

Amid Broad Distrust of Corporations, Most Say Bush’s Measures Fall Short

Vast majorities of Americans express distrust in the nation’s business executives and their companies’ financial accounting, and most say George W. Bush has not moved strongly enough to fight corporate fraud.

Fifty-four percent in an ABC News/Washington Post poll say Bush’s proposals to curb corporate wrongdoing are “not tough enough,” and just 49 percent approve of his work on the issue – far below his overall job approval of 72 percent, fueled by the anti-terrorism campaign.

Eighty-eight percent say they distrust corporate executives, and nearly as many distrust corporate financial accounting. Indeed, majorities express the lowest possible levels of trust in these – “very little,” or even none.

Such views, however, are based more on perception than on personal observation. Among workers, more than six in 10 do trust the honesty of their own employers’ executives or leaders, and more than seven in 10 trust their own companies’ financial accounting – even as they express distrust in corporations more generally.

	Trust	Distrust
Corporate executives	11%	88
Your own employer’s executives	63	35
Corporate financial reports	16	82
Your own employer’s financial reports	73	25

ISSUE – It remains to be seen, moreover, if the recent corporate scandals carry much weight as a voting issue in November’s midterm elections. They rank in the mid-level of issues of concern in the elections, and the Democratic Party holds a 10-point lead over the Republicans in trust to handle the problem. But between Bush or the Democrats, trust divides more evenly – 44 percent prefer the Democrats’ approach, 42 percent Bush’s.

	Trust more to handle corporate fraud:
Republicans	37%
Democrats	47
Bush	42
Democrats	44

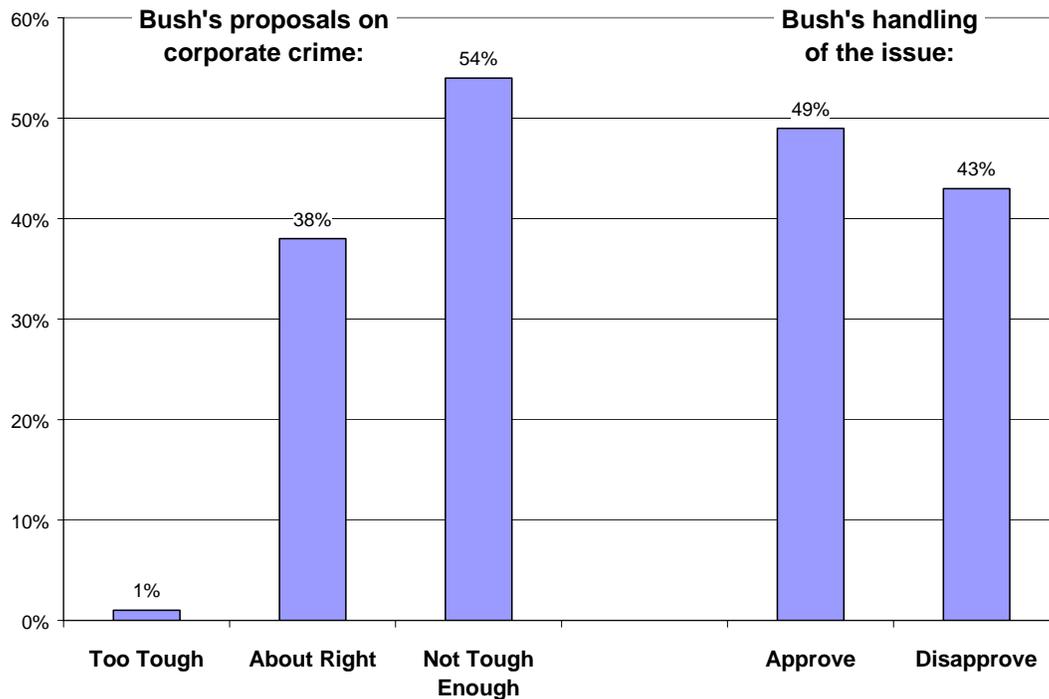
Holding even with the Democrats is better than might be expected for Bush, since he and his party both are seen as favoring corporate interests over the interests of average Americans. The Democrats are more apt to be seen as caring more about workers.

Indeed the scandal may be a political blessing in disguise for Bush, to the extent that it enables him to distance himself from major corporations – a connection that’s engendered some public skepticism. In spring last year, 60 percent of Americans said Bush cares more about protecting large corporations than about protecting ordinary working people; today that’s eased to 50 percent – still a negative perception, but less of one. (The halo of his broader approval may also be helping.)

The Republicans in Congress fare worse, with 60 percent of Americans believing they favor large companies over working people. The Democrats in Congress are seen as favoring workers over corporations, by 49-37 percent.

	Favor the interests of	
	Large corporations	Working people
Bush	50%	37
Republicans in Congress	60	27
Democrats in Congress	37	49

APPROVAL – Bush’s rating for dealing with the issue – 49 percent approve, 43 percent disapprove – clearly is lacking. Sixty-eight percent of Republicans approve, but this dives to 44 percent of independents and 36 percent of Democrats. Similarly, six in 10 independents and Democrats alike say he’s not being tough enough on corporate crime.

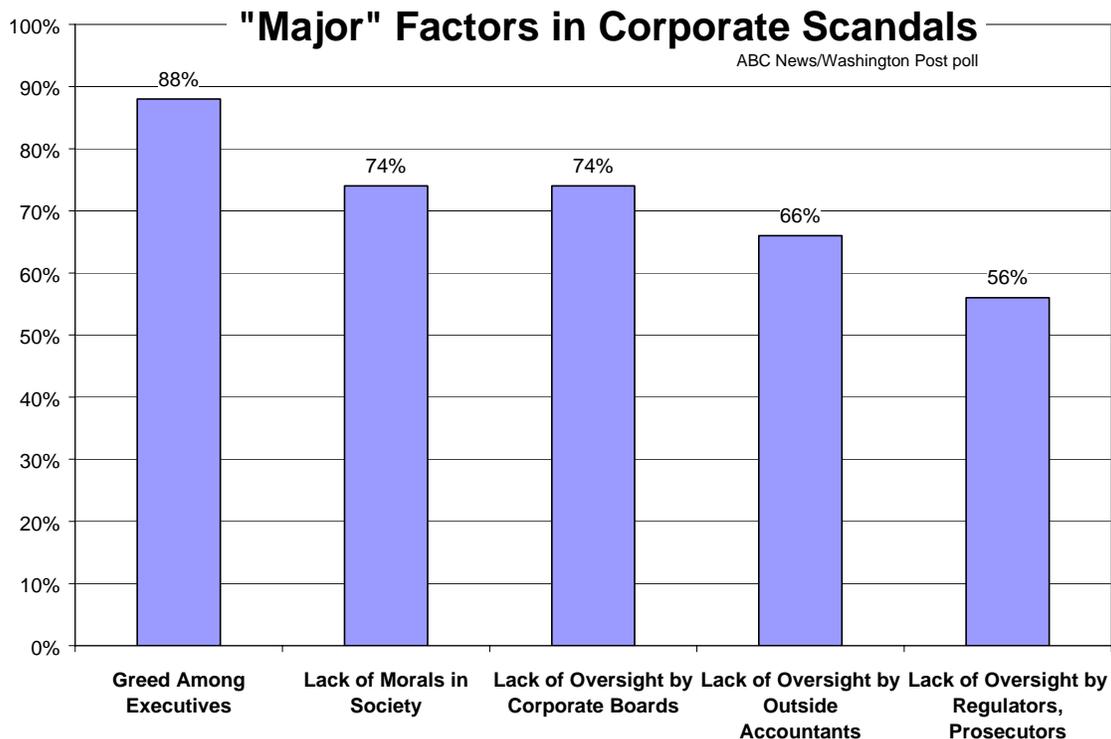


A challenge is for Bush to address these concerns without alienating his base by being seen as promoting undue government bureaucracy. Support for a task force to oversee corporate investigations, for instance, is substantially less popular among conservative Republicans (61 percent support) than among liberal Democrats (77 percent support).

A related issue – questions about Bush’s own dealings while on the board of an oil company called Harken Energy – doesn’t appear to have damaged his own reputation for probity. Seventy-one percent in this poll describe him as “honest and trustworthy,” the most in ABC/Post polls. (Again, his post-Sept. 11 popularity may be helping.)

FACTORS – And Bush does look to have struck a chord with his suggestion that corporate fraud represents a broader failure of morals. Three-quarters of Americans say a “lack of morals in society” is a “major factor” in the scandals, as many as cite a lack of oversight by boards of directors at the companies involved.

One factor gets more mentions: Simple greed, with 88 percent saying greed among corporate executives is a major factor in the scandals. Somewhat lower on the list are a lack of oversight by outside accountants, cited by 66 percent; and a lack of oversight by government regulators and prosecutors, cited by 56 percent.



	"Major factor" in corporate scandals
Greed among executives	88%
Lack of morals in society	74
Lack of oversight by corporate boards	74
Lack of oversight by outside accountants	66
Lack of oversight by regulators, prosecutors	56

Bush's suggestion that a broader moral failure is partly the cause resonates best in one of his core support groups – evangelical white Protestants, among whom 85 percent call it a “major factor” in the scandals. But, notably, this view has wide appeal, taking in more than seven in 10 Democrats, independents and Republicans alike, and crossing ideologies from 73 percent of liberal Democrats to 82 percent of conservative Republicans.

PUNISH – With greed the top perceived factor, support for penalties is vast: Ninety-one percent of Americans favor higher fines and longer prison terms for corporate executives who conceal their companies' true financial condition; a remarkable 73 percent support such measures “strongly.”

Support is less vast, and decidedly less strong, when it comes to a second measure urged by Bush – creation of a federal task force to coordinate investigations of possible corporate crimes. Sixty-nine percent support it, 41 percent “strongly.”

EFFECT – While both these Bush-backed steps are popular, there's some doubt about how well they'll work. While 52 percent think the measures he's proposed will help, far fewer – 21 percent – think they'll do “a great deal” to reduce corporate crimes.

Indeed, while support for a focus on new legislation has risen, it's still overshadowed by interest in better enforcement of existing laws. Thirty-seven percent think new laws are needed, up from 29 percent last month; but 48 percent say better enforcement is the key.

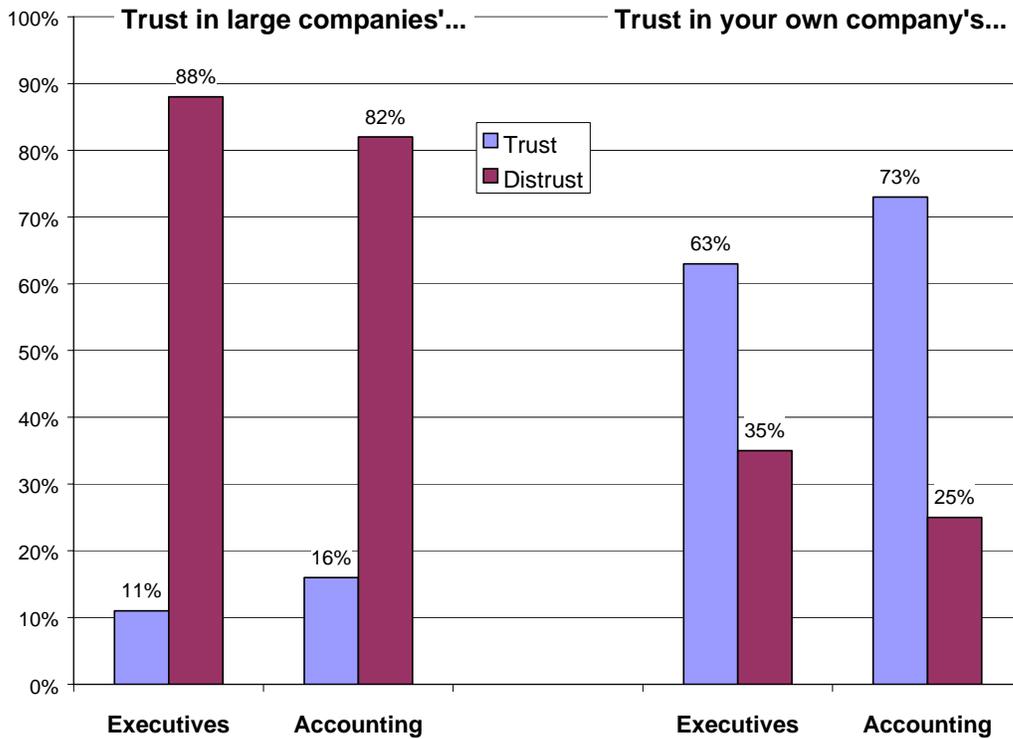
Needed:	July	June
New laws	37%	29%
Better enforcement	48	53
Neither	9	9
Both equally (vol.)	5	4

SIZE OF EMPLOYER – Workers in smaller companies, with fewer than 100 employees, are more apt to trust their companies' executives or leaders – 74 percent do so, compared to 53 percent of workers in larger firms. But there's no such difference in trust of employers' financial accounts; more than seven in 10 express trust regardless of the size of the company they work for.

Such trust is hardly absolute: Overall, 46 percent of workers express a “great deal” of trust in their companies' accounts, and 39 percent express a “great deal” of trust in their company leaders. By contrast, as noted above, majorities of all Americans express the

most minimal trust – little or none – in corporate executives, and financial accounts, in general.

	Trust:			
	Great deal	Good amount	Just some	Little /none
Corporate executives	2%	9	35	53
Own company's executives	39	24	23	12
Corporate accounting	4	12	31	52
Own company's accounting	46	26	13	12



METHODOLOGY – This ABC News/Washington Post poll was conducted by telephone July 11-15, 2002, among a random national sample of 1,512 adults. The results have a 2.5-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/us/PollVault/PollVault.html>

Media contact: Todd Polkes, (212) 456-4586

Results used in this analysis follow. Additional results will be released in subsequent reports. * = less than 0.5 percent

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

	-----Approve-----			-----Disapprove-----			No opin.
	NET	Strongly	Somewhat	NET	Strongly	Somewhat	
7/15/02	72	42	31	25	13	12	2
6/17/02	74	42	32	22	13	9	4
6/9/02	77	41	36	20	11	9	3
5/19/02	76	48	28	22	13	8	3
4/21/02	78	47	31	20	10	9	2
3/28/02	79	49	30	18	10	8	3
3/10/02	82	52	30	16	7	9	2
1/27/02	83	56	27	14	7	7	3
12/19/01	86	64	22	12	6	6	2
11/27/01	89	69	21	9	5	4	1
11/6/01	89	65	24	9	4	5	2
10/9/01	92	76	16	6	3	3	1
9/27/01	90	70	20	6	3	3	4
9/13/01	86	63	23	12	6	5	2
9/9/01	55	26	29	41	22	20	3
8/12/01	61	28	33	31	17	14	8
7/30/01	59	28	30	38	22	17	3
6/3/01	55	27	28	40	22	18	6
4/22/01	63	33	30	32	16	16	5
3/25/01	58	NA	NA	33	NA	NA	8
2/25/01	55	NA	NA	23	NA	NA	22

14. Do you approve or disapprove of the way Bush is handling:

	Approve	Disapprove	No opinion
1. The issue of financial fraud and accounting irregularities by large business corporations	49	43	7

15a. Overall, how much trust do you have in the honesty of executives of large business corporations - a great deal, a good amount, just some or very little?

	-----Trust-----			-----Not trust-----				No opin. *
	NET	Grt.deal	Good amt.	NET	Some	Little	None (vol.)	
7/15/02	11	2	9	88	35	48	5	

54a. (IF EMPLOYED) Overall, how much trust do you have in the honesty of the executives or leaders of the company where you work - a great deal, a good amount, just some or very little?

	-----Trust-----			-----Not trust-----				No opin.
	NET	Grt.deal	Good amt.	NET	Some	Little	None (vol.)	
7/15/02	63	39	24	35	23	11	1	

15b. Overall, how much trust do you have in the way large business corporations account for their financial condition - a great deal, a good amount, just some or very little?

	-----Trust-----			-----Not trust-----				No opin.
	NET	Grt.deal	Good amt.	NET	Some	Little	None (vol.)	
7/15/02	16	4	12	82	31	45	7	

54b. (IF EMPLOYED) Overall how much trust do you have in the way the company where you work accounts for its financial condition - a great deal, a good amount, just some or very little?

	-----Trust-----			-----Not trust-----				Does not	No
	NET	Grt.deal	Good amt.	NET	Some	Little	None (vol.)	(vol.)	opin.
7/15/02	73	46	26	25	13	11	1	1	2

16. Do you think there should be new laws regulating the way companies account for their financial condition, or better enforcement of existing laws, or is the current situation OK?

	New laws	Better enforce.	Situation OK	New laws & better enforce. (vol.)	No opin.
7/15/02	37	48	9	5	2
6/30/02	29	53	9	4	5
1/27/02	30	56	8	3	3

17. Do you support or oppose stricter penalties, including longer prison terms and higher fines, for corporate executives who conceal their company's true financial condition? Do you support/oppose that strongly or somewhat?

	-----Support-----			-----Oppose-----			No
	NET	Strongly	Somewhat	NET	Strongly	Somewhat	opin.
7/15/02	91	73	18	6	3	4	3

18. Do you support or oppose creating a federal task force to oversee and coordinate government investigations of possible corporate financial crimes? Do you support/oppose that strongly or somewhat?

	-----Support-----			-----Oppose-----			No
	NET	Strongly	Somewhat	NET	Strongly	Somewhat	opin.
7/15/02	69	41	29	28	13	15	3

19. How much do you think measures like stricter penalties and an investigative task force will do to reduce corporate financial wrongdoing in this country - a great deal, a good amount, just some or very little?

	-----Reduce more-----			-----Reduce less-----			None	No
	NET	Grt.deal	Good amt.	NET	Some	Little	(vol.)	opin.
7/15/02	52	21	31	46	32	15	1	1

20. Who do you trust more to handle the issue of financial fraud and accounting irregularities by large business corporations - (Bush) or (the Democrats in Congress)?

	Bush	Democrats	Both (vol.)	Neither (vol.)	No opinion
7/15/02	42	44	3	7	4

21. For each of the following, please tell me if you think it is or is not a factor in the recent corporate accounting scandals. IF YES: Would you say it's a major factor, or a minor factor?

7/15/02

Summary Table:

	-----Yes, Factor-----			Not a	No
	NET	Major	Minor	factor	opin.
a. A lack of morals in society	90	74	16	9	1

b. Greed among some corporate executives	95	88	7	2	2
c. A lack of oversight by outside accountants at the companies involved	87	66	21	9	4
d. A lack of oversight by government regulators and prosecutors	84	56	28	13	3
e. A lack of oversight by boards of directors at the companies involved	88	74	15	8	3

58. Do you think the steps Bush has proposed to reduce corporate financial wrongdoing in this country are too tough, not tough enough, or about right?

	Too tough	Not tough enough	About right	No opin.
7/15/02	1	54	38	7

25. Which political party, the (Democrats) or the (Republicans), do you trust to do a better job (INSERT ITEM).

7/15/02

	Democrats	Republicans	Both (vol.)	Neither (vol.)	No op.
k. Handling the issue of financial fraud and accounting irregularities by large business corporations	47	37	6	4	6

27. Please tell me whether the following statement applies to Bush or not:

b. He is honest and trustworthy

	Yes	No	No opin.
7/15/02	71	26	3
7/30/01	63	34	3
4/22/01	62	32	6
11/5/00 LV	60	33	7
11/4/00 LV	61	33	7
10/24/00 LV	65	30	5
10/15/00 LV	57	34	9
10/15/00 RV	53	35	12
9/6/00 RV	62	30	7
7/23/00 RV	61	30	8
7/23/00	59	31	10
12/15/99	63	28	9
10/31/99	68	22	10
9/2/99	63	23	14
3/14/99	67	12	22

29. 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 (vol.)	Neither (vol.)	No opin.
7/15/02	37	50	8	1	4
4/22/01	28	60	5	1	5
3/25/01	31	61	3	1	4

30a/30b. Do you think the (Democrats/ Republicans) in Congress care more about protecting the interests of (ordinary working people) or care more about protecting the interests of (large business corporations)?

7/15/02

	Ordinary people	Large corporations	Both (vol.)	Neither (vol.)	No opin.
a. Democrats	49	37	4	5	6
b. Republicans	27	60	5	1	6

END