

GREENBERG QUINLAN ROSNER RESEARCH

The new economy

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DEMOCRACY CORPS
CARVILLE • GREENBERG

Methodology and Overview

This presentation is based on four focus groups conducted June 12-13, 2013 by Greenberg Quinlan Rosner for Democracy Corps.

Orlando, FL:

- Non-cuban Hispanic men
- White women under 30

Columbus, OH:

- White non-college-educated women
- White non-college-educated men

Summary: 1

1. People sense a macro recovery — that things are getting better. They talk about people getting jobs and selling houses. That produces less anger in reaction to economic news, like the jobs number.
2. But view the economy almost universally as "uncertain" and "concerned" – tremendous caution around macro judgment, as move to their personal economy.
3. Their own economy is just people at the financial edge – more about what's in the graphs about financial edge.
 - They say, "I can't afford to lose right now," or "I'm making ends meet. Barely."
 - They focus on student debt and child care, which take an enormous chunk of income and strangle them, holding them back from getting new jobs, going back to school, etc.
 - People also focused on prices at the grocery and are having to postpone retirement.
4. They filter job reports through a deep understanding of the character of the new jobs: Jobs no longer pay -- having to replace 1 career job with 2 disposable jobs. They ask, "are those jobs you can live off of?" and wonder how these jobs stack up to the cost of living.
5. On-going adaptation to the new economy – rather than adaption during the recession and recovery.
 - We hear about folks working full or part-time in retirement and postponing retirement.
 - More people are moving in with family members, sharing intergenerational housing.
 - Couponing and penny-pinching have become common as folks report living "paycheck to paycheck." Others report cuts to the food budget for parents in the household but not kids.

Summary: 2

7. Big new financial burdens: health care; child care; student debt
8. Downsized expectation for good economy – now just means having “a few extra dollars after payday”
9. But refuse to give up on the American dream. Don't call income and job situation a crisis; rather a serious problem.
10. Want to address long-term problems -- focus on long-term – even more so
11. Deficit and spending important -- the number itself “is staggering.” Filtered through their own household burden
12. Stopped by deficit facts – can change the conversation
13. Focus on investment/education – making work pay and political reform
14. Inequality important; get it; but focused on their economy and need to address – entry for the moment is powerfully through political inequality – get system is rigged
15. Very focused on political dysfunction – need to connect

What should we be doing for the future?

Making the economy work through investment in the middle class.

- Making health care affordable, political reform, investing in education, and making work pay. All focused on reorganizing the economy to work for the middle class again.

Below is a list of problems that we could be doing more of as a country. Please read this list and then circle the THREE that would be most important to happen.

Implement but greatly improve the health care reforms so people, families and businesses have more affordable health care.	15
Reform government by radically cutting special interest spending and subsidies and limiting big money donations.	15
Invest in math and science education, job training updated to new jobs, and make college more affordable.	13
Make work pay for families – including making sure women get equal pay, expanding paid family, maternity, and sick leave for families, and making childcare available and affordable.	12

They hear news about the broader economy, but reduced gains at the pocketbook level produces fear and leaves average people cautious

People feel more optimistic and we hear less anger.
But anger has become fear, uncertainty, and concern.

I FEEL __ ABOUT THE FUTURE OF OUR COUNTRY...

The graphic consists of several words in large, bold, sans-serif font, each with a small descriptive tagline below it:

- optimistic** (green)
- unsure** (red)
- concerned** (yellow)
- uncertain** (dark green)
fearful (yellow)
feel (light red)
- worried** (orange)
- nervous** (orange)
skeptical (light blue)
- scared** (orange)

A grey arrow points from the text "I FEEL __ ABOUT THE FUTURE OF OUR COUNTRY..." towards the word "optimistic".

And asked to describe their personal financial situations,
these folks defy rosier news about stock and housing prices

“ Afraid of losing my house.

“ I think the best word to
describe my household
finances is precarious.

“ I’m being very cautious

“ Me, personally,
not so good; my
household is
getting by.

“ Personally, I’m not doing great but my household is okay.

“ Back six years ago...I was
making double the income
I’m making now.

“ Making ends
meet. Barely.

Two steps
forward, four
steps back.

I own my own home
and I don’t see the
home values going
up. I see homes in
the neighborhood
selling quick but what
are they selling for?

“ I want to leave the country.

Many are living on the edge where fear, worry, and caution are pervasive

“ Afraid.

“ I can't afford to lose right now.

“ I'm being very cautious

“ I'm being conservative... It's starting to balance out a bit, but we never know...it's a roller coaster.

“ It's pretty scary really

“ I mean, most of my family and friends are, they're making ends meet but they're struggling so I would say they're pretty much average, just average people in the economy. They've got financial, you know, worry in the back of their minds, you know, if something happens what am I going to do?

Jobs numbers not met with anger as in past, but real skepticism about the kinds of jobs

“ I also read that the lower income jobs, those grew exponentially...a lot of them in the mid range, you know, where most middle class people are, those really kind of stayed static in the last years. I'm actually looking for a job right now. There are lots of jobs out there in housekeeping, things like that...

“ You look at the job number, 175,000, that sounds like a big number but when you look at the population of the United States and if you convert that to percentage, I mean you are talking about, what, less than a percent of growth but yeah, we still have 7% unemployed .

“ Are those jobs able to, can you live off of it? Does it balance with the cost of living? So those numbers, you know, 175,000, but how many of those are actual livable wages, wage jobs that, so the numbers can be skewed.

“ I always wonder how many of those jobs created are because of like what I talked about earlier where places are having two part-time workers versus one full-time worker.

Living in the new economy

Strategies to get by in this economy: community resources, intergenerational housing, new retirement

“ Looking for sales, pinching pennies.

“ Our neighbors are all doing the same, we’re...not buying extra stuff that we don’t need. We borrow each other’s lawnmower...We help each other out.

“ Extreme couponing; I love my coupons.

“ Cutting back on unnecessary items at home and just paycheck to paycheck.

“ My sister retired in 2009 and she had to go back to work

“ I moved my mom in with me last month. I am currently supporting my mom; her factory shut down and she was on unemployment.

“ After we pay our bills we make sure that our children eat but there’s times my husband and I can’t afford it and we eat peanut butter, potatoes, or rice. We make sure our children are eating 4 food groups but we can’t.

What does a good economy mean to you?

“A few extra dollars after payday”

[Building more houses... renovating.]

[Able to save more.]

[More jobs available, more companies hiring people.]

[People spending money not just on necessities...restaurants are the key indicator.]

[A few extra dollars after payday.]

[Yearly pay raises.]

[Full-time employment.]

[People shopping more]

[seeing people...able to go out and have fun]

[Utility prices going down.]

[Paying my bills.]

[the cost of living matches the minimum wage.]

[I can pay my bills.]

[Less for sale signs.]

[People taking vacations]

[less people who have either personal debt or are underwater on their houses.]

[a better paying job.]

[When you go out to a restaurant on a Friday night and you have to wait an hour in some places.]

**Biggest economic concerns:
inequality, student debt, and cost of living**

Economy of reduced gains: income not keeping pace with cost of living, especially groceries

“ Cost of living; it’s very depressing.

“ Raises aren’t happening, the cost of living continues to rise, bills continue to go up, child care continues to go up.

“ With gas prices going up, food, everything is going up and, you know, I don’t know how people do it. I really don’t.

“ I think inflation, you know, you can begin to see the food prices going up. It’s very difficult for families, you know.

“ Cost of food going up but raises aren’t happening in the work place so it’s going to be really hard for people to afford food.

The student debt stranglehold and reduced gains from education: “can’t ever catch up” and feels like a “crisis”

People are coming out of college are getting off on the wrong foot. My husband has \$58 thousand dollars worth of student loans and isn't making even close to what he needs to be making to pay it off. They're saying that you need all this education to get these jobs to make more money but yet you come out of college with all this debt and you can't ever catch up.

I can't go to school because my credit is bad because of my previous school loans but I can't afford to pay them. There's not really anything I can do to better my education because I can't afford it and I can't get a loan.

You have people who have to go back to school...they have no options...they've gotten a degree...but they can't get a job in it so they have to go back and get a degree in something else...

It's important to have an education but the cost...
I wonder is it worth it?

It's more for the financial reasons where, you know, we have a student loan crisis basically where you're getting into so much debt to get that degree, to get that better job, that that is becoming cyclical where you are working just to pay off your student loans so it's almost, it's a double edged sword.

I have plenty of student loans that I'm paying. I have a degree. I'm working as a bartender not by choice; not saying I love it but I make more money doing that than any position I could get in my degree so I pay my student loans as a bartender.

When you come out of school you're \$50 or \$100 thousand dollars in debt. You're lucky if you're making, you know, \$30 or \$40 thousand dollars a year. That's paying your bills. That's paying your rent. You're not paying off your debt so you're never getting ahead.

Student debt produces fear for the future: “you’ll never catch up.”

You're working everyday to try to save up but like, your kids right now, my kids are 8 years old. School right now is \$30 thousand dollars a year. In 10 or 15 more years it'll probably \$80 thousand dollars a year and you're saving up for that but you'll never be able to catch up because you're always running after it and you think you'll never catch up. Income-wise, money-wise it's like what you have now is not going to be enough 20 or 30 years from now.

I mean I think our children are our future, you know, they need to be smart and well educated for...our country to get better...making college more affordable, you know, between me and my wife, we have 5 kids so...

If we don't make college affordable we won't have the technical people that we need and we'll be hiring from abroad.

There's a lot of students...that just graduated...and can't get a job.

These students graduating with such enormous debt...it takes them years to get out of debt.

My grandchildren, it's a tough struggle for them.

And are keenly aware of inequality

[Ideally] you'd let these corporations run their businesses without any government interference but the problem is...you have these people who are...giving themselves multi-million dollar annual bonuses and they're cutting wages or they're cutting jobs.

There's people making \$30 thousand dollars a year paying a higher tax rate and people making \$30 thousand dollars a year have a lot less money to live on obviously than somebody making millions.

it's getting better for the rich and it's not getting better for the poor

My roommate lost \$30 thousand dollars on his 401(k) in 2008 and then lost his job at the end of that year also and was never able to find another job. And my brother lost his job at the end of 2008. I think the disparity between the rich and the rest of us is getting greater. The rich are getting richer and everybody else is getting poorer.

**Talking about spending, debt, and deficits:
household metaphor remains dominant
and very focused on long-term, not short-term**

Debt remains a top concern

Below is a list of problems that need to be addressed to have a better economy and more jobs. Please read this list and then circle the TWO that you think are the most important to be addressed.

Reducing government spending, debt and taxes	18
Investing in education, math and science, and making college more affordable.	14
Fewer jobs because of outsourcing and competition from China and lack of American jobs	11
Reducing inequality, the growing gap between very richest and everyone else	8
Cleaning up and reforming government to make it more accountable and work for regular citizens	8
Freeing entrepreneurs and markets from government regulation	6
Freeing entrepreneurs and markets from government regulation	2

Why? Participants talk about the national debt and deficit like household and personal debt

“ It freaks me out so like to think that our country is completely in the red is scary because if I were completely in debt I would be scared for myself so I can’t imagine that we shouldn’t be scared for the country.

“ When you’re in debt you owe lots of money to people they’re going to come to collect it...I mean, when you’ve gotten to that point ...like, the government’s in that much debt.

“ I think there’s a lot of frivolous spending and everyone else is tightening their belts and I think that they need to also.

“ We all have credit but what happens when we spend more than we’ll ever pay back? If I borrowed or charged us \$450 million dollars on my credit card I’m going to lose my house, my car, everything. Is China going to repossess our country and then move their overpopulated people here? Where will we go? They own us.

“ I don’t think money is something that people talk about. It’s just not a norm in our society so I’m wondering if the government is like that and just not telling us it’s a crisis.

But evenly divided on investment versus cuts

Statement	Count
Given where our economy is, we should invest now in infrastructure, education and technology, and re-hiring teachers and firefighters to get people back to work to make our country stronger in the long-term.	16
Given where our economy is, we should cut government spending and reduce the federal deficit that weighs down our economy and give confidence to businesses to invest and create jobs.	19

Statement	Count
We should avoid immediate drastic cuts in spending, and instead, we need serious investments that create jobs and make us more prosperous in the long term that will reduce our debt, too.	17
The only way to restore prosperity and market confidence is to dramatically reduce government spending and our long-term deficits.	17

They understand the long-term benefits of investment

“ you have to spend money to make money.

“ We are investing in our future so that's something positive.

“ Growth requires an investment.

“ Invest in our future; for future growth. How are we supposed to compete if we don't invest in ourselves?

“ it has a ripple effect where the economy gets stronger, infrastructure gets stronger and then you just, you have a lot more self contained growth.

“ Like the investing in education and like it's saying rehiring teachers and firefighters ... we cut these jobs and we've done this, like start bringing it back and rebuilding

“ I think that to do away with the things that we depend on, such as teachers and firefighters, is doing a disservice to the people that we have now and cutting government spending and reducing the federal deficit isn't going to help if everybody's on welfare.

Especially in education

“ I think our children are our future, they need to be smart and well educated for our country to get better.

“ I think our education in this one stands out. Without technology and education we're doomed. We have to increase those. We have to have the younger coming in, getting this education. That's it; that's what's been up to this point.

“ I think that, well, first of all, it's really important to have teachers because a child's education is important for their future and if they don't get an education, if they're sitting in a classroom with 35 other kids how are they supposed to get that help that they need?

“ I mean I think our children are our future, you know, they need to be smart and well educated for, you know, our country to get better and, yeah, making college more affordable, you know, between me and my wife, we have 5 kids so, you know, some help with that.

And participants desperate to address political dysfunction in Washington

“ If both political parties could work together, we might actually be able to accomplish something.

“ We are not as divided in our opinions as our elected representatives!

“ The conflict between the 2 parties needs to stop and work together.

“ It is frightening to me to even consider that the Republicans ... block any bill or proposal just because they don't like the President!

“ I think the government needs to work together to get things accomplished that benefit America and not special interests.

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