



Subject: Presidential race and consumer sentiment
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How will the presidential election influence consumer confidence? President Kennedy chose as a campaign slogan “getting American moving again” to signify his intention to use tax policies to help the macroeconomy secure renewed growth from the recession that was ongoing during his presidential campaign. Every presidential election in the following half century has recognized that a key element of a winning campaign involved establishing a sense of economic optimism and confidence. The University of Michigan surveys have regularly investigated how the presidential candidates were perceived by consumers. A representative sample of consumers were asked in the June to August 2016 surveys who they expected to win the election, not who they intended to vote for or favored, to determine the potential impact on their economic expectations. In addition, consumers were specifically asked which candidate would be better for their personal finances and for the entire economy.

The results show an impressive increase over the past three months in the portion of consumers that anticipated a Clinton victory, ranging from a +14 percentage point advantage for Clinton in June, to a +27 point advantage in July, and a +43 percentage point advantage in August (see the table). All of the gains for Clinton were concentrated among Republicans and Independents as well as growing margins spanning across all income, age, and educational subgroups. The difference in the Index of Consumer Expectations, the main summary gauge of future economic prospects, grew in Clinton’s favor from +7.3 Index-points in June to +17.4 points in August, a significant increase. In past elections, this shift in opinions would normally be associated with a larger number of consumers who anticipated that Clinton would improve consumers’ personal finances and improve conditions in the overall economy. That has not happened as opinions have remained nearly evenly split.

The number of consumers that thought it would make no difference to their finances or the economy regardless of who was elected has so far dominated the results. There were only slight differences between the candidates, with Trump slightly ahead on personal finances—Trump’s 32% versus Clinton’s 28%—and Clinton slightly ahead for the overall economy—Clinton’s 34% versus Trump’s 31%. To be sure, as the campaigns have progressed over the past few months, fewer consumers in each demographic subgroups held that neither candidate would make a difference, with the gains shared by both candidates.

Overall, although Clinton is now perceived as the overwhelming favorite to win the presidential election, her ascendance has not been accompanied by a rising expectation that her economic policies would prove best for consumers’ personal finances or to improve the overall economy. It may well be that consumers do not pay full attention to the details of each candidates economic policy proposals until after Labor Day, the traditional start of the presidential election campaigns.

	Who will be Elected						Who is Better for Your Personal Finance									Who is Better for the Economy								
	Clinton			Trump			Clinton			Trump			No Diff			Clinton			Trump			No Diff		
	Jun	Jul	Aug	Jun	Jul	Aug	Jun	Jul	Aug	Jun	Jul	Aug	Jun	Jul	Aug	Jun	Jul	Aug	Jun	Jul	Aug	Jun	Jul	Aug
All Households	54	61	69	40	34	26	24	26	28	25	26	32	50	47	40	28	34	34	33	28	31	36	37	34
Expectation Index	86.6	82.8	84.0	79.3	69.7	66.6	95.1	92.9	94.4	75.5	60.4	61.9	79.9	79.5	77.6	101.2	93.1	101.6	75.6	63.7	64.0	74.2	74.9	69.7
Party																								
Democrat	86	86	88	12	11	11	51	49	57	4	6	8	46	45	35	60	62	65	3	6	7	36	31	28
Independent	48	56	67	45	37	25	19	20	22	20	25	28	61	53	50	22	27	30	31	27	26	45	43	43
Republican	31	36	49	68	57	47	3	5	4	60	55	63	37	40	33	4	7	5	72	58	67	24	32	28
Income																								
Bottom Third	41	59	67	49	33	26	18	25	31	19	19	26	63	53	42	18	32	36	31	21	25	49	44	39
Middle Third	58	57	68	39	38	28	28	23	23	25	30	35	47	46	43	31	32	31	34	36	36	35	30	33
Top Third	65	65	71	32	31	25	28	31	29	32	28	34	40	41	37	37	38	34	35	25	33	27	36	32
Age																								
Under 35	51	62	70	42	34	26	23	23	28	18	18	33	59	59	39	28	34	39	24	21	27	44	44	33
35 to 49	57	63	67	40	33	25	24	33	24	27	27	30	49	41	45	27	41	31	34	25	32	40	34	35
50 to 64	57	61	70	36	32	26	28	26	31	28	31	35	43	42	34	32	30	31	37	33	35	29	36	34
65 or older	51	57	68	45	36	29	22	23	26	29	27	28	50	46	46	27	33	34	37	32	31	36	32	35
Education																								
High sch or less	46	53	65	49	39	32	20	18	23	24	24	35	56	56	42	18	24	27	33	30	39	48	43	34
Some college	43	51	58	51	43	34	22	21	16	24	31	39	53	46	45	24	28	22	33	35	40	39	34	37
College degree	65	72	76	31	23	20	28	34	37	27	22	26	45	43	37	37	44	43	34	21	23	29	34	33

Note: Table entries are percentages of the group indicated in the left column. Percentages do not add to 100% since they do not include “Don’t knows.” The questions were: Regardless of how you intend to vote, who do you think will actually be elected president—(Donald Trump, the Republican, or Hillary Clinton, the Democrat / Hillary Clinton, the Democrat or Donald Trump, the Republican)? Looking ahead to the next two years or so, do you think economic conditions in the country as a whole would be better if (Trump/Clinton) were elected, would economic conditions be better if (Clinton/Trump) were elected, or wouldn’t it make much difference? Now thinking about your (family’s) financial situation over the next two years or so, do you think that you (and your family living there) would be better off financially if (Trump/Clinton) were elected, would you be better off financially if (Clinton/Trump) were elected, or wouldn’t it make much difference?