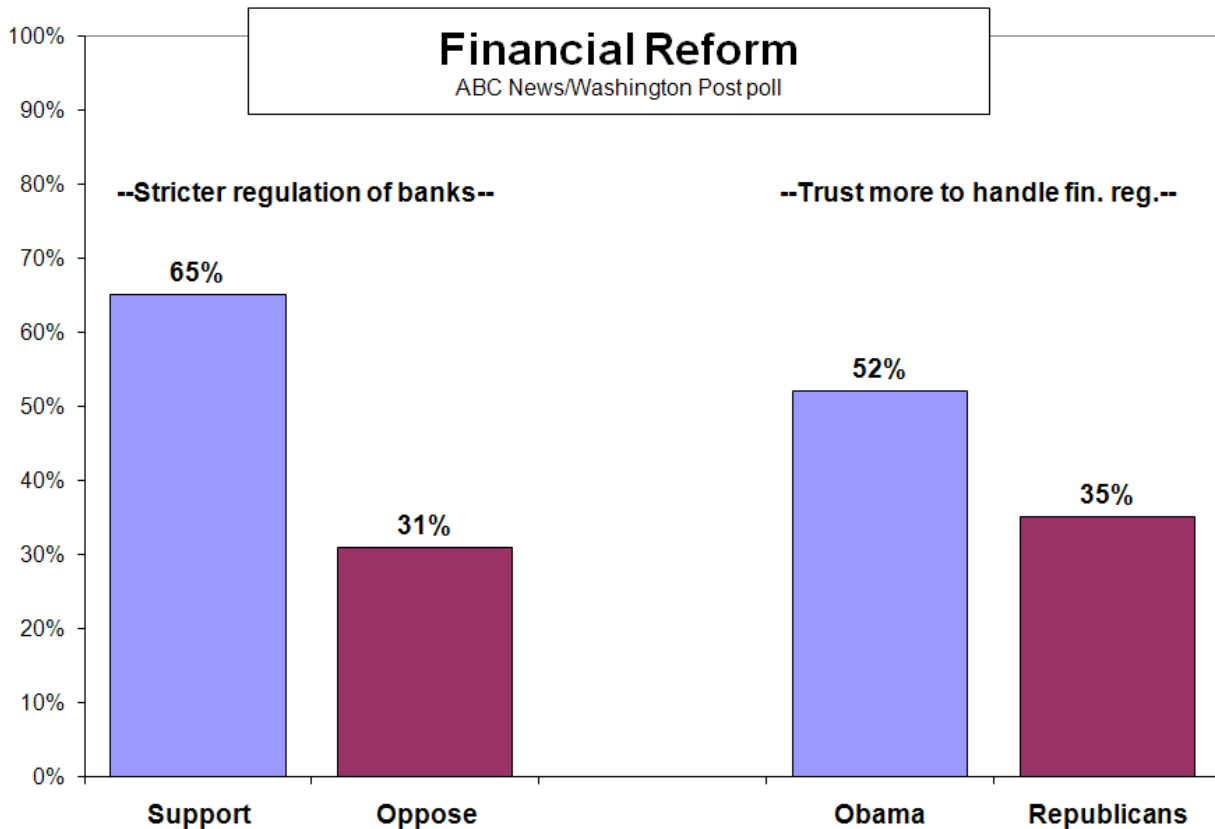


Two-Thirds Back Financial Reform; The Question: How Far to Go

Two-thirds of Americans support stricter federal regulation of banks and other financial institutions, and by a double-digit margin the public trusts President Obama above the Republicans in Congress to handle the issue – a caution flag for the GOP in an election year.

The public supports reform overall by 65-31 percent, a broad margin that’s been steady since mid-winter, and favors Obama over the Republicans in trust to handle it by 52-35 percent, a 17-point advantage for the president in this new ABC News/Washington Post poll.

Nonetheless there is opportunity for Republican pushback – if not in whether reform should occur, then in how extensive it should be. Among supporters of regulation, half say it should be “much” stricter, half less so – reflecting room for debate on the extent of the changes to be enacted.



Additionally, while Obama leads the Republicans in trust to handle the issue, that doesn't mean his own rating on financial reform is good: The public splits evenly, 48-48 percent, on how he's handling it. He does far better among those who favor much stricter reform, but less so among those who prefer more modest changes (and, of course, poorly among those who oppose the idea entirely).

Obama on fin. reg.	Preference for financial industry regulation		
	Much stricter	Somewhat stricter	Oppose it
Approve	65%	51%	26%
Disapprove	31	43	72

Democrats are pushing the issue in Congress, with a key procedural vote expected today.

Among individual elements of reform, most popular is one that hits closest to home for most Americans – increasing federal oversight on consumer loans and credit card terms, with 59 percent in favor, 38 percent opposed. The public by 53-42 percent also favors creating a bank-funded liquidation fund to deal with large financial institutions that fail.

But another element, regulating the financial instruments known as derivatives, gets a split decision, 43-41 percent; a substantial 17 percent have no opinion, perhaps reflecting the complexity of the subject. Support for regulating derivatives peaks, at 59 percent, among better-off Americans, with household incomes over \$100,000 – a group with greater exposure to the equities markets.

DIVISIONS – On trust to handle financial regulation overall, Obama does better both in his base and among independents. Democrats by 85-10 percent prefer Obama over the Republicans in Congress to handle the issue; Republicans favor their party's leaders, but by 74-11 percent, with somewhat more distrusting either side. Independents side with Obama by 47-35 percent.

Support for stricter regulation overall also has strong partisan and ideological components. It ranges from 80 percent among Democrats to 43 percent among Republicans, and likewise from 81 percent of liberals to 48 percent of conservatives. But the fact that it approaches 50 percent support among conservatives underscores its popularity overall. In the center, financial reform is backed by 69 percent of independents and 74 percent of moderates in this survey.

Obama himself does less well in the center; his handling of financial regulation gets just 46 percent approval from independents, although he does somewhat better, 55 percent, among moderates. Both figures are well below the levels of support in these groups for regulation in principle, apparently reflecting some disquiet not with the concept, but with Obama's approach. As noted, Obama's approval on the issue is 14 points higher among those who favor "much" stricter regulation vs. those who say it should be just somewhat stricter.

WALL STREET – This poll does not replicate a Gallup result last week in which regulating "Wall Street" was more somewhat popular than regulating "large banks and major financial institutions" (the former won 50-36 percent support, the latter, 46-43 percent). As asked in this

poll, reform won nearly two-thirds support regardless of whether it was reform of “Wall Street firms” or of “banks and other financial institutions.”

Gallup found lower support overall, in both cases. Its question referred to “Congress passing a law” giving the federal government “new powers.” The ABC/Post question does not mention Congress, which is very unpopular, and asks about “stricter regulations,” which apparently are preferable to “new powers.” Regardless of the phrase “Wall Street,” the difference underscores that in these debates, language can matter.

METHODOLOGY – This ABC News/Washington Post poll was conducted by telephone April 22-25, 2010, among a random national sample of 1,001 adults, including landline and cell-phone-only respondents. Results for the full sample have a 3.5-point error margin. Click [here](#) for a detailed description of sampling error. Sampling, data collection and tabulation by TNS of Horsham, PA.

Analysis by Gary Langer.

ABC News polls can be found at ABCNEWS.com at <http://abcnews.com/pollingunit>

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Full results follow (*= less than 0.5 percent). (Other items held for release.)

2. Do you approve or disapprove of the way Obama is handling [ITEM]? Do you approve/disapprove strongly or somewhat?

	----- Approve -----			----- Disapprove -----			No opinion
	NET	Strongly	Somewhat	NET	Somewhat	Strongly	
e. Regulation of the financial industry	48	22	26	48	14	33	4

5. Who do you trust to do a better job handling [ITEM] - (Obama) or (the Republicans in Congress)?

	NET	Obama	Reps	Both (vol.)	Neither (vol.)	No opinion
		b. Regulation of the financial industry	52	35	1	11

9a. (HALF SAMPLE) Do you support or oppose stricter federal regulations on the way banks and other financial institutions conduct their business?

	----- Support -----				
	NET	Much	Smwht	Oppose	No opinion
4/25/10	65	34	32	31	4
2/8/10	62	36	26	34	3
2/22/09	76	49	27	22	2

9b. (HALF SAMPLE) Do you support or oppose stricter federal regulations on the way Wall Street firms conduct their business?

	----- Support -----				
	NET	Much	Smwht	Oppose	No opinion
4/25/10	63	35	28	29	8

10. Please tell me whether you support or oppose each of these items. Do you feel that way strongly or somewhat?

4/25/10 - Summary Table

	----- Support -----			----- Oppose -----			No
	NET	Stgly	Smwht	NET	Smwht	Stgly	op.
a. Having the federal government regulate the complex financial instruments known as derivatives	43	16	26	41	19	21	17
b. Requiring large banks and other financial companies to put money into a fund that would cover the cost of taking over and breaking up any large financial company that fails and threatens the broader economy	53	27	26	42	18	24	5
c. Increasing federal oversight of the way banks and other financial companies make consumer loans, such as mortgages and auto loans, and issue credit cards	59	36	23	38	15	24	2

END