Consumer Confidence, Voting Intention and Approval of Leaders

There has long been an implicit assumption that support for the party in Government is related to the public's approval of the Prime Minister and the Leader of the Opposition. In addition it has been hypothesised that Consumer Confidence is related to support for the Government of the day.

Data from The Morgan Gallup Poll, and the Consumer Sentiment Index (Conducted by The Roy Morgan Research Centre and the Institute of Applied Economic and Social Research Melbourne University) have allowed these assumptions to be tested.

The first graph below shows a strong negative relationship (correlation coefficient -.85) between support for the party in Government ie L-NP before March 1983 and ALP from March 1983 on (the dotted line) and disapproval of the Prime Minister (solid line). Support for the party in Government is also correlated with approval of the Prime Minister (correlation coefficient .80).

An important finding of the analysis is that no significant relationship exists between approval or disapproval of the Leader of the Opposition and support for the party in Government, nor is there any relationship between approval of the Prime Minister and approval of the Opposition Leader.

The second graph shows a fairly strong relationship between Consumer Confidence (the solid line) and support for the party in Government (dotted line). (correlation coefficient* .55). Approval of the Prime Minister also correlates with Consumer Confidence (correlation coefficient* .62).

* A correlation coefficient of 1.0 indicates perfect 1 to 1 relationship.
A correlation coefficient of 0, indicates no relationship at all.

The above analysis was commissioned by O & M Horizons and is based on the Morgan Gallup Poll and the Consumer Sentiment Index (1980-1986).
Support for the party in Government

Disapproval of the Prime Minister

DATE OF INTERVIEW