Public Opinion 10 Years After the Financial Crash

By Karlyn Bowman

September 2018

Key Points

- Survey data collected before the 2008 financial crisis show that Americans have long had doubts about Wall Street, banks, and financial institutions, even though they recognize that these institutions are necessary for the US economy to flourish.
- The 2008 crash profoundly affected people's views of Wall Street, the economy, and their family's prospects. For example, in a November 2009 Gallup poll, the view that it was a good time to find a quality job dropped to its lowest level ever, 8 percent.
- There has been a small recovery in the major confidence-in-institutions indicators, and most Americans do not feel the economic system is more secure today than it was before the financial crisis.

In a March 13, 2018, interview, the host of the popular radio program *Marketplace*, Kai Ryssdal, asked Timothy Geithner, Henry Paulson, and Ben Bernanke what their regrets were about the actions they took during the 2008 financial crisis. Former Treasury Secretary Geithner spoke first, noting, among other things, the "huge loss of confidence in public institutions."[1] His predecessor Paulson answered that life for anyone in their positions in the future would be much harder because "what we did was so unpopular. . . . I was never able to make the connection between what it is this financial system does for the average American. . . . We weren't doing this for Wall Street."[2] The former Fed Chairman Bernanke added, "We didn't make that case."[3] *Marketplace* described the interview this way: "In a historic conversation, Timothy Geithner, Ben Bernanke, and Henry Paulson talk about how they lost the country when they saved the economy."[4]

With the distance of a decade, we review how the public reacted to the crash in 2008 and what has changed since that time. Did these government leaders lose the country? Have Americans' views about the economy and their own prospects recovered? Who did Americans blame, and how has public opinion about banks and Wall Street and regulation of these institutions changed? Do people believe our financial system is more secure today?

Revisiting 2008: The Country

Reviewing the polls from 2008 provides a vivid reminder of the impact the crash had on the American people. Concern about the economy was already high early in 2008. In March, Gallup reported that the percentage of people mentioning the economy as the most important problem facing the country had almost doubled since January.[5] In April, the organization reported that optimism about the future direction of the economy had plunged.[6] An early September Associated Press/Yahoo online poll found that 61 percent said the economy was extremely important to them personally, and another 29 percent said it was very important.[7] Americans said the economy would be the top issue for them in casting their votes in the November election.

Americans started following developments in the financial sector closely in September 2008, beginning with the federal takeover of Fannie Mae and Freddie Mac on September 6, followed by the collapse of Lehman Brothers and the bailout of American International Group in mid-September. On September 24, Republican presidential candidate John McCain temporarily suspended his presidential campaign to draft legislation to respond to the crisis and suggested he and Barack Obama postpone a scheduled debate. (They debated as scheduled.) Later in the month, Congress rejected a $700 million Wall Street rescue package known as the Troubled Asset Relief Program (TARP), and the Dow dropped 778 points, the single worst drop in its history up until that time. On October 3, Congress passed a revised version of TARP. Given these significant events, it is hardly surprising that the public was riveted to news about the crisis.

The Pew Research Center found in late September 2008 that 70 percent of Americans were following reports about the US economy's condition very closely, up from 56 percent the previous week. Pew noted that the crisis became one of the top 10 most closely followed news stories in the two decades of Pew's News Interest Index surveys.[8] In a Gallup/*USA Today* survey from late September, 41 percent said the troubles in the economy had made them "personally feel afraid." In another question, 53 percent in the poll said the events of the past two weeks had made them "feel angry."[9]

In its preliminary reading for October, consumer confidence in the University of Michigan's Survey of Consumers dropped precipitously, registering the steepest monthly decline in the 50-plus-year history of the survey.[10] After the presidential election, Gallup found that 74 percent thought it was very or somewhat likely that the country would be in an economic depression within the next two years, up from 59 percent in March. In another question, 60 percent said it was the biggest economic crisis the United States had faced in their lifetimes.[11] Many thought the US financial system could collapse.

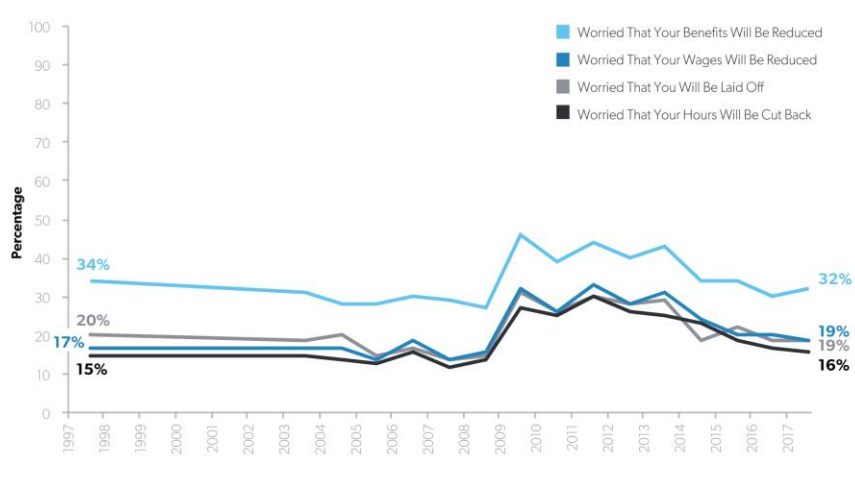
Revisiting 2008: The Personal Dimension

Concerns about the national economy quickly translated into concerns people had about their personal financial well-being. In another Gallup/*USA Today* poll from September 2008, 55 percent said they were worse off financially than they had been a year before. Gallup noted that this response "tied for the most negative reading in Gallup's 32-year history" of asking the question.[12] In Gallup's October poll, 55 percent said they had cut back household spending as a result of recent problems in the markets and economy.[13] Nearly half, 49 percent, in an October Associated Press/GfK Roper poll worried a lot that the crisis would have a major negative impact on them over the long term, and another 30 percent worried somewhat.[14]

As Figure 1 shows, Gallup saw significant change from its August 2008 readings to its August 2009 assessments when adults employed full or part time were asked

Figure 1. Worries for the Future

Q: Next, please indicate whether you are worried or not worried about each of the following happening to you, personally, in the near future. How about . . . ?



Source: Gallup, "Work and Workplace," https://news.gallup.com/poll/1720/work-work-place.aspx.

whether they were worried about certain things happening to them personally in the near future. (The question did not mention the crash.)

The percentages of Americans who worried that they would be laid off and, separately, that their wages would be reduced doubled. Thirty-one percent worried that they would be laid off in 2009, up from 15 percent the year before. Thirty-two percent worried that their wages would be reduced, up from 16 percent in 2008. Twenty-seven percent worried that their hours would be cut back in 2009, up from 14 percent in 2008. Concern about benefits being reduced rose from 27 percent in 2008 to 46 percent in 2009. Responses on each of these questions reached all-time highs during the crisis and its aftermath. They remained high for some time. By 2017, however, all four Gallup indicators were near or above their precrash levels.

Two other questions from Gallup and Pew ask Americans about job prospects, and both show the depths to which public opinion sank during the crisis. In Gallup's question, the view that it was a good time to find a quality job dropped to its lowest level ever, 8 percent, in November 2009. The turnaround has been impressive. When the question was asked in July 2018, 68 percent said it was a good time to find a quality job. In February 2009, 11 percent told Pew there were plenty of jobs available where they lived. In March of 2010, 10 percent gave that response. In October 2017, the last time Pew asked the question, 50 percent did. (See Figure 2.)

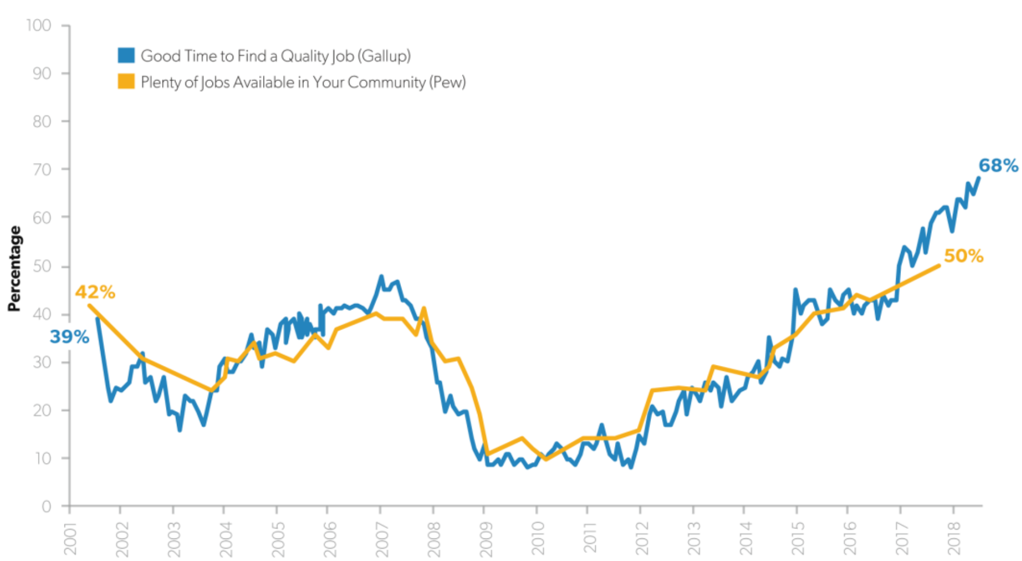
Confidence in Banks and Financial Institutions: The Long Road Back?

Confidence in most central institutions has declined since the pollsters began asking about it regularly 40 years ago. There are only a few exceptions to the downward trend: Confidence in the military is high and stable. Confidence in "small business" is generally robust.

As Figures 3 and 4 show, the public's level of confidence in banks and financial institutions has been volatile, and the Gallup and the National

Figure 2. Job Availability

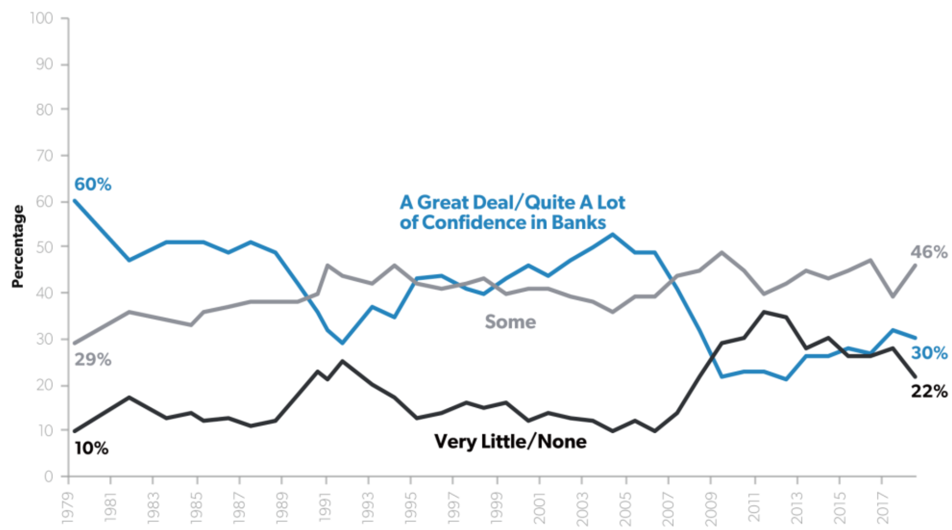
Q: Thinking about the job situation in America today, would you say that it is now a good time or a bad time to find a quality job? (Gallup)
Q: Thinking about job opportunities where you live, would you say there are plenty of good jobs available or are good jobs difficult to find? (Pew)



Source: Jim Norman, "Optimism About Availability of Good Jobs Hits New Heights," Gallup, May 21, 2018, https://news.gallup.com/poll/234587/optimism-availability-good-jobs-hits-new-heights.aspx; and Pew Research Center, "Views of Job Situation Improve Sharply, but Many Still Say They're Falling Behind Financially," November 7, 2017, http://www.people-press.org/2017/11/07/views-of-job-situation-improve-sharply-but-many-still-say-theyre-falling-behind-financially/.

Figure 3. Confidence in Banks

Q: Now I'm going to read you a list of institutions in American society. Please tell me how much confidence you, yourself, have in each one—a great deal, quite a lot, some, or very little?



Source: Gallup, "Confidence in Institutions," https://news.gallup.com/poll/1597/confidence-institutions.aspx.

Opinion Research Center's (NORC) General Social Survey trend data show the damage that two different events have done to these institutions. Sixty percent had a great deal or quite a lot of confidence in banks in 1979 when Gallup first asked about them. High confidence dropped to 29 percent in 1991 after the savings and loan crisis of the late 1980s and early 1990s. Then confidence began to inch up again.

Americans were unusually optimistic across the board around the turn of the century, and high confidence in banks rose to 53 percent in 2004. High confidence dropped again to 22 percent in 2009 and to 21 percent in 2012. Confidence rose to 32 percent in 2017, which was the first time high confidence hit 30 percent in nine years.

In Gallup's latest reading from early 2018, 3 in 10 had this level of confidence in banks. Forty-six percent had some confidence, and 22 percent had very little or none. In this 2018 poll, in which Gallup asked about 15 institutions, high confidence in banks fell well below high confidence in the military (74 percent) and above high confidence in Congress (11 percent). (See Figure 3.)

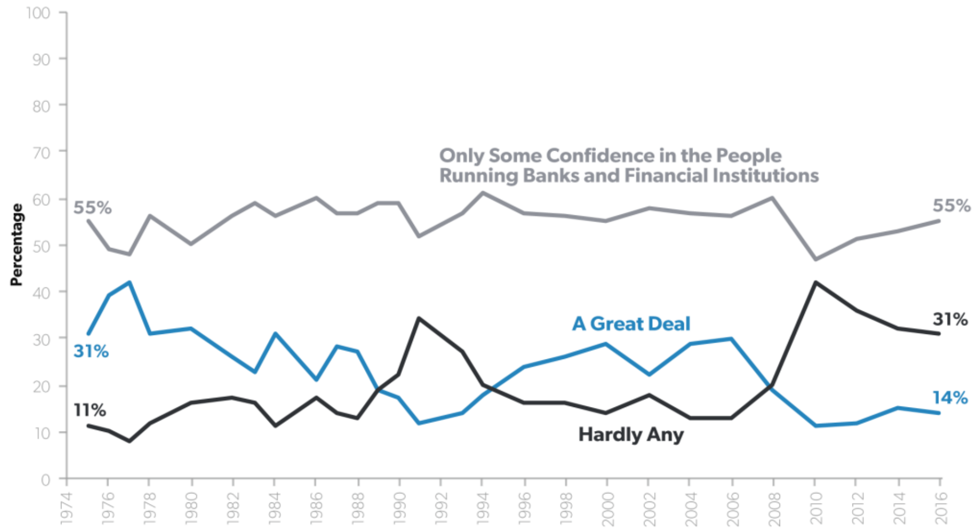
Data from NORC reveal a similar picture (Figure 4). The percentage who said they had a great deal of confidence in "the people running banks and financial institutions" dropped from 31 percent when the question was first asked in 1975 to 19 percent in 1989, 17 percent in 1990, and 12 percent in 1991, hitting its lowest point up until that time. This coincided with the savings and loan problems. High confidence dropped to its lowest point ever in the four-decade-long NORC trend in 2010, 11 percent. Confidence has since inched up, and in NORC's latest poll from 2016, 14 percent had a great deal of confidence.

In the Gallup and NORC surveys, the responses of Democrats, Republicans, and independents tend to move in tandem, although there are some variations. Both survey organizations' trends show Republicans generally exhibit slightly higher confidence than do Democrats and independents.

Starting in 1987 after the stock market crash in October that year and on seven occasions since, the University of Michigan's Survey of Consumers has asked Americans about their confidence in the Federal Reserve "compared to five years ago." (See Figure 5.) After the market crash in 1987, 9 percent said they were more confident in the Fed than they had been, 67 percent said their confidence had remained the same, and 19 percent said they were less confident.

Figure 4. Confidence in People Running Banks and Financial Institutions

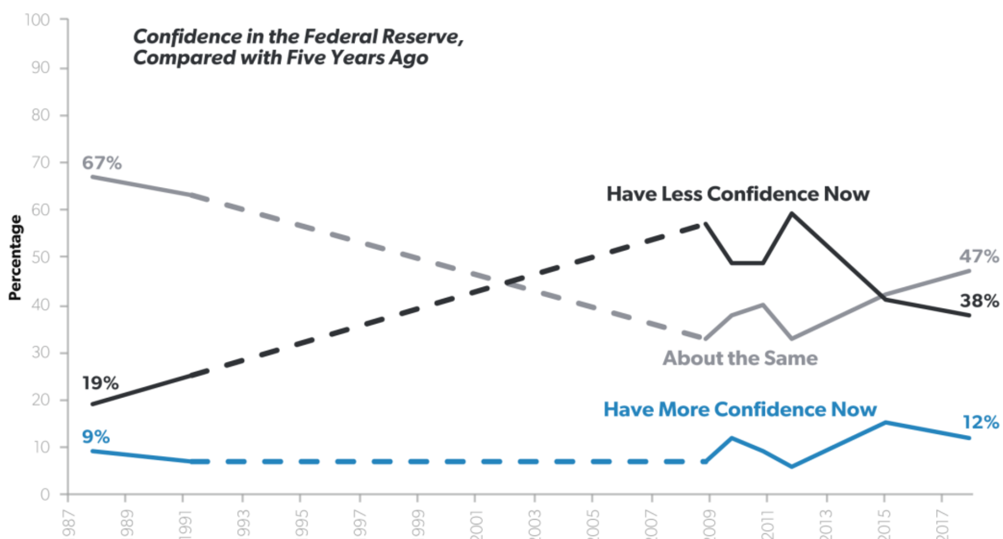
Q: I am going to name some institutions in this country. As far as the people running these institutions are concerned, would you say you have a great deal of confidence, only some confidence, or hardly any confidence at all in them?



Source: National Opinion Research Center, General Social Survey, https://gssdataexplorer.norc.org/variables/448/vshow.

Figure 5. Confidence in the Federal Reserve

Q: What about the Federal Reserve compared with five years ago, do you have a lot more confidence now, a little more confidence now, a little less confidence now, a lot less confidence now, or has your confidence in the Federal Reserve remained about the same?



Source: University of Michigan, Survey of Consumers.

After the financial crash in 2008, 7 percent said they were more confident in the Fed than they had been five years previous, a third said their confidence remained the same, and a whopping 57 percent said they had less confidence in the Fed than they had five years before.

The Special Case of Wall Street

Given the centrality of Wall Street institutions during the crash, it is not surprising that attitudes toward Wall Street, never particularly positive, took a hit in 2008. In 1977, and on two occasions in the 1980s and then occasionally after 1991, the Harris Poll asked a three-part question about confidence in the people in charge of running Wall Street. High confidence (those who said they had a great deal of confidence) reached 30 percent only twice: once in 1999 and again in 2000. High confidence dropped to 11 percent in 2008 and 4 percent in 2009. (See Figure 6.)

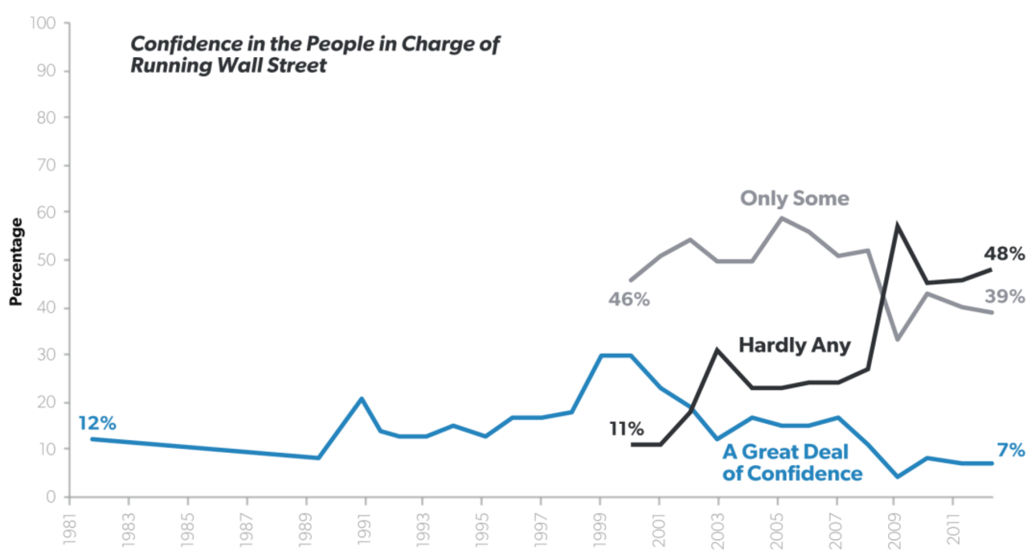
When the Cato Institute and YouGov asked people to rate their feelings about nine institutions in May 2017, 21 percent in the online poll had a favorable view of Wall Street, 13 percent a neutral view, and 57 percent an unfavorable one. Fifty-six percent had an unfavorable view of used-car dealers. Congress' unfavorable rating was slightly higher at 60 percent (Table 1).

In public opinion polls, people are of two minds about many things, and views of Wall Street provide an illustration. Between 1996 and 2012, Harris began asking a battery of questions about Wall Street that shed light on the contradictions in the public's views. No other pollster has picked up the full battery of Harris questions, but the 2017 Cato/YouGov online poll asked a handful of similar ones.

In one question, Harris asked people to agree or disagree with the statement that "Wall Street is absolutely essential because it provides the money business must have for investments."

Figure 6. Confidence in the People in Charge of Running Wall Street

Q: As far as people in charge of running Wall Street are concerned, would you say you have a great deal of confidence, only some confidence, or hardly any confidence in them?



Note: "Only some" and "hardly any" responses are not currently available from Roper before 2000. They are reported in iPoll as a combined response, and the data sets are not available. Harris reports only the "great deal" responses for past years in their releases.
Source: Harris Poll, "Virtually No Change in Annual Harris Poll Confidence Index from Last Year," press release, March 9, 2010, https://theharrispoll.com/wp-content/uploads/2017/12/Harris-Interactive-Poll-Research-Education-Confidence-2010-03.pdf; and Harris Poll, "Confidence in Congress Stays at Lowest Point in Almost Fifty Years," press release, May 21, 2012, https://theharrispoll.com/new-york-n-y-may-21-2012-the-harris-poll-has-been-measuring-the-confidence-of-the-american-public-in-the-leaders-of-major-institutions-since-1966-after-seeing-drops-in-confidence-in-almost-all/.

Table 1. Feelings Toward Institutions

Q: How would you rate your feelings toward each of the following on a scale of 0 to 100, where a rating of 100 means you feel as warm and favorable as possible and 0 means you feel as cold and unfavorable as possible? How do you feel toward . . . ?

	Favorable	Unfavorable
Small Business	75%	12%
Large Corporations	35%	45%
Mortgage Lenders/Brokers	31%	46%
Federal Government	31%	54%
Credit Card Companies	30%	50%
Government Financial Regulators	30%	47%
Used Car Dealers	26%	56%
Congress	23%	60%
Wall Street	21%	57%

Note: This was an online survey. Neutral response and "don't know/refused" are not shown. Favorable equals 53–100, and unfavorable equals 0–47.
Source: Cato/YouGov, "Cato Institute 2017 Financial Regulation Survey," May 2017, https://object.cato.org/sites/cato.org/files/survey-reports/topline/financial-regulation-survey-toplines.pdf.

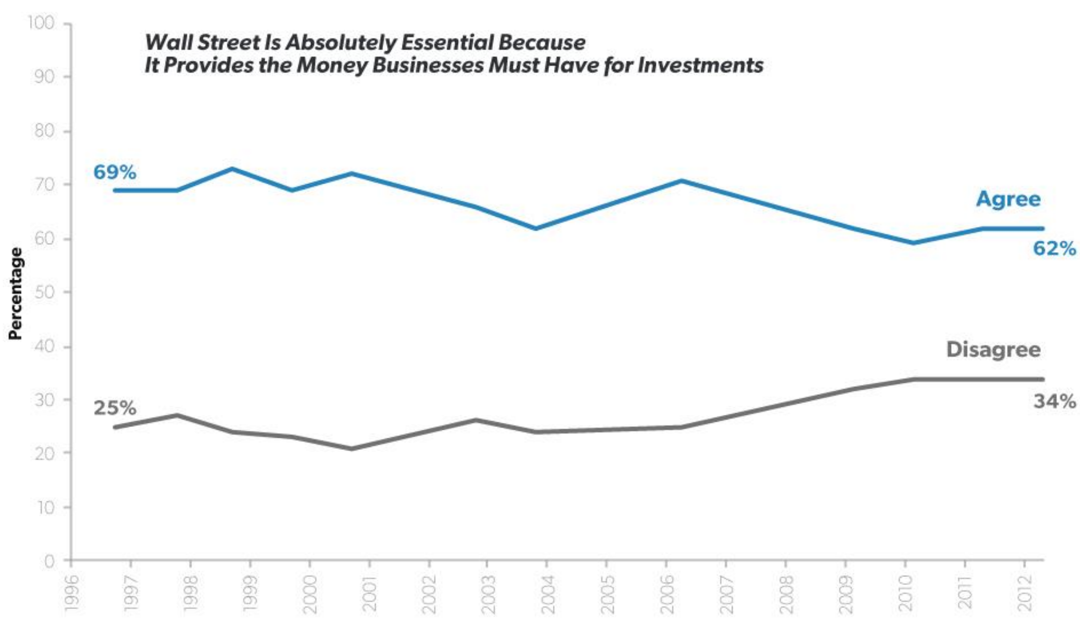
In each of a dozen surveys between 1996 and 2012, around 60 percent agreed with the sentiment, with a high of 73 percent saying they agreed in 1998. In the aftermath of the 2008 crash, 59 percent agreed—the lowest reading in Harris' trend (Figure 7). In the Cato/YouGov online survey from 2017, 64 percent agreed with the statement "Wall Street is essential because it provides the money business needs to grow, develop new products, and hire workers."[15]

At the same time, people believe Wall Street is dominated by immorality and greed and cares little for the average American. Another Harris question asked whether people on Wall Street are as honest and moral as other people. The last time Harris asked the question, in 2012, 28 percent agreed, and 68 percent disagreed (Figure 8). When the 2017 Cato/YouGov online survey asked the same question, 32 percent agreed.[16]

Harris also asked whether "most people on Wall Street would be willing to break the law if they believed they could make a lot of money and get away with it." The last time Harris asked the question in 2012, 70 percent agreed, and

Figure 7. Is Wall Street Essential?

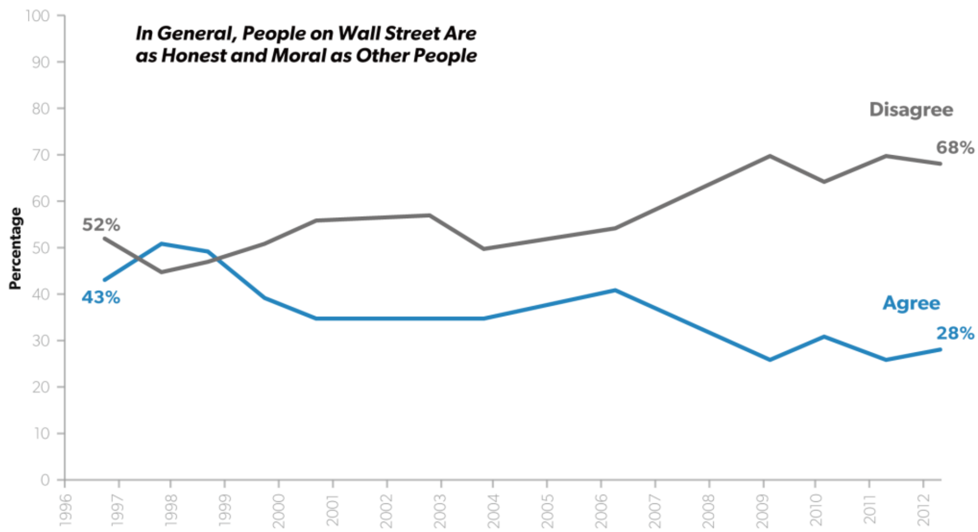
Q: Please say if you tend to agree or disagree with the following statements about Wall Street.



Source: Harris Poll, "Large Majority of Americans Favor Tougher Regulation of Wall Street," May 10, 2012, https://theharrispoll.com/new-york-may-10-2012-each-year-the-harris-poll-asks-a-series-of-questions-about-wall-street-which-is-defined-to-include-the-nations-largest-banks-investment-banks-stockbrokers-and-other/.

Figure 8. Morals and Honesty

Q: Please say if you tend to agree or disagree with the following statements about Wall Street.



Source: Harris Poll, "Large Majority of Americans Favor Tougher Regulation of Wall Street," May 10, 2012, https://theharrispoll.com/new-york-may-10-2012-each-year-the-harris-poll-asks-a-series-of-questions-about-wall-street-which-is-defined-to-include-the-nations-largest-banks-investment-banks-stockbrokers-and-other/.

27 percent disagreed (Figure 9). The 2017 Cato/YouGov online survey asked if "most successful people on Wall Street would be willing to harm consumers if they believed they could make a lot of money and get away with it." Seventy-seven percent agreed, while 20 percent disagreed.[17]

The mixed picture people have of Wall Street emerges from another Harris question. Between 1996 and 2006, around 20 percent said that Wall Street harmed the country somewhat or a lot. From 2009 to 2012, around 40 percent gave that response. Slightly more than half between 2009 and 2012 said Wall Street benefited the country a lot or somewhat (Figure 10).

Wall Street Pay and Bonuses

The titans of Wall Street have always seemed distant from most people. In a September 2013 YouGov online poll, 36 percent of Americans said they knew a millionaire. Fifty-nine percent in the same poll said they or someone they knew had lost a job during the financial crisis.[18] The issue of Wall Street pay has rankled for a long time.

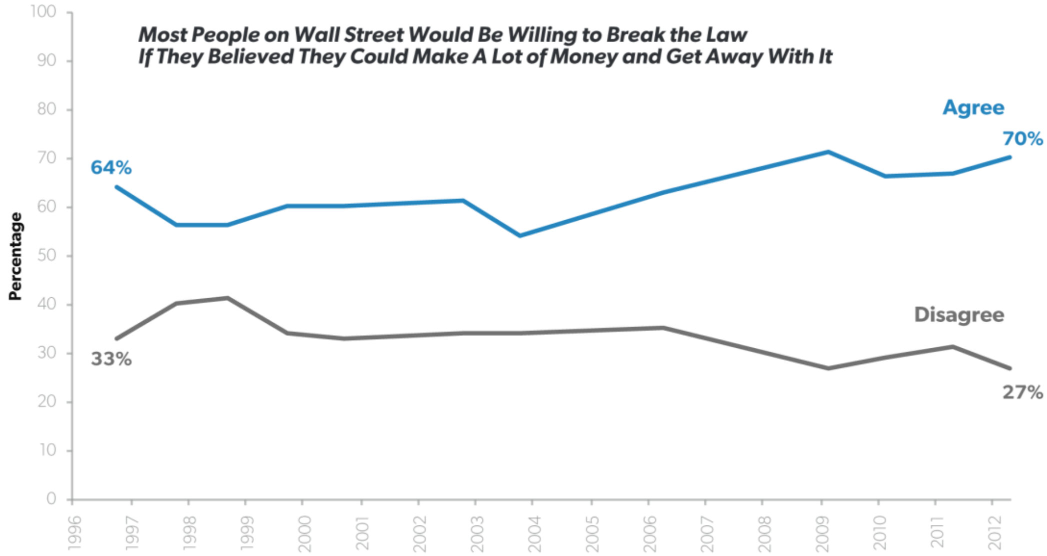
More than 20 years ago, when the Roper Organization asked people in 1996 whether they thought certain groups of people were overpaid, celebrities, lawyers, and heads of investment banks were high on the list. An October 2009 question from *Time* magazine pollsters that asked about the pay for executives at large Wall Street financial institutions found that 63 percent thought their pay was completely out of line with what they do, and 22 percent thought that it was somewhat higher than they should be paid. Only 10 percent thought they were paid fairly.[19]

Another question in the Harris battery asks whether most successful people on Wall Street deserve to make the kind of money they earn. Two-thirds of those surveyed in 2009 disagreed (Figure 11). In a 2017 Cato/YouGov question with a different emphasis, 51 percent disagreed (46 percent agreed) that "most successful people on Wall Street rightfully earn the money they make."[20]

The issue of executive pay and bonuses came up during the financial crisis. In a March–April 2009 Fox News poll, 56 percent of registered voters replied "no" when asked if the government should ever be allowed to regulate the salaries of corporate executives at American companies. (Thirty-eight percent said the government should be able to do this.) But in the next question in the survey, 64 percent said government should be allowed to regulate the salaries of corporate executives at American companies that took taxpayer bailouts (32 percent disagreed).[21]

Figure 9. Willingness to Break the Law

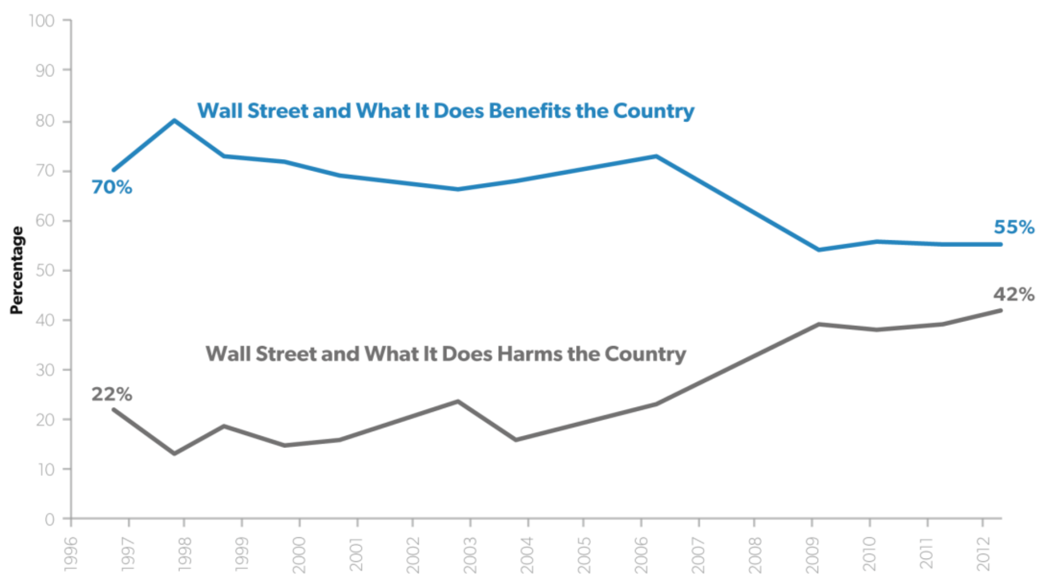
Q: Please say if you tend to agree or disagree with the following statements about Wall Street.



Source: Harris Poll, "Large Majority of Americans Favor Tougher Regulation of Wall Street," May 10, 2012, https://theharrispoll.com/new-york-may-10-2012-each-year-the-harris-poll-asks-a-series-of-questions-about-wall-street-which-is-defined-to-include-the-nations-largest-banks-investment-banks-stockbrokers-and-other/.

Figure 10. Harms and Benefits of Wall Street

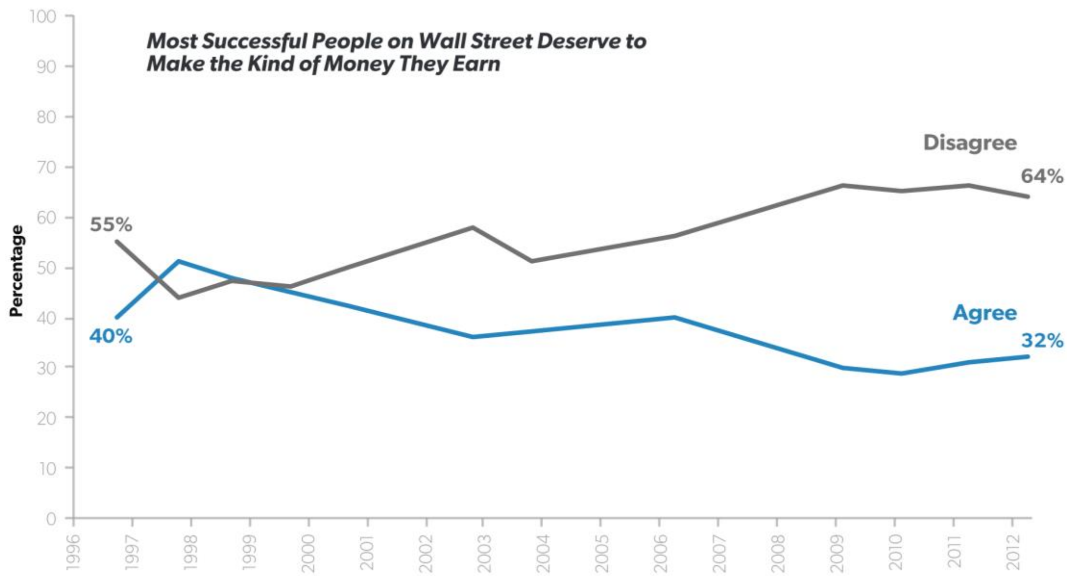
Q: The words "Wall Street" are often used to describe the nation's largest banks, investment banks, stockbrokers, and other financial institutions. Overall, would you say that Wall Street and what it does benefits the country a lot, benefits it somewhat, harms it somewhat, or harms the country a lot?



Note: "Benefits the country a lot" and "benefits it somewhat" are combined. "Harms it somewhat" and "harms the country a lot" are combined.
Source: Harris Poll, "Large Majority of Americans Favor Tougher Regulation of Wall Street," May 10, 2012, https://theharrispoll.com/new-york-may-10-2012-each-year-the-harris-poll-asks-a-series-of-questions-about-wall-street-which-is-defined-to-include-the-nations-largest-banks-investment-banks-stockbrokers-and-other/.

Figure 11. Earnings of People on Wall Street

Q: Please say if you tend to agree or disagree with the following statements about Wall Street.



Source: Harris Poll, "Large Majority of Americans Favor Tougher Regulation of Wall Street," May 10, 2012, https://theharrispoll.com/new-york-may-10-2012-each-year-the-harris-poll-asks-a-series-of-questions-about-wall-street-which-is-defined-to-include-the-nations-largest-banks-investment-banks-stockbrokers-and-other/.

In a June 2009 Gallup survey, 59 percent favored the federal government taking steps to limit the pay of executives at major companies, while 35 percent were opposed. (The question did not mention bailouts, but it was asked after the government limited the executive pay at companies that were receiving stimulus money.) Gallup updated this question in March 2018, and people were evenly split, with 47 percent saying they favored the government taking such steps, while 48 percent were opposed.[22]

Assigning Blame

The Associated Press/GfK Roper poll asked people in late September 2008 to place blame for the financial crisis on three different actors and institutions. There was a lot of it to go around. Seventy-eight percent blamed banks and lenders that made risky loans a lot or quite a bit, followed by 68 percent who also blamed the federal government a lot or quite a bit for failing to regulate banks closely enough. Sixty percent blamed the people who borrowed and could not afford to repay their loans (Table 2).

A Quinnipiac University survey of registered voters in early 2009 found that 25 percent thought "homeowners who took out loans that they may not be able to pay back" were more to blame for the home mortgage crisis, but 62 percent said "mortgage lenders who loaned the money to people who may not be able to pay it back" were more to blame.[23]

In October 2009, when *Time* magazine's pollsters asked what kind of job different groups were doing to avoid another financial crisis, 50 percent said major banks and other Wall Street financial institutions were doing a "poor" job, and 38 percent said "only fair." In terms of their efforts, major banks and Wall Street financial institutions fared much worse than any of the other six institutions the pollsters examined (Table 3).

In another question, respondents were told that the "federal government invested billions of dollars to rescue the major financial institutions." Fifty-five percent said this was the wrong thing to do, while 37 percent said it was the right thing. This negative sentiment was present in many other polls around

Table 2. Who to Blame for the Financial Crisis

Q: Some of the nation's financial institutions are failing or close to failing because of bad debt related to financing mortgages that people cannot pay. How much do you think each of the following is to blame for the country's current financial crisis?

	Blame A Lot/Quite a Bit	Some
The Banks and Lenders That Made Risky Loans	78%	14%
The Federal Government for Failing to Regulate Banks Closely Enough	68%	19%
The People Who Borrowed Money That They Could Not Afford to Repay	60%	26%

Note: The responses "only a little" and "none at all" are not shown.
Source: Associated Press/GfK Roper, September 2008.

Table 3. Avoiding Another Financial Crisis

Q: How good a job would you say the following are doing in taking steps to avoid another financial crisis in the future like the one we've just had in the past year? Would you say . . . ?

	Excellent/Good Job	Only Fair	Poor
President Barack Obama	42%	29%	26%
The American People	31%	47%	15%
Democrats in Congress	22%	42%	31%
Federal Reserve Board	20%	42%	23%
Federal Government Regulators	14%	43%	35%
Republicans in Congress	13%	46%	36%
Major Banks and Other Wall Street Financial Institutions	7%	38%	50%

Source: Abt SRBI for *Time*, October 2009.

the time. In another question, 58 percent said Wall Street had had too much influence over the government's economic recovery policies, 21 percent said Wall Street had about the right amount of influence, and 13 percent said it had too little influence. Only 22 percent in another question in the poll answered that people like themselves had been helped a great deal or some "now that many banks and financial institutions are recovering with the government's help." In another question, one-third felt government policies since the crisis favored Wall Street over people like them; 60 percent agreed that the government just did what was necessary to avoid a bigger crisis.[24]

Two years after the crash in October 2010, Bloomberg asked about a variety of people and institutions and whether they did more to help or more to hurt the US economy during the crisis (Table 4). Seventy-eight percent said Wall Street financial firms and banks did more to hurt. Only one other group, the mortgage industry, fared worse. (Eighty-three percent said it had done more to hurt the economy.)

Table 4. Who Helped or Hurt the US Economy?

Q: The US avoided what many experts said could have been a major economic collapse in 2008 and there are signs of recovery, though unemployment remains high and many people are still struggling. For each of the following people and institutions, I'd like you to tell me if you think they did more to help or more to hurt the US economy. Just answer "helped" or "hurt."

	Helped	Hurt	Not Sure
Barack Obama	44%	45%	11%
Democrats in Congress	34%	47%	19%
Ben Bernanke	29%	31%	40%
Republicans in Congress	23%	54%	23%
George W. Bush	22%	66%	12%
Timothy Geithner	20%	34%	46%
Wall Street Financial Firms and Banks	8%	78%	14%
Mortgage Industry	7%	83%	10%

Source: Selzer & Co./Bloomberg, October 2010.

When an Allstate/*National Journal* poll asked people in January 2010 who they thought had benefited most from the federal government's response to the financial crisis, the top response was banks and investment companies (40 percent), followed by major corporations (20 percent) and wealthy individuals (16 percent). Only 9 percent said middle-class individuals had benefited most.[25]

What Role for Regulation?

Americans have complex views about regulation. Pew has asked people 19 times since 1994 which of two viewpoints is closer to their own, even if neither is exactly right. They ask whether "government regulation of business is necessary to protect the public interest" or whether "government regulation of business usually does more harm than good." In the early 1990s, around half said regulation did more harm than good.[26]

Since that time, the results have seesawed back and forth in a fairly narrow range. In 2016, for example, a narrow plurality, 48 percent, said regulation did more harm than good, while 45 percent said it was necessary to protect the public interest. In the June–July 2017 poll, 45 percent said it did more harm than good, while 50 percent said it was necessary.[27]

Still, in the immediate aftermath of the financial crisis, the public clearly believed a lack of government regulation was a reason for the crisis, and many polls showed people wanted government to do more. In a September 2008 Bloomberg poll, for example, 62 percent agreed that too little regulation of financial institutions helped cause the crisis.[28] In their October poll, 73 percent agreed with that statement. In an October 2008 Pew survey, 80 percent said weak regulation of financial institutions had contributed to the current problems.[29] A Harris question showed strong agreement that Wall Street should be subject to tougher regulations (Table 5). An October 2009 *Time* poll, which gave people a middle option, found that 59 percent said there should be more regulation of Wall Street, 23 percent said the same amount, and 13 percent said less.[30]

Americans were not knowledgeable about the 2010 Dodd-Frank legislation, and few pollsters asked specifically about it. Instead, they asked about regulation in general or about financial regulations or reforms. In an April 2010 Allstate/*National Journal* question, when people were told that the government had "increased regulation of banks, brokerage houses, and other financial institutions" in response to the crisis in the financial markets, 49 percent said this should be a "temporary policy," while 43 percent said this should be a "lasting policy."[31]

A February 2017 Pew survey found that 42 percent felt the government had gone too far, "making

Table 5. Tougher Regulations on Wall Street

Q: Please say if you tend to agree or disagree with the following statements about Wall Street. . . . . Recent events have shown that Wall Street should be subject to tougher regulations.

	Agree	Disagree
2009	87%	10%
2010	82%	14%
2011	83%	14%
2012	82%	15%

Source: Harris, 2009–12.

it harder for the economy to grow," while 49 percent felt the "government has not gone far enough in regulating financial institutions and markets, leaving the country at risk of another financial crisis."[32] A question with a different emphasis asked by Lake Research Partners for Americans for Financial Reform and the Center for Responsible Lending found that around 60 percent of likely voters in 2015, 2016, 2017, and 2018 believed that "Wall Street and the financial industry are still too powerful and still engaged in reckless practices that pose a continuing threat to the economy and people's financial well-being," while around 30 percent in each year said the "government has intervened too much in reforming the financial system and that more intrusive regulation would hinder innovation and slow down economic growth."[33]

Since 2013, Lake Research Partners has also asked people this question: "Should Wall Street companies be held accountable with tougher rules and enforcement for the practices that caused the financial crisis in 2008, or have their practices changed enough that they don't need further regulation?" Nearly 8 in 10 likely voters in each survey came down on the side of accountability between 2013 and 2017. In 2018, 70 percent gave that response.[34]

In the 2017 Cato/YouGov online survey, 72 percent of those surveyed did not believe that the new regulations on Wall Street and the financial industry passed since the 2008 financial crisis would make future crises less likely. In the survey, 48 percent of Americans had hardly any confidence in the individuals running the agencies overseeing Wall Street. An identical 48 percent in a separate question had hardly any confidence in the individuals running Wall Street.[35]

Is the Financial System More Secure Now?

Polling today is increasingly driven by crisis and scandal, and many of the major public pollsters tend to move quickly from one crisis story to the next with little long-term follow-up. Only a handful of questions have been asked since the 2008 crisis about whether Americans believe the system is more secure and whether they believe such a crisis is likely to happen again.

In a September 2009 ABC News/*Washington Post* poll, 49 percent were confident the government was putting measures into place that would make another crisis less likely, while 50 percent were not confident. In another question, 41 percent were confident that financial institutions would change their business practices in a way that would make another crisis less likely; 57 percent were not.[36]

Only 18 percent in the October 2009 *Time* poll felt that large financial institutions had learned from their mistakes and would change the way they do business; 75 percent said that things would return to business as usual now that Wall Street had begun to recover. Forty-four percent in the poll were very concerned, and another 41 percent were somewhat concerned that the US could suffer another financial crisis in the next few years as a result of Wall Street taking too much risk.[37]

In Pew surveys from 2013 and 2015, roughly a third felt the US economic system was more secure. Sixty-three percent said it was not (Table 6). In a July 2017 Bloomberg poll, 63 percent said it was realistic that the US would suffer another financial crisis like 2008 in the next several years.[38]

Table 6. Security of the US Economic System

Q: Thinking about the U.S. economic system in general, compared with before the 2008 financial crisis, do you think the U.S. economic system is more secure today than it was before the 2008 economic crisis or no more secure today than it was before the 2008 economic crisis?

	The US Economic System Is . . .	
	More Secure Today	No More Secure Today
September 2013	33%	63%
February 2015	34%	63%

Source: Pew Research Center.

A Postmortem

Survey data collected before the 2008 financial crisis show that Americans have long had doubts about Wall Street, banks, and financial institutions. They are generally suspicious of big, powerful, distant institutions such as Wall Street. At the same time they recognize that these institutions are necessary for the US economy to grow.

The 2008 crash profoundly affected people's views of Wall Street, the economy, and their family's prospects. There has been only a small recovery in the major confidence-in-institutions indicators, and most Americans do not feel the economic system is more secure today than it was before the financial crisis.

With a great deal of criticism along the way, the country stood by as the federal government acted during the crisis. The three principals interviewed by *Marketplace* did not lose the country, but the crisis deepened existing doubts about Wall Street and major financial institutions. It also caused many to question the government's role in creating and responding to the crisis. The economy's performance has lifted Americans' views about their own prospects. But once trust and confidence in central institutions are lost or compromised, it is difficult to restore. Both Wall Street and the federal government have a distance to go before confidence is fully rebuilt.

About the Author

Karlyn Bowman is a senior fellow at the American Enterprise Institute. She has studied and spoken about the evolution of American politics because of key demographic changes. She has often lectured on the role of think tanks in the United States and writes a weekly column for Forbes.com.

Acknowledgments

I would like to thank Eleanor O'Neil and Rachel Jelinek for their research and editing support throughout the production of this report. AEI intern John Crawford helped with the research.

Notes

1. Kai Ryssdal, "Panic, Fear and Regret," *Marketplace*, March 13, 2018, https://features.marketplace.org/bernanke-paulson-geithner/.
2. Ryssdal, "Panic, Fear and Regret."
3. Ryssdal, "Panic, Fear and Regret."
4. Ryssdal, "Panic, Fear and Regret."
5. Dennis Jacobe, "Economy Widely Viewed as Most Important Problem," Gallup Organization, March 13, 2008, https://news.gallup.com/poll/104959/economy-widely-viewed-most-important-problem.aspx.
6. Gallup Organization, "In Depth Topics A to Z: Economy," https://news.gallup.com/poll/1609/consumer-views-economy.aspx.
7. Roper Center for Public Opinion Research, Cornell University, https://ropercenter.cornell.edu/.
8. Pew Research Center, "Interest in Economic News Surges," October 1, 2008, http://www.people-press.org/2008/10/01/ interest-in-economic-news-surges/.
9. Roper Center for Public Opinion Research, Cornell University, https://ropercenter.cornell.edu/.

10. Richard Curtin, "Surveys of Consumers," Reuters and University of Michigan, October 17, 2008, https://data.sca.isr.umich.edu/fetchdoc.php?docid=37711.
11. Lydia Saad, "Idea of Economic Depression Becoming Less Far-Fetched," Gallup Organization, December 22, 2008, https://news.gallup.com/poll/113509/idea-economic-depression-becoming-less-farfetched.aspx.
12. Frank Newport, "Personal Financial Assessments Remain at 32-Year Low," Gallup Organization, September 29, 2008, https://news.gallup.com/poll/110794/personal-financial-assessments-remain-32year-low.aspx.
13. Lymari Morales, "Majority of Americans Cutting Back on Spending," Gallup Organization, November 17, 2008, https://news.gallup.com/poll/111898/majority-americans-cutting-back-spending.aspx.
14. Roper Center for Public Opinion Research, Cornell University, https://ropercenter.cornell.edu/.
15. Harris Poll, "Large Majority of Americans Favor Tougher Regulation of Wall Street," May 10, 2012, https://theharrispoll.com/new-york-may-10-2012-each-year-the-harris-poll-asks-a-series-of-questions-about-wall-street-which-is-defined-to-include-the-nations-largest-banks-investment-banks-stockbrokers-and-other/.
16. Emily Ekins, "Wall Street vs. the Regulators: Public Attitudes on Banks, Financial Regulation, Consumer Finance, and the Federal Reserve," Cato Institute, September 19, 2017, https://www.cato.org/survey-reports/wall-street-vs-regulators-public-attitudes-banks-financial-regulation-consumer.
17. Ekins, "Wall Street vs. the Regulators."
18. Economist/YouGov Poll, September 14–16, 2013, https://d25d2506sfb94s.cloudfront.net/cumulus_uploads/document/m5y70dcf5f/econToplines.pdf.
19. Roper Center for Public Opinion Research, Cornell University, https://ropercenter.cornell.edu/.
20. Ekins, "Wall Street vs. the Regulators."
21. Fox News Poll/Opinion Dynamics, April 2, 2009, http://www.foxnews.com/projects/pdf/040209_FNCPoll.pdf.
22. Frank Newport, "Americans Split on Government Action to Limit Executive Pay," Gallup Organization, April 5, 2016, https://news.gallup.com/poll/232103/americans-split-government-action-limit-executive-pay.aspx.
23. Quinnipiac University, March 2009, https://poll.qu.edu/national/release-detail?ReleaseID=1270.
24. Roper Center for Public Opinion Research, Cornell University, https://ropercenter.cornell.edu/.
25. Allstate/National Journal, "Heartland Monitor Poll," January 2010, https://www.allstate.com/resources/allstate/attachments/heartland-monitor/anj-heartland-monitor-iv-year-in-review.pdf.
26. Pew Research Center, "Summer 2017 Political Landscape Survey," June–July 2017, 13, http://assets.pewresearch.org/wp-content/uploads/sites/5/2017/06/20100858/06-20-17-Political-release-topline.pdf.
27. Pew Research Center, "Summer 2017 Political Landscape Survey."
28. Roper Center for Public Opinion Research, Cornell University, https://ropercenter.cornell.edu/.
29. Pew Research Center, "Obama Clearer Than McCain in Addressing Crisis," October 18, 2008, 13, http://assets.pewresearch.org/wp-content/uploads/sites/5/legacy-pdf/458.pdf.
30. Roper Center for Public Opinion Research, Cornell University, https://ropercenter.cornell.edu/.
31. Allstate/National Journal, "Heartland Monitor Poll," April 2010, https://www.allstate.com/resources/allstate/attachments/heartland-monitor/heartland-5-millennial-national-topline.pdf.
32. Samantha Smith, "Public Remains Divided Over Role of Government in Financial Regulation," Pew Research Center, http://www.pewresearch.org/fact-tank/2017/03/02/public-remains-divided-over-role-of-government-in-financial-regulation/.
33. Americans for Financial Reform, "New Poll Shows Voters Oppose Mulvaney Policies at CFPB," July 2018, http://ourfinancialsecurity.org/2018/07/afrcrl-poll-new-survey-reveals-discontent-with-mulvaney-path-at-cfpb/.
34. Americans for Financial Reform, "New Poll Shows Voters Oppose Mulvaney Policies at CFPB."
35. Ekins, "Wall Street vs. the Regulators."
36. Gary Langer, "Poll: Deep Damage from Economic Crash One Year on," September 15, 2009, https://abcnews.go.com/PollingUnit/Politics/economic-crisis-abc-news-washington-post-poll/story?id=8568179.
37. Roper Center for Public Opinion Research, Cornell University, https://ropercenter.cornell.edu/.
38. Pew Research Center, "Most Say Government Policies Since Recession Have Done Little to Help Middle Class, Poor," March 4, 2015, 4, http://assets.pewresearch.org/wp-content/uploads/sites/5/2015/03/03-04-15-Economy-release.pdf.