

Date: April 26, 2010  
To: Friends of Democracy Corps and Greenberg Quinlan Rosner  
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## **Is this the Final Chapter or a New Chapter?**

*New national survey shows state of the country at critical juncture in 2010*

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We still do not know how this story ends. We could be at the beginning of a new, six-month chapter with voters growing more invested in the country's current course and shifting their thinking about the issues and stakes. Or we could be locked into this current chapter as a final one full of angry citizens determined to cast their votes against Washington, the elites, Democrats and government. There is some evidence the former is possible, if the president and Democrats throw themselves behind emergent trends, though there is even more evidence for the latter ending.

Health care's passage did not produce even a point rise in the president's approval rating or affection for the Democratic Congress. Virtually every key tracking measure in April's poll has remained unchanged, including the Democrats' continued weakness on handling of the economy. Both parties are equally reviled, reflected in their lowest ratings in history, while voters want to punish those in power – for the partisan bickering, bailing out the undeserving, government spending, the deficit, and the endless gridlock over health care while people struggled to survive the jobs crisis. With independents even more conservative and Republican-leaning in this survey, the congressional battle in 2010 looks like a dead-heat at best – a 12-point swing in this poll from 2008.

But there is a lot more going on – with some evidence that the voters can get to a different place if Democrats embrace the emergent changes and push them to shift the inertia away from the current populist revolt against government.<sup>1</sup>

- A significant 5-point drop in the percent believing the country is heading in the wrong direction – produced entirely by the 12-point drop among Democrats – a possible precursor to Democratic voters believing they have a greater stake in the 2010 election.
- Whether the country is on the wrong track is a key measure of mood and confidence in leadership and may be an advance indicator for other changes. That was true when things turned sour in April last year: Obama's approval rating dropped

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<sup>1</sup> This memo is based on a poll conducted by Greenberg Quinlan Rosner on April 17-20, 2010 among 2008 voters nationwide. All analysis in this memo unless otherwise noted is among the 1,225 likely 2010 voters.



two months later and the standing of Democrats in Congress three months later. Will there be lagged changes on these measures now?

- Assessments of the personal economy – your own finances, job situation, health insurance, and hours and wages – moved significantly upward in April – and for the first time.
- Evaluations of the macro economy grew even more: a 7-point rise in belief the economy is in recovery and 10-point rise in “warm” judgments about the economy. Independents as well as Democrats are drawing these conclusions.
- The one area where Democrats are making consistent headway is on the perception that they are working for Main Street jobs rather than Wall Street bailouts – though they still have a long-way to go – voters are evenly split on this issue. Democrats are only 4 points ahead on which party is ‘on your side,’ and tied on who would do a better job with ‘middle class living standards.’ Every issue has to reinforce that Democrats stand for the middle class and Republicans for the big corporations.
- The regression modeling says that only two things matter for predicting the congressional vote: first, who is better on the economy and jobs, and second, who is on your side. Passing health care was important for many reasons, but most voters still viewed it as a distraction from the hard work on the economy. The changes in the economy and Wall Street debate may change that.
- Democrats have yet to credibly reassure voters on spending and deficits. At the moment, voters believe cutting taxes and spending and reducing government will be better for the economy than investing to create jobs.
- Without a powerful narrative for the economy, a growing number believe that Obama’s economic policies have run up a deficit while failing to ease the jobs problem rather than averting an even worse crisis. Our research shows over and over again that the president’s narrative – “it’s starting to work” – drives disaffected voters away from Democrats on the economy.
- The Democrats need an economic narrative and choice with power. A separate project for Citizen Opinion shows that an economic narrative and electoral choice centered on the middle class and corporate abuse can shift enough votes to change this final chapter.

Fortunately, Republicans have not yet closed the deal. Their image is abysmally low, but more important, the percentage saying they will vote Republican for Congress (without including those who “lean” Republican) has not increased from the 2006 and 2008 elections. All the De-



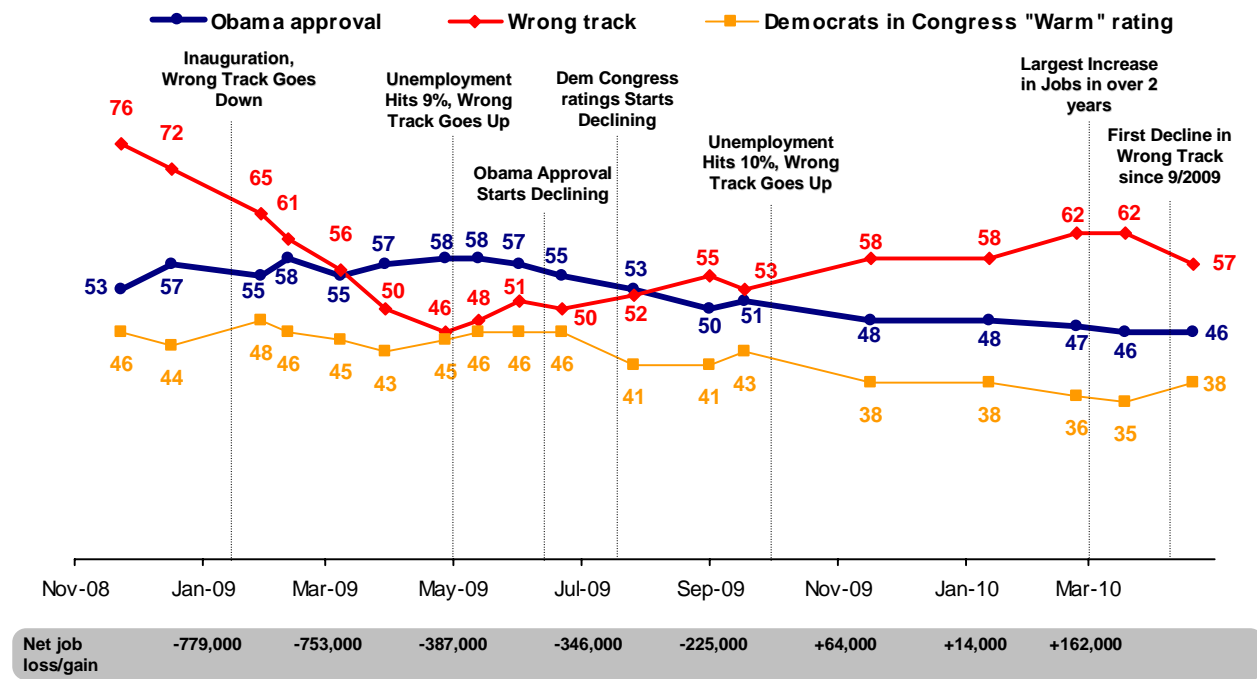
mocratic losses have shifted into the “lean Republican” or undecided – which has doubled compared to prior years.

### ‘Wrong Track’: advance indicator?

The percentage believing the country is headed on the wrong track, dropped 5 points this month to 57 percent. That is the first significant retreat in this basic indicator of mood and confidence in leadership since March 2009.

### ‘Wrong Track’ may be advance indicator for president and party

Generally speaking, do you think things in the country are going in the right direction, or do you feel things have gotten pretty seriously off on the wrong track?



\*Note: From Democracy Corps surveys conducted since the 2008 election. Data reflects likely voters.

This may be an advance indicator. As many as 85 percent said the country was on the wrong track in October 2008 in the waning days of the Bush Administration and the peak of the economic meltdown when the country voted for big change. That number fell sharply after Barack Obama came into office, cut almost in half to 46 percent in April 2009, reversed by the accelerating monthly job losses that sent the country into a very bleak year – hitting 62 percent in February and March.

Two months after the turnaround on “wrong tack,” Obama’s approval rating began to fall; three months afterwards, the ratings of the Democratic Party and the Democratic Congress



also started falling. Is this month's drop on "wrong track" an advance indicator of other changes?

Almost all the improvement in this "wrong track" rating is coming among Democratic voters – dropping 12 points from 31 to 19 percent. They are the voters most receptive to positive news and their shift in mood could impact their interest and investment in the election. There are even bigger shifts with young voters under 30 years, those earning under \$30,000 and African Americans – key parts of the new base for the Democrats in 2006 and 2008.

Independents and Republicans, however, did not budge and are a more difficult audience. More than two-thirds of independents still believe the country is on the wrong track. Also, white working class voters (non-college) remained very negative.

### **Significant Advances in Economic Indicators<sup>2</sup>**

While the judgment about the country's direction filters through a partisan lens, that seems to be much less the case for assessments of people's micro level real economic experience, as well as macro judgments about the economy.

April brought dramatic changes on the macro indicators:

- The percentage believing the economy has bottomed out and is starting to improve is up 7 points from last month to a 45 percent plurality. That is the highest number to say things are improving and also the largest monthly gain since we started asking the question last summer.
- 'Warm' ratings of the state of the economy on our 100 point thermometer scale jumped 10 points this month. While only 23 percent rate it warmly, that is still the highest rating in our tracking measures going back to 2008 and by far the largest one-month gain.

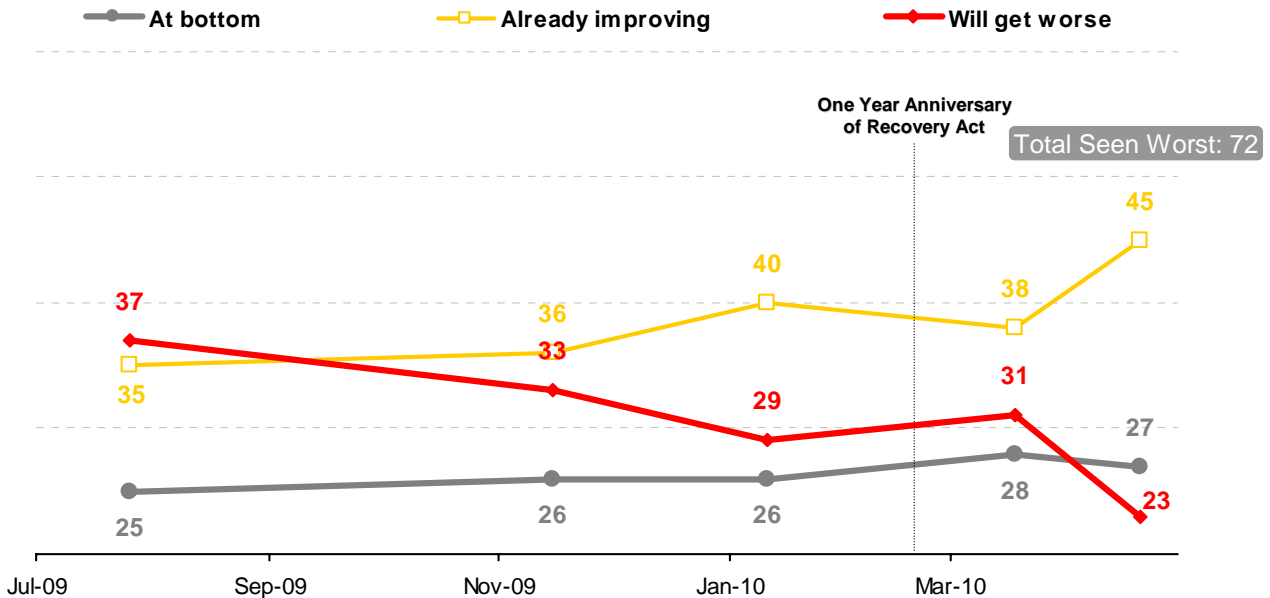
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<sup>2</sup> The economic tracking results are based on a poll conducted by Greenberg Quinlan Rosner for Citizen Opinion from April 17-20, 2010 among 1,481 2008 voters nationwide.



## More than ever believe economy is already improving

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.

Perceptions of the micro economy and voters own finances and job situation have also become more positive, though less dramatically.

- Nearly half, 49 percent, give warm ratings to ‘the state of your personal finances,’ up 3 points since March.
- Fewer people report personally experiencing unemployment in the past year, at 15 percent down from 20 percent last month.
- The same number, 15 percent, report being impacted by cuts in wages or hours in the past year, also down from 20 percent last month. Another 22 percent say this has impacted someone in their family, edging down for three straight months. Independents have improved at the personal level more than partisans, down 12 points in a month. Other big decreases at the personal level were among white men (-15 points), those with income under \$30,000 (-10 points, but still at 23 percent) and white college grads (-9 points).
- Being impacted by a job loss, either personally or within the family, has eased very slightly from 39 to 37 percent. However, there are very noticeable changes at the personal level among key groups - the number of those under age 30 reporting



a job loss fell 9 points, white non-college fell 7 points, and both unmarried women and white men were down 6 points.

- The percentage of those who are personally affected or who have had a family member experience loss of health insurance or falling behind on home payments has been flat or ticked down since last month – 24 percent for health insurance and 19 percent for home payments – after advancing from January to March.
- One positive economic indicator is especially important. 30 percent report getting a new job – 9 percent personally and 21 percent for their family. That is up slightly from 27 percent last month. This comes at the same time as the news of 162,000 jobs being created in the economy, the largest monthly gain in over two years.
- There was no decline in the number reporting re-entering the job market, with 11 percent saying they have personally done this and 24 percent saying that someone in their family has.

As noted above, there are interesting changes among some particular groups driving the increases in these real economic indicators. Politically, Democrats and independents report warmer personal financial ratings, up 8 and 7 points respectively, as well as reductions in job losses and wage cuts. But ratings of personal finances for Republicans have declined while jobs and wage cuts have been steady.

White men as a group are faring better this month on these indicators. They saw the largest shift in personal experiences of wage cuts, down 15 points from last month. And they are also down 6 points on personal job losses and their warm ratings of their finances are up 4 points. Older white men – age 50 and up – improved especially on wage cuts (down 13 points) and in ratings of their finances (up 11 points).

There is a class component to these improvements of real economic indicators. White high school graduates improved by 11 points in ratings for their finances; they are down 8 points on experiencing job losses and 6 points down on wage cuts. Specifically younger whites without a college degree are down 11 points on experiencing job losses, down 7 points on wage cuts and up 7 points on their financial ratings.



■ **Table 1: Real Economic Indicators: Changes from March**

	Warmly Rating Personal Finances <sup>3</sup>	Personally experienced a job loss	Personally experienced wage cuts
<b>Total</b>	<b>+3</b>	<b>-2</b>	<b>-5</b>
Democrats	+7	-5	-4
Independents	+8	-3	-12
Republicans	-7	0	-1
White Men	+4	-6	-15
White Men 50+	+11	-5	-13
White Post H.S.	+11	-8	-6
White Young Non College	+7	-11	-7

### But No Change in Political Calculus

While there is a lot of churning on the economy, it has not translated at all into political judgments. There has been no shift on all economically-linked political measures in this poll – which party could do a better job on the economy, spending and other measures, and assessment of the impact of the recovery act. Obama’s approval rating on the economy is about the same as it was in February.

When evaluating which party could do a better job handling a variety of economic issues the Democrats continue to match-up terribly. Republicans hold a 6-point advantage on being better able to handle the economy, 8 points on handling the budget deficit, and 17 points on government spending (their widest advantage on this measure to date).

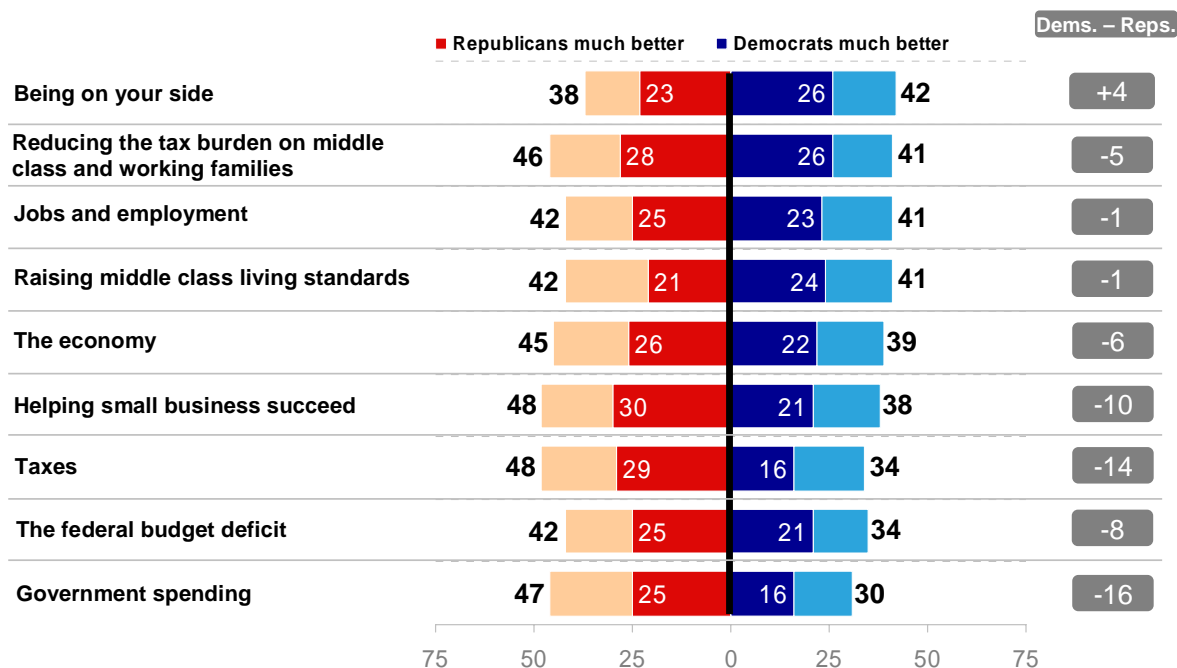
But the Democrats do have a 4-point advantage on the measure of “being on your side” and this is important. Regression modeling to control for a variety measures finds that two things consistently predict congressional vote: first, who is better on the economy and jobs, and second, who is on your side. That the positive economic movement on the real indicators over the last three months has not produce shifts on which party is on ‘on your side’ and better on ‘jobs’ represents a big challenge.

<sup>3</sup> Table shows increases in warm ratings of personal finances, personally experiencing a job loss in the past year, and personally experiencing wage cuts in the past year compared to March.



## Party status on the economic issues

Now 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.



While Democratic messages on the middle class are the strongest, Democrats have some work to do to establish the credibility of their politics and policies for the middle class. They are tied with Republicans on who would raise middle class living standards. And they are at a 5-point deficit on reducing middle class taxes.

The key for Democrats is translating the gains on the economy and the current battles on economic issues in the Congress into a new dynamic and choice in the election – with the Democrats more associated with the economy and jobs and battling corporate power to help the middle class.

The weakness on the deficits and government spending are an important part of the problem for many undecided voters and seniors. Democrats will need to reassure, show that spending restraint is part of their economic plans and remind voters of what Republicans have wrought.





## The Election

The congressional vote remains stable at 43 to 45 percent for the named Democratic candidate against the Republican. The gaping difference with 2006 and 2008 is the vote preference among independents, currently a 2-1 advantage for the Republicans (52 to 26 percent).

There is some evidence that Republicans have not closed the deal – even if the Democrats are much weaker. For long stretches of the 2006 and 2008 election cycles, Democrats were getting around 47 to 48 percent of the vote (without people who said they were leaning toward the Democratic candidate). That straight declared vote has dropped to about 38 percent now, down 10 points.

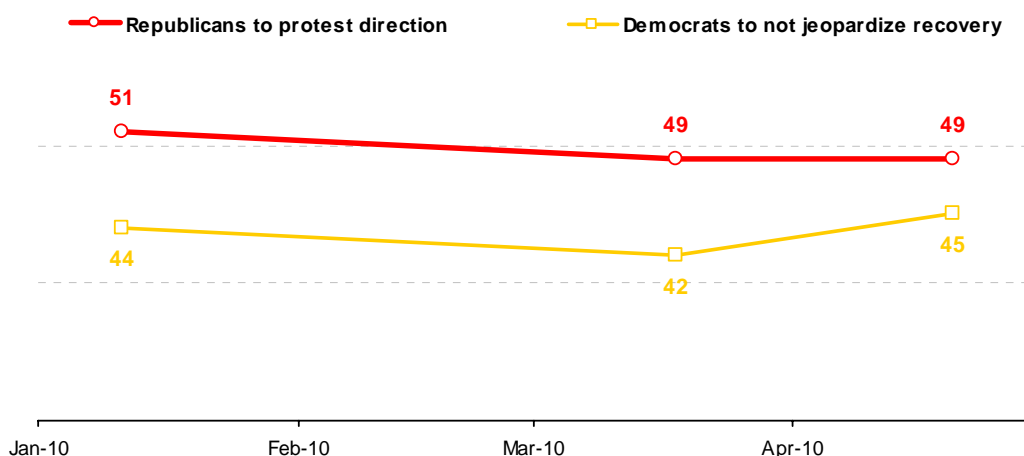
Republicans today are getting a straight vote of 39 to 40 percent (without leaners) – the same as they were getting in the last two cycles. Republican vote intention is essentially unchanged – except for a tripling of “leaners” to about 6 to 8 percent. The undecided vote has doubled to around 5 points.

In the last month, there has been a slight, not statistically significant increase in the number who do not want to jeopardize the recovery. Still this remains a protest election – as a plurality of 49 percent still says it wants to vote Republican to protest the direction of the economy. Independents are still determined to cast a protest vote.

### Slight gain in lean toward Democrats to not jeopardize recovery

**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.



\*Note: Data from Democracy Corps surveys conducted since July 2009.



The voter mood at the moment is deeply contradictory or ambivalent, creating an opportunity to change what the main battle is about. A majority of 52 percent believe the best way to improve or economy and create jobs is to cut government spending and cut taxes so business can prosper and the private sector can start creating jobs. Only 42 percent opt for the alternative to invest more to put people to work, develop new industries and help businesses grow in expanding, new areas. We have lost ground in this argument as the recession and legislative process has continued.

On the other hand, in a different context, voters think that lack of transparency in the big banks is a bigger problem than lack of transparency in big government. By 46 percent, people think that the major problem with this country is that big corporations and big banks are not accountable to average people versus 39 percent who think it is the federal government that is not accountable. Clearly, progressives want to be part of that choice.

The biggest evidence of the disjunction between economic and political churning is the growing number of respondents who believe that Obama's plans have not worked, while running up the deficit: today by 43 to 51 percent, people think his plans have failed, up from a 45 to 48 percent difference last summer. The Democrats' narrative is not allowing voters to translate what they are experience and seeing into a positive judgment about the Democrats' economic performance.