

Date: August 3, 2010
To: Friends of Democracy Corps and Greenberg Quinlan Rosner
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End of July Tracking: Real Economic Indicators

Economic Ratings Decline

Monthly tracking from Citizen Opinion shows troubling trends in the public's experience, perceptions and conclusions. Virtually every personal measure has returned to the lowest point on our seven months of tracking and macro-expectations have darkened too. These shifts coincide with news in July of slower job growth, persistently high unemployment and weaker than expected 2nd quarter GNP growth.

These darkening perceptions have consequences: Democrats are lagging further behind Republicans on which party can best deal with the economy.

In the July tracking conducted by Greenberg Quinlan Rosner for Citizen Opinion,¹ as many voters said the economy was getting worse, as improving. Some of the key findings include:

- Over a third, 35 percent, say the economy will get worse and another 25 percent say it is at the bottom but has not gotten any better. That leaves just 35 percent who say it is improving, down 10 points since April.
- Only 16 percent give a warm rating to the economy, the lowest level since March. It had been hovering at 20 percent or better since then.
- Just over three-in-ten give a cool rating to their personal finances, the worst such rating in this tracking since early 2009.

¹ This memo is based on a poll conducted by Greenberg Quinlan Rosner for Citizen Opinion. The poll was conducted July 26-29, 2010 among 2008 voters nationwide. All analysis in this memo unless otherwise noted is among the 1,000 2008 voters.



- Real economic indicators on job loss, wage cuts and problems with home payments have all worsened.

A striking 64 percent say the country overall is moving in the ‘wrong direction,’ compounded by the focus on the direction of the economy.

These conclusions are making life more difficult for Democrats in Congress. In rating which party could do a better job on this most important issue, likely voters pick the Republicans over Democrats by a 49 to 36 percent margin. That is the lowest rating for Democrats in all of our polling and the best result for Republicans. This comes after several months of Democrats narrowing the gap or at least holding steady.

Partisanship tints all of these views of the economy. A strong majority of Democrats – 60 percent – still believe the economy is actively improving. Yet, nearly a majority of both independents and Republicans believe that it is worsening.

The Micro Indicators

Underlying the drops on the macro indicators are voters’ real experience, which is worsening – on some measures hitting their lowest point in the economic tracking:

- Voters report more job losses (41 percent for themselves or immediate family) and lost hours and wages (44 percent). This is the first time that more than 40 percent reported losing a job.² Nearly half of white non-college voters report reduced wages or hours – a whopping 8-point increase. They report a 6-point jump in family unemployment.
- Most stunning was the jump in those who had trouble with housing payments or foreclosure – up from 13 to 22 percent. This is the highest in our tracking and corresponds with recent news from Realty Trac which monitors foreclosure activity. The new Democratic base – youth, unmarried women, and minorities – report the same accelerating foreclosure experience.

People are reporting rising problems with their personal finances – belying an earlier personal optimism. Just 47 percent give a warm rating to their personal finances. Only 42 percent of independents give their personal finances a warm rating, and only 13 percent, the overall economy.

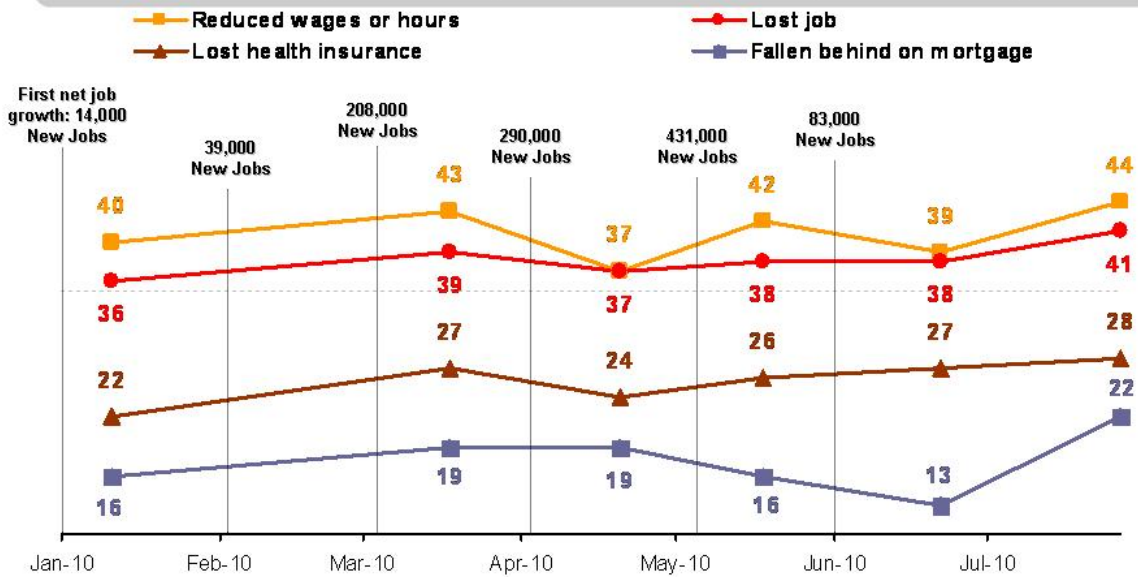
² Data for economic indicators reflects the total of those who have felt a personal impact of an impact on someone in their family.



Not all of the news is bad at the personal level. A third report finding a new job and 37 percent rejoining the labor market, suggesting there is room for economic growth.

Real economic indicators: negative indicators rise, jump in foreclosures

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.



**Note: Data from Democracy Corps surveys conducted since January 2010. Data reflects the total of those who have felt a personal impact of an impact on someone in their family.*

The Policy Implications

As noted, the Democrats may see trouble this fall because of the direction of these real economic indicators. Voters now give the Republicans a 49 to 36 percent advantage on handling the economy, the worst for Democrats in all of our polling.

For the first time in our tracking, a majority of 54 percent believes that President Obama’s economic policies have done nothing to relieve the recession and run up a record deficit; just 39 percent that believe his administration’s efforts averted a worse crisis. This is not consistent with the administration’s argument about economic success.

When asked about the vote in November, 52 percent plan to vote Republican to protest the direction of the economy – 11 points more than voting Democratic to not jeopardize the recovery.