

# GFC+10

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*A survey of public attitudes to the federal government's handling of the global financial crisis, ten years on*

Polling brief

**Tom Swann**  
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# Introduction

It is not inevitable that people will learn from history. It is not even inevitable that those who are willing to learn from history learn the right lessons. Which is why, as we approach 10 years since the global financial crisis (GFC) it is important to be clear eyed about what happened in our financial sector, what the impacts on the broader economy were, the policies that were implemented, and the impact of those policies.

This briefing note is the first of a series that examines public attitudes to and knowledge of Australia's economy during the GFC, as well as the impact of different factors, including the government's stimulus spending.

During the GFC there was a downturn in economic growth in virtually all developed economies. Economic growth in Australia fell to below two per cent but plummeted in both the US and the Euro area. Those two economies experienced large contractions which have subsequently been referred to as the 'Great Recession'. By contrast Australia's downturn was much less severe and not much different from the normal pattern of fluctuations witnessed over the decade and a half before then.

Following the GFC, Australia had the enviable position of having come out of it better than most other comparable countries. The Rudd/Gillard Government was proud of its record during the global financial crisis; the stimulus worked much better than the official economic forecasters had expected.

Ten years later, Australia grinds on in a sluggish, low growth economy with stagnant wage growth and rising inequality.

This research is, to our knowledge, the first in many years to assess public knowledge of and attitudes towards the GFC and the Australian government's stimulus response.

## KEY RESULTS

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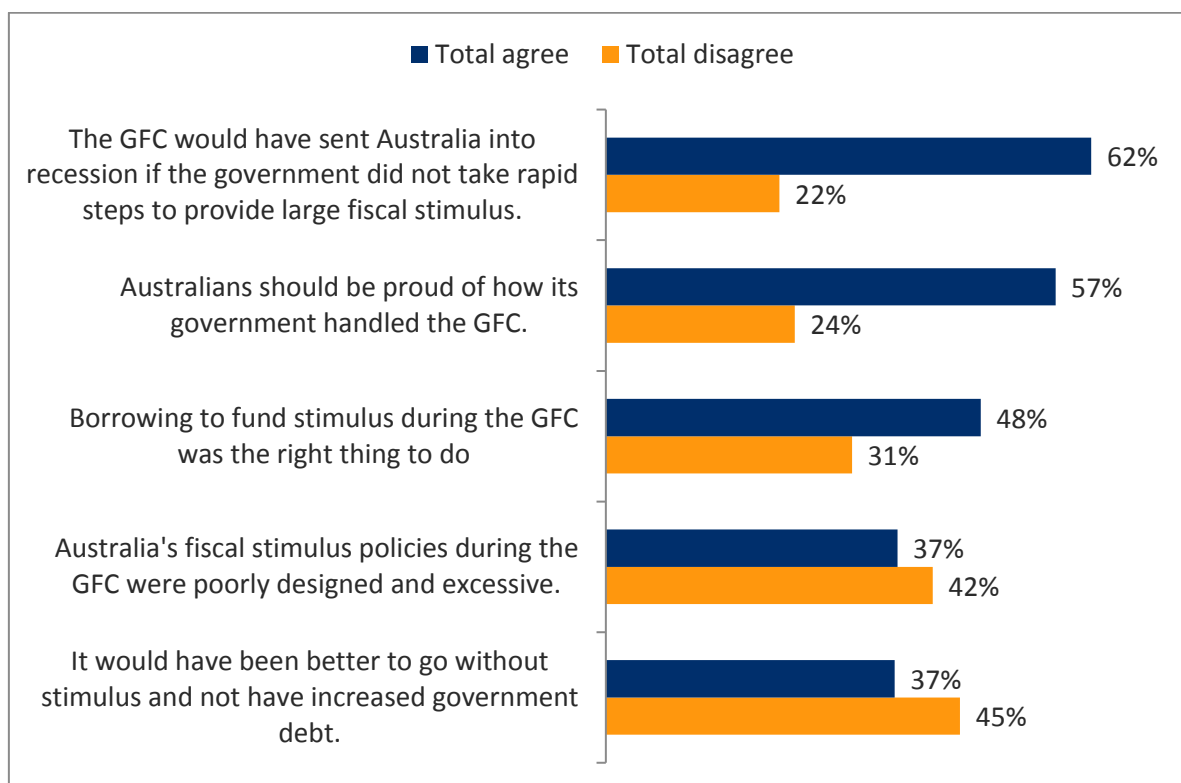
The Australia Institute surveyed 1,408 Australians between April 26 and May 5 2017 about Australia's economy during the GFC and the impact of different factors, in particular the government stimulus spending.

## Government response to GFC

Australians have strong positive views about the government's GFC response overall (see Figure A), however the results also show strong partisan differences in attitudes towards the government's performance.

- Almost two thirds (62%) of Australians agree the GFC would have sent Australia into recession if the government did not take rapid steps to provide large fiscal stimulus (22% disagree, 16% don't know);
- A majority (57%) agree that Australians should be proud of how its government handled the GFC (24% disagree, 19% don't know);
- Half (48%) agreed that borrowing to fund stimulus was the right thing to do, while a third (31%) disagreed;
- More people disagreed that that Australia's fiscal stimulus policies were poorly designed and excessive (42%), than agreed (37%);
- More people disagreed (45%) that it would have been better to go without stimulus and not have increased government debt, than agreed (37%).

**Figure A – Attitudes towards government stimulus during GFC (“to what extent do you agree or disagree?”)**

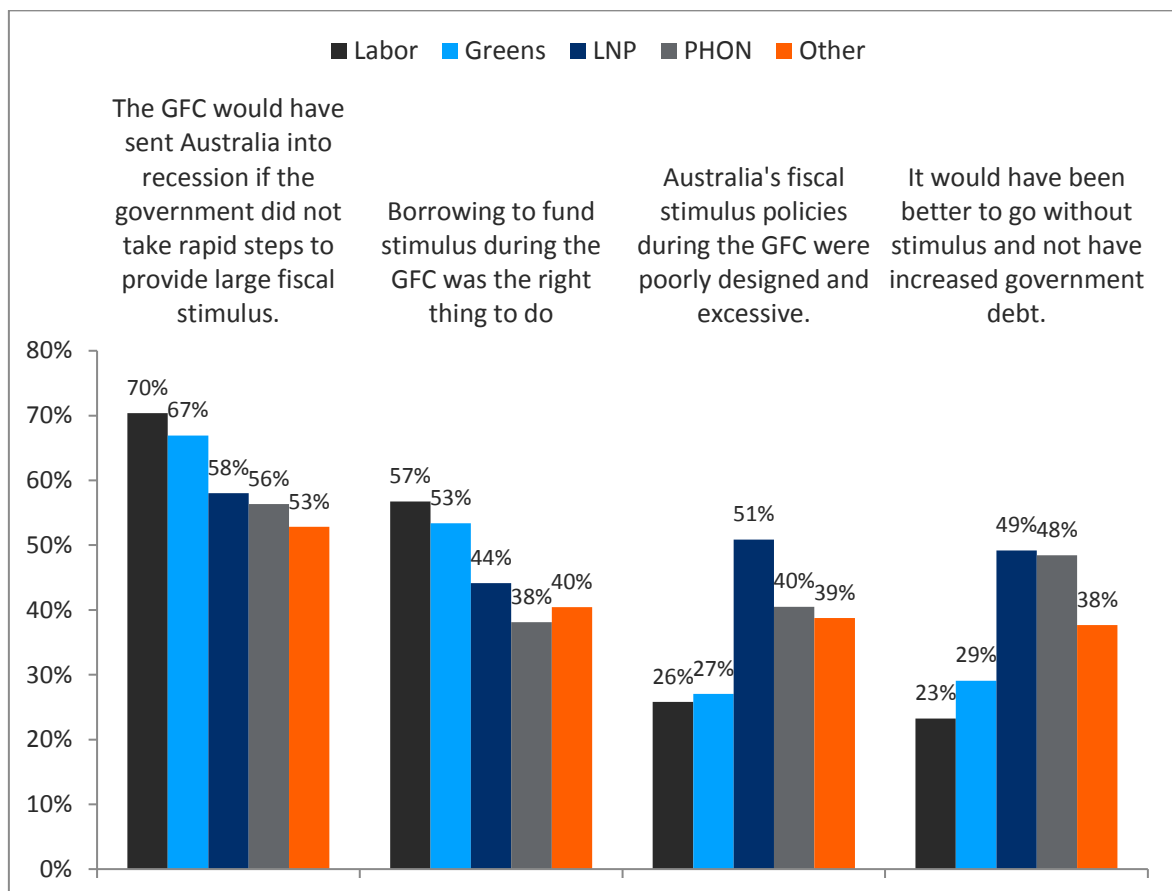


It is difficult to account for the difference between the number of people who disagreed “it would have been better to go without stimulus and not have increased government debt” (31%) and the 37% who agreed that “borrowing to fund stimulus during the GFC was the right thing to do”. This may reflect some cognitive dissonance.

While there were modest differences between age groups, there were significant differences between responses from different voting groups (shown in Figure B).

- Majorities of voters for both major parties agree that the stimulus stopped a recession, but substantially more Labor voters agreed than Coalition (Labor agree 70%, Coalition 58%) a 12 point difference;
- Half of Coalition voters (51%) agreed that the stimulus was poorly designed and excessive, compared to a quarter of Labor voters (26%) – a substantial 25 point difference, while PHON and Other voters were less likely to agree (PHON 40%, Other 39%, Greens 27%)

**Figure B – Attitudes towards government stimulus during GFC, by voting intention (% total agree)**



## METHOD

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Between 26 April May and 5 May 2017 The Australia Institute conducted a national opinion poll of 1,408 people through Research Now, with nationally representative samples by gender, age and state or territory.

Those who were undecided were asked which way they were leaning. These leanings are included in voting intention crosstabs. “Coalition” includes separate responses for Liberal and National. “Other” includes Nick Xenophon Team, Australian Conservatives and Independent/Other.

## DETAILED RESULTS

*The GFC would have sent Australia into recession if the government did not take rapid steps to provide large fiscal stimulus.*

	Total	Male	Female	18-24	25-34	35-44	45-54	55-64	65+
Total agree	62%	64%	60%	59%	66%	60%	61%	64%	59%
Total disagree	22%	26%	18%	27%	16%	21%	21%	24%	26%
Strongly agree	14%	16%	11%	14%	14%	11%	14%	17%	13%
Agree	48%	48%	48%	44%	52%	49%	48%	47%	46%
Disagree	18%	21%	16%	22%	13%	18%	16%	20%	24%
Strongly Disagree	4%	5%	3%	4%	3%	3%	5%	4%	3%
Don't know / not sure	16%	10%	22%	15%	18%	19%	18%	12%	14%

	Coalition	Labor	Greens	PHON	Other	Undecided
Total agree	58%	70%	67%	56%	53%	53%
Total disagree	30%	14%	14%	29%	22%	19%
Strongly agree	11%	19%	12%	10%	12%	6%
Agree	47%	51%	55%	47%	41%	47%
Disagree	26%	12%	12%	24%	18%	16%
Strongly Disagree	5%	3%	2%	6%	4%	3%
Don't know / not sure	12%	16%	19%	14%	25%	28%

*Australia's fiscal stimulus policies during the GFC were poorly designed and excessive.*

	Total	Male	Female	18-24	25-34	35-44	45-54	55-64	65+
Total agree	37%	42%	32%	40%	33%	35%	36%	37%	42%
Total disagree	42%	44%	39%	37%	40%	42%	39%	46%	44%
Strongly agree	8%	10%	6%	5%	7%	6%	10%	8%	12%
Agree	29%	32%	26%	35%	26%	28%	27%	29%	31%
Disagree	35%	37%	33%	30%	36%	35%	33%	37%	37%
Strongly Disagree	7%	7%	6%	7%	4%	7%	6%	9%	7%
Don't know / not sure	21%	14%	29%	23%	27%	24%	24%	17%	14%

	Coalition	Labor	Greens	PHON	Other	Undecided
Total agree	51%	26%	27%	40%	39%	33%
Total disagree	34%	52%	49%	37%	33%	32%
Strongly agree	13%	3%	7%	8%	9%	5%
Agree	38%	23%	20%	33%	30%	28%
Disagree	31%	43%	41%	29%	28%	28%
Strongly Disagree	3%	10%	9%	8%	6%	4%
Don't know / not sure	15%	22%	24%	22%	28%	34%



***Borrowing to fund stimulus during the GFC was the right thing to do***

	Total	Male	Female	18-24	25-34	35-44	45-54	55-64	65+
<b>Total agree</b>	<b>48%</b>	<b>52%</b>	<b>43%</b>	<b>48%</b>	<b>44%</b>	<b>46%</b>	<b>51%</b>	<b>51%</b>	<b>47%</b>
<b>Total disagree</b>	<b>31%</b>	<b>32%</b>	<b>31%</b>	<b>33%</b>	<b>30%</b>	<b>29%</b>	<b>28%</b>	<b>34%</b>	<b>36%</b>
<b>Strongly agree</b>	6%	8%	4%	7%	3%	7%	7%	7%	5%
<b>Agree</b>	42%	44%	39%	41%	41%	39%	44%	44%	43%
<b>Disagree</b>	25%	25%	25%	24%	24%	24%	23%	28%	27%
<b>Strongly Disagree</b>	6%	7%	5%	9%	6%	5%	5%	6%	9%
<b>Don't know / not sure</b>	21%	16%	26%	19%	26%	25%	22%	15%	17%

	Coalition	Labor	Greens	PHON	Other	Undecided
<b>Total agree</b>	<b>44%</b>	<b>57%</b>	<b>53%</b>	<b>38%</b>	<b>40%</b>	<b>33%</b>
<b>Total disagree</b>	<b>42%</b>	<b>20%</b>	<b>19%</b>	<b>46%</b>	<b>31%</b>	<b>30%</b>
<b>Strongly agree</b>	4%	8%	9%	2%	4%	1%
<b>Agree</b>	40%	48%	45%	36%	37%	32%
<b>Disagree</b>	34%	18%	14%	38%	22%	24%
<b>Strongly Disagree</b>	9%	3%	5%	8%	8%	7%
<b>Don't know / not sure</b>	13%	23%	28%	16%	29%	36%

*It would have been better to go without stimulus and not have increased government debt.*

	Total	Male	Female	18-24	25-34y	35-44	45-54	55-64	65+
<b>Total agree</b>	<b>37%</b>	<b>37%</b>	<b>36%</b>	<b>44%</b>	<b>38%</b>	<b>35%</b>	<b>27%</b>	<b>41%</b>	<b>39%</b>
<b>Total disagree</b>	<b>45%</b>	<b>50%</b>	<b>39%</b>	<b>37%</b>	<b>42%</b>	<b>44%</b>	<b>50%</b>	<b>47%</b>	<b>47%</b>
<b>Strongly agree</b>	7%	8%	5%	7%	8%	6%	6%	7%	8%
<b>Agree</b>	30%	29%	31%	36%	31%	28%	21%	34%	31%
<b>Disagree</b>	34%	37%	31%	28%	34%	32%	40%	34%	35%
<b>Strongly Disagree</b>	11%	14%	8%	9%	8%	12%	10%	12%	13%
<b>Don't know / not sure</b>	18%	12%	25%	19%	20%	21%	23%	13%	14%

	Coalition	Labor	Greens	PHON	Other	Undecided
<b>Total agree</b>	<b>49%</b>	<b>23%</b>	<b>29%</b>	<b>48%</b>	<b>38%</b>	<b>37%</b>
<b>Total disagree</b>	<b>40%</b>	<b>56%</b>	<b>47%</b>	<b>39%</b>	<b>37%</b>	<b>30%</b>
<b>Strongly agree</b>	11%	3%	4%	6%	10%	6%
<b>Agree</b>	38%	20%	25%	42%	28%	32%
<b>Disagree</b>	35%	39%	33%	34%	26%	25%
<b>Strongly Disagree</b>	6%	17%	14%	5%	11%	6%
<b>Don't know / not sure</b>	11%	20%	24%	13%	26%	32%

***Australians should be proud of how its government handled the GFC.***

	Total	Male	Female	18-24	25-34	35-44	45-54	55-64	65+
Total agree	57%	59%	56%	54%	59%	58%	55%	59%	57%
Total disagree	24%	28%	20%	20%	23%	21%	23%	27%	30%
Strongly agree	11%	12%	9%	10%	10%	10%	8%	13%	12%
Agree	47%	47%	47%	44%	49%	47%	47%	46%	46%
Disagree	19%	20%	17%	17%	18%	16%	17%	21%	22%
Strongly Disagree	5%	8%	3%	4%	5%	4%	6%	6%	8%
Don't know / not sure	19%	13%	24%	25%	18%	22%	22%	14%	13%

	Coalition	Labor	Greens	PHON	Other	Undecided
Total agree	53%	70%	63%	45%	45%	43%
Total disagree	33%	14%	16%	36%	28%	22%
Strongly agree	6%	17%	14%	7%	8%	4%
Agree	47%	53%	49%	38%	37%	38%
Disagree	27%	11%	14%	25%	19%	16%
Strongly Disagree	6%	3%	1%	11%	9%	7%
Don't know / not sure	15%	16%	22%	19%	28%	35%