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Cantor Shocker and New Survey Puts Anger at Wall Street at Center of Political Debate

Survey Memo

To: Interested Parties

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Pundits have blamed Eric Cantor's shocking upset in the Virginia 7th District Republican primary on many things, from immigration, to the broader alienation of "establishment" Republicans from their activist, Tea Party base, to Cantor's poor performance minding his own district. But challenger David Brat put the coddling of big banks and Wall Street at the center of his campaign. For example, in a radio interview last month, Brat said:

> "The crooks up on Wall Street and some of the big banks — I'm pro-business, I'm just talking about the crooks — they didn't go to jail, they are on Eric's Rolodex."

In his campaign, Brat emphasized corruption, bailouts and Wall Street as much as immigration and other issues.

Republican primary voters in the Richmond suburbs are in good company with voters across the country fed up with Wall Street and frustrated with Washington's complicity in protecting Wall Street's too-big-to-fail bankers and their high risk gambling and egregious law breaking. Recent research, including a new national survey of 1,000 likely voters, makes it clear that voters not only distrust Wall Street and big banks, but want strong, serious reform. Voters believe financial markets are "rigged for insiders," and "hurt everyday Americans."

A strong, bipartisan majority of likely 2014 voters support stricter federal regulations on the way banks and other financial institutions conduct their business. Voters want accountability and do not want Wall Street pretending to police themselves: they want real cops back on the Wall Street beat enforcing the law.

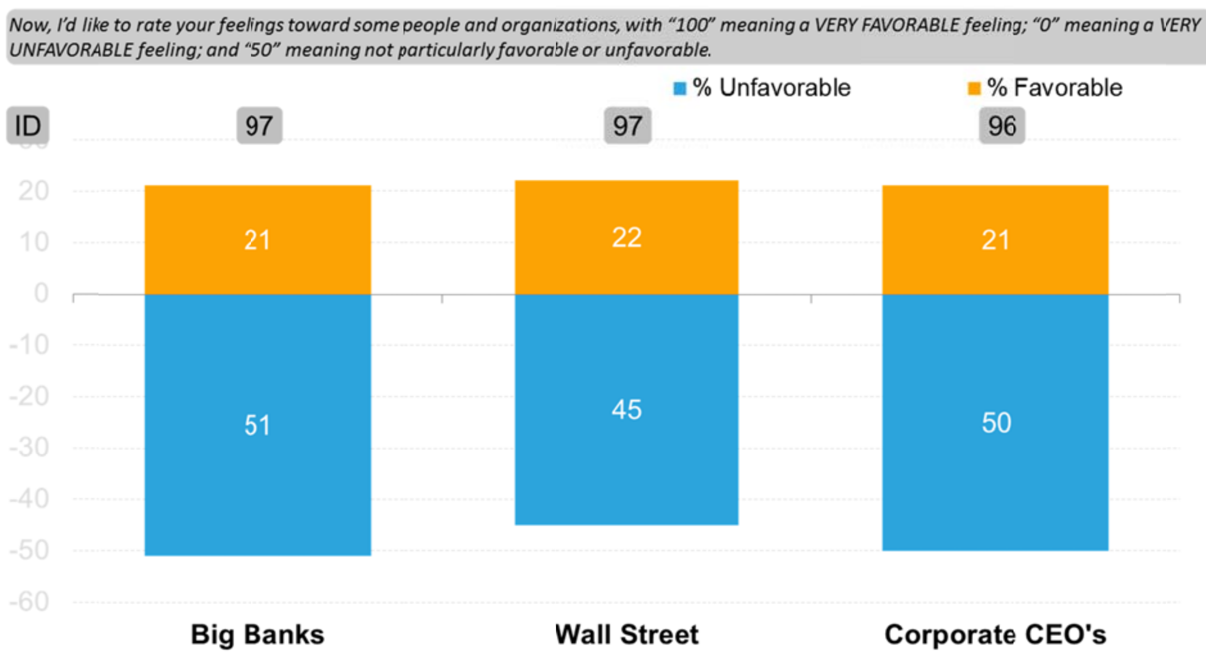
Greenberg Quinlan Rosner, on behalf of Better Markets, conducted a national survey of 1,000 likely 2014 voters exploring reactions to financial actors, support for financial reform and voters' understanding of how Wall Street impacts the economy and

American people.[1] This survey was informed by two national, online focus groups and a linguistic analysis on the discourse of financial reform.

Key Findings

- **Voters still regard Wall Street and big banks as "bad actors."** A 64 percent majority believes "the stock market is rigged for insiders and people who know how to manipulate the system." Another 55 percent majority believes "Wall Street and big banks hurt everyday Americans by pouring money into 'get-rich-quick' schemes rather than real businesses and investments." Therefore, not surprisingly, most financial institutions generate huge negatives among voters.

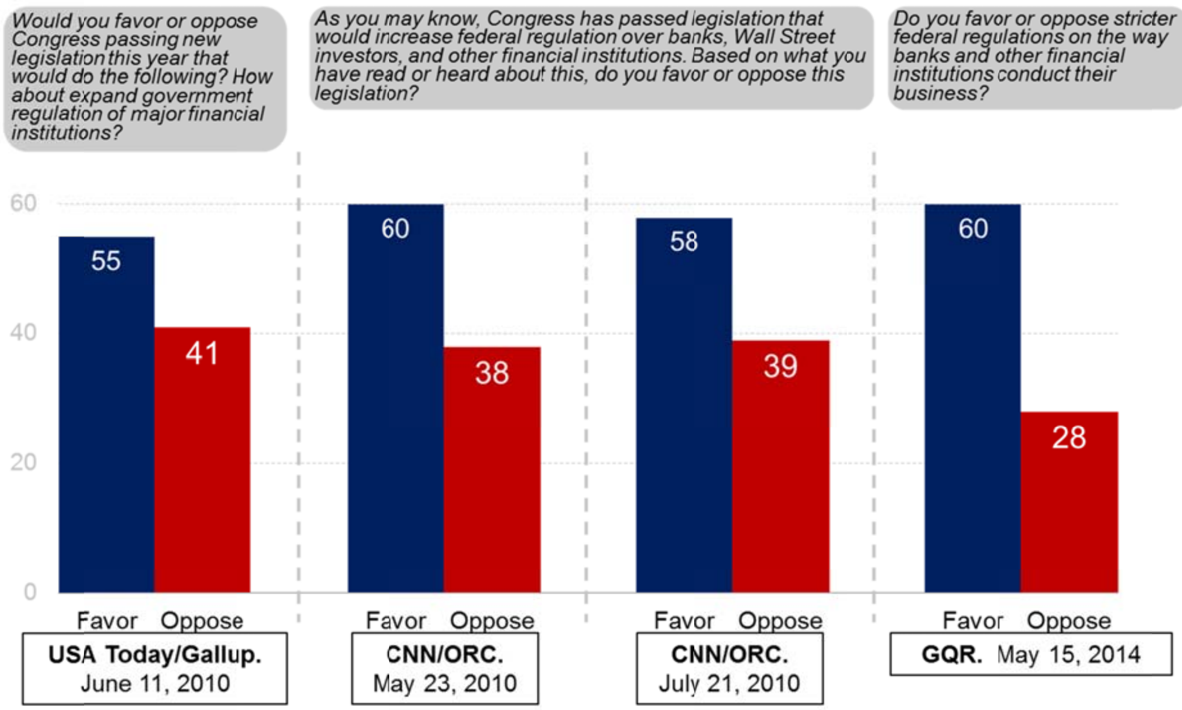
Figure 1: Favorability of Financial Actors



- **A 60 percent majority favors "stricter regulation on the way banks and other financial institutions conduct their business," and just 28 percent oppose**. Strong supporters outnumber strong opponents by a 35 to 15 percent margin. These findings are consistent with other public data on this issue. Moreover, a battery of pro-reform messages moves support for reform from 60 percent favor to 72 percent and strong support jumps from 35 percent to 46 percent.

[1] Between May 8 and 15, 2014, Greenberg Quinlan Rosner conducted a nationally representative telephone survey of 1,000 likely 2014 voters. This survey included both a landline and cell phone component and carries a margin of error of +/- 3.5 percent.

Figure 2: Support for Stricter Regulations on Financial Institutions



- **Support for stricter regulations inspires bipartisan support.** Tea Party Republicans in the 7th District are not alone in wanting Washington to protect them from Wall Street. Stricter regulations generate large and wide partisan support, including among Democrats (74 percent favor, 17 percent oppose) and Independents (56 percent favor, 32 percent oppose), as well as a comfortable plurality of all Republicans (46 percent favor, 39 percent oppose). Most notably, voters who own stocks are slightly more likely to support stricter regulation than voters overall (63 percent favor, 27 percent oppose).

- **Voters see and condemn existing government efforts to regulate financial markets as a failure**. An 89 percent majority of voters rate the federal government's work here as "only fair" or "poor." In the focus group, voters described the government as complicit in Wall Street abuse. As one participant noted, "the government is actually in bed with the banks."

- **There is urgency to this issue. Voters believe another crash is likely *and* that regulation can help prevent another disaster.** An 83 percent majority of voters believe another crash is likely within the next 10 years, and 43 percent very likely. Another 55 percent, however, agree "Stronger rules on Wall Street and big financial institutions by the federal government will help prevent another financial collapse."

Conclusion

Cantor lost in no small measure because he forgot that voters want their own interests represented. Voters do not want politicians putting the interests of K Street lobbyists and Wall Street ahead of their interests. This view is shared by voters throughout the country. This research suggests that ignoring voters' anger with Wall Street—and its protectors in Washington—comes at incumbents' own peril.