



Institute for  
Legal Reform

**Key Findings** From A National Survey Of  
Likely Voters.



PUBLIC OPINION  
STRATEGIES

&



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# Methodology

On behalf of the Institute for Legal Reform, Public Opinion Strategies and The Benenson Strategy Group conducted a national telephone survey of **800 registered voters** who say they are likely to vote in the 2008 election.

The survey was conducted December 17-20, 2007 and has a margin of error of  $\pm 3.5\%$ .

# Key Findings

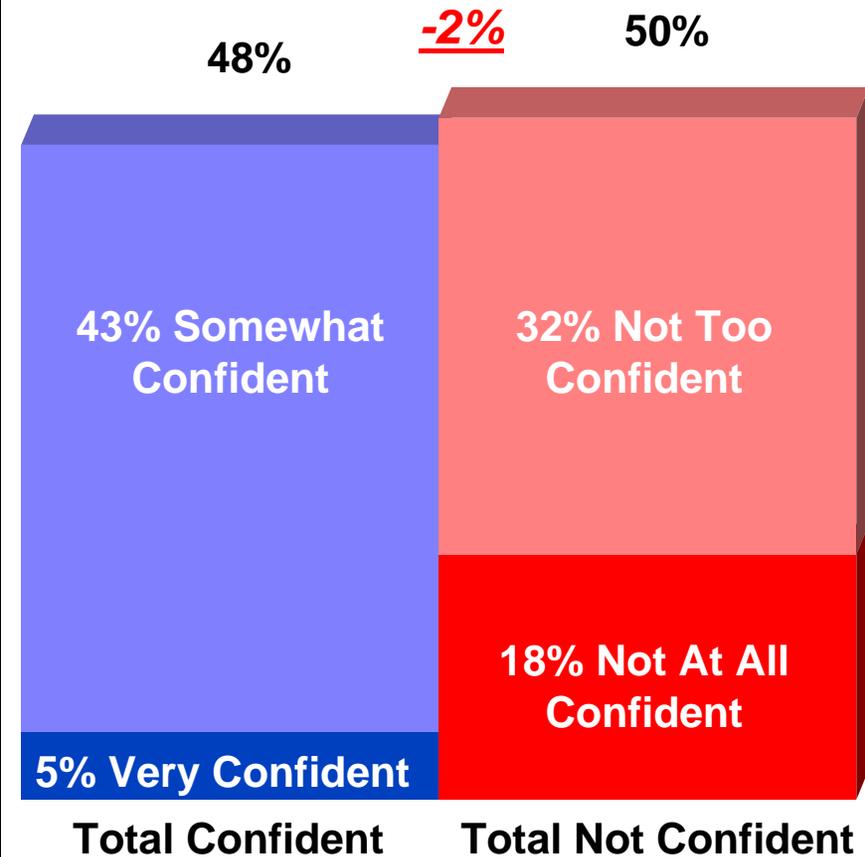
- 1. Voters express concern about the difficulty of settling a dispute with a company, and how fairly they would be treated in such a situation.**

**Four-in-ten voters believe it would be very difficult to resolve a serious dispute with a company, and a majority are not confident that a dispute would be settled fairly.**

**Difficulty In Resolving A Dispute %8-10**

**43%**

**Confidence in Dispute Resolution**



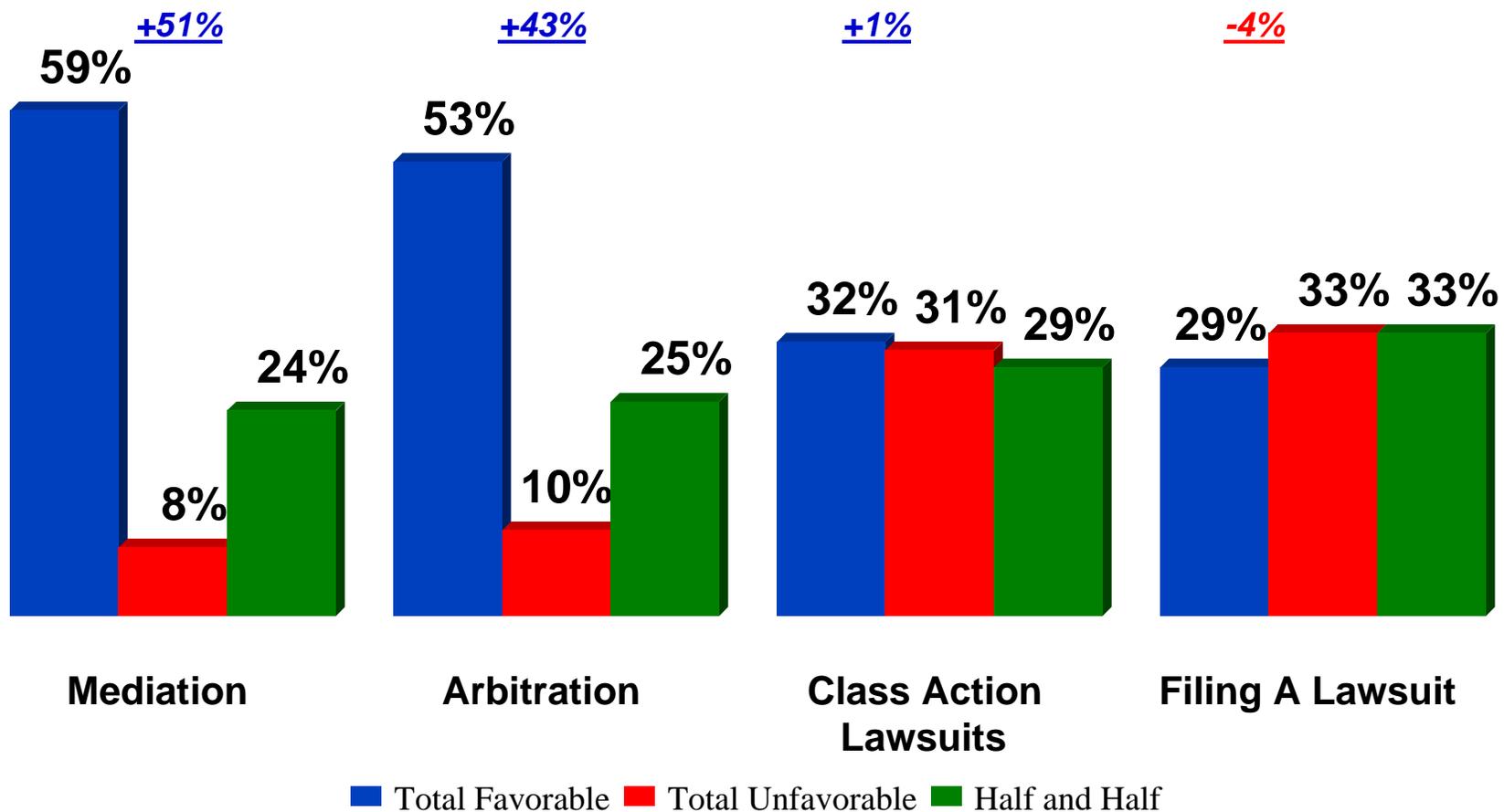
*Please tell me, how difficult or easy you think it would be for a consumer like you to resolve a serious dispute with a company? Use a scale of one to ten where one means it is very easy to resolve a serious dispute and ten means it is very difficult to resolve a serious dispute.*

*And, how confident are you that if you were in a serious dispute with a company the dispute would be settled fairly? Are you... Very confident, somewhat confident, not too confident, or not at all confident?*

# Key Findings

- 2. Given the choice of how they would like to settle a serious dispute with a company, voters overwhelmingly choose arbitration over litigation.**

To resolve disputes between companies and customers, voters have a more favorable opinion of arbitration and mediation than they do of filing a lawsuit or class action lawsuits.



I am going to read you a list of different ways to resolve disputes between companies and consumers. Please tell me, as I read each one, is your opinion of that way to resolve disputes between companies and consumers very favorable, mostly favorable, half-and-half, mostly unfavorable, or – very unfavorable. If I mention one that you are unfamiliar with just tell me and we'll move on to the next one.

**Given the choice, voters strongly prefer arbitration over litigation to resolve any serious dispute with a company.**

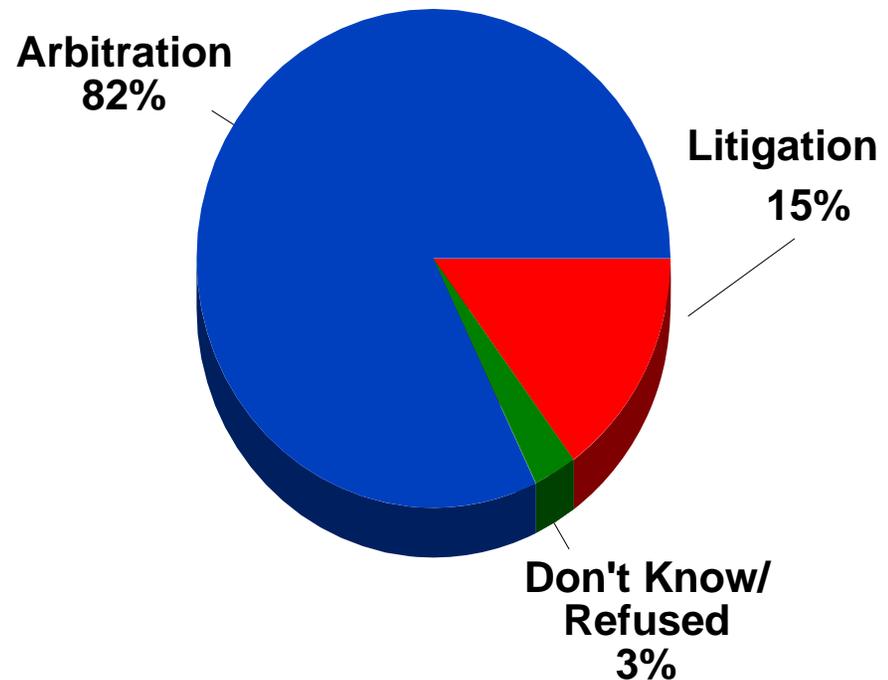
**Preferred Method For Resolving A Dispute**

If you could choose the method by which any serious dispute would be settled between you and the company, which would you choose?

Arbitration, which does not require going to court.

...or...

Litigation, which does require a lawsuit and going to court.



Now suppose for a moment you had to sign a contract with a company when you purchased their goods or services. If you could choose the method by which any serious dispute would be settled between you and the company, which would you choose? **Arbitration, which does not require going to court** ...or... **Litigation, which does require a lawsuit and going to court.**

# Key Findings

- 3. Voters strongly believe Congress should NOT remove arbitration agreements from the contracts consumers sign with companies providing goods and services.**

# The Proposal

- ⓘ Voters were read a brief, **neutral** description about arbitration, provided some information about arbitration agreements, and then told of **the intention of some in Congress** to remove these agreements from consumer contracts with companies.
- ⓘ

# The Proposal

*“Just **so everyone we talk to** this evening **has the same information**, please listen as I read you a statement that describes what arbitration is and how it works.*

*Arbitration is a non-court procedure for resolving disputes using one or more **neutral** third parties -- called the arbitrator or arbitration panel. Arbitration uses rules of evidence and procedure that are **less formal** than those followed in trial courts.*

*Now, there are lots of products and services you buy where you are required to sign a contract with the company providing the good or service. In some of these contracts there is an arbitration agreement, so when you sign the contract you agree to resolve any disputes with the company through the process of arbitration.*

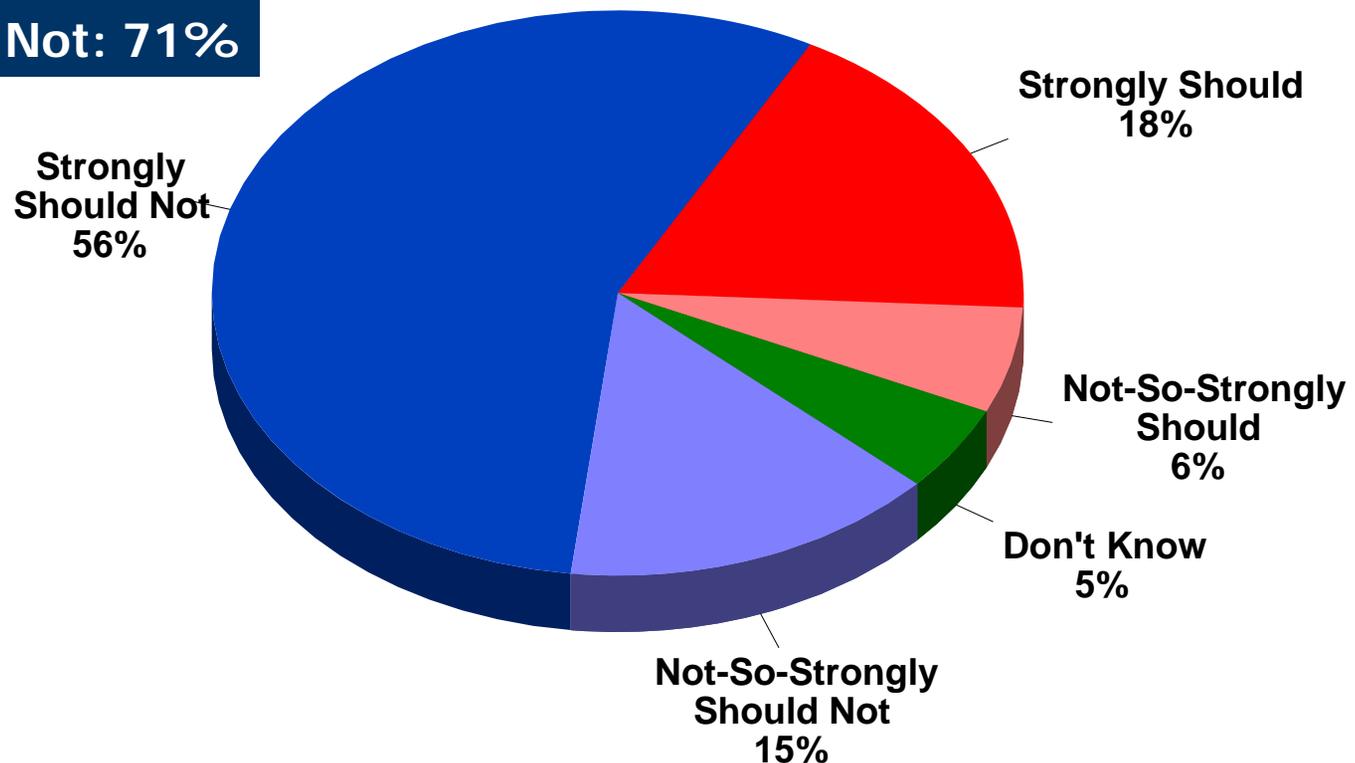
*Now, some officials in Congress would like to **remove** these arbitration agreements from the contracts consumers sign with companies providing goods and services. How about you, do you think Congress should or should not remove arbitration agreements from contracts consumers sign with companies providing goods and services?”*

**Voters clearly believe arbitration agreements should not be removed from the contracts consumers sign with companies providing goods and services.**

**Should Congress Remove Arbitration Agreements from Contracts**

**Total Should: 24%**

**Total Should Not: 71%**



Now, **some officials in Congress** would like to remove these arbitration agreements from the contracts consumers sign with companies providing goods and services. How about you, do you think Congress should or should not remove arbitration agreements from contracts consumers sign with companies providing goods and services? And, do you feel that way strongly or not-so-strongly?

# Key Findings

- 4. Voters believe there could be many adverse outcomes should arbitration agreements be removed from contracts.**

# Possible Outcomes

**We asked voters about some possible outcomes should arbitration agreements be removed from contracts that consumers sign with companies.**

**Half the voters were asked the likelihood of these outcomes while the other half of voters were asked if each outcome would be good or bad if they happened.**

Almost two-thirds of voters say one of the worst things that could happen is that consumers may not be able to afford to be represented in a dispute.

Possible Outcome	% Worst Thing That Could Happen	% Almost Certain/Very Likely
Consumers who may not be able to afford the <b>cost of a trial</b> would never be represented in a dispute.	<b>64%</b>	<b>60%</b>
Companies will raise their prices and we will all end up paying higher prices for everyday goods and services.	<b>56%</b>	<b>50%</b>
Consumers will end up either having to file a lawsuit, or just dropping their complaint because <b>companies will not agree to arbitration after a dispute arises.</b>	<b>51%</b>	<b>57%</b>

There is also concern that lawyers will benefit because more lawsuits will be filed if arbitration agreements are removed from contracts.

Possible Outcome	% Worst Thing That Could Happen	% Almost Certain/Very Likely
Lawyers will benefit financially because they will file more lawsuits.	49%	74%
Fewer consumers will have their dispute heard through an arbitration proceeding so there will be more lawsuits filed through our courts.	45%	59%

# In Summary

- 1.** Voters express concern about the difficulty of settling a dispute with a company, and how fairly they would be treated in such a situation.
- 2.** Given the choice of how they would like to settle a serious dispute with a company, voters overwhelmingly choose arbitration (82%) over litigation (15%).
- 3.** Voters strongly believe Congress should NOT remove arbitration agreements from the contracts consumers sign with companies providing goods and services (71%).
- 4.** Voters believe there could be many adverse outcomes should arbitration agreements be removed from contracts.