

GREENBERG QUINLAN ROSNER RESEARCH

May 10, 2010

The Economy Project

Citizen Opinion

The problem from the front lines

- **The growing gap between macro economy and micro experience of the white working class**
- **The economic gap for the new Democratic base voters (RAE) – high hopes of unmarried women, the young, Latinos and African Americans – potentially diminished by toughest economic experience.**
- **The unsuccessful progressive narrative**

Elements

- **Monthly economic tracking: macro and micro indicators**
- **Web and panel survey (re-interviewed each month) – on the changing economic experience and progressive messages**
- **In-depth interviews with 1) white working class and non-college, and 2) RAE voters.**
- **Summer national survey on the economy**

Findings from in-depth interviews

- This recession experienced as a profound personal financial crisis – produced by lost jobs, hours and wages, but defined by lost income, compounded by debt and high prices, like gas, putting people at the edge.
- White working class skeptical of Obama's economic approach (health care, spending and bailouts for undeserving).
- But RAE, support approach, acknowledges help from the government and more hopeful will succeed
- Rich understanding of caused this crisis: high debt, inflated housing market, everybody leveraged, Banks and Wall Street excess, greed from top down, while government took a pass and failed to do its job. Sounds like they have read *Too Big to Fail* and *The Big Short*.
- The big banks, Wall Street, CEOs and undeserving auto companies got bailed out (by Bush and then Obama) with our money, while we struggled.

**Note: Based on research for Citizen Opinion.*

Findings from in-depth interviews, continued

- Democrats profoundly weighed down by a new understanding of debt and spending. This is not the old liberal, big spending worry. The Democrats' economic approach is increased spending and debt, making them part of the worldview that produced the crisis. It will come to haunt America.
- People have personal strategies for succeeding in this new economy, centered on getting education, training and skill – and seem pretty optimistic they can do okay and that country will come back.
- But diminished expectations for themselves (just to have a little expendable cash) and for the 'middle class dream' (able to go to Disneyworld, not deep in debt, can pay bills).
- Worry about gap between middle class and CEOs.
- Hope America still a model to the world.

**Note: Based on research for Citizen Opinion.*

The economic crisis

What happened was I remember this too in 2008, September, ... people were getting homes and not paying for their homes, bad credit. They were letting homes become abandoned and then the banks... I think the greed from like lenders and brokers, the greed to make money right away, I don't think that's right. ... Someone has to hear this because we can't have this happen again, misleading people on paper on getting home loans where they don't qualify, they can't afford and eventually in the long run, everybody is going to hurt. And then the banks... sort of knew about it and sold it to Wall Street and then they lost, and then they want the governmentall I hear on the news is how the government is helping Wall Street. And the American people and the middle class are being left behind. (IDI 44, CA, Industrial/Manufacturing, Some Coll.)

**Note: Based on research for Citizen Opinion.*

The economic crisis, continued

[Just] like with the banks and stuff like that, the people that have all the money already are getting bailouts while people that are struggling are getting nothing. So I would say, I mean, I don't know what you would call that group, the business, the higher business groups .. that's who I think are hurting us and just not really caring or trying to help. They're just worried about their bottom line and keeping the money that they have already. (IDI 42, IL, Industrial/Manufacturing, Some College)

When it was the bad economy, I would see people in the store with calculators sitting there like, okay, I've got this much and I can only spend this much. And I'm like, this is terrible that we have people go out with calculators and I've been there. Now I hardly see anybody do it anymore. And I said, well maybe it's slowly starting to get better. And the prices are going down a little bit. (IDI 3, SC, Clerical, Some College)

The economic crisis, continued

Well business is business. If you let the business go wild it's going to go wild, you know, even though [there are] rules, it will .. take the money and run. I think you've got to make sure you stay on top of it, I mean, you've got to have laws, you've got to have protection, you know. You can't, you can't do this because it's going to crash the economy. Look at the bank I was with; it failed. You know, thank God I was insured but that's because of the government but the majority of banks did fail and the reason why is because nobody cared or nobody kept track of what was going on. (IDI 34, CA, Construction, Some College)

...[A]s long as those people [CEOs] are up there grabbing money as fast as they can go this place, the United States is doomed. (IDI 26, FL, Construction, HSG)

Spending and deficits

That federal government is a monster to me...[i]t's real simple, they enslaved me by proliferating the government and that is not anything that was ever in that piece of paper they call the constitution. [Examples?] ... taking my money and giving it to General Motors when they should be filing a chapter 11, and that's just, you know, I won't even get into the bankers, nothing but a bunch of money thieves. If I printed money out of thin air they would come arrest me for counter fitting and the banks do it all the time and it's great, charge people interest to. (IDI 26, FL Construction, HSG)

He has been trying to extend government stimulus packages to people to try to stimulate the economy. Again, where is that money coming from? It's coming from other countries back into ours. But yet we are going further into debt to try to keep our economy afloat. I don't think it's going to work on a long term. (IDI 6, IN, Unemployed, Some College)

I'm not happy with most Republicans at this point either....but this spending is just too, too much. When do we stop spending and just....something is just.....you can't just put a band-aid on everything when it's really a gunshot wound. I don't know. I'm just like disgusted by it. The spending is just way, way too much. There are just too many unnecessary things put into these bills to make all these other lobbyists and other people happy. This is crazy. It's like filing bankruptcy and then going out on a shopping spree on Rodeo Drive. You've got to be kidding me. (IDI 30, FL, Service, Some Coll.)

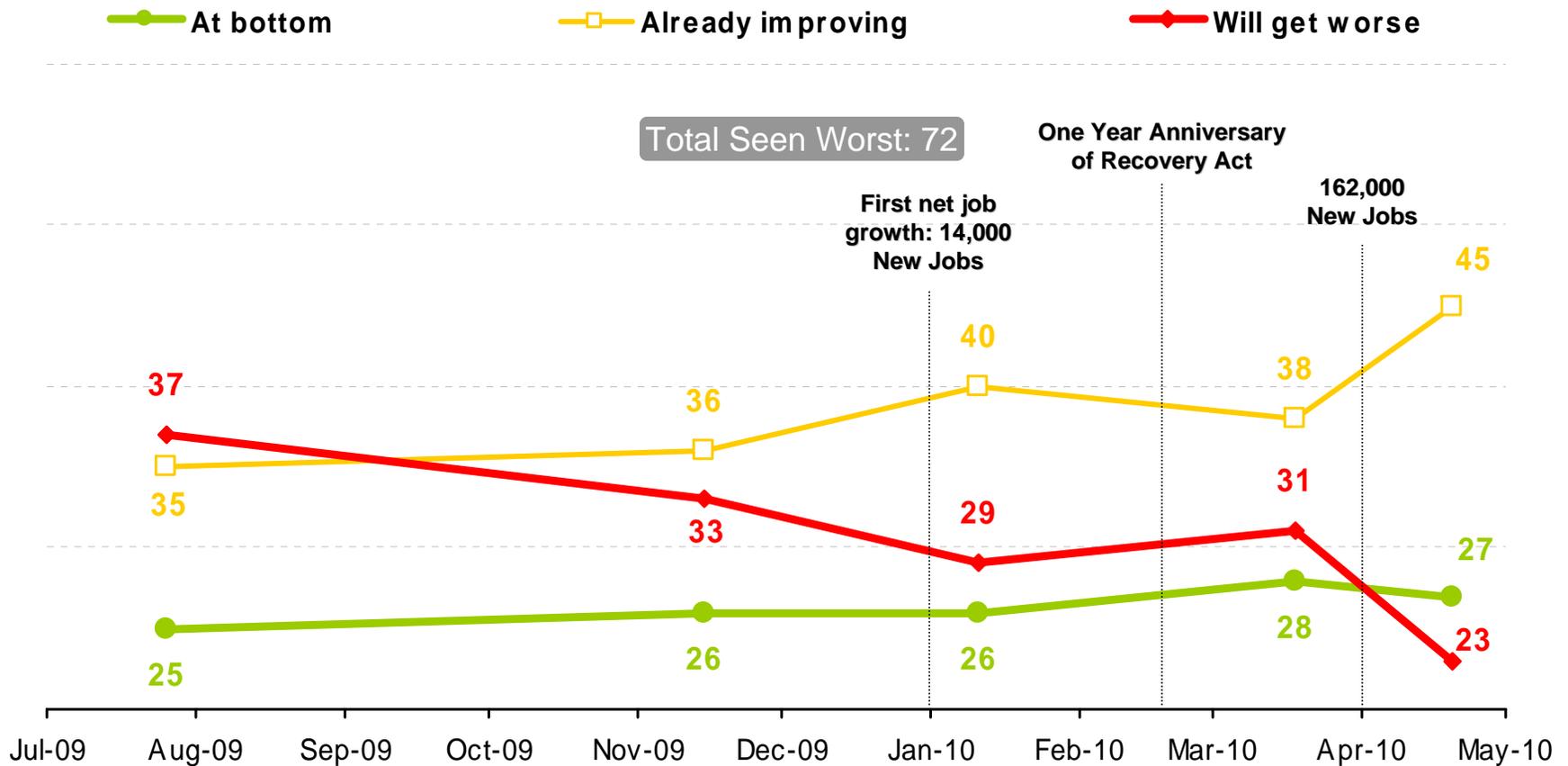
'Middle Class Dream'

[Anything I didn't ask?] I think that you've covered a lot of it. I just want people to be able to have an opportunity, like you said, that American dream. I want people to feel.... like people from other countries coming into our country, I still want them to think that it is the American dream, not just well it once was the American dream. I still want them to think that because the more opportunities people have, the better life it will be for everybody. (IDI 3, SC, Clerical, Some College)

Economic tracking – an economic but not political turn

Real economic indicator: economic optimism

Now, thinking about the nation's economy, do you believe the economy has already bottomed out and is starting to improve, is at the bottom but is not yet getting any better or has not yet bottomed out and will still get worse?

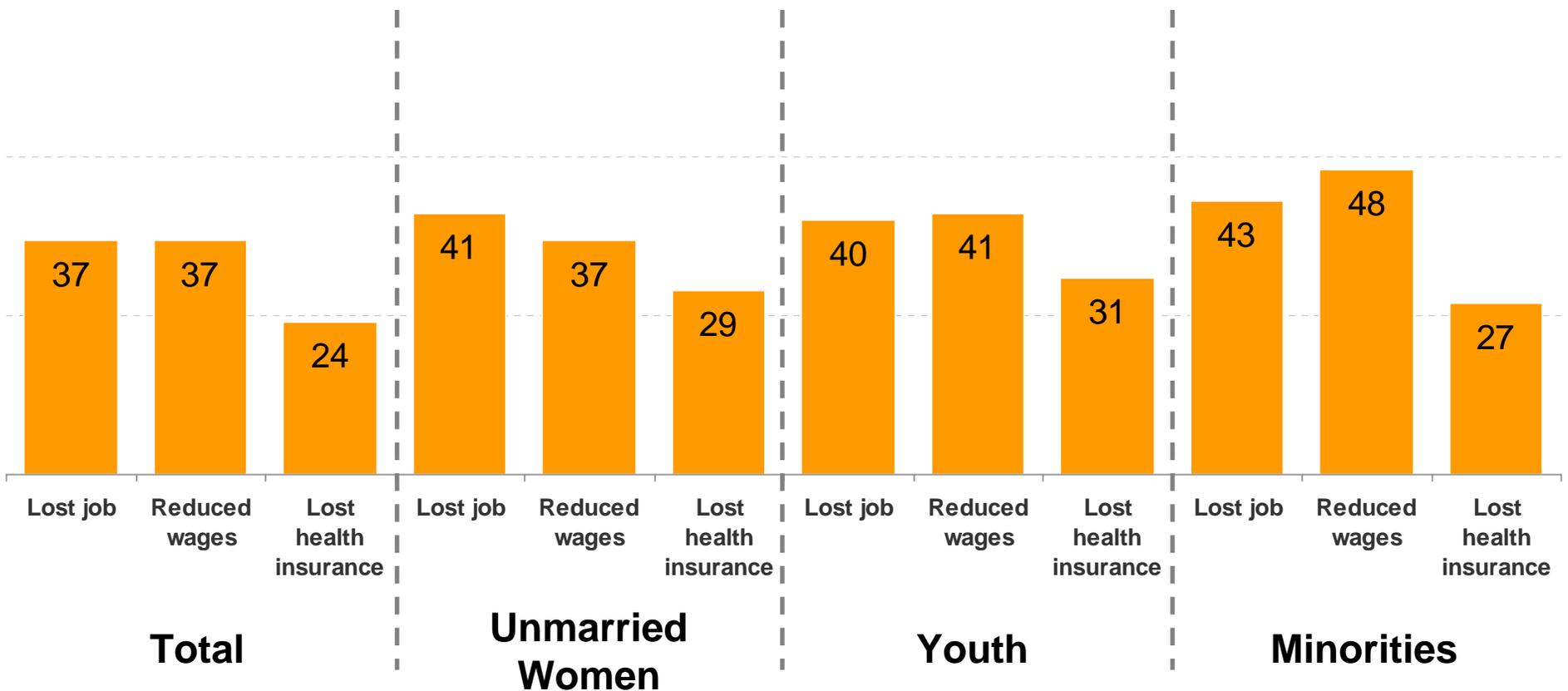


*Note: Data from Democracy Corps surveys conducted since July 2009. Data reflects full sample of 2008 voters.

The real economic indicators: the new American electorate

I'm going to read you a list of economic experiences some people have recently had. For each one, please tell me if you have directly experienced this in the last year, if your family has directly experienced this in the last year, or if someone you know well, like a friend, neighbor or co-worker, has experienced this or if no one you know well has experienced it.

■ Percent impacting you and your family

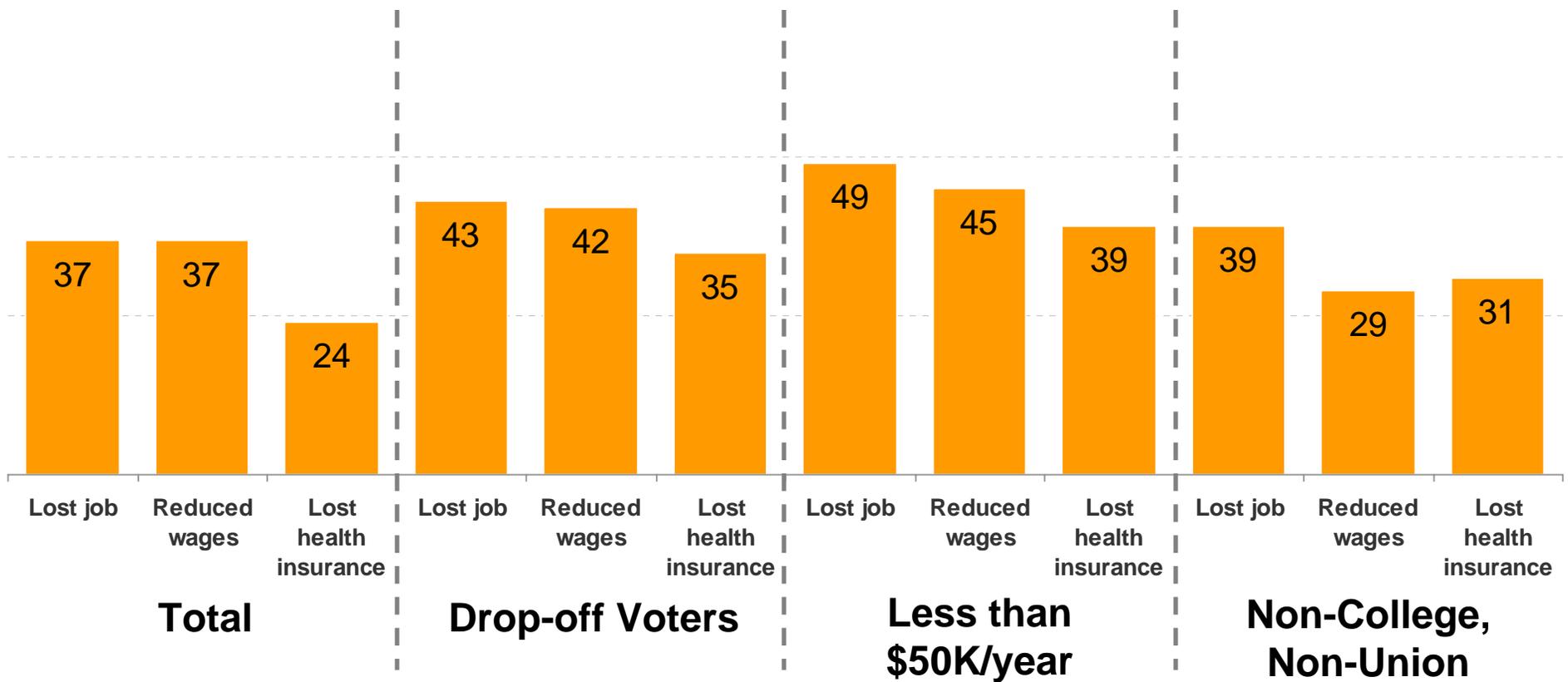


*Note: Based on research for Citizen Opinion.

The real economic indicators: Drop-off voters and lower income

I'm going to read you a list of economic experiences some people have recently had. For each one, please tell me if you have directly experienced this in the last year, if your family has directly experienced this in the last year, or if someone you know well, like a friend, neighbor or co-worker, has experienced this or if no one you know well has experienced it.

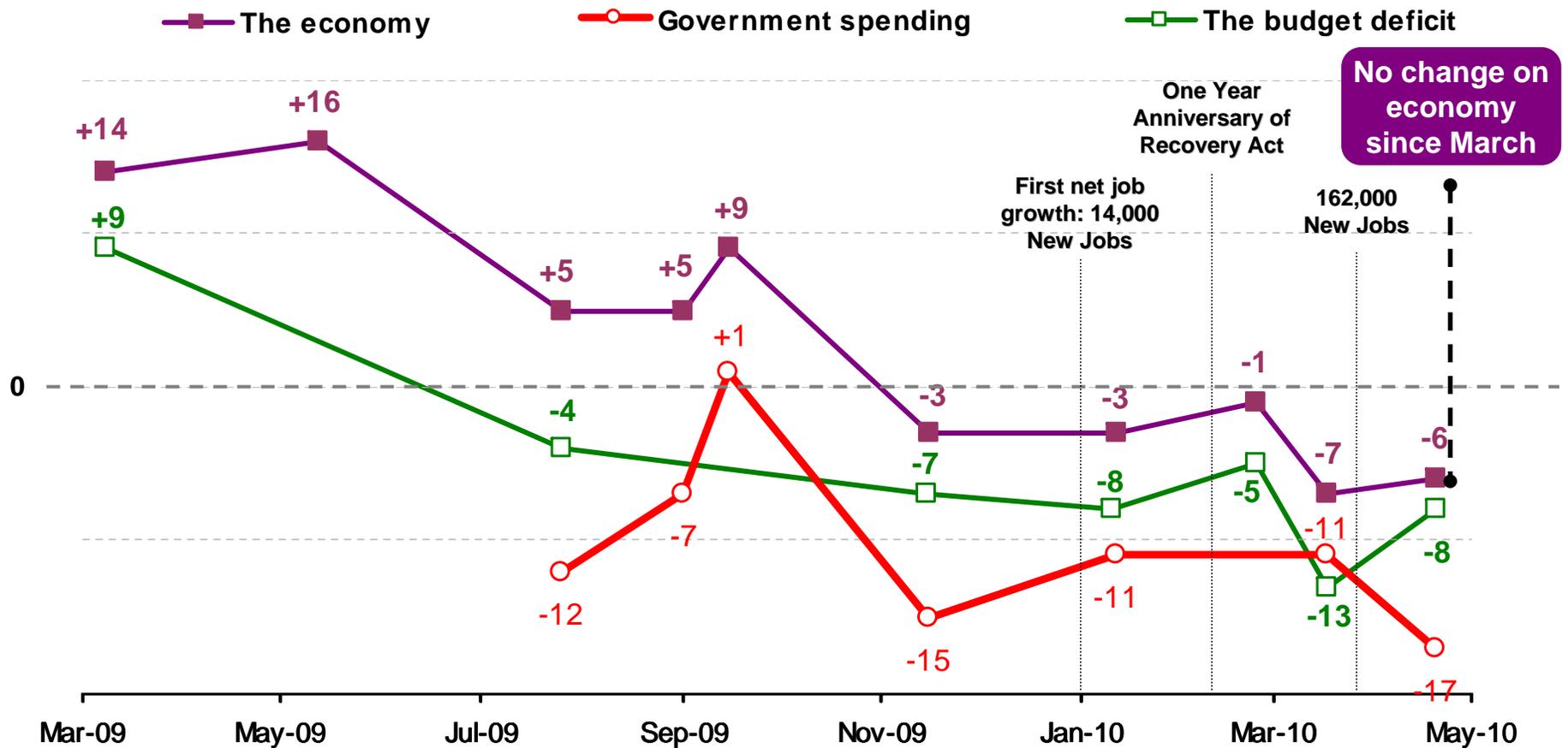
■ **Percent impacting you and your family**



*Note: Based on research for Citizen Opinion.

Which party better on economic issues: no change economy

Now I am going to ask you something different. I am going to read a list of issues and I want you to tell me whether, overall, you think the Democrats or the Republicans would do a better job with this issue. If you do not know, just tell me and we will move on to the next item.



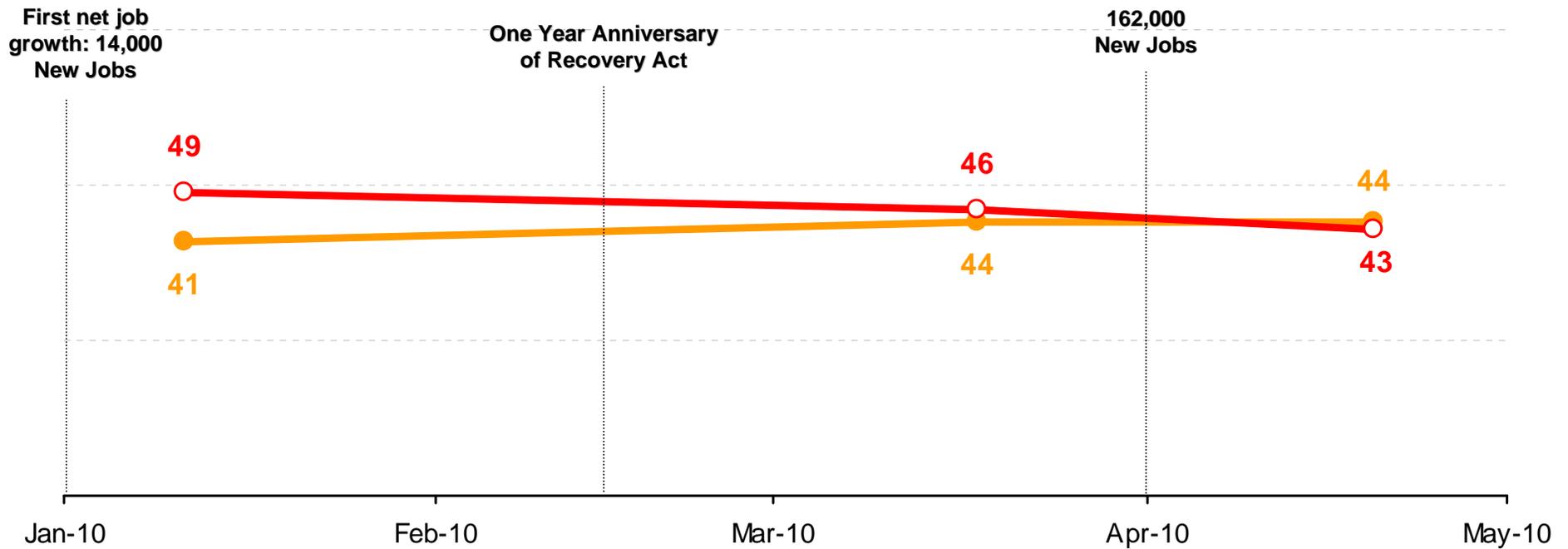
*Note: Data from Democracy Corps surveys conducted since March 2009. Shows "Democrats - Republicans" net.

Obama/Dems: for ordinary people or Wall Street: latter dropping

First Statement: Obama and the Democrats are more concerned with creating jobs for ordinary Americans.

Second Statement: Obama and the Democrats are more concerned with bailing out Wall Street.

● More concerned with jobs ○ More concerned with bailouts



1st - 2nd Net Difference	-8	-2	+1
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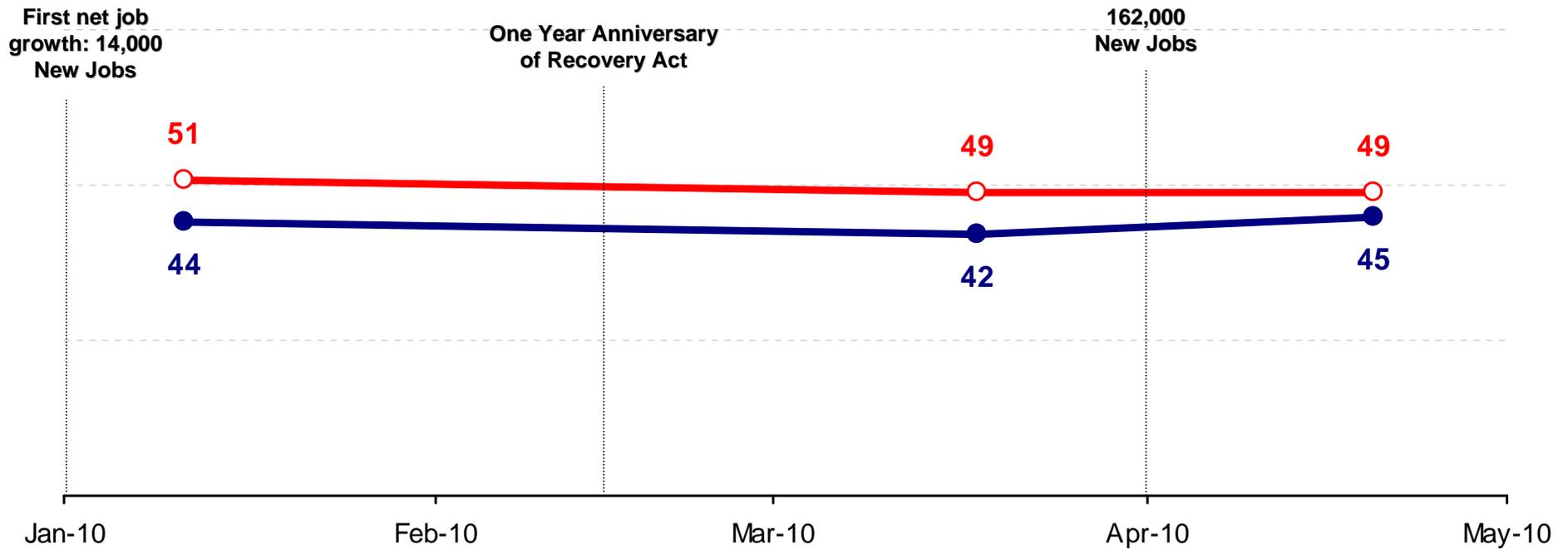
*Note: Based on research for Citizen Opinion.

Don't jeopardize recovery or cast protest vote: small rise in former

First Statement: Looking at what is happening with the economy, I am leaning toward voting for the Democrats so we don't jeopardize the chance of an economic recovery.

Second Statement: Looking at what is happening with the economy, I am leaning toward voting for the Republicans to protest the direction the economy is heading.

- For Dems, not jeopardize recovery
- For Reps, to protest economy direction



1st - 2nd
Net Difference -7

-7

-4

Web panel: weak and strong narratives

Republican economic message – not impressive

The following is a statement that a Republican member of Congress may make about the economy. After reading this, are you much more likely to support this Republican member, somewhat more likely, just a little more likely, no more likely or less likely to support them?

■ Much more likely

“The Democrats in Congress promised more government spending would keep unemployment at 8 percent, but it jumped to 10 percent. They created government jobs but not in businesses. They produced trillions of debt – as they bailed out banks and auto companies and created special deals for their union friends. Their answer to every problem is more spending and more debt, a path to socialism that American taxpayers can’t afford. Stop the out of control spending and provide broad tax cuts for individuals and businesses that create jobs. It’s time for a change.”



Total more likely

**Note: This message was given to the entire sample of respondents.*

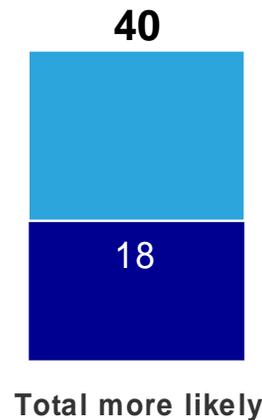
Message: economic policies starting to work

Please imagine that Barack Obama or a Democratic member of Congress made this statement describing what is happening with the economy. After reading this, are you much more likely to support this Democratic member, somewhat more, just a little more likely, no more likely or less likely to support them?

Economic policies starting to work

“I won’t be satisfied until more people have good jobs, but our economic policies kept our economy from going over the brink into a depression, stabilized the banks and credit, allowed stock values and savings to regain value, helped the unemployed with benefits and health insurance, kept many police and teachers on the job, and cut middle class taxes. This is starting to create private sector jobs, which is the best news. It is important to finish with our plan to bring the economy back.”

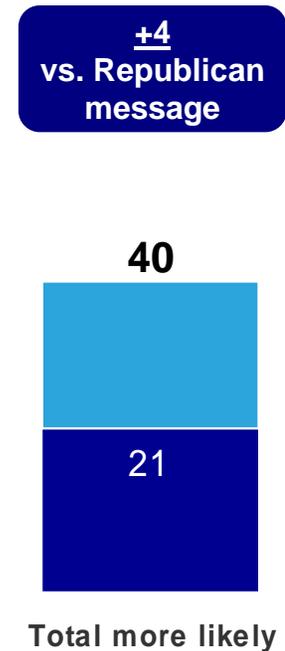
■ Much more likely



Economic policies starting to work, with contrast

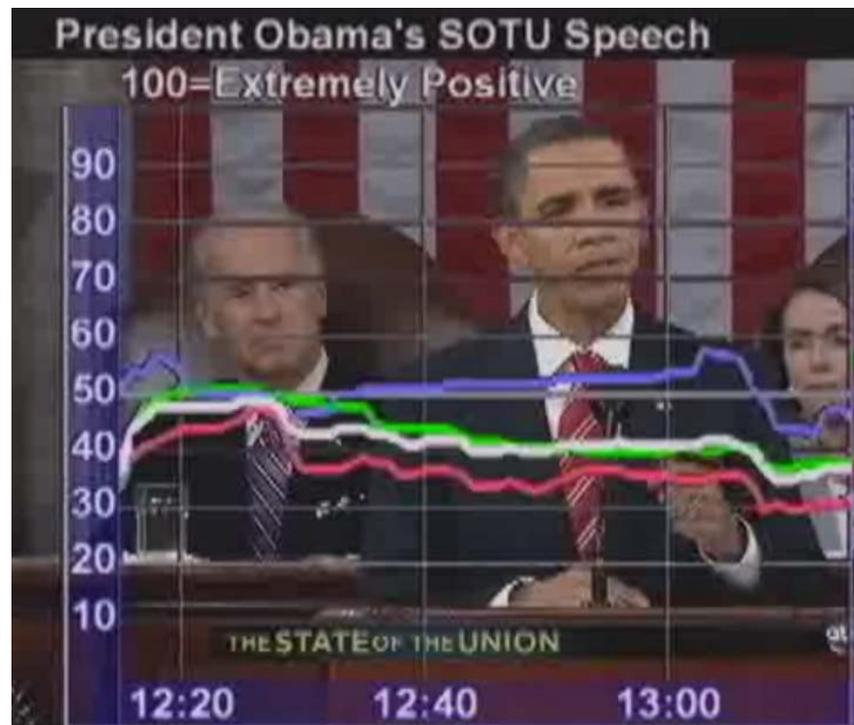
“George Bush’s policies left us with soaring deficits and 750,000 lost jobs each month. I won’t be satisfied until more people have good jobs, but our economic policies kept our economy from going over the brink into a depression, stabilized the banks, allowed stock values to rise, helped the unemployed with benefits and health insurance, kept many police and teachers on the job and cut middle class taxes. This is all finally starting to create new private sector jobs, which is the best news. We can’t afford to go back to Bush’s policies. Let’s finish the job.”

■ Much more likely



State of the Union dial groups showed weakness in this message

*Economists on the left and the right say this bill has helped save jobs and avert disaster. But you don't have to take their word for it. Talk to the small business in Phoenix that will triple its workforce because of the Recovery Act. Talk to the window manufacturer in Philadelphia who said he used to be skeptical about the Recovery Act, until he had to add two more work shifts just because of the business it created. Talk to the single teacher raising two kids who was told by her principal in the last week of school that because of the Recovery Act, she wouldn't be laid off after all. There are stories like this all across America. **And after two years of recession, the economy is growing again.***



**Note: Data from Democracy Corps focus groups conducted in Las Vegas, Nevada with 50 swing voters who were given perception analyzing devices (known as dials) and asked to give their real time reaction to President Obama's State of the Union Address on January 27th, 2010.*

SNEAK PEAK – Dems to Run This Fall as the “Results Party”

- *“In registering voters and convincing voters to turn out for our candidates, we must give them a choice -- and that means we’ll both tell our story and tell it in contrast to the other side. We have more accomplishments to run on than any Party in a long time. ... Americans want results, and that’s what we’ve given them. ... At a time when many Americans doubted the capacity of government to tackle and solve big problems, we have shown that we are the Results Party.”* **-Gov. Tim Kaine**

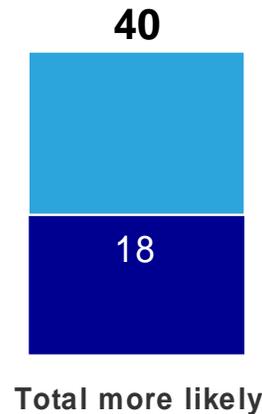
Message: Explaining the plan and direction

Please imagine that Barack Obama or a Democratic member of Congress made this statement describing what is happening with the economy. After reading this, are you much more likely to support this Democratic member, somewhat more, just a little more likely, no more likely or less likely to support them?

Explaining the plan and direction

“Let me describe the new economic plan. First, it stabilized the financial system to avoid a depression. Half of the loans to the big banks are paid back and a fee on them will get the rest. Second, it prioritized increased benefits and health insurance for the unemployed. Third, it is investing in new clean energy and transportation jobs. To help small businesses hire, it is now providing major new tax credits for small businesses. Finally, it cuts the deficit yearly starting in November. Let’s finish the job.”

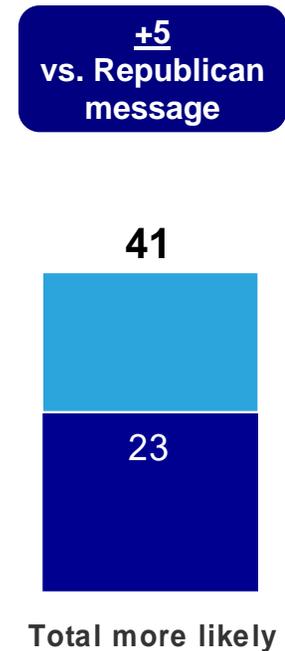
■ Much more likely



Explaining the plan and direction, with contrast

“George Bush’s policies left soaring deficits and 750,000 lost jobs each month. So, we are trying a different plan. First, it stabilized the financial system to avoid a depression. Half of the loans to the big banks are paid back and a fee on them will get the rest. Second, it prioritized increased benefits and health insurance for the unemployed. Third, it is investing in new clean energy and transportation jobs. To help small businesses hire, it is now providing major new tax credits for small businesses. Finally, it cuts the deficit yearly starting in November. We can’t afford to go back to Bush’s policies. Let’s finish the job.”

■ Much more likely



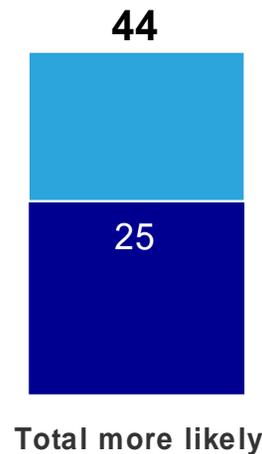
Message: helping people through the crisis

Please imagine that Barack Obama or a Democratic member of Congress made this statement describing what is happening with the economy. After reading this, are you much more likely to support this Democratic member, somewhat more, just a little more likely, no more likely or less likely to support them?

Helping people through the crisis

“People are facing the worst economic crisis in a half-century and still struggling. That’s why I supported the economic plan that increased and extended unemployment benefits and for the first time, provided health insurance for the unemployed. During this crisis, it increased support for food kitchens and food stamps. It provided big ongoing tax cuts for the middle class and now new tax cuts for small businesses that hire unemployed workers. Let’s finish the job of helping people through this crisis.”

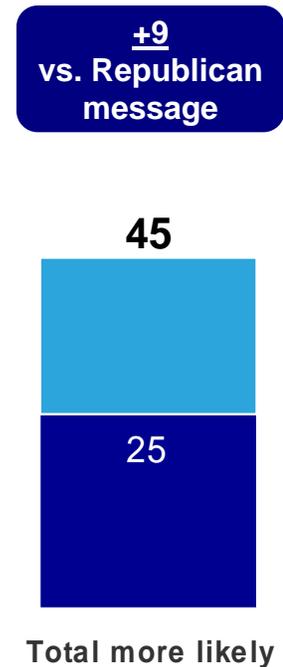
■ Much more likely



Helping people through the crisis, with contrast

“George Bush’s policies left us with 750,000 lost jobs each month – the worst economic crisis in a half-century and people are still struggling. That’s why I supported the economic plan that increased and extended unemployment benefits and for the first time, provided health insurance for the unemployed. During this crisis, it increased support for food kitchens and food stamps. It provided big ongoing tax cuts for the middle class and now new tax cuts for small businesses that hire unemployed workers. The Republicans in Congress voted against every new policy. Let’s finish the job of helping people through the crisis.”

■ Much more likely



Message: total focus on middle class

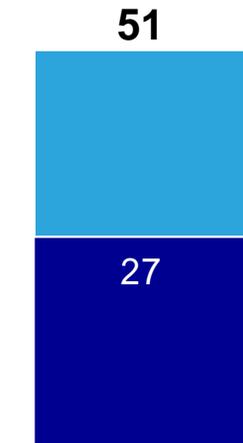
Please imagine that Barack Obama or a Democratic member of Congress made this statement describing what is happening with the economy. After reading this, are you much more likely to support this Democratic member, somewhat more, just a little more likely, no more likely or less likely to support them?

Total focus on middle class

“I am fighting to put the middle class first, after CEOs took outlandish bonuses, bankrupted their companies, and took down the economy. That’s why I supported an economic plan that continues to cut taxes for the middle class. For the newly unemployed, it raised benefits and provided help with health insurance. Now, small businesses and innovators are getting tax credits to make health care affordable and to hire new workers. And we should tax CEO bonuses and Wall Street banks to pay back the taxpayers. Let’s finish the job for the middle class.”

■ Much more likely

+15
vs. Republican message

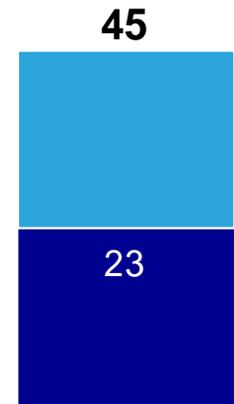


Total more likely

Total focus on middle class, with contrast

“I am fighting to put the middle class first, after CEOs took outlandish bonuses, bankrupted their companies, and took down the economy. George Bush’s policies left us with 750,000 lost jobs each month. That’s why I supported an economic plan that continues to cut taxes for the middle class. For the newly unemployed, it raised benefits and provided help with health insurance. Now, small businesses and innovators are getting tax credits to make health care affordable and to hire new workers. And we should tax CEO bonuses and Wall Street banks to pay back the taxpayers. We can’t afford to go back to Bush’s policies. Let’s finish the job for the middle class.”

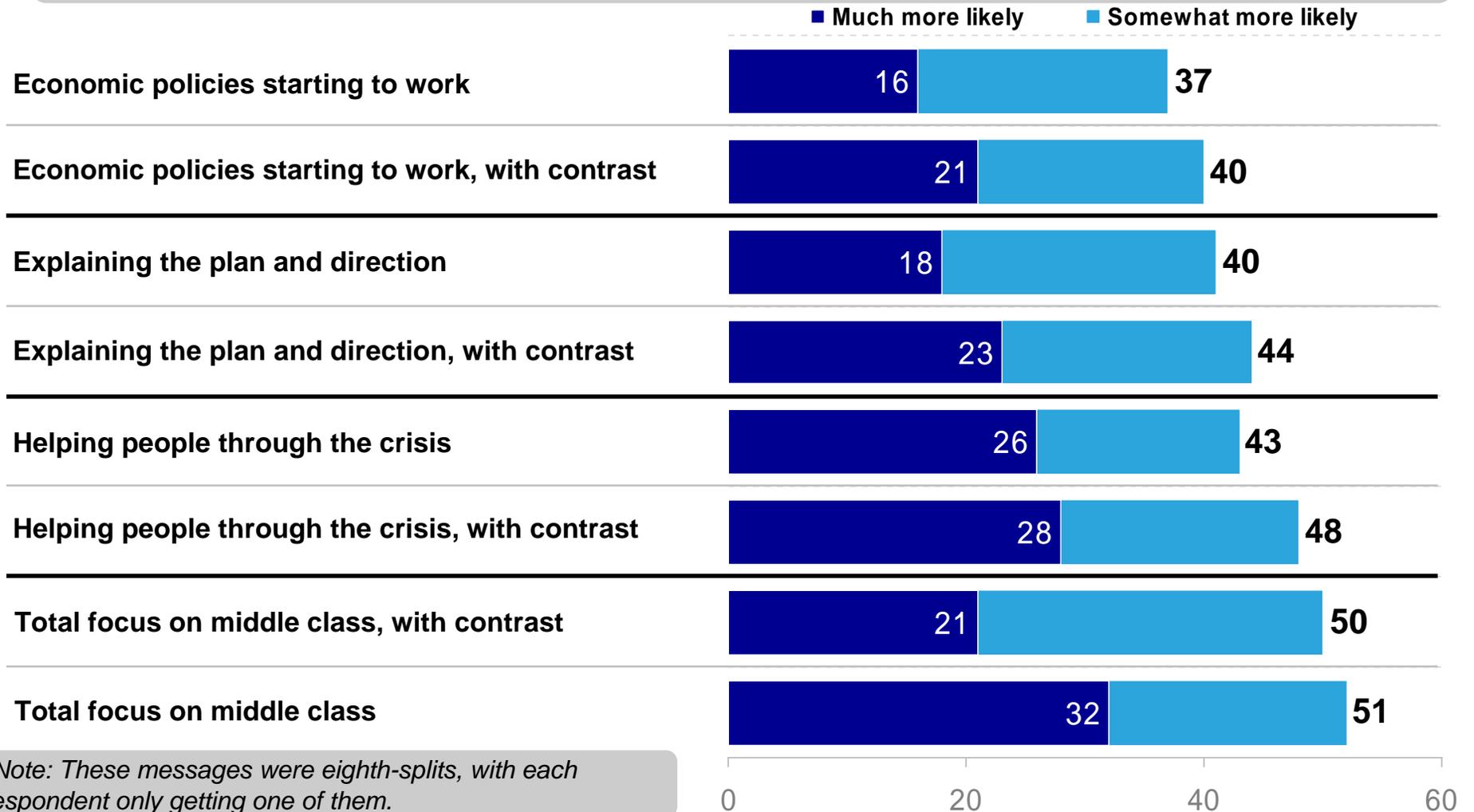
■ Much more likely



Total more likely

Summary of Democratic messages

Please imagine that Barack Obama or a Democratic member of Congress made this statement describing what is happening with the economy. After reading this, are you much more likely to support this Democratic member, somewhat more, just a little more likely, no more likely or less likely to support them?



**Note: These messages were eighth-splits, with each respondent only getting one of them.*

Middle class messages most persuasive across all groups

Please imagine that Barack Obama or a Democratic member of Congress made this statement describing what is happening with the economy. After reading this, are you much more likely to support this Democratic member, somewhat more, just a little more likely, no more likely or less likely to support them?

	Total	RAE	White Non Coll RAE	Blue Collar
Economic policies starting to work	40	47	41	30
Economic policies starting to work, with contrast	40	49	41	21
Explaining the plan and direction	40	45	33	31
Explaining the plan and direction, with contrast	41	48	41	31
Helping people through the crisis	44	50	43	32
Helping people through the crisis, with contrast	45	49	35	36
Total focus on middle class	51	50	45	53
Total focus on middle class, with contrast	45	46	35	44

**Note: These messages were eighth-splits, with each respondent only getting one of them. Data reflects those who responded much or somewhat more likely.*

Key messages shift which party better on economy

For the following issues, overall, do you think the Democrats or the Republicans would do a better job with this issue?
The economy...

	Toward Dem	Toward Rep	Net Shift
Economic policies starting to work	+9	+8	Dems +1
Economic policies starting to work, with contrast	+9	+7	Dems +2
Explaining the plan and direction	+6	+7	Reps +1
Explaining the plan and direction, with contrast	+6	+6	Even
Helping people through the crisis	+8	+8	Even
Helping people through the crisis, with contrast	+8	+4	Dems +4
Total focus on middle class	+8	+4	Dems +4
Total focus on middle class, with contrast	+6	+6	Even

**Note: These messages were eighth-splits, with each respondent only getting one of them.*

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