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The President as Portfolio Manager? Personal Finance Gets Political

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An analysis of recent polling results indicates that voters next year may be looking for a president who can manage their personal financial portfolios as well as the nation's economy.

Analysis of Allstate *National Journal* Heartland Monitor Poll shows voters' view of personal finances depends on party

Since early 2006, when the Pew Research Center for the People and the Press first noticed that voters were beginning to view the nation's economic performance through partisan lenses, countless polls—including the Allstate/*National Journal* Heartland Monitor Poll—have reaffirmed the trend. But in [the latest installment of the Allstate/*National Journal* Heartland Monitor Poll](#) series, Financial Dynamics (FD) discovered a new wrinkle:

The partisan prism now extends to Americans' personal finances.

Asked to forecast their personal financial situation one year from now, 44 percent of Democrats predicted their personal finances will improve, while 11 percent said they will become worse. Republicans took the opposite view: 18 percent said their situation will improve; 34 percent said it will become worse. Independents essentially split the difference: 38 percent expect their personal finances to improve; 24 percent believe they will become worse.

Voters no longer use their personal political lenses to gauge only the state of the economy overall; they have come to see the president's economic policy decisions as having a direct impact on their own personal financial situation.

In other words, these voters might support the candidate they judge to be the best portfolio manager.

Traditionally, the assumption has been that voters' income or education levels—much more than their partisan leanings—influence their views of their personal financial situations. One reason: Americans who have a high school diploma are [more than twice as likely to be out of work](#) than higher-income earners who are college educated.

In our latest survey, however, FD found that when it comes to personal financial assessments, not only are income and education *not* bigger drivers than partisanship, they aren't drivers at all. Among respondents with household incomes less than \$50,000:

- 35 percent said their personal financial situation will improve over the next year;
- 37 percent said it will remain the same;
- 24 percent said it will become worse.

Those numbers were almost identical for those with incomes of \$50,000 and higher:

- 36 percent said their personal financial situation will improve;
- 42 percent said it will remain the same;
- 21 percent said it will become worse.

Party affiliation appeared to have a much stronger influence than educational attainment on respondents' views of their own economic future. We found that Democratic voters without a degree were just as optimistic about their personal finances (45 percent thought they would improve; 11 percent become worse) as their college-educated counterparts (43 percent improve; 11 percent become worse). Republican voters, on the other hand, were equally pessimistic regardless of their level of education: 19 percent of those without a degree expect their finances to improve versus 34 percent who expect them to deteriorate. For college-educated Republicans, the figures were 17 percent and 33 percent.

What's more, voters' confidence in their own ability to handle important aspects of their financial lives also appears to be influenced by their political leanings. Among voters who approve of the job President Obama is doing, 64 percent say they are "very" or "somewhat" sure they can effectively invest their money, while only 49 percent of those who disapprove of Obama report the same confidence. Additionally, those who approve of Obama are also more likely to believe in their ability to protect themselves against unforeseen financial risks (73 percent "very" or "somewhat" sure) compared to those who disapprove of the president (59 percent "very" or "somewhat" sure).

How voters view President Obama appears to affect how they rate their ability to manage their personal finances by a measure of 14-15 percentage points. This is a fascinating finding, given that elsewhere in the survey we found that a significant majority of voters (59 percent) said their own skills and hard work were bigger drivers than the state of the economy (36 percent) in their ability to achieve the American Dream.

All of these findings square with what we hear, qualitatively, from voters in focus groups. They tell us that the economic and political stakes are extremely high right now and that one wrong decision (or a failure to act) could threaten our prosperity for decades. They acknowledge that President Obama came into office facing a challenging economy, but they also perceive that he made some pretty big bets at a time in which Americans believe that the U.S. is at a crucial moment in its history.

Are these attitudes right, wrong, rational, or irrational? It doesn't matter. As the old saying goes, "perception is reality." As pollsters, we can quantify the extent to which perception becomes reality for both those making political decisions and those weighing those decisions come Election Day.

The better—and much more important—question is: what does this mean for 2012? Our survey identified 12 percent of the electorate who say they approve of the job Obama is doing but don't say they would vote to reelect him in 2012. This type of voter will surely be among the main targets of both the president's reelection campaign and the campaign of the Republican challenger. But while both candidates will undoubtedly try to sway these voters based on the state of the overall economy, these voters may be just as likely to vote based on the state of their personal finances.

Viewed through the lens of the personal financial expectations of these swing voters, President Obama's reelection prospects enjoy a slight advantage. Why? More than four in 10 of these voters expect their personal finances to improve over the next year; the same proportion say they will remain the same, while 11 percent expect them to become worse.

If the economic status quo is good enough (hardly a settled issue this far out from Election Day), the 82 percent of these swing voters who say their finances will improve or remain the same could swing to President Obama. But the 52 percent of voters who say their finances will remain the same or get worse could swing against him, signaling the economic status quo is not good enough and driving another "change" election.

This analysis focuses on the 872 registered voters surveyed in an Allstate /*National Journal* Heartland Monitor poll of 1,000 adults, conducted March 4-8 by FD. The margin of error was +/- 3.1 percent.

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