



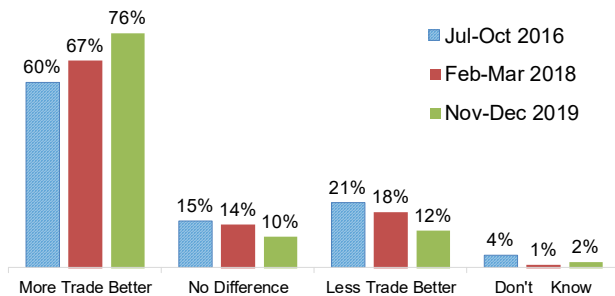
Subject: Impact of trade on the domestic economy.

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Consumers were asked about whether more or less trade with other countries would be better for the domestic economy. The question was asked in 2016, prior to the national election, and in 2018 and 2019. Note that the question only asks about the desirability of trade, leaving the terms of trade unspecified. The data indicate that consumers' views about encouraging more trade have grown significantly over the past few years. In the 2019 survey, 76% of all consumers thought more trade would be better for the economy, up from 60% in 2016. Since 2016, the use of tariffs on imported goods has become a centerpiece of Trump's economic policies. It is likely that the use of tariffs has prompted consumers to voice greater support for trade. Indeed, the monthly Surveys of Consumers have repeatedly recorded a significant share of consumers who have spontaneously mentioned the negative impacts from tariffs on prices and the overall economy. Just 12% of all consumers in 2019 thought that less trade with other countries would be better for the domestic economy, down from 21% in 2016.

Would More Trade or Less Trade with Other Countries Be Better for the U.S. Economy?



The charts below show the balance of opinion about trade (%more-%less) across socio-economic subgroups and by party affiliation. For all consumers, the net favorable balance of opinion increased to 64 points, from 49 in 2018 and 39 in 2016, representing a strong increase in the proportion favoring trade. The 2019 increase in favorable views about trade was found across all demographic subgroups as well as for party affiliation, with each subgroup registering its most favorable opinions about trade in the past few years. It was still true that Democrats favored trade more than Republicans, upper income households were more likely to favor trade than lower income households, and consumers with college degrees were more likely to favor trade than those with less education. The gains in favorable views of trade were substantial across all political affiliations, with Democrats gaining 20 points from 2016, Independents gaining 32 points, and Republicans gaining 21 points. Substantial changes were recorded from 2016 across age groups, ranging from 30 points among those under age 35 to 24 points among those aged 65 or older. Across income subgroups, the gains from 2016 were also substantial, ranging from 25 points for households with incomes in the bottom third, nearly identical to the 24 point increase among those with incomes in the top third. The gains across education subgroups were much smoother but still relatively large, ranging from 21 points for the lowest education group to 15 points among the highest. Overall, the data imply that consumers' experience with tariffs have produced a significant shift toward the view that the national economy would improve with more trade.

Would More Trade or Less Trade with Other Countries Be Better for the U.S. Economy? (%More - %Less)

