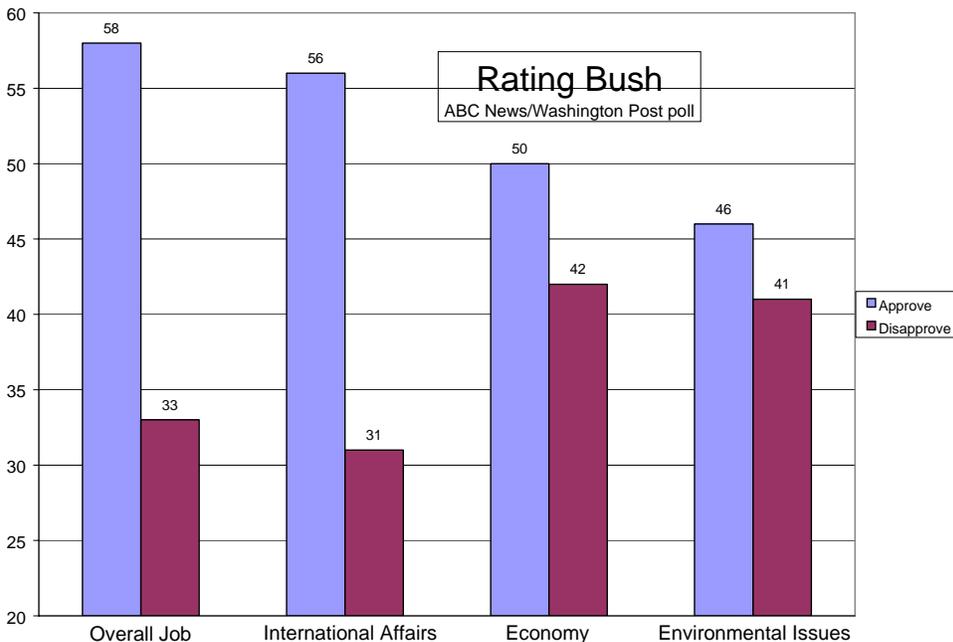


Some Headwinds for Bush On Economy, Other Issues

George W. Bush is encountering headwinds on several fronts in public opinion, buffeted by the economy, doubt about his environmental policies and a sense he favors corporate America over working men and women.

While 58 percent approve of his performance overall, Bush's ratings on the economy and the environment are a good bit lower – 50 percent and 46 percent approval, respectively. Fifty-six percent approve of his work on international affairs.

Compared to a month ago, fewer people are undecided about Bush's overall job performance – but the change has not been in his favor. Disapproval of his work has gained 10 points in the last month, while approval has gained a scant three points.



Perhaps more hazardous for Bush is a broad view that he favors corporate interests – a danger because presidents get much of their political cartilage from their connection with average Americans. The public by a 2-1 margin, 61 to 31 percent, thinks Bush cares more about the interests of large corporations than about ordinary working people.

Bush would need a stronger sense of empathy particularly if the economy were to fall into recession; as his father demonstrated, economic hard times can very quickly erode a president's popularity. Even today, Bush's job approval rating is 21 points lower among people who think the country's heading into a recession, compared to those who see continued economic growth.

ISSUES and PRIORITIES – This poll shows no movement on Bush's signature issue, a tax cut: When measured against other options for spending the federal surplus just 20 percent pick a tax cut as the single top priority, unchanged in the last month.

One reason is that people divide evenly on whether they'd get any personal benefit from Bush's tax plan, and only 11 percent think it would bring them a "great deal" of benefit. Another is that a big majority, seven in 10, doubt that the projected surplus, on which the tax cut is premised, will actually materialize. That fuels support for a "trigger" tying any tax cut to actual surpluses; 68 percent favor the idea.

Cutting taxes does get a higher priority than another hot topic in Washington, campaign finance reform. Twenty-nine percent say a tax cut should receive the "highest priority" from Bush and the Congress; that falls to 18 percent for campaign finance reform. (See separate analysis on campaign finance results tomorrow; for a preview call ext. 2621.)

But both these issues trail others by very large margins. Fifty-three percent say education should receive the highest priority in Washington, 24 points more than a tax cut. Nearly as many, 47 percent, say the economy deserves a top priority; 42 percent, Social Security. Environmental protection gets a top priority from 27 percent, ranking it alongside a tax cut in importance to average Americans.

	Needs 'highest priority' from Bush and Congress
Education	53%
Economy	47
Social Security	42
Tax cut	29
Environment	27
Campaign finance	18

Neither a tax cut nor campaign finance reform are unpopular in and of themselves. (Indeed just 36 percent say Bush's tax plan is "too big.") But there are doubts about both, either in terms of their effect and fairness (tax cut), their efficacy (campaign finance reform) or their urgency (both). Thus both have received consistently low priority compared to other issues on the public's agenda.

Other issues also have more of a natural constituency. For instance younger adults, with kids in school, are particularly concerned with education, less focused on Social Security, and decidedly unattracted, in particular, by campaign finance reform.

THE ECONOMY and the MARKET - While there is broad economic concern in this country, the stock market's recent dives don't seem to have worsened it. Fifty-eight percent of Americans think the country is heading into a recession, but that's about the same as it was in January, before the market rout.

Two-thirds are concerned about the market, but that concern is tempered; only about a quarter are "very concerned." One reason is that just eight percent of Americans say the market's steep drop has had a strongly negative impact on their own finances.

Thirty percent say they've been hurt at all by the market – fewer than might be expected, since 55 percent own stocks or stock funds. Apparently it's because the vast majority doesn't need, or plan, to lock in their paper losses by selling: Ninety-two percent of stock or fund owners describe themselves as "long term, buy-and-hold investors."

Still, with stock ownership up, the market's effect is broader than it's been in the past. More people say they've been hurt by the market's drop this time than said so either in the October 1997 rout, or in the crash of October 1987.

	Hurt by market drop
3/01	30%
10/97	14
10/87	20

A narrow majority, 52 percent, thinks the market's gyrations reflect underlying problems in the broader economy. That's more than felt this way in 1997 (38 percent), but fewer than in 1987 (60 percent).

SOCIAL SECURITY – One possible bit of fallout from the market is a decline in support for Bush's proposal to let Americans invest some of their Social Security tax money in stocks. Fifty-two percent favor the idea, down from six in 10 last fall and 64 percent in May 2000.

It's not clear that the market's fall is the cause, however, because concern about the market is not closely correlated with opposition to the plan. In fact stockholders remain more likely to support it, not less so.

MONEY and STOCKS – As an aside, this poll demonstrates the linear relationship between income and stock ownership – a huge, income-based divide. (This also holds for education, which is closely correlated with income.) Among people with household incomes less than \$20,000 a year, just 19 percent own stocks or mutual funds. Among those in \$75,000+ households, stockholding soars to 82 percent.

Household income	Size of Group	Percent owning stocks
Less than \$20,000	13%	19%
\$20,000-\$30,000	12	32
\$30,000-\$50,000	24	48
\$50,000-\$75,000	19	69

METHODOLOGY - This ABC News/Washington Post poll was conducted by telephone March 22-25, 2001, among a random national sample of 903 adults. The results have a three-point error margin. Fieldwork by TNS Intersearch of Horsham, Pa.

Analysis by Gary Langer.

ABC News polls can be found at ABCNEWS.com on the Internet at:

<http://abcnews.go.com/sections/politics/PollVault/PollVault.html>

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Here are the full results:

*= less than 0.5 percent

1. Do you approve or disapprove of the way George W. Bush is handling his job as president?

	Approve	Disapprove	No opinion
3/25/01	58	33	8
2/25/01	55	23	22

2. Do you approve or disapprove of the way Bush is handling (READ ITEM)?
How about (NEXT ITEM)?

3/25/01

	Approve	Disapprove	No opinion
a. The economy	50	42	8
b. International affairs	56	31	13
c. Environmental issues	46	41	13

3. We'd like to know what kind of priority you want to see George W. Bush and the Congress give to some issues. For each one, please tell me if it should receive the highest priority, a high priority but not the highest, a middle priority, or a lower priority.

3/25/01

Summary Table:

	-----High-----					(Vol.)	No op.
	NET	Highest	High	Mid.	Lower		
a. Keeping the economy strong	89	47	42	9	2	*	0
b. Protecting the Social Security system	83	42	42	13	3	0	*
c. Improving education and the schools	89	53	35	8	3	1	*
d. Protecting the environment	69	27	42	25	5	0	1
e. Reforming election campaign finance laws	45	18	26	33	20	1	2
f. Cutting taxes	63	29	34	23	12	0	1

Trend:

a. Keeping the economy strong

	-----High-----					(Vol.)	No. op.
	NET	Highest	High	Middle	Lower		
3/25/01	89	47	42	9	2	*	0
1/15/01	95	47	48	4	1	0	0

b. Protecting the Social Security system

	-----High-----					(Vol.)	No.
	NET	Highest	High	Middle	Lower	None	op.
3/25/01	83	42	42	13	3	0	*
1/15/01	88	46	42	10	3	0	*

c. Improving education and the schools

	-----High-----					(Vol.)	No.
	NET	Highest	High	Middle	Lower	None	op.
3/25/01	89	53	35	8	3	1	*
1/15/01	91	49	42	5	2	1	0

d. Protecting the environment

	-----High-----					(Vol.)	No.
	NET	Highest	High	Middle	Lower	None	op.
3/25/01	69	27	42	25	5	0	1
1/15/01	71	27	45	21	6	*	2

e. Reforming election campaign finance laws

	-----High-----					(Vol.)	No.
	NET	Highest	High	Middle	Lower	None	op.
3/25/01	45	18	26	33	20	1	2
1/15/01	54	20	34	29	15	1	1

f. Cutting taxes

	-----High-----					(Vol.)	No.
	NET	Highest	High	Middle	Lower	None	op.
3/25/01	63	29	34	23	12	0	1
1/15/01	65	26	39	24	9	1	2

4. Just your best guess, do you think the economy is heading into a recession, or not?

	Yes	No	No opin.
3/25/01	58	37	5
1/15/01	55	42	3

5. On another subject, would you support or oppose a plan in which people who chose to could invest some of their Social Security contributions in the stock market?

	Support	Oppose	No opin.
3/25/01	52	45	3
10/30/00 LV	58	35	8
9/6/00 RV	59	37	4
5/10/00	64	31	5

6. Do you personally own any shares in mutual funds or any individual stocks, either in non-retirement accounts or in retirement accounts that you control, or not?

	Yes	No	No opin.
3/25/01	55	45	*

7. (If yes) Would you call yourself more of an active trader of stocks or stock funds, or more of a long-term, buy-and-hold investor?

	Active trader	Long term	Both	No opin.
3/25/01	5	92	2	1

8. How do you feel about the recent drop in the stock market - very concerned, somewhat concerned, not too concerned or not at all concerned?

	-----Concerned-----			-----Not Concerned-----			No
	NET	Very	Somewhat	NET	Not too	Not at all	opin.
3/25/01	64	24	40	35	22	13	1

Compare to:

	-----Concerned-----			-----Not Concerned-----			No	
	NET	Very	Somewhat	NET	Little/Not	Very	Not at all	opin.
2/14/90*	43	14	29	55	27		28	2
10/22/87**	68	18	50	32	23		9	*

*Time/CNN: Turning to the stock market, how concerned are you about the general drop in stock prices since the beginning of the year--very concerned, somewhat concerned, a little concerned or not at all concerned?

**USA Today: How concerned are you about the recent drop in the stock market? Are you very concerned, somewhat concerned, not very concerned, or not at all concerned?

9. Which of these two statements comes closer to your opinion: (The stock market drop is a symptom of larger underlying problems with our nation's overall economy) OR (The stock market drop is mostly a Wall Street problem and not a symptom of larger underlying problems with our nation's overall economy)?

	Statement A	Statement B	No opinion
3/25/01	52	42	6
10/27/97	38	53	10
10/26/87	60	38	2

10. Have you or has anyone in your immediate family been hurt financially by the recent sharp drop in stock prices, or not? (If yes: Is that hurt a great deal, or only somewhat?)

	-----Hurt-----			No, have	Too soon to	No opin.
	NET	Grt.deal	Somewhat	NOT been hurt	tell(vol.)	
3/25/01*	30	8	21	69	NA	1
10/27/97	14	NA	NA	81	4	1
10/26/87	20	NA	NA	79	*	1

*Added "or not"

12. On another subject, which of these do you think should be the top priority for any surplus money in the federal budget - cut federal income taxes, put it toward reducing the national debt, strengthen the Social Security system, or increase spending on other domestic programs such as education or health care?

	Cut taxes	Reduce debt	Soc. Sec.	Dom. Progs.	No opin.
3/25/01	20	18	24	37	1
2/25/01	22	17	25	35	1
9/6/00 RV	14	19	36	29	1
8/27/00	16	13	29	40	2
7/23/00	15	19	32	33	2
7/23/00 RV	15	20	32	30	2
9/2/99	14	19	29	37	1

13. As you may know, Bush has proposed cutting taxes by one-point-six trillion dollars over 10 years. Do you think this tax cut is too big, too small or about right?

	Too big	Too small	About right	No opin.
3/25/01	36	10	48	6

14. (If about right) Would you prefer it to be bigger, smaller, or what?

	Bigger	Smaller	About right (vol.)	No opin.
3/25/01	29	15	54	2

15. As you may know, the federal government is forecasting a budget surplus of five-point-six trillion dollars over the next 10 years. Just your best guess, do you think that budget surplus is a realistic expectation, or unrealistic?

	Realistic expectation	Unrealistic expectation	No opinion
3/25/01	26	69	5
8/15/99*	16	78	5

*"or do you think it's just wishful thinking?"

16. Would you support or oppose a proposal to reduce the tax cut in future years if the federal budget surplus turns out to be lower than expected?

	Support	Oppose	No opin.
3/25/01	68	28	4

17 and 18. Do you think the tax cut Bush has proposed would benefit you personally, or not? (If yes: Do you think it would benefit you a great deal, or only somewhat?)

	-----Benefit-----			Not	No opin.
	NET	Grt. deal	Somewhat	benefit	
3/25/01	49	11	37	49	2

19-28, Campaign finance reform, held for release

29. On another subject, do you think Bush cares more about protecting the interests of (ordinary working people) or cares more about protecting the interests of (large business corporations)?

	Ordinary people	Large corporations	Both	Neither	No opin.
3/25/01	31	61	3	1	4

END