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To: Interested Parties

From: Celinda Lake and Daniel Gotoff, *Lake Research Partners*

Re: Key Findings from 4-State Battleground Survey on Wall Street Reform

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The following memo outlines the major takeaways on voters' attitudes toward Wall Street reform from a recently completed survey across four battleground states: Ohio, Florida, Pennsylvania, and Missouri.[1] Voters in these swing states express considerable anger toward Wall Street banks and strongly support a number of progressive policy reforms to hold the financial institutions accountable. By a wide margin these voters align with arguments for taking action—even in the face of strongly worded counter-arguments that cast reform as fundamentally damaging to jobs and economic growth. Perhaps most important as the campaigns enter the home stretch of the election, candidates who embrace Wall Street reform stand to benefit at the ballot box. Voters are far more likely to support candidates who champion these issues, and withhold support from candidates who take large contributions from Wall Street interests, with impressive consensus across partisan lines.

- A majority of likely voters in these battleground states reports negative impressions of Wall Street banks (15% favorable to 54% unfavorable), with independent voters even more negatively disposed (13% favorable to 59% unfavorable).

- Negative views of the financial industry are not limited to views of big banks. While hedge fund managers are less defined (29% no opinion and 14% never heard), voters with an opinion of them tend to view them in solidly negative terms (10% favorable to 46% unfavorable).

- Majorities express support for a range of specific policy reforms, including eliminating the carried interest and performance pay loopholes; separating commercial from investment banking (that is to say, restoring Glass Steagall); breaking up the biggest banks; and prohibiting financial industry firms from giving senior employees bonuses for going to work in government jobs.

- In addition, these policies have the power to help candidates running for office this election year. Majorities of voters would be more likely to vote for a candidate who supports these policy reforms, with one exception. And that exception—prohibiting the revolving between the financial industry and government—still finds a strong plurality of voters saying they would be more likely to vote for a candidate who champions that reform.

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[1]Lake Research Partners designed and administered this survey, which was conducted by telephone using professional interviewers. The survey reached a total of 1,000 likely 2016 General Election voters across FL, MO, OH, and PA (n=250 in each state). The survey was conducted August 28th to September 5th, 2016. The margin of error overall is +/-3.1%.

Wall Street Policy Reforms		
	% Support	**% Likely to vote for candidate supporting…**
Eliminate the "carried interest loophole," which allows big Wall Street money managers to pay lower tax rates than middle income families.	68% support (55% strong)—21% oppose	56% more likely—20% less likely
Eliminate the "performance pay loophole" which allows Fortune 500 companies to lower their tax bills by deducting CEO bonuses over a million dollars.	67% support (53% strong)—21% oppose	51% more likely—23% less likely
Separating commercial banking from investment banking so banks will not be able to take investment risks with government-insured customer deposits.	69% support (51% strong)—13% oppose	58% more likely—11% less likely
Break up the biggest banks, and cap how big any bank can grow in order to prevent a government bailout in the event of another financial crisis.	68% support (45% strong)—15% oppose	58% more likely—15% less likely
Prohibit financial industry firms from giving senior employees bonuses for going to work in high power government jobs.	51% support (36% strong)—32% oppose	40% more likely—25% less likely

- A financial transaction tax holds its own against an anti-tax argument in an engaged debate (50% support to 26% oppose), where the pro argument is anchored on the theme of making the economy work for all and conveying that the measure amounts to a sales tax on Wall Street.

Engaged Debate over FTT (arguments rotated)
OPPOSITION ARGUMENT
This tax may sound like a good idea, but it will only hurt people by passing on the costs on to everyone who invests in the market, including retirement accounts and 401Ks. This tax will hurt small investors, including seniors, and will make it harder for Americans to build up their pensions and mutual funds by charging people for every transaction, not just those done by Wall Street banks. This tax will lead to reduced job growth, inefficient markets, and less money in Americans' retirement savings.
SUPPORTERS' ARGUMENT
For most Americans it's getting harder and harder to pay for college or save for retirement. But Wall Street profits are at record highs. A tiny tax on Wall Street transactions could raise billions of dollars to strengthen retirement security, create jobs, pay for college tuition for millions of families, or provide badly needed infrastructure improvements. Working families pay sales taxes on almost everything from a pair of shoes to a car -- shouldn't Wall Street traders pay sales taxes when they buy millions in stocks?
50% Support—26% Oppose

- The outsized role of Wall Street's money in the political system has the potential to influence voters' decisions this election. By a five-to-one margin, voters report they would be less likely to vote for a candidate or member of Congress who has received significant campaign donations from big banks and Wall Street executives (7% more likely to 50% less likely, of which 38% is much less likely). This view was held consistently across party lines, with 51% of Republicans, 50% of Democrats, and 46% of independents being less likely to support a candidate who is heavily financed by Wall Street.

- Conversely, candidates who refuse to accept campaign donations from Wall Street interests could see a boost in their support: 49% of voters say they would be more likely to support such a candidate, including 56% of independents, 53% of Democrats, and 42% of Republicans. Just 10% of voters would be less likely to support such a candidate.

- There is a clear appetite for building on existing reforms. Not only do voters respond with considerably more intensity to pro-reform messages than to anti-government and anti-tax arguments that seek to cast reform as fundamentally damaging to the economy. In addition, the highest performing messages are those couched in populist language, calling for more dramatic changes to address the economic and political inequality between Wall Street and the rest of us. Moreover, this finding holds true not just for Democrats, but for independents and Republicans as well.

- Anti-reform messages, modeled on the language used by Representative Jeb Hensarling and other Republicans, are not only less persuasive than pro-reform messages overall, but also less persuasive to Republican voters. The language tested for both the pro- and anti-reform messages is included in the appendix to this memo.

- Finally, engaging the debate over Wall Street reform can help position Democratic U.S. Senate candidates for victory in these battleground states. At the outset of the survey, support for the Democratic candidates and Republican candidates is evenly matched: 40% for the Democratic candidates and 39% for the Republican candidates (with voters hearing the actual names of the candidates running in their state). After respondents hear the arguments for and against reform, however, the data shows movement in the Democrats' favor, with 44% of voters supporting the Democratic candidates and 37% supporting the Republican candidates.

    - This movement is largely driven by independent voters, who start out split (33% for the Republican Senate candidates to 34% for the Democratic Senate candidates) and end up supporting the Democratic candidates for U.S. Senate by a 15-point margin (41% to 26%).

Appendix: Pro- and Anti-Reform Messages

Pro-Reform Messages				
Now I am going to read you a list of arguments Democrats running for Senate have made in favor of enacting tougher reforms and restrictions on Wall Street. After listening to each, please tell me if you think it is a VERY convincing, SOMEWHAT convincing, NOT TOO convincing, or NOT AT ALL convincing argument in favor of enacting tougher reforms and restrictions on Wall Street.	*% Very Convincing (%Very + Somewhat Convincing)*			
	All voters	***Democrats***	***Independents***	***Republicans***
*The big Wall Street banks that crashed our economy are bigger than ever, and they are up to the same risky bets that put the entire economy at risk. We need an economy that's healthy and stable. We can't let banks gamble with our money and risk another financial collapse. We need tough rules and strong penalties to make banks smaller, simpler, and safer. Bank failures can never be allowed to place our entire economy at risk.**	52% (80%)	61% (89%)	51% (77%)	42% (70%)
*Big banks and Wall Street billionaires have rigged the economy. All the gains go to those at the top while millions of families are still struggling to get back on their feet. Wall Street billionaires use loopholes to pay lower taxes than teachers, and hedge fund managers squeeze more and more profit out of companies while reducing benefits and eliminating jobs. We need to re-write the rules to make the economy work for working families, not just billionaires and big banks.**	51% (80%)	67% (94%)	49% (76%)	35% (68%)
Too many politicians in both parties are beholden to Wall Street. The big banks and hedge fund managers spend millions on lobbyists and millions more on political contributions. And the revolving door between Washington and Wall Street ensures that banks always have access to government decision makers. Our elected officials need to work for everyone, not just the wealthy and well-connected. And that means standing up to Wall Street and the big banks.	50% (81%)	62% (91%)	47% (79%)	38% (71%)
Our economy is still recovering from a financial crisis that was caused by weakening regulations that had kept our economy safe for decades. Common sense regulation is needed to prevent banks from engaging in risky bets with our money and to protect consumers from the abuses and deceptive practices of credit card companies and payday lenders. When it comes to Wall Street, we can't have the fox watching	45% (76%)	58% (88%)	43% (82%)	32% (61%)

the hen house. We need to put rules in place to prevent another crash.				
*Financial reform is about putting an end to the greed of the big Wall Street banks that cost people their jobs, their savings, and billions in taxpayer bailouts. Tough new laws will make sure that bank CEOs are kept accountable to the American people, and put an end to runaway executive pay. Taxpayers should not have to pay the price for Wall Street recklessness while those responsible continue to make outrageous profits. Laws should protect working Americans, not just billionaires.**	44% (76%)	56% (84%)	45% (86%)	29% (63%)
A healthy economy needs a healthy financial system. But today Wall Street and the big banks have become more focused on complicated wheeling and dealing that increases bank profits instead of making loans that allow businesses to create jobs and families to buy homes. We need to reform our financial system to make it work for main street and ordinary families. Banks should be focused on making sustainable loans to businesses and families, not just financial speculation.	43% (76%)	53% (86%)	43% (78%)	35% (65%)
*Three of the four biggest banks are larger today than when we bailed them outin 2008. And the biggest financial firms have become too complex and involved in too much, increasing the likelihood these firms will get into trouble and once again put our economy at risk. We need to break up the banks that are too big to fail so they can't bring down the entire economy when something goes wrong.**	41% (72%)	53% (80%)	39% (79%)	30% (61%)

*Asked of half the sample.

Anti-Reform Messages				
Now I am going to read you a list of arguments Republicans running for Senate have made in opposition to enacting tougher reforms and restrictions on Wall Street. After listening to each, please tell me if it raises SERIOUS doubts, SOME doubts, MINOR doubts, or NO REAL DOUBTS about enacting tougher reforms and restrictions on Wall Street.	*% Serious Doubts (% Serious + Some doubts)*			
	All voters	Democrats	Independents	Republicans
More government bureaucracy isn't the solution. There were 26 regulatory agencies that were supposed to be overseeing and regulating the financial system, and predict the upcoming financial crisis — yet every one of these agencies missed it. Before adding more expensive and inefficient government agencies, we need to figure out why the ones we already have aren't doing their jobs. More government isn't the answer.	29% (54%)	28% (57%)	28% (51%)	30% (52%)
Regular people -- not Government bureaucrats -- should be able to decide what financial products and services are right for them. Instead the federal government is adopting new rules that limit consumer choices and restrict the flow of loans to small businesses that need funds to create jobs and expand their business. The government needs to stop interfering in our personal financial choices.	25% (51%)	24% (53%)	24% (50%)	27% (51%)
The Wall Street Reform Act of 2010 has been a failure. The big banks are bigger than ever and we've had the slowest economic recovery since the Great Depression. We don't need, burdensome new regulations that slow economic growth, and kill jobs. Instead let's reduce red tape and stop punishing the job creators and small businesses that drive our economy. That's what it takes to grow our economy.	21% (47%)	22% (50%)	19% (42%)	23% (49%)

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