%). Generation Z are most likely to make campaign contributions (33%), hire a lobbyist (19%), and not take any action at all (26%).

Companies Need a Business Reason to Lobby

Do you consider each of the following types of lobbying by major companies to be acceptable or not acceptable?



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How Should Political Campaigns Be Financed?

Americans favor self-funded campaigns but strongly oppose public financing.

Campaign finance has been a controversial subject in the U.S. for decades. New laws, such as the Bipartisan Campaign Reform Act of 2002, and court decisions, including *Citizens United v. FEC* in 2010, have only added to the clamor to come up with a new approach.

[Studies by the Pew Research Center](#) have shown that Americans strongly support limits on campaign spending and favor reducing the role of money in politics.

The unanswered question, however, is: “How does the public want political campaigns to be funded?”

It turns out that the most popular method for funding campaigns, with 70% approval, is having the candidate spend his or her own money. The next most popular methods — in order — are using individual contributions (65%), contributions from PACs (52%), contributions from super PACs (37%) and, finally, using federal tax dollars to finance campaigns (29%).

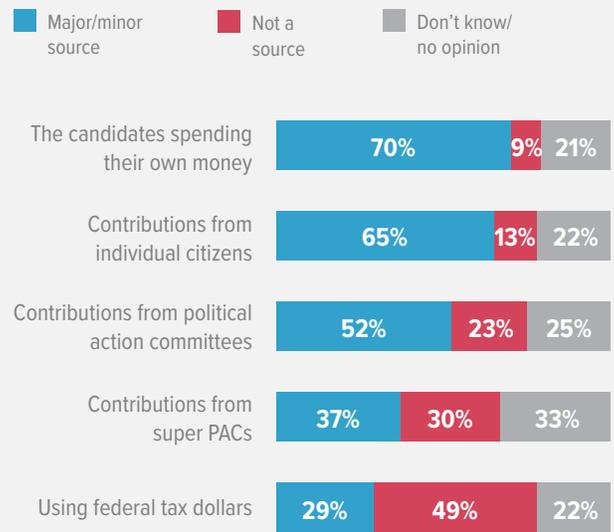
This preferred order of ways to fund campaigns is identical to what public opinion told us five years ago in the [2013 Public Affairs Pulse survey](#).

Surprisingly, Democrats and Republicans agree on how to fund campaigns.

At a time of unprecedented partisan gridlock, it’s worth noting that Democrats and Republicans share the same campaign finance preferences. For people belonging to either party, over 70% support campaign funds coming from the candidate and 69% support funds coming from individual citizens. Both Democrats and Republicans favor PACs (56% and 57%) and smaller percentages of each group support super PACs (37% of Democrats and 41% of Republicans). Public financing is more popular among Democrats than Republicans (37% vs. 24%), but in each case majorities think using federal tax dollars to pay for campaigns is a bad idea.

How the Public Wants Campaigns to Be Funded

What level of funding for political campaigns should come from the following sources?



If the public supports PACs, why do candidates pledge not to accept PAC money?

Regular PACs have a \$5,000 per person cap on donations per election and cannot accept money from corporations or unions. Super PACs, on the other hand, may raise unlimited funds from individuals, corporations and unions but are prohibited from contributing to or coordinating with parties or candidates.

While 52% of the public support PACs as a means of financing elections, only 23% oppose them. Americans who approve or disapprove of President Trump are almost equally supportive of PACs.

Nevertheless, in the 2018 election cycle 185 Democratic candidates have promised not to accept corporate PAC donations. As [The Atlantic](#) recently pointed out, this promise is largely symbolic. “Most non-incumbents don’t receive any corporate-PAC donations, and they generally constitute only a small percentage of total contributions for those running for reelection.”

Methodology: This poll was conducted from August 27-29, 2018, among a national sample of 2202 Adults. The interviews were conducted online and the data were weighted to approximate a target sample of Adults based on age, race/ethnicity, gender, educational attainment, and region. Results from the full survey have a margin of error of plus or minus 2 percentage points.